Statement of Investment Policies and Objectives

For

Delaware Public Employees' Retirement System

As amended by the Board of Pension Trustees September 27, 2024

Contents

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Purpose

The Investment Committee (the "Committee") was established as a subcommittee of the Board of Pension Trustees (the "Board"). Its members may include non-Trustees as well as Trustees. Its purpose is to oversee the investment management of all DPERS assets under a process approved by the Board. The Delaware Public Employees' Retirement System ("DPERS") assets are maintained in a commingled master trust (the "Fund") for investment purposes. The Committee also oversees the investment of the Other Post-Employment Benefits (OPEB) assets and the Delaware Volunteer Firemen Pension Plan.

The purpose of this document is to outline the investment policies and objectives of DPERS in order to assist the Board and the Committee in effectively supervising and managing Fund assets. This policy provides a framework with sufficient flexibility to capture investment opportunities while setting reasonable parameters to ensure prudence and care in the execution of the investment program.

The investment policies and procedures described in this statement are subject to annual review or update by the Board when appropriate.

Standard of Care

The Board, its committees and its managers shall discharge their duties to the Fund solely in the interest of the participants and beneficiaries, and for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Fund. They shall perform their responsibilities hereunder with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims, (hereinafter referred to as "Standard of Care,"), see 29 Del C. Ch. 83. The Board, as fiduciaries, shall prudently select and retain experts whose activity is governed by the Standard of Care.

Code of Conduct

The DPERS' Code of Conduct, emphasizes the advance disclosure of relevant conflicts of interest. All members of the Board, the Committee, the Audit Committee, the Pension Administrator, and the Investment Advisor are Fund fiduciaries with a duty of loyalty to DPERS and responsibility to uphold the Standard of Care. The Board, the Committee Members, Audit Committee Members, key staff of the Office of Pensions, and the personnel of the Investment Advisor directly involved in the investment process (collectively, "DPERS Advisors") are annually required to represent that they do not engage in financial transactions with DPERS' Investment Managers on terms more favorable than the Fund's investment terms, and that they are in compliance with the DPERS Code of Conduct. All identified conflicts are reviewed on a case-by-case basis.

Ethics and Conflicts of Interest

DPERS Advisors involved in the investment process shall refrain from personal business activity that may conflict with the proper execution and management of the investment program, or that may impair their ability to make impartial decisions. DPERS Advisors shall conduct themselves with integrity and act in a professional and ethical manner in their dealings with fellow DPERS Advisors including, but not limited to, the Board Chair, the Pension Administrator, the Audit Committee Chair, members of all Board advisory committees, consultants, advisors, employees, and the general public.

DPERS Advisors shall maintain high ethical and moral character, both professionally and personally, such that their conduct shall not reflect negatively upon DPERS. DPERS Advisors shall act with competence and shall strive to maintain and improve their competence and that of their fellow DPERS Advisors in a manner to include, but is not limited to, the following:

- DPERS Advisors shall not release or provide access to any confidential information obtained or developed while servicing DPERS, including, but not limited to, any information obtained relating to Investments, Investment Managers, or other non-public investment information of DPERS.
- DPERS Advisors are prohibited from self-dealing, conducting private business, or providing personal services between or among other DPERS Advisors, except as approved through advanced disclosure. DPERS Advisors may not use their positions to obtain advantage for themselves, their family members, or close associates.
- DPERS Advisors and Investment Managers are required to disclose any SEC investigations as well as all third-party relationships which in any way involve payment of fees, shared fees, or other exchanges which have been disclosed, including Gifts, gratuities, or repayments, including but not limited to placement agents, third-party solicitors, and/or lobbyists for Private Equity or Hedge Funds.
- DPERS Advisors shall disclose
    - ➢ Any personal or professional Conflicts of Interest with DPERS investments.
    - ➢ Any investigations conducted by or referred for investigation by the SEC of them personally, or of their firm.
    - ➢ All third-party relationships, which in any way involve payment of fees, shared fees, or any other Soft Dollar exchanges.
    - ➢ Upon request, their Ethics Policy.

Investment Philosophy and Objectives

Investment Philosophy

The Board has established an investment philosophy that stresses a balance between risk and return. The goal is to generate returns that meet or exceed long-term return objectives, including those related to the projected actuarial liabilities of the Fund. The Board sets actuarial assumptions in order to forecast the funds that will be needed to ensure the appropriate payment of benefits. Actual returns from the capital markets are beyond the control of the Committee. The cornerstone of the investment philosophy is the management of downside risk in any 12-month period, while prudently maximizing the potential for long-term gain.

Objectives
To implement this investment philosophy, the Board has established the following goals:

- Achieve a real return objective (DPERS return less CPI) of 3% over long periods (approximately 10 years).
- Manage portfolio risk by controlling exposure to downside price fluctuations of the Fund in any 12-month period.
- Maximize total Investment Returns, consistent with Board objectives.

To achieve these objectives, the Board established the following investment policies:

- Allocate a minimum of 15% of the Fund to Fixed Income Securities such as Bonds, and cash equivalents.
- Maintain a diversified portfolio, to minimize the risk of overexposure in any one market segment, investment style, or strategy.
- Monitor the performance of all Investment Managers by comparing results to specific Benchmarks.
- Control exposure to Illiquid Assets.
- Review, re-examine, and reconfirm the operation and results of the investment process regularly.
- Identify new long-term opportunities for risk reduction and improved Investment Returns.
- Review actuarial assumptions to ensure consistency with capital market expectations.

Roles and Responsibilities

Board of Pension Trustees
The Board is the ultimate Fiduciary for administration of the Fund and each commingled pension benefit plan and/or other fund. Each member of the Board and each member of the Board's Investment Committee are fiduciaries of the Fund. Each such Fiduciary shall discharge its duties to the Fund consistent with the Standard of Care.

The Board provides oversight and sets policy for the Fund and its Investment Advisor, consistent with its authority granted pursuant to 29 Del. C. Ch. 83. Funding levels are determined by the General Assembly with recommendations from the Board.
The Board and its Investment Committee shall utilize a prudent process with the goal of

achieving appropriate and consistent investment results on a cost effective basis, for its members and beneficiaries, while avoiding unacceptable risk levels. The Board receives periodic reports and recommendations for asset management from the Investment Committee and other experts. The Board reports the major accomplishments, and the Fund performance results to the General Assembly. This data is generally presented in the Annual Comprehensive Financial Report.

Pursuant to its authority in 29 Del. C. Sec. 8308(c) (5), the Board engages an Investment Advisor, and individual Investment Managers. The Board delegates implementation, oversight and evaluation of the Fund's investments to the Committee, as further set forth in this Policy.

Investment Committee
The Investment Committee is responsible to the Board for:

- Overseeing and implementing investments for the Fund to achieve the objectives within the stated policies established by the Board.
- Reviewing prospective risk levels and rates of return.
- Assuring investment diversification.
- Monitoring the performance of all Investment Managers and the Fund.
- Selecting, allocating to, and/or removing Investment Managers, custodians, and other service providers.
- Recommending and monitoring Investment Advisor(s).
- Recommending strategic Asset Allocation, investment policies and objectives.
- Recommending appropriate changes to actuarial assumptions.
- Recommending appropriate changes to this Investment Policy.
- Maintaining minutes of its meetings in order to document its prudent process.

The Committee currently holds a minimum of 12 meetings a year and is comprised of a minimum of five (5) voting members. Members are appointed by the Board and need not be Trustees. At least two members of the Committee shall be current Board members. All others attend Committee meetings at the pleasure of the Committee Chair.

The Committee, with assistance from the Investment Advisor, manages the investment process and makes recommendations to the Board on policy while the Board delegates to the Committee powers to implement and manage action and asset allocation moves (see specific authorities below). The Investment Advisor, on behalf of the Committee, reports to the Board at each scheduled Board meeting. Consistent with 29 Del. C. Ch. 83, the Pension Administrator is the Executive Secretary for the Committee.

The Board delegates specific authority to the Committee, including, but not limited to:

Authorities

- Approve limited partnership or private equity investments, Investment Manager contracts, and other investments, subject to the following requirements:

- ➢ such limited partnerships, private equity or Investment Manager contracts are within the scope of existing strategies as set for in the Investment Policy, and
- ➢ At least two Board members serving on the Investment Committee vote in favor of any such investment.
- ➢ Such investments are consistent with the Board Investment Policy.
- ➢ Such investments, including necessary financials, reports or other documentation are reported to the Board within three business days, or at the Board's next regularly scheduled meeting, whichever is sooner.

- Approve changes to Investment Manager investment goals, objectives, guidelines, and fees. The Chair is authorized to execute amendments to manager contract documents which amend investment objectives, guidelines, and fees.
- Execute documents relating to term extensions, changes in key man provisions, or other term changes to Board-approved limited partnership or private equity investments. Term amendments may be authorized by the Chair of the Investment Committee upon recommendation of the Investment Advisor, and after review by legal counsel.
- Approve the reduction, liquidation or restructuring of a portfolio, including the hiring of Transition Managers as required. The Chair of the Committee is authorized to execute documents related to the retention of such Transition Managers.
- Review and manage all Proxy Voting according to policies formulated by the Committee and approved by the Board. After consultation with the Investment Advisor, decide on Proxy Voting recommendations for mutual funds or other investor-controlled vehicles owned directly by the Fund.
- Approve the liquidation of assets as needed to meet Fund obligations.
- Authorize the transfer of securities for liquidation or write off to an Investment Manager who will make a determination of final value.
- Approve foreign country openings.
- Carry out any other duties as set forth in an Investment Policy approved by the Board.

Controls

- Review an investment process flow chart.
- Review all Investment Manager Fees.
- Review the use of Derivatives in the Fund.
- Review the competitive position of the services provided by the Custodian Bank.
- Review Non-Traditional investments regularly.
- Conduct an annual review of Investment Manager compliance with its internal Proxy Voting Policy and a record of voting of DPERS proxies.
- Conduct an annual review of Investment Manager compliance with DPERS Soft Dollar/Commission Recapture Policies (Appendix VIII herein), including a record of such expenditures and/or commission recapture and use.

- Review the results of all regulatory compliance requests made of Fund Investment Managers and Investment Advisors.
- Review of Investment Manager Compliance Certificates.
- Review and amend Benchmarks established for the Fund and for Investment Managers.
- Review actuarial characteristics and funded status.
- Review risk management process and tools.

Office of Pensions

The Pension Administrator and one or more members of the Office of Pensions staff attend Committee meetings. The day-to-day operational activities of DPERS are performed by the State Office of Pensions, which is the primary control unit for all pension accounting and transactions. The staff reports directly to the Pension Administrator. The content of the reports from the Pension Administrator to the Board should comply with this Investment Policy and any special requests from the Board. The Office of Pensions Investment responsibilities are:

- Oversee the day-to-day operational activities of the Fund subject to policies established by the Board.
- Reconcile the investment account records between the Investment Managers and the Custodian Bank.
- Prepare the Fund’s Annual Comprehensive Financial Report.
- Communicate periodically with the Board and the Committee on topics including custody, and private equity valuations.
- Assist actuaries in preparing recommendations for appropriate funding levels for the Fund.
- Process contributions and disbursements from the Fund.
- Act as signatory on Fund investment accounts, establish safekeeping accounts or other arrangements for the custody of securities, and execute such documents as may be necessary to administer the Fund.
- Facilitate transfer of Fund assets between asset classes and investment management firms.
- Assist the Committee, Investment Managers, Investment Advisor, Actuary, Auditor and other consultants to meet the overall objectives of the Fund.

Investment Advisor

The Investment Advisor attends the Committee meetings (a minimum of 12 times per year) and works closely with the Office of Pensions. The Investment Advisor shall:

- Act as a Fiduciary to DPERS and to the Board, pursuant to the Standard of Care.
- Prepare research and recommendations for consideration by the Committee on matters affecting investments. Prepare investment policies and objectives and recommend appropriate changes.
- Advise the Committee and the Board on the risk level of the Fund and recommend changes to improve the risk-return positioning of the Fund.

- Monitor and report long-term capital market trends and recommend asset mix policies.
- Provide advice concerning the allocation of assets.
- Research investment related topics as requested by the Committee or the Board.
- Documents the minutes of the Committee meetings for review by the Executive Secretary and approval by the Committee.
- In collaboration with the Committee Chair, recommends meeting agendas, and facilitates scheduling of Committee meetings.
- Recommend investment management firms, and Non-Traditional Investments, custodians, and other external service providers.
- Participate in Investment Manager, custody contract, and Non-Traditional Investment negotiations.
- Monitor voting of proxies and report results to the Committee, consistent with the Board's Proxy Voting Policy.
- Measure, evaluate, and report on Investment Managers' performance and characteristics, portfolio risk, and compliance with Schedule "A", investment process and organization.
- Respond to data requests and provide support to the Office of Pensions and the Committee, as required.
- Provide updates at each Board meeting recapping the Committee's activities and the Fund's performance.
- Act as a liaison for contact between the Investment Managers and the Committee.
- Recommend potential investment opportunities and Investment Managers.
- Attend each Audit Committee and other meetings as requested by the Board or Office of Pensions.
- Provide assistance and information requested by DPERS Auditors and the Office of Pensions.
- Review DPERS custodian relationship and recommend service changes including cash management and securities lending.

Investment Managers

- Act as a Fiduciary in the management of the Fund assets and comply with the Standard of Care.
- Comply with all state and federal legislation or regulations that apply to the Fund.
- Adhere to the investment policies and guidelines prescribed by the Board, and committees.
- Initiate communication with DPERS and its Investment Advisor whenever the Investment Manager believes the terms of the Investment Manager Agreement should be amended.
- Execute directives from the Office of Pensions to liquidate or transfer assets.
- Submit monthly transaction and accounting reports to the Custodian Bank, Office of Pensions, and Investment Advisor

- Provide the Committee with annual reports detailing, Brokers utilized, commissions paid, and the use of Soft Dollars.
- Minimize total transaction costs incurred in managing the Fund assets.
- Vote proxies and supply related information in accordance with the Board Proxy Voting Policy.
- Meet with DPERS or its representatives on a regular basis to review performance.

Custodian Bank

- Act as a Fiduciary as a directed trustee for DPERS and the Fund, and comply with the Standard of Care.
- Provide safekeeping of securities, collect Dividends and interest earned, make disbursements and receive cash flows as directed, and provide an annual SOC-1 Report.
- Provide complete and accurate accounting records including each transaction, income flow, and cash flow by asset class, Investment Manager, and Fund.
- Monitor and reconcile all trading activity.
- Monitor and file foreign tax reclaims.
- Facilitate country openings and sub-custodian relationships as requested by Investment Managers and approved by the Committee.
- Monitor and file class action claims on behalf of DPERS.
- Issue monthly reports of holdings and transactions priced in accordance with industry standards.
- Meet periodically with the Office of Pensions, the Committee, and Audit Committee to report on the activity of the Fund and bank organizational issues.
- Provide periodic reporting to the Office of Pensions including:
    - ➢ Estimated Market Value and Cash Flow Report – By the fifth business day of each month
    - ➢ Master Trust Reporting – By Fund, asset class and plan account.
    - ➢ Monthly Custodial Bank Account Reconciliations.
    - ➢ Nontraditional Investment reconciliations.
    - ➢ Fiscal Year-to-Date Audit Reports and Most Recent SOC-1 report.
    - ➢ Monthly Report Filing of Claims and Class Actions.
    - ➢ Monthly Report brokerage activity.
    - ➢ Daily online access to all Fund account activity and valuations.
    - ➢ Annual detailed report of all fees paid by DPERS to the custodian.

Asset Allocation

The Committee establishes strategic Asset Allocations to various investment markets subject to the following guidelines:

- The Fund is actively managed to maximize return within a risk band reflecting the risk tolerance defined by the Board. This policy authorizes the Board to manage the Fund to limit the probability of downside risk greater than negative 12% in any 12-month period. [1]

- The Committee will regularly examine both the risk tolerance and Asset Allocation policies of the Fund.
- Minimum and Maximum limits, which govern the Fund's exposure to different asset categories, are established within broad ranges. The guide below outlines the asset class ranges:

Asset Allocation Ranges [2]

Fund Segment	Percent of Fund Allocation Minimum	Maximum
Equity (including Private Investments)	50%	85%
Fixed Income (including Cash Equivalents) [3]	15%	50%
Illiquid Assets [4]	0%	30%
Hedge Funds and Other Hybrid Strategies	0%	20%

[1] The probability of downside risk is estimated at a 5% (1 in 20) chance that the Fund may decline further than negative 12% over 12 months.
[2] The Fund will rarely be fully invested at the minimum or maximum limits, and some assets will be held in cash. The limits are calculated at market value, at the time of purchase and/or allocation.
[3] A minimum of 10% of the Fund is to be invested in investment grade Fixed Income Securities or cash equivalents.
[4] Assets whose conversion to cash at fair market value is limited for at least 45 days.

In general, higher risk is associated with higher expected returns. The Board and the Committee examine the Fund's risk tolerance when formulating investment policy. Risk tolerance characteristics include the following objectives:

- Providing benefit security to plan participants by maximizing long-term return consistent with acceptable downside risk.
- Maintaining adequate liquidity to meet DPERS' cash flow requirements.
- Minimizing the long-term cost of providing Plan benefits.
- Maintaining the well-funded status of the Plans.
- Avoiding unexpected increases in contributions.
- Evaluating actuarial, demographic, and funding characteristics of DPERS.

Key information is required to develop an optimum mix of asset classes to achieve the Fund's objectives:

- Historical and prospective returns for each asset class or strategy.
- Potential risk for each asset class or strategy.
- Correlation among the returns for each asset class or strategy.

To facilitate the accomplishment of both the risk and return objectives of the Fund, Asset Allocation will generally be managed to an objective of potential downside volatility in the range of 60% to 80% of that of the S&P 500 stock index, based on estimated downside volatility and correlation of and among each asset class or strategy, noting that the Fund may deviate from this range provided the Board and its Committee support such a situation.

Investment Performance Objectives

Investment performance objectives are necessary for proper measurement and evaluation of the sources of the investment program. DPERS' performance Benchmarks for the Fund have been established in consideration of the following objectives:

- Administration of Plan benefits.
- Management of risk tolerance.
- Development of Asset Allocation policies.
- Coordination of Investment Manager Structures.

Investment performance is best measured over a period of three to five years. Fund and asset segment performance will be compared to appropriate Benchmarks as specified in the chart below:

Asset Segment/Strategy	**Benchmark** [5]
Fund:[6]	• Consumer Price Index (CPI) plus 3% • 46.0% Russell 3000 Equity Index 24.0% MSCI All-Country ex-USA IMI Equity Index 27.0% Bloomberg US Universal Bond Index 3.0% 91 Day Treasury Bill • Limit potential and actual downside price fluctuations of the Fund in any 12-month period
Domestic Equity:	• Russell 3000 Index
International Equity:	• MSCI All-Country World ex USA IMI Index

Fixed Income:	• Bloomberg US Universal Bond Index
Private Investments	• 66% Russell 3000 Index/34% MSCI All-Country ex-USA IMI Equity
Hedge Funds & Other Strategies	• Strategy Representative Benchmark

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[5] Where appropriate, Benchmark return comparisons will be made net of all fees. Fund returns will be compared to an appropriate peer universe, gross of fees.
[6] Represents the risk band and target benchmark associated with a negative 12% downside risk tolerance level.

Appendix I: Definitions

"Actuary" shall mean a licensed business professional who deals with financial impact of risk and uncertainty and provide expert assessments of financial security systems such as a pension plan. This assessment includes the calculation of the value today of retirement benefits for pension plan participants, based on various assumptions concerning future events and future economic conditions. DPERS uses their calculations in order to adequately fund and account for the Plan.

"Annual Comprehensive Financial Report" shall mean an annual report prepared by Office of Pensions detailing the financial status and activities of the Fund.

"Asset Allocation" shall mean the process of assigning Fund assets among major asset classes such as stocks, Bonds, cash or alternative investments for the purpose of reducing risk through portfolio Diversification.

"Auditor" shall mean an internal or external third-party professional retained to conduct periodic audits of DPERS.

"Benchmark" shall mean a standard against which the performance of a Security, instrument, index, Investment Manager, Fund or Fund segment can be measured.

"Board" shall mean DPERS' Board of Pension Trustees.

"Bond" shall mean a debt instrument, which provides a financial return over a defined period of time at a specific rate of interest.

"Broker" shall mean an individual or firm charging a fee or commission for executing buy and/or sell orders initiated by an Investment Manager.

"Cash Equivalent" shall mean short-term high quality marketable securities that are readily convertible to cash, such as U.S. Treasury bills, commercial paper, and bank certificates of deposit.

"Commingled Fund" shall mean a fund, which blends several accounts together in a pool of funds. This term can be used to refer to an investment structure which commingles pools of capital from different investors or master trust which commingles different plans as a single trust.

"Committee" shall mean the Investment Committee of the Board of Pension Trustees.

"Compliance Certificate" is a contractual reporting obligation of Investment Managers, which certifies that the Investment Manager is in compliance with the terms and requirements of the Investment Management Agreement.

"Conflict of Interest" shall mean an interest which could impair the judgment of a Fiduciary in the performance of his/her duties with respect to any matter, including any action or inaction which would result in a financial or consequential benefit or detriment to the person or a close relative, or any violation of the provisions of the DPERS Code of Conduct and the "State Employees', Officers', and Officials' Code of Conduct".

"Consumer Price Index" ("CPI") shall mean the monthly index, compiled by the Bureau of Labor Statistics, of the cost of living that measures price changes for specific goods and services over time. The periodic change in this index is most often used as the inflation rate.

"Custodian Bank" shall mean a financial institution with legal and fiduciary responsibility for retaining the assets of DPERS. The Custodian Bank shall be a Fiduciary to the Fund and is subject to the Standard of Care.

"Derivatives" shall mean any financial instrument (Security or contract) whose value is determined by the value of some underlying asset or contract such as stock or Bond prices, interest rate levels, or currency exchange rates. Such derivative instruments include, but are not limited to: Options and futures contracts, forward contracts, swaps, and derivative securities, such as mortgage-backed Bonds and structured notes.

"Diversification" shall mean a risk management technique, which blends a broad variety of investment styles and asset classes within an investment portfolio.

"Dividend" shall mean cash or non-cash distribution to a class of shareholders or investors.

"DPERS" shall mean the Delaware Public Employees' Retirement System.

"Fiduciary" shall mean those persons holding the duty of loyalty, care, and prudence to DPERS, pursuant to the Standard of Care.

"Fixed Income Security" shall mean an investment instrument, which provides a return in the form of fixed periodic payments and an eventual return of principal at maturity.

"Fund" shall mean the Master Trust holding all assets of DPERS, including those funds commingled for investment purposes only, and managed by the Board of Pension Trustees.

"Gift" shall mean any gratuity, property, money, or tangible or intangible object of value received in exchange for nothing of value in return.

"Hedge Fund" shall mean an investment in a fund with a limited liability structure (typically a Delaware limited liability company or Limited Partnership), with liquidity limitations of at least 30 days, and which pursue tailored and specific investment opportunities which arise in changing market conditions, and which may focus upon distressed investments, commodities, asset based lending, energy trading, financial futures and options, or other specialized strategies.

"Illiquid Asset" shall mean an asset or Security whose conversion to cash at fair market value is limited for at least 45 days.

"Investment Advisor" shall mean the firm(s) retained for expert advice regarding all investment matters of the Fund. The Investment Advisor, is subject to the Standard of Care.

"Investment Manager" shall mean an expert individual or firm, whose conduct is governed by the Standard of Care and is retained to manage assets, implement an assigned investment strategy, and supervise and direct the day-to-day activities for the portfolio.

"Investment Manager Agreement" is the agreement documenting the strategy and fees between DPERS and the Investment Manager.

"Investment Return" shall mean the income and appreciation or depreciation (realized or unrealized) of the fair market value of an investment or pool of investments over a given evaluation period.

"Limited Partnership" shall mean an association of partners formed to conduct a joint venture in which the specific terms of the venture, managed by the General Partner, which allocates expenses of administration of the entity, provides proscribed returns, and which provides limited liability for limited partners.

"Hybrid Strategies" shall mean investments in strategies which seek value-added and active management which may directly invest in specialized instruments, such as private investments, financial futures and options, distressed investments, commodities, asset based lending, energy trading, financial futures and options, or other specialized strategies, and may include both long and short positions to pursue tailored and specific opportunities and/or modify the risk characteristics of the Fund.

"Pension Administrator" shall mean the director of the Office of Pensions.

"Private Investments" are funds, principally invested in non-quoted companies, which pursue value-added, active strategies and include venture capital, growth equity, buyout, private real estate, private energy, private credit, infrastructure and timber. Private Investments are typically made through limited partnerships with liquidity limitations (generally with lock up provisions lasting more than several years), and term limitations.

"Proxy Voting" shall mean the process of voting for a public company's directors or corporate governance issues in which each shareholder is entitled to one vote per share.

"Public Equity" Equity security listed on a public stock exchange.

"SOC-1" shall mean a report on the controls at a service organization pursuant to AICPA Statement on Standard for Attestation Engagements (SSAE) 16.

"SEC" shall mean the Securities & Exchange Commission.

"Security" shall mean liquid or illiquid instruments including stocks and bonds.

"Separate Account" shall mean an account established at the custodial bank to hold cash, securities and other assets in a portfolio that is generally custom tailored to meet DPERS investment needs.

"Soft Dollar" shall mean payment for services from brokerage firms through commission revenue, in contrast to normal payments (hard dollars).

"STIF" shall mean short-term investment fund, which invests in short-term investments of high quality and low risk.

"Transition Manager" shall mean an Investment Manager retained on an interim basis for the specific purpose of liquidating or purchasing certain assets.

Appendix II: Descriptions of Indices

Consumer Price Index (CPI)
Monthly index, compiled by the Bureau of Labor Statistics, of the cost of living that measures price changes for specific goods and services over time. The periodic change in this index is most often used as the inflation rate.

Bloomberg US Universal Bond Index
Measures the performance of the US dollar denominated debt market. In addition to the entire BB Aggregate index, which covers the U.S. investment grade fixed rate bond market; this index covers other dollar-denominated sectors, including high yield bonds, Euro-dollar bonds, CMBS and related 144A securities.

Morgan Stanley Capital International (MSCI) All-Country World Ex-USA IMI (Investible Market Index)
Measures the performance of large, mid and small cap equities across non-US developed and emerging markets

Russell 3000 Index:
Measures the performance of large, mid and small cap equities. It represents the 3,000 largest U.S. companies based on total free-float market capitalization.

Standard & Poor's 500 Stock Index (S&P 500)
Measures the returns of the largest corporations across the different sectors of the U.S. economy. The stocks in this index are chosen by Standard and Poor's based on industry representation, liquidity, and stability.

U.S. Treasury Bill
This U.S. government issued debt Security has a maturity of less than 1 year. The Fund uses the 91-Day Treasury Bill.

Appendix III: Evaluation and Review Process

Fund Review

The Committee and the Investment Advisor will periodically review the Fund's investment program to determine whether:

- The investment program adheres to established investment policies and guidelines.
- Each Investment Manager adheres to investment guidelines and relevant Benchmarks.
- Fund investment policies continue to be appropriate regarding allocation of assets among asset classes, Investment Manager Structure, and investment objectives and guidelines.
- Investment management fees are competitive.

Investment Manager Review

The Committee and/or the Investment Advisor will, at least annually, meet with each Investment Manager to review investment results, expected performance, economic outlook, current strategy, organizational characteristics, and investment approach. The Committee may approve or reject changes to Investment Objectives, Guidelines and/or fees and compensation, contract amendments, and/or other special requests of the Investment Manager.

An Investment Manager may be terminated by the Board for any reason or identified on an "exception list" by the Committee for reasons including, but not limited to, the following:

- Change in the Fund strategy or objectives.
- Qualitative changes in the investment process, personnel, or other organizational issues associated with the investment management firm.
- Quantitative changes including underperformance, change in risk profile, or style.
- Legal issues or violation of the Fund’s investment policies.
- Failure to communicate in accordance with established reporting requirements.

Investment Advisor Review

The performance of the Investment Advisor shall be reviewed by the Committee at least annually for:

- Progress towards objectives and goals set at most recent review.
- Overall services including contributions to fund performance, organizational development, and competence.

Appendix IV: Investment Manager Guidelines

The Fund’s assets may be invested in separately managed accounts, commingled funds, mutual funds, or other investment vehicles, depending upon administrative and cost considerations.

Permissible investments include:

Marketable Investments

Equity Investments

- Common Stock.
- Preferred Stock.
- Convertible Securities.

Fixed Income

- U.S. Treasuries, Agencies, Foreign Governments and Government Sponsored Corporations.
- Corporate Debt.
- Mortgage and Asset Backed Securities.
- Cash and Cash Equivalent Securities, Money Market Funds, and STIFs.

Non-Traditional Investments

- Private Equity.
- Real Estate.
- Hedge Funds.
- Commodities.
- Derivative Contracts (See Derivative Policy for more details on allowed derivative investments, and regulatory compliance.)

General Investment Restrictions and Guidelines

The following transactions are restricted unless specifically authorized:

- Purchase of securities on margin.
- Purchase of non-registered securities.
- Short sales.
- Pledge, mortgage, or hypothecate any securities except for loans of securities that are fully collateralized, subject to the Securities Lending Policy.
- Purchase of securities of the trustee, Investment Manager, its parent, or its affiliates.
- Purchase of blockchain related investments.

Diversification and Credit Quality

Investment Managers are responsible for achieving a level of Diversification in their portfolio that is consistent with their investment approach and their role in the Fund's overall investment structure. Managers may be retained to concentrate in specific market segments. General Diversification requirements may be waived by the Committee.

Investment Objectives and Guidelines for Equity and Fixed Income Managers

The schedule attached to each separate account/custodies Investment Management Agreement (typically, Schedule "A") identifies the mutual understanding between the Investment Manager and the Committee with respect to the expected behavior of the account. These guidelines may include an absolute, Benchmark-relative, and/or peer-relative return objective. A specific list of permissible investments for the account, guideline ranges for turnover, volatility, yield, asset exposures, and Diversification is typically included. Managers are expected to initiate recommended changes to Schedule "A". However, agreement by the Committee prior to action on such recommendation is required.

Equity and Fixed Income Manager Considerations for Inclusion in Schedule "A":

- Total return objective.
- Asset options.
- Expected portfolio volatility.
- Cash return from interest and Dividends.
- Average annual turnover.
- Normal investment ranges.
- Brokerage restrictions.
- Reporting and account reconciliation procedures.

Non-Traditional Investment Manager Arrangements
Any Non-Traditional Investment shall be subject to a negotiated agreement that describes the investment arrangement in detail, including fees, investment paid, sunset provisions, key man clauses, and other provisions deemed beneficial to the Fund interests. All Non- Traditional Investments shall support the investment goals and objectives of the Fund and be negotiated in the best interest of the Fund and its participants.

Appendix V: Derivatives Policy

Purpose
This section addresses the guidelines and limitations that each designated Investment Manager must meet in the use of derivative instruments. "Derivatives" refers to any financial instrument (Security or contract) whose value is determined by the value of some underlying asset or contract such as stock or bond prices, interest rate levels, or currency exchange rates. Such derivative instruments include, but are not limited to: Options and futures contracts, forward contracts, swaps, and derivative securities, such as mortgage- backed bonds and structured notes.

Selected Investment Managers are permitted to use Derivatives as identified in separately managed account Schedule "A" or commingled account, partnership or similar commingled vehicle documentation. Except where agreed to by the Committee, the type of Derivatives used and the limits on their use are identified in the addendum to the Investment Manager's contract and are monitored on an ongoing basis. Derivatives serve a variety of useful purposes for the Fund, including the reduction of foreign exchange risk, the minimization of transaction costs and as a means of implementing value added strategies to enhance returns. All Derivative investments by managers must comply with Dodd Frank regulations as further described below:

Derivative Philosophy
The Fund uses Derivatives only in limited and carefully defined circumstances. Derivative instruments are permissible in an investment portfolio only to the extent that they comply with the Fund's policy guidelines.

- To reduce market risk by hedging a portion of a manager's portfolio using a futures contract that is closely related to the asset being hedged.
- To eliminate all or a portion of the currency risk of international investments by hedging such investments back into dollars using forward foreign exchange contracts.
- To facilitate trading by using derivative markets, in lieu of cash markets or in lieu of holding physical securities, either to permit cash enhancement strategies or to capitalize on mispricing of Derivatives.
- To enhance returns in connection with quantitative, tactical Asset Allocation vehicles.
- To pursue a well-diversified investment strategy with preferable risk-return characteristics, which may entail the use of leverage through Derivatives. Any such strategy must be specifically understood and recommended by the Committee as an exception to this policy and any potential loss from the use of leverage must be confined to the assets allocated to that strategy.

Examples of acceptable activities involving the use of derivative products include:

Category	Purpose
Foreign Exchange forward contracts	Hedge currency risk of investments denominated in foreign currencies; Enhance return
Exchange traded futures contracts	Reduce transaction costs; Hedge equity market risk; Control Fixed Income Security portfolio duration; Enhance return
Exchange traded options contracts	Enhance return; Reduce transaction costs
Asset backed securities	Enhance return

Swap Compliance
For the purposes of any Separate Account (non-commingled):

Consistent with the Commodity Futures Trading Commission ("CFTC") Regulation §23.450, before permitting any Investment Manager to engage in swaps on DPERS behalf, DPERS shall have a reasonable basis to believe that such representative:

(i) has sufficient knowledge to evaluate the transaction and risks;
(ii) is not subject to "statutory disqualification," which means grounds for refusal to register or revoke, condition, or restrict the registration of the Investment Manager as set forth in Sections 8a(2) and 8a(3) of the Commodities Exchange Act, as amended, ("CEA");
(iii) is "independent" of the swap dealer or major swap participant within the meaning of Regulation §23.450(c), and a representative will be deemed to be independent of the swap dealer or major swap participant if:

(a) the representative is not and, within one year of representing DPERS in connection with the swap, was not an associated person of the swap dealer or major swap participant within the meaning of Section 1a(4) of the CEA
(b) there is no principal relationship between the representative of DPERS and the swap dealer or major swap participant;
(c) the representative: (1) provides timely and effective disclosures to DPERS of all material conflicts of interest that could reasonably affect the judgment or decision making of the representative with respect to its obligations to the special entity; and (2) complies with policies and procedures reasonably designed to manage and mitigate such material conflicts of interest;
(d) the representative is not directly or indirectly, through one or more persons, controlled by, in control of, or under common control with the swap dealer or major swap participant; and
(e) the swap dealer or major swap participant did not refer, recommend, or introduce the representative to DPERS within one year of the representative's representation of DPERS in connection with the swap;

(iv) undertakes a duty to act in the best interests of DPERS;
(v) makes appropriate and timely disclosures to DPERS; evaluates, consistent with any guidelines provided by DPERS, fair pricing and the appropriateness of the swap; and
(vi) is subject to restrictions on certain political contributions imposed by the CFTC, the SEC, or a self-regulatory organization subject to the jurisdiction of any of such commissions.

The determination required herein above shall be made by Office of Pensions Investment Staff, who may rely upon written representations provided by the applicable representative, which may be in the form approved by the Office of Pensions.

Appendix VI: Proxy Voting Policy

The Board recognizes that proxy votes constitute assets of the Fund and acknowledges its fiduciary duty to vote all proxies.

The Board may, from time to time, create and/or amend a policy on specific Proxy Voting issues. The Investment Managers retained by the Board hold expertise in securities matters and in the movements of the capital markets, which may cause voting on specific proxy issues to change. For this reason, the Board delegates to each Investment Manager the duty to determine the proper vote to be exercised timely on all proxies, for each issue presented. Investment Managers are required to vote proxies after careful assessment of the issues involved, and in accordance with their professional judgment and fiduciary duty to DPERS, and in the best interest of the Fund.

Investment Managers of custodial equity accounts or of separate accounts are further required to provide a copy of their Proxy Voting policies, including updates and changes, and to report all Proxy Voting activity to the Board, through formal reporting to the Investment Advisor. At least annually, or more often if required, the Committee shall review all Proxy Voting activity of the Fund.

If proxy votes take place for mutual funds or other investor-controlled investment vehicles owned directly by the Fund, such votes will be executed in the best interests of participants. In such cases, the Investment Advisor will recommend a course of action to be reviewed by the Committee. The Office of Pensions then votes the proxies in accordance with the Committee's decision.

Appendix VII: Securities Lending Policy

The Committee may from time to time, enter into an agreement to engage in securities lending of DPERS' securities held in separately managed accounts, with DPERS' Custodian Bank or other qualified parties. In certain commingled accounts, DPERS may indirectly participate in securities lending.

Appendix VIII: Soft Dollar/Commission Policies

The Board requires disclosure by its separate account Investment Managers of third-party relationships with respect to brokerage commission dollars. Investment Managers shall execute the purchase and sale of securities, directed through brokerage firms, at the best price and best total execution (commission plus market impact).

Soft dollar or commission sharing arrangements may exist between Brokers and Investment Managers. Broker selection is the responsibility of the individual Investment Managers. All separate account Investment Managers using Soft Dollars or commission sharing arrangements are required to provide the following information to the Committee:

- A statement of the Investment Manager's policy on Soft Dollar and commission sharing use.
- A list of services paid with Soft Dollars or commissions indicating whether these services are available for hard dollars.
- The amount of DPERS' commissions attributable to each Soft Dollar service over the fiscal year.

Appendix IX: Cross-Trading Policy

Cross-trading of securities in the trading of the Fund's securities by a designated Investment Manager with another client of the same Investment Manager. Such trading usually occurs away from a publicly recognized securities exchange at a price either determined to be the midpoint of quoted bid-ask spreads or, if at the end of a trading day, at the closing price for that day.

Cross-trading of securities is permitted subject to prior authorizations by the Committee. Investment Managers shall provide copies of Cross Trading Policies, if applicable, keep the Committee apprised of changes in such policies, and provide reporting of such trading upon request. Additionally, any such cross trading shall comply with the provisions, reporting requirements, trading policies, procedures and reporting requirements of all applicable SEC and Department of Labor rules and regulations.

APPENDIX X: ESG AND DEI POLICY

DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM ("DPERS")
BOARD OF TRUSTEES
ESG AND DEI INVESTMENT GUIDELINES

Background
The Board, and its committees and managers, in considering the investment of the Pension Funds, are subject to a rigorous Standard of Care as set forth in 29 Del. C. Sec. 8308(a), which states that:

> "…the Board, its committees, and each of the committees' members shall discharge their duties with respect to each plan…solely in the interest of the participants and beneficiaries of such plans and for the exclusive purpose of providing plan benefits to participants and their beneficiaries, including defraying reasonable expenses of administering each plan, with the care, skill prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to attain the purposes of such plan."

To that end, the Board must consider each manager and investment in view of its duty to provide for the retirement benefits of the current and former public servants who are the beneficiaries of the plan. This longstanding commitment by the Board to put the interests of its beneficiaries first was articulated in the Board of Trustees' Resolution on Divestment adopted on February 29, 2008. The Board has consistently applied the factors set forth extensively in its Investment Policy, which relate to the long-term investment return, risk factors, and allocation considerations.

The Board of Trustees is committed, within the scope of their fiduciary duties, to the principles of diversity, equity, and inclusion (DEI) in the administration of DPERS and by its managers. The Board of Trustees, after careful review and consideration of legal guidance and best practices, has developed the following policy with regard to ESG investments.

Environmental, Social and Governance Factors (ESG)
The Board's Investment Policy seeks to maximize long-term investment return for the DPERS trust fund by identifying appropriate allocations of investments balanced by risk and sector consistent with a prudent investment strategy. The Board may consider ESG factors in hiring managers and making its investment decisions only to the extent that environmental, social and/or governance factors have a material impact upon the return and risk of an investment. In conducting due diligence of current and prospective traditional managers, the Investment Advisor, shall request and report to the Investment Committee on the DEI statement, policies, and practices of the Investment Manager at least annually. For non-traditional managers, the Investment Advisor shall report DEI policies and practices to the Investment Committee during the due diligence process.