LONG TERM INVESTMENT POOL (LTIP) INVESTMENT POLICY STATEMENT

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I. OVERVIEW OF THE CU FOUNDATION’S INVESTMENT CATEGORIES

The Foundation maintains three main categories of investments differentiated by the source and purpose of the funds:

1. Long Term Investment Pool (LTIP) -- A pooled fund designed for endowed and similar long-term funds. This document sets forth the investment policies for the LTIP.

2. Short Term Investment Pool (STIP) -- A pooled fund designed for short-term, expendable funds that is governed by the separate Short Term Investment Pool (STIP) – Asset Allocation Policy.

3. Life Income Arrangements (LIA’s) -- Funds managed by the Foundation typically as trustee under express trusts created by written agreements. LIA’s are typically invested in mutual funds and are governed by a separate investment policy.

II. FINANCIAL GOALS OF THE LTIP

1. Provide a steady (and increasing) stream of funding for the University of...
Colorado.

2. Maintain the real (inflation-adjusted) purchasing power of the investment assets over time.

3. Develop an investment program which provides a high probability of achieving targeted risk adjusted returns.

III. INVESTMENT OBJECTIVES OF THE LTIP

1. Return Objective

   a. The LTIP seeks to attain an average annual total return in excess of a Policy Benchmark, net of investment management expenses, over a full market cycle period. The Policy Benchmark is a blend of 80% MSCI All Country World Index and 20% Barclays Capital U.S. Aggregate Bond Index.

   b. The Investment Policy Committee understands that in some periods the return will be less than the Policy Benchmark and in some periods it will be greater.

   c. The Investment Policy Committee has selected the Policy Benchmark based on several criteria. First, the Policy Benchmark is comprised of stable, widely referenced, and readily available indices. Second, the Policy Benchmark is expected, over the long-term, to exhibit a similar level of volatility, or standard deviation, as the LTIP, assuming (i) the LTIP’s investments in certain asset classes are consistent with the long-term targets for each asset class, and (ii) future long-term returns and correlations are consistent with historical returns and correlations. Accordingly, the Policy Benchmark should provide the committee with a fair representation of a proxy from which it can evaluate the LTIP’s long-term performance.

2. Risk Tolerance

   a. The LTIP seeks to attain a risk level (as measured by standard deviation over a rolling five-year period) at or below the Policy Benchmark. The LTIP is willing to have meaningful levels of illiquid assets within the overall portfolio in order to enhance the returns necessary to achieve investment goals and objectives.

   b. The Investment Policy Committee understands that in some periods the risk level will be greater than the Policy Benchmark, and in some periods it will be less.

3. Investment Constraints

   a. Time Horizon -- Although the LTIP has been established in perpetuity, the Investment Policy Committee has established a 20-year period of time as a
frame of reference for long-term strategic investment considerations.

b. Liquidity -- Spending levels and fees charged to the LTIP are determined by the Foundation’s Board of Directors. Liquidity must be sufficient to meet projected spending levels and fees charged and accommodate anticipated forward investment commitments.

c. Diversification -- The LTIP should be properly diversified to ensure that adverse or unexpected developments arising in one security or asset class will not have a significant detrimental impact on the entire portfolio. Assets will be diversified by asset class, geography, manager and security characteristics as determined by the LTIP Manager (the Foundation’s outsourced CIO, as determined from time to time).

d. Use of equity index or sovereign credit futures, options, currencies, commodities and related derivatives may be used by the LTIP Manager for the purposes of transaction facilitation or risk management. These instruments may not exceed 7.5% of the value of the LTIP for a maximum of 120 days without the written acknowledgement of both the Foundation’s CEO and the Investment Policy Committee Chair.

e. Concentrated Positions -- Any new commitment to a single manager of more than 5% of the LTIP asset value will require the written acknowledgement of the Investment Policy Committee Chair and the Foundation’s CEO prior to funding.

f. Leverage -- Leverage may be used only in portfolios managed by underlying investment managers or to bridge portfolio transitions.

g. Proprietary Investments -- The LTIP may invest in commingled vehicles of the Foundation’s LTIP Manager if they charge no additional management fees and are pass-through vehicles in terms of expenses. Investments in such commingled vehicles may not exceed 7.5% of the value of the LTIP upon entry into the vehicle.

h. Securities Lending -- A securities lending program may be implemented to provide additional income to the fund.

i. Laws and Regulations -- The LTIP will be managed in a way that is sensitive to spending policies determined by the Board of Directors as well as any spending requirement imposed by the IRS. It is intended that the Foundation will comply with applicable federal and state laws including the Colorado Uniform Prudent Management of Institutional Funds Act (C.R.S. Sections 15-1-1101, et seq., as amended
from time to time).

IV. PERFORMANCE REPORTING

1. Performance reports will be provided to the Committee by an independent outside consultant separate from the LTIP Manager. The reports will follow a standardized format, so that each report can be compared to previous periods. Reports will be provided at each meeting of the Investment Policy Committee.

2. At each regular meeting of the Investment Policy Committee, the LTIP Manager will provide a report on the LTIP’s investment performance. This performance will be inclusive of return and risk, and one of the risk factors to be considered is illiquidity.

3. On an annual basis, the LTIP Manager will provide schedules of the management and incentive fees paid to each underlying investment manager and an analysis of each underlying manager’s return over various periods as compared to whether those same funds had been passively invested in a correlated index fund, net of fees.

4. On an annual basis, the Investment Policy Committee will review the LTIP’s performance in relation to peer institutions.

V. INVESTMENT STRATEGIES OF THE LTIP

1. Individual asset classes have different return and risk characteristics, therefore making asset allocation decisions a primary consideration in formulating an investment strategy. The Investment Policy Committee believes that while certain potentially high-return asset classes may pose substantial individual risk, they still may be prudently held because of their ability to enhance returns while maintaining or reducing overall portfolio risk. The LTIP may use both active and passive management strategies.

2. The need to fund a mandated level of annual spending as well as preserving the purchasing power of the investment assets dictates an overall bias toward equity-like investments because of their historically higher total returns.

VI. PORTFOLIO REBALANCING

The LTIP Manager shall rebalance the portfolio’s asset classes and manager selections as it deems appropriate and within asset allocation guidelines set forth below.
VII. ASSET ALLOCATION

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long Term Target</th>
<th>Allowable Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Public Equities</td>
<td>45%</td>
<td>30% - 70%</td>
</tr>
<tr>
<td>Global Private Capital</td>
<td>25%</td>
<td>15% - 35%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>10%</td>
<td>5% - 20%</td>
</tr>
<tr>
<td>Fixed Income and Cash</td>
<td>5%</td>
<td>0% - 20%</td>
</tr>
<tr>
<td>Global Hedge Funds</td>
<td>15%</td>
<td>0% - 30%</td>
</tr>
</tbody>
</table>

VIII. MANAGER, CUSTODIAN, CONSULTANT AND LTIP MANAGER REVIEW PROCESS

In addition to ongoing risk-adjusted performance analysis, underlying investment manager contracts and fees will be monitored on an annual basis. Custodian and consultant contracts, fees and performance will be reviewed every five years, or more frequently as needed. The LTIP Manager will be evaluated every five years, or more frequently as needed, on the bases of long-term returns and risk in comparison to benchmarks and peers.

IX. INVESTMENT POLICY STATEMENT REVIEW PROCESS

The Investment Policy Statement may be altered or amended at any time by the Foundation’s Investment Policy Committee, but shall be formally reviewed at least annually by the committee to determine whether any modifications are necessary. The policy is subject to approval by the Foundation’s Board of Directors.

Responsibilities of the Investment Policy Committee are outlined in the committee’s charter.

X. POLICY OWNER AND DATES

<table>
<thead>
<tr>
<th>Policy Owner</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Owner</td>
<td>VP – CFO</td>
</tr>
<tr>
<td>Investment Policy Committee Review</td>
<td>July 31, 2019</td>
</tr>
<tr>
<td>Board of Directors Approval</td>
<td>August 16, 2019</td>
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