IRONSHORE

Generally, Ironshore employs a quantitative evaluation process to provide an initial rating of each investment option that meets minimum filtering criteria, and subsequently screens the *Top*-rated funds for favorable qualitative characteristics to arrive at a preferred list of securities to be considered in the selection process. Morningstar Direct provides the data and the analytical platform for the quantitative Scorecard to be applied efficiently and consistently across tens of thousands of investment alternatives each month. The evaluation criteria address portfolio performance results, which include return, risk and risk-adjusted return, as well as measures that represent the manager's efficiency and consistency in executing the portfolio mandate. Active and Passive Scorecards are calculated monthly for historical time horizons of 3, 5 and 10-year periods. Further, an overall (weighted) scorecard is computed with the greatest weight given to the 5-year period and the least weight given to the 3-year period to emphasize a long-term investment philosophy. The return, volatility and risk-adjusted return ratio measures are evaluated over rolling periods within each historical time horizon, while the remaining measures are evaluated over the respective trailing period. More than 100 data points are used for the selected criteria to assess whether a manager has demonstrated an ability to consistently outperform his peers over time.

ACTIVE MANAGER SCORECARD

Performance		Process	
Return	Risk	Efficiency	Consistency
Total Return	Maximum Drawdown Semi-Deviation	Net Expense Ratio Overall Capture	Batting Average Style Drift
	Alpha Sharpe Ratio		

PASSIVE MANAGER SCORECARD

Performance		Process	
Return	Risk	Efficiency	Consistency
Total Return	Tracking Error Standard Deviation	Net Expense Ratio	R-Squared
	Sharpe Ratio		

The Ironshore process for Active Managers evaluates each component and the overall score on a peer-relative basis and rates each fund accordingly. The Passive Manager evaluation process incorporates both peer-relative comparisons and binary, pass/fail decisions in the evaluation of individual measurement criteria, because for certain measures it is only relevant that the manager achieve the strategy mandate as opposed to its relative peer group ranking. These approaches to the quantitative evaluation result in rating scales that are used as guides in the initial selection of an investment option as well as the ongoing monitoring and recurring retention decision for the funds in the Plan.

PEER-RELATIVE RATING SCALE

Top	Represents funds ranking within the top decile of their peer group
Outperform	Represents funds with peer group percentile rankings between 11%-30%
Acceptable	Represents funds with peer group percentile rankings between 31%-70%
Underperform	Represents funds with peer group percentile rankings between 71%-90%
Fail	Represents funds ranking within the bottom decile of their peer group

ABSOLUTE RATING SCALE

Top	Represents funds achieving an ideal threshold for specified measure
Pass	Represents funds surpassing a minimum threshold for specified measure
Fail	Represents funds that do not reach the minimum threshold desired

Ideally, investment options selected for the Plan will receive *Top* ratings but a fund should at least earn an *Acceptable* rating to be considered worthy of retention. Managers that *Underperform* or *Fail* within their peer groups warrant further review and consideration for termination as a Plan investment option. Generally, the retention decision for each investment option will be made in the context of a manager's scoring trend over the prior four quarters, not on the results of any single rating. The quantitative ratings are used as inputs in the complete evaluation and monitoring process and do not exclusively dictate the selection or retention decisions or recommendations.

Ironshore conducts further analysis of an investment option by evaluating qualitative factors that may validate or dispel the quantitative rating and help to assess its appropriateness for the Plan. Some of the measures that may be considered in this step include, but are not limited to:

- Manager Tenure – both longest and average
- Portfolio management structure – team or single, "star manager" approach
- Morningstar Analyst Rating – focus on Process, People & Parent pillars
- Morningstar Sustainability Rating
- Fund size
- Benchmark and median peer 3 and 5-year return comparison