



**OFFICE OF THE ILLINOIS STATE TREASURER
MICHAEL W. FRERICHs**

**Investment Policy Statement for the Bright
Directions College Savings Program**

Effective July 18, 2025

State of Illinois
Office of the Treasurer
BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
INVESTMENT POLICY STATEMENT
Effective: July 18, 2025



1.0 Statement of Purpose of Investment Policy

The purpose of this Investment Policy Statement (the “Policy”) is to guide the Office of the Illinois State Treasurer (the “Treasurer”) and the contractors retained by the Treasurer who provide services related to the management of the assets held within the Illinois College Savings Pool (the “Pool”) that are contributed to the Bright Directions College Savings Program (the “Program” or “Bright Directions”). The Policy assists the Treasurer in evaluating the performance of such contractors by:

- Describing the Treasurer’s investment philosophy for the Program;
- Describing the Treasurer’s investment objectives for the Program;
- Describing the Treasurer’s long-term investment strategy;
- Specifying the responsibilities of any contractors providing investment management services for the Program;
- Providing a basis to evaluate the performance of such contractors;
- Providing investment parameters for the investment of assets of the Program; and
- Describing the Treasurer’s objective to include sustainability factors within the investment decision process.

This is the official Policy of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Treasurer.

2.0 Establishment and Authority of Entity

The Program was established as part of the Illinois College Savings Pool and is intended to qualify as a qualified tuition program in accordance with Section 529 of the Internal Revenue Code of 1986, as amended. The Program is sold through financial advisors and was established to complement the existing Bright Start College Savings Program by allowing families to utilize a financial advisor to assist them with investing for higher education expenses.

3.0 Participating Financial Institution

Accounts in the Program will be distributed through registered broker-dealers and financial institutions that have entered into a Selling Agent Agreement with the designated distributor for the Program. All new accounts in the Program will be processed through the designated participating financial institution.

4.0 Investment Philosophy

Bright Directions offers high quality investment products that allow participants, with the guidance of an advisor, to construct a college savings strategy that aligns with their unique risk and return characteristics. The Treasurer has adopted a long-term total return strategy for the Program and its investments. To achieve the Program's objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. This focus on long-term investment results, as well as prudent diversification across financial markets, will be the primary risk control mechanisms for the Program.

As part of its investment strategy, the Treasurer relies on current prevailing financial theory, which utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, to in turn reduce program risk. Diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, real assets etc.); (2) geography/country; (3) industry; (4) maturity; (5) credit quality; and (6) duration.

Contributions to the Program will be directed to one or more of the available Age-Based, Target, or Individual Portfolios ("the Portfolios"), each composed of a designated mix of investments or an individual investment fund. The determination of the investment parameters for each Portfolio shall be made by the Treasurer and shall take into account the financial characteristics of the Program's investments. The investment parameters will also give due consideration to the fact that the investment horizon for Program participants will vary from a few months to over 18 years.

The Treasurer will review the investment performance of each Portfolio at least quarterly and shall review this Policy at least annually.

The holdings of the Program and the Portfolios are divided into the following broad asset categories:

- A. Cash and Cash-Equivalents Investments;
- B. Domestic Fixed Income Investments;
- C. Global Fixed Income Investments;
- D. Real Estate Investments;
- E. Global Infrastructure Investments;
- F. Domestic Equity Investments; and
- G. International Equity Investments.

The Treasurer will establish reasonable guidelines for each Portfolio, specifying the applicable limits on asset and asset class exposures, risk constraints and investment return objectives. While the investment parameters offered under the Program are developed by the Treasurer, participants bear

the risk of investment results. Individual participants who seek investments materially different from those offered may wish to select an investment alternative outside of the Program.

Section 30 of the State Treasurer Act (15 ILCS 505/30) declares that it is the policy of the Treasurer to promote and encourage the use of businesses owned by, or under the control of, qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability (“MWVD Persons”), and sets forth the aspirational goal of directing 25% of the total dollar amount of funds under management, purchases of investment securities, and other contracts to businesses owned by, or under the control, of MWVD Persons. As such, consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will endeavor to identify and evaluate qualified investment managers that are more than 50% owned and/or managed by MWVD Persons.

Pursuant to the Illinois Sustainable Investing Act (30 ILCS 238/1 et seq.), the Treasurer shall prudently integrate sustainability factors into its investment decision making, investment analysis, portfolio construction, risk management, due diligence, and investment ownership. Sustainability integration is intended to assist the Treasurer with maximizing anticipated financial returns, minimizing projected risk, and more effectively executing his fiduciary duties, as sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and can be used to evaluate past performance and to plan future decision-making. As a complement to traditional financial analysis, an accounting of sustainability factors provides a more complete view of risks and value prospects that may materially impact an investment fund or portfolio company’s long-term value. Sustainability factors shall be integrated within a framework predicated on the following:

- A. **Materiality** – The Treasurer considers whether and to what extent a sustainability risk or opportunity exists that is reasonably likely to have a material impact on the financial condition or operating performance of a company, investment fund, or other investment vehicle.
- B. **Industry-Specific Information** – The Treasurer considers whether and to what extent the financially material sustainability risk or opportunity in question is relevant and applicable to individual industries.
- C. **Integration of Material Sustainability Factors** – The Treasurer prudently integrates material and relevant sustainability factors, including, but not limited to (1) corporate governance, financial incentives, and quality of leadership, (2) environmental factors, (3) social capital factors, (4) human capital, and (5) business model and innovation, as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership in externally managed investment programs.
- D. **Active Ownership** – The Treasurer attentively oversees investment holdings to address sustainability risks and opportunities through the exercise of proxy voting rights and direct engagement with entities, such as investment funds, portfolio companies, government bodies, and other organizations.

- E. **Regular Evaluation of Sustainability Factors** – The Treasurer performs a recurring annual evaluation, at a minimum, of sustainability factors to ensure the factors are relevant to the evolving marketplace.
- F. **Additional Relevant and Financially Material Factors** – The Treasurer considers other relevant factors, such as legal, regulatory, and reputational risks, that contribute to an optimal risk management framework and are necessary to protect and create long-term investment value.

5.0 Investment Objectives

The overall investment line-up for the Program and, as applicable, the Portfolios provided to the participants shall seek to achieve the following long-term investment objectives:

- A. A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section 8.0 hereof; and
- B. An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each individual with the ability to invest in a diversified portfolio to meet their investment goals.

6.0 Investment Responsibilities

The Treasurer is responsible for the investment policy statement, the direction of investments and administration of the assets of the Program. In order to properly carry out these responsibilities, the Treasurer may rely on one or more contractors to assist in the administration of the Program. The Treasurer will engage and plan to rely heavily on said contractor (the “Manager”) to execute program administrative services, as well as the contractor’s pertinent investment advisor, should they retain one, for certain investment management services.

Among the current responsibilities of the Manager is the implementation of the investment strategy outlined in this Policy and the rebalancing of the Age-Based and Target Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. The Manager’s investment advisor may also assist with portfolio design, due diligence and ongoing monitoring services with respect to the Portfolios and the implementation of the investment strategy outlined in this Policy. The Treasurer and the Manager shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

The Treasurer also plans to rely heavily on an external investment consultant (the “Consultant”) for investment advisory services. The Treasurer’s Consultant will:

- Measure investment performance results, evaluate the investment program, and advise the Treasurer as to the performance and continuing appropriateness of each investment manager;
- Recommend modifications to the investment policies, objectives, guidelines, or management structure as appropriate; and
- Promptly inform the Treasurer regarding significant matters pertaining to the investment program.

7.0 Investment Parameters

Contributions will be invested in one or more of the available Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Portfolio may allocate assets among domestic equity, international equity, real estate, global listed infrastructure, domestic fixed-income, global fixed-income and/or cash and cash-equivalents investments. The asset allocation of each Portfolio will be established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Portfolio and may change the underlying investment funds within the Portfolios consistent with this Policy.

The policy target asset allocations and benchmarks for the underlying investments within the Age-Based and Target Portfolios are shown in the following table. There is a permissible range of plus or minus 5% of the target allocation for each underlying investment fund.

8.0 Plan Options

Multi-Firm Age-Based and Target Portfolios

Age-Based Portfolios		Age of Beneficiary										
Aggressive Option		0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +		
Moderate Option			0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +	
Conservative Option				0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +
Target Portfolios		Equity Portfolio		Growth Portfolio		Balanced Portfolio						Fixed Income Portfolio
Asset Class	Benchmark											
Domestic Equity	S & P 500 Index	46.0%	42.0%	39.0%	34.0%	29.0%	24.0%	20.0%	16.0%	11.0%	6.0%	0.0%
	Russell 2000 Value	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	0.0%	0.0%	0.0%
	Russell 2500 Value	3.0%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	0.0%	0.0%
	Russell Mid Cap Growth	3.0%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	1.0%	0.0%
	Russell 2000 Growth	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	0.0%	0.0%	0.0%
Global Real Estate	FTSE EPRA/NAREIT Global	4.0%	3.5%	3.0%	3.0%	2.5%	2.5%	2.0%	1.0%	1.0%	1.0%	0.0%

Global Listed Infrastructure	FTSE Developed Core Infrastructure 50/50 Index	3.0%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	1.0%	0.0%	0.0%
International Equity	MSCI EAFE	12.1%	10.7%	9.1%	7.7%	6.7%	5.4%	4.0%	2.7%	1.7%	0.7%	0.0%
	MSCI ACWI ex-U.S.	12.1%	10.7%	9.1%	7.7%	6.7%	5.4%	4.0%	2.7%	1.7%	0.7%	0.0%
	MSCI World ex- U.S. Small Cap	5.0%	4.5%	3.8%	3.2%	2.8%	2.2%	1.7%	1.1%	0.7%	0.3%	0.0%
	MSCI Emerging Markets	6.8%	6.1%	5.1%	4.4%	3.8%	3.0%	2.3%	1.5%	1.0%	0.4%	0.0%
Domestic Fixed Income	Bloomberg Barclays U.S. Gov't/Credit 1-5yr	0.0%	0.0%	0.0%	0.0%	3.0%	5.5%	7.0%	11.0%	12.5%	11.0%	10.0%
	Bloomberg Barclays 1-3 Year U.S. Gov't/Credit Bond Index	0.0%	0.0%	0.0%	0.0%	3.0%	5.5%	7.0%	11.0%	12.5%	11.0%	10.0%
	Bloomberg Barclays U.S. Aggregate Bond	0.0%	5.0%	12.0%	18.0%	20.0%	23.0%	24.0%	27.0%	25.0%	25.0%	15.0%
	Bloomberg Barclays U.S. 0-5 Year TIPS Index	0.0%	3.0%	3.0%	4.0%	4.0%	4.0%	9.0%	11.0%	12.0%	14.0%	15.0%
	Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index	0.0%	1.0%	2.0%	3.0%	3.5%	4.0%	4.0%	3.0%	3.0%	2.0%	0.0%
	Credit Suisse Leveraged Loan Index	0.0%	0.0%	1.0%	2.0%	2.5%	3.0%	3.0%	2.0%	2.0%	1.0%	0.0%
Global Fixed Income	Bloomberg Barclays Global Aggregate Index (Hedged)	0.0%	0.5%	1.0%	2.0%	2.5%	3.0%	3.5%	3.0%	3.0%	2.0%	0.0%
	JPM Emerging Markets Bond Index Global Diversified	0.0%	0.5%	1.0%	1.0%	1.5%	2.0%	2.5%	2.0%	2.0%	1.0%	0.0%
Cash and Cash-Equivalents	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	23.0%	50.0%

Index Age-Based Portfolios

Age-Based Portfolios		<i>Age of Beneficiary</i>								
Moderate Option*		0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +
Asset Class	Benchmark									
Domestic Equity	Russell 3000 Index	52.0%	48.0%	42.0%	36.0%	30.0%	25.0%	20.0%	13.0%	7.0%
Global Real Estate	FTSE EPRA/NAREIT Developed Index	6.0%	5.0%	5.0%	4.0%	4.0%	3.0%	2.0%	2.0%	1.0%
International Equity	MSCI ACWI ex- U.S. IMI Index	32.0%	27.0%	23.0%	20.0%	16.0%	12.0%	8.0%	5.0%	2.0%
Domestic Fixed Income	BofA/Merrill Lynch – High Yield Master II Index	1.0%	3.0%	5.0%	6.0%	7.0%	7.0%	5.0%	5.0%	3.0%
	Bloomberg U.S. Universal 1-5 Year Index	0.0%	0.0%	0.0%	6.0%	11.0%	14.0%	22.0%	25.0%	22.0%
	Bloomberg U.S. Aggregate Bond Index	5.0%	12.0%	18.0%	20.0%	23.0%	24.0%	27.0%	25.0%	25.0%
	Bloomberg U.S. 0-5 Year TIPS Index	3.0%	3.0%	4.0%	4.0%	4.0%	9.0%	11.0%	12.0%	14.0%

Global Bonds	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)	0.5%	1.0%	2.0%	2.5%	3.0%	3.5%	3.0%	3.0%	2.0%
	Bloomberg USD Emerging Markets Government RIC Capped Index	0.5%	1.0%	1.0%	1.5%	2.0%	2.5%	2.0%	2.0%	1.0%
Cash and Cash-Equivalents	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	23.0%

* The Children Saving's Account program invested assets will automatically be invested into the Moderate Index Age-Based portfolio.

Blend Enrollment Year Portfolios

Enrollment Year Portfolios												
		2043/ 2044	2041/ 2042	2039/ 2040	2037/ 2038	2035/ 2036	2033/ 2034	2031/ 2032	2029/ 2030	2027/ 2028	2025/ 2026	Enrolled
Asset Class	Benchmark											
Domestic Equity	S & P 500 Index	44.0%	44.0%	42.0%	39.0%	34.0%	29.0%	24.0%	20.0%	16.0%	11.0%	6.0%
	Russell 2000 Value	2.5%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	0.0%	0.0%
	Russell 2500 Value	2.8%	2.8%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	0.0%
	Russell Mid Cap Growth	2.8%	2.8%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	1.0%
	Russell 2000 Growth	2.5%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	0.0%	0.0%
Global Real Estate	FTSE EPRA/NAREIT Global	3.8%	3.8%	3.5%	3.0%	3.0%	2.5%	2.5%	2.0%	1.0%	1.0%	1.0%
Global Listed Infrastructure	FTSE Developed Core Infrastructure 50/50 Index	2.8%	2.8%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	1.0%	0.0%
International Equity	MSCI EAFE	11.4%	11.4%	10.7%	9.1%	7.7%	6.7%	5.4%	4.0%	2.7%	1.7%	0.7%
	MSCI ACWI ex-U.S.	11.4%	11.4%	10.7%	9.1%	7.7%	6.7%	5.4%	4.0%	2.7%	1.7%	0.7%
	MSCI World ex- U.S. Small Cap	4.8%	4.8%	4.5%	3.8%	3.2%	2.8%	2.2%	1.7%	1.1%	0.7%	0.3%
	MSCI Emerging Markets	6.5%	6.5%	6.1%	5.1%	4.4%	3.8%	3.0%	2.3%	1.5%	1.0%	0.4%
Domestic Fixed Income	Bloomberg Barclays U.S. Gov't/Credit 1-5yr	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	5.5%	7.0%	11.0%	12.5%	11.0%
	Bloomberg Barclays 1-3 Year U.S. Gov't/Credit Bond Index	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	5.5%	7.0%	11.0%	12.5%	11.0%
	Bloomberg Barclays U.S. Aggregate Bond	2.6%	2.6%	5.0%	12.0%	18.0%	20.0%	23.0%	24.0%	27.0%	25.0%	25.0%
	Bloomberg Barclays U.S. 0-5 Year TIPS Index	1.5%	1.5%	3.0%	3.0%	4.0%	4.0%	4.0%	9.0%	11.0%	12.0%	14.0%
	Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index	0.5%	0.5%	1.0%	2.0%	3.0%	3.5%	4.0%	4.0%	3.0%	3.0%	2.0%
	Credit Suisse Leveraged Loan Index	0.0%	0.0%	0.0%	1.0%	2.0%	2.5%	3.0%	3.0%	2.0%	2.0%	1.0%
Global Fixed Income	Bloomberg Barclays Global Aggregate Index (Hedged)	0.3%	0.3%	0.5%	1.0%	2.0%	2.5%	3.0%	3.5%	3.0%	3.0%	2.0%

	JPM Emerging Markets Bond Index Global Diversified	0.3%	0.3%	0.5%	1.0%	1.0%	1.5%	2.0%	2.5%	2.0%	2.0%	1.0%
Cash and Cash-Equivalents	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	23.0%

Passive Enrollment Year Portfolios

Enrollment Year Portfolios												
		2043/ 2044	2041/ 2042	2039/ 2040	2037/ 2038	2035/ 2036	2033/ 2034	2031/ 2032	2029/ 2030	2027/ 2028	2025/ 2026	Enrolled
Asset Class	Benchmark											
Domestic Equity	Russell 3000 Index	54.5%	54.5%	52.0%	48.0%	42.0%	36.0%	30.0%	25.0%	20.0%	13.0%	7.0%
Global Real Estate	FTSE EPRA/NAREIT Developed Index	6.5%	6.5%	6.0%	5.0%	5.0%	4.0%	4.0%	3.0%	2.0%	2.0%	1.0%
International Equity	MSCI ACWI ex- U.S. IMI Index	34.0%	34.0%	32.0%	27.0%	23.0%	20.0%	16.0%	12.0%	8.0%	5.0%	2.0%
Domestic Fixed Income	BofA/Merrill Lynch – High Yield Master II Index	0.5%	0.5%	1.0%	3.0%	5.0%	6.0%	7.0%	7.0%	5.0%	5.0%	3.0%
	Bloomberg U.S. Universal 1-5 Year Index	0.0%	0.0%	0.0%	0.0%	0.0%	6.0%	11.0%	14.0%	22.0%	25.0%	22.0%
	Bloomberg U.S. Aggregate Bond Index	2.5%	2.5%	5.0%	12.0%	18.0%	20.0%	23.0%	24.0%	27.0%	25.0%	25.0%
	Bloomberg U.S. 0–5 Year TIPS Index	1.5%	1.5%	3.0%	3.0%	4.0%	4.0%	4.0%	9.0%	11.0%	12.0%	14.0%
Global Fixed Income	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)	0.3%	0.3%	0.5%	1.0%	2.0%	2.5%	3.0%	3.5%	3.0%	3.0%	2.0%
	Bloomberg USD Emerging Markets Government RIC Capped Index	0.3%	0.3%	0.5%	1.0%	1.0%	1.5%	2.0%	2.5%	2.0%	2.0%	1.0%
Cash and Cash-Equivalents	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	23.0%

Each underlying investment fund’s return objective is to equal or exceed the return of the applicable benchmark over a five-year rolling period. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each underlying investment fund is also expected to perform favorably relative to its peer group.

To the extent that the assets of a Portfolio are invested in one or more underlying investments approved by the Treasurer having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such underlying investment’s assets may not be entirely invested in the asset class in which such underlying investment fund has been placed.

Individual Fund Portfolios

Given participants in the Program open their Accounts through registered broker-dealers and other financial advisors, the Treasurer deems it appropriate to offer individual funds as separate Portfolios in the Program. The Individual Fund Portfolios and underlying investment funds the Treasurer selects will be described in the Program's current Program Disclosure Statement and may include the following asset classes:

Asset Class	Benchmark
Cash and Cash-Equivalents	3 Month T-Bill
Short Term Bond	Bloomberg Barclays U.S. Gov't/Credit 1-5yr Index, Bloomberg Barclays U.S. Gov't/Credit 1-3yr Index
Bank Loans	Credit Suisse Leveraged Loan Index
Intermediate Bond	Bloomberg Barclays U.S. Aggregate Bond Index
High Yield Bonds	Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index
Global Bonds	Bloomberg Barclays Global Aggregate (USD Hedged), JPM Emerging Markets Bond Index Global Diversified
U.S. Short Term TIPS	Bloomberg Barclays U.S. 0-5 Year TIPS Index
Balanced	Bloomberg Barclays U.S. Aggregate Bond Index; S&P 500; MSCI EAFE
Large-Cap Value	Russell 1000 Value Index
Large-Cap Growth	Russell 1000 Growth Index
Large-Cap Blend	Russell 1000 Index, S&P 500
Mid-Cap Value	Russell 2500 Value Index
Mid-Cap Growth	Russell Mid-Cap Growth Index
Small/Mid-Cap Blend	S&P Completion Index
Small-Cap Value	Russell 2000 Value Index
Small-Cap Growth	Russell 2000 Growth Index
Small-Cap Blend	Russell 2000 Index
Foreign Stock	MSCI ACWI ex U.S., MSCI EAFE, MSCI World ex U.S. Small Cap, and MSCI Emerging Markets
Sustainable Investment	Russell 1000 Growth, S&P 500
Real Estate	DJ Wilshire Real Estate Securities, FTSE EPRA/NAREIT Global
Global Listed Infrastructure	FTSE Develop Core Infrastructure 50/50 Index

In addition to the individual fund options described above, the Program offers a comprehensive line-up of passively managed Exchange Traded Funds ("ETFs") that provide low-cost exposure across asset classes.

9.0 Minority- and Woman-Owned Portfolios

The Program has included Woman- and Minority-Owned Portfolios for participants who would like to have a more diverse set of investment options as viable options become available. The woman- and minority-owned underlying investment funds utilized in the program shall be screened on the following

initial criteria: (1) firms with at least greater than 50% woman and/or racial minority ownership or (2) funds that have a woman and/or racial minority investment manager that makes the portfolio management decisions (*i.e.*, a minority-owned subadvisor), and (3) funds that delivered above median returns over a 3-year and/or 5-year time period. The woman- and minority-owned options provided in the program shall include relatively high scoring woman- and minority-owned investment managers representing a diverse set of asset classes.

Contributions will be invested in one or more of the available Portfolios, each composed of an individual investment fund, which is appropriate for the investment objective of the Portfolio. The Treasurer may change the underlying investment funds within specially designated portfolios, such as the woman- and minority-owned portfolios, consistent with this Policy.

The Treasurer may also add additional portfolios – for example, a veteran- or disabled-owned and/or managed portfolio – as new viable options become available.