

EXHIBIT A

JUDICIAL RETIREMENT SYSTEM

INVESTMENT POLICY

Adopted by the Treasurer of State  
October 2021

## POLICY PURPOSE STATEMENT

The purpose of this investment policy is to set standards for the direction, operation, management and oversight of the investment of the funds of the Judicial Retirement System. This policy will be reviewed annually or as circumstances warrant and adopted by the Treasurer.

## INVESTMENT POLICY

POLICY PURPOSE STATEMENT .....	ii
INDEX .....	iii
IOWA CODE CITATIONS .....	v

### I. DEFINITIONS

Definitions .....	1
-------------------	---

### II. INVESTMENT AUTHORITY

A. DESCRIPTION OF FUND .....	5
------------------------------	---

B. APPLICABLE LAW .....	5
-------------------------	---

1. Grant of Authority .....	5
2. Statutory Investments and Constraints on Investments .....	5

C. FUND INVESTMENT, MANAGEMENT AND OVERSIGHT .....	5
--	---

1. Responsible Persons .....	5
2. Reporting and Communications .....	8
3. Policy Recommendations .....	9

### III. INVESTMENT OBJECTIVES

A. STATEMENT OF OBJECTIVES .....	9
----------------------------------	---

1. Safety of Principal .....	10
2. Real Growth .....	10
3. Liquidity .....	10
4. Cost-Effective Management .....	10

#### B. INVESTMENTS PERMITTED

1. Stocks .....	10
2. Fixed Income .....	10
3. Cash Equivalents .....	11
4. Real Estate .....	11

5. No Load Mutual Funds or Pooled Funds .....	11
6. Use of Derivatives .....	12
C. RISK TOLERANCE / AVOIDANCE .....	12
1. Prohibited Investments .....	12
2. Broker-Dealer Selection / Credit Risk .....	12
3. Issuer Quality / Default Risk .....	12
4. Diversification / Limiting Exposure to Risk .....	12
5. Investment Strategies / Trading Risks .....	13
D. RETURN ON INVESTMENT / FUND PERFORMANCE STANDARDS .....	14
1. Targeted Rate of Return .....	14
2. Allocation Index .....	14
3. Comparison to Other Funds .....	14
4. Risk Adjusted Total Rate of Return .....	14
5. Standard Deviation of Returns Limit .....	14
6. Investments Manager Performance Standards .....	14
7. Turnover .....	15
8. Policy Index .....	15
E. PROXIES AND CORPORATE ACTIONS .....	15
1. Proxies .....	15
2. Corporate Actions .....	16
F. ADMINISTRATION OF INVESTMENTS .....	16
1. Custody .....	16
2. Transaction Settlement .....	16
3. Brokerage Services .....	16
G. GOALS OF ADMINISTRATION .....	16
1. No Conflict of Interest .....	16
2. Personnel, Procedures and Practices .....	16
H. APPENDIX A .....	17

IOWA CODE CITATIONS

IOWA CODE

Chapter 602

THE COURTS, ARTICLE 9

Chapter 97B

ACCEPTABLE INVESTMENTS

Chapter 12C

LOCATION OF DEPOSITORIES

## I. DEFINITIONS

Actuarial Return Assumption Rate shall mean the long-term assumed rate of return on fund investments used by the actuary to estimate present and future costs of the Fund.

Allocation Index shall mean a custom index constructed as follows: The proportionate weighting of the asset classes of all Fund investments shall be multiplied by the returns for the applicable benchmark index (specified in the investment guidelines for each Investment Manager) for each component investment and then summing the weighted rates of return to arrive at the Allocation Index return.

American Depositary Receipt (ADR) shall mean a receipt for the shares of a foreign-based corporation held in the vault of a United States bank, which entitles the shareholder to all dividends and capital gains. Instead of buying shares of foreign-based companies in overseas markets, Americans can buy shares in the United States in the form of an ADR.

The Bloomberg Barclays US Corporate Bond Index is the benchmark for the private debt portfolio which is representative of non-investment grade USD fixed-rate, taxable corporate bonds. Each issue in the index has at least one year to maturity and at least \$250 million par amount outstanding.

The Bloomberg Barclays US Aggregate Bond Index is a broad-based fixed income benchmark that measures the U.S. investment-grade bond market. The Index consists of a range of securities from corporate bonds and Treasuries to munis, mortgages and asset-backed securities that are in aggregate of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

Capitalization shall mean the product of the market price of a company's stock and the number of common shares outstanding.

Cash Equivalents shall mean short term investments that are highly liquid and safe. An investment shall be considered a cash equivalent if it is purchased with less than one year remaining to maturity.

Defined Benefit Pension Plan shall mean a plan that pays a specific level of benefits to the Participants in the plan and uses a formula based on length of service and level of compensation in determining benefits paid to Participants.

Exchange-Traded Fund (ETF) shall mean a marketable security that tracks a stock index, a commodity, bonds, or a basket of assets. It is understood that the price of an ETF's shares will change throughout the day as they are bought and sold.

Employer shall mean the State of Iowa.

Eurodollar Bond shall mean a bond that has been issued outside of the U.S. and that pays interest and principal in U.S. dollars. Such bonds may be issued by a U.S. or foreign multinational corporation or a foreign government or agency. Eurodollar bonds are evaluated and rated by rating agencies, but are not registered with the Securities and Exchange Commission.

Fixed Income Security shall mean a security that pays or accrues a fixed rate of interest on specific dates and pays principal at maturity. It shall also mean a security that pays a variable amount of interest and principal on specific dates prior to, and including at, maturity.

Fund shall mean moneys deposited by the Participants and the Employer for future claims for benefits by Participants or beneficiaries of the Judicial Retirement System.

Investment Consultant shall mean the person or firm hired by the Treasurer to provide investment consulting services for the Fund.

Investment Manager shall mean the person or company investing Fund moneys.

Market Cycle shall mean the period of time in which a decline and rise or a rise and decline occur in the quarterly rates of return of the benchmark index. A decline occurs when the index quarterly rate of return is negative or unchanged for at least two (2) consecutive quarters. A rise occurs when the index quarterly rate of return is positive or unchanged for at least two (2) consecutive quarters.

MSCI ACWI x-US Index is the index which captures large and mid cap representation across 22 of 23 Developed Markets countries (excluding the US) and 27 Emerging Markets countries. With 2,354 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.

Mutual Fund shall mean a fund operated by an investment company established under the Investment Company Act of 1940 that raises money from shareholders and invests it in stocks, bonds, or other instruments specified in the prospectus for the mutual fund.

NAREIT is the National Association of Real Estate Investment Trusts. It is a trade organization that publishes information and performance data related to REITs. Members are REITS and listed companies that own, operate and finance income-producing real estate, as well as those firms and individuals who advise, study, and service these businesses. This data can also be useful to real estate investors as a proxy for the current attractiveness of specific real estate sectors.

NCREIF is the National Council of Real Estate Investment Fiduciaries. It is a nonprofit industry group that computes and publishes the NCREIF National Property Index (NPI). The index is based on a weighted average total return on institutional properties reported by the members. Equity and leveraged properties are included but all are reported on an unleveraged basis. Apartments, hotels, industrial, office and retail properties with market

values based on quarterly appraisals are included. NCREIF sets valuation and standards for inclusion to replicate the broad direct property ownership market. They also publish the NCREIF Fund Index – Open End Diversified Core Equity (NFI-ODCE) which is an index of open-end commingled real estate funds pursuing lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties diversified across regions and property types. The index is capitalization weighted, reported gross of fees, and the performance of which is calculated on a time-weighted basis. The NFI-ODCE, like the NCREIF Property Index (NPI), is a capitalization-weighted index based on each fund’s net invested capital, which is defined as beginning market value net assets (BMV), adjusted for weighted cash flows (WCF) during the period. NFI-ODCE Equal-Weighted shows the results if all funds were treated equally, regardless of size.

Ninety-one Day Treasury Bill Return shall mean the total rate of return for the BofA Merrill Lynch 90-day U.S. Treasury Bill Index.

Participants shall mean State judges of the Judicial Retirement System as named in the Code of Iowa section 602.1611.

Performance Universes shall mean the statistical universes recommended by the investment consultant and approved by the Treasurer for the purposes of comparing the performance of portfolio managers for relevant equity and fixed income styles.

Policy Index shall mean a custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation target set forth in this investment policy statement

Pooled Fund shall mean an investment vehicle which has the objective of investing the commingled assets for the purpose of achieving greater diversification, lower costs, and hopefully a higher rate of return than each participant could get on their own. A Pooled Fund may also be known as a “commingled fund.”

Private Markets Investments shall mean privately held equity or debt investment strategies with the potential for returns (net of fees) higher than those available through investable private market portfolios. Access to private market strategies may include, but not limited to direct fund and fund-of-fund vehicles. Private market may use leverage; however, portfolio investment may only be made in investment vehicles that provide limited liability and protect the Plan from losses exceeding the invested capital.

Restricted Stock shall mean stock, which may be issued only on the proviso that no dividends are paid on it until certain earnings or other criteria are met. It shall also refer to shares, which cannot be sold either because they were acquired in an acquisition or a private placement.

Russell Stock indices are published total return data series based on capitalization and investment style breakouts of the 3000 largest stocks across the NY, American, and



NASDAQ exchanges. The Russell 2000 Growth Index is the benchmark of the Fund's small capitalization growth style equity manager. The Russell 2000 Value Index is the benchmark of the Fund's small capitalization value style equity manager. The Russell 1000 Growth Index is the benchmark for the large capitalization growth manager.

Sharpe Ratio shall mean the ratio of annualized excess return (defined as the nominal rate of return minus the risk free return) to the standard deviation of the return.

Standard Deviation shall mean the statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution.

Standard & Poor's (S&P) 500 Index + 300 basis points (bps) is the benchmark for the private equity portfolio which is representative of the S&P 500 index, a market-capitalization weighted index of the 500 largest publicly traded companies in the U.S. plus an annual premium of 300 basis points.

Stock shall mean ownership interest in a corporation represented by shares that are a claim on the corporation's earnings and assets.

Total Rate of Return shall mean the annualized rate of return measured over a specific period. The rate of return includes the total realized and unrealized gains, dividend and interest income and reinvested income from dividends and interest, minus realized and unrealized losses.

Unregistered Stock shall mean a stock that is not registered with the Securities and Exchange Commission and therefore cannot be sold in the public market.

Yankee Bonds shall mean dollar-denominated bonds issued in the United States by foreign banks and corporations.

## INVESTMENT AUTHORITY

A. DESCRIPTION OF FUND The Judicial Retirement System is a defined benefit pension plan maintained to provide retirement benefits to Participants in accordance with the Code of Iowa. Participants include State judges as named in the Code of Iowa section 602.1611.

### B. APPLICABLE LAW

1. Grant of Authority Iowa Code section 602.9101 creates the Judicial Retirement System (JRS). The Treasurer has full authority to invest and reinvest Fund moneys as directed in Iowa Code section 602.9111.
2. Statutory Investments and Constraints on Investments Statutorily authorized investments are those specified under Iowa Code section 97B.7A.

### C. FUND INVESTMENT, MANAGEMENT AND OVERSIGHT

#### 1. Responsible Persons

##### a. Treasurer

The Treasurer shall, as specified by law, invest the moneys of the Judicial Retirement System. The Treasurer shall, as specified below:

- 1) determine acceptable investments for Fund moneys;
- 2) develop investment objectives, investment manager guidelines, investment manager asset allocation targets, and performance measurement standards based on funding requirements;
- 3) hire investment managers and give full discretion to the investment managers to manage the investment and reinvestment of assets;
- 4) obtain written contracts with the investment managers hired for the Fund;
- 5) use an investment consultant for support in performance review, investment manager selection and evaluation, asset allocation recommendations, as deemed necessary;
- 6) monitor investment manager compliance with the Fund investment policy and the investment manager guidelines;
- 7) review any and all Fund investment manager performance on a quarterly basis;

- 8) evaluate total Fund performance and investment manager performance in context with the standards of performance established herein and under the investment manager guidelines on an annual basis;
- 9) review, modify if necessary, and approve the Fund investment policy and the investment manager guidelines annually or as circumstances dictate.
- 10) take corrective action when the investment manager fails to conform in accordance with the investment policy or investment manager guidelines;
- 11) empower investment managers to vote proxies and execute corporate actions consistent with policy directives herein;
- 12) resolve proxy voting instruction conflicts with the investment managers;
- 13) deploy existing assets and new moneys to investment managers, mutual funds or pooled funds;
- 14) obtain custodial safekeeping of Fund assets, verify delivery and receipt of Fund assets and the collection of Fund income; and
- 15) maintain the investment accounting records for the Fund.

b. Investment Managers

The investment manager shall, as specified below:

- 1) possess the necessary expertise and specialized research facilities to invest Fund moneys prudently; and
- 2) contract in writing with the Treasurer to adhere to the Fund investment policy and the applicable investment manager guidelines.

c. Providers of Mutual Funds or Pooled Funds

As the Treasurer will have no say in the particular investment policies of any pooled funds or mutual funds used in the Fund's investment structure, the broad guidelines outlined below will govern the Fund's retention of appropriate providers.

- 1) Aggregate Assets

Each fund provider shall maintain a threshold level of aggregate assets (including both the assets in the pool or fund and any separate account assets managed similarly) sufficient to ensure broad diversification, efficient trading, and economies of scale in administrative expenses and transaction costs. Each fund provider shall not exceed a level of aggregate assets (including both the assets in the pool or fund and any separate account assets managed similarly) where the size would cause the asset manager to deviate from the portfolio construction methods upon which the performance record was built.

2) Personnel

Each fund provider shall ensure the stability of personnel, thereby encouraging consistency of investment method.

3) Expenses

Each fund provider shall control both management fees and administrative expenses, to ensure that total expenses are within normal and customary tolerances.

4) Portfolio Characteristics

Each fund provider shall maintain portfolio characteristics consistent with historical patterns as presented to the Treasurer at the time of hiring. Deviations from expectations will occasion a review of the fund's continued appropriateness in the Fund's investment structure.

d. Investment Consultant

The investment consultant shall, as specified below:

- 1) possess the necessary expertise and facilities to assist the Treasurer in the oversight of investment of Fund moneys;
- 2) act as a fiduciary for the services provided;
- 3) provide annual performance and attribution reports for each Investment Manager and the Fund to the Treasurer no later than forty-five (45) days following the end of the fiscal year;
- 4) provide other investment support services as required by the Treasurer;  
and
- 5) contract in writing with the Treasurer for services provided.

## 2. Reporting and Communications

### a. Reporting Investment Activity to the Treasurer

- 1) Each investment manager or designated representative of firms providing mutual fund or pooled fund vehicles shall appear before the Treasurer and report on investment activity at least annually. The report shall specifically include the following.
  - a) asset class returns;
  - b) anticipated portfolio strategy for the upcoming fiscal year;
  - c) economic indicators and trends; and/or
  - d) financial market conditions.
- 2) Each investment manager or designated representative of firms providing mutual fund or pooled fund vehicles shall furnish Uniform Application for Investment Advisor Registration – Form ADV Parts I and II to the Treasurer annually, or immediately upon substantial revision. For firms wholly or partially owned by banks, or for firms otherwise not required to file a Form ADV, a mutually agreeable substitute for the Form ADV will be provided by the investment manager.

### b. Communication of Material Matters to the Treasurer

Each investment manager or designated representative of firms managing investments for the Fund is responsible for frequent and open communication with the Treasurer on all material matters pertaining to the investment of the Fund's assets, including, but not limited to changes affecting investment values and changes affecting financial condition, personnel and procedures of the investment manager or fund provider.

- 1) Investment changes shall include major changes in the investment manager's or fund provider's investment outlook, investment strategy, and portfolio structure.
- 2) Organization changes shall include any material changes in ownership, organizational structure or financial condition, and senior personnel staffing of the organization

c. Reporting Investment Activity to the Treasurer

Each investment manager or designated representative of a firm providing investment services shall provide the following reports to the Treasurer.

- 1) Quarterly reports shall be provided to the Treasurer and shall include the following:
  - a) Performance returns for all time periods including since inception;
  - b) portfolio attribution;
  - c) summary of additive and detractors to performance;
  - d) security name and CUSIP number, (if CUSIP is available)
  - e) par value or number of shares
  - f) cost and market value
  - g) current yield
  - h) percent of total market value that the market value of each security represents
  - i) bond credit rating (if applicable)
- 2) Quarterly reports shall be provided by each investment manager or designated representative of a firm providing investment services to the Treasurer. The quarterly report shall summarize proxy voting information. The report shall include the security name and a summary of each issue presented for a vote and the vote decision. The quarterly report shall also include a summary of each purchase and sale made during the quarter.

d. Reporting Investment Activity to State Court Administrator

Quarterly reports will be provided by the Treasurer to the State Court Administrator providing a review of investment performance, asset allocation, risk measures, compliance and a list of investment holdings,

3. Policy Recommendations

The investment managers and the investment consultant shall recommend changes to policy when deemed necessary.

II. INVESTMENT OBJECTIVES

A. STATEMENT OF OBJECTIVES

An investment manager shall not purchase an investment, or practice any procedure not authorized under the terms of this document and the investment manager guidelines. Assets of the Fund shall be invested consistent with the goals and needs of the Fund which are the following:

1. Safety of Principal

The main objective is to make sure that the Fund has assets sufficient to meet the long-term benefit obligations of the System. A major goal of the Fund's investments shall be safety of principal in order to preserve assets sufficient to meet the benefit obligations of the system. The principal amount of the assets may decline in the short term, but should be maintained over a three (3) to five (5) year period of investment or a market cycle

2. Real Growth

Primary investment emphasis shall be placed upon consistency of real growth over time in order to help maintain the purchasing power of the benefits.

3. Liquidity

Sufficient liquidity shall be maintained to fund benefit payment outflows.

4. Cost-Effective Management

The investments of the Fund shall be managed in an efficient and cost-effective manner.

B. INVESTMENTS PERMITTED

Under this policy, moneys of the Fund may be invested as follows:

1. Stocks

Stock investments may include common stocks, American Depositary Receipts, or issued convertible into common stock;

No more than 4.9% of outstanding issues in a given security class may be purchased.

2. Fixed Income

Fixed income securities may include securities issued by:

- a. the United States or foreign governments or their agencies and instrumentalities;
- b. United States municipalities;
- c. domestic or foreign corporations (including banks and other financial institutions, industrials, and utilities);

- d. Yankee bonds and Eurodollar bonds;
- e. Supranational institutions or agencies such as the World Bank.
- f. Sovereign issuers
- g. Securities issued under rule 144A
- h. Securitized fixed income issuers, such as mortgage- or asset-backed securities.

3. Cash Equivalents

The cash portion of the Fund may be invested in:

- a. The Short-Term Income Fund (STIF) which is a commingled money market fund through The Bank of New York Mellon called the Collective Short-Term Investment Fund.
- b. Money Market Securities as follows:
  - 1) domestic commercial paper shall be A-1 as rated by Standard & Poor's rating service and P-1 as rated by Moody's rating service,
  - 2) domestic prime banker's acceptances; and
  - 3) certificates of deposit issued by a domestic bank issuing prime banker's acceptances.

4. Real Estate

Institutional quality real estate equity in the form of commingled real estate fund participation and separate accounts of individual property.

Publicly traded investments in real estate operating companies and real estate investment trusts.

It is expected that Real Estate managers may employ leverage in their portfolios consistent with the amounts and exposures in their historical track records. Leverage shall be reported by the manager as part of the periodic monitoring process.

5. No Load Mutual Funds or Pooled Funds

The stock, fixed income, real estate or cash portion of the Fund may employ Pooled Funds or no-load Mutual Funds. When such funds are used as part of an Investment Manager's portfolio, the Investment Manager will adjust fees such that the use of the Mutual Fund(s) does not result in a higher management fee expense.



6. Use of Derivatives

Derivatives, including but not limited to futures, options, swaps and forward contracts, may be used to effect portfolio strategy in a cost efficient manner. Such instruments are not to be used to increase portfolio leverage or to attempt to time the market. Managers of separate portfolios must receive written permission from the Office of the Treasurer before implementing such positions so that the custody arrangements can be established. Commingled fund managers should describe derivative positions as part of their periodic reporting to the Treasurer and Board.

7. Private Markets

The Plan may invest and systematically commit to private equity and private debt investments through limited partnerships, commingled funds, or other investment structures designed for tax-exempt investors.

C. RISK TOLERANCE / AVOIDANCE

The following practices shall be utilized to avoid risk or loss of principal and/or income:

1. Prohibited Investments

The Treasurer's written permission is required for the purchase of unregistered or restricted stock.

2. Broker-Dealer Selection / Credit Risk

The investment managers shall select securities broker-dealers to execute transactions for the Fund only after they are satisfied regarding the credit soundness and regulatory history of each broker-dealer.

3. Issuer Quality / Default Risk

The ability of the issuer to repay fixed income securities on schedule shall be an important determinant when making an investment decision to avoid the risk of default.

4. Diversification / Limiting Exposure to Risk

The Fund's investments shall be diversified in order to avoid substantial exposure to any one risk, whether determinable or unforeseen.

a. Asset Allocation

Asset allocation is an essential factor of total Fund return and diversification. The following targets and ranges apply:

	JRS Policy	Minimum Allocation	Maximum Allocation
US Large-Cap Equity	20.00%	15.00%	30.00%
US Small/Mid-Cap Equity	15.00%	10.00%	20.00%
Non-US Equity	25.00%	13.75%	35.00%
Private Equity	5.00%	0.00%	8.00%
<b>Total Equity</b>	<b>65.00%</b>	<b>55.00%</b>	<b>80.00%</b>
US Fixed Income	14.25%	7.00%	20.00%
Diversified Fixed Income	5.75%	0.00%	10.00%
Private Debt	5.00%	0.00%	8.00%
<b>Total Fixed Income</b>	<b>25.00%</b>	<b>15.00%</b>	<b>40.00%</b>
Core Real Estate	4.00%	0.00%	8.00%
Non-Core Real Estate	6.00%	0.00%	9.00%
<b>Total Real Assets</b>	<b>10.00%</b>	<b>0.00%</b>	<b>13.00%</b>
Cash	0.00%		
<b>TOTAL</b>	<b>100.00%</b>		

The amount allocated to a specific asset class may fluctuate within a range of plus or minus 5% of the targets specified above.

Investment grade and diversified fixed income allocations may be combined into the same portfolio and managed by the same manager. Developed and emerging market equity allocations may be combined in a similar manner.

b. Maximum Holdings

An investment manager shall prudently invest fund moneys so as to avoid an over-concentration in any one particular securities issue or industry. An investment manager shall follow the diversification standards set forth in the applicable investment manager guidelines.

5. Investment Strategies / Trading Risks

Securities shall be bought and sold in a manner which is consistent with the objectives of the Fund. Practices such as short-term trading are prohibited. Margin trading will be allowed only with the written permission of the Treasurer. No strategy which risks the total Fund shall ever be employed.

## D. RETURN ON INVESTMENT / FUND PERFORMANCE STANDARDS

The Fund's total rate of return is dependent upon asset allocation and policy direction from the Treasurer to the investment managers. Performance shall be evaluated on an annual basis. The evaluation shall be made with the expectation of achieving the performance standards over the time period to occur first, either a three (3) to five (5) year investment period or a market cycle. The total rate of return shall be evaluated net of all management fees and other transaction costs. The total Fund performance shall be evaluated as follows:

### 1. Targeted Rate of Return

- a. a total rate of return that equals or exceeds the targeted total rate of return of 6.75%; and
- b. a total rate of return on average that exceeds the consumer price index (CPI) by four percent (4%)

### 2. Allocation Index

The Treasurer shall evaluate the total rate of return of the Fund on a time-weighted basis and compare it to the Allocation Index. The total return of the Fund is expected to exceed the Allocation Index as the measure of added value generated by active investment management.

### 3. Comparison to Other Funds

The Treasurer shall evaluate the total Fund investment performance on a time-weighted basis and compare with other similarly managed funds reporting to Performance Universes recommended by the Investment Consultant. Over the period of investment, it is expected the total Fund performance shall rank in the upper fifty percent (50%) of the Performance Universe of total plans.

### 4. Risk Adjusted Total Rate of Return

The Treasurer shall compare and evaluate the Sharpe Ratios of the total Fund investments and its components to the Sharpe Ratios of the appropriate benchmarks.

### 5. Standard Deviation of Returns Limit

The Treasurer shall evaluate the annualized standard deviation of quarterly returns for each investment manager in accordance with the appropriate investment manager guidelines.

### 6. Investment Manager Performance Standards

The Treasurer shall evaluate each investment manager’s performance over the time period to first occur, either a three (3) to five (5) year investment period or a market cycle. The Treasurer shall evaluate each investment manager’s performance according to the appropriate investment manager guideline.

7. Turnover

The rate of asset turnover shall not be an evaluation factor if the investment performance results meet the Fund’s objectives.

8. Policy Index

The Board shall evaluate the total rate of return of the Fund on a time-weighted basis and compare it to the Policy Index and Allocation Index. The policy index shall mean a custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation target. The custom benchmark consists of the following:

	JRS Policy	JRS Policy Benchmarks
US Large-Cap Equity	20%	S&P 500
US Small/Mid-Cap Equity	15%	7.5% Russell 2000 Growth and 7.5% Russell 2000 Value
Non-US Equity	25%	MSCI ACWI x- US
Private Equity	5%	S&P500 Index + 300 bps
US Fixed Income	20%	BBgBC US Aggregate
Private Debt	5%	Bloomberg U.S. Corporate High Yield Index
Real Estate	10%	NCREIF Property Index

E. PROXIES AND CORPORATE ACTIONS

1. Proxies

JRS commits to managing its proxy voting rights with the same care, skill, diligence, and prudence as is exercised in managing its other valuable assets. As responsible fiduciaries, investment managers will exercise their proxy voting rights in the sole interest of the Fund participants and beneficiaries and in accordance with the applicable statutes.

The voting rights of individual stocks held in any separate account, or any collective, common, or pooled fund will be exercised by the manager, trustees, or agents of said account or fund in accordance with their own proxy voting policies, upon the review and determination by the System that such proxy policies fulfill the above-stated mandates.

2. Corporate Actions

The investment managers shall have full discretion in the resolution of corporate actions.

F. ADMINISTRATION OF INVESTMENTS

1. Custody All assets of the Fund shall be secured through the use of a Treasurer-designated third-party custodial institution. Safekeeping procedures shall be reviewed annually by the State Auditor. The State Auditor may conduct surprise audits of safekeeping procedures.

2. Transaction Settlement All purchases and sales of securities shall be on a delivery versus payment basis unless provided for in writing by the Treasurer.

3. Brokerage Services

a. Iowa Services

Broker-dealer firms with an office in Iowa shall be given an opportunity to compete for various transactions.

b. Best Execution

Each investment manager shall seek to obtain the best combination of price and execution from broker-dealers for each trade of the Fund. The Treasurer may request the investment managers to direct a specified amount of brokerage fees to particular brokerage firms, when the best price and execution are available, for the purpose of obtaining rebates on trading commissions.

G. GOALS OF ADMINISTRATION

1. No Conflict of Interest

The Treasurer shall not have direct interest in the profit or gain of the Fund or directly or indirectly use the assets of the Fund except to make current and necessary payments.

2. Personnel, Procedures and Practices

The Treasurer shall employ competent, qualified personnel and shall set up procedures to assure efficiency and safety in Fund management.

APPENDIX A

<b>Asset Class</b>	<b>Investment Manager</b>	<b>Benchmark</b>
Large Cap Equity	Vanguard	S&P 500
Small Cap Equity - Growth	William Blair	Russell 2000 Growth
Small Cap Equity - Value	Wasatch Advisors	Russell 2000 Value
International Equity	Baillie Gifford	MSCI ACWI x-US
Private Equity	TBD	S&P500 Index + 300 bps
Core Plus Fixed Income	Reams Lazard	Barclays US Aggregate
Private Debt	TBD	Bloomberg U.S. Corporate High Yield Index
Real Estate	TBD	NCREIF Property Index