

NEW YORK STATE SECURE CHOICE SAVINGS PROGRAM

Investment Policy Statement

INTRODUCTION

This Investment Policy Statement (“IPS”) is designed to provide a framework within which to manage and monitor the investments of the New York State Secure Choice Savings Program (the “Program”).

Statement of Intent

This IPS has been adopted by the Program in order to:

- Define and assign the responsibilities of all involved parties.
- Establish objectives and criteria for the Program’s investment lineup and risk management.
- Establish a basis for evaluating the Program’s investment options and underlying investments.
- Provide flexibility for the amendment of the policy to accommodate for evolving best practices, regulatory requirements, and market conditions.

In accordance with General Business Law (“GBL”) Article 43 §§ 1300-1316, the New York Secure Choice Savings Program Board (the “Board”) and the New York State Department of Taxation and Finance (the “Department”), acting at the direction of, and as staff to, the Board, will discharge its duties with respect to the Program solely in the interest of the enrollees and beneficiaries of the Program (“Participants”) and for the exclusive purposes of providing benefits to the Participants and defraying reasonable expenses of administering the Program. It is the intent of the Board that it, and any other appointed fiduciary on behalf of the Program, shall perform its duties with the care, skill, prudence, and diligence under the prevailing circumstances 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 Program was created to provide private-sector employees a convenient, low-cost and portable investment program to promote greater retirement savings. While the Board administers the Program and oversees the investment options to be offered, all individual investment decisions under the Program are at the sole discretion of Participants on whose behalf the Program holds assets. Per GBL Art. 43, § 1305, the Board and the Program are prohibited from borrowing for investment purposes.

This IPS will be reviewed at least annually and amended by the Board as needed.

DELINEATION OF RESPONSIBILITIES

Responsibilities of the Board and the Department

The Board itself, or by delegation to the Department, have the following responsibilities:

- Establish this IPS, monitor implementation thereof, and review annually.
- Select the investment design features of the Program in accordance with GBL Art. 43, §§ 1304 and 1307, including establishing the number and types of investment options

available to Participants, as well as determining the default investment option for Participants.

- Use available information and resources, including advice from the Investment Consultant to select, monitor and evaluate the Program's investment options in accordance with guidelines and benchmarks established within this IPS.
- Periodically review Program costs which are charged to Program assets and/or paid by Participants, including but not limited to investment option expense ratios and Program Administration fees.
- Provide, in conjunction with the Program Administrator, general investment information to Participants regarding the procedures for making investment choices under the Program and general investment information regarding each of the investment options offered under the Program.

DELEGATION TO SERVICE PROVIDERS

The Board is authorized to delegate any of its duties or responsibilities, subject to the supervision of the Department, acting at the direction of, and as staff to, the Board, and to retain service providers (e.g., advisors, actuaries, lawyers and other experts) to advise the Board with respect to the discharge of its duties and responsibilities, with the express condition that the Board shall remain responsible for monitoring the appropriateness of any such delegation and, to the extent that the party to whom the Board has delegated authority does not assume fiduciary responsibility, retain full and exclusive authority over and responsibility for any duties and responsibilities so delegated. Service providers to whom the duties or responsibilities to be delegated may include, but are not limited to:

Investment Consultant

The Program's external Investment Consultant shall have the following responsibilities:

- Comply with applicable laws, regulations, and rulings.
- Assist the Board in fulfilling its responsibilities in accordance with this IPS.
- Provide advice to the Board and, where appropriate, make recommendations on various investment-related issues with respect to the structure and selection of the Program's investment options.
- Provide the Board with periodic reporting regarding the Program and monitor the performance and soundness of the Program's investment options and investment managers.
- Evaluate the Program's investment options in general with respect to risk and return, fees, and the diversity of the options offered; this includes providing information, analysis and processes regarding the removal, addition, or replacement of investment options.
- Review this IPS on a regular basis and recommend modifications as appropriate.
- Promptly inform the Board regarding significant matters pertaining to the Program's investment options.

Investment Manager

The Program's Investment Manager(s) shall have the following responsibilities:

- Comply with applicable laws, regulations, and rulings.
- Provide reports on investment performance and inform the Board about significant changes in the investment climate, market conditions, investment philosophies and any other factors impacting performance.

- Manage the portion of the Program's assets under their control in accordance with this IPS and any applicable management agreement or prospectus.
- Promptly inform the Board regarding significant matters pertaining to the investment of the Program's assets, including, but not limited to changes in ownership, organizational structure, investment strategy, portfolio design, or configuration of the investment team.

Program Administrator

- Administer certain Program functions for Participants, including: processing enrollment, contribution and investment elections; processing withdrawals; maintaining individual accounts; preparing and delivering account statements and summary reports; reporting historical performance; and educating Participants.
- Maintain possession of securities owned by the Participants in an accurate and confidential manner. Provide Participants with electronic access to account information and transactions.
- Prepare and distribute required Participant notices.

INVESTMENT OBJECTIVES

Investment Principles

The Program's investment principle is to provide Participants with sufficient information to make informed decisions when selecting from a menu of low-cost, simple investment options that satisfy investment objectives and afford Participants the opportunity to save current compensation in a tax-effective manner that meets their individual retirement goals.

In selecting the investment options that are available under the Program and in determining whether to retain those options, the Board believes that the achievement of investment returns should be viewed in a long-term context. The Board recognizes that rates of return are volatile on a year-to-year basis and that investment returns may not progress uniformly over time.

Investment Criteria

Given expectations of investment returns in a long-term context, and GBL Art. 43, § 1307, the investment options provided to Participants should include target date funds and separate target-risk investment options, which could be based upon a single underlying fund. These options should provide Participants with the possibility of low cost, target-risk investments as an alternative to target date funds. Only marketable securities will be used for broad asset classes. These asset allocation strategies should be divided into the following broad asset class categories:

- Cash / Money Market / Short-Term Equivalent funds
- Fixed Income funds
- Real Estate funds
- Domestic Equity funds
- International Equity funds

Participants will determine how their contributions are invested within the investment options offered by the Program; the individual Participant's investment performance will be dictated by these decisions.

INVESTMENT OPTIONS AND EVALUATION

Investment Options

At the outset, the Program will offer the following options:

- Target Retirement Date Funds
- Growth Fund
- Growth and Income Fund
- Conservative Principal Protection Fund

The Board and the Investment Consultant will review the appropriateness of replacing or providing additional investment options and/or underlying investment funds in the future, at the discretion of the Board.

Target Retirement Date Funds

The target retirement date funds are structured to provide Participants with an asset allocation that changes dynamically over time. As the investment horizon shortens and draws nearer to the retirement date, the fund will gradually reweight its asset allocation composition towards a higher focus on income generation and capital preservation. This helps in emphasizing asset growth for younger Participants and advances towards a higher focus on asset maintenance. The target retirement date funds will be diversified across various asset classes. The Board has determined that the retirement date funds have risk profiles that are appropriate for the demographics of Participants. The Board has designated these investment options as the default investments for use in instances where a Participant does not make an affirmative investment election.

Growth Fund

The growth fund investment option is intended to provide Participants long-term growth of capital through investments in large capitalization U.S. common stocks. The investment option will be a passively invested strategy. Risk, as measured by the volatility of returns, is expected to be high. Current income will not be a primary objective of this investment option. Given these characteristics, the fund is likely to experience short-periods of drawdowns.

Growth and Income Fund

The growth and income fund investment option is intended to provide Participants with a long-term moderate amount of growth of capital and some level of income dependent on market conditions. The investment option will be a passively invested strategy. The portfolio would invest in high-quality government, corporate and mortgage-related bonds with fixed income characteristics consistent with the domestic bond market. Risk, as measured by the volatility of returns, is expected to be low to moderate. Current income will be a primary objective of this investment option. Given these characteristics, the fund is likely to provide returns between those of the conservative principal protection fund and the growth fund.

Conservative Principal Protection Fund

The conservative principal protection fund investment option seeks to maintain capital and provide Participants with income in a manner equivalent to cash and high-quality short-term securities. The investment strategy aims to preserve capital and prevent loss of a portfolio. The fund will be considered a low-risk investment. Given these characteristics, the fund may not be able to protect against inflation.

Investment Option:	Target Retirement Date Funds
Objective	The objective of this investment option is to invest in REITs, equities, fixed income and/or money market instruments using asset allocations that adjust throughout glide paths that are tailored to meet investment objectives based on various investor time horizons while maintaining an optimal balance of investment and risk based on the Participant's expected retirement date. Investment returns are expected to be derived from current income and/or capital appreciation, based on the target allocation of the particular fund.
Primary Investment	Diversified Asset Classes
Expected Risk/Return Profile	Low to high risk and return, based on fund selected by Participant.
Benchmark	Morningstar Category U.S. Fund Target Date Series

Investment Option:	Growth Fund
Objective	The objective is to passively invest in the common stock of large capitalization U.S. companies. The investment strategy intends to fully replicate the market capitalization weighting of the S&P 500 stock index. Investment returns are expected to be derived primarily from capital appreciation and, to a lesser degree, dividend income.
Primary Investment	U.S. Large Cap Equity
Expected Risk/Return Profile	High risk and return
Benchmark	S&P 500 Index

Investment Option: Growth and Income Fund	
Objective	The objective is to passively invest in a mix of investment grade government, corporate and mortgage bonds and similar instruments and replicate the risk and return characteristics of the Barclays Aggregate Bond Index. Credit quality is very high, helping to preserve capital and the maturity of the portfolio is longer than a money market fund, offering a higher yield on investments.
Primary Investment	U.S. Government, Corporate and Mortgage Bonds
Expected Risk/Return Profile	Low to moderate risk and return
Benchmark	Bloomberg U.S. Aggregate Bond Index
Investment Option: Conservative Principal Protection Fund	
Objective	The objective is to achieve stability of principal through investment in U.S. dollar-denominated money market securities.
Primary Investment	U.S. government securities, certificates of deposits and time deposits of U.S. and foreign banks; commercial paper and other high-quality obligations of U.S. or foreign companies; asset-backed securities, including asset-backed commercial paper; mortgage-related securities; and repurchase agreements.
Expected Risk/Return Profile	Low risk and return
Benchmark	U.S. Treasury 3-Month Bill

Evaluation of Investment Options and Underlying Investments

The Department, in conjunction with the Investment Consultant, will evaluate the investment options and underlying investments to ensure compliance with the investment policy statement through:

- Quarterly review of performance reports for the Program's investment options calculated in accordance with Global Investment Performance Standards (GIPS®).
- Reports will contain analysis and summary of investment options incorporating:
 - Return comparisons of investment line-up to investment universe peers
 - Portfolio characteristics and sector weightings of the investments
 - Assessment of consistent application of investment philosophy and process

- Analysis of investment management fees compared to industry average for managers
- Market environment presentations to provide context of performance with financial markets.
- Up-to-date information on overall firm strength and organizational changes of all investment related parties.