Sec. 56. Investments.

(1) The Retirement Board may contract with private investment managers to invest the assets in the Reserve for Defined Contribution Plan. A participant, vested former participant, and beneficiary may direct the investment of the individual's accumulated balance to 1 or more of the available categories of investment provided by the investment managers; provided, however, that the participant's investment directions shall not violate any investment restrictions established by the employer and shall not include any investment in collectibles, as defined in 408(m) of the IRC. At least 3 categories of investment shall be made available to participants, vested former participants, and beneficiaries:

(a) Short-term securities.

(b) Fixed income securities.

(c) Equity securities.

(2) The Retirement Board shall determine the investment category for the accumulated balance of a participant, vested former participant, or beneficiary, if that individual does not choose to direct his or her own investments under this section.