

LEWIS & CLARK COLLEGE
Amended
Investment Policy Statement
Approved by the Board of Trustees on October 17, 2025

This Statement provides guidance for the investment policy, strategy and management of the Endowment of Lewis & Clark College (the “College”). The purpose of this Statement is to establish a clear understanding between all parties as to the objectives, investment policies, and goals of the investment fund.

The Board of the College has granted investment management authority of the Endowment Fund (the “Fund”) to Cambridge Associates LLC (“Fund Manager”). Cambridge Associates will manage the Fund on a discretionary basis, in accordance with the guidelines listed below.

1. Objectives

The financial objectives of the Fund are (1) to support the current and future operations of the College and (2) to preserve and enhance the real (inflation-adjusted) purchasing power of the Fund over the long term.

To meet the financial objectives, the primary investment objective of the Fund is to achieve an average annual real total return¹ of at least 5% over rolling ten-year periods, net of both Cambridge and individual investment manager fees. It is recognized that the 5% real return objective is challenging and may be difficult to attain in every ten-year period, but the Fund will seek to achieve the objective over a series of ten-year periods. It is also recognized that given the static nature of this objective, it is not directly related to market performance; this reinforces the view that success or failure in achieving this objective should be evaluated in the context of the prevailing market environment and over the long term. The secondary objective of the fund is to outperform a Simple Benchmark of 70% global stocks and 30% bonds over rolling five- to ten-year periods (or a full equity market cycle). The third objective is to outperform the Policy Benchmark over rolling five-year periods.

The Fund will be invested in a manner that is expected to maximize the long-term total return with reasonable and acceptable levels of investment risk. Investment risk is defined in two ways: (1) the possibility of investments declining in value, and (2) the expected performance volatility of the investments in the portfolio. The Fund aims to achieve the stated return objectives with a targeted annualized standard deviation similar to a simple blend of 70% global stocks (MSCI All Country World Index, net)/30% Bonds (Bloomberg Aggregate) portfolio over rolling five- to ten-year periods (or a full equity market cycle). Similar to the return objective, it is recognized that this volatility objective may be difficult to attain in every five-year period, but the Fund will seek to achieve this objective over a series of five-year periods.

¹ Real total return is the sum of capital appreciation (or loss) and current income achieved in the form of dividends and interest adjusted for inflation as measured by the CPI(U) index.

2. Fund Composition and Asset Allocation

Roles of Investments

- ◆ The purpose of **Growth Assets** (e.g. public equity, private equity and growth-oriented private debt) is to provide a stream of current income and appreciation of principal that more than offsets inflation. It is recognized that pursuit of this objective could entail the assumption of significant variability in price and returns. Return premiums may exist for investors who accept the illiquid and inefficient characteristics of the private equity market. For private investments, the performance objective is to achieve an internal rate of return of 300 bps greater than public market returns over the life of the investment that is commensurate with public equity benchmarks plus a premium for illiquidity and risk.
- ◆ The **Diversifiers** allocation (e.g. hedge funds, liquid alternatives, royalties, specialty finance, leasing, other private debt financing) is intended to provide equity-like returns with low equity correlation and lower levels of risk than Growth Assets. The investments are intended to help moderate the volatility of the Fund in order to provide additional year-to-year stability in Fund values.
- ◆ The purpose of the **Inflation Sensitive** allocation (e.g. private investments in hard assets such as real estate and natural resources; or opportunistic investments in public real assets such as REITs, natural resource equities, and commodities) is to provide potential portfolio protection against the risk of unanticipated severe inflation, thus preserving the real value of the portfolio over the long term.
- ◆ The **Deflation Sensitive** allocation (e.g. bonds and cash) is intended to: (1) provide some asset appreciation in periods of declining interest rates (especially in periods of significant equity price deflation) and (2) provide ready liquidity.

The Fund will be managed with allocations to the following asset classes in the ranges outlined below (within the guidelines set forth in Section 5, “Investment Restrictions”):

Role	Asset Class	Allowable Range²	Long-Term Target	Benchmark Index
Growth	US Equity	8-20%	15%	Russell 3000
	Global Equity	0 -20%	10%	MSCI ACWI (net)
	Developed Int'l Equity	3 -17%	9%	MSCI EAFE (net)
	Emerging Market Equity	2 -13%	6%	MSCI Emerging Markets (net)
	Total Public Equity	25 -53%	40%	37.5% Russell 3000/25% MSCI ACWI (net)/ 22.5% MSCI EAFE (net)/ 15%MSCI EM (net)
	Private Growth	15-35%	25%	Total Public Equity benchmark
	Total Growth	60-70%	65%	Weighted blend of above
Diversifiers	Marketable Diversifiers	5-18%	10%	0.3 beta-adjusted MSCI ACWI (net)
	Private Diversifiers	0-7%	5%	0.3 beta-adjusted MSCI ACWI (net)
	Total Diversifiers	10-20%	15%	Weighted blend of above
Inflation Sensitive	Public Real Assets	0-5%	0%	Weighted blend of underlying managers' benchmarks
	Private Real Assets	2-10%	5%	Weighted blend of relevant public market equivalent indices for underlying strategies
	Total Real Assets	2-10%	5%	Weighted blend of above⁴
Deflation Sensitive	Fixed Income	10-16%	13%	Bloomberg Aggregate
	Cash	0-10%	2%	ICE BofA91-day Treasury Bills
			100%	

Tactical Asset Allocation

Tactical asset allocation decisions will be made from time to time by the Fund Manager within the parameters of this Investment Policy Statement. In addition, the Fund Manager may invest in opportunistic strategies that are generally shorter-term, tactical investments and can be allocated across the portfolio.

² Due to the nature of the Investment Assets in which C|A invests the client portfolio, from time to time, it may be necessary for the portfolio to temporarily exceed or fall below the exposures set forth within the Policy Ranges/Investment Guidelines (e.g., to facilitate efficient movement between paired transactions of Investment Assets). Such temporary deviations shall not constitute a breach of the Policy Ranges/Investment Guidelines provided that the exposure deviations are (a) rectified within 3 business days or (b) granted a waiver by vote of the Investment Committee and communicated in writing by the College to the Fund Manager.

Rebalancing

The Fund's actual asset allocation will be monitored by the Fund Manager relative to the above targets and ranges. The Fund Manager will be responsible for rebalancing as appropriate, including having sufficient cash on hand for the regular spending withdrawals defined in the College's Spending Policy. Rebalancing the actual allocation of the Fund to policy targets is useful for maintaining the risk profile adopted by the Committee. Contributions to and withdrawals from the Fund shall be allocated and managed in the discretion of the Fund Manager. In managing contributions to and withdrawals from the Fund, the Fund Manager will seek to adhere to the asset allocation policy and guidelines. In the event that the Fund falls outside of the above ranges, the Fund Manager will communicate this deviation to the Investment Committee and have a reasonable period of time to bring the Fund back into compliance with the applicable guidelines, or upon explanation, obtain authority from the Investment Committee to extend the deviation for good cause.

Private Investments

Private Investments may include fund interests acquired on a primary or secondary basis, as well as direct investments in public or private companies, including through co-investments with or from other managers, in each case as determined in Fund Manager's reasonable discretion. Given the illiquid, long-term nature of Private Investment funds, the Fund Manager shall preview any planned Private Investment commitments with the Committee pursuant to the following "negative consent" protocol:

- a. The Fund Manager shall send details of and rationale for the planned commitment to the Committee, the CFO and the Assistant Treasurer by email;
- b. The Committee shall have five business days for fund commitments, or two business days for co-investments and secondary transactions, to raise questions, request a conference call to discuss the planned action, and/or call for an affirmative Committee approval;
- c. The Fund Manager shall be authorized to move forward with the commitment under two circumstances:
 - i. Absent any questions or concerns raised by the Committee within the time period noted in (b) above; or
 - ii. In the event that any Committee member calls for affirmative Committee approval, upon the majority vote by the Committee in favor of the commitment.

3. Monitoring of Objectives and Results

The Fund Manager will monitor each investment in the Fund for consistency in each manager's investment philosophy, return relative to objectives, and investment risk. The Fund Manager will provide monthly reports to the College as are necessary including statements detailing all activity in the accounts. Monthly flash performance reports should be provided to the Investment Committee Chair, the CFO and the Assistant Treasurer. Not less than quarterly, the Fund Manager

will provide to the College and the Committee a written summary of overall portfolio performance and review of asset allocation in relation to the investment objectives.

All objectives and policies are in effect until modified by the Committee, which shall review these at least annually.

If at any time the Fund Manager believes that any policy guideline inhibits investment performance, it is the Fund Manager's responsibility to clearly communicate this view to the Committee.

4. Benchmarking

Starting July 1, 2018, the results of the Fund will be compared with the following benchmarks, to be evaluated over varying time horizons:

- ◆ Policy Benchmark – rolling five-year periods
- ◆ Simple Benchmark (Risk Equivalent) – rolling five- to ten-year periods (*full equity market cycle*)
- ◆ Long-Term Financial Objective – rolling ten-year periods

Policy Benchmark

This benchmark represents a blend of the asset class index returns weighted by the Long-Term Policy Targets, both as set forth in Section 2 above.

Simple Benchmark (Risk Equivalent)

70% MSCI All Country World Index/30% Bloomberg Aggregate Bond Index

Long-Term Financial Objective

This static benchmark reflects the College's long-term performance objective of total portfolio returns exceeding the sum of its spending policy and inflation, as defined in the body of this Investment Policy Statement. Given that this benchmark is not directly related to market performance, success or failure in achieving this goal should be evaluated over five-to-ten year periods.

5. Investment Restrictions

Liquidity

- ◆ No new private investment commitments will be made while private investment unfunded commitments are greater than 25% of Total Managed Assets.

Fund Concentration

- ◆ No single illiquid investment (i.e., with exit frequency of one year or longer) will be larger than 5% of the Fund at the time of the investment or commitment.

- ◆ No single actively managed investment will be larger than 10% of the Fund, with the exception of Adage and Silchester, which shall be limited to no more than 15% of the Fund.
- ◆ No single passively managed investment will be larger than 20% of the Fund.

Firm Concentration

- ◆ Exposure to one external active investment management firm will be limited to 15% of the Fund.
- ◆ In circumstances where an external firm manages assets for the Fund on a solely passive basis, exposure to that firm will be limited to 25% of the Fund.

It is recognized that significant changes in investment market values could cause the portfolio to be positioned outside of these liquidity and concentration parameters. If this occurs, the Fund Manager will communicate this deviation to the Investment Committee and will take action to reposition the portfolio consistent with these parameters as soon as practicable, or upon explanation, obtain authority from the Committee to extend the deviation for good cause.

Passive Management

- ◆ At least 9% of the total Fund shall be held in passively managed strategies. This passive allocation can be implemented in any combination of Public Equities, Public Real Assets, Fixed Income and Cash.

Derivatives

- ◆ It is understood that certain investment managers in the Fund, particularly those categorized as hedge funds, may use derivatives and leverage as part of their investment strategies. Managers using derivatives and/or leverage shall have in place systems to analyze and monitor liquidity and counter party credit risk in order to minimize the risks associated with the use of derivatives.
- ◆ The Fund Manager may use derivatives in the Fund to hedge investment risks or to replicate investment positions in a more efficient manner or at a lower cost than would otherwise be possible in the cash markets, but should inform the Committee whenever the Fund Manager is using derivatives in the Fund to hedge investment risks. Selling of uncovered options is prohibited.

6. Conflict of Interest Policy

- a. Those who serve on the College Committee are charged with the responsibility for recommendations and decisions which in their judgment best serve the long-range interests and objectives of the College.
- b. From time to time, in the ordinary course, the Committee may consider matters in which members of the Committee, or persons affiliated with them, have a direct or indirect financial interest. In order to resolve any questions of conflict of interest, whether real or apparent, the Committee shall adopt the following procedures:

- i. Members of the Committee shall disclose to the Committee, the CFO and the College General Counsel any relevant facts that might give rise to an apparent or actual conflict of interest with respect to any matter to be considered by the Committee, and any Committee member, the CFO and the College General Counsel who may be aware of any apparent or actual conflict of interest shall disclose to the Committee any relevant facts that might give rise to a conflict of interest.
- ii. Members so affected shall abstain from the Committee's discussion of any such transaction, unless the Committee specifically requests information from such members. Such abstention shall be recorded in the minutes of the Committee meeting.
- iii. The affected members, if requested to do so by any other member of the Committee or College General Counsel, shall withdraw from the meeting during the Committee consideration of the relevant matter.

7. Environmental, Social & Governance ("ESG") and Diversity Guidelines

- a. The College seeks to align its portfolio with the institutional values expressed in the College's mission statement.
- b. Academic research supports the practice of incorporating environmental, social, and governance factors with other conventional financial analytical tools when evaluating investment opportunities, with the objective of improving long-term, risk-adjusted returns. ESG factors may help identify both i) potential opportunities and ii) potential risks that conventional tools miss. Incorporating ESG factors into the management of the Fund is consistent with the Fund's stated investment and financial objectives. As such, the Committee and the Fund Manager will consider material ESG factors when making decisions on asset allocation and investment manager selection.
- c. The College considers climate change, driven by human-induced greenhouse gas (GHG) emissions, to be one of the most critical global issues for at least the next several decades. As a long-term investor, the College has committed to incorporate climate change into its investment decision making. It supports the goals of the 2015 Paris Agreement to limit global warming by eliminating net emissions of carbon and other GHGs by mid-century. This commitment seeks to:
 - i. To ensure the risks and opportunities arising from a low carbon transition are reflected in the way investments are chosen for the portfolio.
 - ii. To seek out investments whose activities can accelerate or otherwise support the low carbon transition while contributing to our return goals.

- iii. To support and encourage all businesses to adopt business plans and strategies consistent with the goals of the Paris agreement.
- d. The College acknowledges the opportunity to remain a leader demonstrating what is possible regarding best-in-class sustainable endowment management. As such, the College is initially adopting four ambitious, high-level Net Zero targets:
 - i. Reduce portfolio emissions by 50% by 2030 and 100% by 2040 from a 12/31/2022 baseline.
 - ii. By 2025, emissions 20% below relevant benchmark index³ on an ongoing basis.
 - iii. By 2025, 70% of emissions should be from companies which are Paris aligned with net zero or with whom the College is engaging (typically indirectly via managers) toward that objective. Engagement will also include relevant proxy voting, where applicable.
 - iv. Investment in “climate solutions⁴” as a percentage of the portfolio to 5% by end 2025.
- e. The availability of emissions data, methodologies for target setting and the means of control vary widely across asset classes. It is therefore not practical to set a uniform approach relevant for every asset class. The Investment Committee and Fund Manager will use best efforts to utilize industry best practices and a focus on transparency in the measurement of commitments made in this policy.
- f. Consistent with the exercise of fiscal prudence and to more fully reflect its liberal arts tradition as a learning community committed to diversity and inclusion, the College seeks to achieve robust diversity within its investment program and through enhanced inclusive investment practices by its Fund Manager.
- g. Accordingly, the Fund Manager will make best efforts to hire diverse investment managers owned or principally led by women and/or people of color. Diverse investment managers are defined as firms with 33% or more ownership by women and/or people of color, with special consideration given to majority-owned diverse firms. The College will also include in its definition of diverse managers strategies focused on diverse entrepreneurs and/or strategies investing in companies addressing the needs of diverse populations, and it will consider firms or strategies principally led by women and/or people of color. The Fund Manager will consider the approach of all Fund investment managers to diversity in its evaluation criteria and ongoing monitoring, prioritizing partnership with managers that demonstrate a commitment to

³ Initial measurement will focus on public equities, where information is most readily available. The MSCI All Country World Index is the relevant benchmark for emissions data, as it is for traditional investment metrics.

⁴ Climate solutions are investments that have the reduction or removal of emissions as a core part of their strategy. Examples would include renewable energy infrastructure or cleantech venture capital.

diversity and inclusion in their culture and/or improving their diversity practices over time.

h. As an institutional investor and fiduciary, the College expects its portfolio companies to meaningfully manage their human rights risks and impacts, as such risks and impacts have direct implications for shareholder value depending on how they are, or are not managed.

i. The College considers the violation of human rights to be inconsistent with the College's values and a pressing global issue. Accordingly, the Fund Manager will consider the human rights diligence approach of all Fund investment managers in its evaluation criteria and ongoing monitoring.

j. As part of the College's commitment to upholding human rights, the Fund shall not directly own any securities publicly issued by weapons manufacturers. The College also strives to minimize indirect exposure to such holdings in commingled funds and shall, through/with the Fund Manager, engage its underlying commingled fund managers to reduce exposure to weapons manufacturers and to encourage the adoption of military weapons -free investment options. This commitment includes an annual review of such holdings by the Fund Manager with the Investments Committee, along with an annual summary disclosure of aggregated exposures by the College to the Campus community.

k. The College additionally strives to not invest in companies that consistently, knowingly, and directly facilitate or enable severe violations of international law and human rights. The Investments Committee and Fund Manager will use best efforts to utilize industry best practices and a focus on transparency in the measurement of commitments made in this policy.

l. This commitment to align investment strategy with institutional values will be monitored through annual reporting by the Fund Manager to the Investments Committee regarding actions taken pursuant to this section of the Investment Policy Statement, which will include annual summary disclosures of aggregated exposures to holdings identified in this section of the Investment Policy Statement.

8. Legacy Assets & Client-Directed Assets & Excluded Assets

The College has retained investment decision-making authority with respect to a portion of the Endowment invested in the following Legacy Assets and Excluded Assets, which will not be included in the Fund Manager's discretionary mandate.

“Legacy Assets” are the following investments:

- ◆ Private Equity, Venture Capital, Private Debt, Private Real Estate, and Private Diversifier Investments that the College has already made or to which the College has already committed as of June 1, 2018

For the avoidance of doubt, the Legacy Assets shall be counted toward the Allowable Ranges established in Section 2 and the Fund Manager shall perform ongoing monitoring on them.

“Client-Directed Assets” are the following investment(s), which are limited individual investments approved by the College’s Board of Trustees upon the recommendation of the Committee:

- ◆ \$1 million investment in Oregon Venture Fund XV, approved by the Board of Trustees on October 20, 2023

For the avoidance of doubt, the Client-Directed Assets shall be counted toward the Allowable Ranges established in Section 2 and the Fund Manager shall provide performance reporting on them.

“Excluded Assets” are the following investments:

- ◆ Steele-Reese Foundation

For the avoidance of doubt, the Excluded Assets shall not be counted toward the Allowable ranges established in Section 2.