



Investment Watch List Policy

Approved by the Board of Trustees

Adopted: November 18, 2010

Revised: June 21, 2018

The Watch List is under the direction of the CIO and Investment Consultant and is a means of providing the Investment Committee with additional information about public market managers.

1. A manager may be added to the Watch List for any of the following reasons:
 - a. Organizational Issues (People)
 - Change in ownership or control of the firm
 - Significant change in team composition or responsibilities
 - Material change in the business organization of the manager
 - Departure of significant personnel
 - Material changes in the responsible initiatives as specified in the Board's Investment Committee Charter
 - b. Relative Performance Measurement for Active Managers
 - 3, and 5-year performance net of fees below relevant benchmark
 - 3, and 5-year performance net of fees in the bottom quartile of relevant peer universe
 - c. Relative Performance Measurement for Passive Managers
 - 5-year performance net of fees below relevant benchmark
 - Tracking error tolerance
 - US Equity +/- 10 basis points
 - Non-US Equity +/- 40 basis points
 - Fixed Income +/- 20 basis points
 - Global REITS +/- 40 basis points
 - d. Other
 - Material guideline violation not brought to the attention of the CIO or Investment Consultant by the manager
 - Failure to comply with terms of contract/guideline that is not corrected within 60 days
 - Any material regulatory action or other proceeding affecting the manager's ability to perform its duties under the contract
 - Unsatisfactory client service
 - Any other reason as determined by the CIO or Investment Consultant

2. When a manager is placed on the Watch List it is effective immediately. While there is no requirement that the manager be notified when they are placed on the Watch List, the CIO or Investment Consultant will communicate their concerns to the manager as part of its ongoing due diligence activities.
3. During a manager's tenure on the Watch List, the CIO and Investment Consultant will monitor the manager on a regular basis and provide the Investment Committee with information about the progress the manager is making, as needed.
4. There is no minimum time requirement on the Watch List before termination may be made and a manager's contract may be terminated for any reason at any time, whether on the Watch List or not. If there is a recommendation for termination, a prudent plan for transitioning the assets earmarked for termination will be a part of the recommendation.
5. A manager should be removed from the Watch List if the Investment Consultant, with the assistance of the CIO, has completed a review of the manager and determined that there are appropriate mitigating circumstances to warrant the retention of the manager. Changes to the Watch List will be brought to the Investment Committee's attention as needed when an issue rises to a level that warrants notification.