



STRATEGIC PARTNER AND MANAGER WATCH LIST POLICY

Adopted:

June 14, 2019

The following Watch List Policy applies to ISBI's Strategic Partners and investment managers that do not fall under a discretionary advisory relationship.

Staff shall maintain a Watch List identifying Strategic Partners and/or investment managers with performance-related or other concerns requiring closer scrutiny, but which do not necessitate immediate termination. Toward that purpose, Staff and the investment consultant will monitor ISBI's Strategic Partners and investment managers and report any concerns to the Board. All of ISBI's Strategic Partners and investment managers will be evaluated based on absolute and relative returns including benchmark performance, peer group performance, and performance of the broad market.

As needed, Staff, after conferring with the investment consultant, will recommend updates to the Watch List and report its status to the Board. The list below outlines the most common reasons for a Strategic Partner or investment manager's addition to the Watch List. Staff and the investment consultant may recommend to the Board additional criteria on which to evaluate an investment manager and/or Strategic Partner.

1. Underperforming their respective benchmark by greater than 3% over the trailing 3-year period (net of fees) or underperforming on a risk-adjusted basis over the trailing 3-year period, as measured by the information ratio.
2. Ranking in the bottom decile of their peer universe over the trailing 3-year period.
3. Material change in the firm's assets under advisement.
4. Key investment professional turnover within organization.
5. Organizational or ownership changes.
6. Non-compliance with investment guidelines or contract terms for over 30 days.
7. Strategy or style deviation from stated mandate.
8. Material changes in investment philosophy, process or style.
9. Non-compliance with ISBI Investment Policy.
10. Legal action taken against the investment manager or Strategic Partner firm.
11. Any other reason deemed prudent by Staff and the investment consultant or the Board, as applicable.

Based on the specific circumstances, Staff and the investment consultant will also determine a reasonable period over which to evaluate the investment manager or Strategic Partner while on watch. In no event shall an investment manager or Strategic Partner be on the Watch List for over one year in duration without Board approval. Staff shall promptly notify such Strategic Partner and/or investment manager in writing as to the firm's status on the Watch List. While on watch, investment managers and Strategic Partners may be required to meet with the Staff, the investment consultant and the Board, as applicable, and may be required to submit regular status reports. The removal of an investment manager or Strategic Partner from the Watch List generally will result from either the investment manager or Strategic Partner resolving the issue(s) to the satisfaction of the Staff and general consultant or the Board, that led to initial Watch List placement or the Board deciding to terminate the relationship.

Capitalized terms provided herein and not defined have the meaning ascribed to them in ISBI's Investment Policy.