UNIVERSITY AT BUFFALO FOUNDATION
INVESTMENT POLICY STATEMENT
AMENDED JUNE 15, 2021

I. INTRODUCTION AND PURPOSE

The purpose of this Investment Policy Statement ("IPS") is to provide guidelines for the oversight of the Long Term Portfolio ("LTP") of the University at Buffalo Foundation Inc. ("Foundation") and to ensure that the LTP is managed according to standards of fiduciary responsibility and in accordance with prudent investment practices including compliance with NYPMIFA standards.

This IPS also intends to provide guidelines for the Executive Committee, Investment Committee, and Foundation staff to fulfill the responsibilities that the Board delegates to them. Although these policies and objectives are intended to govern the investment activity, they are designed to be sufficiently flexible in order to be practical.

The Foundation, in managing and investing its institutional funds, will comply with all legal requirements, including, but not limited to, Article 5-A of the New York Not-for-Profit Corporation Law.

Each person responsible for overseeing the LTP will act in good faith, with care that an ordinarily prudent person in a like position would exercise under similar circumstances.

II. INVESTMENT OBJECTIVES

The LTP is intended to support the ongoing mission of the State University of New York at Buffalo ("UB").

The long-term investment objectives of the LTP are to (a) maintain the purchasing power of the overall portfolio, after payout, according to the spending rule and (b) maintain spending support for UB's educational initiatives.

The current spending calculation creates a distribution where spending increases at the rate of inflation, not to exceed 3%, after considering all additions and withdrawals from the portfolio. Total spending dollars is bound by a floor of 4% and a ceiling of 6% of the trailing three-year average market value of the portfolio as of December 31.

The Foundation has an infinite life. The LTP should be managed with a time horizon longer than the normal market cycle (i.e., 10 years and greater).

The Foundation is tax-exempt, but may be responsible for unrelated business income tax ("UBIT") on some activities of certain investment partnerships.

III. ROLES AND RESPONSIBILITIES

Relationship between the Board and the Investment Committee

The ultimate fiduciary responsibility for the decisions that affect all aspects of the Foundation is held by the Board, including the determination of investment objectives and financial return goals. The

Investment Committee ("Committee") is a committee of the corporation. The Foundation Board delegates to the Committee the responsibility of overseeing the management of the Foundation's investment assets and the Committee is thereby responsible for managing the LTP in a prudent manner. The Committee shall report to the Board on its activities.

Investment Committee Responsibilities

The Committee has adopted a "total return" approach for the evaluation of investment returns and is willing to accept an overall level of risk commensurate with the LTP's target asset allocation.

The Committee shall discharge its duties solely in the interest of the Foundation and for the exclusive purpose of meeting the financial needs of the Foundation.

The Committee's responsibilities include:

1) Oversight of the LTP and, at least annually, reporting on same to the Board.
2) Establishment and maintenance of a written Investment Policy Statement, including an appropriate spending policy.
3) Selection of investment consultants / advisors, custodians, investment managers, as well as other third party providers.
4) Compliance with UBF's conflict of interest policy.

Guidelines for Foundation Management

The Foundation's management team plays an integral role in ongoing efficient implementation of this IPS. Their responsibilities include, but are not limited to, the following:

1) Portfolio rebalancing with input from the investment advisor. This includes maintaining sufficient liquidity to meet capital calls and spending requirements from the portfolio.
2) Coordinating capital calls and distribution activity.
3) With preparation assistance from the investment advisor, reviewing and executing manager and investment related documents.
4) Accurate record keeping.
5) Maintaining audit documentation and footnote preparation for financial statements.
6) Maintaining relationships with external parties (e.g., investment advisor, outside counsel, custodians, brokers, etc.).
7) Responsibility for tax reporting and managing any payment of any UBIT liability.

Guidelines for the Investment Consultant or Advisor

The Committee has engaged an independent investment advisor to assist in developing strategies to meet the LTP's objectives and to monitor investment performance and compliance with the stated investment policies. The responsibilities of that firm include, but are not limited to, the following:

1) Assisting in the development and implementation of investment policies, objectives and guidelines.
2) Conducting portfolio analyses.
3) Recommending asset allocation, investment strategies, and investment managers to the Committee.

4) Conducting ongoing due diligence of the managers recommended to and selected by the Committee.
5) Monitoring the portfolio and providing regular investment performance reports.
6) Attending Investment Committee, Executive Committee or Board meetings (as requested) and presenting as requested.
7) Providing portfolio re-balancing recommendations as needed.
8) Assisting the Committee in special projects.

IV. ASSET ALLOCATION AND PERFORMANCE MEASUREMENT

Among other factors, the Foundation will consider the following factors ("Investment Management Factors"), if relevant, in managing and investing its institutional funds:

1) General economic conditions;
2) The possible effect of inflation or deflation;
3) The expected tax consequences, if any, of investment decisions or strategies;
4) The role that each investment or course of action plays within the overall investment portfolio;
5) The expected total return from income and the appreciation of investments;
6) Other resources of the Foundation;
7) The needs of the Foundation and its funds to make distributions and to preserve capital; and
8) An asset's special relationship or special value, if any, to the purposes of the Foundation.

Management and investment decisions about any individual asset must be made not in isolation, but in the context of the Foundation's total portfolio of investments and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Foundation and its institutional funds.

The Foundation will diversify the investment of its institutional funds, unless it prudently determines that, because of special circumstances, the purposes of the funds are better served without diversification. It will document the basis for any such determination, and will review its decision not to diversify as frequently as circumstances require, but at least annually.

Asset Allocation

It is the responsibility of the Committee to identify an asset allocation that offers a high probability of achieving the Foundation's investment objectives commensurate with acceptable risk levels.

The asset allocation established by this IPS represents a long-term perspective. It is recognized that some asset classes will be under or over allocated due to liquidity and investment capacity constraints as well as market action or changes in economic and / or market conditions.

The Committee should review the LTP's asset allocation on an ongoing basis and make revisions as necessary.

The LTP is divided into five distinct allocations, each with a specific role in the portfolio:

1) **Public Equity.** The principal purpose of this allocation is to provide for the long-term growth of the LTP. It is comprised of equity investments in U.S. and non-U.S. companies.

2) **Private Investments.** The principal purpose of this allocation is to provide for the long-term growth of the LTP in excess of public markets. It is comprised of investments in private equity, growth equity, venture capital, and other call-down private equity type structures.

3) **Hedge Funds.** The principal purpose of this allocation is to generate returns with low correlation to other LTP assets and provide a differentiated return stream.

4) **Fixed Income.** The principal purpose of this allocation is to reduce the overall volatility of portfolio returns. Components of this allocation may also serve as a partial hedge against periods of prolonged economic contraction associated with poorly performing equity investments. The allocation shall typically be comprised of government and/or high quality corporate securities.

5) **Cash.** The purpose of the Cash allocation to provide a source of funds for capital calls and other distributions from the portfolio.

The current asset allocation targets, ranges, and associated composite level benchmarks are as follows. Note that there is no range on the Private Investments because of the illiquid nature of the asset class and the inability to rebalance into or out of such investments.

Asset Class	Weight	Range	Benchmark
Public Equity	40%	30 – 50%	MSCI ACWI
Private Investments	30%	n/a	For legacy and discontinued relationships as of FYE 2021, self-benchmark. For ongoing and new relationships, MSCI ACWI (lagged)
Hedge Funds	18%	13 – 23%	HFRI Asset Weighted Composite
Fixed Income	10%	5 – 15%	BBG Barc 3-10 Year Treasury Bond Index
Cash	2%	0 – 5%	BofA ML 91-day US Treasury Bill Index

Individual managers will be assessed against appropriate benchmarks which may differ from those used for the composite level benchmark. For example, a US public equity manager may be benchmarked against the S&P 500, whereas a global manager may be benchmarked against MSCI ACWI. Managers will be monitored for relative performance over trailing periods. It is acknowledged that benchmarking of "alternatives" such as hedge fund strategies and private investments is difficult and is best considered over long time periods.

Performance Measurement

The LTP is expected to meet its return objective over most long-term periods. Short-term performance will likely vary due to the volatility of capital markets returns. LTP returns are reported relative to a Policy Benchmark, which is a composite index of benchmark indices weighted in the same proportion as the LTP's Target Asset Allocation.

V. REBALANCING AND LIQUIDITY

The Foundation's LTP may drift from the target asset allocation due to market movement and cash flows. Since the asset allocation is a critical component of the Foundation's return, it is desirable to rebalance the LTP periodically to correct significant deviations from the target asset allocation. The Committee will regularly review the asset allocation relative to the target allocation. Foundation management, with the guidance of the investment advisor, will determine and implement rebalancing transactions toward the Committee-approved target asset allocation when appropriate, primarily through the use of passive vehicles.

Liquidity will be considered in the context of the total portfolio. The Committee understands that, in some instances, investment options that best meet the goals of the LTP may come with liquidity constraints. At present, there are no restrictions on levels of illiquidity in the portfolio nor are there requirements that the LTP exhibit specific liquidity characteristics (e.g., a specific percentage of the portfolio is able to be liquidated within a specific timeframe).

VI. RESPONSIBLE INVESTMENT STATEMENT

The Committee seeks to align with the values and initiatives that define UB and its stakeholders while maintaining its fiduciary duty to maximize risk-adjusted long-term financial returns. We believe that environmental, social, and governance issues may have a material impact on the risk-adjusted performance of the LTP, and therefore should be integrated into the investment process.

The Committee recognizes the United Nations Principles for Responsible Investment ("PRI") as the standard for Responsible Investment. Accordingly, and in conjunction with its investment advisor, the Committee will use the following tools in making investment decisions:

ESG: Environmental, Social, and Governance ("ESG") factors. These include factors related to the quality and functioning of the environment, related to the right, well-being and interests of people and communities, and related to the governance of companies and other investee entities.

ESG Integration: This entails explicitly and systematically evaluating ESG issues in investment analysis and identifying their role in managing investment risks and improving returns.

Stewardship: Investors can encourage the companies they are already invested in to improve their ESG risk management or develop more sustainable business practices. They can also encourage external investment managers to exercise stewardship with the companies in their portfolios. Most common forms of stewardship include:

> Proxy voting – formally expressing approval or disapproval through voting on resolutions and proposing shareholder resolutions on specific ESG issues; and

Engagement – discussing ESG issues with companies to improve their handling and disclosure of such issues, either individually or in collaboration with other investors.

The Committee will apply these tools thoughtfully and plausibly, giving weight to manager and asset class considerations and the materiality of the relevant Responsible Investment issue. The Committee recognizes that these issues are complicated, presenting some of the most challenging questions and problems of our time. Further, the Committee is committed to adapting its Responsible Investment considerations and tools as its understanding of issues evolves to ensure strong and ongoing alignment of investable assets and expression of Responsible Investment beliefs.

VII. SPENDING POLICY

The Foundation will appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established.

With input from the Committee and consistent with its objectives of assisting UB to achieve its goals, the Foundation will design a spending rule which will determine an annual spending rate.

The spending rule will be reviewed periodically in light of evolving trends with respect to investment returns, the Foundation's needs and expenses, and the rate of inflation. The Investment Committee, as delegated by the Board, will determine recommended annual spending rate and report said rate to the Board annually. This will be approved by the Board annually.

The current spending calculation creates a distribution where spending increases at the rate of inflation, not to exceed 3%, after considering all additions and withdrawals from the portfolio. Total spending dollars is bound by a floor of 4% and a ceiling of 6% of the trailing three-year average market value of the portfolio as of December 31.

In determining its policy for endowment fund appropriations (spending policy), the Foundation will act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and will consider the following factors if relevant:

1) The duration and preservation of the endowment funds;
2) The purpose of the Foundation and the endowment funds;
3) General economic conditions;
4) The effects of inflation or deflation;
5) The expected total return from income and the appreciation of investments;
6) Other resources of the Foundation;
7) Where appropriate and where circumstances would otherwise warrant, alternatives to expenditures of an endowment fund, giving due consideration to the effect that such alternatives may have on the Foundation; and
8) The Investment Policy of the Foundation.

VIII. CONFLICTS OF INTEREST

Committee members are bound by a Conflict of Interest Policy that is maintained outside of this IPS.