

COUNTY OF RIVERSIDE
DEFERRED COMPENSATION ADVISORY COMMITTEE (DCAC)

AGENDA
Wednesday, December 7, 2022
9:30 a.m.

IMPORTANT NOTICE REGARDING DEFERRED COMPENSATION ADVISORY COMMITTEE MEETING

This meeting is being conducted utilizing teleconferencing and electronic means. This is consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Stephanie Jones at (951) 955-3515. Notification 48 hours prior to the meeting will enable us to make reasonable arrangements to ensure accessibility to the meeting [28 CFR 35.102.35.104 ADA Title II].

Submission of Public Comments: For those who wish to make public comments at this meeting, please submit your comments by email to Stephanie Jones at (951) 955-3515 prior to 8:00 a.m. on December 7th. All email comments shall be subject to the same rules as would otherwise govern speaker comments at the meetings. All email comments shall not exceed three (3) minutes and will be read out loud at the meeting and become part of the record of the meeting.

1. Call to Order and Introductions.....Executive Office
2. Approval of Resolution No. 2022-002: A Resolution of the County of Riverside Deferred Compensation Advisory Committee authorizing remote teleconference meetings of the legislative bodies of the County of Riverside Deferred Compensation Advisory Committee for the period of December 7, 2022 to January 5, 2023 pursuant to the Ralph M. Brown Act.....Executive Office
3. Review and approve the meeting minutes from September 27, 2022.....Executive Office
4. Review Nationwide PlanHuman Resources
5. Review AIG Corebridge PlanHuman Resources
6. Review and approve recommendations of the Hyas Group – Investment Policy Plan for the Deferred Compensation Plans.....Human Resources
7. Public Comment

Each speaker is limited to two minutes.

If you are addressing the Deferred Compensation Advisory Committee on a non-agenda

item, the Deferred Compensation Advisory Committee may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2).

However, the Deferred Compensation Advisory Committee's general policy is to refer items to staff for attention, or have a matter placed on a future agenda for more comprehensive action or report.

8. New Business
9. Meeting Adjourned to – date to be determined (TBD)

If any additional information is needed, please call Stephanie Jones at (951) 955-3515.

If any ADA accommodations are needed, please contact the Human Resources Department's Disability Access Office at (951) 955-5663 or TTY line (951) 955-8688 from 8:00 to 5:00 p.m. Monday through Thursday. Requests should be made two (2) days prior to the scheduled meeting.

Please utilize the link below to join the meeting.

Join Zoom Meeting

<https://us06web.zoom.us/j/83540499581?pwd=YU9za3IzMXlERoJ6SnlVd21MRUpXQT09>

Meeting ID: 835 4049 9581

Passcode: 201790

One tap mobile

+16694449171,,83540499581#,,,,*201790# US

+16699006833,,83540499581#,,,,*201790# US (San Jose)

Dial by your location

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

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+1 346 248 7799 US (Houston)

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+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 386 347 5053 US

+1 564 217 2000 US

+1 646 876 9923 US (New York)

+1 646 931 3860 US

Meeting ID: 835 4049 9581

Passcode: 201790

Find your local number: <https://us06web.zoom.us/j/83540499581?pwd=YU9za3IzMXlERoJ6SnlVd21MRUpXQT09>

Join by SIP

[83540499581@zoomcrc.com](https://us06web.zoom.us/j/83540499581?pwd=YU9za3IzMXlERoJ6SnlVd21MRUpXQT09)

1 **WHEREAS**, on June 11, 2021, Governor Newsom issued Executive Order N-07-21, which
2 formally rescinded the Stay-at-Home Order (Executive Order N-33-20), as well as the framework for a
3 gradual, risk-based reopening of the economy (Executive Order N-60-20, issued on May 4, 2020) but did
4 not rescind the proclaimed state of emergency; and,

5 **WHEREAS**, on June 11, 2021, Governor Newsom also issued Executive Order N-08-21, which set
6 expiration dates for certain paragraphs of the State of Emergency Proclamation dated March 4, 2020 and
7 other Executive Orders but did not rescind the proclaimed state of emergency; and,

8 **WHEREAS**, as of the date of this Resolution, neither the Governor nor the state Legislature have
9 exercised their respective powers pursuant to Government Code section 8629 to lift the state of emergency
10 either by proclamation or by concurrent resolution the state Legislature; and,

11 **WHEREAS**, the California Department of Industrial Relations has issued regulations related to
12 COVID-19 Prevention for employees and places of employment. Title 8 of the California Code of
13 Regulations, Section 3205(5)(D) specifically recommends physical (social) distancing as one of the
14 measures to decrease the spread of COVID-19 based on the fact that particles containing the virus can travel
15 more than six feet, especially indoors; and,

16 **WHEREAS**, the County of Riverside Deferred Compensation Advisory Committee finds that state
17 or local officials have imposed or recommended measures to promote social distancing, based on the
18 California Department of Industrial Relations' issuance of regulations related to COVID-19 Prevention
19 through Title 8 of the California Code of Regulations, Section 3205(5)(D); and,

20 **WHEREAS**, as a consequence, the County of Riverside Deferred Compensation Advisory
21 Committee does hereby find that it and its legislative bodies shall conduct their meetings by
22 teleconferencing without compliance with Government Code section 54953 (b)(3), pursuant to Section
23 54953(e), and that such legislative bodies shall comply with the requirements to provide the public with
24 access to the meetings as prescribed by Government Code section 54953(e)(2).

25 **NOW, THEREFORE, BE IT RESOLVED, FOUND AND ORDERED** by the County of
26 Riverside Deferred Compensation Advisory Committee in regular session assembled on December 7, 2022
27 as follows:

28 Section 1. Recitals. All of the above recitals are true and correct and are incorporated into this

1 Resolution by this reference.

2 Section 2. State or Local Officials Have Imposed or Recommended Measures to Promote Social
3 Distancing. The County of Riverside Deferred Compensation Advisory Committee hereby proclaims that
4 state officials have imposed or recommended measures to promote social (physical) distancing based on
5 the California Department of Industrial Relations' issuance of regulations related to COVID-19 Prevention
6 through Title 8 of the California Code of Regulations, Section 3205(5)(D).

7 Section 3. Remote Teleconference Meetings. The County of Riverside Deferred Compensation
8 Advisory Committee and any of its legislative bodies are hereby authorized and directed to take all actions
9 necessary to carry out the intent and purpose of this Resolution including, conducting open and public
10 meetings in accordance with Government Code section 54953(e) and other applicable provisions of the
11 Brown Act.

12 Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption and
13 shall be effective until the earlier of (i) , January 5, 2023, or (ii) such time as the County of Riverside
14 Deferred Compensation Advisory Committee adopts a subsequent resolution in accordance with
15 Government Code section 54953(e)(3) to extend the time during which its legislative bodies may continue
16 to teleconference without compliance with Section 54953(b)(3).

17 ADOPTED this 7th day of December, 2022 by the County of Riverside Deferred Compensation
18 Advisory Committee, by the following vote:

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20 YES:

21

22 NO:

23 ABSENT:

24 ABSTAIN:

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COUNTY OF RIVERSIDE
DEFERRED COMPENSATION ADVISORY COMMITTEE INVEST REVIEW

MINUTES OF CONFERENCE CALL
September 27, 2022, 9:30 A.M.
ZOOM Conference Call

COMMITTEE MEMBERS PRESENT

Jeff Hewitt, County Board of Supervisors
Don Kent, Director of Finance
Mike Bowers, Human Resources Director
Matt Jennings, Treasurer-Tax Collector
Paul Angulo, Auditor Controller - absent

IN ATTENDANCE

Matthew McDonald, Hyas Group
Rasch Cousineau, Hyas Group
Tom Breden, Hyas Group

1. CALL TO ORDER

Don Kent noted the established quorum and called the meeting to order at 9:31 a.m.

2. Approval of Resolution No. 2022-001 – Authorizing Remote Teleconference Meeting for the period of September 27, 2022 to October 26, 2022 pursuant to the Ralph M. Brown Act.

MOTION: Don Kent moved to approve
Supervisor Hewitt seconded
All were in favor. Motion passed unanimously.

3. APPROVAL OF MINUTES

The November 18, 202 minutes were reviewed and approved.

MOTION: Don Kent moved to approve
Matt Jennings seconded
All were in favor. Motion passed unanimously.

4. Review and approve recommendation of the Hyas Group – County of Riverside Review of Plan Investments.

Don Kent shared with the Committee that HR bought forth an RFP at the last meeting for AIG and Nationwide because it was time to do so. RFP has been scored and Human Resources will bring before the Board of Supervisors prior to the end of the year for approval and award.

Don Kent shares with everyone that it was agreed at staff level, they have talked about having the independent review to be performed by a firm for key things. Don Kent mentions that he sees three reasonings for this, to look for opportunities to reduce if any expenses because of the current inflation, gain efficiencies if any throughout the plan offerings, to provide for a greater level of transparency such as being up to date with plan administration.

Proposed Fees and Rates

AIG

Scenario	Proposed Fee	Fixed Rate	Fixed Floor
#1	0.09%	2.25%	2.00%
#2	0.02%	2.20%	0.25%

Nationwide

Scenario	Proposed Fee	Fixed Rate	Fixed Floor
#1	0.083%	3.00%	1.00%
#2	0.015%	2.25%	1.00%

AIG

Hyas Group recommends option 2. Committee Members have requested the Hyas Group to negotiate the fixed floor rate with AIG. Hyas Group will propose a possible new fixed rate of 2.45%.

Nationwide

Hyas Group recommends option 2. Committee Members have requested the Hyas Group to negotiate the fixed rate with Nationwide. Hyas Group will propose a possible new fixed rate of 2.30%.

Revenue Share model proposed a payment of \$1400.00 for records keeping and administration expenses across the board.

	AIG	Nationwide	Total
Current Admin Cost	0.24%	0.14%	0.16%
New Admin Cost	0.10%	0.10%	0.10%
Est. Annual Savings (%)	0.14%	0.04%	0.06%
Est. Annual Savings (\$)	\$417,714	\$337,555	\$755,270

Total Cost Summary & Savings

The below chart illustrates a 0.10% Admin Fee, which includes the recordkeeping fee and the County's admin expenses.

	AIG	Nationwide	Total
Current Total Cost	0.61%	0.59%	0.60%
New Total Cost	0.47%	0.43%	0.44%
Total Est. Annual Savings (%)	0.14%	0.17%	0.16%
Total Est. Annual Savings (\$)	\$428,836	\$1,482,445	\$1,911,280

Investments Cost & Savings

	AIG	Nationwide	Total
Current Investment Cost	0.37%	0.46%	0.44%
New Investment Cost	0.37%	0.33%	0.34%
Est. Annual Savings (%)	0.00%	0.13%	0.10%
Est. Annual Savings (\$)	\$11,122	\$1,144,889	\$1,156,011

Approve to move forward with the Nationwide and VALIC contracts to the Board

MOTION: Don Kent moved to approve
Supervisor Hewitt seconded
All were in favor. Motion passed unanimously.

Approve to move for Scenario#2 for AIG and Nationwide fixed account

MOTION: Don Kent moved to approve
Supervisor Hewitt seconded
All were in favor. Motion passed unanimously.

Approve to move for adding Vanguard Federal Money Market Fund ticker VMFXX

MOTION: Don Kent moved to approve.
Matt Jennings seconded
All were in favor. Motion passed unanimously.

5. **Public Comment**

None

6. **New Business**

New business will be discussed in annual meeting scheduled for December 7, 2022

7. **Adjournment**

Meeting adjourned at 10:48am

Next meeting scheduled on December 7, 2022, at 9:30am

County of Riverside, California
457(b) Deferred Compensation and 401(a) Defined Contribution Plans
Investment Policy Statement

August 2022

INTRODUCTION AND PURPOSE

This statement is set forth to provide an outline of the investment policies, guidelines and objectives related to the administration of the County of Riverside 457 Deferred Compensation and 401(a) Defined Contribution Plan (hereinafter "Plan" or "Plans"). The County of Riverside Deferred Compensation Plans Advisory Committee administers and provides oversight. The Plans are salary deferral retirement plans available to eligible employees. The Plans' purpose is to provide a vehicle for and to encourage additional retirement savings in order to supplement the other retirement benefits provided to County employees.

This Investment Policy Statement is further intended to assist the fiduciaries of the Plans in making investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the investment options and investment providers utilized by the Plans. This Investment Policy Statement will be reviewed at least annually, and it can be revised at any time to reflect changes in the capital markets, plan participant objectives, or other factors relevant to the Plans.

The Plan Document for the Plans is the governing document and contains the specific Plan provisions and requirements for determining eligibility and operational processes for contributions and withdrawals. If any term or condition of this Investment Policy Statement conflicts with any term or condition in the Plan, the terms and conditions of the Plan as provided under the Plan Document shall control.

SUMMARY OF RESPONSIBILITIES

Plan Sponsor – The County of Riverside is the Plan Sponsor. The Plan Sponsor's responsibilities include but are not limited to:

- Adopting and amending the Plan Document;
- Approving Plan services contracts;
- Appointing the Committee members; and
- Designating other fiduciaries of the Plan.

Committee/Plan Sponsor Representatives – The County of Riverside Deferred Compensation Advisory Committee (hereinafter "Committee") has responsibility for the operation and administration of the Plans in accordance with the terms of the Plan Documents. It is the intent of the Committee to fulfill its fiduciary responsibilities with respect to the Plans solely in the interest of the participants and beneficiaries. The Committee members, as fiduciaries, are to perform their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The Committee's responsibilities also include but are not limited to the following:

- Selecting the investment design features of the Plans, including establishing the investment policy and objectives and the number and types of investment alternatives available to Plan participants;
- Appointing, monitoring, and evaluating all investment providers and managers in accordance with guidelines and benchmarks established within this document and consistent with applicable laws;
- Selecting and monitoring other Plan service providers, including, but not limited to, the Plan record-keeper, trustee, investment consultants, accountants, and/or any other providers; and
- Monitoring Plan costs which are charged to Plan assets and/or paid by Plan participants, including but not limited to investment management fees, custodial fees and fees paid to other plan service providers from Plan and/or participant assets.

Investment Consultant – The Committee may engage an independent investment consultant (hereinafter “Consultant”) to assist in carrying out the duties and responsibilities of this Investment Policy Statement. Such Consultant must be registered with either State or Federal securities regulators pursuant to the Investment Advisors Act of 1940. The Consultant’s role is to provide information various investment related issues. The Consultant has no discretionary control or authority over the Plans and their assets. In its role as an advisor to the Committee the Consultant acknowledges a fiduciary role with respect to the investment advice provided to the Committee. The services of the Consultant will be set forth in a separate agreement.

Investment Provider – An entity that offers investment option products and manages assets for the Plans. Examples of investment option products offered by an investment provider may include mutual funds, commingled trust funds, separate accounts and/or variable annuity contracts.

Investment Manager – The person(s) at the Investment Provider responsible for implementing an investment option’s investing strategy and managing its portfolio trading activities.

Services Provider – An entity engaged to assist the Plan Sponsor and the Committee in regard to the administration of the Plans. This assistance includes Plan enrollment, communication, education, including providing general investment information to Plan participants regarding the procedures for making investment choices under the Plans. Additionally, the Services Provider should provide general information regarding each of the investment options offered under the Plans, required disclosures, distribution processing, record keeping, and other administrative functions as prescribed in an agreement entered into between the Plan Sponsor and the Services Provider.

GENERAL COMPLIANCE

The Plans are designed in accordance with the requirements of Section 401 and 457 of the Internal Revenue Code of 1986 (hereinafter “Code”), as amended. Though the Employee Retirement Income Security Act (ERISA) does not apply directly to the Plans, the Committee nevertheless intends to structure the Plans to contain certain features of a “404(c) Plan” within the meaning of the Department of Labor regulations under Section 404(c) of ERISA. The Plan participants will be solely responsible for the investment decisions and investment transactions that they make under the Plans as well as for electing the timing and form of distributions according to the terms of the Plans.

In keeping with the statutory framework of the Department of Labor regulations under ERISA Section 404(c), the Committee aims, within its available resources, to provide Plan participants with the following opportunities to:

- A. Choose from a minimum of three diverse investment categories, each with materially different risk and return characteristics. At least one of the categories will provide for a high degree of safety and capital preservation;
- B. Make investment decisions at least quarterly; and
- C. Receive or have access to the following information, as updated and as made available by the Services Provider:

- A description of the investment options available under the Plans including a general description of the investment objectives, risk and return characteristics, and type and diversification of assets comprising each alternative;
- Identification of the designated investment providers and investment options;
- A description of any transaction d or expenses charged to the participant's account, and information on costs and fees for an investment option that reduce the rate of return to participants (expense ratios); and
- Prospectuses, annual reports, and semi-annual reports on investment option, if available.

GENERAL INVESTMENT POLICY, OBJECTIVES AND STANDARDS

The Plans intend to foster an investment environment that encourages and facilitates participant efforts to supplement other sources of retirement income. Participants in the Plans are solely responsible for their own investment decisions and bear the risks and assume responsibility for the results of the investment options that they select. The Committee makes no representations, promises, or warranties regarding the suitability of Plan participation for any participant's individual investment or retirement needs. Additionally, the Committee makes no representations, promises, or warranties about the performance of the Plans or the Plans' investment options.

The primary investment objective of the Plans is to present participants with a range of investment options, which give participants an opportunity to increase the value of their account in a manner consistent with varying levels of participant risk/reward tolerances and investment decision making skills. While the Plans cannot meet all plan participant investment preferences and attitudes, the Plans attempt to provide investment options for participants at various levels of investment sophistication and with varying requirements for risk and return.

Information that may be used to select which investment options to offer includes, but is not limited to, the following:

- Age, income, and other demographic data on Plan participants
- Liquidity and administrative constraints imposed on the Plans by investment and/or service providers
- Development of new investment products in the marketplace
- Level of participant usage of a particular investment category or option

A risk/reward structure is basic to investments. Generally, those vehicles offering the greatest return over time also carry the highest risk or volatility of return. The inherent conflict between volatility and long-range asset accumulation can be lessened through diversification among asset categories or classes. To provide participants the opportunity to select risk/reward strategies and to diversify Plan assets, the Plans will offer a number of investment alternatives in varying asset categories. These categories will have varying return and volatility characteristics and it is the responsibility of each participant to evaluate the investment options and to select an appropriate mix.

In addition to providing a range of investment options, the Plans seek to provide investment options that are competitive in terms of performance relative to appropriate investment performance and risk benchmarks. The performance and risk relationships of the Plans' investment options will be reviewed periodically. Investment options should generally be given a full market cycle to achieve stated objectives (market cycles normally occur over 3-5 year time periods). Investment options are expected to meet (in the case of passively managed/indexed options) or exceed their pre-determined benchmark index net of fees. Where peer groups are definable, actively managed investment options are expected to perform within the upper half of a sample of same style peers net of fees. In addition to net investment performance, the options' risk characteristics will also be reviewed. The risk associated with an investment option generally should be similar to the same-style peer group.

INVESTMENT OPTIONS

Investment options offered by the Plans will be categorized or grouped by similarities in investment objectives, style and risk. The Plan's services provider(s) and Consultant may be used to assist in determining the categories of investment options. The Plans will assist participants in meeting their long-term investment objectives by providing investment options within the following permitted investment categories (these categories are further explained later in this document):

A. Tier 1: Target Retirement Date Pre-Mixed Portfolios

B. Tier 2: Asset Category Core Options

- Fixed Stable Value/Guaranteed Investment Contract (GIC)
- Total Return Bond
- U.S. Large-Size Company Equity
- U.S. Mid-Size Company Equity
- U.S. Small-Size Company Equity
- International Equity

Investment options and categories may be added or deleted as the Committee deems necessary. At least one investment option shall be available within each investment category.

The following table outlines the objectives and performance benchmarks for each of the Plan's investment options. The risk associated with an investment option will be compared to appropriate risk benchmarks or measures for a same-style group of peer investment options, where definable.

TIER 1: TARGET RETIREMENT DATE PRE-MIXED PORTFOLIOS

Lifecycle Premixed Portfolio - Retirement Income	
Provide an asset allocation that is designed to deliver income generation, capital gains, and liquidity for investors in retirement. The portfolio will be well diversified including U.S. fixed income securities as well as U.S. and international equities. Stocks generally will comprise not more than 30% of the total portfolio. The percentage of international equities generally will not exceed 40% of the equity portion of the fund.	
Benchmark Index:	Custom Blended Index
Peer Group:	US Retirement Income

Lifecycle Premixed Portfolio – 2015, 2020, 2025, 2030	
Provide an asset allocation that is designed to deliver income generation, capital gains, and liquidity for investors whose expected retirement date matches the date provided in the portfolio’s name. Portfolios provide different allocations to stocks and bonds dependent upon the target retirement or withdrawal date that is selected. The portfolio will be well diversified including U.S. fixed income securities and U.S. and international equities. Stocks generally will comprise 30%-70% of the total portfolio. The percentage of international equities generally will not exceed 40% of the equity portion of the fund.	
Benchmark Index:	Custom Blended Index
Peer Groups:	US Target Date 2015, US Target Date 2020, US Target Date 2025, US Target Date 2030

Lifecycle Premixed Portfolio – 2035, 2040, 2045, 2050, 2055, 2060, 2065, 2070	
Provide an asset allocation that is designed to deliver income generation, capital gains, and liquidity for investors whose expected retirement date matches the date provided in the portfolio’s name. Portfolios provide different allocations to stocks and bonds dependent upon the target retirement or withdrawal date that is selected. The portfolio will be well diversified including U.S. fixed income securities, and U.S. and international equities. Stocks generally will comprise 70%-95% of the total portfolio. The percentage of international equities generally will not exceed 40% of the equity portion of the fund.	
Benchmark Index:	Custom Blended Index
Peer Groups:	US Target Date 2035, US Target Date 2040, US Target Date 2045, US Target Date 2050, US Target Date 2055, US Target Date 2060, US Target Date 2065+

TIER 2: ASSET CATEGORY CORE OPTIONS

Fixed Stable Value/Guaranteed Investment Contract

Provide high current income relative to cash investments and a high degree of investment safety without fluctuation of principal. Investment returns are derived primarily from interest income, with the possibility of some capital appreciation (or depreciation) of the underlying investment instruments. Generally, this option will be invested in guaranteed investment contracts (GICs), "synthetic" portfolios, money market instruments, and others, each mainly comprised of investments of short- to intermediate maturity, and which provide for an adequate degree of liquidity. The weighted-average maturity is expected to remain between two and five years at most times, though the investment manager retains discretion to occasionally deviate from these parameters if conditions appear to warrant doing so. Products from different issuers are permitted within the option, but generally, it is expected that the portfolio will remain broadly diversified with respect to issue, issuers, wrap-providers, the utilization of any General Account investments, and other relevant factors. The overall weighted credit-quality rating of the option shall be the equivalent of mid-investment-grade rating or higher. The rating must be obtained from at least one credit rating agency such as Moody, S&P or Duff & Phelps. If the option's weighted rating declines below this level, the option will be evaluated for corrective action.

Benchmark Indexes:	5-year Constant Maturity (CM) US Treasury, 90-Day US Treasury Bill
Peer Group:	Stable Value (not applicable to general accounts)

Total Return Bond

Provide capital appreciation and income through a diversified, actively managed fixed income portfolio. The portfolio's duration is expected to be comparable to that of its Benchmark Index, with some bandwidth allowed for the manager to exercise strategic deviation from the Benchmark. Average credit quality is expected to be investment grade. The fixed income portfolio will normally be primarily comprised of investments including money market instruments, U.S. Government and Agency bonds, mortgage-backed securities, corporate bonds, and others. The manager will be given discretion to hold securities that are not contained within the Benchmark Index, which may include Foreign Bonds, High Yield Bonds, Convertibles, Treasury Inflation Protected Securities, derivatives, and others. The portfolio's aggregated composition and risk and return characteristics however are expected to be reflective of its asset class.

Benchmark Index:	Bloomberg US Aggregate Bond Index
Peer Group:	US Intermediate-Core Bond

U.S. Large Company Equity

Provide long-term capital appreciation through a diversified common stock portfolio whose average market capitalization may be categorized as Large Cap by an industry standard data provider. Stocks of foreign companies that are traded in the U.S. may also be included but are expected to constitute a minority portion of the portfolio.

Benchmark Indexes:	S&P 500 Index, Russell 1000 Growth, Russell 1000 Value
Peer Groups:	US Large Blend, US Large Growth, US Large Value

U.S. Mid-Size Company Equity	
Provide long-term capital appreciation through a diversified common stock portfolio whose average market capitalization may be categorized as Mid Cap by an industry standard data provider. Stocks of foreign companies may also be included but are expected to constitute a minority portion of the portfolio.	
Benchmark Indexes:	Russell Mid Cap Index, Russell Mid Cap Growth, Russell Mid Cap Value
Peer Groups:	US Mid Blend, US Mid Growth, US Mid Value

U.S. Small-Size Company Equity	
Provide long-term capital appreciation through a diversified common stock portfolio whose average market capitalization may be categorized as Small Cap by an industry standard data provider. Stocks of foreign companies may also be included but are expected to constitute a minority portion of the portfolio.	
Benchmark Indexes:	Russell 2000 Index, Russell 200 Growth, Russell 2000 Value
Peer Groups:	US Small Blend, US Small Growth, US Small Value

International Equity	
Provide long-term capital appreciation through a diversified portfolio of international equities. Stocks of emerging countries may be used at the discretion of the manager but are expected to constitute a minority portion of the portfolio at most times.	
Benchmark Indexes:	MSCI All-Country World IMI Index, MSCI All-Country World ex-US Index
Peer Groups:	US Foreign Blend

INVESTMENT OPTION SELECTION GUIDELINES

Investment options offered to participants will be provided through investment provider(s) accessible on the Services Provider's platform. Before introducing a new investment fund, the Committee, in consultation with the Consultant and Services Provider will define the niche to be filled and assess any prospective investment option's performance, quality, and risk characteristics. At a minimum, investment options under consideration should satisfy performance and risk considerations under actual, not modeled, conditions and over an appropriate time period. Investment option selection considerations may include, but are not limited to the following:

- The investment option should generally, but not necessarily, have a history that spans a full market cycle, normally three to five (3-5) years.
- The investment option should generally meet or exceed its predetermined benchmark index, net of fees.
- The investment option should generally perform at median or within the upper half of a recognized and defined sample of same-style peer funds.
- The investment option should be able to demonstrate a consistent performance track record attributable to a specific investment manager or team of managers.
- For Target Retirement Date Funds, the Committee shall consider the current and prospective composition of the Target Date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents.

INVESTMENT OPTION REVIEW GUIDELINES AND MONITORING

Investment providers and investment managers are required to comply with all applicable laws, rules, and regulations. However, the Committee takes no responsibility for the failure of such option and/or investment manager to comply with any and all applicable laws, rules, or regulations.

All options must have readily ascertainable market values and be easily marketable. It is recognized that Stable Value/GIC funds often have liquidity restrictions. Investment options with sales loads, redemption fees, or other non-investment management related expenses will be avoided to the extent possible. Options with deferred sales charges and/or market value adjustments will not be permitted.

Each investment option portfolio shall be diversified adequately to reduce risk and comply with current regulations and applicable state laws.

Investment option performance, risk and style consistency is intended to be evaluated on a quarterly basis. Performance and risk results will be evaluated using comparisons with this policy, pertinent market indices and against other same-style peers, where definable. When necessary, investment option performance and risk may be reviewed more frequently.

The Committee will periodically review the investment options' progress in meeting the Plans' investment objectives. Investment options will be expected to comply with all stated investment objectives, guidelines and applicable rules contained in the prospectus or fund fact sheet. The Committee will review the performance of investment options quarterly to determine if they are achieving the established objectives. Investment performance reviews may include, but are not limited to, a review of:

- Investment portfolios;
- Fees and expenses;
- Investment style, process, and philosophy;
- Investment management personnel; and
- Index tracking error.

The performance review will also include measuring the options' investment performance relative to stated benchmarks or respective indexes and peer groups; as well as the monitoring risk measures. The following will be evaluated:

QUANTITATIVE MEASURES

Active Investment Strategies. Options employing active management are expected to outperform their stated asset class or style benchmark net of all management fees over a trailing five-year time period; and to rank above the 50th percentile of the appropriate peer group for the same trailing five-year time period. It is also expected that the risk of each option, as defined by standard deviation of returns, be commensurate with the prescribed strategy relative to the appropriate market index and/or peer group. Target Date funds will be evaluated relative to customized passive benchmarks, comprised of two or more market indices allocated in a manner reasonably consistent with the stated asset allocation of the fund. Each Target Date fund will be compared to a passive benchmark developed specifically for the fund. The fund should exhibit risk and return characteristics that are reasonably consistent with the passive benchmark. After expenses, the fund should not systematically underperform the passive benchmark, nor should its expenses exceed the category average.

Passive Investment Strategies. Passive Options are expected to track the performance of the index strategy that the option is designed to replicate, less management fees, with marginal tracking error. It is also expected that the risk of each passive option, as defined by standard deviation of returns, be commensurate with the appropriate market index.

It should also be noted that certain passive investment options operate in a marketplace that includes foreign markets whose exchanges close prior to those of the United States. In these instances, some fund managers may engage in a method of "Fair Value Pricing," whereby the managers adjust the pricing of securities in the Fund to reflect any information that has become available after the close of the applicable foreign exchange market. Discrepancies in performance between the applicable investment option and its performance benchmark that are due to "Fair Value Pricing" and other common index fund tracking factors (such as the timing of market closures, management fees, benchmark nuances, and others) will be taken into consideration in evaluating performance of the affected investment options and generally will not be counted as underperformance.

QUALITATIVE MEASURES

The options will also be monitored on an ongoing basis for other material changes which the Committee may determine are of importance to the decision of whether or not to retain an investment option, such as personnel departures; organizational changes; or alterations in investment style, philosophy, or strategy; and adherence to stated guidelines.

Time Periods. The Committee acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in an option's performance; the Committee intends to employ investment options with long-term investment strategies and will evaluate option performance from a long-term perspective. Performance over market cycles of three to five years will be weighted more heavily than performance over shorter time periods, such as one year or less.

In addition to the qualitative and quantitative measures referenced above, the Committee will also review the investment options' risk characteristics in relation to that performance. Risk will be measured in various ways including, but not limited to:

- Standard deviation
- Downside risk or semi-variance
- Risk/return ratios such as Sharp or Treynor Ratios
- Other statistical measures such as Beta, Alpha and Variance
- The current and prospective composition of the Target Date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents.

INVESTMENT OPTION TERMINATION AND WATCH GUIDELINES

Generally, all investment options are expected to remain true to their stated investment objectives and to perform as well as or better than their prescribed performance benchmarks, net of fees. The Committee recognizes the long-term nature of retirement plan investing and the variability of market returns. Periodic underperformance in any of the criteria outlined in this Investment Policy will not necessitate the termination of an option; however, any underperformance will result in consideration by the Committee of the factors

causing underperformance and possible courses of action that the Committee may take. The Committee may, at any time, place any investment option that it views as having a pattern of underperformance on a watch-status. Reasons the Committee might place an option on a watch status, include but are not limited to, the following:

Quantitative Measures

Actively Managed Options

- Performance below the prescribed benchmark index over a trailing five-year period, combined with
- Performance below the median of its peer group over a trailing five-year period

Passively Managed Options

- Net of fee and any fair value adjustment performance tracking error relative to the respective index that is greater than 15 basis points over a trailing five-year period

Target Date funds will be evaluated based on the performance of the entire suite as held within the Plans. A Target Date suite will normally be viewed as being in violation of investment policy performance criteria if over one-half of the funds in a Target Date suite held within the Plans lag this Investment Policy Statement's prescribed performance measures. The Committee may elect to deviate from this approach if it appears reasonable to do so.

Qualitative Measures

- Management team or other significant personnel turnover;
- Changes in the product's investment philosophy, process, style or risk profile;
- Excessive or rapid asset growth or decline;
- Pending regulatory investigations or material legal proceedings;
- Changes to firm ownership;
- Significant increase in management fees or expense ratio.

An investment option may remain on watch status until the Committee decides to take further action. Committee actions include, but are not limited to, the following:

- Removing the investment option from watch status; and
- Terminating the investment option and reallocating the assets to an alternate or replacement investment option by Committee direction.

To be removed from quantitative, performance related watch status, generally, performance for the preceding five-year trailing periods should be above the benchmark index or median for at least two consecutive quarters. However, barring any breakdown in process, the Committee may decide to leave an option on watch for as long as they feel it is prudent to do so.

The Committee reserves the right to terminate investment option relationships at any time, for any reason when it determines such termination is in the best interests of the Plans and its participants and beneficiaries. Upon termination, further contributions or transfers to an investment option may be frozen, or the option may be replaced with or without transferring existing assets from the replaced option. Once the decision to terminate an option and remove it from the Plans is made, asset transfer and liquidation should be handled to the best advantage of the Plans, with due consideration given to the anticipated effect on affected participants and beneficiaries.

INVESTMENT OVERSIGHT RESPONSIBILITY AND PROXY VOTING

The Committee shall have overall responsibility for the selection, monitoring and termination of all investment managers. Additionally, the Committee shall be responsible for reviewing and maintaining these investment policies and guidelines.

Proxy voting rights shall be exercised in the best interest of the participants and beneficiaries of the Plans. The Committee may delegate the responsibility for promptly voting all proxies and related actions in a manner consistent with the long-term interest and objectives of the Plans. The Committee shall keep records of the voting of proxies and related actions and will comply with all applicable regulatory obligations.

On behalf of the Plans this Investment Policy Statement is adopted by the Committee and effective on this date:

By: _____

Name:

Date: _____

GLOSSARY

Annualized Return

Rate of return of the account smoothed as though the return occurred equally over twelve-month periods. When the specified time frame is for less than a year, the rate of return is projected as though the same performance continues to occur for a twelve-month period.

Benchmarks

A standard against which the performance of the portfolio can be measured, typically against a standard index, although a client manager may also set the benchmark.

Duration

The weighted maturity of a fixed-income investment's cash flows used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond's price (a bond's cash flows consist of coupon payments and repayment of capital). A bond's duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, where maturity and duration are equal.

Growth Style Investing

Growth investors purchase companies that have above-average earnings growth and/or above-average sales growth rates.

Investment Objectives

The overall financial objectives of an investor. For example, whether the investor requires income or capital appreciation. The investor's objectives govern the investment strategy.

Large Cap

Large Capitalization – refers to those companies with a market capitalization categorized as Large Cap by an industry standard data provider.

Liquidity

The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

Market Capitalization

The dollar value of a public company based on the total number of shares of stock available multiplied by the price per share.

Mid Cap

Mid Capitalization – refers to those companies with a market capitalization categorized as Mid Cap by an industry standard data provider.

Net of Fees

After subtraction of management fees.

Peer Group

Contemporaries of the same asset class that can be compared against one another to achieve a larger sense of how the particular portfolio is performing.

Portfolio

Refers to the complete list of securities held in an investment vehicle.

Small Cap

Small Capitalization — refers to those companies with a market capitalization categorized as Small Cap by an industry standard data provider.

Standard Deviation

Measures the range of returns and is based on a Normal Curve. Managers with lower standard deviations than the index have historically had returns that tended to fall closer to their mean return compared to the index. Managers with higher standard deviations than the index have historically had returns that tended to be further dispersed around the mean than the index. This is another measure of volatility, but it doesn't distinguish downside performance from upside performance.

Value Style Investing

Value investors rely on an examination of the underlying or unrealized value of a company as the primary criterion for deciding whether or not to buy a company's stock. Value stocks are often priced lower than growth stocks due to slower growth expectations, recent financial difficulty, or a host of other reasons.

Investment Policy for the County of Riverside

Deferred Compensation Plan

Revised November 15, 2018

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Note: The County of Riverside does not guarantee participant contributions and account balances under the Deferred Compensation Plan against the risk of principal loss or investment performance.

County of Riverside
Investment Policy for the Deferred Compensation Plan

Introduction

The County of Riverside provides a Deferred Compensation Program to attract and retain qualified personnel by providing a tax-favored retirement savings program.

The 457 Plan and the 401(a) Plan Deferred Compensation Program (together, hereafter referred to as "Plan") is governed by Section 457 and 401(a) of the Internal Revenue Code and is intended to comply with all applicable laws and regulations.

The Plan allows participants to defer a portion of their salary from current income and to direct their money into investment options of their own choosing from among tax deferred and after-tax options provided by the County. Traditional deferred compensation contributions are deposited into employees account on a tax deferred basis. Roth deferred compensation contributions are deducted on an after-tax basis. The Program is designed as a long-term retirement savings vehicle that is used to provide a supplemental source of income for eligible participants. While funds are held within these accounts, they do not pay taxes on gains.

The tax deferred and after-tax investment options available from the Plan cover a broad range of investment risk and potential reward appropriate for this kind of retirement savings program. The investment options (funds) made available will be determined by the Deferred Compensation Advisory Committee and may be changed from time to time.

The County shall develop and routinely review an investment policy to describe plan objectives, investment option categories and characteristics, the basis for fund selection and performance evaluation, and provision of investment education and communication to Participants.

The Deferred Compensation Plan

By Ordinance, the Plan is jointly administered by the Deferred Compensation Advisory Committee and County of Riverside Human Resources Director. The Human Resources Director is the Plan Administrator ("Administrator") and is responsible for the general administration of the Plan.

The Deferred Compensation Advisory Committee has responsibility for investment related matters of the Plan. The Deferred Compensation Advisory Committee shall administer the County's Investment Policy Statement.

The County Human Resources Director is responsible for contracting with a Plan Trustee for the servicing and investing of the Plan Assets. The Deferred Compensation Advisory Committee provides general policy guidance to the Human Resources Director in matters relating to the general administration of the Program.

Purpose

The purpose of this Investment Policy is to set objectives and guidelines, investment option categories and characteristics, the basis for fund selection and performance evaluation, outline Deferred Compensation Advisory Committee Duties and Responsibilities and provision of investment education and communication to Participants.

Plan Objective

The goal of the Investment Policy is to provide all employees with a comprehensive, prudently managed tax-deferred retirement savings program. The Plan objectives are:

- To operate for the exclusive benefit of the employee participants and their beneficiaries.
- To allow employees to accumulate assets to provide for a portion of their retirement needs.
- To provide a broad range of suitable investment vehicles recognizing the differing financial objectives, risk and return tolerance and diverse demographics of participants.
- To meet the fiduciary responsibility of the County in regard to the Deferred Compensation Plan.
- Establish a diversified list of investment options in order to minimize investment risk.
- Monitor investment options at least annually.

Investment Policy Guidelines

The Investment Policy will aid in the selection of appropriate investment asset categories and investment options. The Investment Policy will also guide the Deferred Compensation Advisory Committee in monitoring the performance of the Plan's investment options. The Deferred Compensation Advisory Committee will review the Policy at least annually to make any changes in the procedures and ascertain whether the Policy is in keeping with the Internal Revenue Service (IRS) regulations governing the Plan. The Deferred Compensation Advisory Committee may recommend amendments to this Policy at any time, to reflect changes in the procedures or to incorporate requirements based on new regulations.

Core Investment Options and Investment Asset Categories

The Deferred Compensation Advisory Committee will select at least one investment option within each of the investment asset categories listed below.

1. Money Market Option: Invests in stable principal and income growth.
2. Stable Value Option: Invests in a moderate level of current income with stable principal value.
3. Bond Option: Invests in higher level of current income and increasing principal appreciation values over the long-term.

4. **Balanced Option:** Invests in competitive returns from both current income and capital growth.
5. **Domestic Equity:** Invests in moderate capital growth and above average current dividend income.
6. **Growth Option:** Invests in long-term growth of capital, with less emphasis on current income.
7. **International/Global Equity:** Long-term growth of capital, with little or no emphasis on income, in worldwide markets.
8. **Index Funds:** Invests with the goal of replicating the performance of a specific market index.
9. **Asset Allocation Funds:** Invests in pre-selected, diversified portfolios, managed as a single fund.
10. **Target-Date Fund:** A fund that automatically resets the asset mix (stocks, bonds, cash equivalents) in its portfolio according to a selected time frame that is appropriate for a particular investor.
11. **Self-Directed Brokerage Account Option:** A Self-Directed Brokerage Account ("SDBA") Option may be offered. Participants electing the SDBA will be required to sign a letter acknowledgeable that they are sufficiently sophisticated and knowledgeable about investment matters that they are capable of making, managing and controlling their own investment choice or they are selecting an investment advisor to provide investment direction and selection. Funds in SDBA are not subject to the due diligence to the core fund offering and maintain additional transaction charges and fees.

Selection and Performance Criteria

The Deferred Compensation Advisory Committee will select and evaluate relative fund performance for each category of investment options. The following criteria will be used to determine the suitability of an investment option:

1. Investment option returns will be evaluated over a full market cycle, generally five to ten years. This allows for the investment process and style of a particular fund to fully develop in terms of risk, return, style and overall portfolio characteristics.
2. The Deferred Compensation Advisory Committee will consider both shorter- and longer-term performance information if extenuating circumstances exist, e.g. manager changes, or extraordinary economic or market conditions.
3. Returns should meet or exceed those of the appropriate benchmark indices for the objective and style of the investment option.
4. Returns should meet or exceed those of 50% of a peer group of investment options as described by a universe of peers with similar investment objectives and styles, such as the appropriate Morningstar category.

5. Investment options may also be evaluated on other criteria including, but not limited to, Morningstar fund ratings and absolute performance relative to the Consumer Price Index (CPI).
6. Risk adjusted returns, such as Sharpe Ratio of Information Ratio may be also considered to determine how much risk is taken to achieve a certain level of return. Funds that slightly under perform peers or benchmark may do so with much lower risk.

The Deferred Compensation Advisory Committee will ensure the following performance criteria are met with each fund:

1. The investment fund manager's experience of at least three years is preferred with at least \$100 million in assets under management.
2. All fees, commissions and charges will be disclosed to the Deferred Compensation Advisory Committee and all participants.
3. The investment options will provide for daily valuation and trading.
4. The investment fund provider must be able to provide communication and reporting services as needed to monitor the performance criteria.

Monitoring Procedure

The Deferred Compensation Advisory Committee will provide, at least annually, a review to assess the continuing compliance of all the Plan's investment options. The Deferred Compensation Advisory Committee may perform more frequent monitoring as necessary.

When reviewing a fund, the Deferred Compensation Advisory Committee will assess and consider the following:

- a. Whether performance remains within the standards established by the Performance Criteria above.
- b. Whether performance ranking is above the median of the applicable manager peer group over the trailing and rolling three- and five-year periods.
- c. Whether performance was consistent within the context of the rolling three- and five-year rolling period.
- d. Whether a fund manager's investment style has remained consistent.
- e. Whether fund benchmarks and objectives have changed and require a change in the monitoring criteria used to assess future results.
- f. Whether regulatory requirements necessitate changes in the monitoring criteria for funds.

Watch List

The Deferred Compensation Advisory Committee may place or remove an investment option from the Watch list for the following reasons:

- a. The fund has not met the performance standards for the fund's investment category.
- b. The fund has changed investment managers, or such change appears imminent.
- c. The fund has had significant change in ownership or control.
- d. The fund has changed investment focus or had experienced style drift, departing from the investment objective or parameters in its prospectus.
- e. Significant change in stated prospectus investment objective.
- f. The fund had violated an SEC rule or regulation.
- g. The fund has experienced difficulty in transacting trades, fund transfers, or pricing.
- h. The fund has experienced other changes or problems in its procedures, operations, investing, or reporting which as or could detract from the objectives of the Plan.
- i. Significant net redemption of the fund's assets.
- j. Reduction in quantity or quality of support.
- k. The manager's inability to explain poor performance and identify corrective actions.
- l. Significant fee increase without justification.
- m. Popularity of the fund with Plan participants (amount of assets and accounts) has decreased.
- n. Other quality investments, within a similar asset category have become available, or are not available.

These points are considered in the overall analysis of the fund and a single issue will not override or impede the Deferred Compensation Advisory Committee from making an appropriate decision regarding whether a fund will remain on the fund list or be terminated.

Guidelines to Deselect or Remove an Investment Option

The following serves to summarize the suggested criteria to deselect investment options. The deselection process includes a probationary period, followed by a removal process.

Deselection

A fund is a candidate for immediate removal from the Plan for the following reasons:

1. Performance falls below the 50th percentile of the applicable manager peer group for six consecutive, quarter ending 3-year rolling periods, or for six of the past eight-quarter ending 3-year rolling periods, and if performance for the 1-year trailing period falls below the 50th percentile; or performance fails to meet or exceed the appropriate market index over the trailing 3-year period.
2. Concerns identified through the monitoring process that cause unease regarding the fund management's ability to provide acceptable performance in the future.
3. Any of the deficiencies from the watch list section have not been corrected/improved within one year.

Once placed on the "Watch List," a fund manager will receive up to one year to demonstrate improved performance unless the deselection criteria are present. Improved performance is defined as:

1. Exceeding the applicable peer group universe over the trailing one-year period; or
2. Ranking in the top half of the applicable manager peer group; or exceeding the returns of the appropriate market index for the trailing 3-year period.
3. Failure to improve performance consistent with one of the above two criteria would provide the basis for either extending the probation period or for fund termination

Removal Procedure

The Deferred Compensation Advisory Committee may choose one of these two options when a fund is being removed from the Plan:

1. "Partially Closed Fund"
After a fund is removed from the Core Options and is designated a "Partially Closed Fund," the participant will be able to retain the balances in the "Partially Closed Fund" or move those balances to any other fund available in the Plan. If the participant does not contact the Plan Trustee by the conversion or effective date any new contributions currently being allocated to the "Partially Closed Fund" will automatically be put into the money market fund, or if deemed appropriate, a fund with a similar investment objective, asset class, underlying securities, and management style and risk/reward characteristics. No new contributions or transfers will be accepted into the "Partially Closed Fund" after the conversion or effective date.
2. "Completely Closed Fund"
This option may only be implemented when the removal of the fund is due to extreme circumstances. After a fund is removed from the Core Options and is designated a "Completely Closed Fund," no balance may remain within the fund and no new contributions or transfers will be accepted. The participant will be notified of their inability to retain the balances in the "Completely Closed Fund" and will be directed to move those balances to any other fund available in the Plan. A replacement fund will be identified with similar asset class, investment objective, underlying securities, and management style and risk/reward characteristics. On the date the fund becomes

a: "Completely Closed Fund," the participant's balance will be moved to the replacement fund. Additionally, any new contributions currently being allocated to the "Completely Closed Fund" will be allocated to the replacement fund. No new contributions or transfers will be accepted into the "Completely Closed Fund" after the conversion or effective date.

Deferred Compensation Advisory Committee Duties

The Deferred Compensation Advisory Committee recognizes that within an equity category, the investment style may differ between investment options. In addition, within the equity option, at least one socially conscious fund, as categorized by Morningstar, will be included in the Core Options. The socially conscious fund must meet the Selection, Performance, and Administration Performance Criteria as stated below.

The Deferred Compensation Advisory Committee will monitor each fund's performance and make changes to investment options as appropriate.

Fund Investment Options

Participants will be permitted to invest Contributions made on their behalf in any combination of the funds selected for this Plan by the Deferred Compensation Advisory Committee.

The Deferred Compensation Advisory Committee will establish or change investment funds or cease to accept further investments in previously approved investment funds, as it deems appropriate, in its sole discretion. All contributions on behalf of participant who makes no election will be invested in the fund designated by the Deferred Compensation Advisory Committee. The Plan Administrator may establish rules and regulations for the administration of investments and the exercise of investment options under the Plan in accordance with the Investment Policy Statement.

Deferred Compensation Advisory Committee Duties and Responsibilities

The Deferred Compensation Advisory Committee is composed of five members including one member from: Board of Supervisors, Executive Office, Auditor-Controller, Treasurer/Tax Collector and Human Resources. The Plan is jointly administered by the County of Riverside Human Resources Director and the Deferred Compensation Advisory Committee. The Deferred Compensation Advisory Committee meets, at least annually, to review and assess the continuing compliance of the Plan's investment options.

The general duties and responsibilities of the Deferred Compensation Advisory Committee for investment related matters are:

- To contain overall investment related service costs.
- To establish investment objectives and standards for the investment options (funds) offered to assure that the assets are managed in accordance with the Investment Policy.
- To establish formal criteria to monitor and evaluate the performance results achieved by the investment fund managers.

- To provide a formal process for reviewing and modifying the Investment Policy.
- To meet the fiduciary responsibility of the County in regard to the Deferred Compensation Plan.
- To recommend investment policy, approve the addition/deletion of investment options, conduct due diligence review of funds and monitor investment performance and fees.
- To review performance reports of investment options.
- To monitor and evaluate changes in legislation and regulations to ensure compliance regarding policies or investment matters.
- To ensure the communication of the fund performance to all participants.

Disclosure of Fees, Commissions and Charges

All fees, commissions and charges for each selected investment option must be fully disclosed to the Deferred Compensation Advisory Committee before the option can be made available to plan participants. That is, in its review of a fund's performance history, the Deferred Compensation Committee must be shown the fund's gross performance less all applicable fees, commissions and charges, and the resulting net return. In addition, these fees, commissions and charges will be disclosed, including the nature of all variances between gross return and net return, to all participants at enrollment and at any other time as appropriate.

Investment Communications to Participants

Information about each investment option will be given or made available to Plan participants to help them make informed investment choices. The plan shall provide at least quarterly statements of fund performance to each participant.

Upon request, copies of investment fund prospectuses or similar equivalent information will be provided to participants as well as such other information as the Deferred Compensation Committee has available such a list of underlying investments for a given fund.

Investment Education

It is the Deferred Compensation Advisory Committee's objective to provide participants with ongoing investment education. The purpose of the investment education program is to provide information and tools to assist in the development of a personal investment strategy for employees and to facilitate the achievement of savings and retirement goals.

The Deferred Compensation Advisory Committee will not provide specified investment advice. The Deferred Compensation Advisory Committee will assign a designee to provide general investment and retirement savings education to participants and to help them in their selection and monitoring of their investment options. The Plan Trustee may elect not to provide any investment advice to participants.

Participant Investment Control Parameters

Participants will have the option to direct the investment of their ongoing contributions and to make changes to those elections at any time. Changes to the investment elections will be made directly with the Plan Trustee or vendor(s) and will be processed as soon as administratively feasible.

Participants may change where their account balances are invested on a regular basis. Daily valuation will allow participants to direct a change in the investment of their account balance at any time and such change will be executed as soon as administratively feasible, but in no event later than the end of business the following business day.

The custodian, trustee or investment vendor(s) will be given the right to establish fees to discourage frequent trading as necessary to reduce investment option management expenses. The Plan Trustee, in the interest of investment option competition, may establish other restrictions on the frequency of changing investment options.

Other restrictions on the frequency of changes to investment elections or asset allocation may be established to reflect changes in the regulations governing the plan or changes in policy and procedures.

Investment Fiduciary Discretion

The Investment Fiduciary has the sole and absolute discretion to interpret, implement and amend this Investment Policy Statement, including any decisions to select, remove and replace investment alternatives for participant direction.

Market Timing

In order to protect the assets of the Plan and its Participants, the Plan may, from time to time, adopt policies to prevent market timing. The Plan may be required to implement more restrictive or different procedures immediately and without notice to protect the interests of all plan participants.

Plan Provisions Govern

The policy is not meant to interpret, extend or change the provisions of the Plan in any way. The provisions of the Plan may only be determined accurately by reading the actual Plan document. If these procedures are inconsistent with the Plan, the Plan shall govern in every case.

Change in the Law

If the policy is inconsistent with a change in the law, regulations or rulings affecting retirement plans, the new law, regulations or rulings will control the operation of the plan.

Amendment

This Investment Policy Statement may be amended by the Plan Sponsor from time-to-time if deemed advisable

Policy Adoption and Amendments

This policy statement will become effective following adoption by the Board of Supervisors and will remain in force until subsequently amended in writing by the Deferred Compensation Advisory Committee and approved by the Board.

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