

# MICHIGAN STATE EMPLOYEES' RETIREMENT SYSTEM

## INVESTMENT POLICY STATEMENT

*August 2008*

### I. Introduction

The investment policies and objectives of the Michigan State Employees' Retirement System (MSERS) are intended to allow for sufficient flexibility in the management process to capture investment opportunities, yet provide parameters that will ensure prudence and care in the execution of the investment program. The State Treasurer, as sole fiduciary, in investing MSERS' assets shall act with the care, skill, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, in accordance with Public Act 314 of 1965, as amended (P.A. 314).

### Definition of Terms

- A. Allocated Cash – Funds allocated to the investment managers. These funds are generated by income (interest, dividends) and monies earned as a result of the sales of a security. The investment managers' allocated cash is invested in cash equivalents as per the short-term investment policy and is readily available for investment by the investment manager.
- B. Cost – Book value or purchase price of the security.
- C. Market – Current price of the security if sold on the open market as of a given date.
- D. Policy – Definite course or method of action selected from among alternatives, in light of given conditions, to guide and determine present and future decisions.
- E. Strategic Asset Allocation – The long-range asset allocation of the plan designed to obtain a reasonable long-term total return, consistent with the degree of risk assumed, while emphasizing the preservation of long-term capital.
- F. Target Allocation – The percentage of MSERS portfolio (valued at market) to be allocated to the specific asset classes as outlined on pages five and six.
- G. Unallocated Cash – Funds generated by MSERS from contributions, less administrative expenses and benefit payments, invested in cash equivalents (but not managed by investment managers).

## **II. Assignment of Responsibilities**

- A. The State Treasurer is the sole fiduciary and custodian of MSERS' investments pursuant to State law. The State Treasurer, with input from the Bureau of Investments (BOI), internal and external investment managers, consultants, and other service providers, shall provide the following:
1. Establish a long-term fund target asset allocation, based on the analysis and advice of the Bureau of Investments.
  2. In conjunction with the Bureau of Investments, establish a process for evaluating and selecting external managers, where needed.
  3. In conjunction with the Bureau of Investments, establish a process for monitoring and evaluating the performance of internal and external managers, as well as the overall fund.
  4. The State Treasurer delegates investment authority pertaining to liquid investments (i.e., publicly traded equities, absolute return, real return, and fixed income) to the Bureau of Investments whereas approval of illiquid investments, such as private equity investments and real estate will require approval from the State Treasurer.
- B. The State Treasurer reports investment activity quarterly to the Investment Advisory Committee (Committee), which reviews the investments, goals, and objectives of the retirement funds and may submit recommendations regarding them to the State Treasurer. The Committee may also, by a majority vote, direct the State Treasurer to dispose of any holding, which in their judgment, is not suitable for the fund involved, and may by a unanimous vote, direct the State Treasurer to make specific investments.
- C. The Director of the Bureau of Investments serves as the Chief Investment Officer of the System. The Director will implement the goals as described in Section II, A (1, 2, 3) of this document as well as direct the investment operations of the MSERS, including each major asset class, in compliance with statutory requirements and sound business practices.

## **III. General Objectives and Policies**

The general objectives are intended to define the goals to be achieved through the management of MSERS assets. General policies are intended to provide guidelines for the State Treasurer, as sole fiduciary, to follow in meeting the general objectives.

### **A. General Objectives**

1. The overall objective of the MSERS is to provide retirement, survivor, and disability benefits to its members through the investment of contributions and other MSERS assets, utilizing policies designed to achieve a 100 percent funding level for the plan's liabilities over time.

2. The primary investment objective is to maximize the rate of return on the total investment portfolio, consistent with a high degree of prudence and sufficient diversity to eliminate inordinate risks and to meet the actuarial assumption for the investment rate of return, at a reasonable cost achieved by cultivating a motivated team of dedicated professionals.
3. The State Treasurer will seek to control the cost of funding the plan within prudent levels of risk through the investment of MSERS assets.

B. General Policies:

1. All transactions undertaken on behalf of MSERS will be for the sole benefit of plan participants.
2. All participants (including staff and external service providers) involved in the investment process shall act responsibly. All participants shall act with the care, skill, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, in accordance with Public Act 314 of 1965, as amended (P.A. 314), or as otherwise stated in the investment policy, or their contract.
3. All participants (including staff and external service providers) involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. These parties are required to reveal all relationships that could create or appear to create a conflict of interest in their unbiased involvement in the investment process.
4. Investments shall be made without distinction between return generated from income as opposed to capital gains, and that diversification, need for liquidity, and the potential for gain and loss will be monitored on an on-going basis.
5. The allocation of assets among various asset classes shall be approved by the State Treasurer. The asset allocation policy shall be predicated on the following factors:
  - a. the historical performance of capital markets adjusted for the expectations of the future short and long-term capital market performance;
  - b. the correlation of returns and risk among the relevant asset classes;
  - c. the expectations of future economic conditions, including inflation and interest rate assumptions;
  - d. the projected liability stream of benefits and the costs of funding to both covered employees and employers;

- e. the relationship between the current and projected assets of the plans and the projected actuarial liability stream.

This asset allocation policy will identify target allocations to the classes of assets MSERS can utilize and the ranges within which each can fluctuate as a percent of the total portfolio. This policy is expected to provide diversification of assets in an effort to maximize the investment return to MSERS consistent with prudent market and economic risk. All assets of MSERS are to remain invested at all times in either cash equivalents or other asset classes as designated by this Policy.

6. Professional investment management firms, which are registered investment advisors or which are appropriately exempt from registration under the Investment Advisers Act of 1940 as may be amended, may be retained to assist in managing MSERS assets. Investments shall be sufficiently diversified so as to minimize the risk of material losses. Each investment manager will function under a formal contract that delineates its responsibilities and appropriate performance expectations. A formal set of investment guidelines and administrative requirements for management of each portfolio is to be provided to each manager. The State Treasurer will review the investment performance of these managers against their stated objectives at least quarterly. Individual managers will be judged according to benchmarks, which reflect the objectives and characteristics of the strategic roles their portfolios are to fulfill. Other factors for consideration shall include, but not be limited to, fundamental changes in the manager's philosophy, changes in the manager's organizational structure, financial condition (including changes in total assets under management), personnel, changes in fee structure, and any regulatory or litigation brought against the manager. Investment managers may act at their own discretion provided their actions are in accordance with P.A. 314, the investment policy, and their contract.
7. The State Treasurer will allocate net pension fund contributions on an on-going basis in accordance with this Policy to balance the overall asset allocation against targets when deviations occur because of capital market fluctuations. Such allocations can be made even if contributions to managers or asset classes which have recently experienced poor performance are entailed. If such poor performance is the result of an occurrence other than expected market-related volatility, then a reassessment of that investment shall be undertaken.
8. The State Treasurer may utilize the services of an investment consultant for the purpose of performance review, asset allocation studies, risk budgeting, manager screening and selection, and topical studies. The comments and recommendations of the consultant will be considered by the State Treasurer, as sole fiduciary, in conjunction with other available information for the purpose of making an informed and prudent decision.
9. The State Treasurer will utilize the services of a master custodian bank that will be responsible for holding MSERS assets, settling purchases and sales of securities; identifying and collecting income which becomes due and payable on assets held; and providing a management information/accounting system.

10. The State Treasurer may utilize the services of a securities lending provider to generate additional return for MSERS. The program will be administered in accordance with the securities lending policy negotiated with the provider.
11. The MSERS considers the active voting of proxies an integral part of the investment process. Proxy voting will occur in accordance with the Proxy Voting Policy incorporated by attachment.
12. A formal review of MSERS investment structure should be conducted annually by the State Treasurer. Updated return projections and asset allocation will be developed at least every two years. The information for these reviews shall come from staff, outside consultants, and investment managers, as they may be retained.
13. It is the responsibility of the State Treasurer to administer the investments of MSERS at reasonable cost, being careful to avoid sacrificing quality. These costs include, but are not limited to, management and custodial fees, consulting fees, transaction costs, and other administrative costs chargeable to MSERS.
14. Any investment or any action pursuant to an investment for MSERS which is not expressly permitted under this Policy is not allowed unless submitted in writing, and formally reviewed and approved by the State Treasurer.
15. The State Treasurer will operate the pension investment program in compliance with all applicable state, federal, and local laws and regulations concerning the investment of pension assets (USC Section 401 (a) (8), (9), (16), and (25) of the Internal Revenue Code; and under P.A. 314 as attached and may be hereafter amended).

#### IV. Asset Allocation Policy and Objectives

Based on the factors identified in the preceding General Policies, the State Treasurer has established strategic asset allocation targets and ranges for domestic and international equities, alternative investments, domestic fixed income instruments, and real estate, commodities, and cash or cash equivalents on a market value basis.

Ranges for each asset class are included in the asset allocation policy to provide the State Treasurer, as sole fiduciary, with flexibility to adjust to market fluctuations and portfolio changes.

A. The five-year strategic asset allocation targets as presented at the September 4, 2008, IAC meeting, are provided below:

	<u>Targets</u>	<u>Ranges</u>	<u>Statutory Limit*</u>
Domestic Equity	34%	24% - 48%	70%
International Equity	17%	12% - 20%	20%
Absolute Return	2%	0% - 5%	
Private Equity	16%	10% - 17%	
Real Return	1%	0% - 3%	
Real Estate	11%	8% - 14%	
Fixed Income	17%	12% - 25%	
Short Term Fixed Income	2%	1% - 7%	
Total Assets	100%		

\*Additional statutory limitations may apply pursuant to Public Act 314 of 1965.

## **ASSETS CLASSES ARE DEFINED AS:**

<b>Equities</b>	Investments representing ownership interest to include public, preferred stock, convertible to stock, options, futures or other derivatives on stocks or composites of stocks, units, participation or partnership shares which represent ownership interests in an underlying investment (excluding real property).
<b>Private Equity</b>	Investments representing ownership interest in partnerships and other vehicles including, but not limited to, venture capital, leveraged buyouts, mezzanine debt, and special situations. In addition, this asset class may include public stock as a result of distributions.
<b>Real Estate</b>	Investments representing ownership interest in partnerships and other vehicles including but not limited to equity and/or mortgages in real property including, but not limited to, commercial, retail, industrial, residential, natural resource, land, or publicly traded securities that invest in real estate properties.
<b>Fixed Income</b>	Investments representing instruments with maturities greater than one year with obligated fixed or floating rates of interest to include public and private securities, mortgages, and investments in life insurance general accounts and guaranteed investment contracts, and options, futures or other derivatives on fixed income securities or fixed income components.
<b>Short Term Fixed Income</b>	Investments in fixed income securities with maturities of less than one year including, but not limited to, Treasury bills and notes, commercial paper, bankers acceptances, certificates of deposit, asset backed securities, Eurodollar securities and debentures, and mortgages with less than one year remaining to maturity.
<b>Real Return</b>	Investments representing ownership interest in either individual real return asset classes that provide an inflationary “hedge”, or portfolios that are managed strategically or tactically utilizing real return asset classes in isolation or in combination with traditional asset classes to achieve this goal.
<b>Absolute Return</b>	Investments representing ownership interest in hedge funds managed to an overall risk tolerance. Diversification by fund and by strategy, such as long/short equities, arbitrage,

and event driven strategies is important as is prudent leverage levels on a total portfolio. Absolute Return Strategies seek to produce return patterns over time that have a lower level of correlation with equities and other traditional asset classes.

**THE STRATEGIC ROLE OF EACH ASSET CLASS AND SUBCLASS IS DEFINED AS FOLLOWS:**

**Domestic Equity (may include, but are not limited to the following)**

**Passive** – Three stock portfolios: one designed to track the return and characteristics of the S&P 500 Index, another designed to track the return and characteristics of the mid-cap S&P 400 Index, and another designed to track the return and characteristics of the small-cap S&P 600 Index.

**Large-Cap Growth** – Diversified portfolio of large-cap stocks, generally with market capitalizations greater than \$5 billion that have high long-term growth rate estimates due to emerging products and/or market opportunities, above-average ROEs, and strong managements. Focus on companies with strong presence in categories anticipated to be fast growing, high rates of unit sales growth, and seasoned management.

**Large Cap Core** – Diversified portfolio of large-cap stocks, generally with market capitalizations greater than \$5 billion. May be implemented using traditional securities or derivative positions backed by short-term investments. Enhanced index products or approaches may be monitored with a specific tracking error expectation.

**Large-Cap Value** – Diversified portfolio of large-cap stocks, generally with market capitalizations greater than \$5 billion, significantly underpriced as measured by price/earnings and/or price/book and meaningfully below fair value as determined by quantitative models. Focus on companies with strong presence in depressed categories, experienced management, and conservative accounting practices.

**Partial Long-Short (130/30)** – Diversified portfolio of large cap stocks utilizing both long and short positions. The strategy has a limited amount allowable to sell short (usually 20% to 40%). The proceeds of the short sales are used to buy more long positions, so that net market exposure is equal to 100%, though the portfolio return is expected to exceed that of the S&P 500 Index.

**Mid-Cap** – Diversified portfolio of mid-cap stocks, with market capitalizations generally between \$2 billion and \$10 billion. A core portfolio consists of a blend of growth and value stocks. Stocks of mid-cap growth companies have high-growth rate estimates due to innovative products and/or market opportunities, above-average ROEs, and strong managements. Stocks of mid-cap value companies would be significantly underpriced compared to the value of their assets or business opportunities.



**Small-Cap** – Diversified portfolio of small-cap stocks, with market capitalizations generally less than \$2 billion. Companies in a small-cap growth portfolio have high long-term growth rate estimates due to emerging products and/or market opportunities, above-average ROEs, and strong managements. Companies in a small-cap value portfolio would be significantly underpriced compared to the value of their assets or business opportunities.

### **International Equity**

Diversified portfolio of company stocks incorporated outside of the U.S. that may be denominated in non-U.S. currency. International equity is expected to provide diversification with U.S. equity investments. Passive international equity management attempts to replicate performance and characteristics of the applicable index and may be implemented through the use of swaps or other derivative instruments. Active management attempts to add value over the benchmark through country allocation, stock selection, etc.

### **Private Equity**

Diversified portfolio of partnerships in venture capital, leveraged buyouts, mezzanine debt, and special situations. The portfolio will consist of domestic and international partnerships, as well as private and public securities, which may be the result of distributions. Private equity investments shall be well diversified by sub-asset class (e.g. venture capital vs. buyouts), investment style (e.g. early vs. late stage, mid market vs. large cap market), and vintage year.

### **Absolute Return**

Diversified portfolio of hedge funds consisting of multiple funds and strategies, managed to an overall risk level and including acceptable leverage levels. ARS portfolios seek to produce return patterns over time that have a low level of correlation with equities and other traditional asset classes.

### **Real Return**

Real Return can include such diverse individual strategies as commodities and timber, or a portfolio including a variety of asset classes managed tactically or strategically to achieve a real return goal. They are included in the portfolio to provide an inflation hedge. Examples of additional individual strategies include, but are not limited to TIPS and Infrastructure.

### **Real Estate**

Equity, equity-like participation, or mortgages primarily in commercial, retail, industrial, and apartment real estate properties, as well as natural and land resources. The real estate investment is expected to provide diversification from traditional capital market risk.

Equity participation in concentrated or specialized niche real estate investments may include the use of leverage. Investments may be diversified by property type, geography, and or developmental phase and may include international real estate.

### **Fixed Income**

Diversified portfolios of fixed income securities designed to primarily protect principal and generate cash flow. Internally managed portfolios shall consist of bonds that are either investment grade or meet the requirements of Section 17(1)(a)(iii) of P.A. 314, which states:

“if the net earnings of the issuing, assuming, or guaranteeing entity available for fixed charges during each of any 3, including 1 of the last 2, of the 5 fiscal years immediately preceding the time of investment, shall have been not less than 1-1/2 times the total of the entity’s fixed charges for such year . . .”

Externally managed bond portfolios seek to outperform the bond indices through traditional fixed income management tools such as yield curve management, non-core sector exposure, duration management, and other techniques. The overall quality of these portfolios should be maintained at above investment grade.

### **Short-Term Fixed Income**

Portfolio of short-term fixed income securities with an average maturity of less than one year. Its purpose is to provide liquidity and safety of principal from capital market and default risk.

## **V. Performance Objectives**

The investment performance of the fund will be measured on two levels: against objectives for the total MSERS and against objectives for individual portfolio components (asset classes and individual managers). Investment performance shall be measured no less than quarterly on a net of fees basis. Because capital markets fluctuate, and given the length of the duration of the liability stream, the performance relative to objectives is to be judged over a period of a market cycle as well as standard annualized periods of three, five, and ten years. Greater emphasis is placed on intermediate to long-term results.

### **A. Performance Objectives for the MSERS**

1. Achieve optimal rate of return possible within prudent levels of risk, while maintaining sufficient liquidity to pay benefits.
2. Diversify assets to preserve capital and avoid material losses.
3. Meet or exceed actuarial assumption over the long term.

4. Perform in the top half of the public plan universe over the long term.
5. Exceed individual asset class benchmarks over the long term.
6. Exceed the median peer within the appropriate manager or asset class universe ranking over the long term, making qualitative and quantitative adjustments for universe comparisons which may only be available gross of fees.
7. Operate in a cost-effective manner relative to peers.
8. Achieve a rate of return in excess of inflation.

B. Performance Objectives for Individual Components

It should be noted that peer universes may only be available for these comparisons on a gross of fees basis. This should be considered when evaluating SMRS return streams which are stated net of fees.

1. Domestic Equities

Passive	Return within 20 basis points of the S&P 500 Index, 50 basis points for the S&P 400 mid-cap, and 60 basis points for the S&P 600 small-cap over the one, three, five-year periods and a market cycle.
Large-Cap Growth	Exceed the S&P 500 Citigroup Growth Index for three and five-year periods and a market cycle. Rank above median in a nationally recognized universe of managers possessing a similar style.
Large-Cap Value	Exceed the S&P 500 Citigroup Value Index for three and five-year periods and a market cycle. Rank above median in a nationally recognized universe of managers possessing a similar style.
Large-Cap Core	Exceed the S&P 500 for three and five-year periods and a market cycle. Rank above median in a nationally recognized universe of managers possessing a similar style.
Partial Long/Short	Exceed the S&P 500 Index for three and five-year periods and a market cycle. Rank above median in a universe of managers possessing a similar style.
Mid-Cap	Exceed the S&P 400 Index for three and five-year periods and a market cycle.

	Rank above median in a nationally recognized universe of managers possessing a similar style.
Small-Cap	Exceed the S&P 600 Index for three and five-year periods and a market cycle. Rank above median in a nationally recognized universe of managers possessing a similar style.
2. International Equities/ Passive	Return within 250 basis points of the S&P/Citigroup BMI-EPAC Index, one-half in U.S. dollar & one-half in local currencies, for three and five-year periods and a market cycle.
International Equities/ Active	Exceed the S&P/Citigroup Broad Market Index World x U.S. annualized over three and five-year periods and a market cycle. Small cap portfolios are expected to exceed the S&P/Citigroup Extended Market Index over three and five year periods and a market cycle. Rank above median in a nationally recognized universe of managers possessing a similar style.
3. Private Equity	Exceed the S&P 500 Index by 300 basis points over the three and five-year periods and a market cycle.
4. Absolute Return	Exceed T-bills by 400 basis points net of fees over the three and five-year periods and a market cycle. Also, exceed the appropriate HFN Fund of Funds median net of fees over the three and five-year periods and a market cycle.
5. Real Return	Exceed the increase in the CPI by at least five percent (5%) annually net of fees over three and five-year periods and a market cycle. If a peer universe is available, rank above median in a nationally recognized universe of managers possessing a similar style.
	TIPS - Exceed the Lehman U.S. TIPS Index over the three and five-year periods and a market cycle. Rank above median in a nationally recognized universe of managers possessing a similar style.
	Commodities - Exceed the Dow Jones-AIG Total Return Commodities Index over the three and five-year periods and a market cycle. Rank above median in a nationally recognized universe of managers possessing a similar style.

6. Real Estate	Exceed the NCREIF minus 75 basis points (Industry estimate for management fee) over the one, three, five-year periods and a market cycle, minus 75 basis points prior to December 2005 and minus 130 basis points thereafter.
7. Fixed Income/Gov't	Exceed the Lehman U.S. Government Index over the three and five-year periods and a market cycle. Rank above median in a nationally recognized universe of managers possessing a similar style.
Fixed Income/Corp.	Exceed the Lehman U.S. Credit Index over the three and five-year periods and a market cycle. Rank above median in a nationally recognized universe of managers possessing a similar style.
Fixed Income/High Yield	Exceed the Lehman U.S. High-Yield Index over the three and five-year periods and a market cycle. Rank above median in a nationally recognized universe of managers possessing a similar style.
Fixed Income/Core, Core+	Exceed the Lehman Aggregate Index over three and five year periods and a market cycle. Rank above median in a nationally recognized universe of managers possessing a similar style.

## **VI. General Investment Manager Guidelines and Requirements**

- A. Purchases and sales, security selection, and portfolio implementation of investment strategies are delegated to the discretion of the investment manager, subject to compliance with MSERS' investment policies, individual contracts, and P.A. 314. If a commingled vehicle is utilized, the investment policies of that fund shall be considered the operative policy document.
- B. The following transactions are prohibited: Purchase of any securities or execution of any other transactions prohibited by P.A. 314.
- C. Transactions that involve a broker acting as a "principal" where such broker is also the investment manager who is making the transaction are prohibited. Brokers acting as investment managers are limited to "agency" transactions.
- D. Transactions shall be executed at a reasonable cost, taking into consideration prevailing market conditions and services and research provided by the executing broker.

- E. MSERS considers the active voting of proxies an integral part of the investment process. Proxy voting will occur in accordance with the Proxy Voting Policy incorporated by attachment and is delegated to the investment managers.
- F. All external managers shall adhere to the *Investment Protection Principles set forth in Executive Directive 2003-11*.
- G. All internal managers shall adhere to the Bureau of Investments' *Standards of Professional Conduct*.
- H. All managers will be expected to provide MSERS, the custodian, and their investment consultant, on a timely basis each quarter, such data as is required for proper monitoring.
- I. No more than 5% of the MSERS portfolio at cost may be invested in the securities of a single issuer or in a single tangible asset, excluding securities issued by the U.S. government or its agencies.
- J. No fixed income security shall have an equivalent credit quality below investment grade at the time of purchase defined as:

BBB- by Standard & Poors for straight bonds and convertibles.

Baa (3) by Moodys Investor Service for straight bonds and convertibles.

Unless such security meets the requirements of Section 17(1)(a)(iii) of P.A. 314, which states:

“if the net earnings of the issuing, assuming, or guaranteeing entity available for fixed charges during each of any 3, including 1 of the last 2, of the 5 fiscal years immediately preceding the time of investment, shall have been not less than 1-1/2 times the total of the entity’s fixed charges for such year . . .”

For short-term securities, within the two highest ratings established by at least two national rating services.

- K. The use of index futures is permitted to achieve the following:
  - 1. To reduce the opportunity cost caused by “cash drag” in a rising market.
  - 2. To decrease the transaction costs of trading without increasing the risk (volatility) of that component of MSERS.
  - 3. To increase the manager’s flexibility in meeting the performance objectives set forth for them within defined investment style and strategy constraints.

- L. Futures must be used in accordance with Public Act 314 of 1965.
- M. The total Real Estate portfolio may be invested in properties located outside of the United States or its territories.
- N. Performance objectives are to be met on a net of fees basis.
- O. All guidelines must be adhered to by internal and external money managers, however, if from time to time an exception to the guidelines shall be deemed appropriate by a manager, it may seek review and approval by the State Treasurer, as sole fiduciary, to make such an exception.

**VII. Insider Trading Policy**

All internal portfolios will be managed in compliance with the Insider Trading Policy. Buying or selling securities while aware of material non-public (inside) information concerning the issuer of the securities, or improperly disclosing to others such inside information, may constitute fraud under federal and state securities laws and a violation of other legal and regulatory requirements. Inside information also includes information that a Bureau of Investments (BOI) staff member may have concerning State of Michigan Retirement Systems (SMRS) securities positions or trading.

**VIII. Review and Modification of Investment Policy Statement**

The State Treasurer, as sole fiduciary, will review the Policy at least yearly to determine if modifications are necessary or desirable. If modifications are made, they shall be promptly communicated to all investment managers and other interested persons.

Approved:

By: Robert J. Kleine  
(Signature)

Robert J. Kleine  
State Treasurer

Date: 8-13-08

