

Memorandum

To: Audit Committee of the ISO Board of Governors

From: Ryan Seghesio, Chief Financial Officer & Treasurer

Date: October 31, 2013

Re: Update on Investment Strategy of the Retiree Medical Plan Assets

This memorandum does not require Committee action.

At the Committee's March 20-21, 2013 meeting, a new investment strategy was approved for the assets related to the ISO Retiree Medical Plan liabilities. The Committee directed Management to work with the Plan's fiduciary consultant on creating the specific language for the investment policy and authorized the ISO Employee Pension Benefits Committee (EPBC) to approve the final investment policy. The investment policy was approved in August 2013 by the EPBC and is attached for your information.