



The University of North Carolina Retirement Programs **Investment Policy Statement**

December 1, 2023

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INVESTMENT POLICY STATEMENT

The University of North Carolina Retirement Plan Programs

I. INTRODUCTION

The University of North Carolina (the “University”) currently sponsors and maintains the following retirement plan programs (collectively, the “Plan(s)”):

- (a) The Optional Retirement Program of The University of North Carolina (“ORP”);
- (b) The University of North Carolina Section 403(b) Plan;
- (c) The University of North Carolina Code Section 457(b) Plan;
- (d) Senior Administrator Retirement Program of The University of North Carolina (“SAORP”); and
- (e) Senior Athletic Employee Retirement Program of The University of North Carolina (“SAERP”).

The ORP, SAORP and SAERP each include The University of North Carolina Qualified Government Excess Benefit Arrangement under the Internal Revenue Code (the “Code”) Section 415(m) to capture contributions that would otherwise be payable under the ORP, SAORP and SAERP. For purposes of this Investment Policy Statement (the “IPS”), these arrangements are considered part of the Plans.

General oversight of the Plans is the responsibility of The University of North Carolina Board of Governors (the “Board”). The Board assigned to the President of the University (the “President”) and his / her delegate(s) oversight responsibility of the Plans’ investments, including authority to select investment funds that will be made available to the Plans’ participants, beneficiaries and alternate payees (collectively “participants”) for the investment of their Plan accounts. Where applicable, references to the President include his / her delegate(s).

This IPS outlines the selection and management of investment fund options that accommodate a broad range of investment objectives for participants within the Plans.

II. RESPONSIBILITIES OF THE PRESIDENT AND HIS / HER DELEGATES

The President recognizes his or her fiduciary responsibility to select, monitor and replace (as needed) the Investment Options offered under the Plans solely in the interest of the Plans’ participants. To that end, the President shall have responsibility for the overall investment management of the Plans, including but not limited to the following responsibilities and authority:

- Adopt and carry out the IPS, including a periodic measure and review of compliance with this IPS.
- Determine the overall investment objectives (e.g., range of offerings) and review the asset allocation across the available options, recognizing risk tolerances and other financial goals vary among the participants of the Plans.

- Selection of the mutual funds, fixed accounts, or other funding vehicles (i.e., the annuity contracts or custodial accounts that satisfy the requirements of Sections 404(a)(2) and 401(f)(2) of the Code (collectively, the “Investment Options”).
 - Reasons for selection of Investment Options may include, but are not limited to the following:
 - Manage skill and cost to each Plan and its participants.
 - Meet the objective of providing a wide array of investment choices, which offer competitive returns at competitive and reasonable expense levels.
 - The number of investment funds selected will be considered in the context of selecting a manageable number of Investment Options that provide comprehensive coverage along the risk/return spectrum.
 - Provide the participants with a broad range of choices with competitive returns relative to appropriate benchmarks and peer groups, as defined in Appendix A.
- Fully execute the form and contents of any annuity contract, custodial account contract, mutual fund contract, or separate trust agreements, as approved by the Board (to the extent required under applicable law).
- Monitor and evaluate the performance of Investment Options and investment managers, including:
 - Identify any material changes in the Investment Option’s organization, investment philosophy, and/or personnel; and
 - Review Investment Options to ensure a consistent investment approach.
- Review, evaluate and manage expenses and fees associated with the Investment Options and administration of the Plans’ assets.
- Replacement of Investment Options (as necessary).
 - Reasons for replacement of Investment Options may include, but are not limited to the following:
 - Significant underperformance relative to the fund’s benchmark and peer group.
 - Acceptance of significantly more risk than the fund’s benchmark index.
 - Change or loss of key personnel, such as a fund manager and those servicing the account.
 - Significant change, increase, or loss of assets under management.
 - Evidence that actual portfolio characteristics do not follow published investing style.
 - Performance patterns not logically explainable in terms of the published style, or performance out of step with a manager’s style peer group, particularly (but not exclusively) if resulting in under performance or excessive volatility.
 - The identification by the President of more suitable funds.
 - Investment Options will be reviewed for possible replacement at least quarterly.
- Perform any other responsibilities as the President considers necessary in order to carry out any of his or her duties.

In carrying out their duties under the IPS, the President may use whatever resources are deemed appropriate.

III. GENERAL PURPOSE AND GOALS OF THIS INVESTMENT POLICY STATEMENT

In general, the purpose of this IPS is to detail, in a written document, the President's expectations, objectives, and guidelines for the investment of the Plans' assets and provide guidance concerning selecting and monitoring the Investment Options offered to the Plans' participants. In addition, the IPS is intended to:

- Address Fiduciary Obligations.
 - It is important to uphold applicable fiduciary standards and in all matters relating to the Plans and to perform duties with respect to the Plans in the interests of the participants and their beneficiaries and in accordance with the governing documents of each Plan.
 - Develop guidelines to ensure compliance with any applicable fiduciary requirements. The President also intends this IPS and actions taken under the IPS to comply with all applicable laws and regulations.
- Promote Understanding Among Various Functional Roles.
 - This IPS is intended to serve as a reference tool, and a communications link between the President and his / her delegate and new members of the Board, when Board membership changes; employer management; its other professional advisors and service providers; and its investment managers.
- Address Plan Participants Needs.
 - Provide an attractive investment menu that will help the University recruit, retain and develop the best intellectual capital in a competitive national market.
 - Provide flexibility for participants to direct their employer and employee contributions.
 - Provide flexibility for participants to change their investment elections on a regular basis.
 - Provide adequate income at retirement.
 - Ensure all transactions are undertaken on behalf of each Plan shall be solely in the interest of participants.
 - Diversify Investment Options to allow the participant(s) to minimize the risk of large losses, unless under some unforeseen extraordinary circumstances it would clearly not be prudent for the President to do so.
 - Ensure participants have access to a description of the Investment Options available under the Plans, including investment objectives, expenses, risk and return characteristics.
 - Where appropriate, offer a series of life cycle funds for those participants who desire for an investment professional to make their asset allocation decision. The life cycle series should offer participants a choice of target asset allocations.

IV. INVESTMENT OPTIONS

Refer to **Appendix A.**

V. MONITORING AND REVIEW STANDARDS

Refer to **Appendix B.**

VI. COORDINATION WITH PLAN DOCUMENTS

If any term or condition of this IPS conflicts with any term or condition in any Plan document, the terms and conditions of the applicable Plan document shall control.

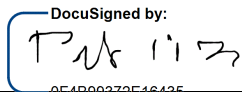
VII. INVESTMENT POLICY STATEMENT MODIFICATION AND REVISION

The President or his/her designee will consider, at least annually, whether any elements of this IPS need to be modified or revised. Key occurrences, which could result in a IPS modification, include, but are not limited to: impractical time horizons; changes in the operating environment or objectives and priorities; issues found to be important, but not covered by the IPS; and long-term changes in market trends, economic conditions, or investment opportunities that are materially different from those used to set the IPS.

VIII. INVESTMENT POLICY STATEMENT ADOPTION

The President of The University of North Carolina hereby adopts this Amended Investment Policy Statement effective on the 1st day of December, 2023.

THE UNIVERSITY OF NORTH CAROLINA

By:  _____
0F4B99372E16435...
PRESIDENT

12/19/2023

Date Signed

APPENDIX A

INVESTMENT OPTIONS

[to be attached]

APPENDIX B
MONITORING AND REVIEW STANDARDS

[to be attached]