

**California ABLE Program Trust
Monitoring Procedures and Criteria**

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I. BACKGROUND

In accordance with Section 529A of the Internal Revenue Code of 1986, as amended, the California ABLE Program Trust (the “Trust”) offers the California ABLE Program (the “Program” or “CalABLE”), a qualified ABLE program, to people with disabilities nationwide. The purpose of the Program is to encourage and assist individuals and families in saving private funds for the purpose of supporting individuals with disabilities to maintain health, independence, and quality of life; and to provide a tax-advantaged way to save for disability-related expenses of beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, Title XVI (Supplemental Security Income) and Title XIX (Medicaid) of the Social Security Act, the beneficiary's employment, and other sources.

As the administrator of the Trust, the California ABLE Act Board (the “Board”) directs investment and has a fiduciary responsibility for the assets invested by CalABLE Participants. The Board's fiduciary duties require that it:

- set appropriate investment policies and procedures,
- monitor investment performance and investment related qualitative factors, such as changes in the Program Manager's investment strategy or key investment personnel, and
- take corrective actions, if necessary.

Specifically, these monitoring procedures enable the Board to monitor performance and help it achieve consistent investment success for CalABLE Participants. In addition, it provides the Board with a road map for action if it is not satisfied with specific aspects of a fund's activities and/or investment performance.

California ABLE Program Investment Structure

CalABLE offers a program sold directly to qualified individuals and their families. Participants in the Program choose from passive investment portfolios and active investment portfolios.

The portfolios in the Program were designed to give participants a selection of investment choices based on their return needs and risk tolerance. Investment portfolios are comprised of one or more federally registered mutual funds with the exception of the FDIC Insured Deposit Portfolio. All of the portfolios, their investment objectives, their mutual fund make up, and a list of mutual funds and their corresponding benchmarks, are outlined in the CalABLE Statement of Investment Policy separate document.

II. MONITORING PROCEDURES

The Program's monitoring procedures are designed to provide qualitative and quantitative information to the Board on investment performance to aid it in making the best decisions on behalf of Program participants. Specifically, the procedures outline the aspects of the Program subject to monitoring and how and when such monitoring will take place; the mixture of permitted investments as described in the Investment Policy Statement that are acceptable from both a rate of return and risk standpoint; a definition of what constitutes acceptable and unacceptable performance; and how underperformance may be addressed.

The Program will be monitored both at the investment portfolio and underlying investment level. Benchmarks for the investment Portfolios will be derived from the Underlying Investments each option is comprised of, where an asset-weighted composite benchmark is used for comparison purposes if the Investment Portfolio holds more than one fund.

The following Monitoring Procedures primarily focus on providing performance standards (criteria) to monitor the Underlying Investments which are the building blocks of the Investment Portfolios, providing

the Board with a mechanism for corrective action.

There are two major groups of monitoring activities: Ongoing Monitoring and Periodic Monitoring.

Ongoing Monitoring Activities

Ongoing monitoring activities include measurement and assessment of investment performance and related investment activities. Both the Program Manager and the independent Investment Consultant will provide monitoring reports.

Portfolio Construction

- *Multi-Fund Portfolios (Target-Risk) Investment Performance*
Performance monitoring of portfolios in the Program containing multiple funds will occur at the underlying fund level. Each underlying fund will have its performance compared to its primary prospectus benchmark. Specific monitoring criteria for each underlying fund can be found in Section V., the Investment Performance Criteria Schedules.

Quarterly Investment Performance Review by Program Manager

As part of the ongoing reporting process, the Program Manager will report calendar quarter and trailing annualized performance of the funds to CalABLE Act Board staff (Staff) and the Investment Consultant on a quarterly basis. The Program Manager will also provide to the Staff quarterly performance reports for each portfolio used by the Trust and each fund against its respective benchmark. In addition, the Program Manager is responsible for providing: i) an explanation of investment activities that caused under- or outperformance each quarter, ii) any major changes in investment related to personnel, organization and/or investment approach/strategy, and iii) any other reporting as required by law.

Quarterly Investment Performance Evaluation by Independent Investment Consultant

Using monthly data provided by Morningstar, the Investment Consultant will provide a quarterly report for the Board comparing each underlying fund with its respective benchmark according to the investment performance criteria found in the Section V., the Investment Performance Criteria Schedules.¹ The quarterly monitoring report compares each underlying fund to a benchmark (see CalABLE Statement of Investment Policy for funds and their benchmarks). Performance for each underlying fund is then categorized as Positive, Acceptable, Caution, or Watch using the criteria listed in the Investment Status Schedule.

FDIC Insured Deposit Portfolio

The Investment Consultant will provide a quarterly monitoring summary of the FDIC Insured Deposit Account. Monitoring of this investment will include verification of the providing bank's good standing (i.e. bank stability), as well as verification of the FDIC-insured status.

Periodic Monitoring Activities

As part of its ongoing fiduciary responsibilities, Staff and the Investment Consultant should regularly (annually or more often if needed) review several qualitative aspects of the Program Manager's practices. Key factors may include, but are not limited to a review of:

- Fund investment guidelines to ensure they are consistent with the Program's mandate for the fund.
- Fund investment strategy and style, especially the buy/sell disciplines.
- Portfolio activity, specifically the turnover rate and portfolio concentration.
- Risk profile relative to the fund's benchmark.

¹ Performance numbers are net of underlying mutual fund fees (not net of the Program's Administrative Fee)

- Organizational structure.
- Stability of fund personnel and organization.
- Legal and/or regulatory issues
- Contractual obligations to the Program, if any.
- Multi-fund portfolios against an appropriate custom asset-weighted benchmark.
- Efficacy of active versus passive management.

III. INVESTMENT STATUS

The quarterly investment reports provided by the Investment Consultant will rate all underlying funds as Positive, Acceptable, Caution or Watch (see Investment Status Schedule). These ratings will serve to summarize performance for each fund.

Investment Status Schedule

Performance Category	Active Funds	Passive Funds
Positive	<ul style="list-style-type: none"> ▪ Performance exceeds the benchmark 	<ul style="list-style-type: none"> ▪ Tracking error is within the allowable range (short, medium and long-term periods)
Acceptable	<ul style="list-style-type: none"> ▪ Performance meets or trails the benchmark but is within the allowable range 	
Caution	<ul style="list-style-type: none"> ▪ Performance is below allowable range but either: <ul style="list-style-type: none"> i) for less than six consecutive months, or ii) the Board has not taken (or decided not to take) a formal action to place the underlying fund on Watch even though performance has been below allowable range for six months or longer. 	<ul style="list-style-type: none"> ▪ Tracking error falls outside of the allowable range but either <ul style="list-style-type: none"> i) for less than six consecutive months, or ii) the Board has not elected to place the underlying fund on Watch
Watch	<ul style="list-style-type: none"> ▪ Performance is below allowable range for more than six consecutive months and the Board has formally voted to place the underlying fund on Watch. 	<ul style="list-style-type: none"> ▪ Tracking error falls outside of the allowable range for more than six consecutive months and the Board has formally voted to place the underlying fund on Watch.

Note: This chart addresses investment performance only. It is conceivable that the Investment Consultant, Staff and the Board may need to take into consideration qualitative factors (either positive or negative) when determining the status of a fund. Monitoring criteria and ranges shall be reviewed on an ad hoc basis to confirm their appropriateness based on prevailing market dynamics and conditions.

**Ranges are shown in the Investment Performance Criteria Schedules*

If an underlying fund meets the criteria in the Investment Status Schedule for Caution, the Board may choose to place the underlying fund on Watch. At subsequent Board meetings, the Investment Consultant and Staff will apprise the Board as to whether quantitative (see Section V., the Investment Performance Criteria Schedules) and/or qualitative conditions (as determined by the Investment Consultant which may include changes in investment strategy, changes in key personnel, changes in risk/capital market exposure or other risks identified by the Investment Consultant) warrant further action. If conditions are not improving, the Investment Consultant will provide a memo explaining the causes of underperformance and will make a recommendation whether or not to take further action.

Watch Status

Once the Board receives the report and recommendation, it may decide to take no action or it may vote to place the underlying fund on Watch. In making this decision, the Board may use quantitative or qualitative information or a combination of both. Once on Watch, the underlying fund will receive heightened monitoring. Specifically, the Program Manager will provide a quarterly report explaining causes of underperformance or improvement. Additionally, the Investment Consultant and Staff will monitor the underlying fund carefully and provide additional reports as necessary. This heightened level of monitoring continues quarter-by-quarter until the Board releases the underlying fund from Watch or takes other corrective actions.

Generally, once an underlying fund is placed on Watch, it should be able to exhibit improvement within a time frame of 12 to 18 months. However, extenuating circumstances may require the Board to take action sooner (or later) than 12 to 18 months. Regardless, an underlying fund will remain on Watch until the Board votes to release it or take further action.

Improvement Occurs – Release from Watch

If an underlying fund shows indications of improvement in one or more of the factors that caused it to be placed on Watch, it may be released from Watch. Examples of improvements warranting a change in status are:

- Improved investment performance.
- Investment style and/or risk characteristics return to, and remain at, expected levels.
- Other factors such as organizational structure stabilizes, personnel adjustments, compliance requirements, etc. are met/satisfied.

The Investment Consultant and Staff will provide regular reports to the Board on any underlying fund on Watch. These reports will highlight the original reasons for placing the underlying fund on Watch and discuss how these issues have been addressed. If improvement occurs in an appropriate amount of time (generally 12 to 18 months) the Investment Consultant may make a recommendation to the Board to release the underlying fund from Watch, and the Board may vote to approve this recommendation or not.

FDIC Insured Deposit Portfolio

Applying an investment status to the FDIC Insured Deposit Portfolio is based on different criteria than those applied to underlying funds. Given that the monitoring of the FDIC Insured Deposit Portfolio is based on non-performance related issues, different criteria must apply to measure improvement during Watch. If Caution or Watch applies, the Investment Consultant will provide regular updates to the Staff until such time that improvement is noted (typically a 12 to 18 month period) in the characteristics that caused the FDIC Insured Deposit Portfolio to be placed on Caution or Watch.

IV. CORRECTIVE MEASURES

Improvement Does Not Occur – Corrective Measures

If an underlying fund is not released from Watch within an appropriate period (generally 12 to 18 months), corrective action may be necessary.

Multi-Fund Portfolios

If the quantitative and/or qualitative performance of the underlying fund does not improve, the Investment Consultant will conduct an analysis and provide the Board with options and a recommendation for action. Options include:

- Allowing the underlying fund more time,
- Closing it to new investments, or
- Replacing it (replacement specifics are outlined below).

FDIC Insured Deposit Portfolio

If no improvement is seen in the characteristics of the FDIC Insured Deposit Portfolio related to those characteristics that caused Caution or Watch status, the Investment Consultant may recommend that the Board replace the FDIC Insured Deposit Portfolio with other options.

Fund Replacement

The Board may replace funds on Watch as part of its fiduciary responsibility to monitor and take corrective action if required. The Investment Consultant will provide a memo on whether fund replacement should be considered. The “Standard Timeframe” below shall be followed for funds currently on Watch, except when immediate action is necessary as provided under “Expedited Timeframe” below.

Standard Timeframe - Funds Currently on Watch

If fund replacement is necessary for funds currently on Watch, the Board may consider having:

- the Program Manager subcontract with an affiliated or non-affiliated entity to provide fund management services, subject to Board approval; or
- the issuance of a Request For Proposals for fund management services by a third-party provider not affiliated with the Program Manager.

The Program Manager will work collaboratively with the Investment Consultant to provide the Board with one or more recommended replacement funds. The Investment Consultant will also provide the Board with a memo expressing its opinion of the Program Manager’s recommendation.

All of the above actions require Board approval.

Any new investments shall be closely monitored for an appropriate period of time as determined by the Investment Consultant.

Expedited Timeframe - Funds Currently on Watch Requiring Immediate Action

In the event of unusual or precarious market movements or unforeseen circumstances (such as wholesale change in fund management, rapid deterioration in performance or portfolio composition, material unforeseen factors, etc.) where immediate fund replacement or corrective action may be necessary, as determined by the Investment Consultant, the Board may replace a fund or take corrective action. To expedite the process, the Board should look to maintain the desired capital market exposure through a competitively priced index fund. Subsequent to the removal and replacement by a suitable low-cost index fund the Program Manager will follow the manager search process outlined in the Standard Timeframe.

All of the above actions require Board approval and the Board may delegate by formal action its authority to the Executive Director or the Chair of the Board, who may authorize a designee to act in his stead.

Any new investments shall be closely monitored for an appropriate period of time as determined by the Investment Consultant.

Overall Assessment of Program Manager’s Investment Services

The Board may determine that the Program Manager’s overall investment services are unsatisfactory due to either quantitative reasons (sustained poor performance at the asset class and/or fund level) or qualitative reasons (See Definitions of Important Terms).

V. INVESTMENT PERFORMANCE CRITERIA SCHEDULES

Table 1a: Actively Managed Funds
(Based on net-of-fee asset class performance)

Asset Class	Short-Term (rolling 12-month periods)	Medium-term (rolling 36-month periods)	Long-term (> 60 months)
Emerging Market Bond	Fund return < bench return -6.5% for 6 consecutive months	Fund return < bench return -3.25% for 6 consecutive months	VRR < 0.96 for 6 consecutive months
High Yield	Fund return < bench return -6.5% for 6 consecutive months	Fund return < bench return -3.25% for 6 consecutive months	VRR < 0.96 for 6 consecutive months

Annualized return is the average annual return of either the fund or its benchmark.

VRR – Value Relative Ratio – is calculated as: fund cumulative return / benchmark cumulative return.

<u>Fund</u>	<u>Asset Class</u>	<u>Benchmark</u>
Vanguard Emerging Markets Bond Fund	Fixed Income	JP Morgan EMBI Global Diversified Index
Vanguard High-Yield Corporate Fund	Fixed Income	95% Bloomberg U.S. High-Yield Ba/B 2% Issuer Capped Index and 5% Bloomberg U.S. 1–5 Year Treasury Bond Index

Table 1b: Passively Managed Funds
(Based on net-of-fee asset class performance)

Asset Class	Short-Term (rolling 12-month periods)	Medium-term (rolling 36-month periods)	Long-term (rolling 60-month periods)
Domestic Equity	Tracking Error > 0.30% for 6 consecutive months	Tracking Error > 0.25% for 6 consecutive months	Fd annlzd return < bench annlzd return -0.30% for 6 consecutive months
International Equity	Tracking Error > 0.75% for 6 consecutive months	Tracking Error > 0.70% for 6 consecutive months	Fd annlzd return < bench annlzd return -0.30% for 6 consecutive months
Fixed Income	Tracking Error > 0.40% for 6 consecutive months	Tracking Error > 0.55% for 6 consecutive months	Fd annlzd return < bench annlzd return -0.35% for 6 consecutive months

Annualized return is the average annual return of either the fund or its benchmark.

Tracking Error is a measure of the volatility of the average annual difference between the manager's return and the benchmark's return

Monitors:

<u>Fund</u>	<u>Asset Class</u>	<u>Benchmark</u>
Fidelity Total Market Index Fund	Domestic Equity	Dow Jones U.S. Total Stock Market Index
Fidelity International Index Fund	International Equity	MSCI EAFE Index
Fidelity Emerging Markets Index Fund	International Equity	MSCI Emerging Markets Index
Fidelity U.S. Bond Index Fund	Fixed Income	Bloomberg U.S. Aggregate Bond Index
Fidelity Long-Term Treasury Bond Index Fund	Fixed Income	Bloomberg U.S. Long Treasury Bond Index
Schwab Treasury Inflation Protected Securities Index Fund	Fixed Income	Bloomberg U.S. Treasury Inflation-Linked Bond Index

Table 1c: FDIC Insured Deposit Portfolio
(Based on non-investment performance criteria)

Fund Name	FDIC-Insured Status	Stability
BNY Mellon Bank Savings Account	Bank continues with appropriate levels of insurance with the FDIC	No identifiable issues regarding changes in the bank's financial stability

Monitors:

<u>Fund</u>	<u>Asset Class</u>	<u>Benchmark</u>
BNY Mellon Bank Savings Account	Bank Deposit	Not applicable

DEFINITIONS OF IMPORTANT TERMS

A

Active Management – a money-management approach based on informed, independent investment judgment that seeks to add incremental value to that of a benchmark.

American Depositary Receipt (ADR) - A negotiable certificate issued by a U.S. bank representing a specific number of shares of a foreign stock traded on a U.S. stock exchange.

Annualized Performance – a measure that converts total cumulative performance into an annual average return. Industry practice is to compute the average annual return by compounding monthly return and then computing the geometric mean return.

Asset Allocation – the process of dividing investments among different kinds of assets, such as stocks, bonds, real estate, and cash, to optimize the risk/reward tradeoff based on an institution's specific situation and goals.

Asset Class – a type of investment, such as stocks, bonds, real estate, or cash, specifically:

- **Domestic Equity** - Ownership interests in U.S.-based corporations in the form of common stock or preferred stock. Domestic equity may include some limited exposure to real estate (REITs) and international stocks (ADRs) as listed on major U.S. stock market exchanges.
- **International Equity** - Ownership interests in non U.S.-based corporations in the form of common stock or preferred stock. International equity may include some limited exposure to global stocks (those involving more than one country, including the U.S.), emerging markets stocks, or other investment offerings as listed on major non-U.S. stock market exchanges.
- **Fixed Income** - Medium and long-term debt obligations of government, government sponsored entities, corporations, and/or other assets that pay a fixed dollar amount. Fixed income may include some limited exposure to structured and synthetic investments such as options and swaps.

B

Bloomberg U.S. Aggregate Bond Index – an unmanaged index generally representative of the U.S. investment grade fixed income universe. The index includes treasury securities, government agency bonds, mortgage-backed bonds, corporate bonds, and a small amount of foreign bonds traded in U.S.

Bloomberg U.S. Corporate High Yield Bond Index – an unmanaged index designed to capture publicly issued non-investment grade USD fixed-rate, taxable and corporate bonds.

Bloomberg U.S. High-Yield Ba/B 2% Issuer Capped Index - index consisting of fixed rate dollar denominated debt securities with rating Ba/B. The securities instruments are non-investment grade. There is a limit of 2% maximum exposure to any one issuer.

Bloomberg U.S. 1–5 Year Treasury Bond Index - an unmanaged index consisting of U.S. Treasury bonds with maturities between 1 and 5 years.

Bloomberg U.S. 5-10 Year Treasury Bond Index – an unmanaged index consisting of U.S. Treasury bonds with maturities between 5 and 10 years.

Bloomberg U.S. TIPS 1-10 Year Index – an unmanaged index consisting of U.S. Treasury inflation-indexed bonds with maturities between 1 and 10 years.

Bloomberg U.S. Treasury Inflation-Linked Bond Index – measures the performance of the U.S. Treasury Inflation Protected Securities (TIPS) market

Benchmark – a standard used for comparison. For example, the S&P 500 is a widely used benchmark thought to be representative of the domestic stock market as a whole.

Benchmark Annualized Return – the conversion of a benchmark's (e.g. S&P 500) cumulative gain or loss activity into an average annual return.

Buy/Sell Disciplines – describes under what conditions, and how frequently, a security is to be bought and sold.

C

Composite – a combination or group of select securities.

D

Dow Jones U.S. Total Stock Market Index – An index that is intended to capture the total U.S. stock market, representing the top 95% of the U.S. stock market based on market capitalization.

Diversified Approach – a portfolio strategy designed to reduce exposure to risk by combining a variety of investments, such as stocks, bonds, and real estate, which are unlikely to all move in the same direction.

Domestic Equity – see Asset class for description.

E

Execution Costs – the costs associated with completing a buy or sell of an asset or investment.

Externally Managed Mutual Funds – a portfolio of investments managed by a third party, outside of the Trust, for a stated fee.

F

Fiduciary Responsibility – a legal authority and ethical duty to make decisions regarding financial matters on behalf of another party

Fixed Income – see Asset class for description.

Fund (or Mutual Fund) – an investment portfolio that is managed by an external professional investment management firm. A mutual fund is typically highly diversified (after taking into account the investment firm's unique philosophy and approach) and includes investments on behalf of many share or unit holders. Mutual funds are "regulated investment companies" registered with the Securities and Exchange Commission.

Fund Annualized return – the conversion of a fund's cumulative gain or loss activity into an average annual return.

Fund Review – a review of a mutual fund's performance describing how the fund may be failing to meet specific criteria. This document is typically produced when a fund is placed on watch status.

H

Investment Approach/Strategy – the method employed by the mutual fund to achieve its stated added value quantitative.

Investment Guidelines – a list of requirements and criteria agreed upon by the fund and its client to achieve the portfolio's investment objectives. Such guidelines can include items such as (i) the types of asset to be employed, (ii) the maximum amount of exposure to any one security, (iii) maximum or minimum percentages of each type of asset, etc.

Investment Performance Criteria – pre-determined expectations set for the fund, which are used to evaluate whether the fund is meeting its investment performance quantitative.

Investment Risk – the volatility of an investment's performance, with emphasis on the measurable possibility of an investment losing, or not gaining value.

Investment Style – a philosophy or approach of investing typically held by a broad group of investors (i.e., growth investors, value investors, etc.).

International Equity – see Asset class for description

J

JP Morgan EMBI Global Diversified Index – unmanaged, market-cap weighted index tracking the traded market for U.S.-dollar-denominated debt instruments issued by sovereign and quasi-sovereign entities from countries categorized as emerging markets countries.

M

Management Fees – the fee charged by a fund's investment advisor for managing the fund.

MSCI EAFE Index – an equity performance measurement by Morgan Stanley Capital International of developed international markets (Europe, Australia, Far East)

MSCI Emerging Markets (EM) Index – is a free float-adjusted market capitalization index that is designed to measure equity market performance of currently 24 emerging markets countries.

Multi-fund Options – investment options comprised of more than one individual fund.

O

Ongoing Monitoring – continual (quarterly) evaluation of the qualitative and investment performance aspects of a funds' management and practices to determine their ability to continue to add value and meet pre-established criteria.

Organizational Structure – a description of a fund's business-related characteristics such as personnel and team structure as well as its decision-making hierarchy.

Outperformance – when the result of activities of an investment over a given period of time exceeds expectations (i.e. the result of a growth-oriented fund is better than an assigned benchmark such as the Russell 3000 Growth Index).

P

Participants – individuals electing to take part in the Trust's investment program by contributing assets to the investment options provided by the Trust.

Passive Management – a money-management approach that seeks to match the return and risk characteristics of a market or benchmark.

Periodic Monitoring – regular (annually, semi-annually) evaluation of the qualitative aspects of a fund's management and practices to determine if they meet pre-established criteria.

Portfolios – a stand alone (individual) investment or a collection of multiple investments. In most cases, these investments are mutual funds but may be separate accounts. One or more portfolios may also represent an asset class. The term 'Portfolio' is also used to describe various participant options.

Program Manager Fee – the fee charged by the program administrator.

Q

Qualitative Considerations – factors taken into account when assessing the Program Manager's overall performance in providing investment management services.

Quantitative Considerations – factors taken into account when assessing the Program Manager's overall investment performance.

Quarterly – a three-month period within one year (typically ending on 3/31, 6/30, 9/30, 12/31).

Quarterly Performance – the result of investment activities within a three-month period.

R

Rolling Periods – specific time periods that are selected to include a finite amount of days, months, quarters, or years in which as the next unit (i.e. day) is entered, the earliest one from the past set is dropped retaining the finite number.

Russell 3000 Index – measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

S

S&P 500 Index – a performance measurement of the stocks of 500 high quality companies as judged by the Standard & Poor's corporation. This index is widely used and thought to be representative of the entire U.S. stock market.

Stand Alone Fund – an individual mutual fund that represents an entire offering as part of the program's investment options.

Status Report – a quarterly evaluation of a fund's performance while designated as being on Watch. This report reviews the reason for the fund being on Watch, for how long, and if the fund is addressing the issues pertaining to Watch.

Style – a behavior of portfolio returns caused by an investment manager's investment philosophy and portfolio construction processes.

T

Tracking Error – the amount by which the performance of the portfolio typically differs (either plus or minus) from that of the benchmark.

U

Underlying Funds – a set (two or more) of mutual funds that together comprise an offering as part of the program’s investment options.

Underperformance – when the result of activities of an investment over a given period of time falls short of expectations (e.g. the result of a typical equity portfolio is lower than an assigned benchmark).

V

Value Relative Ratio – a measure of a mutual fund’s effectiveness by comparing a fund’s return data to the specified benchmark. Calculated as “Fund Cumulative Return/Benchmark Cumulative Return.”

W

Watch – a condition assigned to a fund indicating that the fund’s investment performance or other qualitative factors do not meet pre-determined criteria. This status allows time for the fund to take corrective action before being terminated.