

UConn Foundation

Investment Policy & Guidelines

Long-term Pooled Portfolio Policy

(As Approved by the Board of Directors on March 15, 2012)

Investment Allocation Range Objective/Strategy	Allocation Range as Percentage of Market Value
Growth (1)	40-85%
High yield fixed income	0%-10%
Global equities	0%-70%
Private capital	0%-20%
Global macro strategies	0%-10%
Event driven strategies (ex diversified)	0%-10%
Real estate (public & private)	0%-10%
Other opportunistic	0%-10%
Inflation Hedge (2)	5%-25%
TIPS	0%-10%
Natural resources/commodities	0%-15%
Other inflation hedging strategies	0%-10%
Risk Minimizing (3)	5%-40%
Investment grade fixed income	0%-20%
Relative value/Event driven	0%-15%
Cash equivalents	0%-10%

Other low volatility strategies

0%-10%

Additional Parameters

Maximum portfolio volatility: 12% (annualized standard deviation for rolling 12 quarter returns)

Liquidity minimum: equal to net outflows + 1% of portfolio market value (outflows include spending allocations, administrative fees, manager and consulting fees, and capital calls)

Manager allocation maximum:

- Publicly traded and liquid assets 20%
- Other 5%

(1) *Growth is defined as volatility >5%*

(2) *Inflation hedging is defined as having correlation to unexpected inflation ≥ 0.5*

(3) *Risk minimizing is defined as volatility $\leq 5%$*

Non-Endowed Asset Investment Policy

(As approved by the Board of Directors March 13, 2015)

Non-endowed assets will be invested in accordance to the following parameters:

- The majority of assets are to be invested in short-to-intermediate duration fixed income securities.
- A minimum of 2% Cash Equivalents must be held in the portfolio at all times, with a maximum of 20% in Cash Equivalents allowed.
- The Benchmark for the total portfolio shall be the Bank of America Merrill Lynch 1-3 Year Treasury Index.
- The fixed income assets in the portfolio shall be managed with the objective of generating a return of 50 basis points (net of fees) in excess of the benchmark.
- The portfolio shall maintain a duration within +/- 50% of that of the Benchmark.
- Minimum Average Portfolio Quality: BBB (S&P), Baa2 (Moody's), or BBB (Fitch).
- Minimum credit quality at time of purchase: B (S&P), B2 (Moody's), or B (Fitch).
- The portfolio is expected to be managed in a prudent manner with regard to capital preservation while pursuing returns in excess of the benchmark, meeting liquidity needs and providing a steady flow of interest income to the Fund.
- The portfolio should follow the limits set forth below:

Credit Ranges	Minimum	Maximum
U.S. Government Securities	5.0 %	100.0 %
Investment-Grade Securities	0.0	100.0

Below Investment-Grade Securities

0.0

50.0

Strengthening
UConn One
Relationship at a
Time



News & Updates

Former All-American
Caron Butler Makes
Gift to Basketball
Center at UConn

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Stanley Black &
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Engineering's
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Started in a UConn
Dorm Comes Full
Circle

Air Force Vet Gives
Back and Stays
Connected

Largest Number of

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