

Total Fund Policy Review – First Reading

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Introduction

In 2022, Total Fund Investment Policy was modified to facilitate the implementation of the November 2021 Board approved Strategic Asset Allocation.

The proposed changes aim to further align Policy with the evolution of the Real Assets and Private Debt programs.

This is a first read of the proposed Policy changes and staff is seeking input from the Investment Committee.

Proposed Real Assets Policy Changes

Create flexibility to execute the strategic plan

Current Table

	Real Assets	Real Estate	Infrastructure	Forestland
Core	75-100%	75-100%	60-100%	75-100%
Value-Add	0-25%	0-25%	0-25%	0-25%
Opportunistic	0-25%	0-25%	0-25%	0-25%

Proposed Table

	Real Assets	Real Estate	Infrastructure	Forestland
Core	65-100%	75-100%	50-100%	75-100%
Non-Core	0-35%	0%-25%	0-50%	0-25%

- Update the risk classifications to combine Value Add and Opportunistic into a single Non-Core classification
- Decrease the lower end of the Core Infrastructure allocation from 60% to 50%
- Core allocations for Real Estate and Forestland remain unchanged
- Minimal change to the risk profile

Proposed Private Debt Policy Changes

Align Private Debt strategies with evolving market standards

- Direct Lending will continue to be the core Private Debt strategy
- Align other categories with how we approach portfolio construction
 - Remove Liquidity Financing and Private Structured Products
 - Add Mortgages as a new strategy
- Provide flexibility for 0% allocations to non-core strategies
- Minimal change to the risk profile

Current Table

Strategy	Range
Direct Lending	20-100%
Specialty Lending	5-40%
Liquidity Financing	0-25%
Real Estate Financing	5-40%
Private Structured Products	0-25%

Proposed Table

Strategy	Range
Direct Lending	20-100%
Specialty Lending	0-40%
Real Estate Financing	0-40%
Mortgages	0-40%

Feedback?