INVESTMENT POLICY STATEMENT

OF THE

SEATTLE UNIVERSITY EMPLOYEES RETIREMENT PLAN

June 1, 2012
(Amended February 19, 2013, April 13, 2015, May 23, 2019)
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Plan Information

Plan Sponsor: Seattle University
Plan Name: Seattle University Employees Retirement Plan
Plan Type: Section 403(b)
Policy Statement Adoption Date: June 1, 2012

The Seattle University Employees Retirement Plan (the "Plan") is an employee pension benefit plan as defined under the Employee Retirement Security Act of 1974, as amended ("ERISA"), and intends to comply with all applicable laws and regulations, including ERISA and the Internal Revenue Code of 1986, as amended ("Code"). Seattle University established and maintains the Plan for the exclusive benefit of Plan participants. The Plan is a defined contribution retirement plan designed to provide eligible employees with a retirement savings benefit through the accumulation of employee salary deferrals and employer contributions, if any, plus the earnings on such contributions.

Seattle University intends to comply with ERISA Section 404(c) and regulations thereunder such that participants have the opportunity to exercise investment control over the Plan assets in their accounts, choosing from a broad range of investment alternatives, and no person who is otherwise a fiduciary with respect to the Plan is liable for investment losses that may occur as a result of a participant's investment instructions or other exercise of control over the investment of assets in his or her Plan account(s).

Seattle University, as the Plan sponsor, maintains a fiduciary responsibility to designate the investment alternatives from which each participant may select. The Seattle University Board of Trustees has appointed the Retirement Plan Investment Committee ("Committee") to select and monitor the investment alternatives available under the Plan. The Committee will act with the skill, diligence, and care that a prudent person acting in a like capacity and who is familiar with such matters would undertake in accordance with all applicable laws and regulations. This Investment Policy Statement will hereafter guide the Committee in making decisions regarding the Plan's investment alternatives.

Purpose of the Investment Policy Statement

This Investment Policy Statement sets forth the process that Seattle University has adopted to make investment related decisions with respect to assets of the Plan in compliance with the standards of fiduciary conduct prescribed by ERISA. It outlines the underlying investment philosophy of the Committee and the specific processes utilized in the initial selection, monitoring and evaluation of the investment managers and products offered in the Plan. More specifically, this Investment Policy Statement:
• Defines the Plan's investment goals and objectives;
• Describes the criteria and procedures for selecting and monitoring investment managers;
• Provides for diversification options within and among various investment options; and,
• Describes when the default investment alternative will be utilized.

The Investment Policy Statement will be reviewed by the Committee periodically and, as necessary or appropriate, will be amended to reflect changes in philosophy, objectives or any other factors relevant to the operation of the Plan. The Committee has discretion to make exceptions to this Investment Policy Statement, either generally or in specific instances, but in all events will comply with ERISA and any other applicable law. The Committee has the right to delegate duties to other parties, but it always retains ultimate authority with respect to all matters within the purview of this Investment Policy Statement.

This Investment Policy Statement is intended to implement applicable law and is not intended to create additional legal duties not separately provided by such law, absent this Investment Policy Statement. This Investment Policy Statement is part of the Plan's funding policy pursuant to ERISA Section 402(b)(1).

Plan Assets

The Board of Trustees has delegated responsibility to the Committee for the selection of the investment alternatives available within the Plan. All decisions regarding the suitability of an investment alternative will be made by the Committee.

Investment Objectives

The Committee will select the investment vehicles offered by the Plan to:

• Provide a wide range of asset classes with varying risk/reward profiles;
• Maximize return potential for a given level of risk tolerance;
• Provide risk and return characteristics comparable to similar investment options; and
• Minimize management and other expenses relative to the asset class of the desired investment alternative.

The Plan will generally utilize mutual funds or other "pooled" investments as designated investment vehicles. The Plan's investment shall not be subject to fees, liquidation penalties or trading costs that are excessive.
The Committee has established a tiered framework to assist in the review and communication of Funds. The factors impacting the selection and monitoring of investment products will vary based on its specified use within the greater investment array.

Tier #1 - Target Retirement Date Array - A series of Funds each designed to be a single investment option that is appropriate from the time an investor enters the workforce and begins saving for retirement until that participant ceases participation in the Plan.

Tier #2 - Core Index Array - A series of passively managed, low cost Funds that provide exposure to a broad set of asset classes selected by the Committee at a low cost of ownership.

Tier #3 - Core Active Array - A series of actively managed Funds representing specific asset classes and investment styles selected by the Committee to provide exposure to a wide range of asset classes with varying risk/reward profiles.

Tier #4 - Socially-Responsible Array - A series of Funds that incorporate environmental, social, corporate governance or other screens into their investment process as outlined in their prospectus or similar offering document.

Selection of Investment Managers

In choosing the designated investment alternatives made available to Plan participants through the Plan, the Committee will follow the selection process outlined below.

1. The Committee will select the asset classes to be offered to participants through the Plan. In deciding which asset classes to utilize, the Committee will examine the risk/return characteristics of each asset class, as demonstrated by the benchmark index and/or the average investment product in the asset class, the investment sophistication of Plan participants, and the ability to incorporate the asset class into a prudent, diversified portfolio.

2. After selecting the asset classes, the Committee will evaluate investment managers and choose a manager(s) for each asset class offered. Each manager must meet certain minimum criteria, as follows, to be evaluated:

   • The manager is a bank, insurance company, investment management company, or an investment adviser under the Investment Advisers Act of 1940.
   • The manager operates in good standing with all applicable regulators and has no material pending or concluded legal actions within the past 5 years.
• The manager provides detailed information regarding the history of the firm, its investment philosophy and process, its principals, fees and other relevant information identified by the Committee.
• The manager has sufficient experience and resources to provide confidence that it will achieve applicable investment objectives.

3. If the minimum criteria above are met, the manager will be evaluated using criteria that the Committee determines to be relevant for the prudent selection of an investment vehicle, such as:
   • Expenses
   • Diversification
   • Experience
   • Investment Style
   • Manager Skill
   • Efficiency
   • Risk
   • Performance

Investment managers who pass the quantitative screening test will then face a qualitative review by the Committee. Information the Committee will consider may include:
   • History of the organization
   • Culture of the firm
   • Investment philosophy and process
   • Depth and quality of the research staff
   • Stability of the management team and staff
   • Other commitments (i.e. other investment products managed)
   • Firm’s compliance procedures

4. Upon evaluation of candidate investment managers using criteria described above, the Committee will select the investment alternatives to be offered to participants in the Plan. A current list of designated investment alternatives approved by the Committee is listed in the Plan’s periodic fund performance report, including their comparative benchmarks and peer groups.

**Investment Monitoring**

The Committee is responsible for the ongoing monitoring of the designated investment alternatives offered by the Plan to review for the continuing suitability of each investment. On a regular basis, the Committee will review each Plan investment alternative to determine whether it continues to satisfy the initial selection criteria and should be retained in the Plan. While frequent turnover of the investment alternatives in the Plan is neither expected nor desirable, the Committee will act on an investment alternative as it deems appropriate and as described in Investment Manager Changes.
Should an investment alternative fail to meet the initial selection criteria on review, or should other extraordinary events occur, the investment manager will be placed on a watch list or terminated at the Committee's discretion. Examples of extraordinary events include, but are not limited to:

- Change in portfolio managers;
- Increase in expense ratio;
- Portfolio characteristics relative to benchmarks;
- Fund mergers; or
- Change in investment style or category.

The Committee will select appropriate criteria to determine whether an investment alternative should be placed or remain on the watch list. An investment alternative's appearance on the watch list will not immediately prompt termination by the Committee; however, it will require that the Committee perform additional analysis to determine whether the watch-listed investment alternative remains suitable for Plan participants. If the Committee determines the investment alternative remains a suitable investment, it may be removed from the watch list. However, if the Committee determines that an investment option is no longer suitable, it will take appropriate remedial action, which may include termination.

In the event of a transition affecting the designated investment alternative platform (i.e. as a result of a recordkeeping vendor or investment product/platform change), the Committee will continue to monitor the deselected investment alternative(s) utilized under investment contracts held individually by Plan participants or otherwise. However, the Committee's ability to take action may be limited by the provisions of the governing investment contract.

**Investment Manager Changes**

The Committee will take action based on an investment manager's suitability as an investment alternative for Plan participants. Examples of factors that could result in a change include, but are not limited to:

- Unjustified increases in expenses;
- Replacement of a portfolio manager with an unsatisfactory successor;
- Change in investment objectives of the fund;
- Lack of confidence in the ability of the manager to meet the investment objectives;
- Significant turnover of staff within the investment manager;
- Persistent underperformance relative to benchmarks; or
- Increase in risk profile of product beyond acceptable bounds.

The Committee will analyze investment managers pursuant to the process outlined above to determine whether an investment manager change is appropriate. The Committee will make decisions on an individual basis for each investment manager and may rely on the initial selection criteria described above.
Should the Committee decide to take action with regard to an investment manager, the Committee may, among other actions:

- Remove and replace the manager with a new investment manager, liquidate assets in the replaced fund and reinvest same assets in a replacement fund (map assets);
- Freeze contributions to the current investment manager and direct future contributions to the new investment manager;
- Phase out an investment manager over a specific time period;
- Notify participants of a manager’s deficiencies and that participants may wish to consider their allocation to that manager;
- Retain the current investment manager and add an alternative investment manager in the same asset class; or,
- Remove the investment manager and not offer a replacement.

Any new investment managers added will be evaluated using the selection criteria described at Selection of Investment Managers.

**Socially Responsible Investments**

To meet the needs of its participants and their requests, the Committee has elected to utilize investments that incorporate additional screens into their investment process (the Socially Responsible array outlined on page 5). The Committee utilizes the same selection, monitoring, and change process described above with respect to these investments that are used for all other investments included in the Plan’s investment menu.

Additionally, with respect to socially responsible investments, the Committee periodically reviews the screens in the investment’s prospectus or similar offering document to ensure the screens still meet the articulated policy needs/requests of the Plan’s participants.

Recognizing that the Plan’s participants may have competing policy goals, in no case is the Committee selecting the default investment alternative, as described below, based on these screens.

**Default Investment Alternative**

Plan participants will direct the investment of assets held within their accounts. The Committee intends to comply with ERISA Section 404(c)(5) and regulations thereunder such that participants who fail to make an investment direction of their account balances are treated as exercising investment control over assets allocated to a qualified default investment alternative ("QDIA"). The Committee has elected to utilize default investment options based on a participant’s age and the Plan’s normal retirement age will be used to determine the appropriate age-based default option.

**Proxy Voting**

The Committee will not vote proxies or instruct others to vote proxies on its behalf, unless it believes that the outcome of a specific proxy vote would be significantly impactful to the Plan.
Committee Discretion

While this IPS describes specific acts and criteria, they are for the purposes of guidance only. The Plan fiduciaries are not bound by the literal terms of this IPS but should instead exercise discretion and considered judgment in making their decisions for the benefit of Plan participants.

Plan Document Coordination

If any term or condition of this Investment Policy Statement conflicts with any provision or condition of the Plan document, the provisions and conditions of the Plan document shall control.

EXECUTED FOR THE COMMITTEE:

BY:

[Signature]

Date

[Printed Name]

[Title]