

INVESTMENT POLICY STATEMENT

For

The Animation Guild 401(k) Plan

Effective November, 2015

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PURPOSE

The purpose of this Investment Policy Statement (“IPS”) is to assist the Trustees of The Animation Guild 401(k) Plan (“Trustees”) in supervising, monitoring, and evaluating the investment alternatives of The Animation Guild 401(k) Plan (“Plan”). The Trustees have the authority to oversee the investment of the Plan’s assets. The Plan’s investment program is defined in the various sections of this IPS by:

- Stating the Trustees’ objectives and guidelines for the investment of all Plan assets.
- Setting forth the investment structure for all Plan assets.
- Setting forth the guidance and limitations that are intended to provide the Trustees and Investment Consultant (“Consultant”) with a clear understanding of the investment policies and objectives used in the selection and retention of Plan investment options.
- Stating that the Trustees intend that Plan assets be managed in conformance with the guidelines set forth in the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). It is the further intention of the Trustees that the Plan satisfy the requirements of ERISA § 404(c) (“ERISA 404(c)”) so that Plan fiduciaries will be relieved of liability for any losses which are the result of (a) investment instructions given by the Participant, or (b) default investment in a Qualified Default Investment Alternative (“QDIA”) for Participants who provide no instructions.
- Stating that the Participants and their beneficiaries are expected to have different investment objectives, time horizons and risk tolerances. To meet these varying investment needs, Participants will be able to direct the Plan’s Trustee (“Trustee”) to invest their account balances among a range of investment options so that Participants may either select or construct a diversified portfolio with aggregate risk and return characteristics at any point within the range normally appropriate for the Participant. Participants alone, and not other Plan fiduciaries, will bear the risk of the investment results obtained from the options that the Participants select, and the investment instructions that the Participants give.
- This IPS has been approved by the Trustees as an outline of general investment policies and is intended to supersede any earlier statements of investment policies and objectives, effective with the date this statement is executed.
- In general, it is understood that all investment policies are designed to reflect current market conditions and applicable statutory requirements. This IPS will be reviewed by the Trustees from time to time and will be updated as determined by the Trustees.

STATEMENT OF PLAN INVESTMENT OBJECTIVES

The purpose of the Plan is to provide eligible employees with a convenient way to save on a consistent, long-term basis for retirement. The Trustees will discharge its responsibilities under the Plan solely in the interests of Participants and their beneficiaries.

Employee elective salary deferral contributions are made through payroll deductions each payroll period. All employee contributions are remitted to the Trustee for investment in the Participant-designated investment options, pursuant to the direction of the Participant and in compliance with the provisions of ERISA §404(c).

The objectives of the Plan have been established in conjunction with a review of the current and projected requirements. The objectives are:

1. To provide Participants with a broad range of investment opportunities in various asset classes.
2. To provide and maintain one or more reasonable investment opportunities within each of the offered asset classes.
3. To provide Participants with the opportunity to maximize their investment returns within reasonable and prudent levels of risk over time.
4. To control investment expenses and fees borne by Participants, including the costs of administering the Plan and managing the investments.
5. To comply with the requirements of ERISA and all other applicable laws.

ROLES & RESPONSIBILITIES

Trustees

The Trustees, have the responsibility for (a) the adoption of amendments to the Plan necessary or appropriate to maintain compliance with applicable law or to facilitate administration, (b) the oversight of day-to-day Plan administration, (c) establishing and maintaining the IPS, (d) selecting, monitoring, and, if appropriate, removing or replacing the Plan's investment options in accordance with the IPS, including designating at least one QDIA, as defined in ERISA §404(c)(5) and the Code of Federal Regulations §2550.404c-5, (e) periodically reviewing plan expenses and making recommendations for change, as appropriate, (f) evaluating, and overseeing the services provided by and the hiring and firing of the Consultant, Recordkeeper, and Trustee, and (g) coordinating ongoing Participant communications and educational campaigns.

Recordkeeper

The Recordkeeper is responsible for (a) maintaining and updating individual account balances as well as information regarding Plan contributions, withdrawals, and distributions, (b) providing both Plan and Participant level reporting on a consistent and ongoing basis, (c) facilitating and implementing Participant investment directions, (d) assisting the Trustees in maintaining the tax qualified status of the Plan as well as operational compliance with all applicable laws and regulations, and (e) providing materials for use in Participant communication and educational campaigns, including fulfilling on an ongoing basis all of the required and optional informational disclosures pursuant to ERISA §404(c), (f) generating the year end tax filing for the Plan (IRS Form 5500), (g) performing all required compliance testing for the Plan, and (h) creating and maintaining the Plan documents in conjunction with ERISA counsel.

Corporate Trustee

The Corporate Trustee is responsible for holding and investing Plan assets in accordance with the terms of the Trust Agreement and for providing Plan reporting on a consistent and ongoing basis.

Investment Consultant

The Consultant is responsible for assisting the Trustees in the discharge of their responsibilities by acting with all of the skill, care and diligence that a prudent person, acting in a like capacity, would undertake. These specific duties include assisting the Trustees to (a) select, monitor, adjust, remove or replace the Plan's investment options in accordance with the objectives set forth in this IPS, (b) deliver to the Trustees on an ongoing basis reports and other information relative to the Plan's investment options and (c) review the performance and expenses of Plan service providers.

INVESTMENT OPTION GUIDELINES

The Plan offers a broad range of investment options that will enable Participants to either select or construct a portfolio with aggregate risk and return characteristics that fit within each Participant's desired range. Since the Plan is intended to be operated in a manner that complies with ERISA §404(c), the Plan will at all times offer a minimum investment selection consisting of at least three "designated investment alternatives," each with unique risk and return characteristics. Until otherwise modified, the Trustees have selected all of the current investment options as designated alternatives.

In general, an investment option's adherence to the specific investment objectives and criteria contained herein will be evaluated over a full-market cycle, which historically has been defined as five to seven years. The Trustees may, from time to time as warranted, modify these objectives and criteria according to the Trustees' discretion and as it deems appropriate.

Selection Analysis

Pursuant to the provisions of the Plan, the Trustees adopt the following guidelines and standards with respect to the investment options made available to Participants:

- The Plan will maintain a variety of investment options as determined from time to time by the Trustees. The available investment options will provide Participants with at least one choice in each of the following investment categories, as such terms are commonly understood in the investment community:
 - Money market or stable value
 - Bonds or fixed income instruments
 - Target date portfolios
 - US equities
 - Foreign equities
- All active investment options shall be regulated investment companies (mutual funds) or collective trust funds managed by nationally recognized investment managers. "Active" means investment options into which Participants may transfer existing balances or make continuing contributions.
- In the event that a Participant fails to make a positive investment election, the Plan will provide a "default" investment choice. Until otherwise modified, the Trustees have selected as the default investment choice the target date series fund appropriate to the Participant's age, as determined by a table maintained by the Recordkeeper and based on the Participant's date of birth. It is intended that the default investment choice satisfy the requirements to be deemed a QDIA as defined in ERISA §404(c)(5) and the regulations thereunder.
- In evaluating investment options, the Trustees will review information provided by the Consultant that takes into account the following criteria:
 1. The tenure of the current manager.
 2. Performance compared to similar options for the preceding three and five-year periods

3. The risk of the option compared to the average for the category as measured by five-year standard deviation.
4. Total investment expenses (management fees, 12b-1 fees, loads, etc.) as compared to benchmark levels as determined by the appropriate Morningstar category average.
5. Portfolio turnover
6. Additional criteria for option evaluation, such as performance consistency and organizational structure, may be considered whenever deemed appropriate.

Target Date Portfolios

The primary objective of offering target date funds is to give Participants the following benefits:

- A simplified investment process.
- Rational diversification among asset classes and/or management styles.
- Automatic rebalancing and an appropriate level of portfolio risk as the Participant progresses towards his projected retirement date.

The target date funds should typically meet the following minimum requirements:

- Be based on a “glide path” which automatically reduces the portfolio risk and equity exposure as the Participant gets closer to the portfolio’s target date.
- Be structured to normally include exposure (at differing percentages based upon the target date of the portfolio) to the following asset classes:
 - Large and small cap US equities
 - Foreign and emerging markets equities
 - Short- and intermediate-term corporate & government fixed income securities
 - Inflation protected securities within the fixed income segment
- Be rebalanced on a not less than an annual basis.

The Trustees recognize that it is not possible for any target date retirement fund to provide the exactly appropriate portfolio for each Participant at each point in time. Rather, the target date funds are designed to help Participants avoid the major investment flaws that reduce return during the *accumulation* phase of their retirement savings cycle. Namely, these flaws are improper diversification, lack of rebalancing, and inappropriate equity exposure given the Participant’s age.

The Trustees further recognize that the risk tolerance of Participants may vary during the retirement savings cycle as the Participant approaches the target date. The target date funds selected for the Plan will be chosen and monitored according to the following assumptions and parameters:

- The typical Participant will choose to enter into retirement with an asset allocation strategy designed to generate and maintain inflation adjusted income over the life of the Participant.

- The equity exposure of the glide path will decrease as the target date approaches, settling at an amount that is normally not in excess of 50% of the portfolio at the target retirement date.

CONTROL PROCEDURES

Monitoring of Investment Options

Investment options will be evaluated by the Consultant with a report furnished to the Trustees on a quarterly basis. Normally, on at least a semi-annual basis, the Trustees and Consultant will meet to focus on:

- Material changes in an investment option's organization, investment philosophy, and/or personnel;
- Issues relating to the categories of investment options offered to the Participants, and the appropriate range of risk and return potential of the investment options given the Plan demographics;
- Comparisons of the investment option's results to appropriate indices and peer groups, and generally according to the following table:

<i>Asset Category</i>	<i>Index</i>	<i>Peer Group Universe*</i>
Large Cap Equity Value Growth Core (Blend)	Russell 1000 Value Russell 1000 Growth S&P 500	Large Value Large Growth Large Blend S&P 500 Tracking
Mid Cap Equity Value Growth Core (Blend)	Russell Mid-Cap Value Russell Mid-Cap Growth Russell Mid-Cap	Mid-Cap Value Mid-Cap Growth Mid-Cap Blend
Small Cap Equity Value Growth Core (Blend)	Russell 2000 Value Russell 2000 Growth Russell 2000	Small Value Small Growth Small Blend
International Equity Value Growth Core (Blend) Emerging Markets World Stock	MSCI EAFE Value MSCI EAFE Small Cap MSCI EAFE Growth MSCI EAFE Small Cap MSCI EAFE MSCI EAFE Small Cap MSCI Emerging MSCI World Index	Foreign Large Value Foreign Small/Mid Value Foreign Large Growth Foreign Small/Mid Growth Foreign Large Blend Foreign Small/Mid Blend Diversified Emerging Markets World Stock
Fixed Income Intermediate-Term Short Term High Yield Global Bond	Barclays Aggregate Bond Barclays 1-5 Yr Gov't/Credit CSFB High Yield Barclays Aggregate ex-USD	Intermediate-Term Bond Short Term Bond High Yield Bond World Bond
Asset Allocation Target Date Retirement Aggressive Allocation Moderate Allocation Conservative Allocation Model Portfolios	S&P Target Date Series DJ Aggressive Portfolio DJ Moderate Portfolio DJ Conservative Portfolio Composite Benchmarks	Target Date Categories Aggressive Allocation Moderate Allocation Conservative Allocation Composite Benchmarks

<i>Asset Category</i>	<i>Index</i>	<i>Peer Group Universe*</i>
Real Estate	DJ Wilshire REIT	Real Estate
Inflation Responsive		
Moderate	Barclays US Treasury TIPS	Flexible Allocation
Conservative	Barclays US Treasury TIPS	Inflation Protected Bond
Cash		
Stable Value	Barclays Stable Value	Hueler Stable Value Universe
Money Market	6 Month CD	Money Market – Taxable

* Morningstar (unless otherwise indicated)

The Trustees are aware that the ongoing review and analysis of the investment options is just as important as the due diligence implemented during the selection process. The Consultant will review each investment option in accordance with the criteria listed in the “Selection Analysis” section of this document and report the results to the Trustees. The purpose of the review process is to provide the Trustees with the due diligence that it may require in advance of any action which it may need to be take.

The Consultant maintains two investment monitoring levels: *Satisfactory* and *Watch List*.

The Consultant will normally place an investment option on *Watch List* status if:

- Peer group ranking falls below the 60th percentile for the preceding 3 & 5 year periods.
- Change in the portfolio management team (the option shall be removed from *Watch List* status once the new portfolio management team has completed 1 year of service with returns at or above benchmark levels).
- Increase in expenses.
- Significant changes in assets under management due to either large amounts of redemptions or inflows which the Consultant deems potentially detrimental to future relative performance.
- Significant deviation from a style or asset class category as determined by a combination of returns based and portfolio based analysis.
- Significant change in portfolio risk, using measurements including standard deviation, downside capture ratio, portfolio concentration, and trailing one year returns.
- Legal/regulatory problems or investigations, or an ownership change at the organizational level that may affect investment management or strategies used.

The Consultant may, at its discretion, place an option on *Watch List* even if the above mentioned criteria are not met. Once an option is placed on *Watch List*, the Consultant should provide the Trustees with a rationale for the option’s continued inclusion in the Plan investment selection, or recommend corrective action as noted in the “Change and/or Removal of an Active Investment Option” section of this IPS.

CHANGE AND/OR REMOVAL OF ACTIVE INVESTMENT OPTION

Investment options that fail to meet the applicable criteria will generally be noted by the Consultant and flagged for the Trustees' consideration of change or removal from the list of active investment options. Continued failure may constitute a basis for change or removal from the Plan's list of active investment options, although the Trustees may determine, after consultation with the Consultant, to retain the investment option if circumstances warrant. In such a case, the Trustees may:

- Remove and replace (map assets) with an alternative investment option.
- Freeze the assets managed by the terminated investment option and direct new assets to a replacement investment option.
- Phase out the investment option over a specific time period.
- Continue the investment option with or without adding a competing investment option.
- Remove the investment option and not provide a replacement investment option.

ADDENDUM A*Executive Summary & Key Contact Information*

The “Executive Summary & Key Contact Information” for the Plan is attached as Addendum A to the IPS. This Addendum will be updated from time to time as determined by the Trustees and changes to this Addendum will not require the IPS to be re-executed.

Type of Plan:	401(k) Plan
Participant Directed Investment Options:	Yes
Frequency to Change Investment Options:	Daily
Name of Plan:	The Animation Guild 401(k) Plan
Plan Sponsor and Named Administrative Fiduciary:	The Trustees of The Animation Guild 401(k) Plan
Trustees:	Sally Catic Steven Hulett Karen Carnegie Johnson Ted Rubin Mark Stubington Stephan Zupkas
Recordkeeper	Vanguard Institutional Investor Group Kay Valentine, Relationship Manager 14321 North Northsight Blvd, AP 30 Scottsdale, AZ 85260 Tel: (480) 713-0687
Corporate Trustee:	Vanguard Fiduciary Trust Company
Investment Consultant:	MJM401k 4647 N. 32 nd Street, Suite 200 Phoenix, AZ 85018 Tel: (602) 224-5599
Outside ERISA Counsel:	Robert Lowe Mitchell Silberberg & Knupp LLP 11377 West Olympic Boulevard Los Angeles, CA 90064 Tel: (310) 312-3180