UNIVERSITY OF NEW ORLEANS FOUNDATION

INVESTMENT

AND

ENDOWMENT ANNUAL SPENDING ALLOCATION

POLICY

Adopted April 17, 2014
Effective January 1, 2014
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I. PURPOSE

The University of New Orleans Foundation's ("UNO Foundation") primary purpose is supporting the University of New Orleans (the "University") and its mission. The UNO Foundation promotes the well-being and advancement of the University of New Orleans and all the University's colleges, schools, departments and divisions.

The UNO Foundation's focus is in the key areas of financial and support services, property management and program support, endowment and gift management. The UNO Foundation serves as the primary recipient of private donations and contributions to endowment funds which are held, invested and expended in support of University programs.

This Investment and Endowment Annual Spending Allocation Policy (the "Policy") provides guidelines for the Foundation staff, investment management consultants and managers under the overall supervision of the UNO Foundation Board Investment Committee (the "Investment Committee").

II. GENERAL PRINCIPLES

This Policy sets forth policies and procedures that shall guide the Investment Committee and any of its delegates in supervising, implementing, evaluating and monitoring the investable assets of the Foundation. The following general principles shall apply:

(1) Investments of the Foundation shall be diversified unless the Investment Committee, or its lawful delegate(s), after appropriate deliberation, reasonably determines that because of special circumstances the purposes of the Foundation are better served without diversification.

(2) The Foundation shall be managed in accordance with the high standards of fiduciary duty and in compliance with applicable laws and regulations.

(3) Standards for rates of return, asset allocation, and diversification shall be determined primarily using a strategic (three to five year) perspective.

III. COMPOSITION OF THE INVESTMENT COMMITTEE

The Investment Committee will be responsible for overseeing the investment of the Foundation's assets. The Committee will consist of a Chair, members appointed by the Board of Directors, the President of the UNO Foundation and the appropriate financial accounting personnel.

IV. DELEGATION OF RESPONSIBILITIES

The Investment Committee (the "Committee") is responsible for developing the Foundation's Investment and Endowment Annual Spending Allocation Policy (the "Policy"), selecting investment advisors including the investment manager(s) ("Managers"), investment management consultants ("Consultants") who recommend Managers, advise on other matters, and monitor and evaluate investment performance results and analyzing performance against benchmarks
selected by the Investment Committee and other professionals (the "Investment Advisor").

At least annually, the Investment Committee shall review this policy to ensure that the policies contained herein remain current and appropriate.

Subject to specific legal limitations or other restrictions in a gift instrument, the Investment Committee may hire and prudently delegate to Advisors the management of some or all of the UNO Foundation’s assets. The Investment Committee will act in good faith, with the care that an ordinary prudent person in a like position would exercise under similar circumstances in:

1. Selecting Investment Advisors.
2. Establishing the scope and terms of the delegation, consistent with the purposes, goals, and mission of the UNO Foundation.
3. Periodically reviewing the Investment Advisor’s actions in order to monitor the Advisor’s performance and compliance with the scope and terms of any delegated activities.

The Investment Committee shall engage qualified external professional Investment Advisors that have demonstrated competence in their respective areas of expertise. The Investment Advisor shall have full discretion and authority for determining the investment strategy, security selection, and timing of purchases and sales of assets subject to applicable laws, regulations and the provisions of this Policy. The Investment Advisor shall comply with the terms of this Policy, provide timely reporting of results to the UNO Foundation or its Investment Management Consultant, inform the UNO Foundation or its Investment Management Consultant of any significant changes in the ownership, organizational structure, financial condition, or senior staffing of the Manager’s firm, and meet with Investment Committee as requested. Also, the Investor Advisor shall vote any and all proxies solicited in connection with securities held in the UNO Foundation’s portfolio, keep accurate records or proxies voted and report voting as requested by the UNO Foundation and attempt to avoid investments in any company whose principal business, activity, name or products might cause embarrassment or public discredit to the UNO Foundation.

V. DEFINITIONS

A. Unrestricted Funds – funds not restricted by donors and available for operating purposes.

B. Restricted and Reserve Funds – funds restricted by donors or the UNOF Board of Directors (“Board”) for programmatic purposes that may be expended and funds designated as reserves.

C. Endowment Funds - funds designated by the terms of gifts or board actions specifying that the principal of the fund(s) may not be violated and that only the earnings on the principal balance may be expended.
1) General Endowments are endowments that are not matched under the Louisiana Board of Regents ("Regents") Eminent Scholars Program.

2) Regents Matching Funds ("RMF") are funds provided by the Regents under its Endowed Chair, Endowed Professorship and Endowed Scholarship Programs ("BOR Programs") to the University of New Orleans ("University") to match private donations (on a 40% matching to 60% donation basis) and managed by UNO Foundation under the University-Foundation Funds Management Agreement. BOR Program Endowments are those funds that include private donations and the RMFs.

3) Allowable Spending Rate is the percentage determined by its Investment Committee and approved by the Board that is multiplied times the Average Market Value defined in 4. below to determine the Allowable Spending Allocation for the academic year. The Allowable Spending Rate will remain fixed until changed by the Investment Committee and approved by the Board. Any change in the Allowable Spending Rate or the length of time for which such change will be in effect will be determined by the Investment Committee, subject to the approval of the Board. Currently, the Allowable Spending Rate is 4.0%.

4) Average Market Value of the Endowment is the average fair market value of the Endowments at the end of each of the past 12 quarters separately computed for both the General Endowment the BOR Program.

5) Allowable Spending Allocation is the dollar amount determined by multiplying the Allowable Spending Rate by the Average Market Value of the Endowment.

VI. CASH MANAGEMENT AND FUNDS AVAILABLE TO INVEST

A. The UNO Foundation shall maintain operating cash sufficient to operate on a day-to-day basis. Operating cash should be placed in accounts that generate income and minimize expenses to the extent practical. Cash deemed excess by the UNO Foundation President should be invested pursuant to this policy.

B. Restricted and Reserve Funds in excess of operating cash provide funds for capital expenditures and liquidity for the UNO Foundation account holders. Such funds and funds designated as endowments but not yet matched under the BOR Programs should be invested by the UNO Foundation staff for durations that correspond to programmatic cash flow requirements as determined by the UNO Foundation President. Balances in Restricted and Reserve Funds may be expended as programmatic requirements dictate and in accordance with the terms of the gift or other agreement.

Income from investment of Restricted and Reserve Balances and funds designated as endowments but not yet matched under the BOR Programs will be retained by the UNO Foundation to support general
operations.

C. Endowment Funds should be invested as long term assets for capital maintenance, growth, and programmatic spending goals consistent with the terms of the gift.

VII. ANNUAL SPENDING ALLOCATION POLICY

A. Restricted and Reserve Funds
   a. Balances in Restricted and Reserve Funds may be expended as programmatic requirements dictate and in accordance with the terms of the gift or other agreement.
   b. Income from investment of Restricted and Reserve Balances and funds designated as endowments but not yet matched under the BOR Programs will be retained by the UNO Foundation to support general operations.

B. Endowment Funds
   The policy of annual allocations of endowment funds is designed to:
   1. maintain the endowment principal intact
   2. protect the endowment assets that support University programs from depletion
   3. provide for the preservation of purchasing power, and
   4. to provide a predictable stream of revenue for University programs and departments funded by endowments.

1. General Endowments
   a. The Investment Committee will annually review the Allowable Spending Rate for General Endowments under its management for the University’s upcoming July 1-June 30 fiscal year provided such allocations do not invade the endowment corpus. The University may elect to supplement the endowment allocation from its funds at its discretion to achieve its academic objectives.

   b. The Allowable Spending Rate will be applied to a General Endowment's Average Market Value to determine the Allowable Spending Allocation for the following fiscal year.

   c. Management Fees for General Endowments will be assessed by the Foundation at 1.25% of the current market value of the endowments (assessed quarterly at the end of a quarter). Expenses of the portfolio management will be charged to the endowment fund. The percentage of Management Fees charged and the assets on which Management Fees are charged shall be determined by the Investment Committee and approved by the Board of Directors.

   d. Allowable Spending Allocation calculations will be made during March of each year and communicated to the University by March 31 to permit planning for the next University fiscal year.

*Example:
General Endowments Allowable Spending Rate Calculation:
Allowable Spending Rate 4.00%

General Endowments Allowable Spending Allocation:
Allowable Spending Rate X Average Market Value = Allowable Spending Allocation

Average Market Value of Endowment: $1,000,000 x 4.0% = $40,000 Allowable Spending Allocation

2. BOR Programs Endowments

a) The Investment Committee will annually approve an Allowable Spending Rate for BOR Program Endowments under its management for the University's upcoming July 1- June 30 Fiscal Year. The Allowable Spending Rate and the Annual Spending Allocation will be computed in the same manner as the General Endowment set forth above in B. 1 unless otherwise set forth in the Board of Regents Endowed Chair and Endowed Professorship Programs Statement of Investment Policy and Objectives (see below*)

The University may elect to establish a fixed annual spending allocation or to supplement the endowment allocation from its funds at its discretion to achieve its academic objectives.

b) Management Fees for BOR Program Endowments will be assessed by the Foundation at 1.25% of the current market value of the endowments (assessed quarterly at the end of a quarter). Expenses of the portfolio management will be charged to the endowment fund. The percentage of Management Fees charged and the assets on which Management Fees are charged shall be determined by the Investment Committee and approved by the Board of Directors, unless otherwise set forth in the Board of Regents Endowed Chair and Endowed Professorship Programs Statement of Investment Policy and Objectives.

c) Allowable Spending Allocation will be made during March of each year and communicated to the University by March 31 to permit planning for the next University fiscal year. In no case shall the Allowable Spending Allocation result in an invasion of the corpus of the endowment.

*Annual spending must be determined by each Participant in accordance with UPMIFA. However, the market value of each endowment at the end of the most recent fiscal trust fund year must exceed the original corpus of the endowment by an amount at least equal to the amount to be spent in the next fiscal trust fund year for which a spending allocation is to be made. When the current market value of each endowment is below the original corpus of that endowment, no spending is allowed. The amount of annual spending allowed for the Endowed Scholarship may be divided among multiple recipients, provided that each student receives at least $1,000 per year at 4 year institutions or at least $500 per year at two-year
institutions. Also in accordance with UPMIFA, Participants may assess an appropriate usual and customary fee on Program Assets.

BOR Program Endowment Allowable Spending Allocation:

Allowable Spending Rate (4.0%) \times \text{Average Market Value ($1.0 million)} = \text{Allowable Spending Allocation}

4.0\% \times 1,000,000 \times 4.0\% = $40,000 \text{ Allowable Spending Allocation}

VIII. INVESTMENT GOALS

A. Restricted and Reserve Funds

The investment goal for Restricted and Reserve Funds is to achieve the maximum feasible market return considering the liquidity needs of the UNO Foundation and the programmatic spending purposes of the restricted accounts. Investments should be laddered to ensure that funds will be available when needed without the necessity of prematurely liquidating fund assets to meet short term cash requirements.

B. Endowment funds

1. General Investment Goals:

The primary investment goal is to preserve the value and enhance the purchasing power of the UNO Foundation’s assets and provide a predictable stream of revenue for University programs and departments funded by endowments. Accordingly, the UNO Foundation seeks a long-term rate of return on investments that will grow its assets by an amount sufficient to offset inflation, support required spending and cover fees and expenses while maintaining sufficient liquidity to meet obligations arising from planned activities. A secondary objective is to outperform, over a rolling three-year period, a policy benchmark which is defined later in this Policy.

2. Specific Investment Objective for Endowment Funds

The specific investment objective of the UNO Foundation for its endowment funds is to achieve, at a minimum, a real (inflation adjusted) total return that equals or exceeds expenses, inflation and the Allowable Endowment Spending Rate. Endowment funds controlled by the UNO Foundation will be invested to earn a target rate of return as defined herein. Endowment funds that are the result of match under the Board of Regents Eminent Scholars Program will be managed accordance with the Board of Regents Endowed Chair and Endowed Professorship Programs Statement of Investment Policy and Objectives.

Target Rate of Return for Endowment Funds:

- Preservation of Capital-Inflation Adjustment (per Northern Trust assumption page) 2.80 %
- Programmatic Spending (currently 4.0%) 4.20 %
Management Fees (UNO Foundation 1.25% and 3rd Parties 0.75%) 2.00 %
Target Rate of Return 9.00%

IX. INVESTMENT GUIDELINES

A. Asset Allocation & Investment Policy

The single most important investment decision is the allocation of investable assets to various asset classes. The primary purpose of the UNO Foundation’s asset allocation policy is to provide a mix of asset classes which produces the highest expected investment return within a prudent risk framework that meets the long term goals and objectives of the UNO Foundation. Each asset class should not be considered alone but in the context of the overall structure of the portfolio. Diversification among asset classes has historically reduced the volatility of asset value.

B. General Asset Allocation Structure

The basic framework for developing the asset allocation mix for the UNO Foundation is to consider the universe of investments categorized as either risk assets or risk control assets. Risk assets are generally the primary source of portfolio return but tend to see their diversification benefits diminish (as a result of rising correlations) during stressed capital market environments. As a result of their lower and more stable correlations (even in stressed capital market conditions), risk control assets provide a dependable diversification benefit during all market environments. By optimizing and controlling the overall mix between risk assets and risk control assets, a more stable portfolio value results — especially during stressed capital market environments. Following is a review of the risk assets and risk control asset segments approved for use in portfolio construction. With the exception of the alternative investment class, all assets selected for the portfolio must have a readily ascertainable market value and must be readily marketable.

C. Endowment Fund Asset Allocation

1) The UNO Foundation shall invest the Endowment Fund Assets in accordance with the target and maximum and minimum range for each portfolio segment as stated in Exhibit A.

X. ASSET ALLOCATION GUIDELINES

The Investment Committee will establish and approve a customized asset allocation guideline. The asset allocation guideline will include a Policy Normal Level, representing the strategic asset allocation mix. The asset allocation guideline will also include an approved target range that: (i) recognizes various asset classes may be under- and over-weighted due to the trading, settlement, and timing delays associated with fully implementing an investment program; (ii)
recognizes it may be prudent and necessary for its Investment Advisors to operate outside the Policy Normal Levels when the financial markets are stressed and subject to extreme levels of volatility; and (iii) allows its Investment Advisors to deliberately over- and under-weight the investment portfolio’s asset classes within prescribed target ranges based on the Advisor’s judgment of expected relative risk-adjusted return.

The approved asset allocation guideline will reflect overall liquidity needs and risk tolerance and will, in the judgment of the Investment Committee, represent the asset mix likely to achieve long-term investment objectives.

A. Guidelines for Investment Classes

1. Risk Assets:

   a) Equities

   Publicly traded U.S. and non-U.S. common stocks are a core asset class of portfolios with long-term investment horizons and modest liquidity constraints. The equity portfolio may include both a passive and an active investment component (the “Equity Fund”). The passive component is meant to provide low-cost exposure to the equity market and will primarily be achieved through the use of, but not limited to, commingled index funds and exchange traded funds (ETFs). The portfolio may seek to generate incremental returns by accessing an active investment strategy. The active investment strategy may include both skill and risk based strategies employed in the form of both long only and may also include long / short strategies. These strategies will be accessed primarily through commingled funds, ETFs, separately managed accounts (SMAs), and limited partnership vehicles. The primary benchmark for the equity portfolio is the MSCI All-World Index. Common and convertible securities should be of good quality and listed on one of the major securities exchanges or traded in the over-the-counter market, with the requirement that such stocks have adequate market liquidity relative to the size of the investment. No more than six percent (6%) of the Equity Fund shall be invested in the securities of any one issuing corporation or fund at the time of purchase. No more than twenty-five percent (25%) of the market value of the Equity Fund shall be invested in any one industry at the time of purchase. Investments in any corporation shall not exceed five percent (5%) of the outstanding shares of the corporation. No more than five percent (5%) of the Equity Fund may be invested in companies with a market capitalization of less than $250 million.

   b) Real Estate & Infrastructure

   The long term objective of the Real Estate & Infrastructure portfolio is to provide equity-like returns while providing a partial hedge against inflation. Investments in real estate and infrastructure will come in the form of both public market securities (primarily Real Estate Investment Trusts (REITs) and other securities that possess many common
characteristics of general public equity investments) and private real estate and infrastructure investments (direct investments or more likely through commingled fund vehicles and limited partnership structures). The primary benchmark for the Real Estate & Infrastructure portfolio will be FTSE/EPRA NAREIT Global Real Estate Index and the S&P Global Infrastructure Index. Eligible investments shall include common stocks, convertible securities, and preferred securities of publicly traded real estate securities with market capitalizations above $100 million and daily trading volume of at least $100,000. The portion of endowment assets invested in REITS shall be referred to as the REIT Fund for the purposes of this policy.

No more than twenty five percent (25%) of the REIT Fund's market value may be invested in real estate operating companies.

No more than twenty five percent (25%) of the REIT Fund's market value may be invested in non-U.S. publicly traded real estate securities.

No more than five percent (5%) of the REIT Fund may be invested in "144" real estate securities (i.e. unregistered securities for publicly traded companies).

No more than seven percent (7%) of total REIT Fund assets shall be invested in the securities of any one entity at the time of purchase.

Investments in any one entity should not exceed five percent (5%) of its outstanding equity capital.

The Foundation shall not invest in REIT Funds that engage in short sales, trading on margin, stock index futures or use any kind of derivative instruments, except convertible securities.

c) Commodity & Natural Resources

Like the Real Estate & Infrastructure portfolio, the long term objective of the Commodity & Natural Resources portfolio is to provide equity-like returns while providing a partial hedge against inflation. Investments in commodity and natural resources will come in the form of both public market securities (futures contracts, swaps, as well as public equity investments) and private investments in timber, oil and gas, mineral rights, or other natural resources (actual direct investments or more likely through commingled fund vehicles and limited partnership structures). These strategies will be accessed primarily through commingled funds, ETFs, SMAs, and limited partnership structures. The primary benchmark for the Commodity & Natural Resources portfolio will be the Morningstar Global Upstream & Natural Resources Index.

d) Diversified, Multi-strategy, & Absolute Return
The Diversified, Multi-strategy, & Absolute Return Hedge segment of the portfolio includes managers specializing in asset allocation across multiple investment strategies that have low correlations and/or market exposure to other asset classes. The objective of this asset class is to generate near equity-like returns with less volatility and market exposure than global equities. The portfolio's liquidity will be moderate - less than that of traditional public equities but more liquid than private investments. This portfolio will focus on areas and strategies where value added by active management can contribute a substantial portion of the return. The underlying investments utilized by the managers in this portfolio segment are generally public market traded vehicles but will include traditional stocks and bonds as well as a variety of other derivative investments. Some of these investments will have limited liquidity and marketability. These strategies will be accessed primarily through limited partnership structures. The primary benchmark for the Diversified, Multi-strategy, & Absolute Return Hedge segment of the portfolio will be the HFRI Fund of Fund Index (and its related components depending upon the focus, nature, and structure of the underlying fund investment). Liquidity constraints, including lock-up provisions, will be considered when making allocations to or redemptions from Hedge Funds. No investment will be made in a fund with a lock-up or non-redemption provision in excess of 12 months unless approved by the Investment Committee

Fund strategies may include investments in common and preferred stocks, options, warrants, convertible securities, foreign securities, foreign currencies, commodities, financial futures, derivatives, mortgage-backed and mortgage-related securities, real estate, bonds (both investment-grade and non-investment-grade, including high-yield debt, distressed or other securities) and other assets. Strategies may utilize short selling and limited leverage.

Investments may be made only in limited partnership shares comprising no more than 5% of any individual partnership. The Foundation will not invest in funds of funds that employ a high degree of leverage or with any leverage at the fund-of-funds level, or in funds that limit their trading to short-selling commodities or global macro strategies.

2. Risk Control Assets:

a) Core Fixed

The Core Fixed Income segment of the portfolio will consist primarily of publicly traded debt instruments of the U.S. government, its agencies, and U.S. domiciled corporations. In general the underlying investments which comprise this portfolio will be intermediate in maturity / duration, high quality (i.e., investment grade rated), and highly liquid / marketable. The objective of the Core Fixed Income portfolio is to generate income and most importantly provide stability / down side...
protection for the portfolio in times of capital market stress. The Core Fixed Income portfolio may contain both passive and active investment strategies. The passive strategy is meant to provide low-cost exposure to the broad domestic investment grade bond market and will primarily be achieved through the use of commingled index funds and ETFs. The portfolio may seek to generate incremental returns by accessing an active investment strategy. The active investment strategies will be accessed primarily through commingled funds, ETFs, and SMAs. The primary benchmark for the Core Fixed Income portfolio is the Barclays U.S. Aggregate Bond Index. Marketable bonds at the time of purchase must be classified as investment grade by Standards & Poor’s (BBB or better) and Moody’s (Baa or better).

Fixed Income Securities may include Corporate Bonds of one year or longer maturity traded on the NYSE MKT LLV or NASDAQ, preferred stocks of companies with publicly traded bonds with a BBB or Baa investment grade rating, Master Limited Partnership interests traded on the NYSE, GNMA, FNMA, FHLMC or other mortgage backed securities fully insured against default.

Investments in any one issuer, excluding obligations of the U.S. Government, either direct or indirect, shall not exceed five percent (5%) of total Fixed Income Fund investments based on market value at the time of purchase.

Issues should be at least $50 million par value outstanding.

The Fixed Income Fund should not have a weighted average maturity of longer than twelve (12) years nor duration of longer than seven and one half (7 1/2) years.

b) Treasury Inflation Protected Securities (TIPS)

The TIPS portfolio will consist primarily of publicly traded, inflation protected debt instruments of the U.S. government. The objective of the TIPS portfolio is to generate real return and principal stability in times of capital market stress. The TIPS portfolio may contain both passive and active strategies. The passive strategy is meant to provide low-cost exposure to the broad or maturity / duration targeted segments of the U.S. TIPS market and will primarily be achieved through the use of, but not limited to, commingled index funds and ETFs. The portfolio may seek to generate incremental returns through an active investment strategy. The active investment strategies will be accessed primarily through commingled funds, ETFs, and SMAs. The primary benchmark for the TIPS portfolio is the Barclays U.S. TIPS Index.

c) Cash / Money Market

Cash / Money Market investments generally produce relatively low real returns as a trade-off for principal stability. As a result, unless unusual
circumstances exist, it is generally prudent to minimize the long term cash / money market allocation in the portfolio. Cash / money market positions have value for meeting transaction liquidity and portfolio balancing needs as well as during times of turbulent capital market activity as a volatility buffer for the overall portfolio. Commingled funds, invested in short maturity / duration, high quality, highly liquid and marketable interest bearing securities will generally be used. Such funds shall be SEC registered funds with a portfolio comprised of highly liquid, short-term securities. The primary benchmark for the Cash / Money Market portfolio is the 90 day U.S. Treasury bill Index. Interest earned should accrue daily, but may be posted to the account monthly.

XI. PERMITTED INVESTMENTS

With the exception of the alternative investment class, all assets selected for the portfolio must have a readily ascertainable market value and must be readily marketable. The following securities/instruments are approved for investment:

- **Equities**
  - Common Stocks
  - Convertible Securities (Stocks or bonds)
  - International Securities
  - Covered Options
  - Mutual Funds that invest in the above securities
  - **Alternative Investments**
    - Multi-Strategy Hedge Funds
    - REIT's

- **Fixed Income Investments**
  - U.S. Government and Agency Securities
  - Preferred Stocks
  - Corporate Bonds
  - International Corporate Bond Securities
  - Master Limited Partnerships
  - Mortgage Backed Securities
  - Other Asset Backed Securities
  - Derivatives for Hedging of Fixed Income Investment Purposes Only
  - Mutual Funds that invest in the above securities

- **Cash and Equivalents**
  - Cash and Equivalents
  - U.S. Treasury Bills
  - Certificates of Deposit
  - Commercial Paper
  - Repurchase Agreements
  - Money Market Funds

XII. PROHIBITED INVESTMENTS
• Derivatives for other than hedging purposes (unless held inside a specific hedge fund or a hedge fund of funds)
• Direct investments in Commodities
• Lettered Stock in other than “144” real estate securities
• Private Placements
• Venture Capital
• Precious Metals
• Collectibles

XIII. INVESTMENT PERFORMANCE EXPECTATIONS

The Investment Committee will establish and approve investment performance standards. Such standards will vary by asset class and will be based on appropriate index returns, composites or other recognized industry performance standards deemed appropriate by the Committee. The overall investment performance objective for the portfolio is to produce a gross return equal to or greater than the Target Rate of Return for Endowment Funds in Section VII. Investment Goals over a rolling three-year period subject to the investment constraints of the portfolios.

XIV. PERFORMANCE REVIEW AND EVALUATION

The Investment Committee will review and evaluate investment performance periodically in the context of both the current investment environment, the long-term investment horizon and the Foundation’s needs and objectives. Performance evaluation will be conducted for the total portfolio and for each asset and sub-asset class.

The performance review at the asset class level will evaluate asset class performance versus the appropriate benchmarks as outlined in Exhibit A.

XV. EXCEPTIONS TO POLICY

The Committee may temporarily waive or modify any of the restrictions in this STATEMENT given appropriate circumstances. Any such waiver or modification should be documented in writing and maintained as a permanent record.

XVI. DOCUMENTATION & REPORTING

Statements will be provided monthly, summarizing the current period’s activity, market value, and asset allocation. On a quarterly basis the Committee will be provided a performance report for the current period and longer term trailing periods. The performance report will contain industry standard benchmarks that are relevant for evaluating the performance of the portfolio and its sub components.
Approved and adopted on this 17th day of April 2014.

University of New Orleans Foundation

By: ____________________________
    Anthony Auricchio

As Its: ____________________________
    President
EXHIBIT A
ASSET ALLOCATION GUIDELINES AND
INVESTMENT PERFORMANCE BENCHMARKS

Effective April 1, 2014, the following Asset Allocation Guidelines and Investment Performance Benchmarks will apply to the management by you, Northern Trust, of The University of New Orleans Foundation Board of Regents' Eminent Scholars and the General Endowment portfolios until such time as we, the undersigned, revise this document on behalf of the University of New Orleans Foundation in the manner described below.

ASSET ALLOCATION GUIDELINES

These Asset Allocation Guidelines describe the risk and return parameters we have determined best meet the objectives of the Foundation. We understand that other strategic allocations, representing varying levels of risk, are available.

As used in these guidelines - “Policy Normal Level” means the strategic asset allocation mix that you are expected to maintain under normal circumstances and market conditions; “long-term” means a period not less than three years; “volatility” means large positive or negative returns in short time periods; and “cash” refers to cash equivalents (or funds including cash equivalents) having maturities of one year or less.

We understand that any asset classes or ranges identified are guidelines. Additions or withdrawals will affect asset allocation as will market movements. Therefore, a reasonable amount of time will be required to rebalance asset allocation consistent with these Asset Allocation Guidelines. Recommendations for changes in asset allocation, investment strategy and re-balance activity will be reviewed periodically by the Investment Committee.
BOARD OF REGENTS ASSETS

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<th>Policy Level</th>
<th>Lower Range</th>
<th>Upper Range</th>
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<tr>
<td>RISK ASSETS:</td>
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<tr>
<td>Equity</td>
<td>58%</td>
<td>25%</td>
<td>74%</td>
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<tr>
<td>Real Estate &amp; Infrastructure</td>
<td>7%</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>Commodities &amp; Natural Resources</td>
<td>0%</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>Diversified, Multi-strategy, &amp; Absolute Return Hedge Funds</td>
<td>7%</td>
<td>0%</td>
<td>15%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>0%</td>
<td>0%</td>
<td>10%</td>
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<tr>
<td>Total Risk Assets</td>
<td>72%</td>
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RISK CONTROL ASSETS:

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<tr>
<td>Fixed Income</td>
<td>28%</td>
<td>26%</td>
<td>45%</td>
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<td>Cash / Money Market</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Total Risk Control Assets</td>
<td>28%</td>
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Total of Risk and Risk Control Assets 100%

The above asset allocation is further subject to the Section X. Asset Allocation Guidelines

For sake of clarity, the following Board of Regents’ Investment Policy is incorporated for reference and must be complied with at all times.

C. PORTFOLIO COMPOSITION AND ASSET ALLOCATION

1. To achieve the long-term investment objective, the Program Assets shall be invested in accordance with UPMIFA and appropriately diversified across such categories as asset class, geography, and market capitalization.

2. Permissible Investments
   a. Publicly traded debt securities
   b. Publicly traded equity securities
   c. Alternative Investments managed by an external investment manager
      i. Real Estate Investment Trusts (REITs)
      ii. Hedge Funds
      iii. Private Equity and Private Debt

Restrictions
   a. In accordance with Article VII, Section 14 (B) of the Constitution of Louisiana, no more than 74% of the Program Assets may be invested in equity. For the purpose of this limitation, publicly traded equity and alternative investments shall be considered equity.
b. A minimum of 26% of the Program Assets will be held in Fixed Income investments.
c. No more than 50% of publicly traded equity may be foreign equity
d. No more than 50% of publicly traded debt may be foreign debt
e. Publicly traded debt must maintain an average credit quality of at least "A" as determined by Moody's, S&P, or Fitch.
f. No more than 5% of publicly traded debt may be invested in any single issuer with the exception of securities issued by the U.S. Government or its agencies
g. No more than 25% of Program Assets may be invested in Alternative Investments
   i. No more than 10% of Program Assets may be invested in REITs
   ii. No more than 15% of Program Assets may be invested in Hedge Funds
   iii. No more than a 10% of Program Assets may be invested in Private Equity and Private Debt combined based on committed capital.
h. Leverage and the speculative use of derivatives are prohibited at the Participant level, yet are permissible for external alternative investment managers.

Excerpt from the Louisiana Board of Regents Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs Statement of Investment Policy and Objectives (adopted January 26, 2012, effective January 26, 2012)

INVESTMENT PERFORMANCE BENCHMARKS

The performance review of Northern Trust at the asset class level will evaluate asset class performance versus the following benchmarks:

**Equity:**
- MSCI All-World Index

**Real Estate & Infrastructure:**
- FTSE EPRA/NAREIT Global Real Estate
- S&P Global Infrastructure

**Commodity & Natural Resources:**
- Morningstar Global Upstream Natural Resources Index

**Diversified, Multi-strategy & Absolute Return Hedge:**
- HFR Funds of Funds

**Core Fixed Income:**
- Barclays US Aggregate Bond

**Short Term Investments:**
- 90 Day US Treasury bill
The Board of Regents' Eminent Scholars' portfolio's overall performance benchmark will be the return of the specified benchmarks weighted by the Policy Normal Level percentage allocations. These Asset Allocation Guidelines and Investment Performance Benchmarks will continue to apply to your management of the Portfolio until we change them, and you acknowledge the change in writing.

Dated this 17th day of April 2016.

University of New Orleans Foundation

By: Anthony Cagno

As Its: President

ACKNOWLEDGED:
The Northern Trust Company

By: [Signature]

As Its: Senior Vice President
### GENERAL ENDOWMENT ASSETS

<table>
<thead>
<tr>
<th>Policy Level</th>
<th>Lower Range</th>
<th>Upper Range</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RISK ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>63%</td>
<td>25%</td>
</tr>
<tr>
<td>Real Estate &amp; Infrastructure</td>
<td>9%</td>
<td>0%</td>
</tr>
<tr>
<td>Commodities &amp; Natural Resources</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Diversified, Multi-strategy, &amp; Absolute Return Hedge</td>
<td>4%</td>
<td>0%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Total Risk Assets</td>
<td><strong>79%</strong></td>
<td></td>
</tr>
</tbody>
</table>

| **RISK CONTROL ASSETS:** | | |
| Fixed Income | 21% | 15% | 45% |
| Cash / Money Market | 0% | 0% | 5% |
| Total Risk Control Assets | **21%** | | |

Total of Risk and Risk Control Assets | **100%** |

The above asset allocation is further subject to the Section X. Asset Allocation Guidelines.

### INVESTMENT PERFORMANCE BENCHMARKS

The performance review of Northern Trust at the asset class level will evaluate asset class performance versus the following benchmarks:

- **Equity:**
  - MSCI All-World Index

- **Real Estate & Infrastructure:**
  - FTSE EPRA/NAREIT Global Real Estate
  - S&P Global Infrastructure

- **Commodity & Natural Resources:**
  - Morningstar Global Upstream Natural Resources Index

- **Diversified, Multi-strategy & Absolute Return Hedge:**
  - HFR Funds of Funds

- **Core Fixed Income:**
  - Barclays US Aggregate Bond

- **Short Term Investments:**
  - 90 Day US Treasury bill
The General Endowment's portfolio's overall performance benchmark will be the return of the specified benchmarks weighted by the Policy Normal Level percentage allocations. These Asset Allocation Guidelines and Investment Performance Benchmarks will continue to apply to your management of the Portfolio until we change them, and you acknowledge the change in writing.

Dated this 17th day of April, 2014.

University of New Orleans Foundation

By: ________________________________
    Anthony Casper

As Its: ________________________________
    PRESIDENT

ACKNOWLEDGED:
The Northern Trust Company

By: ________________________________
    Thomas E. Kyriakides

As Its: ________________________________
    Senior Vice President