

Contact: Patrice Sayre

MEETING OF INVESTMENT AND FINANCE COMMITTEE
JUNE 7, 2017

Action Requested: Approve:

- ▶ Modest changes to the asset allocation for the Long Term Endowment Pool, Diversified Intermediate Portfolio, and the Operating Portfolio (referred to collectively as the “Portfolios”) as described below:
 - ◆ Long Term Endowment Pool
 - Increase core fixed income from 3% to 10% and eliminate the allocation to short term fixed income
 - Add new allocation of 3% to US mid cap equity and reduce total US equity by 5%
 - Add new allocation of 3% to non-US small cap and reduce total non-US equity by 5%
 - Eliminate allocation to opportunistic real estate and increase allocation to core real estate from 5% to 10%
 - The allocation to private equity will increase from 17% to 25% and new commitments to private equity will be made over time.
 - ◆ Diversified Intermediate Portfolio
 - Add 17% allocation to intermediate fixed income
 - Eliminate the 10% allocation to TIPS
 - Reduce the allocation to short term investment vehicle to 3%
 - Reduce total fixed income by 5%
 - Add new allocation of 5% to global low volatility equity
 - Eliminate the 10% allocation to public REITs and add a 10% allocation to core real estate
 - ◆ Operating Portfolio
 - Increase core fixed income allocation to 25%
 - Add a new allocation to intermediate fixed income of 20%
 - Eliminate the allocation to TIPS
 - Reduce the allocation to short term investment vehicle to 20%
 - Reduce the total allocation to fixed income by 2.5%
 - Add new allocation of 5% to global low volatility equity
 - Eliminate the allocation to public REITs and add a dedicated allocation to core real estate of 5%
- ▶ Investment manager additions as shown below:
 - ◆ Core and Intermediate Fixed Income: MacKay Shields
 - ◆ Senior Secured Loans: Symphony Asset Management
 - ◆ Global Low Volatility: Acadian Asset Management
 - ◆ Core US Real Estate: Morgan Stanley PRIME Fund and UBS Trumbull Property Fund
- ▶ Index Funds:
 - ◆ Add Vanguard Mid Cap Index Fund
 - ◆ Replace SSgA MSCI ACWI ex-US Index Fund with SSgA MSCI ACWI ex-US IMI Index Fund