

The Right Door for Hope, Recovery and Wellness

Chapter Title		Section #	Subject #
Fiscal Resources		F	300
Subject Title	Adopted	Last Revised	Reviewed
Retirement Plan Investments	9/26/11	4/09/18	9/26/11; 11/26/12; 3/25/13; 6/30/14; 6/22/15; 6/27/16; 7/24/17 4/09/18

POLICY

Application

This policy shall apply to Retirement Plan Investments of The Right Door for Hope, Recovery and Wellness.

1.0 THE PLAN

The Right Door for Hope, Recovery and Wellness sponsors the agency Retirement Plans (the “Plan”) for the benefit of The Right Door for Hope, Recovery and Wellness employees to provide eligible employees, as defined in the Plan, with the opportunity to save for retirement on a tax deferred basis and to receive matching contributions from The Right Door for Hope, Recovery and Wellness..

The Plan is a qualified employee benefit plan intended to comply with all applicable federal laws and regulations, including the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Plan is intended to comply with ERISA §404(c).

It is expected that Plan participants and beneficiaries 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 and beneficiaries alone bear the risk of investment results from the options and asset mixes that they select. Plan fiduciaries and the Plan Investment Consultants are relieved of liability for losses.

2.0 THE PURPOSE OF THE INVESTMENT POLICY STATEMENT

This Investment Policy Statement is intended to assist and guide the Plan’s fiduciaries to make 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 managers utilized by the Plan. Specifically, this Investment Policy Statement:

- 2.1 defines the Plan’s investment objectives;
- 2.2 defines the roles of those responsible for the Plan’s investments;

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- 2.3 describes the criteria and procedures for selecting investment options and investment managers;
- 2.4 establishes investment procedures, measurement standards and monitoring procedures;
- 2.5 describes ways to address investment options, funds and investment managers that fail to satisfy established objectives; and
- 2.6 provides appropriate diversification options.

This Investment Policy Statement will be reviewed at least annually and, if appropriate, can be amended to reflect changes in the capital markets, Plan participant objectives, or other factors relevant to the Plan.

3.0 INVESTMENT OBJECTIVES

Currently, the Plan is funded with investment options offered through **Principal Financial**. Under this arrangement **Principal Financial**, the Plan Service Provider, offers a series of internally managed and externally managed mutual funds and separate accounts. There will be investment guidelines and objectives for each of the investment options selected. These options are detailed in Part V of this document. All funds and/or investments currently offered by the Plan Service Provider or under consideration for inclusion in the Plan will be reviewed by the Investment Committee to assure consistency between the objectives of the Investment Policy Statement and the objectives of the fund. The Investment Committee may rely upon the factual information, research and analysis of a registered investment advisor, the Investment Consultant/Broker of Record, other similarly qualified investment professionals, and/or the Plan Service Provider in conducting this review. General investment objectives include:

- 3.1 Maximizing the return within reasonable and prudent levels of risk.
- 3.2 The addition or deletion of investments from within the Plan as the Investment Committee deems prudent. In selecting or deleting investment fund options, consideration will be given to selecting funds which provide returns comparable to returns for similar investment options and which offer the diversification of investment options.
- 3.3 Providing exposure to a wide range of investment opportunities in various asset classes.

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4.0 ROLES AND RESPONSIBILITIES

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

4.1 The Plan Sponsor (The Right Door for Hope, Recovery and Wellness), which is responsible for:

- 4.1.1 selecting the trustee(s);
- 4.1.2 hiring the Plan Service Provider/record keeper and the Investment Consultants/Broker of Record; and
- 4.1.3 appointing the members of the Investment Committee.

4.2 The Investment Consultant (Institutional Investment Consulting), which is responsible for:

- 4.2.1 providing factual information to the Investment Committee concerning the Plan investment options, fund expense, Plan costs, participant trends, Plan Service Provider’s performance compared to the needs of the Plan and provisions in the service agreement, communication/education support for the Investment Committee, Plan Service Provider enhancements, industry trends, and other similar services as necessary.

4.3 The Investment Committee, which is responsible for:

- 4.3.1 establishing and maintaining the Investment Policy Statement;
- 4.3.2 selecting investment options;
- 4.3.3 periodically evaluating the Plan’s investment performance, fund expense, Plan costs and recommending investment option changes; and
- 4.3.4 providing for Plan participant investment education and communication.

4.4 The Plan Service Providers, which are directly/indirectly responsible for:

- 4.4.1 administration of investments held in the trust including: receiving contributions, making distributions in accordance with the appropriate instructions and keeping accounts and records of financial transactions of the trust; and participant account recordkeeping, participant services, quarterly participant statements and Plan documentation and disclosure services.

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These parties can be contacted as follows:

Plan Sponsor: The Right Door for Hope, Recovery and Wellness
Attn: Kerry Possehn
375 Apple Tree Drive
Ionia, MI 48846
ph 616.527.1790

Investment Committee
Contact Person: The Right Door for Hope, Recovery and Wellness
Attn: Kerry Possehn
375 Apple Tree Drive
Ionia, MI 48846
ph 616.527.1790

Plan Service Provider:
Principal Financial
877.455.4770 ext 123

Investment Consultant:
Institutional Investment Consulting
Michael W. Kozemchak, Managing Director
7 W. Square Lake Road
Bloomfield Hills MI 48302
Phone: 248.339.9808
Fax: 248.339.9809
Securities offered through Cantella & Company Inc,

- 4.5 The Right Door for Hope, Recovery and Wellness's Board of Directors appoints the members of the Investment Committee. Currently, the Investment Committee includes: **Robert S. Lathers, Kerry Possehn, and Michael Gallagher**. The Investment Consultant and/or representatives from the Plan Service Provider may be in attendance at meetings of the Investment Committee, as deemed appropriate by the members of the Investment Committee.
- 4.6 The Investment Committee will meet periodically to perform a general review of the administration, participant activity, Plan Service Provider,

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communication/education, new regulations affecting the Plan, investment environment and any other issues related to the Plan. Annually, the Investment Committee will review a detailed evaluation of:

- 4.6.1 Plan Service Provider’s performance;
- 4.6.2 Investment Policy Statement;
- 4.6.3 Plan Investments, comparing performance and expenses to peer group and benchmark as well as the Investment Policy Statement; and
- 4.6.4 Required communication where applicable.

5.0 SELECTION OF INVESTMENTS AND MANAGERS

The Plan intends to provide an appropriate range of investment options which span the risk/return spectrum. Further, the Plan investment options will allow Plan participants to construct portfolios consistent with their unique individual circumstances, goals, time horizons and tolerance for risk. The funds offered are available on www.principal.com or from the Human Resources department.

- 5.1 The Investment Committee must evaluate investment managers and choose fund managers. Each investment manager must meet certain minimum criteria, including:
 - 5.1.1 being a bank, insurance company or investment management company or an investment adviser under the Registered Investment Advisers Act of 1940;
 - 5.1.2 operating in good standing with regulators and clients;
 - 5.1.3 providing detailed additional information on the history of the firm, its investment philosophy and other relevant information;
 - 5.1.4 at least 3 years managing the fund or a similar fund with documented history; and
 - 5.1.5 net assets of at least \$50,000,000 (aggregately in the various share classes and/or separate accounts) sharing the same management team investment objectives and holdings.
- 5.2 Assuming the minimum criteria are met, the particular investment under consideration should meet the following standards for selection:
 - 5.2.1 Performance within a reasonable range of the median return for an appropriate, style-specific benchmark and peer group over various time periods.

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- 5.2.2 Appropriate risk and risk-adjusted returns relative to an appropriate, style-specific benchmark and peer group.
- 5.2.3 Demonstrated adherence to the stated investment objective.
- 5.2.4 Competitive fees compared to similar investments.

- 5.3 The Investment Committee will establish a default fund to allocate contributions to the Plan when a participant fails to make an investment selection for elective contributions or employer contributions, or for when a participant is automatically enrolled in the Plan. In selecting a default fund, the Investment Committee intends that such a selection will comply with ERISA §404(c)(5) and the regulations thereunder as a qualified default investment alternative (“QDIA”).

- 5.4 The Investment Committee will select a default fund and invest Plan assets for which participants have no provided investment instructions in accordance with ERISA §404(c)(5) and Department of Labor Regulation (“DOL Reg.”) §2550.404c-5. Accordingly, the Investment Committee is not required to invest in “safe” assets that protect principal, and the law permits fiduciaries to invest in assets that may experience short-term losses in pursuit of long-term returns.

- 5.5 In order to determine the appropriate default fund, the Investment Committee will: Evaluate the objectives of the Plan;
 - 5.5.1 Determine which investment principles underlie the notion of a “prudent investor” as defined by ERISA;
 - 5.5.2 Select a fund or funds consistent with the prudent investor analysis and that meets the regulatory requirements for a QDIA;
 - 5.5.3 Document the decision-making process and conclusions; and
 - 5.5.4 Monitor the fund or funds periodically to ensure that they continue to satisfy the requirements to be treated as qualified default investment alternatives.

- 5.6 The Investment Committee will select an investment fund(s) that is diversified so as to minimize the risk of large losses. Such a fund(s) will provide varying degrees of long-term appreciation and capital preservation through exposure

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to a mix of equity and fixed income investments that vary based on the participant's age, target retirement date, or life expectancy. Such a fund(s) is expected to change its asset allocations over time with the objective of becoming more conservative over time.

- 5.7 The Investment Committee has selected the default fund age appropriate Principal Trust target date fund by Participant as referenced in the Employee Enrollment packet and on the Principal website (www.principal.com).

6.0 INVESTMENT MONITORING AND REPORTING

The ongoing monitoring of investments must be a regular and disciplined process as it is the mechanism for revisiting the investment option selection process as well as for confirming the originally determined criteria and that an investment option continues to be a valid offering. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to peers and benchmarks is an on-going process.

Monitoring will occur and should utilize the same criteria that were the basis of the investment selection decision. It will include a formal review annually.

If overall satisfaction with the investment option is acceptable, no further action is required. If areas of dissatisfaction exist, the investment manager and the Investment Committee will take steps, as they deem necessary to remedy the deficiency. If over a reasonable period the manager is unable to resolve the issue, termination may result.

7.0 FUND AND / OR INVESTMENT MANAGER TERMINATION

If the Investment Committee does not believe the specific investment option's future performance will meet the expectations described in this Investment Policy Statement, the Investment Committee will take the action it deems prudent to address the deficiencies, up to and including termination.

- 7.1 With respect to possible termination of an investment option, fund or investment manager, the Investment Committee may consider whether it has lost confidence in the investment option, fund or investment manager's ability to:

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- 7.1.1 Achieve performance and risk objectives,
 - 7.1.2 Comply with investment guidelines,
 - 7.1.3 Comply with reporting requirements, or
 - 7.1.4 Maintain a stable organization and retain key relevant investment professionals.
- 7.2 There are no hard and fast rules for manager termination. Action to terminate an investment option, fund or investment manager will be treated on an individual basis, and will not be made solely on quantitative data. In addition to the factors presented above, other factors may include professional or client turnover, or material change to investment processes. Considerable judgment will be exercised in the termination decision process.
- 7.3 A decision to terminate an investment option, fund or investment manager will be addressed using procedural and substantive prudence and would most likely include one of the following approaches:
- 7.3.1 remove and replace (map assets) with an alternative investment option, fund or investment manager;
 - 7.3.2 freeze the assets managed by the terminated investment manager and direct new assets to a replacement investment option, fund or investment manager;
 - 7.3.3 phase out the investment manager over a specific time period;
 - 7.3.4 continue the investment option, fund or investment manager but add a competing investment option, fund or investment manager; or
 - 7.3.5 remove the investment option, fund or investment manager and do not provide a replacement investment option, fund or investment manager.
- 7.4 Plan participants will be informed of a decision by Investment Committee to terminate an investment option and will be given the opportunity to transfer their current account balances to the new investment option, or to any other investment option, which is then available to them within the time frames established by the Investment Committee. Replacement of a terminated investment manager would follow the criteria outlined in Part V, Selection of Investments and Managers.

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8.0 PARTICIPANT EDUCATION AND COMMUNICATION

The Investment Committee will periodically review the investment information provided to participants to confirm that the information is of the type and specificity required by ERISA §404(c) and DOL Reg. §2550.404c-1. In general, such information should:

- 8.1 Disclose an identified Plan fiduciary;
- 8.2 Inform the participant/beneficiary that the Plan is intended to be an ERISA §404(c) plan and that the fiduciaries of the Plan may be relieved of liability for losses that are the direct and necessary result of investment instruction given by the participant or beneficiary;
- 8.3 Describe the investment alternatives under the Plan, including, as to each alternative, a general description of the investment objectives, risk and return characteristics, and the type and diversification of assets in the investment alternative's portfolio;
- 8.4 Identify all designated investments, fund and investment managers;
- 8.5 Explain the circumstances under which participants/beneficiaries may give investment instructions to the Plan Service Provider and/or Plan Sponsor and explain any limitations on those instructions under the Plan;
- 8.6 Describe any transaction fees or expenses which affect the participant's/beneficiary's account balance in connection with buying and selling an investment alternative;
- 8.7 Disclose the name, address and phone number of the Plan fiduciary responsible for providing information which, under DOL Reg. §2550.404c-1, must be provided upon request to a participant/beneficiary and describe such information which may be obtained upon request;
- 8.8 Submit a copy of the most recent prospectus for the investment provided to the Plan, via the Plan Service Provider, to a participant/beneficiary who makes an initial investment in an investment alternative which is subject to the Securities Act of 1933, immediately following the investment; and
- 8.9 Provide, after an investment in an investment alternative by a participant/beneficiary, any information provided to the Plan relating to the exercise of voting, tender or similar rights which are incidental to an ownership interest in the investment alternative to the extent that such rights are passed through to participants/beneficiaries under the terms of the Plan, as well as a description of, or reference to, Plan provisions relating to the exercise of voting, tender or similar rights.

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The Investment Committee will also review the investment information, which is provided to participants upon request, to ensure that it meets the requirements of DOL Reg. §2550.404c-1(b)(2)(B)(2). Further, the Investment Committee will ensure that the investment information required to be provided by DOL Reg. §2550.404c-1 is updated with sufficient frequency so that participants have sufficient information to make informed decisions concerning the investment alternatives available under the Plan. The Plan will communicate to employees that they control their own investments; permit investment changes at least quarterly; and, provide effective educational materials allowing employees to make informed decisions.

9.0 COORDINATION WITH THE PLAN DOCUMENT

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

10.0 FURTHER GUIDELINES

Self-Directed Brokerage

Self-Directed Brokerage is not an option as of the date of this Investment Policy Statement.

Company Stock

The Right Door for Hope, Recovery and Wellness stock is not offered as an investment option.

Nancy Patera, Board Chairperson	Date		