Investment Policy Statement – Directive # 3

Proxies for Illiquid Strategies

Background

Because real estate, infrastructure, private equity and private credit (collectively private market) strategies typically require years to draw committed capital and because they typically begin returning capital before ever being fully funded, it is necessary to identify proxy strategies so that the Plan achieves its desired asset allocation. The identified proxy strategies work in concert with the private markets strategies to fulfill capital calls, absorb distributions, and contribute the desired risk and return characteristics to the investment program.

The Executive Director and any other Investment Staff shall have discretion to select the specific investment vehicle based on available options, market conditions and the expected time horizon that the proxy is expected to be in use.

Directive

This investment strategies identified in this Directive are to serve as proxy strategies listed in the following table:

Private Market Strategy	Public Market Proxy
Private Equity	Russell 3000 Index
Private Credit	BofA ML High Yield Master II Constrained Index
Real Estate	US REITs
Infrastructure	67%/33% mix of public infrastructure equity and Treasury Inflation-Protected Securities (TIPS)

Review

The Board shall review this policy at least annually and amend it as appropriate.

History

Adopted by the Retirement Board on 02/28/17
Revised 05/28/2019
Revised 01/26/2021
Revised 12/2/2025
Revised 8/25/2026

POLICY/DIRECTIVE APPROVAL DATE: August 25, 2026