

SRBC LONG-TERM INVESTMENTS
STATEMENT OF INVESTMENT POLICY, OBJECTIVES, AND GUIDELINES
ANNUAL ADDENDUM – 2025

INVESTMENT GOALS

Specific Investment Goals

10-Year Time Horizon

Over a 10-year investment horizon, it is the goal of the long-term investment portfolio to meet or exceed:

CPI Inflation + 2% net of fees and expenses.

Yearly Time Horizon

Over an annual time horizon, it is the goal of each investment manager to:

- Meet or exceed net of fees the market index, or blended market index, identified through the linear combination of the asset class benchmarks listed below.
- Display an overall level of risk in the portfolio which is consistent with the risk associated with the class blended benchmark. Risk will be measured by the standard deviation of the portfolio returns on an annualized basis.

The returns on each asset class will be benchmarked against recognized indices.

<u>Asset Class</u>	<u>Benchmark</u>
Large Cap Equity	S&P 500
Mid Cap Equity	Russell Mid Cap
Small Cap Equity	Russell 2000
International Equity - Developed	MSCI EAFE
International Equity - Emerging	MSCI EM
High Yield Fixed Income	Bloomberg US HY
Short-Term Govt Fixed Income	Bloomberg Treasury 1-3 Year
Intermediate Fixed Income	Bloomberg US Aggregate Bond Index
Short-Term Corp Fixed Income	Bloomberg US Corporate 1-3 Year
Commodities	Bloomberg Commodity Total Return Index
Cash	0% Absolute Return

ASSET ALLOCATION GUIDELINES

<u>Asset Class</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Target</u>
Large Cap Equity	45%	10%	27%
Mid Cap Equity	20%	5%	11%
Small Cap Equity	15%	5%	8%
International Equity - Developed	15%	5%	8%

International Equity - Emerging	15%	0%	6%
High Yield Fixed Income	10%	0%	5%
Short-Term Fixed Income	50%	10%	16%
Intermediate Term Fixed Income	30%	10%	22%
Commodities	10%	0%	5%
Cash	10%	0%	1%
Total Equity	69%	40%	60%

In the event that the above aggregate asset allocation guidelines are violated, for reasons including, but not limited to, market price fluctuations, the Director of Administration and Finance will instruct the Investment Manager(s) to bring the portfolio(s) into compliance with these guidelines as promptly and prudently as possible. In the event that any individual Investment Manager's portfolio is in violation with its specific guidelines, for reasons including, but not limited to, market price fluctuations, the Commission expects that the Investment Manager will bring the portfolio into compliance with these guidelines as promptly and prudently as possible without instruction from the Commission.