



**AMENDMENT AND RESTATEMENT OF THE UNIVERSITY'S LONG-TERM  
INVESTMENT POOL ("LTIP") SPENDING POLICY AND THE INVESTMENT  
POLICIES FOR LTIP AND NON- ENDOWED FUNDS ("NEF")**

I hereby certify that the following is a true and exact copy of resolutions adopted by the Board of Trustees of The Pennsylvania State University at a meeting on February 17, 2023, at which a quorum was present and acting throughout.

WHEREAS, The Board of Trustees on November 6, 1986, adopted a resolution regarding the University's Endowment Spending and Investment Policies for Endowment and General University Funds and subsequently approved revisions to such policies on March 18, 1995; July 12, 1996; September 8, 2000; November 22, 2002; November 19, 2004; May 18, 2007; September 11, 2009; September 17, 2010; and May 12, 2014; and November 13, 2020; and February 17, 2023.

WHEREAS, The Officers of the University have recommended amending and restating such policies as presented to the Board of Trustees at this meeting and as hereinafter set forth.

THEREFORE, BE IT RESOLVED, That the University's LTIP Spending Policy and the Investment Policies for LTIP and Non-Endowed Funds are hereby amended and restated in their entirety as follows:

(I) The Penn State Investment Council ("PSIC"), shall consist of four ex-officio members and eight to ten at-large members. The ex-officio members shall be the Senior Vice President for Finance and Business/Treasurer, as Chairperson of PSIC, the Chief Investment Officer, Office of Investment Management, the Chair of the Board of Trustees and the Chair of the Subcommittee on Finance of the Committee on Finance, Business and Capital Planning of the Board of Trustees. In addition, the Board of Trustees shall appoint eight to ten at-large members who shall not be employees of the University, three of whom shall be voting or emeritus members of the Board of Trustees. At-large members of PSIC shall serve for three-year staggered terms and shall be limited to a maximum of three (3) three-year terms. At-large members of PSIC first appointed after the date of this resolution shall serve for one-, two- or three-year terms as set forth in a separate resolution of the Board of Trustees. Thereafter, any such member may serve for a maximum of two additional three-year terms. At-large members of PSIC as of the date of this resolution may be reappointed by the Board of Trustees for a maximum of two additional three-year terms.

(II) PSIC is hereby authorized to administer the spending and LTIP investment policies hereinafter adopted by the Board of Trustees and to report as requested concerning the same to the President of the University and to the Committee on Finance, Business, and Capital Planning of the Board of Trustees. In such administration, PSIC may delegate appropriate functions to

properly designated University Officers and other University personnel.

(III) In order to preserve the purchasing power of LTIP, spending over time should be limited to a percentage of the market value of LTIP, set at a level anticipated to preserve over time LTIP's real (inflation-adjusted) value after consideration of investment returns.

(IV) LTIP should be invested to attempt to achieve a real (inflation-adjusted) total return over time sufficient to support a spending rate limited in accordance with (II) above, while providing for growth of the LTIP base sufficient to accommodate an assumed rate of inflation.

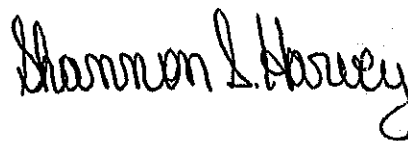
(V) A primary investment attribute to be employed in managing the LTIP shall be prudent diversification achieved through flexible yet disciplined implementation of a mix of investments and strategies. The specific construction of the portfolio with regard to strategies employed and managers utilized will be determined by, and under the overall supervision of PSIC, which shall be guided by its written Investment Policies, Objectives and Guidelines. Investment processes and results shall be carefully monitored by PSIC to ensure compliance with such policies, objectives, and guidelines.

(VI) To acknowledge and reaffirm the University's existing practices with its ongoing and future investment policies and strategies, the University's funds will be invested to achieve maximum return with an acceptable degree of risk. Within the context of its fiduciary responsibilities, PSIC may continue to take social and environmental considerations into account in the administration of the University's investments.

(VII) NEF should be invested to provide liquidity for working capital over the annual operating cycle of the University, and to serve the interim and longer-term needs of the University for plant renewals and replacements, debt service and capital additions. NEF will be invested in a manner that emphasizes capital preservation and meets the cash flow requirements of future University liabilities, while achieving modest growth in the principal value to accommodate future inflation. The specific construction of the NEF portfolio(s) with regard to strategies employed and managers utilized will be determined by, and under the overall supervision of, the Office of Investment Management ("OIM"), which shall be guided by written Investment Policies, Objectives and Guidelines approved by the Senior Vice President for Finance and Business/Treasurer. Investment processes and results shall be carefully monitored by OIM to ensure compliance with such policies, objectives, and guidelines.

(VIII) Long-term assets approved for commingling with LTIP by the Board of Trustees will follow LTIP policies overseen by PSIC.

In witness whereof, I have hereunto set my hand and the seal of said corporation this 20<sup>th</sup> day of February 2023.



Shannon S. Harvey  
Director/Secretary, Office of the Board of Trustees



**PennState**

**Board of Trustees**

**Appointment of Non-University Employees to the Penn State Investment Council (PSIC)**

I hereby certify that the following is a true and exact copy of resolutions adopted by the Board of Trustees of The Pennsylvania State University at a meeting on February 17, 2023, at which a quorum was present and acting throughout.

RESOLVED, That Barbara L. Doran is appointed to the Penn State Investment Council for a one-year term ending December 31, 2023, Brandon D. Short is appointed to the Penn State Investment Council for a two-year term ending December 31, 2024 and Randall E. Black is appointed to the Penn State Investment Council for a three-year term ending December 31, 2025.

In witness whereof, I have hereunto set my hand and the seal of said corporation this 20<sup>th</sup> day of February 2023.

A handwritten signature in black ink that reads "Shannon S. Harvey". The signature is written in a cursive style.

Shannon S. Harvey  
Director/Secretary, Office of the Board of Trustees