



THE UNIVERSITY OF SOUTHERN MISSISSIPPI FOUNDATION

ENDOWMENT INVESTMENT POLICY STATEMENT

AS APPROVED JUNE 4, 2010

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## I. DEFINITIONS

### A. PURPOSE

The Board of Directors (the Board) of the University of Southern Mississippi Foundation (the Foundation) hereby acknowledges a fiduciary duty to ensure the assets of the Foundation's Endowment (the Endowment) are managed in a prudent fashion in accordance with sound investment principals. As such, the Board prescribes the following guidelines for its stewardship of Endowment funds.

These guidelines relate to those gifts and donations in the form of endowments with long term benefit objectives and to those monies set aside and designated by the Board as quasi-endowment.

The investment portfolio should preserve and enhance the long-term, inflation-adjusted market value and purchasing power of its assets while providing sustainable annual support to the beneficiary units at the University of Southern Mississippi. While short-term investment results will be monitored, adherence to a sound long-term investment policy, which balances short-term spending needs with preservation of the real (inflation-adjusted) value of assets, is crucial to the long-term success of the Endowment.

The purpose of this statement is to establish in a single document written policies and guidelines for the investment of Endowment assets, and to instill confidence that the future growth of the Endowment is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment for future generations.

This statement will establish appropriate risk and return objectives in light of the Foundation's risk tolerance and investment time horizon. These objectives, as well as asset allocation guidelines, suitable investments, and responsibilities of the investment manager(s), are outlined below.

### B. FIDUCIARY DUTY

In seeking to attain the investment objectives set forth, the Board shall exercise prudence and appropriate care in accordance with the Uniform Prudent Management of Institutional Funds Act. UPMIFA requires fiduciaries to apply the standard of prudence "to any investment as part of the total portfolio, rather than to individual investments." All investment actions and decisions must be based solely on the over-arching, long-term interests of the Endowment.

As summarized for the purposes of this Investment Policy, UPMIFA states that the Board is under a duty to the Endowment to manage the funds as a prudent investor would, in light of the purposes, scope, objectives and other relevant circumstances. This standard requires the exercise of reasonable care, skill, and caution be applied to investments not in isolation, but in the context of the portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Endowment. In making and implementing investment decisions, the Board has a duty to diversify the investments unless, under extreme circumstances, the Board deems that the purposes of the Endowment are better served without diversifying.

In addition, the Board must conform to fundamental fiduciary duties of loyalty and impartiality. This requires the Board to act with prudence in deciding whether and how to delegate authority, in the selection and supervision of agents, and in incurring costs where reasonable and appropriate.

## II. RESPONSIBILITY AND DESCRIPTION OF ROLES

### A. BOARD OF DIRECTORS

The Board has the ultimate fiduciary responsibility for the Endowment. The Board must ensure that appropriate policies governing the management of the portfolios are in place and that these policies are being effectively implemented. To implement these responsibilities, the Board sets and approves this Investment Policy and charges the Investment Committee (the Committee) with its implementation and subsequent, ongoing monitoring.

### B. INVESTMENT COMMITTEE

The Committee is responsible for implementing the Investment Policy. This responsibility includes approving and implementing the investment strategy; selection of custodians, investment managers, and investment consultants; monitoring performance of the investment portfolio and its managers on a regular basis (at least quarterly); and maintaining sufficient knowledge about the portfolio and its managers so as to be reasonably assured of their compliance with the Investment Policy.

1. For the Endowment, the Committee shall determine appropriate major asset classes, appropriate target percentages, and acceptable ranges for each major asset class. Within these major asset classes, the Committee shall further establish appropriate minor asset classes, their targets and ranges.
2. Within these established asset classes and ranges, the Committee or its designee shall allocate funds to investment managers and/or established investment funds with demonstrated superior performance in a specific investment area. The Committee or its designee may withdraw funds or reallocate funds between funds or managers as deemed necessary.
3. The Committee will monitor portfolio performance and investment manager performance by comparison to appropriate established market indices, mutual funds/investment managers having similar objectives, and endowment funds of peer institutions.
4. The Committee shall select and appoint a qualified, independent investment consultant, subject to approval by the Board.
5. The Committee shall monitor and review the overall investment performance and portfolio compliance with established asset class ranges on a quarterly basis.
6. The Committee or Investment Consultant will meet regularly with the investment managers. Substantive meetings with each non-passive investment manager will be conducted at least annually, in person or by phone.
7. The Committee will provide quarterly investment reports to the full Board. These reports should depict the absolute and relative performance of the Endowment.

### C. CHIEF FINANCIAL OFFICER

The Chief Financial Officer (CFO) has daily responsibility for administration of the Endowment and will inform the Committee and Board, when appropriate, on all material matters relating to the investment portfolios.

1. The Foundation's CFO is the primary liaison among the Committee, the consultant, and the various money managers. Furthermore, the CFO is generally charged with acting as the Committee's designee, within the confines of this investment policy.

2. The Foundation's CFO shall monitor compliance with the asset targets/ranges and, in conjunction with the Foundation's investment consultant, recommend adjustments as necessary.

D. INVESTMENT CONSULTANT

The Investment Consultant is responsible for assisting the Committee and CFO in all aspects of managing and overseeing the investment portfolios. The consultant is a primary source of investment education and investment manager information.

On an ongoing basis, the consultant will:

- a. Assist the Committee in monitoring compliance with the investment policy and guidelines contained in this Investment Policy Statement;
- b. Recommend an investment strategy and coordinate the asset allocation process through the investment managers;
- c. Provide proactive recommendations;
- d. Assist the Committee as directed with the review and selection (or termination) of Investment Managers in accordance with the selection criteria included in Exhibit B;
- e. Supply the Committee with reports (e.g. asset allocation studies, investment research and education) or information as reasonably requested;
- f. Monitor the activities of each investment manager or investment fund and provide quarterly performance reports to the Committee; and
- g. Report substantive developments that may affect the management of Endowment assets in a timely manner.

E. INVESTMENT MANAGERS

Each Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints and philosophies as outlined in this statement. Specific responsibilities of the Investment Manager(s) include:

- a. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
- b. Reporting, on a timely basis, quarterly investment performance results.
- c. Communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of investment process, or the investment objective progress of the Endowment's investment management.
- d. Informing the Investment Consultant regarding any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
- e. Voting proxies, if requested by the Foundation, on behalf of the Endowment, and communicating such voting records to the Foundation on a timely basis.

### III. INVESTMENT OBJECTIVE AND ASSET ALLOCATION

The goal for the Endowment is to provide a real total return that preserves the purchasing power of the Endowment's assets, while generating an income stream to support the Foundation's activities. The Endowment's real total return will be sought from an investment strategy that provides an opportunity for superior total returns within acceptable levels of risk and volatility.

#### A. INVESTMENT OBJECTIVE

For the long-term, the primary investment objective for the Endowment is to earn a total return (net of portfolio management fees), within prudent levels of risk, which is sufficient to maintain in real terms the purchasing power of the Endowment's assets and support the defined spending policy. Therefore, the primary objective of the Endowment is to achieve a total return, net of fees, equal to or greater than the total spending rate, administration fees and inflation, calculated as follows:

Spending Rate	4.0%
Administration Fee	2.0%
Inflation Rate (CPI)	<u>2.5%</u>
Total Return	8.5%

#### B. STRATEGY

The Committee understands the long-term nature of the Endowment and believes that investing in assets with higher return expectations outweighs their short-term volatility risk. As a result, the majority of assets will be invested in equity or equity-like securities and alternative investments, while maintaining broad diversification across major asset classes in order to avoid dramatic declines in portfolio value.

Fixed income and absolute return strategies will be used to lower short-term volatility and provide stability, especially during periods of deflation and negative equity markets. Cash is not a strategic asset of the Endowment, but is a residual to the investment process and is used to meet short-term liquidity needs.

#### C. ASSET ALLOCATION

To achieve its investment objectives, the Endowment shall be allocated among a number of broad asset classes and sub-asset classes. Diversification among the various asset classes is necessary to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the performance of the total Endowment.

The general policy shall be to diversify investments among equity, fixed income and alternative asset securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single class or investment category.

The target asset allocation should provide an expected total return equal to or greater than the primary return objective of the Endowment, while avoiding undue risk concentrations in any single asset class or category; thus, reducing risk at the overall portfolio level. To achieve these goals, the asset allocation will be set with the target percentages and within the ranges expressed in the table found in Appendix A.

#### D. ASSET ALLOCATION REVIEW AND BALANCING PROCEDURE

1. The Committee will review the strategic allocation in the major asset classes, as well as the allocation to various styles of managers within these asset classes, annually as of March 31.
2. Cash flows into and out of the portfolio (i.e., new gifts and spending) shall be allocated to the Investment Managers each month in a manner that will rebalance the portfolio consistent with asset allocation policies. Rebalancing the portfolio by means of liquidating assets managed by Investment Managers will be the exception, and only done, when recommended by the Investment Consultant and approved by the Committee. Asset allocation reports will be provided to the Committee on a quarterly basis.

### IV. ENDOWMENT INVESTMENT POLICIES AND GUIDELINES

The investment policies, guidelines and restrictions presented in this policy statement serve as a framework to help the Committee and its Investment Consultant achieve the investment objectives at a level of risk deemed acceptable. The Endowment will be diversified by asset class and within asset classes. Within each asset class, securities will be diversified among economic sector, industry, quality, and size.

Within the equity and fixed income asset classes, different investment styles will be employed. Diversification by investment style is also an important step in reducing the risk of the Endowment portfolio.

#### A. EQUITY SECURITIES

The purpose of equity investments, both domestic and international, in the Endowment is to provide capital appreciation, growth of income, and current income, with the recognition that this asset class carries with it the assumption of greater market volatility and increased risk of loss.

1. Investment styles within the equity asset class are defined as follows:
  - a. **Large Cap (Growth)** – U.S. equity securities with primary exposure to companies exceeding a market capitalization of \$10 billion that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in the stock selection process.
  - b. **Large Cap (Value)** – U.S. equity securities with primary exposure to companies exceeding a market capitalization of greater than \$10 billion that are generally believed to be undervalued or possessing lower than average price/earnings ratios, based on their potential for capital appreciation.
  - c. **Mid Cap (Growth)** – U.S. equity securities with primary exposure to companies with market capitalization between \$2 billion to \$10 billion that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in the stock selection process.
  - d. **Mid Cap (Value)** – U.S. equity securities with primary exposure to companies with market capitalization between \$2 billion to \$10 billion that are believed to be currently undervalued or possessing lower than average price/earnings ratios, based on their potential for capital appreciation.
  - e. **Small Cap (Growth)** – U.S. equity securities with primary exposure to small companies with market capitalization generally less than \$2 billion and typically averaging approximately \$500 million that are expected to have above-average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in the stock selection process.
  - f. **Small Cap (Value)** – U.S. equity securities with primary exposure to small companies with market capitalization generally less than \$2 billion that are believed to be undervalued or

possessing lower than average price/earnings ratios, based on their potential for capital appreciation.

- g. **International** – stocks of companies domiciled outside the United States and may include companies in developed countries or emerging markets in less-developed economic regions of the world.

2. Equity Securities Guidelines

- a. Equity holdings shall generally be restricted to high quality, readily marketable securities of corporations that are actively traded on the major stock exchanges, including NYSE, AMEX and NASDAQ. International equity exposure would preferably be gained through American Depository Receipts (ADR).
- b. Each equity investment manager shall:
  - 1) Assure that no position of any one company exceeds 10% of the manager's total portfolio as measured as a percentage of the invested market value of the Endowment;
  - 2) Vote proxies and share tenders in a manner that is in the best interest of the Endowment and consistent with the investment objectives contained herein;
  - 3) Maintain a minimum of 25 positions in the portfolio to provide adequate diversification;
  - 4) Construct a properly diversified portfolio across sectors and industries; and
  - 5) U.S. equity managers should have no more than 20% of the total portfolio invested in foreign stocks or American Depository Receipts (ADRs).

3. Eligible Equity Securities

- a. Common Stocks
- b. Convertible Notes and Bonds
- c. Convertible Preferred Stocks
- d. American Depository Receipts (ADRs) of Non-U.S. Companies
- e. Emerging Markets
- f. Stocks of Non-U.S. Companies (Ordinary Shares)
- g. Mutual Funds

Within the above guidelines and restrictions, the Investment Managers have complete discretion over the timing and selection of equity securities.

B. FIXED INCOME SECURITIES

The purpose of fixed income investments is to provide diversification, and a highly predictable, dependable source of current income. It is expected that fixed income investments will be totally dedicated to the long-term bond market, but will be flexibly allocated amongst maturities of different lengths according to interest rate prospects. Fixed instruments should reduce the overall volatility of the endowment pool's assets and provide a deflation hedge.

1. Fixed Income Securities Guidelines

- a. Investments in fixed income securities should be managed to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums, with the objective of meeting or exceeding the results of the fixed income market as represented by the annualized returns of the Barclays Capital Aggregate Bond Index, over an annualized moving three and five year time period.
- b. Each core fixed income investment manager shall:
  - 1) Maintain an overall weighted average credit rating of "A" or better according to Moody's and Standard & Poor's ratings;
  - 2) Hold no more than 10% of the portfolio in below investment grade ("Baa"/"BBB") securities where split rated securities will be governed by the lower rating;

- 3) Maintain a duration within +/-20% of the effective duration of the appropriate benchmark; and
  - 4) Ensure that any one issuer does not exceed 5% of the manager's portfolio, as measured at market value, except for securities issued by the U.S. government or its agencies.
- c. Each high yield fixed income investment manager shall:
- 1) Maintain an overall weighted average credit rating of "B" or better according to Moody's and Standard & Poor's ratings;
  - 2) Hold no more than 20% of the portfolio in investments rated below "B" where split rated securities will be governed by the lower rating; and
  - 3) Assure that any one issuer does not exceed 5% of the manager's portfolio, as measured at market value, except for securities issued by the U.S. government or its agencies.
2. Eligible Fixed Income Securities
- a. U.S. Government and Agency Securities
  - b. Corporate Notes and Bonds
  - c. Mortgage Backed Bonds
  - d. Preferred Stock
  - e. Fixed Income Securities of Foreign Governments and Corporations
  - f. Collateralized Mortgage Obligations
  - g. Mutual Funds
  - h. High Yield

Within the above guidelines and restrictions, the Investment Managers have complete discretion over the timing and selection of fixed income securities.

#### C. CASH AND CASH EQUIVALENTS

The Investment Manager may invest in cash and cash equivalents to provide income, liquidity for expense payments, and preservation of the endowment pool principal value.

1. Cash and Cash Equivalent Investment Guidelines
  - a. Uninvested cash reserves shall be kept to a minimum; short term, cash equivalent securities are usually not considered an appropriate investment vehicle for the endowment assets. However, such vehicles are appropriate as depository for income distributions from long term endowment investments, or as needed for temporary placement of funds directed for future investment to the longer term capital markets. Also, such investments are the standard for current operating cash.
  - b. Commercial paper assets must be rated at least A1 or P-1 (by Moody's or S&P).
  - c. No more than 5% of the total market value of the manager's portfolio may be invested in the obligations of a single issuer, with the exception of the U.S. Government and its agencies.
2. Eligible Cash and Cash Equivalent Securities
  - a. Treasury Bills
  - b. Money Market Funds
  - c. Short Term Investment Funds
  - d. Commercial Paper
  - e. Banker's Acceptance
  - f. Repurchase Agreements
  - g. Certificates of Deposit

Within the above guidelines and restrictions, the Investment Managers have complete discretion over the timing and selection of cash and cash equivalent securities.

#### D. ALTERNATIVE INVESTMENTS

Investments in the alternative assets category may include the following investment vehicles.

1. **Real Estate** - Real estate investments may include liquid funds that offer the benefits of a diversified real estate portfolio without the multi-year commitment typically associated with private real estate investments. This investment class will allocate its assets to managers who invest primarily in equity-oriented real estate investment trusts (REITs).
2. **Marketable Alternatives** - Investment in long/short hedge funds, risk arbitrage and distressed obligations are allowed to provide portfolio return enhancement and volatility dampening. Such investments shall be made through specific accounts or funds with proven records of superior performance over time.

Certain alternative investments may generate partnership income (K1) rather than 1099, and, accordingly, could trigger unrelated business income tax (UBIT). No investment shall be engaged that could trigger unrelated business income tax, unless approved in advance by the Committee. Additionally, no investment shall be engaged that would prevent the Foundation's auditors from being able to issue an unqualified audit opinion.

#### E. OTHER GUIDELINES AND RESTRICTIONS

In addition to the guidelines included above, Investment Managers shall:

1. Have full investment discretion with regard to security selection consistent with this Investment Policy Statement and are expected to maintain a fully invested portfolio (averaging 5% or less in cash under normal market conditions);
2. Immediately notify the Committee or Investment Consultant in writing of any material changes in their firm's investment philosophy, ownership organizational structure, financial condition, key personnel or investment expenses.
3. Seek the best price and execution when purchasing or selling securities at all times.
4. Make no purchase that would cause a position in the portfolio to exceed 5% of the outstanding voting shares of the company or invest with the intent of controlling management.
5. Not invest in derivative securities defined to include structured finance instruments, lower class tranches of collateralized mortgage obligations (CMOs), collateralized loan obligations (CLOs) principal only (PO) or interest only (IO) strips, inverse floating rate securities, futures contracts, forward contracts, swaps, options, and margin trading without prior approval by the Committee.

#### F. WAIVERS AND MODIFICATIONS

The Committee is authorized to waive or modify any of the restrictions in these guidelines in appropriate circumstances.

Any such waiver or modification will be made only after a thorough review of the manager and the investment strategy involved. Documentation supporting all waivers and modifications will be maintained as part of the permanent records of the Committee. All waivers and modifications will be reported to the Board of Directors at the meeting immediately following the granting of the waiver modification.

## V. PERFORMANCE MEASUREMENT AND EVALUATION

The Committee will meet quarterly to monitor the investment performance of the Endowment and to assess the effectiveness of each Investment Manager.

### A. INVESTMENT PERFORMANCE

1. The portfolio will be evaluated on a total return basis relative to the primary investment objectives defined in Section III of this policy statement.
2. The portfolio will also be evaluated at the asset class and Investment Manager level relative to the appropriate benchmarks shown below:

<u>Asset Class</u>	<u>Designated Benchmark</u>
<u>Domestic Equity</u>	
U.S. Large Cap Growth	Russell 1000 Growth
U. S. Large Cap Value	Russell 1000 Value
U.S. Large Cap Core	Russell 1000
U. S. Mid Cap Growth	Russell Mid Cap Growth
U. S. Mid Cap Value	Russell Mid Cap Value
U.S. Mid Cap Core	Russell Mid Cap
U.S. Small Cap Growth	Russell 2000 Growth
U.S. Small Cap Value	Russell 2000 Value
U.S. Small Cap Core	Russell 2000
<u>International Equity</u>	
International Developed Large Cap	MSCI EAFE
Emerging Markets	MSCI EMF
<u>Fixed Income</u>	
Core Fixed Income	Barclays Capital Agg. Bond
High Yield	Barclays Capital Corp. HY
<u>Other</u>	
Real Estate (REITS)	NAREIT Index

### B. INVESTMENT MANAGERS

Each Investment Manager will be reviewed on an ongoing basis based on investment performance described above. Additionally, each manager will be evaluated on the following criteria:

1. Adherence to the guidelines and objectives of this Investment Policy Statement.
2. Absence of regulatory actions against the firm, its principals, or employees.
3. Stability of the organization and retention of key personnel.
4. Whether senior professionals at the firm have their own assets invested alongside their clients' assets.
5. Consistency in the style and capitalization characteristics defined as "normal" for the manager.

## C. INVESTMENT CONSULTANT EVALUATION

1. Quantitative Criteria (measured over a rolling 5-year market cycle)
  - a) Portfolio Performance – Comparison to Required Returns: CPI+6%
  - b) Peer Performance – Comparison to other institutional peers: annual National Association of Colleges and Universities Business Officers (NACUBO) Study.
2. Qualitative Criteria
  - a) Responsiveness: answers questions, concerns, requests quickly and in a timely manner; follows through, leaves no loose ends.
  - b) Business Relationship: knowledge of USM and USMF and its issues; knows the people in the organization.
  - c) Professionalism: treats staff with dignity, interest and respect; conveys strong desire and commitment to serving USMF.
  - d) Proactive: brings ideas and suggestions to the CFO and Committee.
  - e) Problem Resolution: able to resolve issues and problems in a quick and effective manner.
  - f) Technical Knowledge: understands financial issues and can clearly explain complex concepts; understands USMF's specific financial issues.
  - g) Performance Reports: reports are accurate and delivered in a timely manner; the report format is user friendly and easy to understand; reports contain relevant information that is useful in decision making.

## VI. SPENDING POLICY

### A. SPENDING RATE

The long-term objective of the spending guidelines is to maintain the purchasing power of the Endowment and providing a reasonable, predictable, stable, and sustainable level of income to support current operations. The target spending rate for the total Endowment is 4%. The amount to be spent in each fiscal year will be calculated as of December 31 of the prior year by multiplying the spending rate (4%) by the lesser of (1) a rolling 36-month average market value of the aggregate Endowment, or (2) the market value of the Endowment as of December 31.

### B. SPENDING ALLOCATION

The annual spending allocation for individual funds will be calculated on the calendar year average market value of the fund. The spending rate used for the calculation will be set annually by the Committee and is subject to the overall Endowment Spending Rule. The annual spending allocation shall be spent in the fiscal year authorized and shall not be carried over for spending in future years or be reclassified as corpus without approval by the Committee. The spending allocation recommended by the Committee is the maximum amount that can be spent from each fund annually. New endowments established prior to July 1 of a given year are eligible to receive a spending allocation for the coming year. For example, new endowments established prior to July 1, 2009 shall receive a spending allocation for the fiscal year 2010 - 2011. In order to allow for an accumulation of interest, new endowments established July 1 or later will not have a spending allocation until the second year of existence.

C. UNDERWATER ENDOWMENTS

An endowment is deemed to be “underwater” when its current market value is less than its original value or historic dollar value. The corpus (“book value” or permanently restricted balance) of the endowment represents the original contribution plus any additional gifts. The market value may increase or decrease due to realized and unrealized gains and losses, interest, dividends and payouts. When the market value of an endowment goes below its book value, it is referred to as an “underwater” endowment. In the event any of the endowments are underwater, it is the policy of the Foundation to prohibit distributions from the endowment.

APPENDIX A  
ASSET ALLOCATION

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ASSET CLASS	TARGET ALLOCATION	ACCEPTABLE RANGE
DOMESTIC EQUITY	50%	
Large Cap	25%	20% - 30%
Mid Cap	15%	10% - 20%
Small Cap	10%	5% - 15%
INTERNATIONAL EQUITY	20%	
International Core	15%	10% - 20%
Emerging Market	5%	0% - 10%
FIXED INCOME	15%	
Bonds	10%	5% - 15%
High Yield Bonds	5%	0% - 10%
ALTERNATIVES/HEDGE FUNDS/REITS	13%	5% - 13%
CASH AND CASH EQUIVALENT	2%	0% - 12%

## APPENDIX B

### INVESTMENT MANAGER SELECTION CRITERIA

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- A. QUANTITATIVE SCREENS:
- Annualized Excess Return (AER) Test
    - Measures magnitude of out-performance vs. index over long-term
    - Product's annualized return over last 10 years (or since inception, if shorter) must exceed index by a significant, pre-determined margin
    - Required margin of out-performance varies by asset class/style (25-200bpts)
  - Batting Average Test
    - Measures consistency of out-performance vs. benchmark over long-term
    - Compares product's returns for rolling 3-year periods to the index's return in each period
    - Must have outperformed benchmark in a pre-determined percentage of 3 year periods
    - Required percentage of outperforming period varies by asset class/style (50-66%)
- B. ADDITIONAL GENERAL CRITERIA:
- Minimum "live" 5-year track record
  - At least \$100 million under management
  - Current management must be responsible for track record
  - Consistent investment process
  - Meet appropriate asset class/style
- C. QUALITATIVE ASSESSMENT:
- Personnel, Investment Style and Process Assessed Through:
    - Questionnaires
    - Telephone interviews
    - On-site visits
    - Other tools