Policy 3-055: University of Utah Investment Policies and Procedures for the Endowment Pool

Revision 0. Effective date: November 20, 2025

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I. Purpose and Scope

A. Purpose.

1. The purpose of these Investment Policies and Procedures (these "Investment Policies") is to govern the management, investment and oversight of The University of Utah's (the "University") Endowment Pool (defined below).

2. The Endowment Pool of the University must at all times be invested in accordance with the Utah Code Title 51, Chapter 8, Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), including the standards for managing and investing an institutional fund set forth in UPMIFA Section 202. UPMIFA is the statute governing the management, investment and oversight of the University's Endowment Pool.

3. The purpose of the Endowment Pool is to accumulate assets sufficient to build capital for future use while annually using a percentage of the returns on those assets to assist in the support of current needs of the University. The strategic advantage of an endowment is that the investment horizon of the total portfolio is over multiple future generations, thereby enabling investment in long-term, sometimes volatile, and often illiquid assets, that offer greater returns over the long term, and the expectation that such investments can be held over multiple investment cycles of up and down markets without being forced to sell in disadvantageous market circumstances. The desire to utilize some of the returns on those investments on a regular basis means that the long-term horizon must be balanced to provide uninterrupted ability to pay out a portion of the returns to the University each year without resorting to liquidation of assets under disadvantageous circumstances.

4. The University shall seek to invest the Endowment Pool in accordance with prudent return and risk objectives and to benefit from its ability to take a longer view on investment horizons. The investment of the Endowment Pool will seek to achieve the maximum total rate of return (income and the appreciation of investments) over a long-time horizon, generally greater than 10 years. The returns should be targeted as high as reasonably possible to maximize the accumulated capital, but expected returns should exceed the rate of inflation (as measured by the Consumer Price Index) plus any spending and administrative expenses. This approach will allow the Endowment Pool to build capital and protect the purchasing power of the

assets while keeping the frequency and magnitude of temporary declines at acceptable levels.

5. The entire portfolio will be monitored, measured and reported on a regular monthly basis to focus on and measure the three (3) primary objectives of:

    a. Maximizing long-term risk adjusted returns;

    b. Ensuring the ability to pay out the portion of annual returns regularly determined to be appropriate, prudent and necessary by the University without necessitating the sale of assets at unfavorable prices; and

    c. Complying with the Asset Allocation Guidelines (defined below).

B. Scope.

1. Solely with respect to the management, investment and oversight of the Endowment Pool, these Investment Policies supersede and replace all other policies, procedures or guidelines, including Policy 3-050: University of Utah Investment Policies.

2. However, Policy 3-050: University of Utah Investment Policies shall continue to govern the management, investment, and oversight of the University's Institutional Funds other than the Endowment Pool ("Non-Endowment Funds"), unless and until the University's Board of Trustees (the "Board of Trustees") and the Utah Board of Higher Education ("Board of Higher Education") approves any successor or amended policy(ies) regarding the management, investment and oversight of the Non-Endowment Funds.

C. Regulations

1. These Investment Policies require compliance with, to the extent applicable: UPMIFA and (ii) the Utah Board of Higher Education Policy R541 — Management and Reporting of Institutional Investments (individually and collectively, the "Regulations").

2. The Endowment Pool is governed by the Regulations and these Investment Polices. In addition, Restricted Funds within the Endowment Pool are subject to, as applicable, the intent of the donor expressed in a gift instrument.

II. Definitions

The following definitions apply for the limited purposes of this policy and any associated regulations. Unless otherwise defined herein, capitalized terms shall have the meanings given in UPMIFA.

A. "Affiliate" shall mean, with respect to any person entity, any person, firm, business, corporation, limited liability company or other form of legal entity controlled by, under common control with, or controlling, such person or entity. For these purposes, "control" shall refer to (i) the possession, directly or indirectly, of the power to direct the management or policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise or (ii) the ownership, directly or indirectly, of at least 50% of the voting securities or other ownership interests of a person or entity.

B. "Endowment Pool" means that portion of the University's Institutional Funds consisting of (i) Restricted Funds and (ii) Quasi-Endowment Funds that are invested as part of the Endowment Pool.

C. "Foundation" means University of Utah Growth Capital Partners Foundation, a Utah nonprofit corporation organized and operated exclusively to receive, hold, invest and administer property and to make expenditures to or for the benefit of the University.

D. "Institutional Funds" means funds held by University exclusively for Charitable Purposes. Institutional Funds do not include: (i) Program-Related Assets; (ii) any fund held for an Institution by a trustee that is not an Institution; (iii) a fund in which a beneficiary that is not an Institution has an interest, other than an interest that could arise upon violation or failure of the purposes of the fund; or (iv) Operating Funds.

E. “Operating Funds” means money used for the general operation of University that is received by University from: (i) state appropriations; (ii) federal contracts; (iii) federal grants; (iv) private research grants; (v) tuition and fees collected from students, (vi) revenues from provision of health care items or services; and (vii) auxiliary enterprises revenues.

F. “Quasi-Endowment Funds” means those University funds functioning as endowments or designated by the University (or any component thereof) as an endowment fund for the University’s own use (e.g., funds that, subject to terms of applicable gift instruments, may be appropriated for expenditure or accumulated and invested or reinvested as the University determines to be prudent in accordance with UPMIFA Part 3). Quasi-Endowment Funds may not arise from Operating Funds.

G. “Restricted Funds” means funds within the Endowment Pool, or any part of the Endowment Pool, not wholly expendable by the University on a current basis under the terms of a gift instrument. Restricted Funds do not include assets of the University (or any component thereof) designated by the University (or any component thereof) as an endowment fund for its own use.

III. Policy

A. Roles and Responsibilities

1. Board of Trustees

a. Subject to any restrictions or limitations set forth in the Regulations or other applicable law, the Board of Trustees shall have full, complete, plenary and exclusive authority, power and discretion to manage and control the management and investment of the Endowment Pool, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incidental to the management and investment of the Endowment Pool.

b. The Board of Trustees has the ultimate responsibility for the Endowment Pool. To fulfill its responsibilities the Board of Trustees will:

   i. review and approve these Investment Policies and approve modifications as appropriate (subject to Section III.D.1 below);

   ii. review and approve the Asset Allocation Guidelines and approve modifications as appropriate (subject to Section III.D.2 below);

   iii. review and approve the monthly and quarterly investment performance reports of the Endowment Pool that are submitted to the Board of Trustees;

   iv. coordinate with the President to ensure appropriate governance is in place and effectively implemented;

   v. instruct the President to make such changes that they deem necessary to ensure compliance with policies and proper oversight.

2. President

   a. Subject in all instances to the direction and oversight of the Board of Trustees and any restrictions or limitations expressed, implied or otherwise inherent in any operating or capital budgets, strategic or business plans or similar guidance adopted or approved by the Board of Trustees, the President shall be responsible for and have overall operating responsibility for the Endowment Pool, reporting to the Board of Trustees.

   b. The President shall appoint a senior officer of the University (the "Designated Official") to be the primary day to day contact at the University regarding Endowment Pool matters, and to monitor compliance with these Investment Policies, including taking or performing the actions required by Section III.A.5.a below; provided, however, that the President shall have the right, in his or her sole discretion, to allocate or re-allocate duties and responsibilities assigned by these Investment Policies to the

Designated Official to one (1) or more other senior officers of the University.

c. The President shall determine the spending rate (appropriation for expenditure) of the Endowment Pool. Income available for spending (appropriation for expenditure) will be determined by a total return system. The amount available for expenditure in the coming fiscal year will be calculated as of each December 31st. The calculation will be based on a specified percentage of a 12-quarter rolling average of the market value of the Endowment Pool (the “Asset Base”), which percentage shall require approval of the President; provided, however, that any appropriation for expenditure in any year of an amount greater than seven percent (7.0%) of the Asset Base shall require approval of the Board of Trustees. The resulting amount will be distributed quarterly to the University over the next year or otherwise as directed by the President.

d. The President shall be responsible for overseeing the management and investment of the Endowment Pool.

e. The President shall be responsible for and have the sole power to direct the Foundation relative to its oversight of the management and investment of the Endowment Pool in accordance with the Endowment Custodial Agreement between the University and the Foundation.

f. The President shall be responsible for and have the sole power to recommend that the Board of Trustees consider and approve modifications to the Asset Allocation Guidelines, subject to the process described in Section III.D.2. below.

g. The President will nominate the members of the Investment Advisory Committee in accordance with Section III.A.4 below, subject to confirmation by the Board of Directors of the Foundation.

h. The President will appoint or approve of one or more qualified custodians to hold and maintain custody of the Endowment Pool assets or securities.

3. Foundation and Outsourced Chief Investment Office

a. The Board of Trustees has appointed the Foundation to oversee the management of the Endowment Pool. It has tasked the Foundation with the responsibility to select and contract with an Outsourced Chief Investment Office (the "OCIO") to manage the Endowment Pool. The OCIO has full investment discretion over the Endowment Pool assets, subject to (i) these Investment Policies and (ii) the Asset Allocation Guidelines, in each case as approved from time to time by the Board of Trustees and the Board of Higher Education. Neither the Foundation nor the OCIO has the authority to alter these Investment Policies or the Asset Allocation Guidelines. Their responsibility is to select managers in asset classes in conformity with those guidelines, to supervise, monitor and hold accountable such managers, and to make changes as necessary to keep asset allocations within the guidelines.

b. As markets change it is possible that asset values in a particular category may increase or decrease, causing the allocation to move outside of the permissible range set forth in the Asset Allocation Guidelines. If that happens, the Foundation and the OCIO will take whatever steps are necessary to bring it back within the permissible range within a reasonable time frame, taking into account portfolio characteristics, cash flows and risks, changing market conditions, University circumstances or other factors.

c. The Foundation will establish a system of internal controls, which shall be evaluated annually by its independent auditors. The controls will be designed to prevent losses of funds from fraud, employee error or misrepresentation by third parties or employees of the Foundation.

4. Investment Advisory Committee

a. The Investment Advisory Committee shall have the responsibility to confirm that Endowment Pool assets have been invested and allocated within the parameters set forth in the Asset Allocation Guidelines.

b. The Investment Advisory Committee shall meet quarterly with the Foundation and the OCIO hired to manage and invest Endowment Pool funds, as well as invited University personnel. They shall confirm that the assets have been invested in accordance with these Investment Policies.

c. In addition, the Investment Advisory Committee or an ad hoc subcommittee of not less than three (3) members thereof designated from time to time by the Chief Executive Officer ("CEO") of the Foundation in consultation with the Designated Official, shall review and approve any investment or reinvestment in any OCIO Fund submitted by the OCIO to the Foundation for approval. As used herein, "OCIO Fund" means any fund or pooled investment vehicle which (i) is sponsored and/or managed by OCIO or any of its Affiliates or (ii) is or will be obligated to pay, directly or indirectly, management, monitoring, incentive or other fees or compensation to OCIO or any of its Affiliates.

d. The President, the Designated Official, the Foundation and the OCIO may from time to time solicit the Investment Advisory Committee's views on the market, on specific investments, on investment categories or the Asset Allocation Guidelines. In addition, the Investment Advisory Committee may provide any advice, suggestions or guidance that they think appropriate to the Foundation and the OCIO.

e. The Investment Advisory Committee shall consist of not less than four (4) nor more than seven (7) members, the actual number of which shall be determined from time to time by the President of the University. Each member of the Investment Advisory Committee will be eligible to serve up to three (3) terms of two (2) years each. However, the President can make exceptions for additional terms by notifying the Board of Trustees of his or her intent and the reasons. The terms of the members of the

Investment Advisory Committee shall be staggered to the extent possible. The members of the Investment Advisory Committee should have significant investment experience and knowledge. At least two (2) of the members shall be independent investment management professionals.

f. The President of the University shall nominate the members of the Investment Advisory Committee, subject to the following requirements and confirmation by the Board of Directors of the Foundation:

   i. A senior officer of the University (which will normally be the Designated Official, unless determined otherwise by the President) shall be a member of the Investment Advisory Committee, and such individual shall serve as a Co-Chair of the Investment Advisory Committee.

   ii. The CEO of the Foundation shall be a member of the Investment Advisory Committee and shall serve as a Co-Chair of the Investment Advisory Committee.

   iii. If the Board of Trustees decides that it is appropriate, it shall have the right, but not the obligation, to appoint up to two (2) of its members to the Investment Advisory Committee, provided that no more than two (2) trustees (whether appointed by the Board of Trustees or nominated by the President) may serve on the Investment Advisory Committee at any time. These members need not be nominated by the President nor approved by the Board of Directors of the Foundation. The Board of Trustees shall be informed in advance of the date and time of all Investment Advisory Committee meetings and members of the Board of Trustees may attend any such meetings.

g. Any member of the Investment Advisory Committee — other than the CEO of the Foundation and members appointed by the Board of Trustees — may be removed during his or her term of office, without cause, by the President of the University.

h. The Co-Chairs shall:

i. have the right and authority to convene and to adjourn meetings of the Investment Advisory Committee, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such Chairs, are appropriate for the proper conduct of such meetings;

ii. coordinate the oversight of the Endowment Pool with the Foundation;

iii. be involved in the review with the Foundation and the Investment Advisory Committee (or ad hoc subcommittee thereof) the desirability of any investment in a fund for which the OCIO, or an affiliate, acts as the general partner, to which the OCIO has proposed a commitment of Endowment Pool funds, and for which the Endowment Pool would be charged a management or other fee;

iv. upon request, review with the Foundation the potential adverse impact to the University of any investment proposed by the OCIO; and

v. perform such other duties as may be prescribed from time to time by the President of the University, which may include any of the duties or responsibilities specified in Section III.E.5.a below.

5. Administrative Officers

a. Designated Official. The Designated Official shall be a senior officer of the University appointed by the President. The Designated Official shall be the primary day to day contact at the University regarding the Endowment Pool matters and shall oversee compliance with these Investment Policies, including taking or performing the following actions:

i. coordinating the oversight of the Endowment Pool with the Foundation and serving as one of the Co-Chairs of the Investment Advisory Committee;

ii. ensuring that all reports are received by the University on or before the required dates and include the information required by these Investment Policies, the Regulations and by Utah law.

b. Public Treasurer. Any University official appointed by the Board of Trustees to serve as “public treasurer” (as defined in the State Money Management Act) shall have no power, authority, investment discretion or duties or responsibilities of any kind or nature with respect to the Endowment Pool, inasmuch as the Endowment Pool is exempt from the provisions of the State Money Management Act. See, Utah Code § 51-7-2(1)(e).

B. Reporting

1. The Foundation shall provide the University periodic reports, on the schedule set forth below, that contain information (“Information”) in connection with its management of the Endowment Pool. The Foundation shall also provide interim reports that the University may request containing such Information or portions thereof as the University may reasonably request. Information may include total cumulative assets under management; activity in the Endowment Pool and performance of the investments, including capital gains and losses, dividends and interest earned or paid; the purchase and sale of assets during the period; payment of management fees; any change of the OCIO; and/or the amount of distributions to the University from the Endowment Pool.

2. The Foundation shall submit monthly Information reports to the Secretary of the Board of Trustees within 45 days of the end of each month, and the Secretary shall place the reports on the agenda for the next regular meeting of the Board of Trustees.

3. The Foundation shall submit quarterly Information reports to the Secretary of the Board of Trustees within 60 days of the end of each quarter, and the Secretary shall place the reports on the agenda for next regular meeting of the Board of Trustees.

4. The monthly and quarterly Information reports to the Board of Trustees shall include a letter of transmittal from the CEO of the Foundation confirming his/her view that the Endowment Pool is in compliance with UPMIFA.
5. The University's Board of Trustees shall vote to approve both the monthly and the quarterly Information reports.
6. Within 30 days of any vote to approve a monthly or quarterly Information report, the Secretary of the Board of Trustees shall submit a copy of these reports to the Board of Higher Education accompanied by a transmittal letter confirming that they have been reviewed by the President and that the Board of Trustees has voted to approve them.
7. Annually, the Foundation and OCIO shall make a presentation to the Board of Trustees. Such presentation shall include a discussion of the investments and the current and past performance of the Endowment Pool, and may be followed up with a question and answer period.
8. Annually, the Foundation shall provide to the University a summary report of all the investments of the Endowment Pool for the year, utilizing the forms specified by the Board of Higher Education. The University will use this report to incorporate into the overall University report to comply with its obligation to present such a report annually. Draft reports shall be submitted by the Foundation to the University not later than October 15 of each year.
9. Annually, the University shall have an audit performed of its Endowment Pool investment portfolio if and to the extent required by the Regulations. The completed audit report is due to the Board of Higher Education Audit Director no later than January 15.
10. The Foundation and OCIO will also be available and provide the needed information to the auditors performing the overall audit of the University.

11. Draft reports shall be submitted to the Office of the Commissioner of Higher Education not later than October 15 of each year. Final reports including the auditor's opinion shall be submitted not later than November 30 of each year.

C. Conflicts of Interest

1. The officers, directors, trustees, and employees, of the University, the Foundation, and the OCIO, and members of the Investment Advisory Committee that are involved with the investment of the Endowment Pool, have a duty to be free of conflicting interests that might influence their decisions when representing the University, the Foundation or the OCIO. A conflict of interest occurs when an individual's private interests interfere in any way — or even appear to interfere — with the interests of the Endowment Pool. A conflict of interest can arise when any of the persons mentioned above takes actions or has interests that may make it difficult to perform his or her assigned duties objectively and effectively, or when such a person or a member of his or her family receives any improper personal benefits as a result of his or her position with respect to the Endowment Pool. Any of the persons mentioned above who believes that he or she may have a potential conflict of interest must immediately report concerns to the CEO of the Foundation who must immediately consult with the board of the Foundation to determine appropriate actions. This general prohibition on conflicts of interest includes dealings of all persons mentioned above with investment consultants, investment firm(s), investment fund(s), and others shall be based solely on what is in the best interest of the Endowment Pool, without favor or preference to any third party, including close relatives. Similarly, all persons mentioned above who deal with or influence decisions of individuals or organizations seeking to do business regarding the Endowment Pool shall not own interests in or have other personal stakes in such organizations that might affect the decision-making process and/or the objectivity of such employee, unless expressly authorized in writing by the

board of the Foundation, and only after the interest or personal stake has been disclosed.

D. Changes to Investment Policies; Changes to Asset Allocation Guidelines

1. These Investment Policies may only be changed by vote of the Board of Trustees and the ratification or approval by the Board of Higher Education. Changes to these Investment Policies may be proposed by the President, the Co-Chairs of the Investment Advisory Committee, or the Designated Official. Any such proposed change must be first presented to the Investment Advisory Committee, to get its view on the proposed change. It must then be presented to the University President, with the opinion of the Investment Advisory Committee. The President will decide whether to submit the proposed changes to the Board of Trustees. This in no way limits the ability of a member of the Board of Trustees to propose such a change independently of the President. Any proposed change that is presented to the Board of Trustees, must be submitted with the view of the Investment Advisory Committee. The Board of Trustees will vote to approve or disapprove. If the Board of Trustees approves, then it must be presented to the Board of Higher Education for approval. At that point, the new or revised Investment Policies will be adopted and implemented.

2. The Asset Allocation Guidelines may only be changed by vote of the Board of Trustees and the ratification or approval by the Board of Higher Education. Changes to the Asset Allocation Guidelines may be proposed by the President, the Co-Chairs of the Investment Advisory Committee, or the Designated Official. Any such proposed change must be first presented to the Investment Advisory Committee, to get its view on the proposed change. It must then be presented to the University President, with the opinion of the Investment Advisory Committee. The President will decide whether to submit the proposed changes to the Board of Trustees. This in no way limits the ability of a member of the Board of Trustees to propose such a change independently of the President. Any proposed change that is presented to

the Board of Trustees, must be submitted with the view of the Investment Advisory Committee. The Board of Trustees will vote to approve or disapprove. If the Board of Trustees approves, then it must be presented to the Board of Higher Education for approval. At that point, the new or revised Asset Allocation Guidelines will be adopted and implemented.

Sections IV- VII are for user information and are not subject to the approval of the Academic Senate or the Board of Trustees. The Institutional Policy Committee, the Policy Owner, or the Policy Officer may update these sections at any time.

IV. Policies/ Rules, Procedures, Guidelines, Forms and other Related Resources

A. Policies/ Rules

B. Procedures, Guidelines, and Forms.

1. University of Utah Endowment Pool – Asset Allocation Guidelines

C. Other Related Resources. [*reserved*]

V. References

A. Utah Code Title 51, Chapter 7, State Money Management Act

B. Utah Code Title 51, Chapter 8, Uniform Prudent Management of Institutional Funds Act (UPMIFA)

C. Utah Code Section 53H-3-303

D. Utah Board of Higher Education Policy R541: Management and Reporting of Institutional Investments

VI. Contacts

The designated contact officials for this regulation are:

A. Policy Owner(s) (primary contact person for questions and advice): Chief Financial Officer

B. Policy Officer(s): Chief Financial Officer

See Rule 1-001 for information about the roles and authority of policy owners and policy officers.

VII. History

Revision History.

A. Current version. Revision 0.

1. Approved by the Board of Trustees on September 9, 2025, and Utah Board of Higher Education on November 20, 2025 with effective date of November 20, 2025.
2. Legislative History
3. Editorial Revisions

B. Previous versions.

C. Renumbering

1. Prior to the effective date of this policy, the management of the endowment was established in Policy 3-050.