

TEMPLE UNIVERSITY

POLICIES AND PROCEDURES

Title: Investments Policies
Policy Number: 05.50.01
Issuing Authority: Board of Trustees
Responsible Officer: Vice President of Finance and Treasurer

Date Created: September 24, 2003
Date Last Amended/Reviewed: October 2025
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Reviewing Offices: Office of the Vice President of Finance and Treasurer

Scope of Policy & Rationale:

This policy is issued by the investment committee and is for the guidance of University officials and employees, and external investment managers, in the investment and reinvestment of the University Account, Bank Cash, Operating and Auxiliary Reserve Fund, Endowment Pool, the Retirement Funds and any other University investment portfolios described in this policy, including its appendices. Under the University By-Laws, the Finance, and Investment Committee (the “Committee”) is the standing committee of the University’s Board of Trustees with authority to determine policies for, and oversee the management of, the University’s investment of the University Account, Bank Cash, Operating and Auxiliary Reserve Fund, Endowment Pool, the Retirement Funds, and any other University investment portfolios described in this policy including its appendices.

This policy is subject to (a) resolutions and policies of the University’s Board of Trustees relating to investment practices (b) third-party restrictions imposed by applicable bond indentures, funding agencies and donors, and (c) compliance with applicable federal, state, and local laws, rules, and regulations. Nothing in this policy should be interpreted or construed to authorize violation of those restrictions.

Definitions

See Pages 7-10

Policy Statement

This policy describes the parameters to be followed when investing University funds. It specifically addresses the respective asset allocations, permitted investments and benchmarks for the University Account, Bank Cash, Operating and Auxiliary Reserve Fund, Endowment Pool, Retirement Funds, and any other University investment portfolios described in this policy including its appendices. This document contains two appendices which specify rules and procedures that are specific to staff-managed assets, including the University Account, Bank.

Cash, Operating and Auxiliary Reserve Fund and the Endowment Pool and the Retirement Funds, which are managed by an Outsourced CIO. The document also contains direction on the frequency of portfolio rebalancing, how managers should be monitored, proxy voting and transaction

execution. This statement will be reviewed by the Committee no less than every 3 years, to ensure that its content remains appropriate as a governing document for the University's assets. Any modification to this statement shall be subject to an approving recommendation to the University's Board of Trustees by the Finance and Investment Committee, and to approval of such recommendation by the University's Board of Trustees.

Roles and Responsibilities:

Board of Trustees

The University's Board of Trustees (the "Board") has designated the Committee to perform the functions specified below, including oversight of the Outsourced Chief Investment Officer ("OCIO"). The Board is responsible for approving any changes made to the IPS.

Finance and Investment Committee

The Committee has general oversight of the University Account, Bank Cash, Operating and Auxiliary Reserve Fund, Endowment Pool, the Retirement Funds, and any other University investment portfolios described in this policy including its appendices, as well as oversight of the OCIO. In fulfilling its responsibilities described herein, the Committee shall act in accordance with applicable federal, state, and local laws, rules, and regulations.

Specific responsibilities of the Committee include:

- Establishing policies designed to position the University Account, Bank Cash, Operating and Auxiliary Reserve Fund, Endowment Pool, the Retirement Funds, and any other University investment portfolios described in this policy including its appendices, to achieve their objectives within a prudent level of risk (in consultation with the OCIO in the case of the Endowment Pool and Retirement Funds).
- Delegating the authority to make investment decisions with respect to the Endowment Pool and Retirement Funds to the OCIO.
- Collaborating with the OCIO to develop investment guidelines and objectives for the investment of the Endowment Pool and the Retirement Funds, including permissible investments, asset allocation target exposures, permissible ranges (i.e., minimum, and maximum allocations to each asset class), and the benchmarks against which the performance of each asset class and the portfolio as a whole will be evaluated.
- Reviewing the performance of the Endowment Pool, Retirement Funds, University Account, Bank Cash and other major University investment portfolios relative to stated investment objectives on a quarterly basis.
- Monitoring the OCIO to ensure the provider continues to be an appropriate discretionary manager of these assets; and
- Reviewing a regular summary of the portfolio and investment returns relative to stated investment objectives.

University Treasurer and Staff

The Treasurer of the University is the administrative officer responsible to the Committee for the day-to-day management of the University Account, Bank Cash, Operating and Auxiliary Reserve Fund, Endowment Pool, Retirement Funds, and other University investment portfolios described

in this policy including its appendices. The Staff is responsible for overseeing the operations of all University assets. Specific staff responsibilities include:

- Providing administration, reporting, accounting, investment performance monitoring and audit support for ongoing operations.
- Serving as the day-to-day contact with the OCIO, including communicating planned contributions and withdrawals.
- Managing constituent relationships.
- Monitoring third-party service providers (e.g., auditors, custodian, actuaries, and consultants); and
- Rebalancing the University Account and Bank Cash to achieve desired target market exposures.

Outsourced Chief Investment Officer

The OCIO is charged with managing the Endowment Pool and Retirement Funds in accordance with the investment guidelines and objectives established by, and subject to the supervision of, the Committee. Specific responsibilities include:

- Advising the Committee with respect to development of the investment guidelines and objectives.
- Conducting periodic reviews of the investment guidelines and objectives as agreed with the Committee and recommending modifications as it deems appropriate.
- Overseeing the implementation of the investment program including the selection and monitoring of sub-advisers to manage separately managed sub-accounts of the Endowment Pool and Retirement Funds (“Sub-Managers”), the selection and monitoring of Commingled Funds, and the direct investment management of assets not allocated to Sub-Managers or Commingled Funds.
- Rebalancing portfolios to achieve desired target market exposures.
- Monitoring and maintaining adequate liquidity levels across portfolios.
- Collaborating with custodian and the Staff to make cash available for ongoing operational needs and benefits payments.
- Assisting the Staff in meeting its reporting and administrative requirements; and
- Providing reporting and performance monitoring as necessary for the Committee to perform its oversight responsibilities.

Third Party Advisor

The “Advisor” offers an independent perspective in providing additional guidance to the Committee regarding the investment policies and procedures across the portfolios. The Advisor shall at all times be independent from the OCIO and have no conflicts with either the University or the OCIO which may impair its ability to undertake its responsibilities.

Special Situations

None.

Exclusions

This policy excludes funds invested under the University’s planned giving program.

Communications and Training

The Committee meets on a regular basis for ongoing communication and training purposes regarding all portfolios. New Committee members can receive introductory training regarding the Endowment Pool and Retirement Funds from the OCIO provider as needed. All current Committee members receive access to a secure, online portal containing detailed information related to the Endowment Pool and Retirement Funds, as well as broad information related to educational investment concepts. Such information may constitute material, non-public information regarding the University, and must be treated accordingly by Committee members.

Procedures (if applicable)

N/A

Notes

2. History:

Supersedes:

Statement of Investment Policy for Temple University Retirement Plans - approved October 24, 1996, and revised September 24, 1998 (reference number is not known)
University Investment Policy - approved September 14, 1989, and periodically amended.
(Reference number is not known)

Enacted: October 2003

Amendments:

June 14, 2007	May 13, 2014
April 1, 2009	July 17, 2014
December 8, 2009	October 14, 2014
June 17, 2010	March 11, 2015
November 18, 2010	October 13, 2015
February 17, 2011	December 8, 2015
May 10, 2011	April 21, 2016
October 11, 2011	July 12, 2016
March 12, 2012	November 15, 2016
June 21, 2012	January 17, 2017
June 20, 2013	April 20, 2017
October 8, 2013	October 10, 2017
March 27, 2014	November 14, 2017
January 16, 2018: <i>Revised to incorporate OCIO model.</i>	
March 13, 2018: <i>Revised authorized investments for Retirement funds.</i>	
December 11, 2018: <i>Opportunistic investments added to definitions and asset class roles.</i>	
July 9, 2019: <i>Added Fitch and weighted average life. Revised unauthorized investments list and asset allocation chart for University Acct. Removed Separately Managed Retirement Pools.</i>	
December 17, 2019: <i>Pension expected return reduced to 5.5%. Expanded the maturity definition for corporate credit.</i>	
April 14, 2020: <i>Removed Good Samaritan Insurance Company from the IPS.</i>	
September 8, 2020: <i>Pension's expected return reduced to 4.5%.</i>	

April 13, 2021: <i>Agency CMOs added to permitted list of fixed income investments.</i>
September 14, 2021: <i>Provide OCIO ability to execute the glide path strategy for Post Retirement. Reduce Pension's expected return to 3.75% and Post Retirement's expected return to 6.5%.</i>
February 17, 2022: <i>Agency CMBS added to permitted list of fixed income investments.</i>
September 13, 2022: <i>Post Retirement's expected return reduced to 6.25%.</i>
November 2022: <i>Update for Bylaws / job titles.</i>
December 13, 2022 <i>Endowment asset allocation updated to include the direct lending asset class.</i>
June 6, 2023: <i>Prime money market funds added to unauthorized investment list for Bank Cash.</i>
August 9, 2023: <i>OPEB asset allocation updated to reflect funded status/glide-path movement.</i>
October 9, 2023: Expected long-term nominal rate of return for Post Retirement assets increased to 6.9% and Pension assets increased to 5.4%. Revised policy ranges to agree to the current investment management agreement. Removed non-U.S. fixed income from Endowment and OPEB asset allocations. Updated benchmark indices and revised footnotes. Renamed “portable alpha” to “alpha overlay”.
April 12, 2024: <i>OPEB asset allocation updated to reflect funded status/glide-path movement.</i>
October 7, 2024: Expected long-term nominal rate of return for Post Retirement assets increased to 7.30% and Pension assets increased to 6.30%. Added Fitch to the OAR Fund. Revised/clarified definition of Sovereign Obligations.
June 12, 2025: <i>OPEB asset allocation updated to reflect funded status/glide-path movement.</i>
October 9, 2025: Expected long-term nominal rate of return for Post Retirement assets increased to 8.00% and Pension assets increased to 6.80%.

Reviewed By:

Vice President, Finance & Treasurer

University Counsel

Third Party Investment Advisor (OCIO 2018 and forward)

Finance and Investment Committee of the Board of Trustees

3. Cross References/Appendix:

There is no cross reference. There are two appendices included in the policy.

TABLE OF CONTENTS

I.	Definitions.....	7
II.	Asset Class Roles.....	10
III.	Guidelines for Transactions.....	11
IV.	Custody of Securities.....	11
V.	Proxy Voting.....	11
VI.	Conflict of Interest.....	11
VII.	Sub-Managers.....	11
VIII.	Monitoring of Objectives and Results.....	12
IX.	Portfolio Rebalancing.....	13
X.	Risk Management.....	13
 <i>Appendix I: Staff-Managed Accounts:</i>		
	Bank Cash.....	14
	University Account.....	14
	Operating and Auxiliary Reserve Fund.....	17
 <i>Appendix II: OCIO-Managed Accounts:</i>		
	Endowment Pool.....	19
	Retirement Funds.....	22

I. DEFINITIONS

A. Endowment Pool

Funds that are to be invested on a long-term basis. Such funds shall include funds accounted for as endowments and funds designated by the Board of Trustees to be treated as endowment (“quasi-endowments”). For the most part the investment horizon is unlimited in that true endowments are to be invested in perpetuity.

B. Finance and Investment Committee

(the “Committee”) The Committee is responsible for oversight of the investment policies and investment activities of the university.

C. Bank Cash

Cash in University bank accounts and money funds. Bank Cash is managed by the Vice President for Finance and Treasurer subject to permitted investments as established by the Committee. The sources of Bank Cash can be tuition, student loan receipts, grants, Commonwealth of Pennsylvania funding, gifts, loan proceeds, auxiliary revenue, and asset sales. What defines Bank Cash is locus, not source or use.

D. University Account

The portfolios of cash, short-term and medium-term notes and bonds invested in actively managed bond and index funds, the assets of which are held to meet committed and planned capital spending, tuition-funded physical plant maintenance, accumulated budget surpluses due schools and programs, and reserve funds controlled by the Board.

E. Operating and Auxiliary Reserve Fund

A fund established in 1989 to provide level debt amortization, based on the effective bond interest rate and asset life, to the University operating budget and auxiliary operations.

F. Retirement Funds

Assets held for the benefit of the participants and beneficiaries in the defined benefit pension plans and the post-retirement benefits trust.

G. Commingled Funds

Shall include, without limitation, hedge funds, limited partnerships, SEC-registered mutual funds, and other forms of commingled investment vehicles and special purpose vehicles, both organized in the United States and in other countries.

H. Cash

- i. Dollar denominated demand deposit accounts or certificates of deposit maturing in 360 days or less with domestic or foreign financial institutions with a minimum asset size of \$25 billion and a minimum rating of Aa (Moody’s) or AA (Standard & Poor’s). Funds invested in any one institution shall not exceed \$5 million. Certificates of deposit in other financial institutions are permissible to the extent that deposits do not exceed the federally insured limit.

- ii. Bank or broker repurchase agreements with dealers on the Federal Reserve Primary Government Securities Dealer List or with financial institutions rated “A” or better by Moody’s or Standard & Poor’s. Repurchase agreements must be collateralized by direct US government Treasury and Agency obligations at 103%, be for a period of not more than 30 days and allow for a perfected lien on the collateral. Collateral must be marked to market daily by the custodian or other third-party custodian. Repurchase agreements require a signed SIFMA Master Repurchase Agreement or tri-party Repurchase Agreement signed by the counterparty.
- iii. Eligible bank acceptances rated at least A1 and P1 by Standard & Poor’s and Moody’s, maturing 180 days or less and endorsed by the bank’s acceptance stamp.

I. Money Market Instruments

- i. Money market funds with a minimum of \$500 million in assets, rated AAA or Aaa by Standard & Poor’s or Moody’s, respectively. Comingled funds that follow 2a-7 policies with a minimum of \$500 million in assets and with underlying assets having an average credit rating in the highest credit quality ratings according to Standard & Poor’s and Moody’s.
- ii. Commercial paper rated A1 and P1 by Standard & Poor’s and Moody’s, maturing in 270 days or less.
- iii. State and Municipal obligations rated MIG-1 and SP-1 by Moody’s and Standard & Poor’s maturing in 270 days or less.
- iv. Direct obligations of the United States government with maturities or remaining maturities of one year or less.
- v. Obligations of agencies of the United States government with maturities or remaining maturities of one year or less. 35% maximum exposure to any single agency.
- vi. Obligations guaranteed by the U.S. Government with maturities or remaining maturities of one year or less.

J. Equity Securities

- i. **U.S. Equity** – readily marketable securities of corporations headquartered within the United States that are actively traded on the NYSE, AMEX, or NASDAQ exchanges. Readily marketable securities of corporations headquartered outside of the United States that are actively traded on the NYSE, AMEX, or NASDAQ exchanges (including ADRs).
- ii. **International Equity** – Liquid marketable securities of corporations headquartered outside of the United States that are included in the MSCI All Country World ex.-U.S. Index. Also referred to herein as “non-U.S. equities,” international “developed” includes countries listed in the MSCI EAFE Index. International “emerging” includes countries listed in the MSCI Emerging Markets Index or the S&P/IFC Global Index.
- iii. **Emerging Markets Equity** – Marketable securities of companies in emerging countries, those with low-to-middle per capita income. Emerging markets include countries listed in the MSCI Emerging Markets Index or the S&P/IFC Global Index.

K. Alternative Investments –

- i. **Hedge Funds**

Investments in funds that are allowed to take both long and short positions, use leverage and derivatives, and invest in many markets. Hedge funds may make equity, credit/fixed income, rate, and currency investments. Strategies employed may include long/short, event-driven, arbitrage, and macro.

ii. Real Assets

Investments in partnerships, funds, special purpose vehicles or separately managed accounts that invest in multiple underlying asset classes such as commodities, commodity futures, agricultural, timber, and natural resource equities. These can be U.S. or non-U.S. investments and are sometimes referred to as “hard assets” or “diversified inflation strategies.” Additionally, U.S Treasury Inflation-Protected Securities (TIPS), and energy master limited partnerships (MLPs) may be included. Investments may be public or private investment vehicles.

iii. Real Estate

Investments in public or private partnerships, funds and/or special purpose vehicles that make private real estate investments located within or outside the United States. Major sectors within this space include apartments, office properties, hotels, regional malls, shopping centers, self-storage, industrial properties, and health care. Investments may include equity, debt, or both and may encompass “core,” “value-added,” or “opportunistic” opportunities. Investments are generally made in private investment vehicles or open-end funds.

iv. Private Equity

Investments in private partnerships, funds and/or other special purpose vehicles that invest in a range of strategies including, venture capital, leveraged buyouts, credit-oriented opportunities, mezzanine and distressed debt, and special situations. Investments may fund “new” companies or the buyout of existing companies or divisions within a company. Funding for these transactions typically includes a combination of debt and equity. Investments may be domestic or international and may encompass private and public securities. These partnerships may or may not incur indebtedness at the fund level. Terms for these partnerships typically require capital lockups of 10 years or more, though the fund will distribute gains during the life of the partnership.

L. Fixed Income Investments

- i.** Direct obligations of the United States government.
- ii.** Obligations of agencies of the United States government. 35% maximum exposure to any single agency.
- iii.** Obligations guaranteed by the U.S. Government.
- iv.** Sovereign, Supranational, Foreign Agency, and Foreign Local Government securities, issued by foreign governments, agencies, and other international organizations . Such investment is limited to a maximum of 10% of fixed income assets within select investment funds and pools (University Account, Operating and Auxiliary Reserve Fund,).
- v.** Guaranteed Investment Contracts with insurance companies rated at least A in A.M. Best’s Report.
- vi.** Corporate Bonds, including convertible bonds. Minimum debt ratings are outlined within the subsections where relevant.

- vii. Mortgage pass-through, asset back securities and collateralized debt obligations.
- viii. State and Municipal obligations rated “A” or better by Standard & Poor’s or “A2” by Moody’s or “A” by Fitch.
- ix. High Yield Bonds; fixed income securities that are rated below investment grade by either Standard & Poor’s (less than BBB) or Moody’s (less than Baa) or Fitch (less than BBB).
- x. Agency CMOs.
- xi. Agency CMBS.
- xii. Direct Lending

M. Alpha Overlay

By combining low-beta hedge funds with equity or fixed income futures contracts, alpha overlay provides an alternative to active management in highly efficient sectors of the capital markets. Alpha overlay strategies are employed to increase the expected excess returns in efficient asset classes, diversify the sources of alpha in the portfolio, and seek alpha from both long and short positions across multiple markets, thereby expanding the opportunity set for skilled active managers.

N. Futures

Financial contracts obligating the buyer to purchase an asset or the seller to sell an asset, such as a physical commodity or a financial instrument, at a predetermined future date and price.

O. Opportunistic Investments

Investments that do not fit neatly into any category listed above. They present attractive risk/return characteristics based on a particular market environment. These investments may include strategies like private credit, distressed debt, or direct lending.

II. ASSET CLASS ROLES

The Endowment and Retirement Funds will be invested across several major asset classes, each playing a central role in the pursuit of the long-term investment objectives of the portfolios:

A. Public Equities

Key return engine, but volatile. Equity risk will tend to dominate many portfolios, making diversification with other asset classes critical.

B. Private Equities

High expected return, but illiquid. Private equities are also volatile but are not marked-to-market as frequently as public equities, helping to smooth reported returns.

C. Hedge Funds

Primary diversifier to traditional assets and fertile opportunity set for value added with low net market exposure.

D. Real Assets

Protect against unexpected inflation and help to diversify the portfolio.

E. Fixed Income

Counterbalance to equity volatility and source of liquidity. Can also be a source of value added in less efficient segments

F. Opportunistic

Provide attractive risk and return characteristics, but do not fit neatly into any category listed above. Can be a source of attractive alpha opportunities.

III. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution.

IV. CUSTODY OF SECURITIES

All securities must be held in custody accounts at major financial institution(s) or with prime brokers or futures commission merchants. Custodians must have a minimum rating of A by Standard & Poor's or A1 by Moody's and have provided custody services for at least 10 years. The Committee selects custodians.

V. PROXY VOTING

All proxies are to be voted with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in conduct of an enterprise of a like character. Proxies should be voted in a manner reasonably believed to be in the best interests of the relevant account.

Regarding the University Account, Bank Cash, Operating and Auxiliary Reserve Fund and other University investment portfolios: unless the Committee provides information on how to vote a proxy, the investment managers shall vote the proxies according to their best judgment as to how best to meet this policy.

With respect to the Endowment Pool and Retirement Funds, unless the Committee provides explicit instructions as to how to vote a specific proxy, the OCIO and/or Sub-Managers shall vote the proxies in accordance with their proxy voting policies.

VI. CONFLICT OF INTEREST

Members of the Committee are charged with the responsibility for recommendations and decisions that, in their judgment, best serve the long-term interests and objectives of the relevant portfolio. The members of the Committee are subject to the University's By-Laws and conflict of interest policy approved from time to time by the Board of Trustees.

VII. SUB - MANAGERS

The OCIO is responsible for the selection of Sub-Managers for the Endowment Pool and Retirement Funds. Sub-Managers are generally expected to comply with the applicable procedures and limitations set forth in this policy, provided that the Committee or the OCIO,

to the extent consistent with the investment management agreement between the University and the OCIO, may approve exceptions that will be captured in the investment manager guidelines, offering memorandums or prospectuses. The OCIO will report to the Committee quarterly on the investment performance of Sub-Managers and investment vehicles held within the Endowment Pools and Retirement Funds.

VIII. MONITORING OF OBJECTIVES AND RESULTS

All objectives and policies are in effect until modified by the Committee. If, at any time, the OCIO, the Vice President for Finance and Treasurer, or the Committee believes that any guideline inhibits its investment performance, it is the respective party's responsibility to clearly communicate this view to the Committee.

The investments in the Endowment Pool and Retirement Plans will be monitored by the OCIO on a frequent basis for consistency of each Sub-Manager's investment philosophy, return relative to objectives, and expected investment risk. The investments in the University Account, Bank Cash, Operating and Auxiliary Reserve Fund and other major University investments will be monitored by the Vice President for Finance and Treasurer and Staff on a frequent basis for consistency of each investment manager's investment philosophy, return relative to objectives and expected investment risk. Investment results will be reviewed quarterly by the Committee; however, results will be formally evaluated over rolling 3-to-5 year periods. The OCIO will regularly review Sub-Managers in order to confirm that the factors underlying performance expectations remain in place.

A. Pooled Vehicles -- For separately managed accounts of the Endowment Pool, Retirement Plans, University Account and other major University investments, individual manager guidelines governing permissible securities and dictating other expectations apply. Where investments are made in Commingled Funds, the permissible investments are governed by the appropriate fund prospectus or offering memorandum.

The restrictions for individual stocks and fixed income securities shall not apply to similar investment instruments held in Commingled Funds. Reasonable effort shall be made, to the extent practicable, prudent, and appropriate, to utilize Commingled Funds that have investment objectives and policies that are consistent with the preceding policies. However, given the nature of these investments, it is recognized that there may be deviations between these policies and the objectives of the pooled vehicles. In addition, the net asset value of any pooled vehicle must be periodically available to investors, be based on U.S. Generally Accepted Accounting Principles, International Financial Reporting Standards, or other commonly accepted method of recording and reporting accounting information and audited by an independent auditor.

If an investment manager of a Commingled Fund held within the Endowment Pool or Retirement Funds is under investigation or indicted for criminal or civil charges, it shall be reviewed immediately by the OCIO provider. If an investment manager of a Commingled Fund held within the University Account, Bank Cash, Operating and Auxiliary Reserve Fund or other major University investments is under investigation or indicted for criminal

or civil charges it shall be reviewed immediately by the University's Vice President for Finance and Treasurer and the Committee.

IX. PORTFOLIO REBALANCING

Rebalancing asset allocations to policy targets is essential for maintaining the risk profile adopted by the Committee. Asset allocations will be monitored regularly relative to established policy targets and ranges. Unless otherwise directed by the Committee, Treasury staff is authorized to rebalance the University Account, Bank Cash, and Operating and Auxiliary Reserve Fund portfolios without prior Committee discussion or approval. With respect to the Endowment Pool and Retirement Funds, the OCIO will manage the asset mix on a discretionary basis (within the permissible ranges outlined in this document), determining the portion that will be allocated to each asset class, as well as the structure and strategy allocations within each asset class.

X. RISK MANAGEMENT

Long-term investment portfolios, such as the Endowment Pool and Retirement Funds, will be broadly diversified across and within asset classes in order to seek to minimize the impact of unexpected asset class and security-specific adverse results, and avoid excessive portfolio volatility. Meeting the long-term return objectives of these portfolios requires the OCIO to regularly monitor and manage market risks associated with the overall portfolio, individual asset classes, and specific investments.

Furthermore, these portfolios will seek to maintain sufficient liquidity, at all times, to meet the ongoing distribution needs of each respective pool of assets. The source of monies for such withdrawals will be based on rebalancing and cost considerations.

APPENDIX I

STAFF-MANAGED ACCOUNTS

BANK CASH

Statement of Objectives

The primary objective of Bank Cash is to preserve capital and maintain liquidity in order to provide adequate cash resources for the operations of the University.

Authorized Investments

Authorized Bank Cash investments are limited to Cash and Money Market Instruments as defined in sections I.H. and I.I. above.

Unauthorized Investments and Transactions

- Prime Money Market Funds

Liquidity Minimum

The Treasurer will ensure that the University has at all times cash, or access to cash, in the amount of not less than \$50 million. Access to cash means committed credit lines, letters of credit, or other bank-guaranteed funding resources which provide same-day good funds available to be deposited directly into the University's operating accounts in a timely fashion sufficient to meet Federal Reserve Bank Fedwire® cutoff times as established from time to time by the Federal Reserve Bank.

UNIVERSITY ACCOUNT

Statement of Objectives

The objectives of the University Account are to preserve capital and maintain liquidity while earning a rate of return consistent with investing in short-intermediate bonds.

Asset Allocation Targets and Ranges

Asset allocation should reflect the proper balance of the University Account's need for liquidity and preservation of capital with attention to the anticipated timing of requirements for University Account funds.

Authorized Investments

For separately managed accounts, individual manager guidelines which govern permissible securities and dictate other expectations, apply. Where investments are made in Commingled Funds, the permissible investments are governed by the appropriate fund prospectus or offering memorandum. University Account funds may be invested as follows, provided such securities mature prior to the anticipated utilization of such funds:

- Cash as defined in Section I.H.
- Money Market Instruments as defined in Section I.I.
- Fixed Income as defined in Section I.L., limited to investment grade securities with a maturity of five years or less, except for unauthorized investments listed below. For the purposes of this Policy, the maturity date of any fixed income security subject to a mandatory put shall be the date of the put, which must be within five years of the date on which the security is, or was, acquired. For corporate credit specifically, the maximum maturity of five years will be measured from settlement date rather than trade date. For mortgage and asset-backed securities only, weighted average life at time of purchase is five years can be applied. No more than an index weight exposure of the fixed income assets may be in securities rated “BBB” (BBB+, BBB, BBB-) by Standard & Poor’s or “Baa” (Baa1, Baa2, Baa3) by Moody’s or “BBB” (BBB+, BBB, BBB-) by Fitch , provided however, that the overall quality rating of fixed income assets will be at least “AA” as rated by Standard and Poor’s or “Aa2” as rated by Moody’s or “AA” as rated by Fitch. Limited to Investment Grade Sovereign, Supranational, Foreign Agency, and Foreign Local Government securities that are SEC-registered, issued in the U.S. in U.S. dollars by foreign governments, agencies and other international organizations as described in Section I. is limited to a maximum of 10% of the fixed income assets.
- University Account funds expected to be available for investment periods greater than five years may be invested in longer -term securities when authorized by the Committee and the treasurer. Investments in corporate debt securities with maturities greater than ten years cannot exceed 20% of the total investment in corporate debt.

The following reflects the maximum investment permitted as a percentage of the total University Account portfolio.

U.S. Treasury Obligations	100%
Non-Mortgage-backed Federal Agency Obligations	100%
Mortgage-backed Federal Agency Obligations	30%
State and Municipal Obligations	10%
Repurchase Agreements	50%
Commercial Paper	50%
Banker’s Acceptances	30%
Corporate Securities	50%
Certificates of Deposit	30%
Money Market Mutual Fund Shares	100%
Bond Mutual Funds	70%
Sovereign Obligations	10%
Non-agency MBS rated A or higher	10%
144 A securities	5%
Agency CMOs	25%
Agency CMBS	25%

Unauthorized Investments and Transactions

- Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at the time of purchase (excludes U.S. Treasury or other Federal Agencies).

- Holdings of any individual bond issue shall not exceed 5% of the value of the total issue or total debt outstanding of the issuer (excludes U.S. Treasury or other Federal Agencies).
- Collateralized Debt Obligations, real estate asset backed securities, GICs, private placements, To Be Announced (TBA) securities, Collateralized Mortgage Obligations (CMOs) except for Agency CMOs, Real Estate, REIT securities, and Commercial Mortgage-backed Securities (CMBS) except for Agency CMBS are prohibited.

OPERATING AND AUXILIARY RESERVE FUND

Statement of Objectives

The primary objectives of the Operating and Auxiliary Reserve Fund are to preserve capital and provide level debt amortization, based on the effective bond interest rate and asset life, to the University operating budget and auxiliary operations.

Asset Allocation Targets and Ranges

Asset allocation should reflect the proper balance of the need for liquidity, preservation of purchasing power, and risk tolerance in relation to liabilities. The funds are to be invested in cash, money market funds, and fixed income as determined by the liquidity needed for debt payments.

Benchmark

The fund investments will be customized to be available for debt service needs and will not be managed according to any core bond benchmark.

Authorized Investments

For separately managed accounts, individual manager guidelines, which govern permissible securities and dictate other expectations, apply. Where investments are made in Commingled Funds, the appropriate fund offering memorandum or prospectus governs the permissible investments.

As a statement of general policy, permissible investments include the following, provided such securities mature prior to the anticipated utilization of the funds:

- Cash as defined in Section I.H.
- Money Market Instruments as defined in Section I.I.
- Cash and Money Market Instruments shall be restricted to a maximum of 10% of the portfolio, except for brief periods or when building liquidity in anticipation of a debt service withdrawal. Investment Managers shall have discretion to invest up to 10% of assets under management in cash reserves when they deem it appropriate.
- Fixed Income as defined in Section I.L. Investments shall be limited to investment grade securities, and exception shall be made for unauthorized investments listed below, with durations that generally coincide with withdrawals for debt service. For purposes of this Policy, the maturity date of any fixed income security subject to a mandatory put shall be the date of the put, which must be within five years of the date on which the security is, or was, acquired. A maximum of 20% of the fixed income assets may be in securities rated “BBB” (BBB+, BBB, BBB-) by Standard & Poor’s or “Baa” (Baa1, Baa2, Baa3) by Moody’s, or “BBB” (BBB+, BBB, BBB-) by Fitch, provided however, the overall quality rating of fixed income assets will be at least “A” as rated by Standard and Poor’s or “A2” as rated by Moody’s or “A” as rated by Fitch. Limited to Investment Grade Sovereign, Supranational, Foreign Agency, and Foreign Local Government securities that are SEC registered, issued in the U.S. in U.S. dollars by foreign governments, agencies and other

international organizations as described in Section I are limited to a maximum of 10% of the fixed income assets.

- Cash is limited to 10% of total assets; however, higher cash balances may be kept periodically to meet pending withdrawals for debt service.

Unauthorized Investments and Transactions

- Not more than 5% of the market value of the fixed income portfolio shall be invested in securities issued by one company at the time of purchase. If fund assets fall due to debt payments, the security can continue to be held up to a maximum 10% position assuming the security maintains its credit rating.
- No more than 5% of any single outstanding issue shall be held at time of purchase.
- No more than 50% of the market value of the portfolio shall be invested in corporate bonds.
- Guaranteed Investment Contracts as described in Section I.L. are prohibited.
- Convertible bonds as described in Section I.L. are prohibited.
- Mortgage pass-through, asset backed securities, and collateralized debt obligations as described in Section I.L. are prohibited.
- State and Municipal obligations as described in Section I.L. are prohibited.
- Borrowing for investment purposes is prohibited.

APPENDIX II

OCIO-MANAGED ACCOUNTS

ENDOWMENT POOL

Statement of Objectives

The **financial objectives** of the Endowment Pool are (1) to support the current and future operations of the University and (2) to preserve and enhance the purchasing power of the University's Endowment. To accomplish these goals, the Endowment Pool must generate real returns from investments equal to, and preferably greater than, its spending rate over the long term.

Asset Allocation Targets and Ranges

The Endowment Pool is to be invested on a total return basis in order to maintain the purchasing power of endowment gifts and funds functioning as endowments. The **investment objective** of the Endowment Pool is to attain an average annual real total return (net of investment management fees) in excess of the spending rate over the long term (rolling five-year periods). A 5% real, total return adequately supports the University's 4.25% spending rule, and allows for Endowment Pool growth over time. It is recognized that the real return objective may be difficult to attain in every five-year period but should be attainable over a series of five-year periods. The Committee has adopted asset allocation targets and ranges, set forth in Exhibit 1, that are designed to meet this long-term objective provided that markets deliver returns consistent with normal economic conditions.

Spending Rule

The percentage of the value of the Endowment Pool assets which shall be available for spending is 4.25%. The value of the assets is defined as the fair market value of the assets held by the University, determined at the end of each fiscal quarter, and averaged over the most recent preceding twelve quarters.

Exhibit 1
TEMPLE UNIVERSITY ENDOWMENT POOL
Investment Policy Targets and Ranges

<i>Asset Class⁽¹⁾</i>	<i>Policy Target Allocation / Benchmark Weight</i>	<i>Policy Ranges</i>		<i>Benchmark Index⁽²⁾</i>
		<i>Min</i>	<i>Max</i>	
Equities⁽³⁾	45%	-10%	+10%	
U.S. Equities ⁽³⁾	22%	-10%	+10%	Russell 3000 Index
Developed Non-U.S. Equities	16%	-10%	+10%	MSCI World ex-U.S. Investable Market Index ⁽⁴⁾
Emerging Markets Equities	7%	-7%	+10%	MSCI Emerging Markets Investable Market Index ⁽⁴⁾
Alternatives (Net)^{(3),(5),(6)}	30%	-15%	+15%	
Private Equities ⁽³⁾	15%	-10%	+5%	Custom Private Equity Index ⁽⁷⁾
Hedge Funds (Net Exposure) ⁽⁶⁾	15%	-15%	+15%	HFRX Equal Weighted Strategies Index
<i>Hedge Funds (Gross Exposure)</i>	<i>25%</i>	<i>-25%</i>	<i>+15%</i>	
<i>Alpha Overlay</i>	<i>(10)%</i>	<i>--</i>	<i>--</i>	
Real Assets⁽³⁾	8%	-8%	+10%	
Real Estate ⁽³⁾	4%	-4%	+5%	NCREIF Fund Index – Open End Diversified Core Equity
Commodities	2%	-2%	+6%	S&P GSCI Total Return Index
TIPS ⁽³⁾	2%	-2%	+6%	Bloomberg 1-10 Year U.S. TIPS Index
Fixed Income^{(8),(9)}	17%	-10%	+10%	
U.S. Investment Grade Fixed Income ^{(3),(8),(9)}	14%	-14%	+10%	Bloomberg U.S. Aggregate Index
U.S. High Yield	1%	-1%	+10%	ICE BofA High Yield Cash Pay Index
Direct Lending	2%	-2%	+5%	S&P/LSTA Leveraged Loan Index
Opportunistic	0%	0%	+15%	
Cash	0%	0%	+20%	
TOTAL	100%			

- (1) Synthetic exposure to an asset class through alpha overlay strategies will be reported under the relevant asset class.
- (2) The policy benchmark will be rebalanced quarterly and will be reported both gross and net of assumed passive management fees and rebalancing costs.
- (3) Policy Target Allocation for U.S. Equities, Private Equities, Real Estate, TIPS and U.S. Investment Grade Fixed Income will float as described in the Investment Management Agreement with the OCIO. Policy Target Allocations for Equities, Alternatives, Real Assets and Fixed Income will float as necessary to accommodate the float of any of their constituent subcategories.
- (4) Indices are net of dividend withholding tax.
- (5) Policy Target Allocation and Policy Range for total Alternatives is based on “Net” Hedge Fund allocation. The maximum total allocation to hedge funds (net) and private equity combined is 45%.
- (6) “Net” indicates that allocations are net of alpha overlay strategies. The maximum gross allocation to hedge funds, including those overlaid in alpha overlay strategies, is 40%.
- (7) A custom benchmark that is the weighted average of the Vintage Year Weighted - Thomson Reuters Cambridge Private Equity, Venture Capital, and Distressed Benchmarks where the weights are based on the market values of the underlying private equity funds in the portfolio and are rebalanced quarterly. Underlying funds are assigned to the specific vintage year benchmark based on the year of inception in the Account.
- (8) For purposes of assessing compliance with the minimum of the policy range, Fixed Income and U.S. Investment Grade Fixed Income will be deemed to include the allocation to cash.
- (9) U.S. Investment Grade Fixed Income includes physical holdings of Treasuries, Corporates, and Synthetic Fixed Income achieved through alpha overlay strategies.

Benchmark

A benchmark index has been assigned to each asset class, as set forth in Exhibit 1. For the total Endowment Pool, the benchmark against which the portfolio’s overall performance will be measured (“Custom Benchmark Index”) shall be a total return index comprising these benchmark indices weighted by the Policy Target Allocation for the relevant asset class, as shown in Exhibit

1. The Custom Benchmark Index will be rebalanced quarterly and will be reported both gross and net of assumed passive management fees and rebalancing costs.

In addition, individual Sub-Manager benchmarks can be found in monthly performance reports.

The Endowment Pool seeks to achieve performance (net of management fees) that exceeds the performance of the Custom Benchmark Index (net of assumed passive management fees and rebalancing costs) by 1.0% per annum over rolling five-year periods. In addition, the Endowment Pool seeks to exceed the performance of the relevant peer group (as determined jointly by the Committee and the OCIO) over rolling five-year periods.

Authorized Investments

Permissible investments include without limitation, long and short positions in U.S. and non-U.S. equities (including preferred and common stock), private equities, hedge funds, real estate, U.S. and non-U.S. fixed income investments (which may be rated or unrated, and which may include convertible securities, bank loans, and other public or private debt instruments), futures, swaps, options, forward contracts, other derivative instruments, cash and cash-equivalent instruments, and such other investments that the OCIO deems appropriate in its reasonable discretion and consistent with its fiduciary duties to the Endowment Pool. In addition, the Endowment Pool may be invested in Commingled Funds.

Exceptions to Investment Limitations

The University may continue to hold any gift-in-kind when it is prudent to do so, without regard to the foregoing list of authorized investments.

RETIREMENT FUNDS

Statement of Objectives

The financial objectives of the Retirement Funds are to (1) provide a source of retirement income and other retiree benefits for its participants and beneficiaries (2) achieve and maintain full funding of the Actuarial Accrued Pension Liability and (3) reduce contributions to the Funds as a percent of payroll over time.

Asset Allocation Targets and Ranges

Asset allocation should reflect the proper balance of the need for liquidity, preservation of purchasing power, and risk tolerance in relation to liabilities. The investment objective for the Post-Retirement Benefits plan is a long-term nominal rate of return on assets of at least 8.00% on an annualized basis over time. The investment objective for Defined Benefit Pension plans is to achieve a 6.80% nominal return. The Committee has adopted asset allocation targets and ranges, set forth in Exhibits 2 and 3, that are designed to meet these long-term objectives, provided that markets deliver returns consistent with normal economic conditions.

Exhibit 2

TEMPLE UNIVERSITY POST RETIREMENT PLAN Investment Policy Targets and Ranges

Asset Class ⁽¹⁾	Policy Target Allocation / Benchmark Weight ⁽¹⁰⁾	Policy Ranges		Benchmark Index ⁽²⁾
		Min	Max	
Equities⁽³⁾	30%	-10%	+10%	
U.S. Equities ⁽³⁾	15%	-10%	+10%	Russell 3000 Index
Developed Non-U.S. Equities	10.5%	-7%	+10%	MSCI World ex-U.S. Investable Market Index ⁽⁴⁾
Emerging Markets Equities	4.5%	-3%	+10%	MSCI Emerging Markets Investable Market Index ⁽⁴⁾
Alternatives (Net)^{(3),(5),(6)}	25%	-15%	+10%	
Private Equities ⁽³⁾	10%	-8%	+5%	Custom Private Equity Index ⁽⁷⁾
Hedge Funds (Net Exposure) ⁽⁶⁾	15%	-15%	+10%	HFRX Equal Weighted Strategies Index
Hedge Funds (Gross Exposure)	20%	-20%	+5%	
Alpha Overlay	(5)%	--	--	
Real Assets⁽³⁾	10%	-8%	+10%	
Real Estate ⁽³⁾	5%	-5%	+5%	NCREIF Fund Index – Open End Diversified Core Equity
Commodities	2%	-0%	+6%	S&P GSCI Total Return Index
TIPS ⁽³⁾	3%	-3%	+6%	Bloomberg 1-10 Year U.S. TIPS Index
Fixed Income^{(3),(8)}	35%	-10%	+10%	
U.S. Investment Grade Fixed Income ^{(3),(9)}	35%	-15%	+10%	Bloomberg U.S. Aggregate Index
U.S. High Yield	0%	0%	+15%	ICE BofA High Yield Cash Pay Index
Opportunistic	0%	0%	+15%	
Cash	0%	0%	+20%	
TOTAL	100%			

- (1) Synthetic exposure to an asset class through alpha overlay strategies will be reported under the relevant asset class.
- (2) The policy benchmark will be rebalanced quarterly and will be reported both gross and net of assumed passive management fees and rebalancing costs.
- (3) Policy Target Allocation for U.S. Equities, Private Equities, Real Estate, TIPS and U.S. Fixed Income will float as described in the Investment Management Agreement with the OCIO. Policy Target Allocations for Equities, Alternatives, Real Assets and Fixed Income will float as necessary to accommodate the float of any of their constituent subcategories.
- (4) Indices are net of dividend withholding tax.
- (5) Target Allocation and Policy Range for total Alternatives is based on “Net” Hedge Fund allocation. The maximum total allocation to hedge funds (net) and private equity combined is 35%.
- (6) “Net” indicates that allocations are net of alpha overlay strategies. The maximum gross allocation to hedge funds, including those overlaid in alpha overlay strategies, is 25%.
- (7) A custom benchmark that is the weighted average of the Vintage Year Weighted - Thomson Reuters Cambridge Private Equity, Venture Capital, and Distressed Benchmarks where the weights are based on the market values of the underlying private equity funds in the portfolio and are rebalanced quarterly. Underlying funds are assigned to the specific vintage year benchmark based on the year of inception in the Account.
- (8) For purposes of assessing compliance with the minimum of the policy range, Fixed Income will be deemed to include the allocation to cash.
- (9) U.S. Investment Grade Fixed Income includes physical holdings of Treasuries, corporates, and synthetic fixed income achieved through alpha overlay strategies.
- (10) The asset allocation is dynamic in that it requires periodic adjustments based on the achievement of predefined funding-status targets (the “glide path”). As the funded status moves along the glide path, the asset allocation will be adjusted accordingly, including the reduction of asset risk as the plan’s funded level increases. Return seeking assets will be decreased (or increased) as determined by the funded status. The glide-path at various funded levels is as follows:

	<i>Post Retirement Asset Allocation Glide Path at Various Funded Levels</i> ⁽¹⁰⁾					
<i>Asset Class⁽¹⁾</i>	<i>< 100%[^]</i>	<i>105%</i>	<i>Current Policy 115%</i>	<i>125%</i>	<i>135%</i>	<i>145%</i>
Equities⁽³⁾	40%	35%	30%	25%	20%	15%
U.S. Equities ⁽³⁾	20%	17.5%	15%	12.5%	10%	7.5%
Developed Non-U.S. Equities	14%	12.2%	10.5%	8.7%	7%	5.2 %
Emerging Markets Equities	6%	5.3%	4.5%	3.8%	3%	2.3%
Alternatives (Net) ^{(3),(5),(6)}	25%	25%	25%	25%	23%	18%
Private Equities ⁽²⁾	10%	10%	10%	10%	8%	8%
Hedge Funds (Net Exposure) ⁽⁶⁾	15%	15%	15%	15%	15%	10%
<i>Hedge Funds (Gross Exposure)</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>
<i>Alpha Overlay</i>	<i>(5)%</i>	<i>(5)%</i>	<i>(5)%</i>	<i>(5)%</i>	<i>(5)%</i>	<i>(10)%</i>
Real Assets⁽³⁾	10%	10%	10%	10%	8%	8%
Real Estate ⁽³⁾	5%	5%	5%	5%	5%	5%
Commodities	2%	2%	2%	2%	0%	0%
TIPS ⁽³⁾	3%	3%	3%	3%	3%	3%
Fixed Income^{(3),(8)}	25%	30%	35%	40%	49%	59%
U.S. Investment Grade Fixed Income ^{(3),(9)}	22.5%	30%	35%	40%	49%	59%
U.S. High Yield	2.5%	0%	0%	0%	0%	0%
Opportunistic	0%	0%	0%	0%	0%	0%
Cash	0%	0%	0%	0%	0%	0%
TOTAL	100%	100%	100%	100%	100%	100%

[^] Should the funded status decrease to a point where re-risking is appropriate, the recommended asset allocation targets will be separately discussed and approved.

Exhibit 3
TEMPLE UNIVERSITY RETIREMENT PLAN
Investment Policy Targets and Ranges

<i>Asset Class⁽¹⁾</i>	<i>Policy Target Allocation / Benchmark Weight</i>	<i>Policy Ranges</i>		<i>Benchmark Index⁽²⁾</i>
		<i>Min</i>	<i>Max</i>	
Equities	15%	-10%	+10%	
U.S. Equities	8%	-8%	+10%	Russell 3000 Index
Developed Non-U.S. Equities	4%	-4%	+10%	MSCI World ex-U.S. Investable Market Index ⁽³⁾
Emerging Markets Equities	3%	-3%	+10%	MSCI Emerging Markets Investable Market Index ⁽³⁾
Alternatives (Net)^{(4) (5)}	0%	0%	+10%	
Hedge Funds (Net Exposure) ⁽⁵⁾	0%	0%	+10%	HFRX Equal Weighted Strategies Index
<i>Hedge Funds (Gross Exposure)</i>	<i>10%</i>	<i>-10%</i>	<i>+10%</i>	
<i>Alpha Overlay</i>	<i>(10)%</i>	<i>--</i>	<i>--</i>	
Fixed Income⁽⁶⁾	85%	-10%	+10%	
U.S. Investment Grade Fixed Income ⁽⁷⁾	85%	-15%	+10%	Custom Fixed Income Index ⁽⁸⁾
Opportunistic	0%	0%	+5%	
Cash	0%	0%	+20%	
TOTAL	100%			

- (1) Synthetic exposure to an asset class through alpha overlay strategies will be reported under the relevant asset class.
- (2) The policy benchmark will be rebalanced quarterly and will be reported both gross and net of assumed passive management fees and rebalancing costs.
- (3) Indices are net of dividend withholding tax.
- (4) Policy Range for total Alternatives is based on "Net" Hedge Fund allocation.
- (5) "Net" indicates that allocations are net of alpha overlay strategies. The maximum gross allocation to hedge funds, including those overlaid in alpha overlay strategies, is 20%.
- (6) For purposes of assessing compliance with the minimum of the policy range, Fixed Income will be deemed to include the allocation to cash.
- (7) U.S. Investment Grade Fixed Income includes physical holdings of Treasuries, corporates, and synthetic fixed income achieved through alpha overlay strategies.
- (8) A total return index comprising the "Liabilities Index" (67% BofA/Merrill Lynch Zero Coupon STRIP Index and 33% BofA/Merrill Lynch Corporate Index). The BofA/Merrill Lynch Zero Coupon STRIP Index represents 2, 5, 10, 20, and 30 year zero coupon Treasury STRIPS weighted to the yield curve exposures of and having the equivalent duration as the Plan liabilities. The BofA/Merrill Lynch Corporate Index comprises BofA/Merrill Lynch Corporate, A-AAA, 10-15 year and 15+ year subindices, also weighted to have an equivalent duration as the Plan liabilities.

Benchmark

A benchmark index has been assigned to each asset class, as set forth in Exhibits 2 and 3. For each of the Port-Retirement Plan and the Retirement Plan, the benchmark against which the total portfolio's overall performance will be measured ("Custom Benchmark Index") shall be a total return index comprising these benchmark indices weighted by the Policy Target Allocation for the relevant asset class, as shown in Exhibits 2 and 3. The Custom Benchmark Index will be rebalanced quarterly, and will be reported both gross and net of assumed passive management fees and rebalancing costs.

In addition, individual Sub-Manager benchmarks can be found in monthly performance reports.

Each of the Post Retirement and Retirement portfolio seeks to achieve performance (net of management fees) that exceeds the performance of its Custom Benchmark Index (net of assumed passive management fees and rebalancing costs) by 1.0% per annum over rolling five-year periods. In addition, the Post Retirement and Retirement Plan portfolios seek to exceed the performance of the relevant peer group (as determined jointly by the Committee and the OCIO) over rolling five-year periods. These objectives are specific to the OCIO-managed assets held in the account only. Any balanced or absolute-return managers, which are selected and monitored separately by the Committee, will be held to a standard deemed appropriate by the Committee.

Authorized Investments

Permissible investments include without limitation, long and short positions in U.S. and non-U.S. equities (including preferred and common stock), private equities, hedge funds, real estate, U.S. and non-U.S. fixed income investments (which may be rated or unrated, and which may include convertible securities, bank loans, and other public or private debt instruments), futures, swaps, options, forward contracts, other derivative instruments, cash and cash-equivalent instruments, and such other investments that the OCIO deems appropriate in its reasonable discretion and consistent with its fiduciary duties to the Retirement Funds. In addition, the Retirement Funds may be invested in Commingled Funds.

As a statement of general policy, however, permissible investments include the following:

- U.S. equity securities as defined in Section I.J.
- International equity securities as defined in Section I.J.
- Emerging markets equity securities as defined in Section I.J.
- Fixed Income Investments, as defined in Section I.L.
- Alternative Investments as defined in Section I.K.
- Cash and Money Market Instruments as defined in Sections I.H. and I.I.
- Commingled funds consisting of the above-named qualified investments.
- Futures