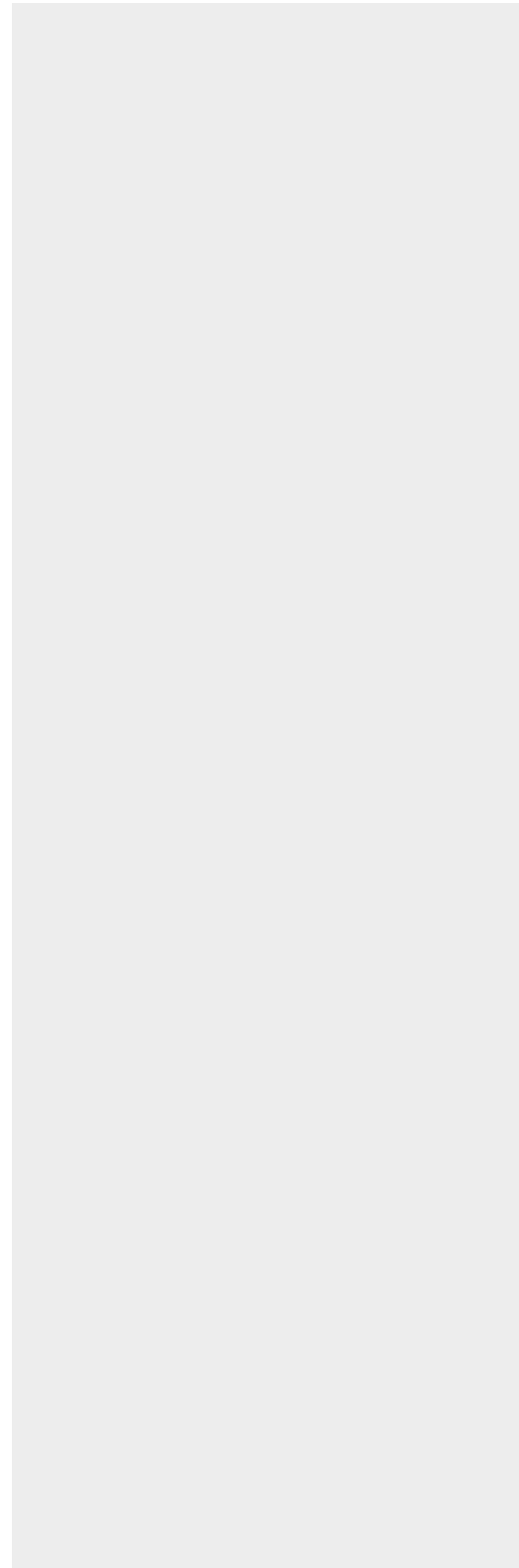


Bd. Min. 6



investment mandate. In addition, the University may utilize external managers to implement currency strategies to alter exposures in an active or passive manner as part of a portfolio or asset class overlay when deemed prudent to do so.

G. **A**

When any combination of market beta exposures (Public Equity, Sovereign Bonds, Commodities, etc.) are obtained through the use of derivative instruments, a portion of the cash underlying the notional exposures may be used to fund an Alpha Portfolio. At a total portfolio level, the objective of a Portable Alpha Program is to generate excess returns through alpha exposures which, in aggregate, are diversifying to the Retirement Plan overall. Overall management of the Portable Alpha Program is subject to the provisions of CRR 140.017 "Policy for Allowable Investments."

a. Sizing of Alpha Portfolio – Allowable Range

The allowable range of the portable alpha portfolio shall be 0-27% of the total Retirement Plan, which would represent total portfolio leverage of 100% to 127%. The current alpha portfolio target is 20%.

b. Minimum Cash Margin

The Retirement Plan shall maintain a 10% margin of safety in addition to the level of Cash Margin determined necessary to cover drawdowns across an average of the three worst modeled economic and market stress scenarios as defined by the greatest depletion of Cash Margin.

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