

Baltimore Regional Housing Partnership, Inc.

403(b) Plan

Investment Policy Statement

I. STATEMENT OF PURPOSE

The purpose of this Investment Policy Statement is to set forth a clear understanding of the investment policy, guidelines and objectives for the Baltimore Regional Housing Partnership Inc. 403(b) Plan (“the Plan”).

This written Investment Policy Statement will establish a framework through which the appropriateness and suitability of the Plan’s investments are evaluated. The guidelines outlined herein are not intended to be overly restrictive, but to be sufficiently specific to be meaningful and flexible enough to be practical.

The Policy sets forth specific standards, guidelines and objectives for the Plan and includes the following:

- Background;
- Roles and Responsibilities
- Investment Objectives;
- Investment Policy Guidelines;
- Investment Manager Selection;
- Performance Monitoring;
- Performance Objectives;
- Elimination of an Investment Manager;
- Review Procedures;
- Selection and Monitoring of Service Providers
- Operational Procedure; and
- Plan Governance
- Acknowledgements.

II. BACKGROUND

Baltimore Regional Housing Partnership (“BRHP”) provides an ERISA 403(b) Plan for eligible employees which was established on December 15, 2017 (original effective date).

The Plan was created for the exclusive benefit of eligible BRHP employees. The purpose of the Plan is to provide retirement benefits to participants in the Plan at

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the time of their retirement from employment with BRHP in accordance with the terms, conditions, and provisions of the Plan, as set forth in the Plan Documents and applicable law.

The Plan and the benefits provided thereunder are funded by employee and/or employer contributions in accordance with provisions specified in the Plan Documents.

The Finance Committee, serving as the Investment Committee, with the oversight of the **BRHP Board of Directors_ (the "Board")**, establishes the investment policies of the Plan and provides oversight for the managers of the Plan's assets. The Plan was established and is maintained to provide retirement benefits to eligible participants in the Plan at the time of their retirement from employment with BRHP or to their designated beneficiaries in accordance with the Plan.

The Committee's goal is prudent selection and ongoing monitoring of the investment options made available in the Plan. Each participant is responsible for investing his/her own account in the investment options offered through the Plan. To assist the Committee with the ongoing governance of the Plan, the Committee may engage the services of an independent investment consultant who possesses the necessary specialized research facilities and skilled manpower to assure its expertise under the Committee's prudence objectives.

The **Committee** will review policy guidelines on an annual basis. The guidelines will be updated as needed. All modifications of policy guidelines shall be in writing and signed by the **Board**.

The Plan is governed by the Employment Retirement Income Security Act (ERISA).

III. ROLES AND RESPONSIBILITIES

Fiduciaries are defined as parties who are in a position of trust and are responsible for ensuring the effective management of the Plans' assets. Fiduciaries for the Plans include, but may not be limited to, the Board of Baltimore Regional Housing Partnership (the "Board"), members of the Committee, and the Investment Consultant retained by Baltimore Regional Housing Partnership. The Plans' fiduciaries should comply with fiduciary standards; namely, (a) serving the exclusive interest of Plan's participants and beneficiaries, (b) acting prudently, (c) providing diversification opportunities, and (d) administering the Plan in a cost-conscious manner.

Plan Sponsor

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The Plan Sponsor has delegated to its Committee the responsibility to oversee the investment options in accordance with the terms of this Investment Policy Statement. Because participants are entitled to direct the investment of their account, the Plan Sponsor is responsible to provide the investment offering available to participants and to choose an appropriate default investment vehicle for participants who do not exercise their right to direct the investment of their Plans' accounts. The Committee is authorized to make investment option decisions for the Plan, incorporating the recommendations of the Investment Consultant and the requirements of this Investment Policy Statement, and to notify the Board of its actions from time to time. The Plan Sponsor is responsible to obtain (but not approve) periodic updates of the Plan investment changes and to review and approve requested changes to the Investment Policy Statement.

Investment Consultant

The Plans shall retain an objective, third-party Investment Consultant to serve as a Plan's fiduciary within the meaning of ERISA Section 3(21) to assist the Plan Sponsor in managing the overall investment selection process. The consultant is responsible for guiding the Plan Sponsor through a disciplined and rigorous investment selection process to enable the Committee to satisfy the fiduciary responsibilities outlined above.

The specific engagement terms are set forth in the Investment Consulting Services Agreement, which is incorporated by reference, and summarized below:

1. Maintain the investment policy and recommend amendments as necessary.
2. Provide recommendations to the Committee for the menu of mutual funds, capital preservation and/or annuity-based options to be made available under the Plans based on the requirements of ERISA section 404(c), if applicable to the Plans.
3. Conduct investment manager searches. For the purposes of this policy "Investment Manager" shall mean separately managed accounts or mutual funds; and will be further limited to those investment options that fully disclose information regarding portfolio structure, performance and manager tenure through independent sources that are available to the public.
4. Monitor and report to the Committee on the investment offering under the Plans and provide recommendations on investment managers to retain and terminate as necessary.
5. Communicate matters of policy, manager research, and manager performance to the Committee.

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6. At least annually, perform an analysis of costs associated with the management of the portfolio, to include fees for money managers and fees of share classes of mutual funds.
7. Provide fiduciary educational programs for the Committee.

Custodian

The Custodian serves as the directed trustee for the Plan. The responsibilities of the Trust's Custodian are those set forth in its Services Agreement.

Responsibility of the Record Keeper

The Record Keeper is responsible for maintaining an accurate account of the participants covered by the plan and the benefits they have accumulated. The duties of the Record Keeper are set forth in its Services Agreement.

Responsibility of Third-Party Administrator

The Third-Party Administrator is responsible for ensuring that the plan operates in accordance with the plan document. The duties of the Third-Party Administrator are set forth in its Service Agreement.

IV. INVESTMENT OBJECTIVES

- A. The overall goal of the Plan is to provide benefits to its participants and beneficiaries through a carefully planned and executed investment program.
- B. Investment options will be selected for the sole interest and the exclusive purpose of providing a competitive return within the constraints described herein. The investment options should be chosen with the care, skill and diligence that a "prudent investor" acting in this capacity would undertake. All investment options will be selected with due regard to quality, marketability and diversification.
- C. A sufficient variety of clearly delineated investment options (at least three options in materially different asset classes) will be offered to permit participants to diversify and broaden their potential investment opportunities and to reduce risk of any one investment option. Typically, the investment line-up will include, but not necessarily be limited to, Large Cap Equity, Mid Cap Equity, Small Cap Equity and Fixed Income options.

- D. In the aggregate, the investment options shall enable each participant, by choosing among them, to construct a portfolio with aggregate risk and return characteristics considered appropriate for the participant.

V. INVESTMENT POLICY GUIDELINES

- A. The Committee will select available investments for the participants and beneficiaries of its Plan. Each investment option should be managed by: (a) a bank, (b) an insurance company, (c) a registered investment company (mutual fund), or (d) a registered investment adviser.
- B. Investment managers are allowed substantial discretion in the structure of the mutual funds as long as they continue to manage the funds within the guidelines described in their prospectuses or offering circulars.
- C. New investment options may be added only after a search and selection process is conducted. This process shall consider, among other things, the qualitative and quantitative characteristics of potential investment options.
- D. An investment option may be eliminated from the Plan at any time. Typically, options will be eliminated when there has been a material change in the option's investment philosophy/process, investment management team and/or performance.
- E. The Plan's participants should exercise individual investment allocation discretion in selecting or de-selecting the investment options offered by the Plan.
- F. The Committee will monitor the costs associated with the administration of the Plan's investment programs to attempt to ensure that all costs are reasonable in relation to the services provided.
- G. The Plan shall at all times be administered in compliance with all applicable laws, rules and regulations.

VI. INVESTMENT MANAGER SELECTION

New options (investment managers) may be added to the Plan only after a search and selection process is conducted. Investment manager searches may be conducted with the assistance of an investment consultant, in which case, the recommendations of the consultant may be reviewed and approved by the Committee. This process may consider, among other things, the qualitative and

quantitative characteristics of potential investment options from among a universe of available options.

VII Investment Options Selection Criteria No investment option shall be included in the Plan unless performance information is available covering a minimum of five (5) years. An exception to this rule may be made when a manager starts a fund which is comparable in investment style to its recently closed fund.

1. To be included in the Plan, an investment option must meet the following criteria at the time it is initially selected:
 - a. Minimum size - \$100 million in net assets;
 - b. Maximum expense – generally, no more than the fund category average. Given capacity constraints in certain fund categories, exceptions will be made on an as needed basis;
 - c. Holdings must be consistent with the investment style;
 - d. Returns that rank in the top 50% of an appropriate peer group over three (3) and five (5) years;
 - e. In addition to the above minimum requirements, other qualitative and quantitative issues will be considered using the following:
 - 3, 5 and 10-year time-weighted returns (to the extent available);
 - Manager’s adherence to investment strategy;
 - Performance in up and down markets;
 - Returns in excess of the appropriate benchmark for active options;
 - Returns on passively managed options, which approximate the appropriate benchmark;
 - Tenure of portfolio manager(s);
 - Risk-adjusted returns; and
 - 3 and 5-year standard deviations (to the extent available).

VIII. PERFORMANCE MONITORING

Investment options (managers) in the Plan shall be monitored periodically, and the Committee may retain an independent investment consultant to assist with monitoring. Areas to be monitored may include, but not be limited to, the following:

- A summary, showing what percent of total plan assets are invested in each investment option;
- Review of each investment option’s absolute performance for 3 months and 1, 3, 5 and 10-years (to the extent available);

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- Review of each option's relative performance (against both peers and benchmarks) for 3 months and 1, 3, 5 and 10-years (to the extent available);
- Identification of key factors affecting the option's performance for the most recent quarter, such as under or over weight positions in certain industries; and
- Identification of recent changes to the option's firm, portfolio management team and/or investment management process.

An annual review of the program's Target Date Funds ("TDF") or Model series should be conducted by an investment consultant. This review should incorporate a performance review of each TDF option. Additionally, the glide path should be reviewed to confirm the reasonableness of the underlying asset allocation in light of any potential changes to overall benefits structure and/or participant demographics and distribution patterns.

Investment options may be placed on a "Watch List" if there are concerns related to the firm, the portfolio management team, performance and/or the portfolio management process. These concerns should be addressed and resolved in a timely manner. Watch List additions and removals may be handled on a case-by-case basis, and the Committee may receive input from an investment consultant.

IX. PERFORMANCE OBJECTIVES

The performance of investment managers in the Plan shall be measured against the performance of their respective benchmarks (indices) and their peers. If the manager utilizes a specific investment style, then the appropriate style index shall be used when evaluating performance. Active managers are expected to exceed the performance of the index, which is their benchmark. Passive (index) managers are expected to generate performance, which closely approximates the performance of their respective benchmarks or indices.

The performance of investment managers is typically evaluated over a full market cycle or 3 to 5 years. If a manager fails to meet its performance expectations over this time period, this may be grounds for putting the manager on the Watch List or for termination. Other factors may also be weighed when considering the possible termination of a manager.

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Peer Group	Benchmark
Capital Preservation	3-Month Treasury Bill
Foreign Stock	MSCI AC World ex-US Index NR
Global Bond Fund	Barclays Global Aggregate TR USD
Inflation-Protected Bond	Bloomberg Barclays US TIPS Index
Intermediate-Term Bond	Bloomberg Barclays U.S. Aggregate Bond Index
Large Blend	S&P 500 Index TR
Large Growth	Russell 1000 Growth TR
Large Value	Russell 1000 Value TR
Mid-Cap Growth	Russell Mid Cap Growth TR
Mid-Cap Blend	CRSP U.S. Mid Cap Index
Mid-Cap Value	Russell Mid Cap Value TR
Small Growth	Russell 2000 Growth TR
Small Blend	Russell 2000 Index TR
Small Value	Russell 2000 Value TR
Target Date Funds	Appropriate S&P Target Date Series

X. ELIMINATION OF AN INVESTMENT OPTION

Options (investment manager) may be eliminated from the Plan at any time for any reason. An option will typically be eliminated if there has been a negative fundamental shift in investment philosophy, procedure, management and/or performance. These concerns may or may not result in a recommendation by the consultant to place the manager on Watch List status prior to termination. Placement on the Watch List and/or termination may be considered on a case-by-case basis, typically upon the recommendation of the investment consultant.

XI. INVESTMENT MANAGER SELECTION

New options (investment managers) may be added to the Plans only after a search and selection process is conducted. Investment manager searches may be conducted with the assistance of the Investment Consultant, in which case, the recommendations of the consultant may be reviewed and approved by the Committee. This process may consider, among other things, the qualitative and quantitative characteristics of potential investment options from among a universe of available options.

A fund may be eliminated from the Plans at any time for any reason. An option is typically eliminated if it:

1. Continues to be on the Watch List for more than one year; and
2. Has experienced a negative fundamental shift in investment philosophy, procedure, management and/or performance.

Remaining on the Watch List for more than one year does not necessitate termination. Elimination of an option will be considered on a case-by-case basis.

If a new investment option is selected to replace an incumbent fund, the assets in the incumbent fund will be transferred into the newly selected option.

XII. Selection and Monitoring of Service Providers

The selection and monitoring of service providers must be approached with a careful, deliberate process that can be documented. The process will typically start by defining the services that are needed. A Request for Information ("RFI") or Request for Proposal ("RFP") will be created to solicit responses from a universe of providers. After the proposals have been received, the Committee will evaluate the relative advantages and disadvantages of each provider's services and fees. The objective is to identify service providers who will best serve the needs of the Plan at the most reasonable price; decisions will not be based on cost considerations alone.

Service provider relationships shall be regularly monitored to ensure that they are operating in a manner that is consistent with services and terms specified in service provider agreements and governing Plan documents. Existing service provider relationships should be reviewed using a process comparable to the selection process described here approximately every 3 years or as deemed necessary by the Committee to ensure they are still appropriate for the Plan relative to other available alternatives.

XIII. REVIEW PROCEDURES

The Committee will review this Investment Policy Statement at least annually, or whenever appropriate to determine the continued feasibility of achieving the investment objectives and appropriateness of the investment policy statement for achieving those objectives.

Unless otherwise required, the Committee will meet with its independent consultant on an annual basis and will address the following topics:

1. Each option's adherence to investment policies, guidelines, and objectives as detailed in their respective prospectus and/or offering circular;
2. Each option's current asset allocation, diversification across asset classes, and investment style;
3. Each option's absolute returns and risk levels compared to its stated policies and objectives;
4. Each option's historical annualized performance relative to its designated benchmark (index) and relative to its peer group universe;
5. Changes, if any, to each option's organizational structure, the portfolio manager(s) managing the option, the portfolio management process,

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or the level of net assets held by the option, and the impact such changes will have on the option's investment philosophy and strategy;

6. The ability of participants to construct an adequately diversified portfolio with the current options being offered;
7. Amendments to this statement's policies and objectives, and/or other changes to the Plans;
8. The effectiveness of ongoing investment education provided to Plan participants by the Plan's current service provider; and
9. Whether there have been any changes in the Plans' circumstances, needs and/or objectives.

The frequency of meetings or communications may vary. Meetings or communications may be prompted when significant concerns arise about investment manager strategies or performance, or if key changes occur, affecting investment manager personnel or organizational structure. Should the Committee believe at any time that changes, additions, or deletions to either the Plans' investment options, or this statement are advisable, the Committee will implement those changes on a timely basis.

This Investment Policy Statement shall become operative after it is approved by the Board. The functions of the Investment Policy Statement shall be performed by the Finance Committee. While the Committee may act in accordance with this Investment Policy Statement without further Board direction, the Committee may not act outside the boundaries of this Investment Policy Statement without the consent of the Board (or an appropriate Committee thereof) or without an amendment to this Investment Policy Statement that is approved by the Board (or an appropriate Committee thereof).

XIV. PLAN GOVERNANCE

The Committee should review the following plan governance topics as indicated:

A. Annual Review of Investment Options by Investment Consultant

The Committee should meet with the Investment Consultant at least annually. The Investment Consultant should provide the Committee with a written report, which includes, but may not be limited to, performance analysis for each investment option in the Plan and recommendations for any changes to the investment line-up.

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The asset classes offered to participants shall also be reviewed at least annually. Consideration will be given to both active and passive strategies.

B. Annual Review of Investment Policy Statement

The Committee should review this Investment Policy Statement annually. The purpose of this review will be to ensure that the Committee is meeting its fiduciary responsibility to the Plan.

C. Review of Time-based Models or Target Date Funds

The Moderate age appropriate Life Span model serves as the QDIA for the Plan, the Committee should review the appropriateness of the selected model to ensure they are appropriate for participants. A study should be conducted at least every three years. Consideration will be given to both active and passive strategies, if appropriate.

D. Annual Review of Share Classes

The Investment Consultant and Investment Committee will review the share classes of each investment option annually to ensure they are the most appropriate for the Plan' participants.

E. Review of Plan's Cost Structure (every 3 years)

The Committee, typically with assistance from the Investment Consultant, should review the cost structure of the Plan at least once every 3 years to ensure that the programs are being managed in a cost-effective manner. Record keeping costs should be compared to the marketplace to assess the reasonableness of fees. This could result in the need to solicit bids for one or more program-related services on a periodic basis.

The Committee should also consider how program fees are assessed to participants.

XV. ACKNOWLEDGMENTS

The Committee will review the investment performance of the options in the Plan periodically. The overall Investment Policy Statement of the Plan will also be reviewed periodically. At its sole discretion, the Committee may choose to make additional options available or to eliminate any option from the Plan or to otherwise exercise its duties to the Plan. This policy shall remain in effect until changed or modified in writing.

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ADOPTED this ____ day of _____, 2019.

By: