

UNIVERSITY *of* PUGET SOUND

Est. 1888

ENDOWMENT

INVESTMENT POLICY STATEMENT

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I. INTRODUCTION AND OVERVIEW.....	1
SCOPE.....	1
OVERVIEW OF PURPOSE AND OBJECTIVES.....	2
DEFINITION OF DUTIES.....	2
II. INVESTMENT OBJECTIVES.....	4
STRATEGY.....	4
ASSET ALLOCATION.....	4
REBALANCING AND CASH MANAGEMENT.....	5
SPENDING POLICY.....	6
III. IMPLEMENTATION.....	7
TIME HORIZON.....	7
PORTFOLIO CONSTRUCTION.....	7
MANAGER EVALUATION.....	7
SUMMARY OF QUANTITATIVE PERFORMANCE OBJECTIVES.....	8
IV. GUIDELINES AND RESTRICTIONS.....	9
GENERAL.....	9
PUBLIC EQUITY.....	10
GLOBAL FIXED INCOME/CREDIT.....	10
DERIVATIVE SECURITIES.....	10
REAL ESTATE.....	11
PRIVATE EQUITY & PRIVATE DEBT.....	11
HEDGE FUNDS.....	12
TIMBER & PRIVATE ENERGY.....	12
SOCIALLY RESPONSIBLE INVESTING.....	12
UBIT (UNRELATED BUSINESS INCOME TAX).....	13
SAFEKEEPING AND EXECUTION.....	13
V. ACKNOWLEDGEMENT.....	15

I. INTRODUCTION AND OVERVIEW

This Endowment Investment Policy Statement was adopted by the University of Puget Sound to establish a clear understanding of the philosophy and investment objectives for Puget Sound's endowment (the Endowment). The Board has delegated authority to the Finance and Facilities Committee to approve this policy. The Investment Subcommittee of the Finance and Facilities Committee will recommend policy changes and is responsible for implementation of this policy.

This policy shall be effective until modifications are approved by the Finance and Facilities Committee. It is anticipated that the Investment Subcommittee shall review the policy annually and make recommendations as needed to the Finance and Facilities Committee. It is anticipated that the approved policy will be distributed for informational purposes to the full Board annually. It is expected that investment managers, investment consultants, Investment Subcommittee members, Finance and Facilities Committee members, other Board members and staff will propose revisions at any time they believe the policies may impede the Endowment's investment objectives.

SCOPE

The Endowment includes three categories of endowments:

1. True endowments, which are funds received from a donor with the restriction that the principal is not expendable;
2. Term endowments, which are funds for which the donor stipulates that the principal may be expended after a stated period of time or the occurrence of a certain event; and
3. Quasi-endowments, which are funds that have been established by the board to function like an endowment, but that may be expended at the discretion of the board.

To the fullest extent possible, individual endowments are pooled for investment purposes to enable broad diversification and economies of scale. In the rare cases when a donor has prohibited a gift from being pooled for investments purposes, such endowments (referred to as non-pooled endowments) are separately invested and managed. The general guidelines within this Endowment Investment Policy Statement apply to the pooled endowment only.

OVERVIEW OF PURPOSE AND OBJECTIVES

The purpose of the Endowment is to provide ongoing financial support for operations that will remain stable (or grow) in real or inflation-adjusted terms, as adjusted for new additions to the Endowment.

The primary investment objective of the Endowment is to provide a sustainable maximum level of return consistent with prudent risk levels. The specific investment objective is to attain an annual total real return of at least 5% over the long term, which is discussed in greater detail herein.

It is recognized that support for current operations must be consistent with the long-term growth of the Endowment. While shorter-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.

DEFINITION OF DUTIES

FINANCE AND FACILITIES COMMITTEE OF THE BOARD OF TRUSTEES

The Finance and Facilities Committee is responsible for reviewing and acting upon this Endowment Investment Policy Statement as recommended by its Investment Subcommittee. The Finance and Facilities Committee ensures that appropriate policies governing the management of the Endowment are in place and that these policies are being effectively implemented. To ensure appropriate implementation of the policies embodied in this Endowment Investment Policy Statement, the Finance and Facilities Committee delegates implementation responsibility to the Investment Subcommittee as described more fully below. This committee understands its fiduciary responsibility to use appropriate care and prudence in establishing investment and spending policies and to adhere to the Board's conflict of interest policy.

INVESTMENT SUBCOMMITTEE OF THE FINANCE AND FACILITIES COMMITTEE

The Investment Subcommittee is responsible for implementing this investment policy. This responsibility includes approving investment strategy, hiring and firing of investment managers, custodians and investment consultants, monitoring performance of the investment portfolio 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 this Endowment Investment Policy Statement. This subcommittee is also responsible for periodically reviewing any consulting arrangement. This subcommittee understands its fiduciary responsibility to use appropriate care and prudence in the implementation of this policy and to adhere to the Board's conflict of interest policy.

CHIEF FINANCIAL OFFICER AND OTHER FINANCIAL OFFICERS OF THE CORPORATION

The chief financial officer and other financial officers of the corporation as affirmed by the Board (together, the “financial officers”) have daily responsibility for administration of the Endowment's investment portfolio and execution of Investment Subcommittee decisions and will consult with the Investment Subcommittee on all matters relating to the investment of the Endowment portfolio. The financial officers will serve as primary contacts for the Endowment's investment managers, investment consultant, and custodian. The financial officers, with guidance as needed from the investment consultant and Investment Subcommittee members, will implement manager transitions approved by the Investment Subcommittee, including the review and execution of investment management agreements and related investment guidelines and the selection of transition managers and strategies. The financial officers will reallocate assets among approved managers in accordance with the asset allocation target ranges and rebalancing policies specified herein and report such reallocations to the Investment Subcommittee.

INVESTMENT CONSULTANT

The Investment Consultant is responsible for assisting the Investment Subcommittee in all aspects of managing and overseeing the Endowment's investment portfolio. The consultant is the primary source of investment education, investment manager information, and recommendations on investment policy. On an ongoing basis the consultant will:

1. Provide the Investment Subcommittee with timely quarterly performance reports;
2. Meet with the Investment Subcommittee quarterly, and more frequently as needed;
3. Monitor the activities of each investment manager or investment fund;
4. Provide financial officers with tactical allocation guidance, within target ranges, for unfunded capital commitments;
5. Supply the Investment Subcommittee with other reports or information as reasonably requested.

II. INVESTMENT OBJECTIVES

The overall, long-term investment goal of the Endowment is to achieve an annualized total return (net of fees and expenses), through appreciation and income, of at least 5% plus the rate of inflation (as measured by the broad, domestic Consumer Price Index), thus protecting the assets against inflation.

STRATEGY

It is agreed that investing in securities 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, both liquid and illiquid. Fixed income securities will be used to lower the short-term volatility of the portfolio and to provide liquidity and income stability, especially during periods of weak or negative equity markets. Cash is not a strategic asset of the portfolio but is a residual to the investment process and used to meet short-term liquidity needs.

ASSET ALLOCATION

Deliberate management of the asset mix among classes of investments is both a necessary and desirable responsibility. In the allocation of assets, diversification of investments among asset classes that are not similarly affected by economic, political, or social developments is a highly desirable objective. The general policy shall be to diversify investments within equity and fixed income securities as well as alternative investments so as to provide a balance that will enhance total return under a range of economic scenarios, while avoiding undue risk concentrations in any single asset class or investment category. The diversification does not necessarily depend upon the number of industries or companies in a portfolio or their particular location but rather upon the broad nature of such investments and of the factors that may influence them.

In making asset allocation judgments, the Investment Subcommittee is not expected to seek to "time" subtle changes in financial markets or to make frequent or minor adjustments. Instead, the Investment Subcommittee is expected to develop and adopt expressed guidelines for broad allocations on a long-term basis, in light of current and projected investment environments.

Maintaining adequate liquidity to meet operating and debt service requirements, to support desired credit ratings, and to provide a source of funds for rebalancing shall also be considered when making investment decisions regarding asset allocation or changes in managers. Recommendations to reallocate existing Endowment assets into investments that will reduce the liquidity of the portfolio shall be evaluated in light of the University's ability to provide adequate liquidity, as measured by ratings agencies and by the ratio defined in Exhibit A of its Pooled Cash Investment Policy, in support of any variable rate bonds.

To ensure broad diversification in the Endowment among the major categories of investments, asset allocation, as a percent of the total market value of the total long-term portfolio, will be set with the following guideline target percentages and within the following ranges:

ASSET CLASS	GUIDELINE TARGET	GUIDELINE MINIMUM	GUIDELINE MAXIMUM
GLOBAL EQUITY	55.0%	40.0%	70.0%
US Equity	19.0%	15.0%	25.0%
International	18.0%	10.0%	25.0%
Hedged Equity	10.0%	5.0%	15.0%
Private Equity	8.0%	5.0%	15.0%
GLOBAL FIXED INCOME/CREDIT	24.0%	13.0%	35.0%
Interest Rate Sensitive Strategies	18.0%	10.0%	30.0%
Private Debt	6.0%	3.0%	10.0%
REAL ASSETS	13.5%	8.0%	15.0%
Timber	3.5%	2.5%	4.5%
Private Energy	4.5%	2.5%	8.0%
Real Estate	5.5%	3.0%	8.0%
Commodities	0.0%	0.0%	5.0%
ABSOLUTE RETURN HEDGE FUNDS	7.5%	2.0%	12.0%
CASH	0.0%	0.0%	5.0%
TOTAL PORTFOLIO	100.0%		

Commodities are included with a guideline range of 0.0% to 5.0% with the expectation of this asset class being an alternative source of inflation hedging providing high levels of liquidity.

No investments shall be made if, at the time of investment, the allocation to the asset category would exceed the maximum guideline. For investments made by commitment of funds over time, projected cash flows shall be used to determine whether the investment is likely to cause the asset category to exceed the maximum. It is understood that allocations might temporarily be outside of the guideline ranges.

REBALANCING AND CASH MANAGEMENT

The financial officers, with advice from the investment consultant, will monitor the asset allocation structure of the Endowment quarterly and will attempt to stay within the ranges allowed for each asset class. If the portfolio becomes over-weighted or exceeds the range of percentage for that asset class, the financial officers will develop a plan of action, either for immediate rebalancing of the portfolio or a rebalancing that will occur over the subsequent

few months. Rebalancing required to bring asset classes within acceptable ranges will be reported to the Investment Subcommittee.

The financial officers may, with guidance from the consultant, tactically allocate across liquid asset classes when market values of illiquid assets are temporarily outside their ranges, provided asset classes receiving such tactical allocations remain within ranges.

The financial officers will, from time to time, transfer new gifts and other additions to one or more of the existing investment managers, as guided by the policy asset allocation ranges. These additions to managers' positions will be reflected in the balances reported to the Investment Subcommittee at its next regularly scheduled meeting. The financial officers may temporarily hold cash balances to meet anticipated capital calls and year-end distributions. Should cash be insufficient to cover capital calls and year-end distributions, the financial officers, upon consultation with the investment consultant, will withdraw funds from such manager(s) as necessary to meet cash commitments while staying within the approved asset allocation ranges. Distributions shall be reported to the Investment Subcommittee.

Investment income from stocks and bonds (or funds thereof) will be reinvested with the fund manager throughout the year. Investment expenses, including legal fees, consultant fees, and any investment-related taxes, may be paid from investment income. The custodian is responsible for investing available cash in an approved money market fund. All dividends and interest are retained in the custodial accounts until the University requests a transfer.

SPENDING POLICY

The pooled endowment spending rate for the next fiscal year will be a Finance-and-Facilities-Committee-approved percentage of the endowment market value averaged over the 36-month period ending with the most recently closed fiscal year at the time the rate is set. The rate will be set at the fall Board meeting.

In establishing the payout percentage, the following factors, among others, will be considered: (1) duration and preservation of the fund; (2) the purposes of the university and the endowment; (3) general economic conditions; (4) the possible effect of inflation or deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the university; and (7) this investment policy.

Endowment spending may be made from interest, dividends, capital appreciation, or prior years' accumulations of same.

Notwithstanding the above, individual true endowments with a market value below their permanently restricted value will only distribute the current year's income from interest and dividends. If such endowments support financial aid, the spending shortfall may be covered by quasi-endowment for financial aid in order to achieve the approved and committed total tuition discount rate.

III. IMPLEMENTATION

TIME HORIZON

The Investment Subcommittee seeks to achieve or outperform the targeted expected returns, as defined by the asset allocation decision, over a full market cycle, generally 7 to 10 years. The Investment Subcommittee does not expect that all investment objectives will be attained in each year and recognizes that over various time periods, investment managers may produce significant over- or under-performance relative to the broad markets. For this reason, long-term investment returns will be measured over a 5-year moving period. The Investment Subcommittee reserves the right to evaluate and make any necessary changes regarding investment managers over a shorter term using the criteria established under "Manager Evaluation" below.

PORTFOLIO CONSTRUCTION

The Endowment will be invested primarily by external investment managers using the criteria summarized in the next section. The above asset allocation will be implemented through a portfolio of passive managers, a portfolio of active managers, or a combination of both. The Investment Subcommittee will determine the desired level of excess return relative to the Policy Benchmark that mirrors the target asset allocation, recognizing that higher excess return portfolios (those with more active management) typically exhibit higher tracking error (i.e., deviations from the Policy Benchmark) and, as such, greater risk of underperformance.

MANAGER EVALUATION

All investment returns shall be measured net of fees. Each investment manager will be reviewed by the Investment Subcommittee on an ongoing basis and evaluated upon the following criteria:

1. Avoidance of regulatory actions against the firm, its principals or employees;
2. Adherence to the guidelines and objectives of this Endowment Investment Policy Statement;
3. Avoidance of significant deviation from the style and capitalization characteristics defined as "normal" for the manager.
4. Ability to exceed the return of the appropriate benchmark index and, for equity managers, produce positive alpha (risk-adjusted return) within the volatility limits set in the following "Summary of Quantitative Performance Objectives" table; and
5. Ability to exceed the median performance of a peer group of managers with similar styles of investing.

SUMMARY OF QUANTITATIVE PERFORMANCE OBJECTIVES

The following table summarizes the quantitative performance objectives for the active managers. Betas will be calculated versus the appropriate index.

ASSET CLASS	PRIMARY BENCHMARK	RISK MEASURE	MANAGER PEER UNIVERSE
PUBLIC EQUITY			
Enhanced Large Cap	S&P 500	1.2x Beta	Top 50%
Small Cap	Russell 2000	1.2x Beta	Top 50%
International	ACWI ex US	1.2x Beta	Top 50%
FIXED INCOME			
Core Fixed Income	Barclay's Capital Aggregate	+/-20% duration	Top 50%
PRIVATE CAPITAL			
Real Estate	NCREIF Property Index	-	-
Timber, Private Energy, Private Equity, Private Debt, and Hedge Funds	Appropriate Investment Indexes	-	-

Managers failing to meet these criteria will undergo extensive qualitative and quantitative analysis. This analysis will focus on the manager's personnel, philosophy, portfolio characteristics, and peer group performance to determine whether the manager is capable of implementing their defined portion of the overall portfolio structure.

IV. GUIDELINES AND RESTRICTIONS

GENERAL

In today's rapidly changing and complex financial world, no list or types of categories of investments can provide continuously adequate guidance for achieving the investment objectives. Any such list is likely to be too inflexible to be suitable for the market environment in which investment decisions must be made. Therefore, it is the process by which investment strategies and decisions are developed, analyzed, adopted, implemented and monitored, and the overall manner in which investment risk is managed, which determines whether an appropriate standard of reasonableness, care and prudence has been met for the Endowment's investments.

All managers shall be expected to notify the Investment Subcommittee immediately in writing of any material changes in the investment philosophy, outlook, strategy, portfolio structure, ownership, senior personnel, or assets under management;

The requirements stated below apply to investments in non-mutual and non-pooled funds, where the investment manager is able to construct a separate, discretionary account on behalf of the Endowment; they do not apply to private capital investments. Although the Investment Subcommittee cannot dictate policy to pooled/mutual fund investment managers, the Investment Subcommittee's intent is to select and retain only pooled/mutual funds with policies that are similar to this Endowment Investment Policy Statement. All managers (pooled/mutual and separate), however, are expected to achieve the performance objectives. Each investment manager shall:

1. Have full investment discretion with regard to security selection consistent with this Endowment Investment Policy Statement and be expected to maintain a fully invested portfolio (5% or less in cash);
2. 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;
3. Not invest in non-dollar denominated securities, non-marketable securities, sell securities short, buy securities on margin, borrow money or pledge assets, nor buy or sell uncovered options, commodities or currencies; unless such activity is a normal part of the Manager's strategy which has been specifically approved by the Investment Subcommittee;
4. In the case of international managers, maintain appropriate diversification with respect to currency and country exposure;
5. Report quarterly, if not monthly, total return net of commissions and fees, additions and withdrawals from the account, current holdings at cost and market value, and purchases and sales for the period. Regular communication concerning investment strategy and outlook is expected.

PUBLIC EQUITY

Each active equity manager shall invest in the broad equity market, U.S., non-U.S. or global as represented by their assigned benchmark. Managers may at their discretion invest in other investments, including, but not limited to international stocks, bonds, and cash equivalents, with the understanding that performance will nonetheless be measured against a representative stock index. Index futures, index options, index swaps and other stock index derivatives may be used for the purpose of replicating the performance of the benchmark index, providing such strategies are within the manager's own investment guidelines.

Each active equity investment manager, whether domestic or international, shall:

1. Assure that no position of any one company exceeds 8% of the manager's total portfolio as measured at market;
2. Vote proxies and share tenders in a manner that is in the best interest of the Endowment and consistent with this Endowment Investment Policy Statement;
3. Maintain a minimum of 20 positions in the portfolio to provide adequate diversification; and
4. Maintain adequate diversification among industries by investing no more than 25% of the portfolio in any one industry, as defined by the relevant benchmark.

GLOBAL FIXED INCOME/CREDIT

Each fixed income investment manager shall:

1. Maintain an overall weighted average credit rating no less than two notches below the lowest rating assigned to the U. S. government by Standard and Poor's/Moody's/Fitch.
2. Hold no more than 15% of the portfolio in investments rated below investment grade (below Baa/BBB). Split-rated securities will be governed by the lower rating;
3. Maintain a duration within +/-20% of the effective duration of the benchmark index;
4. Assure that no position of any one issuer shall exceed 5% of the manager's total portfolio as measured at market value except for securities issued by the U. S. government or its agencies.

DERIVATIVE SECURITIES

For definition purposes, derivative securities include, but are not limited to, structured notes; lower class tranches of collateralized mortgage obligations (CMOs), collateralized debt obligations (CDOs), and asset-backed securities (ABSs), principal only (PO), or interest only (IO) strips; inverse floating rate securities; futures contracts; forward contracts; options; swaps including credit default swaps; short sales; and margin trading.

Under no circumstances shall the investment managers (or transition managers) utilize derivative securities without specific authorization of the Investment Subcommittee. This consent shall include the type of allowable derivatives and approved uses of the instrument.

The Investment Subcommittee shall consider certain criteria including, but not necessarily limited to, the following in its evaluation of a derivative strategy:

- i. Manager's proven expertise in such category.
- ii. Value added by engaging in derivatives.
- iii. Liquidity of instruments.
- iv. Actively traded by major exchanges (or for over-the-counter positions, executed with major dealers).
- v. Manager's internal procedures to evaluate derivatives, such as scenario and volatility analysis and duration constraints.

REAL ESTATE

Investments in limited liability private real estate investments may be used to diversify and enhance the expected return of the portfolio. It is understood that these funds are long-term, illiquid, private ventures with high variability of returns. The Investment Subcommittee shall consider certain criteria including, but not necessarily limited to, the following in its evaluation of a fund:

- i. Tenure and track record of management as a team;
- ii. Expertise in target area of investment;
- iii. Diversification relative to other real estate investments.

The Endowment will only invest in limited partnerships, real estate investment trusts and other limited liability pooled structures, and its investment will not comprise more than 5% of any individual venture's assets.

PRIVATE EQUITY & PRIVATE DEBT

Investments in venture capital, distressed debt, and/or private equity or fixed income structures with limited liability may be used to diversify and enhance the expected return of the portfolio. It is understood that these funds are long-term, illiquid, private investments with high variability of returns. The Investment Subcommittee shall consider certain criteria including, but not necessarily limited to, the following in its evaluation of a fund:

- i. Tenure and track record of management as a team;
- ii. Expertise in target area of investment;
- iii. Diversification relative to other venture or private equity investments.

The Endowment will only invest in limited partnerships and other limited liability pooled structures, and its investment will not comprise more than 5% of any individual venture's assets.

HEDGE FUNDS

Investments in hedge funds may be used to diversify and enhance the expected return of the portfolio. Hedge funds have limited liquidity and may invest in derivative instruments, employ leverage, and sell securities short.

The Committee shall consider certain criteria including, but not necessarily limited to, the following in its evaluation of a fund:

- i. Tenure and track record of management as a team;
- ii. Expertise in target area of investment;
- iii. Diversification relative to other hedge fund investments.

When possible, hedge fund investments will be made in offshore limited partnership shares in order to avoid unrelated business taxable income (UBTI). No investment will be made that will comprise more than 5% of any individual partnership's or fund's assets.

TIMBER & PRIVATE ENERGY

Investments in timber and energy limited-liability structures may be used to diversify and enhance the expected return of the portfolio. It is understood that these funds are long-term, illiquid, private investments. The Investment Subcommittee shall consider certain criteria including, but not necessarily limited to, the following in its evaluation of a fund:

- i. Tenure and track record of management as a team;
- ii. Expertise in target area of investment;
- iii. Diversification relative to other timber and energy investments.

The Endowment will only invest in limited partnerships and other limited liability pooled structures, and its investment will not comprise more than 10% of any individual venture's assets.

SOCIALLY RESPONSIBLE INVESTING

Socially Responsible Investing (SRI) is a method of investing that is geared toward accomplishing a social goal or promoting a particular mission. Such an investment strategy is executed either through owning a company's shares as an activist means of making change from within or by refusing to own shares of a company because of a disagreement with that company's business practices.

The Investment Subcommittee may consider investment opportunities with managers taking an SRI approach when the Investment Subcommittee determines the manager's targeted values align with the mission of the university and when the manager meets the evaluation criteria within this policy, including the expectation that the manager will be able to improve the risk-adjusted returns of the portfolio by its inclusion.

UBIT (UNRELATED BUSINESS INCOME TAX)

The university makes every effort to minimize the impact of tax on its investment returns, in order to support the growth of distributions from the endowment. Distributions from endowment investments support programs of the university and, in particular, provide students with substantial financial aid.

Investments generating unrelated business income (“UBI”) may subject the university to taxes, thereby reducing the effective return on investment (measured by internal rate of return “IRR”). In evaluating investment offerings, the Investment Subcommittee is responsible for considering the impact of potential unrelated business income tax (“UBIT”) on pre-tax return estimates and for selecting the legal structure (e.g., class of shares) likely to provide the best after-tax returns for the university.

Prior to Investment Subcommittee commitment, any investment expected to produce UBI shall be analyzed by staff and/or consultant to determine estimated after-tax return (IRR) considering, among other investment issues:

- i. Estimated cash flows from the investment;
- ii. Estimated percentage of investment cash flows (both operating income and gains on distributions) characterized as UBI;
- iii. Estimated percentage of UBI derived from non-US activities;
- iv. Other sources of UBI currently in place and estimated future UBI amounts from those sources;
- v. Available net operating loss carryforwards, net of any expirations.

Estimated tax costs shall be compared to the cost of implementing tax strategies designed to convert UBI into exempt income. Such strategies may include but are not limited to US blocker corporations, non-US blocker corporations, and other structures that provide income specifically excluded from UBI, and use of offsetting UBI operating losses.

The Investment Subcommittee investment decision will consider the risks, costs, and confidence levels associated with implementing tax strategies relative to expected returns after tax.

UBIT generated from investments held by the endowment pool shall be paid from the endowment pool.

SAFEKEEPING AND EXECUTION

The following guidelines apply only to separate account managers investing in publicly traded securities. They do not apply to limited partnerships, mutual funds or commingled trust funds.

CUSTODIANSHIP

Investment managers will place the order for purchase/sale of securities directly with the custodian approved by the Investment Subcommittee. The custodian will confirm, acknowledge and record book entry settlement of securities transactions. Through a formal

agreement, all securities except Treasury securities will be held at DTC for the custodian and ultimately the university. Treasury securities are held at the Federal Reserve Bank in the account of the custodian for the university.

BROKERAGE

Investment managers shall seek best price/execution when purchasing or selling securities at all times. Investment managers may direct brokerage trades to commission recapture brokers designated by the Endowment if the commission recapture brokers' price/execution is comparable to the investment managers' established broker network. As outlined by the CFA Institute's Soft Dollar Standards each investment manager must recognize that brokerage is an asset of the Endowment, not the investment manager. On an annual basis, each investment manager must:

- i. Verify to the Investment Subcommittee that it complies with the "Required" sections of the CFA Institute's Soft Dollar Standards;
- ii. Document and disclose any soft dollar use and its impact on the Endowment's portfolio; and
- iii. Disclose any affiliated broker relationships and the materiality of that relationship to the investment management organization.

SECURITIES LENDING

Lending of any securities within the Endowment's portfolio is strictly prohibited unless specifically authorized by the Investment Subcommittee.

V. ACKNOWLEDGEMENT

Upon hiring any new manager of a separately invested portfolio, the university will provide the manager with a copy of this Endowment Investment Policy and ask for the acknowledgement below. As the policy is revised, it will be resubmitted to such managers with a subsequent request for acknowledgement. No such acknowledgement shall be required of managers of pooled funds.

MANAGER ACKNOWLEDGEMENT

We recognize the importance of adhering to the mission and strategy detailed in this policy, and agree to work to fulfill the objectives stated herein, within the guidelines and restrictions, to the best of our ability. We acknowledge that open communications are essential to fulfilling this mission and if at any time we wish to discuss improvements to this document they are welcome and should be referred through one of the University's financial officers or the University's investment consultant.

University of Puget Sound (date)

Investment Manager (date)