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|  Center for Advancement | BOARD POLICY |
| | EFFECTIVE DATE: ANNUAL REVIEW |
| Long-Term Investment Policy Statement | |

1. Purpose

The purpose of this Long-Term Pool Investment Policy Statement (“IPS”) is to establish the investment objectives and philosophy for the permanently endowed investible assets (“Funds”) of the University of Iowa Center for Advancement (“UICA”). This IPS will describe the standards utilized by the Investment Committee (“Committee”) of the UICA Board of Directors (“Board”), as well as serve as a guideline for any investment manager retained.

2. Scope

This IPS applies to the Board, UICA staff, and any investment manager(s) retained.

3. Policy

3.1 Investment Objective

The investment objective of the Funds is to seek maximum total return consistent with the preservation of principal, diversification, and avoidance of excessive risk. The Committee will exercise reasonable care, skill, and caution regarding the UICA’s investment of the Funds in the context of the entire portfolio which incorporates risk and return objectives reasonably suitable to the purposes of the UICA. The Funds are to be managed in a manner that seeks to meet these investment objectives.

3.2 Fiduciary Duty

In seeking to attain the investment objectives set forth in Section 3.1, the Committee shall exercise prudence and appropriate care in accordance with Iowa’s Institutional Funds Management Act (Chapter 540A), cited as the Uniform Prudent Management of Institutional Funds Act or “UPMIFA”. This law requires members of the governing board to manage and invest the fund in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances. In so doing, they shall consider, if relevant, general economic conditions; the possible effect of inflation or deflation; any expected tax consequences of investment decisions or strategies; the role that each investment or course of action plays within the overall investment portfolio of the fund; the expected total return from income and the appreciation of investments; other resources of the institution; the needs of the institution and the fund to make distributions and to preserve capital; and an asset’s special relationship or special value, if any, to the charitable purposes of the institution.

3.3 Description of Roles

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| Board of Directors | The Board adopts the provisions of this IPS and is responsible for the approval of target asset allocation and the spending policy. |
| Investment Committee | The Committee, subject to the approval of the Board, is responsible for approving investment strategy; hiring and firing of investment managers, custodians, and investment consultants; monitoring performance of the Funds on a regular basis (at least quarterly); and maintaining sufficient knowledge about the Funds and its managers to be reasonably assured of their compliance with this IPS. |
| Vice President, Chief Investment Officer | The Vice President, Chief Investment Officer (CIO) or determined designee has the day-to-day responsibility for administration of the Funds and will consult with the Committee and the investment consultant on matters relating to the investment of the Funds. The CIO or determined designee will serve as primary contact for the Funds' investment managers, consultants, and custodians. |
| Investment Consultant | The investment consultant is responsible for assisting the Committee and the CIO in all aspects of managing and overseeing the Funds. The consultant is a source of investment education and investment manager information. |

3.4 Investment Philosophy/Strategy

The Committee understands the long-term nature of the UICA and believes that investing in assets with higher return expectations outweighs their short-term volatility risk. An equity-oriented strategy is required to meet the investment objectives. As a result, the majority of the Funds will be invested in equity or equity-like securities, including real assets (real estate and natural resources). Real assets may provide the added benefit of inflation protection. Fixed income and diversifying strategies will be used to lower short-term volatility and provide stability, especially during periods of deflation and negative equity markets.

The Committee seeks to ensure that the UICA and all related parties conduct business with ethical standards, and ensure that business practices comply fully, in appearance and deed, with all applicable laws and regulations. The primary goal is to generate a sustainable stream of distributions to support the University of Iowa. Mindful of this objective, the Committee and UICA staff will consider the extent to which an investment is consistent with the principles and goals of the University of Iowa. Where appropriate, the Committee and the UICA may seek to influence or avoid those investments that conflict with those principles and goals. Action will only be taken, however, if the Committee believes it would not cause harm to the investment objectives of the Funds, impair performance, or place a material burden on the current resources.

3.5 Asset Allocation

Asset allocation will likely be a key determinant of the Funds' returns over the long term. Therefore, diversification of investments across multiple markets that are not similarly

affected by economic, political, or social developments is highly desirable. A globally diversified portfolio, with uncorrelated returns from various assets, may be expected to reduce the variability of returns across time. In determining the appropriate asset allocation, the inclusion or exclusion of asset categories will generally be based on the impact to the total portfolio rather than judging asset categories on a standalone basis.

To achieve the investment objective described in this IPS, the asset allocation will be set with the following categories of assets (described in more detail below):

- Global Equity
- Cash and Government Debt
- Real Assets
- Diversifying Strategies

Global Equity. The allocation will consist of public and private equity-oriented funds managed by external investment firms. This is expected to be the highest risk, highest return asset category of the four. The allocation will be diversified by factors including, but not limited to, security, sector, geography, market capitalization, and manager style.

Cash and Government Debt. The role of this allocation is diversification from equity risk and the provision of liquidity. These assets may take on duration risk but are not intended to carry credit risk. Other fixed income assets such as debt and credit instruments issued by companies or foreign governments fall within Diversifying Strategies.

Real Assets. The allocation will consist primarily of real estate and natural resources, including timberland, oil and gas partnerships, and commodities. These investments are expected to generate positive real rates of return. They may also provide inflation protection.

Diversifying Strategies. The allocation will consist of investments whose primary source of risk and return is not determined by a constant allocation to one of the three asset classes listed above. This includes, but is not limited to, credit strategies and hedge funds (i.e., those whose approach can be described as “absolute return,” multi-strategy, event driven, and equity market-neutral).

4. Responsibilities

Any questions about this IPS should be directed to the CIO.

5. Related/Reference Information

| Resource | Link |
|--------------------------------|-------------------|
| Spending Policy | OnBoard/Resources |
| Board Statement on Iowa UPMIFA | OnBoard/Resources |

6. Review History

This IPS is reviewed annually by the Committee.

| Reviewed Dates*: | |
|--------------------|----------------------------|
| Board of Directors | October 2019, October 2021 |

**Revisions to the IPS are tracked by version history per UICA Record Retention& Destruction Policy.*