

INVESTMENT POLICY STATEMENT

For

**Juniata College
Retirement Plans**

Prepared May 2010

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TABLE OF CONTENTS

	<u>Page</u>
Executive Summary.....	3
Roles of Service Providers	4
Purpose	5
Statement of Objectives.....	5
• Time Horizon	
• Risk Tolerances	
• Performance Expectations	
• Asset Classes	
Adherence to Prospectus	7
Selection of Investment Options.....	7
Control Procedures.....	9
• Performance Objectives	
• Monitoring of Investment Options	
Signature Page.....	11

EXECUTIVE SUMMARY

Type of Plans:.....403(b) Defined Contribution Plans

Asset Value of Retirement Plan as of 12/31/09:.....\$57,033,730

Asset Value of Supplemental Plan as of 12/31/09:.....\$ 7,727,795

Participant Directed Investment Options:.....Yes

Frequency to Change Investment Options:.....Daily

Plan Demographics of all Plans as of 12/31/09:

A) Participant Count: 747

a) Active Accounts: 363 – Asset Value: \$37,457,275

b) Non-Active Accounts: 384 – Asset Value: \$27,304,250

B) Current Asset Allocation

43% Equities

6% Multi Asset & Lifecycle Funds

51% Fixed Income

Current Contributions

56% Equities

19% Multi-Asset & Lifecycle Funds

25% Fixed Income

C) Participant Count – By Age

Under Age 25: 8 - 1.1%

Age 25 – 34: 95 - 12.7%

Age 35 – 44: 140 - 18.7%

Age 45 – 54: 190 - 25.4%

Age 55 – 64: 192 - 25.7%

Age 65 + 122 - 16.3%

Total 747 – 100.0%

Investment Options: A diversified mix of mutual funds, annuities and Target Date Retirement Funds designed to provide plan participants with choices within the major asset classes, dominant investment styles, and specialty funds.

Current Investment Consultant: Cornerstone Advisors Asset Management, Inc.

Recordkeeper, Money Manager, and Education Consultant: TIAA-CREF

Auditor: ParenteBeard LLC

ROLES OF SERVICE PROVIDERS

Juniata College sponsors two 403(b) defined contribution plans: 1) a plan for employer contributions and participants' contributions with a maximum up to the employer matching contributions and 2) a supplemental plan that allows for participant contributions in excess of the employer matching contributions up to the IRS maximum dollar amount. This plan also allows for participant rollovers into the plan. Juniata College has established a Retirement Plan Committee (the Committee) to provide overall plan governance. The Committee meets formally on a quarterly basis, or more necessary as required, to review the overall performance of the retirement plan. The Committee may hire an Investment Consultant, Record Keeper, and other professional advisers to supervise the daily activities of the plan. The general responsibilities of the Committee and Investment Consultant are listed below. Other service providers' roles and responsibilities would be outlined in the service agreements entered into between Juniata College and the applicable service provider.

General Responsibilities

Retirement Plan Committee

1. Determine investment objectives and policies as outlined in this statement;
2. Establish a list of acceptable investments and portfolio guidelines;
3. Provide information to plan participants regarding the core fund menu and performance against established objectives and policies;
4. Review and approve all Plan service agreements;
5. Negotiate compensation arrangements for investment service providers;
6. Monitor the performance of all service providers including investment managers, investment advisors and record keepers.
7. Establish acceptable peer group performance for each investment manager.
8. Provide guidance to service providers on educational and communication programs;
9. Evaluate and administrative issues.

Investment Consultant

1. Consult with and advise the Committee on plan fees and expenses;
2. Monitor the investments with respect to the stated objectives in this document;

3. Make recommendations on changes to plan investment options.
4. Advise on the retention or removal of service providers;
5. Provide the Committee with reporting adequate to meet their fiduciary responsibility to monitor performance; and
6. Acknowledge its fiduciary responsibilities in writing.¹
7. Fully disclose all fees and compensation relative to the Plan.

PURPOSE

The purpose of this Investment Policy Statement (IPS) is to create a set of guidelines to assist the Committee and the Investment Consultant in selecting, supervising, monitoring and evaluating the Investment Options for participants of the Plan. The Plan's investment program is defined in the various sections of the IPS by:

- Stating in a written document the expectations, objectives and guidelines for the selection and retention of Investment Options for the Plan's assets.
- Providing for a diversified menu of Investment Options that will allow the Plan to comply with current 403(b) regulations.
- Establishing formal criteria to monitor, evaluate and compare on a regular basis, the performance that each Investment Option achieves relative to its appropriate benchmarks.

STATEMENT OF OBJECTIVES

Investment objectives available to plan participants have been established in conjunction with a comprehensive review of current Investment Options. The objectives are:

- (1) To offer plan participants a diversified mix of investment options with varying degrees of risk and potential return characteristics.
- (2) To control and monitor the administrative and investment management costs of the Plan.
- (3) To provide plan participants with investment education and guidance to increase the probability of them achieving favorable long-term investment results.

Time Horizon

The menu of Investment Options is based in part upon an investment horizon that ranges from short-term to long-term, depending on the participant, so interim fluctuations in overall returns should be viewed with appropriate perspective.

Short-term liquidity requirements are a function of each individual participant's investment objectives.

Risk Tolerances

The Plan allows for individual accounts and requires participants to exercise independent control over all assets in their accounts. It is the responsibility of each participant to evaluate the available Investment Options, to make investment decisions based on his/her individual risk tolerance and long-term objectives and to ensure their investment selections are implemented. To that end, the Investment Consultant and the Committee will structure a menu of Investment Options that gives participants a broad selection of investment assets and styles corresponding with differing time frames and risk tolerances. The Investment Option menu will be representative of the major investment asset classes and styles (though it does not need to include all classes or styles) and provides opportunities for liquidity if a participant so desires.

In establishing the risk tolerances for the investment options available to plan participants, the Investment Consultant and the Committee will consider the following:

- The necessity of offering short, intermediate and long-term investment options in a variety of asset classes so that participants have the ability to diversify their portfolios based on their specific investment objectives.
- The understanding that there are varying degrees of investment knowledge and sophistication among Plan participants.

Performance Expectations

Each Investment Option's overall annualized total return, net of fees, should perform above the median of a Morningstar Fund Universe and above an appropriate style specific index over a 3 and 5 year period of time.

Asset Classes

The Investment Consultant and the Committee should offer a wide variety of investment choices to reflect the overall needs of plan participants, whose investment risk profile can be defined as conservative to aggressive. The asset classes listed below were noted as possible classes to include in the Plan's mix. There is no requirement that each class be represented as long as the Investment Consultant and the Committee determine that is it both prudent and appropriate to exclude a particular class.

- Domestic Large Capitalization Equities
- Domestic Mid Capitalization Equities
- Domestic Small Capitalization Equities
- International Equities
- Domestic Fixed Income
- Domestic High Yield Fixed Income
- Alternative Fixed Income
- International Fixed Income
- Index Funds
- Cash Equivalents
- Stable Value Funds
- Annuity Contracts
- Target Date Retirement Funds
- Real Estate

ADHERENCE TO PROSPECTUS

It is expected that each Investment Option will be managed in accordance with its prospectus or other disclosure document.

SELECTION OF INVESTMENT OPTIONS

The Investment Consultant and the Committee will select Investment Options that meet the following minimum criteria:

- (1) The Investment Option must be a mutual fund, a collective or commingled fund or a separate fund managed by a bank, insurance company, investment management company, or investment adviser as defined by the Investment Advisers Act of 1940

- (2) The Investment Option must be able to provide historical quarterly performance numbers for a period of at least three years reported net of fees.
- (3) The Investment Option must be able to provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of its manager relative to other funds of like investment style.
- (4) The Investment Option must articulate in its prospectus or other disclosure documents a clear investment strategy that has been in place for a reasonable period and which the Investment Consultant can confirm has been adhered to over that time.
- (5) The manager or sponsor of the Investment Option shall have no outstanding legal judgments or past judgments, which, in the opinion of the Investment Consultant and Committee, reflect negatively upon it.
- (6) The Investment Option's manager should have been in place for three years or more or have an identifiable and portable track record from previous responsibilities.
- (7) The Investment Option must be valued on a daily basis.

In addition, the Investment Consultant and the Committee will select an appropriate Qualified Default Investment Option (QDIA) if applicable. The intent is to ensure that the chosen QDIA is, on its own, capable of meeting an employee's long-term retirement savings needs. To assist in QDIA selection, the Department of Labor (DOL) has specified the following investment characteristics and objectives of the default investment alternatives available under the QDIA safe harbor:

- A product designed to meet the Plan's needs based on participant age, target retirement date or life expectancy. Investment allocations must change over time to become more conservative with increasing age; risk tolerances, investments or other preferences of an individual participant need not be considered. ("Lifecycle" or target-retirement-date funds are examples of this QDIA type.)

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CONTROL PROCEDURES

Performance Objectives

The Investment Consultant and the Juniata College Retirement Plan Committee will review overall investment performance on a regular and continuing basis to assure conformity with the criteria of the IPS. In addition, the Investment Consultant will regularly (no less frequently than annually) review the IPS in light of changing circumstances to determine whether it should recommend that the IPS be modified; however, absent significant changes in conditions, it is not expected that the IPS will change frequently.

Monitoring of Investment Options

The Investment Consultant will evaluate performance of Investment Options on a quarterly basis to determine conformity with the performance expectations and other guidelines of this IPS, including the matters set forth below. It is understood that there are likely to be short-term periods during which performance of an Investment Option deviates from market indices. During such times, greater emphasis shall be placed on peer-performance comparisons with funds/managers employing similar styles.

On a timely basis, but not less than four times a year, the Investment Consultant will report to the Committee with respect to the issues listed below and other relevant matters. The Investment Consultant will monitor these issues on a regular and continuing basis throughout the year, consistent with its role and responsibility. These include:

- Material changes in the Investment Option's organization, investment philosophy, senior management and/or investment style consistency with its prospectus; and,
- Monitoring of the credit rating of guaranteed accounts determined by Moody's and S&P, withdrawal restrictions, market value adjustments, and if applicable, withdrawal fees/penalties.
- Comparisons of the Investment Option's results to appropriate indices and peer groups, specifically, including the Qualified Default Investment Option, if applicable:

<i>Asset Category</i>	<i>Index</i>	<i>Peer Group Universe</i>
Large Cap Equity Value Growth Core	Russell 1000 Value Russell 1000 Growth S & P 500	Value Equity Style Growth Equity Style Core Equity Style
Mid Cap Equities Value Growth Core	Russell Mid-Cap Value Russell Mid-Cap Growth Russell Mid-Cap	Mid-Cap Value Style Mid-Cap Growth Style Mid-Cap Core Style
Small Cap Equities Value Growth Core	Russell 2000 Value Russell 2000 Growth Russell 2000	Small Cap Value Style Small Cap Growth Style Small Cap Core Style
International Equity Value Growth Core	MSCI EAFE Value MSCI EAFE Growth MSCI EAFE	International Value Style International Growth Style International Core Style
Domestic Fixed Income Defensive Fixed Active Duration Core Bond	Barclays Capital U.S. 1-3 yr. Gov't Barclays Capital Aggregate Barclays Capital Aggregate	Defensive F/I Style Active Duration Style Core F/I Style
Specialty Funds Real Estate	DJ U.S. Total Market REITs	Real Estate
High Yield	CS High Yield	High Yield Style
Global Fixed Income	Barclays Capital Global Aggregate	Global Fixed Income
Inflation- Protected	Barclays Capital U.S. TIPS Index	TIPS Style
Cash	90 Day T-Bills	Money Market Database or Active Cash
Moderate Allocation Funds	60% S&P 500; 40% BC Aggregate	Domestic Balanced
Lifecycle Funds	Morningstar Target Date Category Averages	Morningstar Target Date Peer Groups

In evaluating performance, the Investment Consultant will consider whether any investment risk assumed over the benchmark index and the peer group results in at least a corresponding increase in performance above the benchmark and peer group.

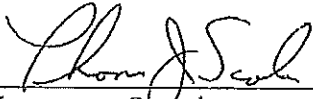
In addition to the information covered during the quarterly reviews, the Investment Consultant will report to the Committee at least annually with respect to the performance of each Investment Option relative to funds of like investment style or strategy. Each Investment Option is expected to perform in the upper half of its style universe over complete business cycles, as defined.

The Investment Consultant will conduct a more in depth review of the desirability of retaining a particular Investment Option if:

- The Investment Option performs in the bottom quartile (75th percentile) of its peer group over the most recent twelve-month period.
- The Investment Option performs below the 50th percentile of its peer group over the most recent 3-year and 5-year periods.
- The Investment Option falls in the southeast quadrant of the risk/return scatter plot for rolling 3-year period.
- The Investment Option has a rolling three-year risk adjusted return (Sharpe Ratio) that falls below the median within the appropriate peer group.
- The Investment Option has a negative alpha over a rolling 3-year period.
- The Investment Option has a major organizational change, such as a change in management, personnel, or investment style.


The Investment Consultant will advise the Committee as to what action it deems appropriate with respect to the selection and retention of the Investment Options in connection with the evaluations it makes in accordance with this IPS. Such action may include, but is not limited to, placing the continuation of an Investment Option on a "watch list" for a period pending action, freezing an Investment Option to new investments, terminating an Investment Option, terminating an Investment Option and replacing it with one that follows a similar investment style and asset class and/or adding an Investment Option that represents an additional investment style and/or asset class.

Prepared by:
Cornerstone Advisors Asset Mgmt, Inc.


Investment Consultant

May 12, 2010
Date

Accepted by:
Juniata College
Retirement Plan Committee


Jeff Savino, Committee Chairperson

May 12, 2010
Date

¹ Disclosures:

To avoid any misunderstanding of the services Cornerstone is prepared to provide, listed below are services, which include but are not limited to, those services that Cornerstone Advisors Asset Management, Inc., its Officers, Directors, and any of its' affiliates would not be held legally or otherwise responsible for and that are provided by other third parties such as custodians, record keepers, third-party administrators, and actuaries.

Cornerstone would not be held legally or otherwise responsible for:

- 1) The accuracy of the data prepared and reported by the custodian, record keeper, third-party administrators, and actuaries;
- 2) The timeliness and accuracy of plan participants contributions, rollovers, loans if applicable, and/or withdrawals;
- 3) Any advice, whether investment or non-investment related, that is given to plan participants by other third parties such as custodians, record keepers, third-party administrators, and actuaries;
- 4) Any transaction that would be regarded as a prohibited transaction under ERISA executed by any person(s), other than Cornerstone, that are considered to be fiduciaries of the above stated retirement plans;
- 5) Any losses in plan participant accounts, which include but limited to, losses that were a direct result of market conditions or investment directions from the plan participants that were not executed by the Plan Sponsor and/or the third party responsible for such execution of investment directions; and,
- 6) Any other transaction relating to the plan assets that Cornerstone would not have direct control of executing.