Based on the risk budget for the GEP, the Committee has adopted the following asset allocation policy, including asset class weights and ranges, benchmarks for each asset class, and the benchmark for the total GEP.

Criteria for including an asset class in the strategic policy include:
- widely recognized and accepted among institutional investors
- has low correlation with other accepted asset classes
- has a meaningful performance history
- involves a unique set of investors

The Current Policy Allocation recognizes the current under-investment in illiquid asset classes (private equity and real estate) and the corresponding need to set rebalancing ranges around this effective policy allocation until such time as long-term policy weights in these classes are achieved. The allowable ranges for each asset class and in total have been chosen to be consistent with budgets and ranges for total and active risk.

### A. Strategic Asset Allocation and Ranges

<table>
<thead>
<tr>
<th>Long-Term Target Allocation</th>
<th>Current Policy Allocation</th>
<th>Allowable Ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equity</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>Developed Non US Equity</td>
<td>18.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Emerging Mkt Equity</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Global Equity</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>US Fixed Income</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>High Yield Fixed Income</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Non USD Fixed Income</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Emerging Mkt Fixed Income</td>
<td>2.5%</td>
<td>3</td>
</tr>
<tr>
<td>TIPS</td>
<td>2.5%</td>
<td>4</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>23.5%</td>
<td>23.5%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>3</td>
<td>0.5</td>
</tr>
<tr>
<td>Opportunistic</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Private Equity</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Real Estate</td>
<td>7.5%</td>
<td>5</td>
</tr>
<tr>
<td>Liquidity</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Combined Public Equity 45.44% 44.45% 37.35.5 54.55.5
Combined Fixed Income 45.12.5 20.518 45.13 25.23
Combined Alternatives 40.43.5 35.36.5 30.26.5 40.46.5