Statement of Investment Policies and Objectives

University of Rochester
Retirement Plan

March 2024

Contents

Purpose

The University of Rochester (the “University”) has established the University of Rochester Retirement Program (the “Plan”), a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code of 1986, as amended (the “Code”). The purpose of the Plan is to provide eligible participants, as defined in the Plan, with a resource to help meet their financial needs during retirement and provide them with an opportunity to save and invest for retirement on a tax-deferred basis.

The Plan is a participant directed individual account plan, and participants are responsible for their investment choices. Participants alone bear the risk of investment results from the options and asset mixes that they select.

Pursuant to the terms of the Plan, the Retirement Plan Committee (the "Committee") generally has the authority and responsibility to select and monitor the investments that are available under the Plan.

The purpose of this Statement of Investment Policies and Objectives (the “Investment Policy”) is to set forth nonbinding guidelines and principles the Committee will consider in fulfilling this responsibility. The Investment Policy is not intended to impose or create any requirements or standards beyond those set forth under applicable laws.

This Statement:

- Describes the investment philosophy for investments offered under the Plan;
- Describes certain responsibilities of the Committee and other parties under the Plan;
- Sets forth the current Plan investment structure and options; and
- Establishes the criteria for selecting and monitoring the investment options offered under the Plan.

If any term or condition of this investment policy conflicts with any term or condition in the Plan, the terms and conditions of the Plan shall control. The Committee reserves the right to amend the Policy at any time.

Philosophy

Objective

The objective of the Plan is to help eligible employees to accumulate savings for retirement by offering a flexible, lower cost and tax-effective way to set aside money for retirement.

Diversification/Number of Options

The Committee structures the Plan to provide sufficient investment options so that participants can create an investment program that is consistent with a variety of risk tolerances. The Plan is intended to comply with the requirements of Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Department of Labor regulations issued thereunder. These rules establish minimum standards regarding the number and type of options that should be offered in order to relieve fiduciaries of liability for participants' investment decisions. Accordingly, the Plan will:

- Offer participants a broad range of investments, including at least three core options that are internally diversified, materially different in risk and return characteristics, and, in the aggregate, allow participants to tailor risk through diversification;

- Give participants the ability to transfer among the Plan's core investment options with a frequency appropriate for each investment's market volatility, and the ability to transfer among core investment options at least once in any three-month period (excepting annuity investments that may impose transfer restrictions in excess of three months); and

- Provide participants with certain information about the Plan, its investment options, and its operations, to assist participants in making their investment decisions.

Delegation of Responsibilities

Committee Responsibilities

The Committee is generally responsible for selecting investments available to participants in the Plan. Neither the Committee nor any other Plan fiduciary shall be responsible for the investment decisions made by a participant or beneficiary. With respect to the Plan's investment options, the Committee's responsibilities include:

- Developing and monitoring this Investment Policy, as well as revising this Investment Policy as the Committee deems appropriate;
- Selecting and monitoring the investment options available under the Plan (including number and types); and the investment option(s) that will serve as the Plan's Qualified Default Investment Alternative ("QDIA");
- Engaging investment consultants, attorneys and other professionals to assist the Committee in carrying out its responsibilities under the Plan;
- Selecting and monitoring Plan service providers;
- Employing such agents and other assistance as it may deem appropriate in carrying out its responsibilities under the Plan;
- Establishing such rules and procedures relating to the investment options as it deems appropriate;
- Reviewing fees and other costs associated with the management of the Plan for reasonableness; and
- Delegating proxy voting related to holdings in the Plan directly to participants.

Notwithstanding the forgoing, the Committee does not have the discretionary power, authority or responsibility to terminate certain investment options that are subject to contractual or other limitations that supersede the discretionary power of the Committee (e.g., the Committee does not have the power or authority to terminate certain individual insurance contracts/annuities offered through TIAA). The Committee does have the discretion to freeze future contributions to individual insurance contracts.

While the Committee is responsible for determining whether to offer a participant-directed mutual fund brokerage option under the Plan and for selecting and monitoring any provider of brokerage services offered under the Plan, the Committee is not responsible for the selection and monitoring of the actual mutual funds that are offered through the participant-directed mutual fund brokerage account, or a participant's or beneficiary's purchase of mutual funds through the brokerage account.

Investment Consultant Responsibilities

The Investment Consultant shall assist the Committee in fulfilling its fiduciary responsibilities under the Plan. Specifically, the Investment Consultant's duties shall include:

- Providing the Committee information and advice about available investment options and assisting the Committee in the selection and review of the investment fund options offered by the Plan;
- Assisting the Committee in the development and review of the Investment Policy;
- Periodically providing the Committee with information and advice about the investment performance, risk and fees of investment options offered by the Plan, information that might affect future performance or suitability of the investment options currently offered to continue to be offered as investment options of the Plan, and the availability of more suitable alternatives;
- Keeping the Committee informed of developments and changes affecting investments offered by defined contribution retirement plans;
- Comparing fees incurred in administering the Plan against appropriate benchmarks to confirm reasonableness; and
- Assisting the Committee with its evaluation of the performance of the recordkeeper.

In its role, the investment consultant is expected to provide the following services:

- Produce periodic written investment performance, risk and fee evaluation reports of investment options offered by the Plan;
- Meet with the Committee to review investment performance, risk and fee results and the investment program's offerings as a whole;
- Provide materials related to fund structure, policies and objectives, and other topics of relevance to the retirement plan investment program including developments in retirement plan administration and in the responsibilities of retirement plan fiduciaries;
- Recommend changes to the investment options offered under the Plan if the Investment Consultant believes such changes are warranted;
- Address topics of interest related to the retirement plan investment program; and
- Participate, as necessary, in various projects as requested by the Committee.

The Investment Consultant will act as a Plan fiduciary and will serve as an advisor to the Committee. The Committee is responsible for making the final decision on the investments that are made available to Plan participants.

Recordkeeper Responsibilities

The recordkeeper(s) of the Plan will be responsible for:

- Maintaining and updating individual account balances, including information regarding plan contributions, withdrawals, and distributions and otherwise acting on the directions of the Committee or its authorized delegates;
- Providing participants account access through the Internet, interactive voice response, presentations to large groups of participants, one on one meetings with participants on campus and a call center;
- Producing quarterly participant statements;
- Conducting compliance testing (if applicable);
- Providing education and consulting services including, but not necessarily limited to, pre-retirement education, investment newsletter, financial planning program, and new employee orientation;
- Providing regular reports to the plan administrator; and
- Participating, as necessary, in various projects as requested by the Committee.

Participant Responsibilities

The Plan's participants have different investment objectives, time horizons, and risk tolerances. To meet these varying investment needs, participants will be able to direct their account balances among a range of investment options that vary in risk and return. Participants solely bear the investment risk and their accounts reflect the gains or losses that result from their chosen investment options.

Participants of the Plan are responsible for:

- Educating themselves regarding the various aspects of saving and investing;
- Making voluntary contributions to the Plan within the limits allowed by the law that are sufficient to provide for adequate retirement assets; and
- Selecting and monitoring their investments choice or accepting the Plan's default investment choices.

Plan Investment Structure

While offering a variety of fund options is important, efforts will be made to keep the total number of investment options to a level that balances the benefits of broad diversification with the disadvantages of too much choice.

Investment Structure

The federal rules generally permit the Plan to offer only mutual funds and annuities. The Committee has decided that the Plan's investment structure may include the following components:

Tier I: Target Retirement Funds — a series of multi-asset class investment funds where the allocation among investments of various risk levels changes based on a participant's age and expected retirement date. The Committee has designated the Target Retirement Funds to be the Plan's qualified default investment alternative.

Tier II: Core Funds —investment funds that are pre-selected for distinct asset class risk and return characteristics. The funds can include both actively managed and passively managed ("index") investment funds composed of at least one investment option from, but not limited to: money market funds, diversified bond funds, U.S. Stock Funds and Non-U.S./Global Stock Funds.

Tier III: Annuities — fixed annuities that allow participants to purchase fixed units of retirement income during the course of their working careers.

Tier IV: Mutual Fund Window — a self-directed brokerage service is provided for use by participants who want to make their own asset allocation and fund selection decisions. The window provides participants with access to numerous actively and passively managed mutual funds that are available on the brokerage provider platform. The options offered within the Mutual Fund Window are neither selected nor monitored by the Committee.

The Committee reviews the Plan's investment structure periodically to determine the appropriate number and types of tiers and investment options. The review will consider the potential for participants to implement a range of investment strategies that may be appropriate for differing investment time horizons, objectives, and risk preferences. As part of its review, the Committee considers the investment and administrative fees associated with the Plan's investment structure. The Committee is authorized to make changes to the structure as it deems necessary or advisable.

Investment Option Guidelines, Selection and Retention Criteria

This section outlines broad investment guidelines for use in selecting **Investment Manager(s)** and monitoring the investments used by the Plan.

The **Committee** will make all decisions regarding retention, replacement, or elimination of an **Investment Manager** or investment strategies for Plan assets. The **Investment Advisor** will make recommendations to the **Committee** regarding retention, replacement or elimination of an **Investment Manager** or investment strategies for Plan assets.

The **Committee** will incorporate short- and long-term investment objectives, as well as the guidelines of this IPS, when making investment decisions.

The **Committee** intends to select the investment options with care, skill, and diligence that would be applied by a prudent expert acting in a like capacity and knowledgeable in the investment of retirement funds. The **Committee** may close, add, or change investment options at any time at its discretion.

The **Committee** considers many factors when selecting and monitoring the investment options, including but not limited to:

- **Business** – Ownership structure, profitability, stability of organization, client, asset base
- **Investment Staff** – Quality of personnel, depth of resources, turnover, succession planning
- **Investment Process** – Skilled investment decisions, clear and repeatable processes, understanding of competitive advantages
- **Risk Management** – Embedded in broader investment process, independently verified
- **Performance** – Risk-adjusted investment results, compared to appropriate benchmarks and peer groups, measured over multiple shorter- and longer-term periods, including trailing, rolling, and annual results
- **Operational Due Diligence** – Operational controls, valuation of assets, independent directors
- **Fees** – Investment expenses should be reasonable for the value provided and benchmarked for reasonability based on the specific type of investment strategy being evaluated

The **Committee** recognizes that as market, regulatory, and business conditions change, a strategy may require adjustments.

Short-term changes in financial markets, however, should not require adjustments to this policy, and it is expected that this policy will not be changed frequently. The **Committee** acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term periods. Accordingly, the **Committee** strives to view the interim fluctuations with an appropriate perspective.

The above requirements and the following provisions of this Policy do not apply to mutual funds available through the brokerage window or annuities offered under the Plan that predate the adoption of this Policy and are frozen to new contributions. The Committee shall not have any responsibilities for the selection and monitoring of such investments.

For the Target Retirement Funds, the Committee will periodically consider the appropriateness of the asset allocation "glide path". The asset classes employed and their weighting will be evaluated to ensure they are consistent with the investment objectives of the applicable retirement date.

In addition to the criteria described above, the financial stability of the Plan's annuity provider(s) will be periodically evaluated from the available public information. The review may consider factors such as the following:

- Creditworthiness as determined by third-party credit rating organizations;
- Solvency as represented by financial, or capital-adequacy ratios; and
- Any legal and/or regulatory agency proceedings affecting the Investment fund or the annuity provider.

Benchmarking

In its review of strategy and **Investment Manager** performance, including fees and expenses, the **Committee** intends to include performance objectives based upon the appropriate market index and the relevant peer group for each investment option. In the case of multi-asset class investment options, performance objectives will be based upon a custom benchmark composed of market indices.

Investment Policy Changes

The **Committee** intends to review this Statement of Investment Policy and Objectives periodically to ensure that it continues to reflect the Plan's objectives. This statement may be modified or terminated, in whole or in part, by the **Committee** at any time as the **Committee** deems appropriate.

The foregoing IPS was adopted by the **Committee** to be effective as of March 4, 2024.