



MARQUETTE  
UNIVERSITY

INVESTMENT POLICY STATEMENT  
POOLED ENDOWMENT FUNDS  
MARQUETTE UNIVERSITY

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	INVESTMENT OBJECTIVE..	1
III.	LIQUIDITY.....	1
IV.	ASSET ALLOCATION.....	1
V.	REBALANCING.....	2
VI.	PERFORMANCE EVALUATION.....	2
VII.	INVESTMENT LIMITATIONS AND RESTRICTION.....	3
	General.....	3
	Equity.....	3
	Fixed Income.....	3
VIII.	MANAGER SELECTION & RETENTION .....	4-5
	Socially Responsible Investing and Sustainability.....	5...
IX.	ROLES & RESPONSIBILITIES.....	5-6
	Board of Trustees .....	5
	Investment Committee .....	5
	Chief Investment Officer.....	5
	Investment Consultant.....	5
	Investment Managers.....	6
	Custodian.....	6
X.	USE OF DERIVATIVES AND LEVERAGE..	6
XI.	CONFLICT OF INTEREST .....	7

INVESTMENT POLICY STATEMENT  
POOLED ENDOWMENT FUNDS  
MARQUETTE UNIVERSITY

I. Introduction

The Investment Policy Statement (IPS) sets forth the principles and guidelines for the prudent management of Marquette University's endowment assets. This IPS is established by the Board of Trustees and governs the authorities involved in managing the investments of the endowment fund (collectively, the "Fund").

II. Investment Objective

The Fund's investment objective is to preserve its purchasing power, while providing a continuing and stable funding source to support the overall mission of Marquette University. To accomplish this objective, the Fund seeks to generate a total return that will exceed its annual spendable real expenses associated with managing the fund and the eroding effects of inflation. It is the intention that any excess return (interest income, dividends, realized gains, and unrealized gains), above and beyond the amount approved for expenditure or distribution, will be reinvested in the Fund. The Fund will be managed on a total return basis, consistent with the applicable standard of conduct set forth in the Uniform Prudent Management of Institutional Funds Act (UPMIFA) adopted by the state of Wisconsin in 2009.

III. Liquidity

The Fund has a long-term investment horizon with relatively low liquidity needs. For this reason, the Fund can tolerate short and intermediate term volatility provided that long-term returns meet or exceed its investment objective. Consequently, the Fund may take advantage of less liquid investments, such as private equity, hedge funds, and other partnership vehicles, which typically offer higher risk-adjusted return potential as compensation for forfeiture of liquidity. To ensure adequate liquidity for distributions and to facilitate rebalancing, the Chief Investment Officer will conduct ongoing reviews of total fund liquidity and report to Marquette's internal Investment Committee (IC) regularly.

IV. Asset Allocation

To achieve its investment objective, the Fund will allocate among several asset classes with a bias toward equity and equity-like investments. An equity bias is desirable as it provides a viable long term hedge against inflation and has historically outperformed fixed income over long periods of time. Other asset classes may be added in an attempt to enhance returns, reduce volatility through diversification, and/or offer a broader investment opportunity set.

The Domestic Equity allocation is intended to provide long-term growth and offer high expected real returns and liquidity. The International Equity segment is intended to enhance return and control risk by reducing the Funds' reliance on domestic financial markets. Private may provide even higher return potential by focusing on opportunities in less efficient and more illiquid markets. Diversified hedge strategies are employed to offer market comparable returns with lower expected volatility. Fixed income provides stability and protection in deflationary environments. Bonds provide the portfolio with a diversified hedge against inflation as well as a strong yield component. Lastly, Cash provides short-term liquidity and serves as a funding source.

The Fund's longterm, strategic asset allocation is presented in the following table, which also lists the longterm policy target allocations for each asset category and the permissible ranges of actual investment exposure.

Asset Class	Policy Target	Policy Range
-------------	---------------	--------------

In addition to the Fund and asset class benchmarking, all managers within each asset class will be compared to their own relevant style index benchmarks. While a horizon of at least three years is the preferred comparison period, significant short-term differences will be highlighted and, if warranted, action steps recommended to the IC

#### VII. Investment Limitations and Restrictions

In order to define the level of risk that is acceptable in the investment portfolios, the following investment limitations and restrictions should be used as a guide. Investment managers selected to manage assets must adhere to these parameters unless the IC has authorized modifications in writing. Investments in commingled funds are not subject to these restrictions; however, these parameters will be considered when selecting the appropriate investment manager.

##### General

The following categories of investments are permitted for investment without the IC's prior written approval or as specifically authorized in the implementation of alternative strategies: (i) private placements or restricted securities, other than Rule 144A Securities; (ii) commodities including gold, precious gems or commodity futures; (iii) uncovered options; short sales or margin





The Consultant will meet with the



If any member of the IC staff, or the Consultant shall have, or appear to have, a conflict of interest that impairs or appears to impair the respective member's ability to exercise independent and unbiased judgment in the good faith discharge of his or her duties or she shall disclose such conflicts prior to meaningful discussion. All Parties must also comply with any other conflicts of interest policies adopted by Marquette University.

#### Implementation

In order to keep the Investment Policy Statement current, information is subject to no less than annual review