The Stockton University Foundation Investment Policy

Adopted: September 25, 2024 (Effective date: February 24, 2025)

Covers: All Foundation Board Members (the "Board of Directors" or "Board"), Finance and Investment Committee members, and employees of the Foundation and/or of the University involved with the investing of Foundation funds.

I. Purpose

To establish a set of guidelines to govern the investment of both endowed funds and funds designated by the Board to function as endowments, as well as for cash not required in the daily operations of the Foundation. The Long-Term Endowment Fund ("the Fund") will be established and maintained as the primary investment vehicle which will hold all funds[1]. Additionally, it is the intent of the Board of Directors to comply with New Jersey Revised Statutes §15:18-25 known as the "Uniform Prudent Management of Institutional Funds Act (UPMIFA)." The following factors that are set out under UPMIFA will be considered in managing and investing the Fund:

> "General economic conditions; the possible effect of inflation or deflation; the expected tax consequences, if any, of investment decisions or strategies; the role that each investment or course of action plays within the overall investment portfolio of the Fund; the expected total return from income and the appreciation of investments; other resources of the institution; the needs of the institution and the fund to make distributions and to preserve capital; and an asset's special relationship, if any, to the charitable purposes of the institution."

II. Introduction

The Stockton University Foundation is an independent organization incorporated under the New Jersey Nonprofit Corporation Act (New Jersey Revised Statutes. §15A), whose sole mission is to support the philanthropic needs of Stockton University. The Foundation provides significant assistance to Stockton faculty, staff, and students. Funds are awarded in annual scholarship support. A host of programs, student groups, faculty projects and other initiatives are supported by the Foundation.

This Investment Policy Statement (the "IPS") provides guidelines to help achieve the objectives of the Fund, consistent with prudent management of investment assets in a fiduciary setting. This document governs the investments of the Fund and serves as a communication link between the Board of Directors (the "Board"), the Investment Committee (the "Committee"), and the Outsourced Chief Investment Officer (the "OCIO") as defined herein.

This IPS is not intended to be modified frequently, or in response to short-term market fluctuations, but it will be reviewed periodically and amended, if appropriate, to reflect the investment objectives of the Foundation.

Specific purposes of this IPS include:

- Assign and define responsibilities for all parties.
- Establish a clear understanding of the Fund's investment objectives.
- Establish specific asset allocation guidelines and portfolio risk parameters.
- Establish the basis for assessing performance of the Fund's investments and of the OCIO.
- Administer the Fund in compliance with UPMIFA.
- Establish the appropriate investment time horizon for management of Fund assets.

III. Investment Oversight

The Board retains fiduciary responsibility for the prudent oversight of the Fund. It may delegate various Fund-related responsibilities to the Committee and/or other qualified parties when in the best interests of the Foundation. Board authorities include: appointing Committee members; reviewing and approving the IPS; reviewing and approving Committee-recommended OCIO and custodial agreements; and reviewing Fund reporting provided by the Committee.

The **Investment Committee** is a committee of the Board of Directors of the Stockton University Foundation consisting of members (including outside appointees) that will provide a level of specialization, skill and experience. This Committee's primary function is to craft and implement the Investment Policy, which serves as a roadmap to guide the Foundation's investments. This Committee is responsible for reviewing and analyzing the OCIO's performance and the Fund's investment results against relevant benchmarks on a regular basis.

The **Committee** will provide summary performance results and status of the Fund to the Board as requested, or at least quarterly.

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[1] From time-to-time, the Board may consider the establishment of a separate Student Investment Fund to be managed by students of the University. While the governance and oversight of the Student Investment Fund will be informed by the broad provisions of this IPS, it will not be governed by the specific provisions of this IPS. The Student Investment Fund will not be included in the assets or responsibilities of the OCIO, and a separate Board- and Committee-approved Investment Policy Statement will govern the Student Investment Fund. As mutually agreed by the Foundation and the OCIO, the OCIO may provide support to the faculty and staff involved in managing the Student Led Fund.

The Foundation/University finance staff and the Foundation Treasurer will monitor the OCIO's compliance with Foundation Investment policies and communicate any changes in policy to the OCIO. The Foundation staff will report to the Committee at its regularly scheduled meetings on the performance of the Fund and the OCIO.

The **OCIO** is responsible for maximizing investment return and growth of the Foundation's assets within the risk guidelines established herein. The OCIO has investment discretion for the day-to-day management of the Fund while ensuring that the assets are invested consistent with the provisions of this IPS and UPMIFA. Accordingly, the OCIO has investment discretion regarding the selection and engagement of Investment Managers and rebalancing consistent with the provisions of this IPS and the Portfolio Asset Allocation (Appendix B) as approved by the Committee from time-to-time. The Fund investments under the management of the OCIO represent the assets of The Stockton University Foundation. Both the Board and the OCIO recognize the fiduciary nature of the portfolio(s) and the important responsibilities associated with its management.

The **Investment Managers** (including mutual funds and commingled investment pools and/or vehicles) selected by the OCIO will have discretion to purchase, sell, or hold the specific securities that will be used to meet the investment objectives of their designated portfolios unless the Committee provides written restrictions on certain subsectors and/or industries.

The **Custodian** (or one or more sub-custodians) will maintain custody of securities and separately managed accounts, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales of securities. The Committee may appoint the OCIO to serve as Custodian if it believes that so doing would be prudent and in the best interests of the Fund.

The Foundation's **Executive Director, and other Foundation staff** assigned, will support the Committee in fulfilling its responsibilities as described in this IPS. The Executive Director will be responsible for ensuring the accurate recording and reporting of all Fund activities.

IV. Time Horizon

The Fund's investment time horizon is perpetual, but its investments will be managed with a stated long-term time horizon of 7-10 years. Investment results will also be measured over shorter periods of time, as defined below.

The Committee recognizes that investment objectives may not be attained each year and that the Fund may produce significant over or under performance relative to the broad markets over shorter time periods. Investment returns will be measured quarterly with reporting to include performance analysis over various rolling time periods as defined in the Investment Objectives section of this IPS.

V. Spending Policy

Fund distributions and spending are governed by Board-approved Foundation Spending Policy that provides for spending from the component underlying endowed and non-endowed funds.[2]

VI. Investment Philosophy

At the core of this IPS is a set of fundamental beliefs underpinning all investment policies and objectives:

- The portfolio has a perpetual time horizon; thus, the Committee shall take a long-term view when setting investment goals and target asset allocation.
- The Committee recognizes the importance of the preservation of capital and adheres to the principle that varying degrees of risk are generally rewarded with commensurate returns over the long term. Therefore, investments with a range of expected risk and return are appropriate, provided that such risks are identified and managed.
- Given the investment objectives and time horizon, the Committee shall maintain a bias toward equity investments, which have historically produced higher returns over the long term.
- Diversification by asset class, sector and geography may reduce risk and enhance returns.
- Sufficient liquidity will be maintained to manage cash that will be distributed according to the Foundation's Spending Policy.

All Fund investments will be undertaken solely in pursuit of the stated Investment Objectives. Investment restrictions or directives imposed on the management of the Fund by the Board and/or the Committee will be established to avoid limiting the Fund's ability to accomplish these objectives.

VII. Investment Objectives

The Fund is to be invested with the objective of preserving and growing the long-term purchasing power of assets while providing a relatively predictable and growing stream of distributions. The following Investment Objectives will guide this pursuit.

A. **Organizational Objective** - The primary long-term investment objective of the Fund is to provide a net real return that supports the Foundation while preserving the purchasing power of the Fund. Accordingly, the Organizational Objective is to attain an average annual return (measured over rolling ten-year periods) equal to the Fund's average annual spending rate,

[2] The currently applicable Spending Policy establishes annual distributions in amounts up to four percent (4%) of the average market value of the endowment over the trailing twenty (20) quarters.

plus inflation.

B. **Policy Objective** - A secondary long-term investment objective is to attain an average annual net return (measured over rolling five-year periods) equal to or greater than a market "Policy Benchmark" of 65% Equities / 35% Fixed Income with the MSCI ACWI Index being the Equities benchmark and the Bloomberg Barclays Aggregate Bond Index being the Fixed Income benchmark.

C. **Portfolio Objective** – On a rolling three-year (or shorter) basis, the Fund's portfolio will be expected to generate average net annual returns equal to or exceeding the "Portfolio Benchmark," defined as the weighted target portfolio allocations to various sub-asset classes times (x) an appropriate benchmark reflecting the market returns of sub-asset classes. The "Portfolio Benchmark" will be proposed by the OCIO in a form similar to that presented in Appendix B and will be subject to review (and possible modification) prior to its approval by the Committee. (Risk metrics identified in the Diversification/Risk Management section will guide the assessment of portfolio and underlying fund/manager strategies.)

For each of the objectives above, the Committee recognizes that specific return targets may not be attained in every rolling period but anticipates that the objective should be attainable over a series of rolling periods.

The Committee will additionally assess the performance of the total Fund portfolio versus performance of comparable institutional portfolios. Such "peer comparisons" will focus on portfolios of similar size and similar asset allocation over rolling periods.

VIII. Performance Evaluation & Reporting

The OCIO shall be reviewed by the Committee regularly for consistency of investment process, performance relative to pre-determined financial goals and investment risk. Risk is evaluated as a function of exposure to extreme economic conditions and return volatility. The Fund performance will be measured against composite benchmarks consistent with the Investment Objectives. Market indices are selected to represent the return and risk profile of each asset and sub-asset class, as listed in Appendix B. The Fund is expected to meet or exceed the risk-adjusted performance of the Policy Benchmark, net of fees, over rolling five-year periods. The Fund is expected to meet or exceed the risk-adjusted performance of the Portfolio Benchmark, net of fees, over rolling three-year periods. The OCIO shall provide to the Committee, on a quarterly basis, a report that shows the Fund's asset values, relative and absolute performance, account activity and investment characteristics, including credit, geographic, and currency exposure as appropriate.

IX. Investment Guidelines

For an endowment to maintain its level of support, it must earn an investment return equal to the spending rate plus the inflation rate. It is critically important for the OCIO to maintain a diversified portfolio; therefore, the Committee will ensure the adherence to the following asset allocation guidelines for the Fund.

The Committee recognizes that the strategic allocation of the Fund across various asset and sub-asset categories with varying degrees of risk and return will be the most significant determinant of long-term investment performance. The Committee expects that performance will vary widely over shorter periods of time but intends to make changes to asset allocation only when changes in spending policy or significant changes in the capital markets warrant such change.

The Committee has established the following asset allocation framework to guide the prudent design and implementation of the Fund portfolio. This framework assigns responsibility and authority for "strategic intent" to the Committee while delegating responsibility and authority for "effective implementation" to the OCIO within the guidelines established in this IPS.

A. **Policy Asset Allocation** – The "Policy Asset Allocation" is defined as the Committee-established broad asset allocation guideline, intended to reflect the strategic return objectives and risk tolerances deemed by the Committee to provide for prudently pursuing the Fund's Organizational Objective. The Committee has approved the following Policy Asset Allocation:

Major Asset Class	Minimum (%)	Target (%)	Maximum (%)
Total Equities	45	**60**	75
Total Fixed Income	25	**30**	35
Diversifying Assets	0	**5**	10
Cash	0	**5**	10
Total		**100**	

B. **Portfolio Asset Allocation** – The "Portfolio Asset Allocation" is the OCIO-recommended, Committee-approved, detailed asset allocation that defines target, minimum and maximum allocations to sub-asset classes. The Portfolio Asset Allocation will be presented to the Committee for approval at least semi-annually and will remain in compliance with the Policy Asset Allocation established above. The "Portfolio Benchmark" will be proposed by the OCIO in a form similar to that presented in Appendix B and will be subject to review (and possible modification) prior to its approval by the Committee.

The rationale is to obtain the best possible expected return, given the level of risk assumed. The investment policies of the Foundation will be carried out by means of investment strategies that reflect continuous evaluation of changing investment environments, manager judgment regarding the allocation of the assets among different kinds of asset classes, identification of appropriate investment vehicles and the making of specific investment decisions.

X. Authorized Investments

The following are the guidelines for investments and limits on security types, issuers, and maturities as established by the Committee. The Committee shall have the option to further restrict investment percentages from time to time based on market conditions. The percentage allocation requirements for investment types and issuers are calculated based on the original cost of each investment. Investments not listed in this policy are prohibited.

Equity investments shall be limited to securities selected from the following types:

- U.S. Denominated Common Stock (inclusive of American Depositary Receipts - "ADR") traded on a major US exchange or over the counter. (Max position for a single entity = 5% of total portfolio value)
- Mutual Funds, Exchange Traded Funds & Closed End Funds
    i. These funds may offer exposure to different categories of risk such as global, regional, sector, currency, investment style and asset class. In addition, the OCIO may invest in other selected opportunities in which a strong investment theme is seen to be present.
    ii. Funds that are priced in US dollar terms with a daily net asset value even as the underlying investments consist of non-dollar denominated, non-US securities.

Fixed Income investments shall be limited to securities selected from the following types:

- U.S. Treasury Bills, Notes, Bonds, and other obligations whose principal and interest are fully guaranteed by the United States of America or any of its agencies or instrumentalities.
- U.S. Government Sponsored Enterprises: Federal Farm Credit Bank (FFCB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), Financing Corporation (FICO), The Resolution Funding Corporation (REFCO), Farm Credit System Financial Assistance Corporation, the Federal Housing Finance Board and all other government sponsored agencies and enterprises with an investment grade rating.
- Municipal Bonds rated BBB- and higher by either Standard & Poor's and Moody's at the time of purchase. Thereafter, any security downgraded below BBB- by either rating agency will be sold at the earliest beneficial opportunity. (Max position = 5% per issuer)
- Mortgage-Backed Bonds (inclusive of residential and commercial) and Asset-Backed Securities: rated "AA" and higher by either Standard & Poor's or Moody's at the time of purchase. Thereafter, any security downgraded below AA will be sold at the earliest beneficial opportunity. (Max position = 5% per issuer)
- Corporate Notes rated BBB- and higher by either Standard & Poor's and Moody's at the time of purchase. Thereafter, any security downgraded below BBB- by either rating agency will be sold at the earliest beneficial opportunity. (Max position = 5% per issuer)
    i. Subordinated notes (aka. Hybrid bonds) and Preferred Stock will be permitted if the issuer has a senior rating of BBB- or higher.
- Mutual Funds, Exchange Traded Funds & Closed End Funds

Diversifying Assets shall be limited to publicly available mutual funds, interval funds, closed end funds and exchange traded funds unless approved by the Committee. In aggregate Diversifying Assets are defined as investments intended to avail the Fund portfolio of opportunities to dampen short-term volatility and/or enhance total return beyond the returns patterns generated by combinations of traditional investments, namely equities and fixed income. Diversifying Assets are investments not traditionally recognized as: (i) cash or cash equivalent, (ii) a mutual fund, exchange traded fund, separately managed account or commingled fund representing allocations to equities, fixed income, or cash, or (iii) an individual stock, ADR, or bond listed on a recognized securities exchange.

Committee approval shall be required for any investment that does not offer daily liquidity.

XI. Restricted Investments

Investment Managers shall not utilize derivative securities unless prior approval has been granted by the Committee. Moreover, Investment Managers are precluded from using derivatives to affect a leveraged portfolio structure unless prior approval has been granted by the Committee. It is understood that some of these instruments may be used within exchange-traded and mutual funds.

It should be recognized that certain securities may meet the above definition of an Authorized Investment but their risk characteristics, as created by their structure, may be such that a prudent investor would deem them inappropriate for the Foundation.

XII. Liquidity

Recognizing the Fund's perpetual nature and the potential merits of "Private Funds" and/or "Illiquid Investments," the Committee may, at its discretion, consider recommendations by the OCIO to employ such investments in the portfolio. In considering such investments, the Committee will exercise prudence to balance spending needs with the potential for enhancing long-term returns in arriving at its decision to approve/disapprove the OCIO recommendation. The maximum allocation to Private and Illiquid Funds will be established by the Committee.

While it is expected that the Fund will generally remain close to fully invested, it is recognized that cash reserves may be utilized to provide liquidity or to implement some types of investment strategies. Cash reserves will be held in the custodian's money market fund, short-term maturity Treasury securities, or insured savings instruments of commercial banks.

XIII. Diversification / Risk Management

The Committee defines risk as the probability of failing to meet the Endowment's investment objectives. To minimize risk, thereby reducing the possibility of failure, the following variables should be considered in all aspects of decision-making regarding the Endowment's investments: Spending Policy, Inflation, Liquidity Requirements, Loss Containment (Maximum Allowable Decline), Capital Preservation, and Asset/Style Allocation.

Thoughtful diversification is the primary means by which the Committee expects the Fund to attain the stated return objectives and avoid undue risk of losses over long periods of time. The OCIO will manage risk through careful application of asset allocation, diversification, and rebalancing in accordance with prudent fiduciary practices. Short-term volatility will be expected but extended periods of negative returns or greater-than-market volatility will be cause for review of the strategies employed by the OCIO.

For the purpose of monitoring risk, the OCIO will provide a quarterly analysis of portfolio risk metrics for relevant trailing performance periods to the Committee. Such metrics may include standard deviation, Sharpe ratios for sub-asset classes, and up/down capture relative to Policy and Portfolio benchmarks, together with other "risk metrics" as agreed with the Committee.

XIV. Rebalancing

Rebalancing is the process of adjusting or returning a portfolio toward the target asset allocation specified in the investment policy. Failure to rebalance increases the portfolio's risk level. The OCIO is responsible for ensuring the ongoing compliance of the Fund's portfolio with the minimum and maximum ranges established in the Policy Asset Allocation. Whenever possible the OCIO will rebalance the portfolio through cash flow. Rebalancing can be accomplished quite efficiently by adding incoming dollars to asset classes that are below their target weight and by reducing allocations from overweight asset classes through spending.

The OCIO will monitor the Fund's asset allocation as differing performance creates shifts across asset classes. When sub-asset allocations fall outside the minimum or maximum limits established in the Portfolio Asset Allocation, the OCIO will rebalance the portfolio. Such rebalancing will be accomplished no less frequently than quarterly. If the OCIO determines at any time that rebalancing is not in the best interests of the Fund, the OCIO will promptly inform the Committee of this decision and its rationale.

The OCIO and the Committee will address rebalancing issues quarterly during their regularly scheduled meetings.

XV. OCIO Responsibilities and Performance Measurement

1. The OCIO will manage the Fund assets in a manner consistent with the Investment objectives, guidelines, and constraints outlined in this IPS and in accordance with applicable laws; specifically, the Uniform Prudent Management of Institutional Funds Act.

2. The OCIO will have the responsibility to allocate investment resources within the ranges Policy Asset Allocation and the Committee-approved Portfolio Asset Allocation.

3. The OCIO will periodically rebalance the portfolio to account for cash flow needs and continuous compliance with the Policy Asset Allocation and the Portfolio Asset Allocation.

4. The OCIO is required to report on a timely basis to the Committee and the staff of the University / Foundation any significant changes in their firm's' ownership, organizational structure, professional personnel, and account structure (e.g., number of accounts or size of assets under management or account minimums) or fundamental investment philosophy.

5. The OCIO will report on a quarterly basis and provide information on asset allocation and total return (net of fees and other costs compared with the Policy Benchmark and the Portfolio Benchmark, and peer groups over year-to-date, one year, three-year, five-year and since inception periods). Reporting will also include, but not be limited to: portfolio listing, attribution analysis, cash flow analysis and transaction details. Monthly reporting shall include risk metrics and returns relative to the Policy Benchmark and the Portfolio Benchmark (Appendix B) over various time periods as stipulated in this IPS and further agreed to by the Committee.

6. The OCIO will communicate regularly with the Committee and the Foundation's staff concerning their

investment strategy and outlook.

7. **Active versus passive investment**. It is incumbent on the OCIO to be cognizant of best practices related to the selection of investment strategies and the cost-benefit relationship of active management relative to index-based passive strategies and to report to the Committee on their implementation within the portfolio guidelines.
8. The OCIO shall provide data to a Committee-designated third-party performance review service provider in the form required by such provider.

XVI. Delegated Investment Manager Requirements

Donors who have requested that the Foundation consider delegated investment management for assets in a donor advised fund should submit the request in writing for the Foundation's approval. The Foundation should review the stability of the organization that is recommended and monitor the investment performance of the investments. The Foundation reserves the right to change the manager and the investments as it deems appropriate.

XVII. Selection/Termination of Investment Managers

The Committee has delegated responsibility for the selection of Investment Managers, investment products and investment vehicles to the OCIO. Factors to be considered in such selection include: assets under management; stability and quality of the investment firm; manager tenure with the specific product; historic performance of the product; risk adjusted performance; overlap with other managers employed in the Fund; expenses and fees; and other relevant factors.

Portfolio performance for all Investment Managers will be compared to an appropriate benchmark index and a relevant peer group on a quarterly basis.

An Investment Manager may be replaced by the OCIO at any time. Manager performance will be evaluated on a long-term basis and the Committee and OCIO recognize that short-term performance may deviate significantly from relevant market indices over shorter time periods. In decisions to terminate an Investment Manager, the OCIO will consider various factors, including: material events that affect the ownership or structure of the manager; legal or regulatory actions taken against the manager; material servicing deficiencies, including a failure to communicate information relevant to the Fund; violation of the terms of the contract or changes to agreed-upon services without written approval of the OCIO; significant variation from the OCIO-designated investment philosophy ("style drift"); lack of diversification; and poor relative performance.

XVIII. Fees and Expenses

The OCIO will manage the Fund portfolio with a sensitivity to cost. Decisions to employ "active" strategies in the form of separate account managers or mutual funds will be made with consideration of whether the likely risk-adjusted returns justify the cost of such strategies. Fees and expenses incurred in managing the Fund will be limited to those deemed by the OCIO to be reasonable and necessary to accomplish the prudent management of the Fund.

The OCIO will provide annually to the Committee a detailed analysis of all fees and expenses incurred in the oversight and implementation of the Fund. This analysis will include all direct and indirect fees including OCIO fees, Investment Manager fees, Custodian fees and any other costs incurred. Such fees will be expressed in annualized basis points.

XIX. OCIO Evaluation

The Committee acknowledges that fluctuation in return characterizes the capital markets, particularly over short time periods. Recognizing that such fluctuations create variations in performance, the Committee intends to evaluate the OCIO's performance over rolling three-year and five-year periods. The Committee may engage the services of an independent third-party service to facilitate this review.

The Committee will periodically conduct a comprehensive review of the OCIO relationship. This review will include both quantitative and qualitative factors such as: overall portfolio performance and performance relative to indices and peers; the OCIO's ability to hire and monitor appropriate Investment Managers; risk management; management of costs; avoidance of conflicts in the portfolio; compliance and litigation; strong communication and responsiveness; and overall service level. At its discretion, the Committee may pursue a Request for Proposal to replace the OCIO.

XX. Investment Policy Statement Review

To ensure continued relevance of the guidelines, objectives, and expectations expressed in this IPS, the Committee will periodically review the IPS, making revisions as necessary. It is not expected that short-term changes in the financial markets will require adjustments to the IPS.

XXI. Conflict of Interest

It is the policy of the Board of Directors to avoid conflicts of interest in its operations, including the selection of the OCIO, Investment Managers or other service providers. Each member of the Board, Investment Committee, and University administration shall disclose the nature of any relationship with any manager of any fund under consideration and recuse themselves from decisions where they have a potential conflict of interest. No independent investment consultant retained by the Foundation shall be a party to any transaction or have a financial or other interest in any OCIO or Investment Manager providing services to the Foundation or any

Investment Manager in which the Foundation has an investment.

Appendix A:

Quarterly Reports

The OCIO will meet formally with the Committee each quarter and will be available for other discussions upon request. The Committee and the OCIO will agree on explicit reporting requirements, to include:

1. Appraisal – List of holdings as of quarter end.
2. Transactions – List of purchases and sales as well as contributions and withdrawals for quarter.
3. Cash Flow – A report showing how the market value of the portfolio changed during the quarter, fiscal year-to-date and from inception. The report will include income received, fees, contributions, withdrawals, change in accrued income and market value change. It will also have a summary of performance for each period covered.
4. Performance – Time weighted total return for the quarter, fiscal year to date, 1 year, 3 year, 5 year and from inception periods. Comparisons will be against the Policy Benchmark and Portfolio Benchmark returns.
5. Asset Allocation – Current allocation compared to the Portfolio Asset Allocation (Appendix B).
6. Attribution – Portfolio performance decomposed to show allocation and selection decisions against the Portfolio benchmark and the Policy Benchmark.
7. Buys and sells during a period -- An activity narrative explaining the thesis supporting both buy and sell decisions, by transaction, during the quarter.
8. Risk Metrics -- For the purpose of monitoring risk, the OCIO will provide the Committee with a quarterly analysis of portfolio risk metrics for relevant trailing performance periods. Such metrics may include standard deviation and up/down capture relative to Policy and Portfolio Benchmarks, together with other “risk metrics” as agreed with the Committee.

Appendix B

Portfolio Asset Allocation and Benchmarks

(ILLUSTRATIVE)

Asset Class	**Minimum**	**Target**	**Maximum**	**Benchmark**
Equities	**45%**	**60%**	**75%**	**MSCI ACWI NR**
- Domestic	40%	50%	60%	S&P 500 Index
- Int’l Developed	5%	5%	10%	MSCI EAFE
- Int’l Emerging Market	0%	5%	10%	MSCI Emerging Mkts
Fixed Income	**25%**	**30%**	**35%**	**Bloomberg Barclays Aggregate Bond Index**
- Core Bonds	15%	25%	30%	Barclays U.S. Agg.
- High Yield	0%	5%	10%	Barclays US High Yield
Diversifying Assets	**0%**	**5%**	**10%**	**MSCI ACWI + 200 BPS**
- Hedge Strategies	-	-	-	HFRI FOF
- Real Assets	-	-	-	Bloomberg Com. Index
- Private Real Estate	-	-	-	MSCI US REIT Index
- Private Equity	-	-	-	-
- Other Div. Assets	-	-	-	-
Cash	**0%**	**5%**	**10%**	1-Month T-Bill Index
TOTAL		**100%**		