

TITLE: INVESTMENT POLICY STATEMENT FOR THE 403(b), 401(a) and 457 PLANS

NUMBER: BOARD-FN-28

ORIGINATOR: Chief Financial Officer

POLICY APPLIES TO: Board Finance Committee and Participant-Directed Retirement Investment Committee

APPROVED BY:

EFFECTIVE DATE: March 27, 2014

President, Board of Trustees

Date: _____

POLICY REFERENCE:

POLICY

The Cheyenne Regional Medical Center 403(b) Plan (“403(b) Plan”) and the Cheyenne Regional Medical Center 401(a) Plan (“401(a) Plan”) are defined contribution retirement savings plans. The Cheyenne Regional Medical Center 457(b) Plan (“457 Plan”) is a deferred compensation retirement savings plan. Collectively, the “Plans” are maintained by Cheyenne Regional Medical Center (“Plan Sponsor”) for eligible employees in accordance with the terms, conditions, and provisions of the Plans, as set forth in their respective Plan documents. The Plans are administered by the Participant- Directed Retirement Plan Committee (the “Committee”).

The Plans and the benefits provided thereunder are funded by employee salary deferral and/or after-tax contributions and employer contributions provided in accordance with specific Plan provisions.

The 403(b) Plan is designed to meet the requirements of Section 403(b) of the Internal Revenue Code and all applicable federal regulations, state and/or municipal statutes.

The 401(a) Plan is designed to meet the requirements of Section 401(a) of the Internal Revenue Code and all applicable federal regulations, state and/or municipal statutes.

The 457 Plan is designed to meet the requirements of Section 457 of the Internal Revenue Code and all applicable federal regulations, state and/or municipal statutes.

PURPOSE

This Investment Policy Statement is intended to assist the Plans’ fiduciaries 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 manager utilized by the Plan. Specifically, this Investment Policy Statement:

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- Defines the Plans' investment objectives;
- Defines the roles of those responsible for the ongoing review process;
- Describes the criteria and procedures for determining the investment options and investment manager to be made available to Plan participants;
- Establishes investment procedures, measurement standards and monitoring procedures for the selection of suitable investments;
- Specifies the criteria for monitoring and evaluating investment performance; and
- Describes ways to address investment options and investment managers that fail to satisfy established objectives

This Investment Policy Statement shall be reviewed on a regular basis, preferably annually, and, if appropriate, may be amended to reflect changes in capital markets, Plan participant objectives, plan sponsor initiatives, preferences, discretion or other factors relevant to the Plans.

INVESTMENT OBJECTIVES

The investment objective of the Plans is to provide flexibility for participants to make and develop prudent investment decisions based on their individual investment requirements, including:

- Time horizon
- Risk tolerance
- Liquidity requirements

The appropriate asset allocation for a participant is a function of many factors, including age, income, desirability of lifetime income, length of time to retirement, investment risk tolerance, and investments other than retirement plan assets. The objective is to provide participants with an array of investment choices, enabling them to invest according to their varying investment needs.

The investment choices offered should represent asset classes with different risk and return characteristics that are not highly correlated with each other. This imperfect correlation will enable participants to construct a diversified portfolio using the concept of asset allocation to reduce risk, as each asset class does not move up or down in price at the same time.

As a result, the Plans' investment options will be selected to:

- Maximize return within reasonable and prudent levels of risk.
- Provide returns comparable to returns for similar investments options.
- Provide exposure to a wide range of opportunities in various asset classes.

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- Control administrative and management costs.

INVESTMENT OPTIONS

The investment options available to participants in the Plan will be selected in a prudent manner for the exclusive purpose of providing benefits to such participants and their beneficiaries. Investment options should also:

- Be invested in compliance with Internal Revenue Code and all applicable federal regulations, state and/or municipal statutes and regulations issued thereunder;
- In aggregate, provide a sufficient variety of options to permit participants to diversify their accounts;
- Be generally representative of the investment objectives they were designed to achieve;
- Maintain sufficient liquidity in order to meet the cash requirement of the Plans, including paying the reasonable and necessary expenses of administering the Plans, and to meet participant liquidity requirements to the extent permitted under the Plans, such as loans, hardships and other in-service withdrawals;
- In general, remain competitive with an identified appropriate benchmark index (or blended benchmark indices) for a similar style universe for purposes of both risk and return;
- Have objectives that are suitable for a qualified retirement plan; and
- Maintain a competitive and fair fee structure.

ROLES AND RESPONSIBILITIES

Those responsible for the management and administration of the Plan's' investments include, but are not limited to:

- Cheyenne Regional Medical Center is responsible for: hiring the recordkeeper, custodian, and investment advisory consultants.
- The Plans' Custodian is responsible for holding and investing Plan assets in accordance with the terms of the Custodial Agreement.
- The Designated Third Party Recordkeeper is responsible for maintaining and updating individual account balances for the Plans as well as information regarding Plan contributions, withdrawals and distributions.

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- The Committee is responsible for:
 - Establishing and maintaining the Investment Policy Statement;
 - Determining the guidelines for selecting and monitoring investment options;
 - Establishing procedures for periodically evaluating the Plans' investment performance and recommending investment option changes;
 - Periodically evaluating the Plans' investment performance and recommending investment option changes;
 - Providing Plan participant investment education and communication;
 - Recommending amendments to the Investment Policy Statement as the Committee determines necessary to meet the Plans' overall objectives.

- Cheyenne Regional Medical Center has retained an objective, third-party Advisor to assist the Committee in selecting and monitoring the investments options in the Plan. The Advisor will be a named fiduciary and responsible for guiding the Committee through a disciplined investment process. The primary responsibilities of the Advisor are:
 - Prepare and maintain this Investment Policy Statement;
 - Ensure documented, prudent fiduciary process is being used to select, monitor and replace plan investment options;
 - Perform gap analysis to determine if the plan is offering an appropriate number and style of investment options, including target retirement and asset allocation funds;
 - Conduct comprehensive analysis of plan investment options versus benchmark and peer group;
 - Identify underperforming investments, including search and selection of replacement and additional options for plan;
 - Prepare ongoing investment reviews monitoring performance, risk, style drift and expenses of each fund option versus its peers;
 - Monitor and supervise all service vendors.

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Selection and Monitoring of the Investment Options

The Committee may make changes to investment options within existing asset categories but is not authorized to add new asset classes without approval from the Board. In selecting and monitoring the Investment Options, the Committee shall take into account some or all of the following criteria, as the Committee deems appropriate:

- Investment objective;
- Performance as compared to a stated benchmark and/or an appropriate peer group(s);
- Risk measures versus that of the benchmark and/or peer group;
- Risk-adjusted performance versus that of the benchmark and/or peer group;
- Style consistency versus that of the benchmark and/or peer group;
- Organizational structure and stability of personnel;
- Operational efficiencies within the Plans, including additional transaction or other costs to participants; and/or
- The fees and expenses assessed by the investment vehicle, as well as the impact of offering the investment vehicle on the overall fees and expenses charged to participants associated with managing the Plans.

The investment options shall be monitored at least semi-annually or as circumstances warrant. The Committee may, from time to time as warranted, modify these objectives and criteria, or may consider other objectives and criteria, all according to the Committee's discretion after consultation with Advisor. In addition, the Committee may consider any changes or developments at the firm and/or the fund. Such changes may include, but are not limited to, changes in manager personnel, firm structure (corporate and/or financial), investment strategy, or other factors determined relevant by the Advisor and the Committee.

Further Guidelines: Default Investment Alternative

The Plans provide for a Default Investment Alternative when a plan participant has not made an affirmative investment election. In selecting this investment option, the Committee cannot and shall not consider what is appropriate for a particular plan participant. The Committee shall select and monitor an investment option that is appropriate for this class of Plan participants in accordance with the guidelines set forth in the section titled Selection and Monitoring of Investment Options. The option is not intended to be a Qualified Default Investment Alternative as described in DOL Reg. §2550.404c-5.