Wisconsin College Savings Program Board
Investment Evaluation/Removal Policy
Amended effective December 31, 2007

Purpose

Ongoing monitoring of the Investments held by the Program Portfolios is an important component of the Board's Program oversight role. This Policy allows the Board to take action if it is not satisfied with specific aspects of an Investment's performance and/or activities. Monitoring and removal/replacement procedures are designed to take place in sequential order, to provide an ample amount of information and feedback to the Board before any significant changes are implemented.

Investment Monitoring

Both Portfolios and underlying mutual funds in Portfolios (collectively "Investments") offered through the program shall be evaluated by the Board based upon performance benchmarks and peer group comparisons that shall be established when the portfolio is added to the program. Quarterly performance data will be monitored based upon ongoing review by the Board's independent investment advisor. At least annually, the review of Investments will include consideration of whether each Investment should continue to be offered by the Program and whether any reallocations to the underlying Investments should be made in the Portfolios. A review of benchmarks and peer groups for each Investment will also be conducted at least annually.

Watchlist Status of an Investment

An Investment may be considered for the watch list if it satisfies any of the criteria listed:

- four consecutive quarters of performance of an investment trailing its benchmark or below its median; **or**
- four consecutive quarters of underperformance with the rolling 3-year annualized return of an investment trailing its benchmark or below its median; **or**
- a significant change in the portfolio management team, investment philosophy or organization structure of the Investment; **or**
- the Investment, the investment personnel or management firm are under regulatory, statutory or federal investigation; **or**
- any other factor deemed relevant by the Board

The Board's independent investment advisor will make written recommendations to the Board regarding the evaluation of the quantitative and qualitative criterion for placement of an Investment on the watch list. The recommendation will include any relevant criterion used by the investment advisor for its recommendation, and any factor that should be brought to the Board's attention prior to Board action.

Once added to the watch list by the Board, the Investment will be closely monitored for at least one year, at which time the Board will make a decision to retain or replace the Investment. Quarterly reports and evaluations of watch list Investments will be provided to the Board at regularly scheduled meetings, and shall include reasons for watch status, date put on watch list, number of quarters on watch status, and any additional comments including significant changes in watch list criterion. An additional period on the watch list may be granted at the Board's discretion if it is determined that the Investment performance is showing a trend of improvement, or if the Investment would be difficult to replace with a similar Investment from the same or another manager.

If the Board determines that an Investment is no longer acceptable for continued offering in the Program, the Board may close the portfolio to new participants and/or initiate the process to phase the Investment out of the program and require investors to move account balances to an alternative choice. The phase-out shall take place over a minimum of a one-year period. Investors shall be instructed to direct future contributions to an alternative choice within a period of not less than 12 months from the initial notification.

Should the Board determine for any reason that an immediate Investment change is warranted, or to the extent a participant does not take action to voluntarily direct investments in a closed investment to a new Investment during the prescribed timeframe under this Policy, accounts in the closed Investment will automatically be reinvested into an alternative Investment as designated by the Board.