LCMS Foundation

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Statement of Investment Policies and Objectives

February 2024

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The Lutheran Church—Missouri Synod Foundation was created to serve the organizations and people of the Lutheran Church—Missouri Synod (LCMS) in two ways:

- By fostering the practice of planned giving among LCMS members.
- By providing investment management services, both for those gifts that have been realized and for the congregations, schools and other entities of the LCMS that may have endowment funds and other investable assets.

This investment policy statement lays out the goals of the Foundation's investment program and the philosophy under which it operates. The Foundation's investment approach is one that focuses on a long-term investment horizon, and its low-cost model and conservative approach reflect the needs and interests of LCMS donors and ministries.

We are grateful for the opportunity to serve the people and entities of the Lutheran Church—Missouri Synod in this critical area. We take seriously our responsibility for managing the ministry resources of the LCMS, and will continue to be diligent in our investment program.

Questions?

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STATEMENT OF INVESTMENT POLICY

Introduction

The LCMS Foundation ("Foundation") has a fiduciary responsibility to its asset management customers. This Statement of Investment Policies and Objectives outlines how client assets are overseen.

This statement will be reviewed periodically and may only be amended by the Board of Trustees. The guiding philosophy is to allow sufficient flexibility in the management process yet to set forth reasonable parameters to ensure prudence and care in the execution of the investment program. The Investment Committee will comply with all existing and future applicable State and Federal regulations and will administer its duties solely for the benefit of the funds' beneficiaries with the utmost care, skill, prudence and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character, purposes and aims.

Types of Funds Under Management

The functions of the Foundation as outlined by the Synod in Bylaw 3.645 define a broad range of potential Foundation participants. These participants have widely differing investment objectives so the Foundation will offer investment vehicles well suited to their diverse needs. The assets of the participants are classified in six groups, according to the similarity of the terms of the governing agreements:

1. <u>Life Income Funds</u> – This group includes assets managed under charitable remainder trust and pool trust agreements. Depending on the type of agreement, payments to the donor or his designee may be limited to the income earned or may include portions of principal and/or capital appreciation. At the termination of the agreement, typically the death of the donor or his designee, the principal is paid to the charitable beneficiary, normally an institution or agency associated with the Synod. The investment objectives for these funds will vary from producing current income to maximizing

total return consistent with prudent investment practices, depending on the type of agreement.

2. Annuity Funds – Assets in this group represent gift annuity agreements sold by the Foundation. These agreements call for predefined, fixed income payments to the donors. At the death of the recipient(s), the account balance is paid out to the charitable beneficiary. The investment objective for these funds will be to maximize total return consistent with prudent investment practices.

3. Endowment Funds – These are assets that come to the Foundation as a result of the establishment by a donor of an endowment fund. In most cases, the terms of the endowment provide that the payments be paid to an institution or agency of the Synod or to the Foundation for support of the work of the Synod. Payments may include income earned and portions of principal and/or capital appreciation. The endowment may be perpetual or for a specified term. The investment objective for these funds will balance the need for current income with the need for long term capital appreciation and will be determined by the requirements of each agreement.

4. Custodial Funds – This group of accounts comes from various institutions and agencies of the Synod. Like the endowment funds, these may also be held indefinitely or for a specified term. The income earned is paid to the institution that entrusted the money to the Foundation. The needs and policies of the owning institution will determine the investment objectives for each account. This may range from producing current income to maximizing total return consistent with prudent investment practices.

5. Agency Funds – These are assets received when the Foundation has been chosen to act as a conduit between a donor and a charitable beneficiary. Due to their short-term nature, the investment objective for these funds will be safety of principal.

6. Unrestricted Operating Funds – These are the assets that are available to support the ongoing operations of the

Foundation. Excess income and principal may be given to the Synod for support of programs and activities. The investment objective for these funds will be to maximize total return consistent with prudent investment practices while preserving capital to the extent possible.

A. STATEMENT OF INVESTMENT PHILOSOPHY

The Foundation's investment philosophy is based upon a set of factors which have widely accepted theoretical basis.

1. Long-term investment objectives are achieved through prudent risk management.
2. It is very difficult to time market cycles. Investment strategies will predominantly focus on processes which do not incorporate market timing activity.
3. Capital markets are mean reverting over long periods. Investment strategies will be long-term in nature.
4. Some markets are efficient while others are less so or inefficient. Investment strategies will reflect a mix of active and passive investments.
5. Costs have a meaningful impact on returns. Investment strategies will favor cost-effective approaches.
6. Asset allocation has the most significant impact on investment results. The Foundation will focus the majority of its efforts on the development and maintenance of asset allocation strategies which will optimally fulfill investment objectives.
7. Valuation and analysis based upon fundamentals generally produce superior return/risk results. The Foundation will favor fundamentally-based investment strategies, but understands that other strategies used in combination may further the Foundation's investment goals. As do markets, many individual investment strategies have a cyclical component. Decisions on manager selection and retention will be cognizant of this fact.
8. The diversity of the Foundation's clients calls for product offerings that favor consistent performance relative to market benchmarks.

B. STATEMENT OF INVESTMENT OBJECTIVES

1. The funds will be managed with a long-term investment perspective. The goal for each fund is to achieve its return objective within an acceptable level of active risk relative to each fund's target portfolio. Active risk is defined as the standard deviation of active returns (monthly returns versus benchmark).
2. The total return for each fund shall meet or exceed the fund's benchmark over a full market cycle.
3. Manager risk exposure and risk-adjusted returns will be regularly evaluated and compared with a universe of similar funds.
4. Investment managers shall exceed the return of the designated benchmark index listed in Appendix I and rank in the top half of the appropriate asset class and style universe. Passive managers shall closely match the return of the designated index.
5. The Committee is aware that there may be deviations from these performance targets. Normally, results will be evaluated over a three-to-five-year time horizon, but shorter-term results will be regularly reviewed and earlier action taken if in the best interest of the fund clients.

Asset classes will be rebalanced to target allocations whenever the respective maximum or minimum allocations are reached. Rebalancing will be implemented using low cost procedures such as periodic cash flows and crossing opportunities available at the index fund provider.

C. ROLES AND RESPONSIBILITIES

1. Board of Trustees ("Board")

a. The Board of Trustees approves modifications to this statement.

b. The Board appoints no less than three Trustees of the Board to the Investment Committee. The Investment Committee also includes the Chief Financial Officer of the Synod, the President of the Foundation, who is also designated as the organization's Chief Investment Officer, plus two non-voting members, the Vice President of Finance, and the Senior Vice President of Finance and Administration.

c. The Board has final approval of all investment manager changes.

2. **Investment Committee ("Committee")**

 a. The Committee shall be ultimately responsible for developing the investment policy for recommendation to the Board.

 b. The Committee shall be ultimately responsible for recommending the asset allocations within this statement to the Board for approval.

 c. The Committee has been delegated certain responsibilities by the Board. The Committee will be bound by all laws governing fiduciary responsibilities.

 d. The Committee shall express the long-term allocation guidelines as a target and ranges for each asset. The Committee shall review periodically the asset allocation plan against capital market planning assumptions to ensure the current asset mix will achieve the long-term goals of the funds.

 e. It is the responsibility of the Committee to determine what range of investment options will allow the participants to adequately meet their investment objectives. It is the responsibility of the custodial participants to develop their respective asset allocation objectives and to implement those objectives through investment in the funds which have been structured by the Committee.

 f. It is the responsibility of the Committee to monitor investment managers for all funds and recommend managers for hiring and termination. It is the responsibility of the Committee to recommend the investment consultant to the Board.

g. The Committee shall review the investment funds no less than quarterly.

3. **Foundation Investment Staff ("Staff")**

   a. Staff is responsible for the direct and indirect management of the assets entrusted to the Foundation.

   b. Staff responsibilities shall include, but not be limited to:

      i. Serve as the Committee's liaison to third parties like the investment consultant, investment managers, and custodian.

      ii. Maintaining the basic records to adequately document fund activity including reporting and disclosure requirements.

      iii. Rebalancing activity for asset classes and investment strategies.

      iv. Implementation of investment fund guidelines and investment fund selection, monitoring, and termination procedures.

      v. Working with the investment consultant, perform quantitative and qualitative interviews of prospective manager candidates and make recommendations for manager selection to the Committee.

      vi. Conduct formal review of this statement, verify compliance with it, and recommend changes, if deemed appropriate.

4. **Investment Consultant ("Consultant")**

The investment consultant will advise the Foundation concerning its investment program. The investment consultant should be a top-tier, national firm capable of providing independent analysis and recommendations with a depth of resources dedicated to investment consulting services and a wide range of investment consulting capabilities.

Responsibilities include:

   a. Recommending investment strategies which reflect the theoretical underpinnings and empirical evidence of market behavior.

b. Assisting with the selection of investment managers.
c. Monitoring of current investment managers.
d. Preparing monthly performance reports of funds and investment manager performance.
e. Preparing quarterly investment reports summarizing performance and manager compliance with the Board's guidelines and policy.
f. Meeting with the Foundation on a quarterly basis to discuss funds and investment manager performance.

5. Investment Managers

The investment managers, in recognition of their role as fiduciaries of the funds, must assume the following responsibilities:

a. Invest assets in accordance with the objectives, goals, and standards of performance as herein defined or mutually agreed upon and in accordance with the prudence and fiduciary standards of mutually agreed upon federal law, etc.
b. Seek to vote proxies in the best interest of the funds.
c. Prepare monthly and quarterly reports of performance and account holdings.
d. Be available annually to present an in-depth review of their investment program, commenting on current results, key investment decisions, and their current investment outlook.
e. For separate account managers: Notwithstanding the aforementioned, the investment management agreement is the governing document for the relationship between the Foundation and separate account managers.

6. Custodian Bank

The custodian bank(s) will be responsible for performing the following functions:

a. Accept daily instructions from designated staff.
b. Notify investment managers of proxies, tenders, rights, fractional shares or other dispositions of holdings.
c. Resolve any problems that designated staff may have relating to the custodial account.
d. Safekeeping of securities.
e. Collection of interest and dividends.
f. Daily cash sweep of idle principal and income cash balances.
g. Processing of all investment manager transactions.
h. Collection of proceeds from maturing securities.
i. Disbursement of all income or principal cash balances as directed.
j. Providing monthly statements by investment account and a consolidated statement of all assets.
k. Working with the consultant and the fund accountant to ensure accuracy in reporting.
l. Provide written statements revealing monthly reconciliation of custody and investment managers' accounting statements.

D. ASSET ALLOCATION POLICIES

1. Preference Funds

In order to accommodate the differing investment objectives of our customers, the Foundation offers five different preference funds. These five preference funds are designed to offer varying combinations of long-term risk and return. Return is defined as the annualized total return (the combination of income produced and capital appreciation) while risk is defined as the variability of those returns over time.

The preference funds provide specific investment vehicles for both the standard and trust funds. They also are utilized by custodial accounts, providing them the flexibility to customize their own portfolios by allocating assets to one or more of the preference funds.

Preference Funds	Description	Benchmark*
Money Market Fund	High quality, very low risk alternative to cash	91-day Treasury Bills
Core Bond Fund	High quality fixed income portfolio with different managers and styles	Bloomberg Aggregate
High Yield Bond Fund	High-yielding, fixed income portfolio with different managers and styles	50% Credit Suisse Leveraged Loan, 50% Bank of America Merrill Lynch High Yield BB/B Constrained
Domestic Equity Fund	U.S. equity portfolio with different managers and styles	70% Russell 1000/ 15% S&P 500 Equal-weighted / 10% Russell 2000 / 5% FTSE NAREIT Equity REITs Index
International Equity Fund	Non-U.S. equity portfolio with different managers and styles	40% MSCI World ex US, 22% MSCI EAFE, 8% MSCI EAFE Small Cap, 30% MSCI Emerging Markets
Domestic Equity Fund – Passive	Passively-managed U.S. equity portfolio	Russell 3000
International Equity Fund - Passive	Passively-managed non-U.S. equity portfolio	MSCI ACWI Ex-US

Passive investment: 70% of the Domestic Equity Fund is in a Russell 1000 Index, and an additional 15% is in an Equal-Weighted S&P 500 Index. MSCI ACWI ex US is passive as well.

Managers are selected to provide a balance of different investment philosophies within each broad preference fund. A separate account at the Foundation's custodial bank is established for each manager.

2. Standard Funds

The standard funds were created to provide diversified fund offerings with low administrative expenses. Standard funds allow the valuation of collectively held assets, distribution of income, expenses, realized gain or loss, and participant admissions and withdrawals from a fund. Endowment and custodial accounts are allowed to invest in the five standard funds.

Standard Funds	Objective
Fixed Income Fund	Diversified, fixed income exposures
Conservative Balanced	Conservatively-positioned diversified, balanced portfolio investing in equities and fixed income
Moderate Balanced	Moderately-positioned diversified, balanced portfolios investing in equities and fixed income
Aggressive Balanced	Aggressively-positioned diversified, balanced portfolios investing in equities and fixed income
Equity Fund	Diversified, global equity exposures

In consultation with the consultant and staff, the Committee recommends to the Board targets and ranges to each standard fund.

	Fixed Income		Equity	
Preference Fund	% Target	Rebalancing Range	% Target	Rebalancing Range
Core Bonds	80	75% - 85%	-	-
High Yield Bonds	20	15% - 25%	-	-
Domestic Equities	-	-	65	60% - 70%
International Equities	-	-	35	30% - 40%
Cash	0	0% - 3%	0	0% - 3%

	Conservative Balanced		Moderate Balanced		Aggressive Balanced	
Preference Fund	% Target	Rebalancing Range	% Target	Rebalancing Range	% Target	Rebalancing Range
Core Bonds	60	55% - 65%	40	35% - 45%	20	15% - 25%
High Yield Bonds	15	10% - 20%	10	5% - 15%	5	0% - 10%
Domestic Equities	16.25	11-21%	32.5	28-38%	48.75	44-54%
International Equities	8.75	4-14%	17.5	13-23%	26.25	21-31%
Cash	0	0% - 3%	0	0% - 3%	0	0% - 3%

3. Trust Funds

The trust funds were created to facilitate the management of a large number of charitable remainder trusts. The trust funds enable charitable remainder trusts to enjoy better diversification and management of their account with low administrative expenses. Trust funds allow the valuation of collectively held assets, distribution of income, expenses, realized gain, and participant admissions and withdrawals from a fund. Charitable remainder trusts are invested in one of six trust funds, depending on the requirement of the trust (income or total return) and the expected termination date for the trust (short, intermediate, or long time horizon).

Trust Funds	Objective
Income Short	Diversified, high quality fixed income exposures
Income Intermediate	Diversified, balanced portfolio seeking moderately high levels of income and a small degree of capital appreciation
Income Long	Diversified, balanced portfolio seeking high levels of income and a small degree of capital appreciation
Total Return Short	Diversified, balanced portfolio seeking total return and moderately high levels of income
Total Return Intermediate	Diversified, balanced portfolio seeking total return and moderate income levels
Total Return Long	Diversified, balanced portfolio seeking moderately high levels of total return and moderately low income levels

In consultation with the consultant and staff, the Committee recommends to the Board targets and ranges for each trust fund.

Preference Fund	Income Short % Target	Income Short Rebalancing Range	Income Intermediate % Target	Income Intermediate Rebalancing Range	Income Long % Target	Income Long Rebalancing Range
Core Bonds	90	85% - 95%	40	35% - 45%	15	10% - 20%
High Yield Bonds	10	5% - 15%	45	40% - 50%	70	65% - 75%
Domestic Equities	-	-	9.75	5% - 15%	9.75	5% - 15%
International Equities	-	-	5.25	0% - 10%	5.25	0% - 10%
Cash	0	0% - 3%	0	0% - 3%	0	0% - 3%

Preference Fund	Total Return Short % Target	Total Return Short Rebalancing Range	Total Return Intermediate % Target	Total Return Intermediate Rebalancing Range	Total Return Long % Target	Total Return Long Rebalancing Range
Core Bonds	58.5	54% - 64%	30	25% - 35%	10	5% - 15%
High Yield Bonds	25.5	21% - 31%	20	15% - 25%	20	15% - 25%
Domestic Equities	10.4	5 % - 15%	32.5	28% - 38%	45.5	41-51%
International Equities	5.6	1% - 11%	17.5	13% - 23%	24.5	20-30%
Cash	0	0% - 3%	0	0% - 3%	0	0% - 3%

4. Pooled Trust Funds

The pooled trust funds were created to allow donors to contribute an irrevocable remainder interest in gifts of cash or property while retaining a lifetime income interest. Three separate pooled trust funds currently exist. Pooled trust fund 1 is closed, while pooled trust fund 2 and 3 remain open to new donors. The assets of each pooled trust fund are commingled and invested, with the net income distributed on a proportional basis to the participants. Pooled trust 1 and 2 funds are diversified, fixed income portfolios. Pooled trust fund 3 is a diversified, balanced portfolio investing in equities and fixed income securities.

Preference Fund	Pooled Trust 1 % Target	Pooled Trust 1 Rebalancing Range	Pooled Trust 2 % Target	Pooled Trust 2 Rebalancing Range	Pooled Trust 3 % Target	Pooled Trust 3 Rebalancing Range
Core Bonds	80	75% - 85%	80	75% - 85%	17.5	15%-20%
High Yield Bonds	20	15% - 25%	20	15% - 25%	32.5	30%-35%
Domestic Equity					32.5	28%-38%
International Equity					17.5	13%-23%
Cash	0	0% - 3%	0	0% - 3%	0	0%-3%

E. INVESTMENT GUIDELINES

1. Guidelines for Separately Managed Accounts

Investment manager duties and responsibilities shall be set forth in writing and include:

a. Managing the assets under its management in accordance with the policy guidelines and objectives expressed herein and in any specific investment policy mutually agreed upon.

b. Meeting or exceeding the manager specific benchmarks expressed in Appendix I.

c. Complying with all provisions pertaining to the investment manager's fiduciary duties and responsibilities, as mutually agreed upon pursuant to Section 5.a. above.

d. Using best efforts to ensure that portfolio transactions are placed on a "best execution" basis.

e. Meeting with staff and the Committee upon request.

f. The following investments and/or transactions are prohibited:

    i. Purchase of securities whose ownership is not easily transferable from one party to another, selling on margin, and selling short.

    ii. Transactions that involve a broker acting as a "principal," where such broker is also the investment manager making the transaction, are prohibited.

    iii. The purchase of derivative securities except futures used to equitize cash exposures and financial futures and options used to hedge currency risk or to manage portfolio duration. Investment in structured notes is prohibited.

    iv. Private securities, except Rule 144A securities, are prohibited.

g. Direct investment is prohibited in securities of companies whose activities include direct participation in abortion, or that foster racial discrimination. Staff will provide a list of prohibited companies to separate account managers.

h. The securities of a specific corporate issuer may only comprise 5% of an investment manager's portfolio.

i. Equity mandates are expected to avoid maintaining average cash levels greater than 5%.

j. Non-US holdings may comprise up to 10% of domestic equity mandates.

k. Investment managers are responsible for making an independent analysis of the credit worthiness of credit securities and their suitability as investments regardless of the classifications provided by rating agencies.

l. High yield investment managers

    i. Either S&P 500 or Moody's equivalent credit ratings are appropriate for the following limits. No more than 20% of a high yield investment manager's portfolio may be invested in securities rated CCC or less. No more than 10% of the portfolio may be invested in securities rated CC or less. No more than 5% of the portfolio may be invested in securities rated C or less. Sovereign risk: Developed market non-U.S. bonds listed outside the U.S. may be invested in up to 10% of the investment manager's portfolio. Sovereign hard currency or local currency emerging market bonds listed outside the U.S. may be invested in up to 5% of the high yield bond manager's portfolio. Either MSCI or JP Morgan Index definitions for sovereign and emerging market bonds is appropriate.

    ii. Issuer risk: With the exception of U.S. government bonds, portfolios may not invest more than 5% per issuer for BB-/Ba3 and above rated bonds, 3% per issuer for B rated bonds. For issuers rated less than B-/B3, portfolios may not invest more than 0.5% per issuer.

    iii. Issue risk: With the exception of U.S. government bonds, portfolios may not invest more than 5% per issue for BB-/Ba3 and above rated bonds, 3% per issue for B rated bonds. For issues rated less than B-/B3, portfolios may not invest more than 0.5% per issue. Portfolios may not buy issues rated D or in default, technical or otherwise.

iv. Derivative risk: Portfolios may not sell securities short nor create leverage through the use of financial futures and options. Uncovered futures or options positions are prohibited.

v. Should the portfolio fall out of any of these parameters, the investment manager shall, upon detection, promptly notify the staff for discussion as to the course of action to be taken.

vi. For determining compliance with the credit quality limitations described above, the highest rating shall be used for split-rated securities.

2. **Guidelines for Mutual/Commingled Funds**

   a. Since the duties and responsibilities of an investment manager of a commingled investment fund shall be set forth in the fund's governing documents, the Committee recognizes that it cannot give specific policy directives to a fund's investment manager.

   b. At time of fund selection, no loads or sales charges shall apply.

   c. Fund entry/exit fees must be reasonable.

   d. For investment grade fixed income portfolios, the overall average portfolio credit quality shall be A-rated or better. The overall average portfolio credit quality for high yield bond portfolios shall be B-rated or better.

F. MANAGER SELECTION AND MONITORING POLICY

The objectives of the manager selection and monitoring are to hire appropriate best-in-class managers for the fund and to identify on a timely basis signs of adverse changes in a manager's organization or investment process.

1. Qualitative Factors

The manager selection and monitoring process should consider:

- Investment philosophy and style.
- Investment process.
- Key portfolio management team members.
- Ownership structure.
- Client base, products, and level of assets under management.
- Level of commitment to the product type invested in by the Foundation.
- Litigation and other issues that surface calling to question the manager's ethics or moral suitability for investing for the Foundation's customers.

In order to remain current with changes in each manager's organization, frequent and meaningful communication with the manager is critical. Communication with a manager includes, but is not limited to:

- Frequent contact via telephone, email and/or fax.
- Monthly, quarterly, and annual reports from managers.
- Client conferences.

Each manager should be evaluated at least annually by the investment consultant covering the same items discussed above.

Even the most positive value-adding investment management firms will experience adverse circumstances, such as underperformance, personnel changes, and loss of assets under management. When managers experience such events, staff and the investment consultant will evaluate whether appropriate action was taken by the manager, what impact the action could have upon the portfolio in the future, and what other actions may be considered.

2. Quantitative Factors

The manager selection and monitoring process should consider:

- Return and risk analysis of the portfolio relative to an appropriate benchmark.
- Annualized net performance since inception, five year, three year, one year, year-by-year, year-to-date, and calendar year end periods.
- Portfolio characteristics comparisons of the portfolio and the benchmark.

3. Terminating Investment Managers

The Committee has the authority to recommend the termination of investment managers to the Board. However, when there is a need to act quickly, the Board grants the Committee chairman and the Foundation president the ability to move assets from managers due to extenuating circumstances that may have a significant negative impact on fund assets.

G. ADDITIONAL GOVERNANCE PROCEDURES

1. Standards of Conduct for Investment Managers and Advisors

Investment managers are expected to follow the standards of conduct for investment managers and advisors as derived from the CFA Institute's Code of Ethics and Standards of Professional Conduct, or use them as a guide in adopting and developing substantially similar standards of conduct within their firm. This policy statement is prepared to provide appropriate guidelines for the investment managers, consistent with the funds' return objectives and risk tolerances. Should any investment manager believe that the guidelines are unduly restrictive or inappropriate; the Committee expects to be advised accordingly.

2. Conflict of Interests on Investments and Restrictions on Investments

The Board, members of the Committee, and employees of the Foundation shall act in a manner consistent with their responsibilities to the fund and avoid circumstances in which their financial or other ties to outside persons or entities could present an actual, potential, or the appearance of a conflict of interest or impair the reputation of the Foundation.

The Investment Consultant is expected to disclose any conflicts of interest when making any investment recommendations. Further, it is the policy of the Board that the Investment Consultant shall make wholly objective investment recommendations, without any conflict or lack of transparency regarding economic benefit, be they recommendations pertaining to strategic asset allocation, implementation of asset class structure, or manager selection.

APPENDIX I
Manager Benchmarking

Manager	Benchmark	Peer Group
BlackRock Russell 1000	Russell 1000	eA Large Cap Core Net
BlackRock Russell 3000	Russell 3000	eA Domestic All Cap Core Net
Rhumbline	S&P 500 Equal Weight	eA Large Cap Core Net
Segall Bryant & Hamill	Russell 2000 Value	US Small Cap Value
Peregrine	Russell 2000 Growth	US Small Cap Growth
CenterSquare	FTSE NAREIT Equity REITs	REIT
BlackRock MSCI World ex US	MSCI World ex US	eA All ACWI ex-US Equity Net
MFS	MSCI EAFE	eA All EAFE Equity Net
Marathon	MSCI EAFE	eA All EAFE Equity Net
Aberdeen	MSCI Emerging Markets	eA Emg Mkts Equity Net
Invesco	MSCI Emerging Markets	eA Emg Mkts Equity Net
Global Alpha	MSCI EAFE Small Cap	eA EAFE Small Cap Equity Net
JP Morgan	Bloomberg Aggregate	eA US Core Fixed Inc Net
PGIM	Bloomberg Aggregate	eA US Core Fixed Inc Net
Loomis Sayles	BoAML US High Yield BB/B Constrained	eA US High Yield Fixed Inc Net
Credit Suisse	CS Leveraged Loans	eA Floating Rate Bank Loan Fixed Income net
Cash	Citi. 3-Month T-Bill	eA US Cash Management Net

APPENDIX II
Policy Exemptions

CenterSquare Investment Management, Inc.

A policy exemption has been granted concerning the standard 5% single security / issuer limitation as a percentage of the total manager portfolio. Due to the relatively small allocation to this manager, 5%, within the domestic Equity Portfolio, the manager's standard single security / issuer limitation of 7.5% was approved. This increased limitation represents only 37.5 basis points of the overall domestic equity portfolio. The manager's standard single security / issuer limitation of 7.5% has been effective without unduly limiting the potential for value-added performance.

Loomis, Sayles & Company, L.P.

A policy exemption has been granted concerning the standard 10% developed markets non-U.S. bonds listed outside the U.S. limitation as a percentage of the total manager portfolio. Due to the significant presence of developed non-U.S. bonds in the manager's benchmark, a request to increase the limitation to 20% was approved.

The manager requested specific allowances for investment in bank loans and convertible securities. A limitation of 10% in bank loans, and a limitation of 10% in convertible securities, as a percentage of the total manager portfolio were both approved. Both percentage limitations apply as determined at time of purchase.

Segall Bryant & Hamill

A policy exemption has been granted concerning the standard 5% single security / issuer limitation as a percentage of the total manager portfolio. Due to the relatively small allocation to this manager, 5%, within the domestic equity portfolio, the manager's standard single security / issuer limitation of 7.5% was approved. This increased limitation represents only 37.5 basis points of the overall domestic equity portfolio. The manager's standard single security / issuer limitation of 7.5% has been effective without unduly limiting the potential for value-added performance.

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