

Alaska Railroad Corporation
Pension Plan

Investment Policy Statement
Amended as of November 2020

Contents

1. Purpose.....	1
2. Investment Objectives	2
3. Investment Guidelines	5
3.1 Asset Allocation	5
3.2 Rebalancing/Cash Outflow Needs.....	5
3.3 Investment Manager Selection Guidelines	6
3.4 Mutual Fund and Commingled Fund Proxy Voting	7
4. Standards of Performance.....	8
4.1 Performance Benchmarks.....	8
4.2 Performance Standards	9
4.2.1 Investment Manager Performance	9
4.2.2 Total Fund Performance Standards	10
4.3 Watch Status and Termination	10
5. Parties Responsible for Management & Administration of Plan Investments	12
5.1 Committee	12
5.2 Trustee	12
5.3 Investment Managers.....	13
5.4 Investment Consultant	13
5.5 Meetings	14
6. Adoption and Acceptance.....	15
Appendix A	16
Appendix B	17

1. Purpose

PURPOSE

This Statement of Investment Policy ("Investment Policy") is adopted by the Tax Deferred Savings and Pension Committee ("Committee") to establish policies for the management and investment of The Alaska Railroad Corporation Pension Plan ("Plan") assets.

The purpose of this Investment Policy is to:

- Define investment objectives and establish guidelines for the investment of Plan assets.
- Provide written documentation of the Committee's expectations regarding the Plan's investment program for all fiduciaries.
- Outline criteria and procedures for the ongoing operation and evaluation of the Plan's investment program.

This Investment Policy will be used as the basis for future investment performance measurement and evaluation. It will be updated and revised by the Committee as appropriate to reflect the Plan's changing goals and objectives. It is adopted by the Committee pursuant to the terms of the Plan with the advice of investment and legal experts and is intended to be binding upon all persons with authority over Plan investments, including the Trustee, Investment Managers, and Investment Consultants. Any provision of this Investment Policy that is inconsistent with the Plan document or the Plan's Trust Agreement shall be disregarded, and the remaining provisions of the Investment Policy shall be interpreted consistently with the Plan document and Trust Agreement.

In general, the Committee intends this Investment Policy to be sufficiently flexible to accommodate current and future economic and market conditions and changes in applicable accounting, regulatory, and statutory requirements. The Committee reserves the right, however, to deviate from this Investment Policy as it deems appropriate, including on a case-by-case basis with respect to any Investment Manager appointed by the Committee.

2. Investment Objectives

The investment objectives of the Plan reflect both its long-term nature and shorter-term liquidity needs. The Plan's priorities are outlined below:

- Accumulate sufficient assets through a diversified portfolio of investments and employee and employer contributions to pay all benefit and expense obligations when due.
- Seek growth of assets by combining equity, fixed income and other investments with a balance of investment strategies, placing primary emphasis on capital appreciation and secondary emphasis on income, while avoiding excessive risk.
- Improve the security of the benefits available to Plan participants.

The Plan has multiple return objectives:

- The Plan's long-term annualized time-weighted total rate of return should equal or exceed the actuarial return rate, currently 7.25%.
- The Plan is expected to achieve an annualized time weighted total rate of return, which on a risk-adjusted basis, ranks at or above the median of a Universe for plans of similar size and type over rolling 5-year periods.
- The Plan is expected to produce an annualized time-weighted total rate of return that equals or exceeds that of the Total Plan Benchmark over rolling 5-year periods. The Total Plan Benchmark is comprised of the following:

- ♦ Domestic Equity
 - 20% S&P 500 Index
 - 12% Russell Midcap Index
 - 8% Russell 2000 Index
- ♦ International Equity
 - 13% MSCI All-Country World ex-USA Index
- ♦ Real Estate
 - 15% NCREIF – ODCE Index
- ♦ Commodities
 - 2% Bloomberg US Commodity Index
- ♦ Fixed Income
 - 13% Barclays US Aggregate Bond Index
 - 5% Barclays Global Aggregate Bond Index
 - 7% Barclays US High Yield Corporate Bond Index
 - 5% Barclays US Treasury US TIPS Index

Total Plan risk (as measured by the annualized standard deviation of quarterly returns) should not exceed that of the Total Plan Benchmark without a proportional increase in performance relative to the Total Plan Benchmark.

Asset Class Segment Objectives and Descriptions

Domestic (U.S.) Equities

Domestic equities include stocks of the U.S. companies with a broad range of market capitalizations. The purpose of holding domestic equity securities is to provide capital growth for the Plan and to maintain purchasing power of the assets. The objective of the domestic equity portfolio is to earn, over rolling 10-year periods, an average annual total return that at least equals that of the Plan's custom index consisting of 50% S&P 500 Index; 30% Russell Midcap Index and 20% Russell 2000 Index. Risk (as measured by the annualized standard deviation of quarterly returns) should not exceed that of the custom index without a proportional increase in performance relative to the index.

International Equities

This asset class includes stocks of international companies covering a broad range of market capitalizations and global economies. The purpose of holding international equities is to maintain the purchasing power of the assets, expand the universe of capital growth opportunities and diversify economic risk. The objective of the international equity portfolio is to earn, over rolling 10-year periods, an average annual total return that at least equals that of the MSCI All-Country World ex-USA Index. Risk (as measured by the annualized standard deviation of quarterly returns) should not exceed that of the market index without a proportional increase in performance relative to the index.

Real Estate

Real Estate investments may include a variety of property types, including residential, office space, retail, healthcare and others. The purpose of holding real estate investments is to provide income and capital appreciation and to help control the volatility of return of the Plan. The objective of the real estate portfolio is to earn, over rolling 10-year periods, an average annual total return that at least equals that of the NCREIF – ODCE Index. Risk (as measured by annualized standard deviation of quarterly returns) should not exceed that of the market index without a proportional increase in performance relative to the index.

Commodities

This asset class generally includes investments in natural resources or raw materials, typically those used as factors of production (examples: metals, grains and oil). The purpose of holding commodity investments is to provide diversification, capital growth and a positive hedge against inflation to help preserve the purchasing power of the portfolio. The objective of the commodity portfolio is to earn, over rolling 10-year periods, an average annual total return that at least equals that of the Bloomberg Commodity Index. Risk (as measured by the annualized standard deviation of quarterly returns) should not exceed that of the market index without a proportional increase in performance relative to the index.

Fixed Income

This asset class includes investments in a broad range of fixed income securities. The purpose of holding fixed income assets is to provide income and to help mitigate the

volatility of the rate of return of the Plan. A total return approach to implementation in this asset class provides an additional dimension of value added by opportunistically investing in a broad range of fixed income securities with unique credit, country, currency and interest rate risk (duration) profiles. The objective of the fixed income portfolio is to earn, over rolling 10-year periods, an average annual total return that at least equals that of the Plans' custom index consisting of 43.3% Barclays US Aggregate Bond Index; 16.7% Barclays Global Aggregate Bond Index; 23.3% Barclays US High Yield Corporate Bond Index and 16.7% Barclays US Treasury US TIPS Index. Risk (as measured by the annualized standard deviation of quarterly returns) should not exceed that of the custom index without a corresponding increase in performance relative to the index.

3. Investment Guidelines

3.1 Asset Allocation

The Plan's asset allocation should reflect a proper balance of the Plan's need for liquidity and asset diversification, and the risk tolerance of the Committee. Asset allocation is also based upon the Committee's estimate of the investment performance likely to be achieved by the various asset classes over the long term. In recognition of these factors the following asset allocation and Investment Manager structure is deemed appropriate for the Plan:

<u>ASSET CLASS</u>	<u>TARGET</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>
Domestic Equities	40.0%	32.0%	48.0%
Large Cap	20.0%	17.0%	23.0%
Mid Cap	12.0%	9.0%	15.0%
Small Cap	8.0%	6.0%	10.0%
International Equities	13.0%	10.0%	16.0%
Real Estate	15.0%	12.0%	18.0%
Commodities	2.0%	0.0%	4.0%
Fixed Income	30.0%	21.0%	39.0%
Total Return	13.0%	10.0%	16.0%
Global	5.0%	3.0%	7.0%
High Yield	7.0%	5.0%	9.0%
US TIPS	<u>5.0%</u>	<u>3.0%</u>	<u>7.0%</u>
Total	100.0%		

Asset allocation will be measured at market value in accordance with the Plan's Trustee and Investment Manager statements.

It is understood that deviations from these ranges may occur from time to time as a result of market impact or from short-term timing decisions implemented by either the Committee or the Investment Managers. Any permanent changes to these guidelines must be approved by the Committee.

3.2 Rebalancing/Cash Outflow Needs

Rebalancing will be undertaken when the allocations fall outside of the ranges specified above as of a quarter end, provided that rebalancing will not be undertaken if the imbalance is expected to be short lived or if the transaction costs would outweigh the benefits. The Trustee will rebalance according to standing written instructions provided by the Committee, with the assistance of the Investment Consultant. The Trustee will notify the Committee if additional instructions are required.

Cash outflow needs will typically be met from periodic contributions. In the event this cash flow is not sufficient to meet the Plan's requirements, asset liquidations from the Plan's portfolios will be necessary. The Trustee will raise required cash according to standing written instructions provided by the Committee, with the assistance of the Investment Consultant. The Trustee will notify the Committee if additional instructions are required.

If two or more Investment Managers are utilized within a specific asset class, the Committee, with the assistance of the Investment Consultant, will determine the allocation between Investment Managers. However, the Trustee will ensure that the total allocation will remain within the constraints as described in Section 3.1.

3.3 Investment Manager Selection Guidelines

The term "Investment Manager," as used herein, generally means any bank, insurance company or registered investment advisor that has the power to manage, acquire, or dispose of any assets of the Plan, but also generally means any commingled fund, or mutual fund selected as an investment option under the Plan. Mutual funds must be registered under the Investment Company Act of 1940. The Plan's assets are currently invested exclusively in mutual funds and commingled funds as shown in Appendix A, which may be revised from time to time. To the extent that Plan assets are invested in commingled funds or mutual funds, such commingled funds or mutual funds will be held to the same performance standards as Investment Managers, but will not be subject to the responsibilities listed for Investment Managers in section 5.3 of the Investment Policy. The prospectus, offering memorandum, investment guidelines or similar document of the mutual fund or commingled fund shall govern the Plan's assets invested in the commingled fund or mutual fund. Investment Managers may employ the use of futures contracts and options and other derivative investments as provided in such governing documents.

The Committee reviews the investment strategy of each Investment Manager considered for investment of Plan assets. Investment Manager performance will be evaluated on a long-term basis, in light of the investment environment and investment style of each Investment Manager.

The due diligence process to be followed in selecting an Investment Manager should include, but not be limited to, an analysis of the following factors:

- 1) Length of investment performance track record and consistency of returns achieved with risks taken;
- 2) Relative investment performance as compared to predetermined benchmarks and/or universes;
- 3) Alignment of investment philosophy, process and style with Plan objectives;
- 4) Size and experience of professional staff;
- 5) Tenure of investment management team;
- 6) Competitiveness of investment management fees;
- 7) Any pending regulatory investigations, censures, or material legal proceedings.

3.4 Mutual Fund and Commingled Fund Proxy Voting

The Committee or its delegate is responsible for exercising proxy voting rights arising from Plan assets, in a prudent manner and in the best interests of the participants and beneficiaries of the Plan. The Committee reserves the right to decline to vote on a proxy.

4. Standards of Performance

4.1 Performance Benchmarks

Each Investment Manager will be designated as a domestic (U.S.) equity, international equity, real estate, commodities or fixed income Manager. The Managers in each of these sectors may be further broken down by manager style. Each Manager will be placed in a style group for evaluation purposes. That classification may be subsequently changed prospectively to a different style group if so determined by the Committee.

ASSET CLASS/STYLE	POLICY BENCHMARK	UNIVERSE
U.S. Large Cap Blend Equity	S&P 500 Index	U.S. Large Cap Blend Equity
U.S. Mid Cap Value	Russell Midcap Value Index	U.S. Mid Cap Value Equity
U.S. Mid Cap Growth	Russell Midcap Growth Index	U.S. Mid Cap Growth Equity
U.S. Small Cap Blend Equity	Russell 2000 Index	U.S. Small Cap Blend Equity
Combined Domestic Equity	Custom index consisting of 50% S&P 500 Index; 30% Russell Midcap Index and 20% Russell 2000 Index	U.S. Domestic Equity
International Equity	MSCI All-Country World ex-USA Index	Foreign Large Blend Equity
Real Estate	NCREIF-ODCE Index	Real Estate
Commodities	Bloomberg Commodity Index	Commodities
Total Return and Absolute Return Fixed Income	Barclays US Aggregate Bond Index	Intermediate Core Plus Bond and Nontraditional Bond
Global Fixed Income	Barclays Global Aggregate Bond Index	World Bond
High Yield Fixed Income	Barclays US High Yield Corporate Bond Index	High Yield Bond
US TIPS	Barclays US Treasury US TIPS Index	Inflation-Protected Bond
Combined Fixed Income	Custom index consisting of 43.3% Barclays US Aggregate Bond Index; 16.7% Barclays Global Aggregate Bond Index; 23.3% Barclays US High	Fixed Income

	Yield Corporate Bond Index and 16.7% Barclays US Treasury US TIPS Index	
Total Plan	<p>Custom index consisting of:</p> <ul style="list-style-type: none"> • 20% S&P 500 Index • 12% Russell Midcap Index • 8% Russell 2000 Index • 13% MSCI All-Country World ex-USA Index • 15% NCREIF-ODCE Index • 2% Bloomberg Commodity Index • 13% Barclays US Aggregate Bond Index • 5% Barclays Global Aggregate Bond Index • 7% Barclays US High Yield Corporate Bond Index • 5% Barclays US Treasury US TIPS Index 	Trust Universe for Plans of Similar Size and Type

*Benchmarks and universes are further described in Appendix B, as amended from time to time.

4.2 Performance Standards

4.2.1 Investment Manager Performance

Performance objectives may be established for each Investment Manager included in the Plan. Any performance review will include measuring the Managers' investment performance relative to stated benchmarks and universes, as well as an assessment of risk taken under the Managers' stated objectives. The Committee shall review the performance of the Investment Managers quarterly to determine if they are meeting the established objectives. The following general criteria will be used to evaluate Managers:

- 1) Quantitative Measures
 - a) Active Investment Strategies: Managers employing active management are expected to outperform their stated asset class or style benchmark

net of all management fees on a trailing five year time period; and to rank superior to the 50th percentile of the appropriate universe for the same trailing five year time period. It is also expected that the risk of each Manager, as defined by the standard deviation of returns, will be commensurate with the prescribed strategy relative to the appropriate market index.

- b) **Passive Investment Strategies:** Passive Managers are expected to track the performance of the index strategy that the Manager is designed to replicate, less management fees, with marginal tracking error. It is also expected that the risk of each passive Manager, defined as the annualized standard deviation of returns, be commensurate with the corresponding replicated market index.
- 2) **Qualitative Measures:** The Managers will also be monitored on an ongoing basis for material changes such as personnel departures, organizational changes, alterations in investment style, philosophy, or strategy, as well as for adherence to stated guidelines.
 - 3) **Time Periods:** Investment Managers should generally be given a full market cycle to achieve stated objectives. Recognizing that short-term fluctuations may cause variations in a Manager's relative performance, the Committee may place more emphasis on performance over market cycles, generally of three to five years.
 - 4) **Risk Assessment:** In addition to net investment performance, the Committee will also review the Investment Managers' risk characteristics in relation to that performance. Risk may be measured in various ways including, but not limited to:
 - Standard deviation
 - Up market and down market performance
 - Other statistical measures

4.2.2 Total Fund Performance Standards

Over rolling five-year periods, the total Plan is expected to:

- Achieve an annualized time-weighted rate of return that equals or exceeds the target actuarial rate, currently 7.25%.
- Achieve an annualized time-weighted rate of return, which on a risk-adjusted basis, equals or exceeds that of the Total Plan Benchmark (as described in Section 4.1).
- Achieve an annualized, time weighted return, which on a risk-adjusted basis, ranks at or above the median of a universe for plans of similar size and type.

4.3 Watch Status and Termination

All Investment Managers are expected to perform according to their prescribed objectives under this policy and to perform as well as, or better than, their prescribed benchmarks or universes. A list of the Plan's specific Investment Managers, along with their respective benchmark index and universe, is provided in Appendix A. The Committee recognizes the

long-term nature of retirement plan investing and the variability of market returns. Periodic underperformance in any of the criteria outlined in this Investment Policy will not necessitate any particular action or the termination of a Manager. Underperformance will generally provoke additional consideration by the Committee of the factors causing underperformance and possible courses of action.

The Committee may place a Manager on watch where the Manager's performance, operations and/or governance will continue to undergo a greater level of review and analysis.

Factors contributing to placing a Manager on watch for performance related reasons are:

- Performance below the median of its universe over a trailing five-year period and
- Performance below the prescribed benchmark index over a trailing five-year period.

Factors contributing to placing a Manager on watch for non-performance related reasons are significant changes in the following characteristics:

- Risk profile of the portfolio
- Increases in management fees or expense ratios
- Turnover in the portfolio management team of the portfolio
- Increases or decreases of assets under management
- Deviation from style for which the Manager was selected
- Organizational change, such as changes in ownership, mergers, etc.

The Committee will use their discretion, in consultation with the Investment Consultant, in removing Managers from a watch status. A Manager may remain on watch status until the Committee decides to take further action. Committee actions include, but are not limited to, the following:

- Removing the Manager from watch status
- Continuing the Manager in watch status
- Terminating the Manager and reallocating fund assets to a replacement Manager.

The Committee will endeavor to use their best judgment and information available to act in a prudent manner. The Committee reserves the right to replace or terminate any Investment Manager at any time, for any reason, when they determine such termination is in the best interest of the Plan, participants and beneficiaries.

5. Parties Responsible for Management & Administration of Plan Investments

Several entities are responsible for various aspects of the management and administration of the Plans' investments. While the Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), those entities that have discretionary authority with respect to the Plan's investments, or render investment advice to the Plan for a fee, are fiduciaries to the Plan, and are expected to perform their duties in accordance with the provisions of ERISA Section 404(a)(1). Those entities and their responsibilities include, but are not limited to:

5.1 Committee

The Committee is responsible for the management of Plan assets. Specifically those responsibilities include:

- Complying with applicable federal and Alaska state laws, regulations, and rulings.
- Maintaining and communicating to all appropriate parties objectives and guidelines relating to the investment of Plan assets.
- Analyzing the effect of changes in liabilities, collective bargaining agreements, capital markets and Investment Manager organizations on Plan assets.
- Selecting and monitoring the performance of qualified professionals, including Investment Managers, Trustees and Investment Consultants, to assist in the implementation of this Investment Policy.
- Establishing investment goals, objectives, and performance standards for each Investment Manager consistent with the terms of the Plan.
- Reviewing and evaluating the results of the Investment Managers against the established standards of performance on a quarterly basis.
- Providing cash flow information to the Investment Managers and Trustee with respect to contributions, benefit payments, and asset transfers.
- Providing direction to the Investment Managers and Trustee with respect to investment of contributions.
- Providing proxy voting direction to the Investment Manager and/or Trustee.
- Delegating investment and administrative duties to others, as appropriate, using reasonable care.
- Evaluating annually this Investment Policy including without limitation the asset allocation, with input from Investment Managers and Investment Consultants, and Investment Policy as the Committee determines is appropriate.
- Evaluating annually Investment Manager compensation (including direct and indirect compensation) and comparing it to an appropriate universe supplied by the Investment Consultant.
- Periodically evaluating the Plan's overall asset allocation
- Taking whatever corrective action the Committee deems prudent and appropriate if objectives are not met or if Policy guidelines are not followed.

5.2 Trustee

The Trustee ("Trustee") for the Plan is responsible for:

- Fulfilling the duties of a trustee as required by applicable state and federal laws and the Trust Agreement.

- Receiving contributions and paying withdrawals from the Plan, pursuant to proper instructions.
- Safekeeping of assets, timely settlement of securities transactions, timely crediting of all income and principal realizable by the Plan, and the daily sweep of excess cash from Investment Manager accounts into a suitable cash management vehicle.
- Rebalancing the assets held in trust and raising required cash according to the Asset Allocation in Section 3.1 and the provisions of Section 3.2.
- Reporting monthly to the Committee all monies received or paid on behalf of the Plan and all securities held in trust including all securities transactions that remain unsettled.
- Delivering Plan assets to a successor trustee or as otherwise directed in proper instructions, within a reasonable period of time after termination.
- Distributing promptly to the Committee or its designee all proxy materials or other corporate actions received by the Trustee relating to the Plan's investments.

5.3 Investment Managers

The Investment Managers are given full discretionary authority to accomplish the investment objectives of the Plan, subject to the guidelines set forth in this Investment Policy. The Investment Managers are responsible for the following:

- Acknowledging in writing that he, she or it is a fiduciary with respect to the Plan.
- Determining and implementing investment strategy in accordance with the style for which they were hired.
- Implementing security selection and timing decisions.
- Providing reports and data as requested by the Committee, Investment Consultant, or Trustee.
- Reporting immediately, in writing, to the Committee and Investment Consultant any and all changes in the firm's ownership, investment personnel (including, but not limited to senior management and portfolio Managers) and investment style and/or approach.
- Reporting the performance of Plan assets under management, after the close of each quarter, in a form acceptable to the Committee, Trustee, and the Investment Consultant.

The Investment Managers selected to invest Plan assets are listed in Appendix A, as amended from time to time.

5.4 Investment Consultant

The Investment Consultant is responsible for:

- Measuring and reporting quarterly performance of the Plan's assets.
- Providing to the Committee quarterly performance reports, detailing the overall economic environment, performance of each Investment Manager, asset class benchmark, universe and total Plan performance, including relevant performance standards and assessment of compliance with Investment Policy guidelines.
- Monitoring compliance with the Investment Policy.
- Providing to the Committee on an annual basis, or more frequently if needed, an assessment of and recommendations for any changes needed to the Investment Policy.

- Assisting the Committee in establishing and maintaining an appropriate Policy, including making recommendations on changes to benchmarks or universes used to measure and monitor Investment Manager performance.
- Proactively suggesting improvements to the Plan's investment program.
- Promptly informing the Committee of any material changes in the Investment Managers' organization, key personnel, investment style or strategy, investment process or other changes pertinent to retention of the Investment Managers.
- Notifying Investment Managers who are placed on a watch list.
- Providing investment expertise and analyses as needed by the Committee.
- Keeping the Committee informed of current investment trends and issues and material changes in the regulatory environment.
- Performing other projects as requested by the Committee.

5.5 Meetings

Representatives of the Investment Managers may be invited to meet from time to time with the Committee to review the investment performance of their fund and other investment-related issues. The Committee understands that mutual fund Investment Managers and commingled fund Investment Managers may not provide representatives to meet with the Committee on a regular basis. The Investment Consultant will provide the Committee with information regarding the performance of mutual funds and commingled funds and other investment-related issues in the quarterly report.

A qualified representative of the Trustee will meet as necessary with the Committee or their designees to review its duties and performance as Trustee in administering the Plan.

The Investment Consultant will meet with the Committee at least semi-annually to review the Plan's performance. The Committee may request additional meetings.

6. Adoption and Acceptance

The Alaska Railroad Corporation Tax Deferred Savings and Pension Committee adopted and accepted the Investment Policy as amended November 2020:

Signatures	Dated
<u>M.A. [Signature]</u>	<u>1-15-2021</u>
<u>[Signature]</u>	<u>1-20-2021</u>
<u>[Signature]</u>	<u>1/21/2021</u>
<u>[Signature]</u>	<u>1/25/2021</u>
<u>[Signature]</u>	<u>1/27/21</u>

Appendix A – Investment Managers

Investment Managers and Universe Designations:

Product Name Vehicle Type	Universe
T. Rowe Price Institutional Structured Research Mutual Fund	U.S. Large Cap Blend Equity
Vanguard Institutional Index Mutual Fund	U.S. Large Cap Blend Equity
JP Morgan Mid Cap Value Mutual Fund	U.S. Mid Cap Value Equity
MFS Mid Cap Growth Fund Mutual Fund	U.S. Mid Cap Growth Equity
Rothschild Small-Cap Trust Collective Investment Trust	U.S. Small Cap Blend Equity
MFS Institutional International Equity Fund Mutual Fund	Foreign Large Blend Equity
RREEF America REIT II Private Real Estate Investment Trust	Real Estate
Prime Property Fund Limited Liability Co.	Real Estate
PIMCO Commodity Real Return Strategy Fund Mutual Fund	Commodities
Metropolitan West Total Return Fund Mutual Fund	Intermediate Core Plus Bond
PIMCO Dynamic Bond Mutual Fund	Nontraditional Bond
Rimrock Low Volatility Limited Partnership	Nontraditional Bond
Templeton Global Bond Fund Mutual Fund	World Bond
Hotchkis & Wiley High Yield Fund Mutual Fund	High Yield Bond
DFA Inflation-Protected Securities Portfolio Institutional Class Mutual Fund	US TIPS

Appendix B – Definitions of Benchmarks and Universes

Benchmark Definitions

Barclays US Aggregate Bond Index

The Barclays US Aggregate Bond Index covers the U.S. dollar-denominated investment-grade, fixed-rate bond market including government and corporate bonds, agency mortgage pass-through securities, asset-backed issues, and ERISA-qualified CMBS.

Barclays U.S. High Yield Corporate Bond Index

The Barclays U.S. High Yield Corporate Bond Index covers the U.S. dollar-denominated, fixed-rate, taxable, non-investment grade bond corporate universe. This Index is intended to represent the performance of the U.S. High Yield Bond Universe.

Barclays Global Aggregate Bond Index

The Barclays Global Aggregate Bond Index covers the global investment-grade, fixed-rate bond universe. The Index is primarily comprised of U.S. bond markets, Pan-European bond markets, and Asia-Pacific bond markets, and is intended to represent the performance of the Global Bond universe.

Barclays US Treasury US TIPS Index

The Barclays US Treasury US TIPS Index measures the performance of the US TIPS (Treasury Inflation-Protected Securities) market. This Index covers all such securities with at least one year until maturation, are rated investment grade, and have at least \$250 million in face value.

MSCI All-Country World ex-USA Index

The MSCI All-Country World ex-USA Index is an international equity index which seeks to represent the free-float, market capitalization weighted performance of developed and emerging markets outside of the United States. The Index reflects the combined stock market performance of multiple underlying geographic, monetary, political, and economic zones throughout the world, apart from the United States. The composition of the Index may be expected to change over time along with factors such as stock market and currency valuations, development of and access to financial markets among the underlying countries, and others.

Russell 2000 Index

The Russell 2000 Index is designed to be a small capitalization market proxy of the U.S. equity market. The index is designed to consist of the 1,001st–3,000th smallest stocks within the free-float, market capitalization weighted U.S. equity market.

Russell Midcap Growth Index

The Russell Midcap Growth Index is designed to be a proxy for US mid cap stocks exhibiting an orientation towards a growth investment style. Stocks within this index will generally be among the 201-1,000 largest US companies. Stocks within this range are categorized as growth based on characteristics such as relatively high expected growth in earnings, historical sales growth, and other valuations.

Russell Midcap Value Index

The Russell Midcap Value Index is designed to be a proxy for US mid cap stocks exhibiting an orientation towards a value investment style. Stocks within this index will generally be among the 201-1,000 largest US companies. Stocks within this range are categorized as value based on characteristics such as relatively low expected growth in earnings, historical sales growth, and other valuations.

Standard and Poor's 500 Index

The Standard and Poor's 500 (S&P 500) index is designed to be a large capitalization proxy of the U.S. equity market. The Index is designed to contain the market-capitalization weighted, free-float adjusted 500 leading (typically largest) stocks within the U.S. equity market. Given its size, the S&P 500 Index also may serve as a reasonable proxy for the U.S. equity market in its entirety.

NCREIF – ODCE Index

The NCREIF-ODCE Index covers the market-capitalization weighted performance of core, open-ended real estate investment funds in the U.S. The underlying funds within this Index are required to pursue diversified strategies that are primarily focused on real estate and that may employ only a moderate amount of leverage as part of their investment strategy.

Bloomberg Commodity Index

The Bloomberg Commodity Index covers the U.S. commodity investment space. The Index is primarily comprised of futures contracts on underlying commodities in areas such as energy, agriculture, precious metals, industrials metals and others. The Index is designed to represent a broad-based, diversified basket of commodities within the U.S.

Composite Policy Index (Current Benchmark for evaluating Total Plan Return following addition of US TIPS effective in mid-2016).

20% S&P 500
12% Russell Midcap Index
8% Russell 2000 Index
13% MSCI All-Country World ex-USA Index
15% NCREIF – ODCE Index
2% Bloomberg Commodity Index
13% Barclays US Aggregate Bond Index
5% Barclays Global Aggregate Bond Index
7% Barclays US High Yield Corporate Bond Index
5% Barclays US Treasury US TIPS Index

Composite Policy Index (Benchmark for evaluating Total Plan Return following addition of US mid cap equities, global and high yield fixed income, and commodities effective in mid-2013 through mid-2016).

16% S&P 500
12% Russell Midcap Index
8% Russell 2000 Index
12% MSCI All-Country World ex-USA Index
14% NCREIF – ODCE Index
8% Bloomberg Commodity Index
17% Barclays US Aggregate Bond Index
7% Barclays Global Aggregate Bond Index
6% Barclays US High Yield Corporate Bond Index

Composite Policy Index (Benchmark for evaluating Total Plan Return following funding of real estate investments in mid-2006 through mid-2013)

45% Russell 3000 Index
15% MSCI EAFE (Net) Index
25% Barclays US Aggregate Bond Index
15% NCREIF Property Index

Composite Policy Index (Benchmark for evaluating Total Plan Return mid-2003 through mid-2006)

55% Russell 3000 Index
15% MSCI EAFE (Net) Index
30% Barclays US Aggregate Bond Index

Composite Policy Index (Benchmark for evaluating Total Plan Return prior to mid-2003)

60% S&P 500 Index
40% Barclays Gov/Credit Bond Index

Universe Descriptions

Morningstar gathers performance data on funds managed by a large number of Investment Managers in distinct market capitalization and investment styles. InvestmentMetrics prepares Trust Universes for comparison of broad asset class segments and total plan returns.

U.S. Large Cap Blend Equity – Universe of domestic equity strategies managed by Investment Managers in the large cap core style.

U.S. Mid Cap Value Equity – Universe of domestic equity strategies managed by Investment Managers in the mid cap value style.

U.S. Mid Cap Growth Equity – Universe of domestic equity strategies managed by Investment Managers in the mid cap growth style.

U.S. Small Cap Blend Equity – Universe of domestic equity strategies managed by Investment Managers in the small cap core style.

U. S. Domestic Equity – Universe of domestic equity strategies managed by Investment Managers across all capitalization ranges and styles.

Foreign Large Blend Equity – Universe of international equity strategies managed by Investment Managers in the foreign stock core, value or growth style depending on the manager.

Real Estate – Universe of real estate strategies managed by Investment Managers in the direct real estate style.

Commodities – Universe of a diversified basket of commodities, which may include investments in agriculture, industrial and precious metals, energy, and others managed by Investment Managers. Investments may include the direct purchase of commodities, purchase of derivatives linked to commodities, or the purchase of stock in companies whose business is focused on the production of commodities.

Intermediate Term Bond – Universe of intermediate duration fixed income strategies managed by Investment Managers in the total return, core or absolute return styles.

Nontraditional Bond – Universe of nontraditional fixed income strategies managed by Investment Managers that may invest in US investment-grade securities but have latitude to include fixed income securities outside of this universe, such as high yield, emerging market, and non-rated bonds; and also may meaningfully pursue risk-mitigating strategies via derivatives.

World Bond – Universe of fixed income strategies managed by Investment Managers in the global bond style.

High Yield Bond – Universe of fixed income strategies managed by Investment Managers in the high yield style.

Inflation-Protected Bond – Universe of fixed income strategies managed by Investment Managers seeking to provide a return in excess of price inflation.

Fixed Income – Universe of diversified fixed income strategies managed by Investment Managers using a large variety of fixed income styles.

Total Fund Universe – The InvestmentMetrics Universe includes the Total Return (net of investment management fees) of a large number of governmental pension plans with total assets greater than \$50 million but less than \$250 million.

Dated: November 2020