

**TOWN OF SIMSBURY DEFINED CONTRIBUTION PLANS
INVESTMENT POLICY STATEMENT
May 2014**

I. PLAN DESCRIPTION

The Town of Simsbury sponsors the Simsbury 457/401 Plans (the "Plan") for the benefit of its employees. It is intended to provide eligible employees with long-term accumulation of retirement savings through a combination of employee and employer contributions to individual participant accounts and the earnings thereon.

The Plan's participants and beneficiaries are expected to have different investment objectives, time horizons and risk tolerances. To meet these varying investment needs, participants and beneficiaries will be able to direct their account balances among a range of investment options to construct diversified portfolios that reasonably span the risk/return spectrum. Participants shall bear the risk of and receive any benefits from the investment options and asset mixes that they select.

II. PURPOSE OF THE INVESTMENT POLICY STATEMENT

This investment policy statement is intended to assist the Plan's fiduciaries, who are charged with making investment-related decisions for the plan in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the investment categories and investment options utilized by the Plan. Specifically, this Investment Policy Statement:

- Defines the Plan's investment objectives
- Defines the roles of those responsible for the Plan's investments
- Describes the criteria and procedures for selecting investment categories and investment options
- Establishes investment performance measurement standards and monitoring procedures
- Describes methods for addressing investments that fail to satisfy established objectives

This Investment Policy Statement will be reviewed periodically, and, if appropriate, can be amended as needed.

III. INVESTMENT OBJECTIVES

The following criteria may be considered when choosing a menu of investment options:

- The menu of investment options should represent a broad range that allows for participant choice among various asset classes and investment styles.
- Investment options should have varying degrees of risk and potential for return.
- Investment options should have returns that are competitive in the marketplace when compared to appropriate benchmarks.
- Investment options should have total expense ratios that are competitive in the marketplace.

These are not necessarily the only criteria that may be considered.

IV. ROLES AND RESPONSIBILITIES

The parties responsible for the management and administration of the Plan include:

1. The Town of Simsbury Retirement Plan Sub-Committee, (the "Committee") which is responsible for:
 - Establishing and maintaining the Investment Policy Statement
 - Selecting the plan record keeper and administrator
 - Selecting investment options which may be with the advice and assistance of a paid professional investment advisor
 - Periodically evaluating the Plan's investment performance and recommending investment option changes
2. The Plan's Administrator, who is responsible for day to day administration of the plan.
3. The Plan's Trustee, who is responsible for holding and investing plan assets in accordance with the terms of the Trust Agreement
4. The Investment Managers of the Plan options, who are responsible for making reasonable investment decisions consistent with the stated approach as described by prospectus and reporting investment results on a regular basis
5. The Plan Record keeper, who is responsible for maintaining and updating individual account balances as well as information regarding plan contributions, withdrawals and distributions

At the Committee's discretion, the services of an investment consultant may be utilized to assist the Committee with any of the following, including, without limitation: Investment policy development, fund menu construction and selection, fund analysis and recommendations, performance monitoring, and employee education.

V. SELECTION OF INVESTMENT OPTIONS

Set forth below are the considerations and guidelines employed in selection of investment options:

The Plan intends to provide a broad range of investment options that will span a risk/return spectrum and will allow Plan participants to construct portfolios consistent with their individual circumstances, goals, time horizons and tolerance for risk.

After determining the asset classes to be used, the Committee must evaluate and select investment options. Each investment option should be managed by a prudent expert that meets certain minimum criteria:

- Be a bank, insurance company, mutual fund company, or investment adviser registered under the Registered Investment Advisers Act of 1940.
- Be operating in good standing with regulators and clients.
- Provide qualitative and quantitative information on the history of the firm, its investment philosophy and approach, and other relevant information.

Assuming the minimum criteria are met, additional factors that may be considered include:

- Investment results that are competitive when compared to appropriate, style-specific benchmarks and peer groups.
- Adherence to stated investment objectives.
- Fees that are competitive in the marketplace.
- Availability of relevant information in a timely fashion.

VI. INVESTMENT MONITORING AND REPORTING

The Committee will periodically review the investment options in the Plan. Investment options that no longer accept participant and/or employer contributions and cannot be removed from the Plan due to contractual limitations and where participants have been notified of this will not be monitored by the committee. Performance monitoring shall provide a mechanism for revisiting the investment option selection process and confirming that the criteria originally satisfied remain intact and that investment options continue to be appropriate. While frequent change is neither expected nor desirable, the monitoring of investment performance relative to specified guidelines shall be an on-going process.

Monitoring should occur on a periodic basis. The monitoring process may utilize the same criteria that formed the basis of the investment selection decision; however, these are not the only criteria that may be considered. In addition, a set of "watch list criteria" may be employed to track important quantitative and qualitative elements, to assist in the Committee's evaluation process, and to focus the Committee on potential areas of concern.

Watch list criteria may include the following:

- Results versus applicable benchmarks over specified periods of time
- Deterioration of risk-adjusted performance
- Notable style drift / change in investment objective
- Expense ratio versus category average
- Significant organizational or manager change

VII. TERMINATION OF AN INVESTMENT OPTION

An investment option may be terminated by the Committee in its discretion at any time. An investment option shall be terminated by the Committee if the Committee has lost confidence in the manager's ability to:

- Achieve investment objectives,
- Comply with investment guidelines,
- Comply with reporting requirements, or
- Maintain a stable organization and retain key relevant investment professionals.

There are no hard and fast rules for termination. However, if the investment option has consistently failed to adhere to one or more of the above conditions, failure to remedy the circumstances of unsatisfactory performance, within a reasonable time, may be grounds for termination.

Any recommendation to terminate an investment option will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include professional or client turnover, or material change to investment processes. The Committee shall have considerable discretion in the exercise of its judgment in the termination decision process.

An investment option may be terminated or removed using any of the following approaches:

- Remove and replace (map assets) to an alternative comparable option,
- Freeze assets in the terminated option and direct new assets to a replacement option,
- Phase out the option over a specific time period,
- Remove the option and do not provide a replacement option, or
- A reasonable solution that may be determined at the time of termination.

The process for selecting a replacement for a terminated investment option may follow the criteria outlined in Part V, Selection of Investments.

VIII. PARTICIPANT EDUCATION AND COMMUNICATION

The Plan will communicate to employees that:

- employees control their own investments,
- investment changes are permitted on a daily basis and may be subject to individual investment option requirements,
- educational materials allowing employees to make informed decisions are readily available.

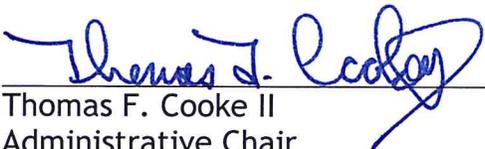
IX. COORDINATION WITH THE PLAN DOCUMENT

If any term or condition of this investment policy conflicts with any term or condition in the Plan Document, the terms and conditions of the Plan Document shall control.

X. APPROVAL

It is understood that this investment policy is to be reviewed periodically by the Committee to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the investment managers.

This Investment Policy Statement has been adopted by the Retirement Plan Sub-Committee at its Regular Meeting on Wednesday, May 21, 2014.



Thomas F. Cooke II
Administrative Chair
Retirement Plan Sub-Committee