INPRS

INDIANA PUBLIC RETIREMENT SYSTEM

Investment Policy Statement

Originally Adopted: January 1, 2012
Last Revised: April 24, 2026

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Section 1 Definitions

1. **"Actuarial Required Rates of Return"** refers to the rate of return approved by the Board.
2. **"Board"** refers to the board of trustees of the System established by IC 5-10.5-3-1.[1]
3. **"Chief Investment Officer"** or **"CIO"** means the System's acting chief investment officer.
4. **"Consultant(s)"** are third party persons or firms who are approved by the Board and are responsible for providing advice on the investment program.
5. **"Contractor(s)"** is an entity or individual that provides products and/or services to the System.
6. **"Custodian(s)"** is a bank or trust company which is retained by the Board to hold the assets of the System.
7. **"Defined Benefit Retirement Funds"** refers to the accounts listed in Section 2 Introduction.
8. **"Defined Contribution Retirement Funds"** refers to the accounts listed in Section 2 Introduction.
9. **"ESG Commitment"** has the meaning set forth in IC 5-10.2-14-2.
10. **"Nonfinancial Investment Activity"** refers to any activity related to the investment or use of System's assets on the basis of non-financial factors associated with the achievement of public policy objectives or the advancement of third-party interests, for which the proponents of the activity have not produced demonstrable, objective, and specific empirical proof that the activity is consistent with any applicable fiduciary duty standards and the risk and return investment objectives of the System.
11. **"Executive Director"** or **"ED"** refers to the director of the System.[2]
12. **"Financial"** means a prudent determination by a fiduciary to have a material effect on the monetary risk or the monetary return of an investment. The term does not include an action taken or a factor considered by a fiduciary with the nonfinancial purpose to further social, political, or ideological interests as set forth in IC 5-10.2-14.2.
13. **"Investment Managers"** refers to an external person(s), firm, corporation, bank or insurance company who is retained to manage a portion of the assets of the System under specified guidelines. Such Investment Managers will be registered as investment advisors under the Investment Advisors Act of 1940 and Securities Exchange Commission Acts, unless exempted from registration by the SEC (e.g., banks and insurance companies and affiliates).
14. **"Investment Staff"** refers to the employees of the System responsible for performing investment activities who report to the CIO.
15. **"Legal Counsel"** refers to attorney(s) engaged to provide legal advice to the System.
16. **"Other Fund(s)"** refers to the System's assets that are not part of the Retirement Funds as listed in Section 2 Introduction.
17. **"Policy"** refers to the INPRS Investment Policy Statement, as amended from time to time.
18. **"Portfolio"** refers to the assets managed by an Investment Manager according to a specific mandate or strategy.
19. **"Retirement Fund(s)"** refers to the System's Defined Benefit Retirement Funds and Defined Contribution Retirement Funds.
20. **"Service Provider(s)"** means Investment Managers and proxy advisors to the System.[3]
21. **"Staff"** refers to all employees of the System, including the ED and CIO.
22. **"System"** refers to the Indiana Public Retirement System established by IC 5-10.5-2-1.[4]
23. **"Target Rates of Return"** refers to the long-term net-of-fee rates of return targeted through the approval of an asset allocation during the asset-liability study.

[1] IC 5-10.5-1-2
[2] IC 5-10.5-1-3
[3] IC 5-10.2-14-4
[4] IC 5-10.5-1-6

Section 2 Introduction

The Indiana Public Retirement System ("INPRS" or the "System") was statutorily established on July 1, 2011[5] and is responsible for the management and administration of Indiana's public retirement funds and pension-systems[6] (i.e., "Funds") including:

Defined Benefit Retirement Funds

1. Public Employees' Defined Benefit Account (PERF DB);
2. Teachers' Pre-1996 Defined Benefit Account (TRF Pre-'96 DB);
3. Teachers' 1996 Defined Benefit Account (TRF '96 DB);
4. 1977 Police Officers' and Firefighters' Retirement Fund ('77 Fund);
5. Judges' Retirement System (JRS);
6. Excise, Gaming and Conservation Officers' Retirement Fund (EG&C);
7. Prosecuting Attorneys' Retirement Fund (PARF);
8. Legislators' Defined Benefit Fund (LE DB);

Defined Contribution Retirement Funds

9. Public Employees' Defined Contribution Account (PERF DC);
10. Teachers' Defined Contribution Account (TRF DC);
11. Legislators' Defined Contribution Account (LE DC);
12. My Choice: Retirement Savings Plan for Public Employees (PERF MC DC);
13. My Choice: Retirement Savings Plan for Teachers (TRF MC DC);

Other Funds

14. Special Death Benefit Fund (SDBF);
15. Local Public Safety Pension Relief Fund (LPSPR);
16. Retiree Medical Benefits Account Plan (RMBA)

Prior to July 1, 2011, the retirement plans for Indiana public employees were administered by two separate boards of trustees, the Public Employees Retirement Fund Board and the Indiana State Teachers' Retirement Fund Board.

2.1 System Oversight

Oversight of the System's assets is the responsibility of the INPRS Board of Trustees ("Board"). The Board is supported by the Executive Director ("ED"), Chief Investment Officer ("CIO") and internal investment and legal staff ("Staff") and externally by investment consultants ("Consultants"), Investment Managers, Custodian(s), Legal Counsel and all others fulfilling fiduciary duties.

2.2 Authority for Investment Policy Statement

Indiana law permits the Board to establish investment guidelines and limits on all types of investments and take other actions necessary to fulfill its duty as a fiduciary for all assets under its control.[7]

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[5] IC 5-10.5-2-1

[6] IC 5-10.5-3. The Board has the powers, duties, restrictions, limitations, and penalties in connection with the board's investment and management of the assets of the Retirement Funds of the System under the following provisions: (1) IC 5-10.2-2-2.5; (2) IC 5-10.2-2-13; (3) IC 5-10.3-3-7.1; (4) IC 5-10.3-5-3; (5) IC 5- 10.3-5-3.1; (6) IC 5-10.3-5-4; (7) IC 5-10.3-5-5; (8) IC 5-10.3-5-6; (9) IC 5-10.4-3-7; (10) IC 5-10.4-3-9; (11) IC 5- 10.4-3-10; (12) IC 5-10.4-3-11; (13) IC 5-10.4-3-12; (14) IC 5-10.4-3-13; (15) IC 5-10.4-3-14; (16) IC 5-10.4-3-15; (17) IC 5-10.4-3-16; (18) 35 IAC 1.2-1-3.

[7] IC 5-10.2-2-2.5(a)

2.3 Fiduciary Standard

The Board is required by law[8] to discharge its duties solely in the financial interest of the participants and beneficiaries of the System for the exclusive purposes of:

(1) providing financial benefits to participants and beneficiaries; and
(2) defraying reasonable expenses of administering the System.

The Board shall invest the System's assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims with the primary purpose of maximizing the target rate of return on its investments. In doing so, the Board must operate with a duty of undivided loyalty and must be impartial in the exercise of such duty to the members of each Fund. The Board is also required to diversify such investments in accordance with prudent investment standards.[9]

2.3.1 Statement on ESG and Other Non-Financial Factors

1. Divergent positions on matters of public policy are best resolved by officials who can be held accountable through the democratic process by their constituencies.
    a. INPRS does not judge the worthiness of public policy objectives or non-financial objectives that might be pursued through System assets.
    b. Federal and state governments, with their resources, are best positioned to handle matters conflicting with U.S. national security and humanitarian policies, including appropriate sanctions. The System defers to their guidance.
    c. The System will ensure all investments comply with applicable laws, including restrictions on ESG Commitments. [10,11]
2. Using System assets for public policy goals is inappropriate and legally impermissible. Service Providers engaging in Nonfinancial Investment Activities[12] may appear to prioritize others' interests over the System's, introducing non-quantifiable risks inconsistent with the fiduciary standard.
3. Both Investment Staff and Service Providers are prohibited from Nonfinancial Investment Activities[13] regarding System assets, including investment selection, manager selection, management, proxy voting, or shareholder engagement. Investment Managers must vote proxies in line with Addendum 7 of this Policy and these responsibilities.
4. The Board and Investment Staff must not make investment decisions for social or environmental policy purposes or influence corporate governance for nonpecuniary reasons. Investment decisions must focus on financial risk and return characteristics, ignoring public policy and third-party interests, ensuring the best economic interest of the System.
5. Nothing here authorizes or requires conduct violating applicable law.

2.4 Scope of Investment Policy Statement

This Policy is binding on all persons with authority over the System's assets, including the Board, Service Providers, Custodians, Consultants, Staff, as well as any other person who has a fiduciary relationship with the System.

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[8] IC 5-10.2-14-9
[9] IC 5-10.3-5-3 and IC 5-10.4-3-10(a)
[10] See Section 2.5
[11] See Section 1.9
[12] See Section 1.10
[13] See Section 1.10

2.5 Compliance with the Law

The Board, Staff, Contractors, and Service Providers are required to comply with all applicable federal and state laws, rules and regulations. This Policy attempts to describe the applicable laws and specifically identifies such laws in the footnotes. However, in the event of any conflict between the law and this Policy, the law prevails, and each fiduciary to the System is ultimately responsible for interpretation and compliance with laws.

2.6 Contact

Questions and comments relating to the application or interpretation of this Policy and any written notice required to be delivered should be directed to:

Indiana Public Retirement System
Attn: Chief Investment Officer, Chief Legal and Compliance Officer, or Director of Internal Audit
One North Capitol Avenue, Suite 001
Indianapolis, IN 46204

Section 3 Objectives and Purpose of Policy

All aspects of this Policy shall be interpreted in a manner consistent with the System's objectives. The primary objective of the System is to maintain adequate funding for the Defined Benefit Retirement Funds, Other Funds to provide for the payment of such Funds' liabilities over time in a cost-effective manner, and provide a simple and diversified default option and stand-alone options for the Defined Contribution Retirement Funds.

The purpose of this Policy is to support this general objective by:

1. Setting forth the investment policies which the Board judges to be appropriate and prudent, in consideration of the needs and legal requirements applicable to direct investment of the assets;
2. Making a clear distinction between the roles and responsibilities of the Board, Staff, and each Contractor and Service Provider;
3. Establishing formalized criteria to measure, monitor and evaluate the performance results of the Investment Managers;
4. Communicating the investment policies, objectives, guidelines, and performance criteria of the Board to the Staff, Investment Managers, Consultants, Contractors, other Service Providers, Employers, Members and all other interested parties; and
5. Serving as the guide relative to the ongoing oversight of the investments by the System and demonstrating that the Board is fulfilling its fiduciary responsibilities in the administration and management of each Retirement Fund's and Other Fund's assets solely in the interests of such Fund's members and beneficiaries.

The Board intends for this Policy to be a dynamic document, and, as such, expects to conduct periodic reviews utilizing input from Staff, Consultants and other knowledgeable parties. The Board anticipates approving changes from time to time to reflect changes in any or all of: economic and market conditions, investment opportunities, the System's investment strategy, benefit provisions, and the System's governance. This Policy shall be reviewed on a regular basis and, at minimum, upon completion of an asset liability study.

Section 4 Guiding Beliefs

The mission of the System, as fiduciaries, is to educate stakeholders, collect necessary contributions, and prudently manage member assets to deliver promised defined benefit and defined contribution benefits and services. Its vision is to create engaged members able to realize their retirement dreams. To that end, the Board has adopted a set of guiding beliefs for oversight and management of System assets. The guiding beliefs are as follows:

4.1 Time Horizon

For the purposes of this policy, long-term is defined as greater than ten years.

4.2 Target Rates of Return

In setting Target Rates of Return, the Board considers the tradeoff between pursuing higher expected long-term returns and the potential for increased variability in employer contributions and funded status.

4.3 Asset Allocation

The asset allocation is the most important determinant of long-term investment results.

4.4 Investment Risk

Although market fluctuations can affect short-term results, taking investment risk is essential for meeting the System's performance objectives.

4.5 Peer Risk

Asset allocation and investment decisions will be made according to the System's unique objectives and constraints, recognizing actual member outcomes are more important than perceived investment differences between INPRS and our peers.

4.6 Preservation of Capital

It is important to limit the loss of capital during challenging market environments, as significant losses can reduce the probability of achieving performance objectives.

4.7 Diversification

True diversification involves more than just capital allocation. It spreads exposures across various return drivers, ensuring no single market, strategy, or risk dominates results over time.

4.8 Liquidity

The asset allocation implemented shall consider liquidity needs to fund withdrawals for benefit payments, fees and expenses, and other obligations. Provided there are sufficient monies available to meet cash outflows, the System may prudently allocate to illiquid securities.

4.9 Rebalancing

Systematic rebalancing should be used to control risk and ensure that assets continue to reflect the strategic asset allocation over long horizons and through periods of market volatility.

4.10 Active Management

Active management can and should be used opportunistically if there is conviction that the Investment Manager can demonstrate a sustainable competitive edge and produce a net of fee return that is greater than a passive investment in an index.

Section 5 Responsible Parties and Their Duties

5.1 Prudent Investors

All Service Providers will maintain a prudent investor profile, consistent with the applicable fiduciary responsibility to invest the assets solely in the interests of the System's members and beneficiaries.

5.2 Code of Ethics

5.2.1 Ethical Requirements and Remedies

1. Contractors and Service Providers shall abide by all ethical requirements that apply to persons who have a relationship with the System as set forth in Indiana law[14] or the Board Governance Manual.
2. If a Contractor or Service Provider (or its agents) violate any applicable ethical standards, the System may, in its sole discretion, terminate its agreement immediately upon notice to the Contractor or Service Provider. Contractors and Service Providers may also be subject to penalties under Indiana law.

5.2.2 Reporting Conflicts and Potential Violations

1. All parties are compelled to promptly report, in writing, any acts that:
    a. create a conflict of interest; or
    b. could be construed as a violation of Indiana law or the Board Governance Manual.
2. Such report shall be in writing to the Chief Legal and Compliance Officer, CIO, or ED. If the issue in question involves the Chief Legal and Compliance Officer, CIO, or ED, the Contractor or Service Provider may use an alternative method, such as reporting the violation directly to the System's Director of Internal Audit. The obligation under this section extends only to facts that the Contractor or Service Provider knows or reasonably could know.

5.2.3 Political Participation and Solicitation

1. The Board recognizes that Contractors and Service Providers have every right as citizens to participate in the political process both individually or corporately.
2. The Board believes that it is inappropriate and improper for members of the Board to solicit contributions or support for specific candidates from any Contractor, Service Provider, or member of Staff.
3. Any such incidents shall be reported, in writing, by the Contractor or Service Provider to the Chief Legal and Compliance Officer or ED.

5.3 Responsibilities and Duties to the System

5.3.1 Board of Trustees

1. Approve the overall mission, strategic plan, and objectives of the System;
2. Set the Target Rates of Return for the Defined Benefit Retirement Funds based on input from the System's Investment Staff, Consultants, and Actuaries;
3. Adopt an Investment Policy Statement, including an asset allocation according to prudent investor standards;
4. Meet the fiduciary standards described in Section 2.3;

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[14] See Section 2.5

5. Approve and review the engagement of Contractors and Service Providers;
6. Evaluate the System's performance and compliance with this Policy and applicable state and federal laws;
7. Evaluate performance of the Executive Director and Consultant; and
8. Delegate any permitted responsibilities or duties to the Staff.

5.3.2 Executive Director

1. Supervise the investment operations by ensuring that the CIO and Investment Staff invest assets in accordance with the Board's policies and internal controls that are in place to safeguard the System's assets;
2. Expend money, including income from the assets, for effectuating the System's purposes;
3. Provide regular reports to the Board;
4. Negotiate and execute all contracts, agreements and memorandums of understanding in accordance with the System's Procurement Policy and this Policy;
5. With the advice and counsel of the CIO and Consultant, take prudent actions that are deemed essential to protect the assets of the System with any emergency actions taken being promptly notified to the Board; and
6. Perform and/or delegate all additional duties assigned by the Board.

5.3.3 Chief Investment Officer

1. Monitor and manage the investment operations of the System to ensure compliance with Board policies;
2. Regularly provide updates and recommend modifications to this Policy to the Board;
3. Assist Board in establishing appropriate asset allocation targets and ranges;
4. Implement agreements and disburse funds to the selected Investment Managers at prudent and approved commitment levels;
5. Advise the Board and ED on investment matters;
6. Keep the Board and ED apprised of situations which merit their attention; and
7. Supervise and/or delegate to the Investment Staff.

5.3.4 Investment Staff

1. Regularly provide updates and recommend modifications to this Policy;
2. Source and evaluate prospective Portfolios for the System;
3. Monitor and review Investment Managers for adherence to strategies, objectives and guidelines; and
4. Regularly evaluate and advise the Board on the performance of the Consultants.

5.3.5 Consultants

1. Regularly review and advise the Board and Staff on investment policies related to the System;
2. Assist Board and Staff in establishing appropriate asset allocation targets and ranges;
3. Provide the Board and Staff with relevant, reliable and timely research and information requests to fulfill their responsibilities;
4. Assist Staff in conducting Investment Manager and/or Portfolio due diligence and in negotiating business terms and appropriate structural incentives;
5. Monitor and review Investment Managers on an ongoing basis, for adherence to objectives and guidelines and, if appropriate, recommend any changes to the Board and Staff; and
6. Provide a third-party perspective and oversight to the System's assets.

5.4 Delegated Authority

The Board has delegated the day-to-day investment operations to the Staff, though oversight of the System's assets remains with the Board. The Staff is responsible for performing such duties consistent with this Policy and as otherwise directed by the Board. Included in this, the ED is authorized by the Board, pursuant to a recommendation by the CIO, to hire and terminate Investment Managers within each asset class as required to achieve the investment objectives of the Retirement Funds within the limitations below.

If an investment opportunity requires immediate action and prior approval by the Board, the Board recognizes that the ED and CIO may request that the Board convene between regularly scheduled meetings to review and approve the investment.

Approval authority set forth in this Policy shall be reviewed upon the departure of either the ED or CIO, to consider the suitability of this investment authority delegated by the Board.

5.4.1 Investments

Table 5.4

Investment Type	**Board Notification Required** (Individual Portfolio or Fund)	**Prior Board Approval Required** (% of the Defined Benefit Retirement Funds', Defined Contribution Retirement Funds', or Other Funds' Market Value)
Public Markets (Passive Portfolio)	Initial Investment	> 10% Through Investment or Growth
Public Markets (Active Portfolio), Risk Parity	Initial Investment	> 5% Through Investment or Growth
Absolute Return	Initial and Additional Investments	> 1% Through Investment
Private Markets	Initial and Additional Investments	> 1% Through Investment
Co-Investment	Initial and Additional Investments	> 0.25% Through Investment

A Passive Portfolio is any strategy that seeks to replicate the return and risk of an index through full replication or stratified sampling. An Active Portfolio is any strategy that is not characterized as a Passive Strategy.

5.4.2 Terminations

A Portfolio may be terminated with the agreement of the ED and CIO for any level of assets, if such removal is deemed necessary to protect the System's assets. Notification regarding the termination shall be provided to the Board at its next meeting.

Section 6 Defined Benefit Retirement Funds - Asset Allocation

The asset allocation of the Defined Benefit Retirement Fund is expected to meet the Target Rates of Return over the long-term while minimizing risk. The Board will evaluate the asset allocation periodically, after reviewing considerations and recommendations from the CIO and Consultant, and conduct a formal asset liability study at least every five years.

6.1 Formal Asset-Liability Study

To guide their selection of the optimal target allocation and target range for each asset class, the Board shall consider the following key factors:

1. Maximize the probability of achieving the target rate of return over the long-term while limiting the probability of contribution increases and funded status declines;
2. Investment decisions will be made and evaluated on a risk-adjusted basis after all associated costs are taken into account;
3. Constraints including, but not limited to, liquidity and operational complexity will be considered when making investment decisions.

In developing an asset allocation that conforms to the Defined Benefit Retirement Funds' objectives, the Board shall consider the following key factors:

1. Expected long-term return, risk, correlations, liquidity constraints, and transaction costs of various global public and private asset classes;
2. Key economic and market risk factors affecting Defined Benefit Retirement Funds assets;
3. Projected cash flow and liquidity needs of the Defined Benefit Retirement Funds;
4. Projected liabilities of the Defined Benefit Retirement Funds;
5. Projected funded status of the Defined Benefit Retirement Funds; and
6. Contribution needs of the Defined Benefit Retirement Funds.

6.2 Strategic Asset Allocation

The following asset allocation table was approved by the Board on April 24, 2026, after conducting a formal asset-liability study. This allocation takes effect July 1, 2026 and shall remain in place until revised by the Board.

Table 6.2

Asset Type	Asset Class / Strategy	Target Allocation	Target Range
Equity	Public Equity	20%	+/- 3%
	Private Equity	10%	+/- 5%
Fixed Income	Government Bonds	30%	+/- 3%
	Public Credit	5%	+/- 3%
	Private Credit	5%	+/- 5%
Real Assets	Commodities	10%	+/- 3%
	Private Real Assets	10%	+/- 5%
Multi-Asset	Risk Parity	15%	+/- 5%
	Absolute Return	5%	+/- 5%
	Total	**110%**	**Max = 115%**

Section 7 Defined Benefit Retirement Funds - Performance Evaluation

7.1 Introduction

The Board recognizes the need to evaluate the investment performance of the CIO and Investment Staff who have been delegated the duty to invest the Defined Benefit Retirement Funds' assets.

7.2 Benchmarks

1. The Investment Staff uses a variety of benchmarks to evaluate the risk and return of the total Defined Benefit Retirement Funds, asset classes, and managers.
    a. Custom total plan benchmarks are established to describe the Defined Benefit Retirement Funds' asset allocation, described in table 6.2.
    b. Custom asset class benchmarks are established to represent the qualities of INPRS's global asset classes, described in table 6.2.
    c. Standard benchmarks are used to represent the opportunity set of certain managers.
2. The returns of these benchmarks are provided to the Board to aid them in evaluating the performance of the total plan and constituent asset classes.
3. The benchmarks employed and the methodology used are described in a separate document, "Understanding INPRS's Investment Benchmarks." Changes made to the custom total plan benchmarks or global asset class benchmarks will be communicated to the Board at the next regularly scheduled Board meeting following the changes.

7.3 Performance Evaluation Factors

The key factors to be used in the evaluation of the investment performance of the Defined Benefit Retirement Funds include:

1. Net of fees, 5-year and 10-year rolling annual rate of return equal to the target rate of return for the Defined Benefit Retirement Funds.
2. Net of fees, 5-year and 10-year Sharpe Ratio of the Defined Benefit Retirement Funds, no less than a weighted average of benchmark indices' Sharpe Ratio which best describe the Retirement Funds' asset allocation.
3. Net of fees, 5-year and 10-year rolling investment rate of return of the Defined Benefit Retirement Funds, no less than a weighted average of benchmark indices which best describe the Defined Benefit Retirement Funds' asset allocation.

Section 8 Defined Benefit Retirement Funds - Risk Management

The Board believes that the central focus of investing is to control risks that may reduce the probability of achieving the Target Rates of Return and other long-term objectives.

8.1 Risk Measurement

The CIO and Investment Staff should maintain risk management research and tools to evaluate market conditions, portfolio risk, and investment opportunities.

8.2 Risk Monitoring

The Board believes that when building the most diversified investment portfolio it is critical to think in terms of risk allocation, not capital allocation. As a result, the Board, CIO, and Investment Staff should regularly monitor the System's success in achieving the targeted risk diversification that is inherent in the approved asset allocation (Section 6.2 Strategic Asset Allocation). The following list is a sample of portfolio risk exposures that shall be monitored and reported to the Board:

Table 8.2.1

Economic Risk Factors	Market Risk Factors
Higher Growth than Expected	Equity Risk
Lower Growth than Expected	Nominal Interest Rate Risk
Higher Inflation than Expected	Credit Risk
Lower Inflation than Expected	Inflation Risk
	Currency Risk

The Board recognizes that there are several other risks that exist in a global investment portfolio. As a result, the Board, CIO, and Investment Staff should regularly monitor the performance and composition of the System's assets and make favorable adjustments that seek to improve overall risk- adjusted performance. The following table contains a sample of other risk factors that should be monitored:

Table 8.2.2

Other Risk Factors	Descriptions
Issuer Risk	Risk from concentrated exposure to a single security, issuer, or company.
Geographical Risk	Risk from concentrated exposure to a certain region (within the US, country, continent, etc.).
Sector Risk	Risk from concentrated exposure to a single industry sector that may be affected by a sector-wide event.
Default Risk	Risk of loss due to an issuer's failure to meet its contractual obligations for the payment of principal or interest.
Counterparty Risk	Risk of loss due to the failure of a contractual counterparty.
Debt Maturity Risk	Risk from concentrated debt maturities or refinancing needs over a short period.
Liquidity Risk	Risk that assets cannot be bought or sold in a timely manner without material cost or price impact.
Vintage Year Risk	Risk that commitments/investments are concentrated in portfolios formed near market peaks.

8.2.1 Investment Manager Concentration Limit

The Board recognizes that allocating a large percentage of assets to a single Investment Manager may introduce increased liquidity risk or risk of underperformance to the System. As a result, the Board sets limits on total assets managed by any single Investment Manager (i.e. one or multiple portfolios).

Table 8.2.3

Defined Benefit Retirement Funds	Concentration Limits
Actively Managed Portfolios	< 15%
Passively Managed Portfolios	< 20%
Combined Actively Managed and Passively Managed Portfolios	< 25%

8.2.2 Foreign-Exchange Risk Management

The objective of this foreign-exchange ("F/X") risk management policy is to effectively manage the System's performance volatility associated with foreign currency risk. Unless otherwise approved by the Board, F/X hedging may only be implemented: (1) by an Investment Manager with recognized F/X experience on that Portfolio or (2) by an overlay manager or other third-party expert ("F/X Overlay Manager") for a specific Portfolio or the System.

8.2.3 Leverage Risk

Leverage may be used to improve portfolio efficiency (return per unit of risk) and diversification. For purposes of this section of the IPS, leverage is the balance-sheet leverage approved through the Strategic Asset Allocation (Section 6) and implemented primarily through derivatives where the notional exposure is not fully collateralized by cash equivalents and losses greater than 100% of invested capital are possible.

- Maximum permissible leverage (Defined Benefit Retirement Funds) = 115%. If explicit leverage exceeds 115%, the Investment Staff will reduce it below 115% within a reasonable timeframe.
- Because leverage using derivatives can increase liquidity risk, the Investment Staff will monitor liquidity needs across various market scenarios and maintain sufficient cash equivalents to meet obligations during stress environments.
- Leverage exposure will be reported to the Board at each meeting.

The System is authorized to allow the following prudent uses of leverage by Investment Managers who possess recognized expertise:

1. Derivatives in accordance with the asset allocation and risk parameters of this Policy;
2. Short sales;
3. Foreign currency hedging;
4. Embedded leverage within the System's limited partnership and limited liability company investments; and
5. Collateralized funding operations (including securities lending, repurchase, and reverse repurchase agreements).

8.2.4 Active Risk
Active risk (or tracking error) refers to the potential for portfolio returns to be less than or greater than benchmark returns. It arises from differences in asset class weights between the portfolio and benchmark as well as active management decisions made by Investment Managers. The CIO and Investment Staff will monitor active risk and report any material changes to the Board.

8.3 Risk-Adjusted Investment Management
Given market volatility and complexity, the CIO and Investment Staff will regularly review risk parameters to maintain the risk profile implied by the Board-approved asset allocation.

8.3.1 Rebalancing
The CIO and Investment Staff will be charged with monitoring individual asset classes and rebalancing as necessary to keep the Defined Benefit Retirement Funds within the Board-approved asset allocation ranges. For asset classes other than Private Markets and Absolute Return, allocations beyond the target range will be rebalanced to the midpoint between the target allocation and the breached range boundary. However, tactical shifts are permitted within the Board-approved asset allocation ranges when intended to improve risk-adjusted returns.

Given the illiquid nature of Private Markets and Absolute Return investments, any allocation to these asset classes that exceed target ranges will not require an immediate rebalance. Instead, the CIO will update the Board at its next meeting on the investment pacing plan and projected allocation for the asset class that is beyond the target range.

8.3.2 Investment Manager Due Diligence
Prior to an initial investment, the Investment Staff shall perform and document investment and operational due diligence for each Portfolio.

8.3.3 Legal Review
The Investment Staff will exercise diligence to ensure that all contracts are legally binding and enforceable in a suitable venue and shall seek review by the System's legal department prior to the execution of such agreements.

8.3.4 Operations Risk Management
1. Procedures: A procedures manual shall be maintained by the Investment Staff that provides detailed steps on how to complete the essential tasks of the investment department.

2. Custodial Bank: The Investment Staff shall conduct on-site due diligence to review the operational controls set in place by all custodial banks. The Investment Staff will also consider the extent of remedies provided by the Custodian and its overall ability to fulfill its commitments should operational failures occur.

Section 9 Public Market Investment Guidelines

9.1 General Guidelines

Investment Managers retained to manage System assets in Public Equity, Fixed Income, or Commodities ("Public Investment Managers") must operate within this Policy, applicable law, and their contract. Subject to those constraints, Public Investment Managers have full discretionary authority over their assigned portfolio.

9.1.1 Manager Requirements and Portfolio Controls

1. Registration / Fiduciary Acknowledgement: Public Investment Managers retained by the System must be a person, firm, or corporation registered as an investment adviser under the Investment Advisors Act of 1940, a bank as defined in such Act, or an insurance company qualified to do business in more than one state and must acknowledge its fiduciary responsibility in writing. SEC-registered firms must provide the Investment Staff a copy of its Form ADV Part 2 on an annual basis.

2. Annual Compliance: Public Investment Managers must annually confirm their receipt of this Policy (and updates), compliance with this Policy, and agree to abide by the terms in writing. Public Investment Managers have an affirmative duty to suggest Policy modifications to the Investment Staff. In accordance with Indiana law[15], Public Investment Managers may, with the express written permission of the CIO, invest in commingled or pooled funds that otherwise comply with the guidelines in this Policy.

3. Conflicts of Interest: Public Investment Managers must not invest any part of its Portfolio with itself or any person/entity in which it has an economic interest, without prior written approval from the CIO or ED, except passive index funds where the Public Investment Manager is a constituent of the index. This does not preclude Public Investment Managers from investing personal assets alongside System assets if consistent with its fiduciary duties.

4. Broker/Dealer Restrictions: No Public Investment Manager, through its actions on behalf of the System, shall act or receive compensation as a broker, dealer, underwriter, or principal whether directly or through a related or an affiliated entity, without prior written approval from the CIO or ED.

5. Issuer Concentration: Initial purchases of any one issuer (except for the U.S. Government and its agencies) are limited to an initial cost of 10% or two times the benchmark weight of the portfolio market value, whichever is greater. No such holding should exceed 15% of the portfolio market value, unless the CIO approves an exception.

6. Trade Processing: Public Investment Managers must immediately provide transaction records to the System's Custodian (and any designated agent) and reconcile accounts monthly with the Custodian. Public Investment Managers must comply with Addendum 3 (Trading and Brokerage Policy).

7. Insurance Requirements: Public Investment Managers must maintain customary professional liability and fidelity coverage. The insurance coverage must cover losses resulting from a

[15] IC 5-10.2-2-2.5(b)

breach of fiduciary duty in providing or failing to provide professionals services to the System, losses due to a mistaken or negligent act or omission, and losses resulting from acts of dishonesty and theft. Public Investment Managers must provide written evidence of such coverage annually to the Investment Staff.

8. Ethics Policy: Public Investment Managers must provide a copy of their respective ethics policy to the Investment Staff annually.

9.1.2 Prohibited Transactions, Remedies, and Stewardship

1. Prohibited Securities and Transactions: The System may not engage in a "prohibited transaction" under the Internal Revenue Code Section 503 or otherwise prohibited under Indiana law. Unless the CIO or ED approves otherwise in writing, the following transactions shall be prohibited:
    a. Purchases of letter or restricted securities;
    b. Direct purchases of physical commodities (Swaps and instruments that constitute a security and authorized derivatives are allowed);
    c. Securities prohibited by Indiana Sudan and Terror legislation (IC 5-10.2-9 and IC 5-10.2-10);
    d. Divestment related to Boycott, Divestment From, or Sanctions of Israel Act (IC 5-10.2-11);
    e. Securities prohibited by Divestment From Chinese Companies legislation (IC 5-10.2-13).

2. Correction of Violations: Unless otherwise approved by the CIO or ED in writing:
    a. Guideline violations must be corrected as soon as practicable following detection and notification.
    b. Public Investment Managers must reimburse the System for any losses attributable to the violation.
    c. The System retains gains which are realized from the violation.
    d. Violations may be grounds for termination.

3. Proxy Voting & Shareholder Engagement. Proxy voting and shareholder engagement with a public company must adhere to the fiduciary standards outlined in this Policy. These actions are uses of System assets and must be conducted solely for the financial benefit of the System's participants and beneficiaries. Public Investment Managers must report their proxy voting, shareholder engagement, and ESG policies to the Board, as outlined in Addendum 7.

9.1.3 Commodities – Additional Requirements

1. Permissible Instruments: Listed securities to the benchmark Index, overlay exposures, and collateral investments, including, but not limited to, futures contracts, forward contracts, swap agreements, structured notes, and options. Positions may be long, short, or both.

2. Trading Venues and Counterparties: Trading of exchange traded instruments is allowed on any regulated exchange, except for exchanges in China and Hong Kong. For non-exchange traded derivatives, counterparty creditworthiness shall be at a minimum of "A3" by Moody's Investor Service, "A-" by Standard & Poor's, and/or "A-" by Fitch. The use of unrated counterparties is prohibited unless such counterparty is a wholly owned affiliate of a parent organization that guarantees payment and meets the creditworthiness standards noted above.

3. Risk Controls: Derivative instruments may be standardized and exchange-traded (e.g.,

futures) and/or privately-negotiated and over-the-counter (e.g., swap agreements). Underlying risk exposures may be to cash commodities and/or commodity derivatives. Risk exposures for exchange-traded instruments shall lie with exchange clearinghouses and with approved counterparties for non- exchange-traded transactions.

4. Collateral: Limited to cash or government obligations, inflation-linked bonds, short-term investment funds, or any receivable due from an approved counterparty. Any other collateral requires Board approval.

9.2 Reporting

The Board recognizes the importance of assessing the investment performance of the Public Investment Managers who manage the System's assets. To facilitate this evaluation, Public Investment Managers are required to adhere to the policies specified below:

1. Performance Reporting Standards: Public Investment Managers will be expected to comply with the CFA Institute's Global Investment Performance Standards (GIPS) in calculating and reporting investment performance. The use of a time-weighted return formula should be utilized (which minimizes the effect of contributions and withdrawals).

2. Standard Reporting: Public Investment Managers must submit a report to the Investment Staff which includes the following items:
   a. Monthly
      i. A review of recent and anticipated investment activities;
      ii. Investment results of the Portfolio;
      iii. A summary of the risk characteristics of the Portfolio (e.g., country exposure vs. benchmark); and
      iv. Other items as requested by the Investment Staff.
   b. Quarterly
      i. Any changes in the firm's structure, professional team or product offerings;
      ii. An analysis of the major changes which have occurred in the investment markets and in the Portfolio in particular since the last report;
      iii. A summary of other key characteristics of the Portfolio; and
      iv. Other items as requested by the Investment Staff.

3. Diligence Meetings: Public Investment Managers must meet with the Investment Staff at least annually to make a presentation describing the professionals, the investment process employed for the Portfolio, recent performance of the Portfolio, current investment strategy and outlook, and any other related issues as requested by the Investment Staff.

4. Notice of Economic Events: Public Investment Managers must immediately report all instances of economically material events which would affect investment performance of assets held (e.g., default, missed interest payments, violation of bond covenants, or significant business restructuring) to the Investment Staff and provide recommendations regarding options for addressing such issues, including withdrawing from the investment or other appropriate actions.

5. Notice of Organizational Events: Public Investment Managers must advise the Investment Staff immediately and in writing if any of the following events occur within the Public Investment Manager's organization:

   a. A change in staffing of key personnel;
   b. A change in ownership or control (whether through acquisition, disposition, merger, consolidation, or otherwise) or in business focus of the Public Investment Manager;
   c. Changes in philosophy or investment process that the Public Investment Manager was hired to implement;
   d. Involvement in material litigation or fraud;
   e. Any investigation or action by a federal or state regulatory body;
   f. Loss of a significant client relationship(s); or
   g. Any other event which could be judged to or deemed to adversely impact to a significant degree the management, professionalism, integrity or financial position of the Public Investment Manager.

6. Termination: To the extent permitted by applicable law or contractual obligations, the CIO and ED reserve the right to terminate Public Investment Managers at any time.

9.3 Performance Evaluation

The Investment Staff should review the performance of Public Investment Managers' portfolios at least quarterly. Metrics will be evaluated over various time periods (1-year, 3-year, 5-year, 10-year, and since inception) and may include the following:

1. Net of fee return exceeding an appropriate benchmark;
2. Sharpe ratio exceeding an appropriate benchmark;
3. Information ratio compared to the expected information ratio;
4. Tracking error of the return compared to the expected tracking error; and
5. Net of fee return ranking at or above the median of an appropriate universe or peer group;

Further, the Investment Staff must review the resources and management of the Public Investment Manager and its Portfolio at least annually. Evaluation standards considered may include the following:

1. Staffing of personnel;
2. Organizational structure;
3. Changes in investment strategy and developments in capital markets as they impact strategy;
4. Changes in resources;
5. Stability of business;
6. Changes in product offerings;
7. Performance against relevant peer groups;
8. Nonfinancial Investment Activity;
9. Client service; and
10. Conformance to this Policy.

9.4 Watch List

The purpose of the "Watch List" is to provide an objective plan to assist the CIO and Investment Staff in determining any action that is warranted when a Public Investment Manager is not meeting expectations. The Watch List must be presented to the Board at each Board meeting.

9.4.1 Conditions for Placement on the Watch List

The CIO will determine if a Public Investment Manager qualifies for the Watch List based on the Quantitative and Qualitative conditions listed below:

1. Quantitative (3-year and 5-year period)
   a. Performance
      i. Net of fees return less than an appropriate benchmark

        ii. Net of fees return rank in the bottom quartile of an appropriate universe or peer group
    b. Risk-Adjusted Performance
        i. Net of fees Sharpe ratio less than an appropriate benchmark
        ii. Net of fees information ratio less than the expected information ratio
2. Qualitative
    a. A change in staffing of key personnel;
    b. A change in ownership or control (whether through acquisition, disposition, merger, consolidation, or otherwise) or in business focus of the Public Investment Manager;
    c. Changes in philosophy or investment process that the Public Investment Manager was hired to implement, including Nonfinancial Investment Activity;
    d. Public Investment Manager involvement in material litigation or allegation of fraud;
    e. Any investigation or action by a federal or state regulatory body;
    f. Material client servicing problems;
    g. Deterioration of financial condition; and
    h. Any event which is deemed to adversely impact the management, professionalism, integrity or financial position of the Investment Manager.

A Public Investment Manager that is placed on the Watch List will be promptly notified and given a 10-business day response period to explain the issues that led to their placement on the Watch List.

9.4.2 Conditions for Removal from the Watch List

A Public Investment Manager may be removed from the Watch List when, in the CIO's judgement (advised by the Investment Staff), the manager has:

1. Delivered performance that would no longer trigger the quantitative conditions; or
2. Resolved the qualitative concerns.

During the period a Public Investment Manager is on the Watch List, the CIO (advised by the Investment Staff) will continue to evaluate if the Public Investment Manager should be terminated.

Section 10 Private Market Investment Guidelines

10.1 Statement of Purpose

The purpose of the Private Markets Program ("PM Program") is to earn risk-adjusted returns in excess of public markets. The PM Program is also expected to decrease the volatility of the Defined Benefit Retirement Funds' assets through the diversification benefits of having lower correlations with other asset classes. For the purpose of this section, the PM Program refers to private equity investments ("Private Equity"), private credit investments ("Private Credit"), and private real asset investments ("Private Real Assets").

10.2 General Guidelines

To strengthen the PM Program, the following guidelines will be utilized in the Investment Staff's and Consultant's formulation of an annual investment strategy and pacing plan.

10.2.1 Permitted Structures

The Investment Staff may utilize the following investment vehicles within the PM Program: private limited partnerships; group trusts; limited liability companies; direct and joint ventures, and co-investments alongside general partners. Co-investment opportunities may be made through side-car vehicles or single-asset vehicles.

In addition to private vehicles, the Investment Staff may also utilize public securities. For example, public real estate investment trusts ("REITs") and real estate operating companies ("REOCs") are generally considered to have risk/return attributes consistent with core real estate. Other public securities including but not limited to those collateralized by automobiles, aircraft, and intellectual property may also be included.

10.2.2 Portfolio Construction

To strengthen diversification, the PM Program will be managed with an annual investment strategy and pacing plan that emphasizes:

1. Time Diversification: The Investment Staff should diversify commitments across business cycles and vintage years to limit the impact of any single commitment. The Investment Staff may also buy secondary interests to enhance diversification across cycles/years and potentially improve returns.

2. Industry/Sector/Property-Type Diversification: Recognizing blind pool constraints, the Investment Staff should diversify across industries/sectors/property-types using multi-sector funds, sector-specific funds where warranted, and targeted co-investments as appropriate. Venture capital and certain strategies may naturally concentrate in a relatively small number of industries.

3. Geographic and Economic Location Diversification: The Investment Staff should include investments across multiple locations and economic concentrations. However, private market investments outside of the U.S. should not exceed 50% of any asset class within the PM Program.

4. Concentration Limits: The PM Program may own up to 100% of a separate account, fund-of-one, co-investment fund/vehicle, or parallel partnership. The PM Program's combined commitment to a partnership and any parallel partnership must not exceed 75% of total

combined capital commitments at any closing, without Board approval.

10.2.3 Governance and Legal Requirements

1. Alignment of Interests: The Investment Staff will actively negotiate partnership agreements on behalf of the System to ensure that interests of the general partner are aligned with those of the System and supported by all other similar limited partners. This includes pursuing competitive fee structures where general partners may participate in the upside of an investment and emphasizing that general partners commit their own capital to the partnership.

2. Contract Terms: Because PM Program opportunities are typically offered through negotiated, time-sensitive agreements in a highly specialized and competitive market, requiring a public procurement process could impair access to top-tier managers and reduce the System's ability to secure terms that are in beneficiaries' best financial interests. As such, the System's Procurement policy does not apply to these contracts. Contract terms will generally be ten (10) years, with permitted extensions so long as any individual extension does not exceed five (5) years. No contract shall obligate the System for more than fifteen (15) years, excluding extensions. Contract terms applicable to any co-investment, co-investment fund, co-investment vehicle, or parallel partnership need not be explicitly defined if it is invested alongside a fund with a defined term that is in compliance with this policy.

3. Contract Conditions:
    a. Contracts may not contain provisions prohibited by federal or Indiana law.
    b. Invalid or unenforceable provisions will be severed. The remaining terms and provisions will be unimpaired and interpreted as if such invalid provisions were not contained in the contract.
    c. In contractual decisions, the System will consider the sensitive nature of the PM Program and vendor competence, quality of product, experience, and performance to promote security, fairness, and integrity.

10.2 Performance Evaluation

The following return objectives must be presented to the Board at each Board meeting:

Private Equity, Private Credit, and Private Real Assets

1. Public Market Equivalent: a custom index based on INPRS's target exposures and using public market indices
2. Relative Return: the median return for all Private Equity / Private Credit / Private Real Assets funds as measured by a reputable database provider

Section 11 Multi-Asset Investment Guidelines

11.1 Statement of Purpose

The Risk Parity Program (“RP Program”) and Absolute Return Strategies Program (“ARS Program”), collectively the “Multi-Asset Program,” should improve diversification and economic environmental balance of the Defined Benefit Retirement Funds, and therefore, minimize the likelihood of severe and sustained drawdowns.

The RP Program aims to provide consistent and high risk-adjusted returns by allocating capital to balance risk across various macro-economic environments. The strategy is based on the following key principles:

1. Over a full market cycle, most asset classes carry a risk premium, and by investing in them, investors expect to earn a return higher than that offered by cash instruments.
2. The return of a particular asset class is proportional to its risk over long periods of time (i.e., different asset classes have similar Sharpe Ratios).
3. The main drivers of returns are growth and inflation factors, and certain asset classes perform better than others depending on the combination of such factors the economy is facing.

The objective of the ARS Program is to enhance the long-term risk-adjusted returns of the Defined Benefit Retirement Fund by providing diversification benefits and mitigating systematic risk. The ARS Program aims to generate returns by exploiting mispricing and inefficiencies in global capital markets, while seeking to limit exposure to primary market factors (e.g., interest rates and equities) through various hedging techniques.

11.2 General Guidelines

To strengthen the Multi-Asset Program, the following guidelines will be utilized in the Investment Staff's and Consultant’s formulation of a diversified portfolio.

11.2.1 Permitted Structures

Direct investing in the Multi-Asset Program requires sophisticated risk management, operational infrastructure, trading capabilities, and specialized investment expertise. It may also involve the use of leverage, derivatives, and short selling. Therefore, assets shall be invested in limited liability vehicles managed by experienced Investment Managers. This approach prevents the Defined Benefit Retirement Funds from incurring losses that exceed the invested capital.

11.2.2 Portfolio Construction

1. Strategy Diversification: The Multi-Asset Program should be diversified across and within strategies. Due to differentiation in investment strategy within Multi-Asset Program sub-asset classes, the CIO, Investment Staff, and Consultant should conduct ongoing diligence and monitoring to maintain prudent levels of diversification across risk factors. Specifically, the ARS Program will target a correlation of 0.5 or less to the Defined Benefit Retirement Fund excluding the ARS Program.

2. Opportunistic Investments: The ARS Program may also fund Portfolios that exhibit attractive risk/return profiles that do not offer the full diversification benefits of an absolute return mandate (“Opportunistic Investments”). These investments may be more directional strategies, which could carry more systematic exposure. As such, these Portfolios shall be limited to 50% of the ARS Program at funding. The assets allocated under these mandates may deviate from the hedge fund structures as outlined in this section and will be evaluated against appropriate benchmarks.

3. Liquidity: While investments in illiquid securities or hedge funds with long lock-up periods can enhance returns, the RP Program and ARS Program will each limit portfolio-level liquidity to a maximum of one year. This is measured by the asset-weighted average period for redemption of all underlying funds. However, up to 25% of the ARS portfolio may be allocated to Opportunistic Investments with no liquidity restrictions.

4. Corrective Action: To the extent that the Multi-Asset Program exceeds any of the established guidelines discussed in this Section, the CIO, Investment Staff, and Consultant should take corrective action expeditiously to bring the portfolio back into compliance once a breach has been identified. The results of these corrective actions may not be immediately evident given the relatively illiquid nature of these investment vehicles.

11.2.3 Governance and Legal Requirements

1. Alignment of Interests: The Investment Staff will actively negotiate agreements on behalf of the System to ensure that interests of the Investment Manager are aligned with those of the System. This includes pursuing competitive fee structures where Investment Managers may participate in the upside of an investment portfolio and emphasizing that Investment Managers commit their own capital to the portfolio.

2. Contract Terms: Because ARS portfolio opportunities are typically offered through negotiated, time-sensitive agreements in a highly specialized and competitive market, requiring a public procurement process could impair access to top-tier managers and reduce the System’s ability to secure terms that are in beneficiaries’ best financial interests. As such, the System's Procurement policy does not apply to ARS portfolio contracts. No contract, except for Opportunistic Investments, shall obligate the System for a period of more than five years. Any contract may contain one or more option periods or provisions for extensions of the contract term, provided that any individual option period or extension does not exceed five years in duration.

3. Contract Conditions:
   a. Contracts may not contain provisions prohibited by federal or Indiana law.
   b. Invalid or unenforceable provisions will be severed. The remaining terms and provisions will be unimpaired and interpreted as if such invalid provisions were not contained in the contract.
   c. In contractual decisions, the System will consider the sensitive nature of the Multi-Asset Program and vendor competence, quality of product, experience, and performance to promote security, fairness, and integrity.

11.3 Performance Objectives

The following return objectives must be presented to the Board at each Board meeting:

RP Program

1. Target annualized return (net of fees): the Target Rates of Return

ARS Program

1. Target an annualized return (net of fees): Cash + 2.5%
2. Relative Return: a custom index from a reputable database provider based on ARS Program target exposures

Addendum 1 Guidelines for the Custodian

1.1 Custody of System's Assets

The System's assets must be held by a bank or trust company under a custodial agreement or agreements.[16] The Custodian must be domiciled in the United States and approved by the Board to (1) act in a fiduciary capacity and (2) manage custodial accounts on behalf of the System.[17] Income, interest, proceeds of sale, materials, redemptions, and all other receipts from securities and other investments which the Board retains for the cash working balance shall be deposited with the Custodian as authorized by the Board.[18]

1.2 Guidelines for the Custodian

The Board recognizes that accurate and timely completion of custodial functions is necessary for effective investment management and accurate records. The Custodian is a fiduciary as to the assets placed with them by the System. The following custodial responsibilities have been identified by the Board:

1. Provide complete custody and depository services for the designated accounts;
2. Provide for prompt investment of any cash;
3. Implement in a timely and effective manner the investment actions as directed by the Investment Manager(s);
4. Collect and receive all income and principal realizable and properly report transactions in periodic statements;
5. Provide monthly and annual accounting statements as well as on-line access accounting for the System, including all transactions; these should be based on accurate security values both for cost and market value. These reports should be provided within a time frame acceptable to the Board;
6. Report to the Staff situations where security pricing is either not possible or subject to considerable uncertainty;
7. Distribute to the Investment Manager(s) in a timely manner all proxy voting materials;
8. Provide assistance to the Board and Staff, to complete such activities as the annual audit, transaction verification and other issues;
9. As requested by Board or Staff, provide performance measurement and portfolio analytics for the System, consistent with CFA Institute Global Investment Performance Standards (GIPS);
10. When directed by the Board, and pursuant to a separate, written agreement for securities lending service, implement, in a fair and equitable manner, a securities lending program for the System, and report fully on all aspects of its operation and returns;
11. The Custodian shall cooperate fully with all reasonable requests for documents and records made by the Board, Staff or a Consultant. The Board (on its own or through Staff or a Consultant) shall periodically review the Custodian, including but not limited to, services provided, services available, charges and fees, and reports;
12. Reconcile differences in performance with Investment Managers;
13. The Custodian shall conform to all provisions in its contracts with the System; and
14. The Custodian shall comply with all applicable federal and Indiana laws.

[16] IC 5-10.3-5-4(a)
[17] IC 5-10.3-5-5 and IC 5-10.4-3-13
[18] IC 5-10.3-5-4(a)

1.3 Custodian Role and Authority in Securities Litigation

The Board recognizes the importance of the Custodian's role in securities litigation monitoring. The following custodial responsibilities have been identified by the Board:

1. Maintain and communicate data necessary to identify the System's securities holdings and transactions in order to determine if the System is a class member, calculate amount of losses, and prepare proofs of claim;
2. Collect and distribute to appropriate parties (i.e., monitoring firm, evaluation counsel, litigation counsel) all notices regarding the commencement, class certification, and settlement of class action lawsuits in which the System has an interest as an actual or potential class member;
3. Collect and deposit into appropriate accounts all investment proceeds of the System's claims;
4. Establish and implement a procedure to identify all securities class actions filed by others in which the System is or may be a class member;
5. Timely file proofs of claim on behalf of System in all class actions in which System may participate as class member; and
6. Provide quarterly reports to CIO regarding status of all class actions in which System is a class member, including status of all proofs of claim.

Addendum 2 Defined Contribution Retirement Funds

2.1 Introduction

The purpose of this Addendum is to:

1. Outline the number and characteristics of investment options selected by the Board for the Defined Contribution Retirement Funds ("DC Retirement Funds"); and
2. Provide rate-of-return objectives and establish formal criteria to monitor and evaluate the performance results of the various investment options.

2.2 Statutory Authority

The DC Retirement Funds are bookkeeping accounts established for each member. The member has investment direction for the investment of their balance and contributions to various investment funds. However, in the absence of an investment election made by a member in the DC Retirement Funds, a default investment option has been established by the System. The assets of members who do not make an active selection among the available investment fund options will be placed into an age-appropriate Target Date Retirement Fund.

The DC Retirement Funds are subject to the following provisions:

1. The Board must maintain a "Stable Value Fund" option within the DC Retirement Funds[19]
2. The Board must establish alternative investment options.
   a. The Board must maintain an alternative investment option that is an indexed stock fund option within the DC Retirement Funds. [20]
   b. The Board must maintain an alternative investment option that is a bond fund within the DC Retirement Funds. [21]
   c. The Board must offer a self-directed brokerage account within the DC Retirement Funds.[22]
   d. The Board may establish any other options it wishes, so long as the options represent a variety of investment objectives.[23]
3. Administrative investment costs of each investment fund option are paid from the earnings on that option.[24]
4. A valuation of each member's account in the DC Retirement Funds must be completed no later than the last day of each quarter, and is currently valued on a daily basis as provided by a rule of the Board.[25]

2.3 Delegated Authority

The ED is authorized by the Board, pursuant to a recommendation of the CIO, to retain, manage, and terminate Investment Managers within each investment fund option as required to achieve the investment objectives of the DC Retirement Funds within the limitations outlined in Section 5.4 and the following limitations:

1. The addition or removal of any investment alternative must receive prior authorization from the

[19] IC 5-10.2-2-3(b)
[20] IC 5-10.2-2-3(c)(1)
[21] IC 5-10.2-2-3(c)(1)
[22] IC 2-3.5-5-3.3, IC 5-10.3-5-3.5, IC 5-10.3-12-22.5, IC 5-10.4-3-10.5, IC 5-10.4-8-8.5
[23] IC 5-10.2-2-3(c)(2)
[24] IC 5-10.2-2-3(c)(4)
[25] IC 5-10.2-2-3(c)(5)

Board.
2. Any changes to which participant investment fund option is selected as the DC Retirement Funds' default option must receive prior authorization from the Board.
3. Any changes (i.e., equity vs. fixed income glidepath) to the investments of the DC Retirement Funds' default option (i.e., Target Date Retirement Funds) that materially change its long-term risk and/or return expectations must receive prior authorization from the Board.

Table Addendum 2.3.1

Participant Target Date Fund Investment Options	Large Cap Equity	Small/Mid Cap Equity	International Equity	Fixed Income	Inflation-Linked Fixed Income	Stable Value
2070 Fund	42.5%	8.5%	34.0%	7.5%	7.5%	0.0%
2065 Fund	42.5%	8.5%	34.0%	7.5%	7.5%	0.0%
2060 Fund	42.5%	8.5%	34.0%	7.5%	7.5%	0.0%
2055 Fund	42.5%	8.5%	34.0%	7.5%	7.5%	0.0%
2050 Fund	40.0%	8.0%	32.0%	10.0%	10.0%	0.0%
2045 Fund	37.5%	7.5%	30.0%	12.5%	12.5%	0.0%
2040 Fund	32.5%	6.5%	26.0%	17.5%	17.5%	0.0%
2035 Fund	27.5%	5.5%	22.0%	22.5%	22.5%	0.0%
2030 Fund	25.0%	5.0%	20.0%	25.0%	25.0%	0.0%
2025 Fund	20.0%	4.0%	16.0%	28.0%	28.0%	4.0%
2020 Fund	15.0%	3.0%	12.0%	33.0%	33.0%	4.0%
Retirement Fund	10.0%	2.0%	8.0%	36.0%	36.0%	4.0%

**Above allocations are for calendar year 2025. Target Date Fund allocations roll 1/5 of the way to the next vintage's base allocation annually.*

4. Any changes to the active vs. passive split of the DC participant investment fund options.

Table Addendum 2.3.2

Participant Investment Fund Options	Active	Passive
Large Cap Equity Fund	0.0%	100.0%
Small/Mid Cap Equity Fund	10.0%	90.0%
International Equity Fund	40.0%	60.0%
Fixed Income Fund	60.0%	40.0%
Inflation-Linked Fixed Income Fund	0.0%	100.0%
Stable Value	100.0%	0.0%
Money Market Fund	100.0%	0.0%
Target Date Funds	Varies by allocation to above Options	

**INPRS's Target Date Funds are constructed using the same active vs. passive allocations of the core menu funds weighted by the glidepath of Table Addendum 2.3.1.*

2.4 Structure and Investment Options

The DC Retirement Funds have been structured to provide members with a choice of several diverse investment options that offer a range of risk and return characteristics appropriate for members. Excluding the self-directed brokerage account, a member may direct an allocation in the amount credited to the member among the Stable Value Fund and available alternative funds subject to the following conditions[26]:

[26] 35 IAC 1.2-5-21

1. A member is allowed to make a change or selection at least once a day.
2. A member's selection shall be implemented the same day the selection is received by the System, unless such selection is received after 4:00 p.m. EST on a business day, or anytime on a weekend or holiday, or any other date the New York Stock Exchange is closed, then the System shall implement the member's selection beginning the next business day after the selection is received. This date is the effective date of the member's selection.
3. A member may select any combination of the Stable Value Fund or any of the available alternative accounts in one percent (1%) increments.
4. A member's selection remains in effect until a new selection is made.
5. On the effective date of a member's selection, the member's existing balance or balances shall be reallocated in accordance with the member's direction, based on:
    a. For an alternative investment program balance, the market value on the effective date; and
    b. For any Stable Value Fund program balance, the balance of the member's account on the effective date.

The DC Retirement Funds investment fund options include:
1. Target Date Retirement Funds;
2. Stable Value Fund;
3. Money Market Fund;
4. Inflation Linked Fixed Income Fund;
5. Fixed Income Fund;
6. Large Cap Equity Fund;
7. Small/Mid Cap Equity Fund;
8. International Equity Fund; and
9. Self-Directed Brokerage Account.

The number and types of investment funds available will be reviewed at least every 5 years by the Board in order to ensure a diversity of investment alternatives, adequate and reasonable availability of investment types, and clarity and usefulness of the investment choices. Annually, the System is required to prepare a separate analysis of the investment fund options available in the DC Retirement Funds, including the Stable Value Fund and each alternative investment fund.
Such analysis must:[27]
1. Include a description of the procedure for selecting an alternative investment program;
2. Be understandable by most members; and
3. Include a description of prior investment performance.

2.5 Investment Option Objectives

2.5.1 Money Market Fund
The investment objective of the Money Market Fund is to provide investment in short-term, principal preserving securities. The fund will be invested according to Section 9 (Public Market Investment Guidelines).

2.5.2 Stable Value Fund
The investment objective of the Stable Value Fund is to provide a competitive level of income over time while preserving the principal value. The fund will be invested according to Section 9 (Public Market

[27] IC 5-10.2-2-3(d)

Investment Guidelines).

2.5.3 Inflation Linked Fixed Income Fund
The investment objective of the Inflation-Linked Fixed Income Fund is to provide a real return investment option which is primarily invested in Treasury Inflation Protected Securities (TIPS). The fund will be invested according to Section 9 (Public Market Investment Guidelines).

2.5.4 Fixed Income Fund
The investment objective of the Fixed Income Fund is to provide investment in the broad domestic bond market. The fund will be invested according to Section 9 (Public Market Investment Guidelines).

2.5.5 Target Date Retirement Funds
The investment objective of the Target Date Retirement Funds is to provide a complete asset allocation strategy that seeks to generate the maximum, appropriate amount of total return, with consideration paid to relevant risks faced by the DC Retirement Funds' participants at the appropriate time in the glide path. Relevant risks defined by the System include, but are not limited to:

- Longevity Risk - outliving your retirement savings.
- Shortfall Risk - not being able to maintain your desired standard of living.
- Inflation Risk - inflation outpacing investment returns.
- Market Risk - market movements harming retirement savings.

The mix of equity and fixed income within the Target Date Retirement Funds becomes more conservative over time until it reaches the allocation of the Retirement Fund. The funds will be invested according to Section 9 (Public Market Investment Guidelines).

2.5.6 Large Cap Equity Fund
The investment objective of the Large Cap Equity Fund is to provide investment in the broad domestic equity market. The fund will be invested according to Section 9 (Public Market Investment Guidelines).

2.5.7 Small/Mid Cap Equity Fund
The investment objective of the Small/Mid Cap Equity Fund is to provide equity exposure to small and mid-capitalization domestic companies, typically referred to as small/mid cap stocks. The fund will be invested according to Section 9 (Public Market Investment Guidelines).

2.5.8 International Equity Fund
The investment objective of the International Equity Fund is to provide a broad exposure to foreign equity markets. The fund will be invested according to Section 9 (Public Market Investment Guidelines).

2.5.9 Self-Directed Brokerage Account
The investment objective of the Self-Directed Brokerage Account is to provide expanded access to a broader range of investment options beyond the core plan lineup. The account is intended for participants who elect to assume responsibility for selecting, monitoring, and managing their own investments in a manner consistent with their retirement objectives and risk tolerance.

2.6 Investment Guidelines
Investment Managers retained to manage DC Retirement Funds' assets must operate within the guidelines in Section 9 Public Market Investment Guidelines.

2.7 Performance Objectives

The Board has determined that it is in the best interest of the DC Retirement Funds' participants and beneficiaries that performance objectives be established for each investment alternative. The performance of each individual option will be evaluated relative to the following benchmarks over a 1, 3, 5, and 10-year period:

1. Target Date Retirement Funds: Composite of various benchmarks that closely match each Target Date Fund's allocation;
2. Money Market Fund: 90-day Treasury Bill rate;
3. Stable Value Fund: 3yr Constant Maturity Treasury;
4. Inflation Linked Fixed Income Fund: Bloomberg US TIPS Index;
5. Fixed Income Fund: Bloomberg US Aggregate Bond Index;
6. Large Cap Equity Fund: Standard & Poor's 500 Index;
7. Small/Mid Cap Equity Fund: Russell Small Cap Completeness Index; and
8. International Equity Fund: Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) ex USA ex China ex Hong Kong Investable Market Index (IMI).

2.8 Rebalancing Guidelines

The Board has enacted the following rebalancing guidelines for execution by the Custodian at the direction of the CIO and Investment Staff:

1. Target Date Options: Rebalancing shall occur systematically on a monthly basis, unless the underlying investment options' allocations are within +/- 0.50% of the strategic targets.

2. Other Investment Options with Multiple Investment Managers: Rebalancing shall occur systematically on a monthly basis, unless the underlying investment managers' allocations are within +/- 1.00% of the strategic targets.

2.9 Recordkeeper Role

The Board recognizes the importance of a recordkeeper to deliver recordkeeping administration, as well as participant and plan sponsor services, for the DC Retirement Funds. A recordkeeper serves as the bookkeeper of the DC Retirement Funds, managing the day-to-day operations and processing participant transactions. The recordkeeper will perform the specific duties outlined within its contractual agreement with INPRS.

Addendum 3 Trading and Brokerage Policy

3.1 Introduction

The Board intends to fulfill its responsibility for the evaluation and management of the System's transaction costs for the benefit of members and beneficiaries. To assist in accomplishing these duties, the Board has adopted the following trading and brokerage policy.

3.2 Best Execution

Best execution is to take all reasonable efforts to obtain the best possible result in trading securities on a consistent basis, taking into account the following:

- Quantitative factors, such as price, commission, spread, implicit market impact, and size of the trade relative to volume, and
- Qualitative factors, such as likelihood of execution within a desired timeframe, market conditions, ability of a broker/dealer to act on a confidential basis, ability of a broker/dealer to handle large trades in securities having limited liquidity without undue market impact, creditworthiness of a broker-dealer, willingness of a broker/dealer to commit capital to a particular transaction, market knowledge of a broker/dealer, back office infrastructure of a broker/dealer, fairness of a broker/dealer in resolving trade disputes, and responsiveness of a broker/dealer to request.
- If an Investment Manager utilizes soft dollar commissions, the Investment Manager must ensure that INPRS's mandate is benefiting from the program and does not pay an unreasonably disproportionate amount of other clients' and other investment strategies' research and brokerage services, as protected by Section 28(e) of the Securities Exchange Act of1934.

3.3 Basic Principle

The Board requires that best execution, as defined in 3.2, must apply to trades.

3.4 Self-Dealing

The Board intends there to be a prohibition on any self-dealing on the part of any brokerage firm, including with the firm's broker affiliate, without specific written prior authorization from the CIO or ED.

3.5 Basic Criteria for Selection of Brokerage Firm

Subject to any direction from the CIO or ED, each Investment Manager will be responsible for the selection of brokerage firms, or automated trading systems through which trading will be completed for the System. Each Investment Manager is also responsible for conducting all appropriate due diligence on the brokerage firms it selects. Their selection must in all cases meet the basic principles as defined in 3.3.

3.6 Directed Brokerage/Commission Recapture Policy

The CIO or ED, on behalf of the Board, retain the right to direct brokers and enter into brokerage commission recapture agreement(s). Accordingly, the Board has developed the following policy guidelines to ensure that any directed brokerage or commission recapture serves the interests of the System's members and their beneficiaries:

1. The objective of this policy is to achieve best execution;
2. Any directed commission brokers will be selected through a process directed by Staff;
3. The percentage of Investment Manager's Portfolio to be directed to the Board's directed commission broker(s) shall be mutually agreed upon between Investment Manager and Staff. Staff shall seek the advice of the Consultant during this process. The objective will be to select a

percentage amount that generates substantial commission savings, without hindering the Investment Manager's abilities to execute investment strategies that meet the objectives set forth in the Investment Management Agreement;

4. Directed commission brokers will provide Staff with periodic reports that document the date and commission amount associated with every directed trade, by the Investment Manager. In this manner, Staff will be able to monitor the overall directed brokerage program, the services of the directed commission broker, and the progress each Investment Manager is making toward any directed commission goal;
5. Commission recapture services will be utilized, where feasible, to defray costs and benefit the Fund's members, subject to the Investment Manager's "best execution" efforts; and
6. The Board intends there to be a prohibition on any self-dealing on the part of any brokerage firm, including with the firm's affiliate, without specific prior authorization.

3.7 Review/Evaluation

Annually, the CIO and Investment Staff shall review the transactions and arrangements for compliance with these policies through a best execution analysis. The Investment Managers and Custodian shall provide any information necessary to conduct this review.

3.8 Disclosure

In addition, each Investment Manager shall report on brokerage firms they are using and the terms of those relationships. This disclosure must cover all components of that relationship, including but not limited to, payment for order flow, soft dollars, covered expenses, and the nature of the broker selection process.

Addendum 4 Cash Overlay Policy

The Defined Benefit Retirement Funds have a target asset allocation to cash of 0%. However, cash must be kept to pay benefit disbursements and other expenses. In an effort to minimize cash exposure at both the Defined Benefit Retirement Funds and Investment Manager level, the System may retain a cash overlay manager to more closely align the actual portfolio with the Board-approved asset allocation stated in Section 6 (Asset Allocation), through the buying and selling of derivative instruments to increase or decrease asset class exposures, as necessary ("Cash Overlay").

The CIO may authorize the use of the Cash Overlay for short-term investments of cash flows as well as rebalancing purposes through buying derivatives in the underweight asset class (long exposures) and shorting derivatives in the overweight asset classes (short exposures). The net notional value (defined as notional value of long positions minus short positions) of any derivative exposure in the Cash Overlay portfolio(s) shall be maintained at 100% or less of the cash value being overlaid throughout the Defined Benefit Retirement Funds.

The Cash Overlay is intended to accomplish the following:

1. Keep the total portfolio invested at the appropriate risk level
2. Improve total fund returns by investing cash exposures in the intended asset classes and earning the market risk premiums in excess of cash
3. Reduce tracking error relative to the Board-approved asset allocation
4. Efficiently manage ongoing cash flows at the Defined Benefit Retirement Funds level

The Cash Overlay can use a combination of derivative instruments such as futures, currency forwards, total return swaps and other OTC instruments that require International Swaps and Derivatives Association ("ISDA") agreements, to obtain the desired policy asset allocation exposures.

Addendum 5 Securities Lending Policy

5.1 Background

The Board may authorize a Custodian to enter into a securities lending program agreement under which securities held by the Custodian on behalf of the System may be loaned. The purpose of such a program is to provide additional revenue for the System. This policy is not meant to cover securities lending performed by managers of commingled accounts. The Custodian shall agree to keep all assets of the System that are subject to its custodial care in a segregated account. Collateral initially in excess of the total market value of the loaned securities must be pledged by the borrower, and must be maintained at no less than the total market value of the loaned securities.

5.2 Investment Objective

The investment objective for the securities lending program is to generate incremental income within a high-quality investment program that safeguards the return of principal, maintains adequate daily liquidity, ensures diversification of the cash collateral portfolio and tightly controls exposure to fluctuating interest rates.

5.3 Method of Implementation

The securities lending program may be implemented through a Custodian or through a sub-agent of a Custodian. Subject to the approval of the Board, any current Custodian for the System may implement a securities lending program for the assets placed at that particular institution. Any Custodian may utilize a sub-agent at its discretion to conduct its securities lending program in lieu of maintaining an in-house capability. The use of any sub-agent must be approved in writing by the Board, and such approval may be revoked for any reason by the Board. It shall be the responsibility of the Custodian to ensure that their sub-agent adheres to all aspects of these Guidelines as well as any additional contracts with the System which exist in addition to these Guidelines. All costs associated with the use of a sub-agent shall be borne by the Custodian.

The Board expects the Custodian and/or securities lending sub-agent to offer suggestions with respect to any possible improvements in the program at least annually, and to monitor the results of the program (e.g., income, costs associated with the program, issues that arise with respect to the program) and report to the Investment Staff as directed.

The System shall be entitled to no less than eighty percent (80%) and the Custodian shall be entitled to no more than twenty percent (20%) of (1) the total Premiums (as defined below) paid by the borrower in a loan of securities against securities collateral; and (2) the total Yield (as defined below), after deducting the Rebate (as defined below), in a loan of securities against cash collateral unless otherwise agreed to by the Board.

The specifics pertaining to any securities lending program shall be detailed in a separate agreement (a "Securities Lending Agreement").

5.4 Risk Controls

The Board is responsible for evaluating the income attributable to the program and the risks inherent in the program. The Custodian and/or securities lending sub-agent will provide agreed upon indemnification to the System (the lender) from and against any losses, damages, costs and expenses which arise from a borrower defaulting on a loan or filing for bankruptcy. Upon notification of default by the Custodian, which shall be reported immediately to the CIO in writing, the Custodian shall take such actions as are prudent, necessary and appropriate to use the collateral to acquire replacement securities of the exact same type and kind as the securities which were loaned to the borrower. Any inability to acquire such securities shall be reported to the CIO and Investment Manager immediately.

The Custodian and/or securities lending sub-agent is responsible for conducting all appropriate and necessary due diligence on the borrowers and potential borrowers. The Custodian shall propose loans of the System's securities only to borrowers meeting the Custodian's customary standards of creditworthiness. The Custodian shall formally review the creditworthiness of the borrowers approved by the System no less frequently than annually and shall remove any borrower no longer meeting the Custodian's customary standards of creditworthiness. The names of borrowers and potential borrowers shall be updated and provided to the CIO promptly following the end of each calendar quarter.

The Custodian shall be responsible for receiving acceptable cash and non-cash collateral (i.e., securities collateral), as defined in a separate Securities Lending Agreement, from any borrower to secure each securities loan. The purpose of the collateral is to cover the value of borrowed securities while the loan is in place. In the event a borrower defaults on its obligation to return securities upon request, the collateral exists to be liquidated by the lending agent and the proceeds used to purchase like securities in the open market.

The Custodian and/or securities lending sub-agent is responsible for ensuring that all loans are at least 102% collateralized for domestic securities and 105% collateralized for international securities. At the close of the market each day, the collateral shall be "marked to market," meaning that the market value of the loaned securities shall be determined, and if the market value of the collateral securing the loan is 100% or less of the market value of the respective loaned securities for that day, the borrower shall be required to deliver additional collateral to bring the value back to at least 102% for domestic securities and 105% for international securities, by the close of trading on the next business day. Cash collateral, for purposes of these collateral requirements, shall be valued at either the amount of cash deposited or the purchase price of the securities purchased with such cash. In no event shall the collateral be less than the total market value of loaned securities.[28]

Securities shall not be loaned in excess of forty percent (40%) of the market value of the System's assets (not on an individual manager account-by-account basis) under the care of the Custodian, marked to market on a day-to-day but not on an intra-day basis. In addition, the Custodian and/or securities lending sub-agent shall not loan out 100% of a specific security position and shall maintain at least one share of a specific security position and designate it as not available for loan in order for the System to act and participate on the merits of a corporate action, including proxy voting.

[28] IC 5-10.2-2-13(d)

5.5 Cash Collateral Investment Guidelines

5.5.1 Objectives and Structure of the Cash Collateral Reinvestment Program

To the extent that the Custodian exercises discretionary authority with respect to the investment of cash collateral, the Custodian is a fiduciary with respect to the System in connection with such cash collateral investment activity. Cash collateral investments emphasize liquidity and principal preservation as prime objectives.

5.5.2 Permitted Investments

In reinvesting cash received as collateral, including income received from such collateral, pursuant to the separate Securities Lending Agreement that indicates the approved investment types, credit quality, maturity, and liquidity, The Custodian shall be liable to the System for negligent acts and omissions resulting in damages to the System. Any securities acquired in violation of these Cash Collateral Investment Guidelines shall be sold no later than the day following detection, and the Custodian shall reimburse the System for any losses, while the System shall retain all gains from any violation.

5.5.3 Repurchase Transactions

The Custodian, as agent for lender, and a counterparty may, under the terms of a repurchase agreement, conduct a transaction (a “Repurchase Transaction”) pursuant to which the counterparty initially transfers securities to the Custodian (the “Purchased Securities”). If for any reason a counterparty to any Repurchase Transaction shall fail to redeliver to the Custodian the Repurchase Price (as defined in the applicable repurchase agreement), upon the termination of such Repurchase Transaction, the Custodian shall promptly sell the Purchased Securities in a commercially reasonable manner and immediately deposit the proceeds of such sale (the ”Proceeds”) to the cash collateral account. If the Proceeds are less than the Repurchase Price required to have been delivered by the Counterparty, the Custodian shall, at the Custodian’s cost and expense, promptly deposit the amount of such difference to the cash collateral account.

5.5.4 Concentration of Collateral Investments

A maximum of 25% of the cash collateral may be invested with a single counterparty; provided that there is no concentration limit with respect to U.S. Government Securities.

5.6 Monitoring

The Custodian and/or securities lending sub-agent is responsible for reporting fully on all aspects of the securities lending program, including its operation and returns. The Custodian and/or securities lending sub-agent shall cooperate fully with all reasonable requests for documents and records made by the State of Indiana’s State Board of Accounts and/or an independent certified public accountant selected and retained by the Board to audit securities lending activities.

The System shall receive a monthly report reflecting the loan transactions during the period and showing at least the following information:

1. The total fees paid by borrowers in loans of securities against securities collateral (the “Premiums”), and the percentage share of such Premiums credited to the System’s account;
2. The total income earned on cash collateral investments (the “Yield”), the amount to be deducted there from as due from the System to the borrowers under the borrowing agreements (the “Rebate”), and the percentage share of the remaining earnings (Yield minus Rebate) credited to the System’s account. All amounts credited to the System shall be shown on an Investment Manager-by-Investment Manager, fund-by-fund basis. In addition to the monthly report, significant events which require additional reporting shall include but not be limited to borrower list changes, failed trades due to securities on loan, and collateral shortfalls.

The CIO, on its own or through a Consultant, shall conduct an annual review of the securities lending program. At this time, the CIO will also survey the System's Investment Managers to ensure they have not encountered any problems with the securities lending program. If any problems are discovered, steps will be taken to resolve the issue(s) that are in the best interest of the System, which may include removal of certain Investment Managers from the program. If the program is out of compliance, Staff will notify the Board and take commercially reasonable steps to bring the program into full compliance with this policy.

Addendum 6 Securities Litigation Policy

6.1 Statement of Intent

This securities litigation policy is established to provide a process for the monitoring of pending legal actions in which the System is a potential member of a plaintiff's class or otherwise possesses an independent right to a securities law claim. As a fiduciary, the System has a duty to monitor and evaluate such actions in which it may potentially be a member or participant. This policy contains the System's process and guidelines for evaluating the appropriate level of participation in securities litigation claims.

6.2 Identifying and Evaluation Potential Claims

Claims may generally be identified either by Staff, Custodian, Investment Managers, securities litigation monitoring firm(s) engaged by the System, or the class action bar. Staff will determine the most expedient method to identify claims in which the System has an interest. If the System may qualify to recover, further review by Staff (and evaluation counsel, if one is selected) will be undertaken to determine the System's level of participation. Such levels may include:

1. Participating as passive class member in class actions brought by others, and filing claims when action is settled/resolved;
2. Enhanced participation as class member in class actions brought and led by others, by considering objections or comments on settlements;
3. Active participation in class action litigation, including serving as a "lead plaintiff" pursuant to the Private Securities Litigation Reform Act; and
4. Opting out of the class action and pursuing separate litigation on behalf of the System.

In determining the level of participation, consideration will be given to the following factors:

1. Size of the System's damages measured by standards applicable to securities litigation;
2. Strength of claims, including evaluation of defenses;
3. Special circumstances which render the System's claims different from (stronger or weaker) than claims of typical class members;
4. Venue of litigation;
5. Availability of resources to pay a significant recovery (e.g., financial condition of target company, availability of insurance, multiple defendants such as auditors, underwriters, etc.);
6. Qualifications of other lead plaintiff candidates and their counsel, and likelihood the System would be selected a lead plaintiff;
7. Relations of claims to other corporate governance issues of special interest to the System's participants, and impact on other System holdings;
8. Potential for non-monetary remedies of special importance to the System which other class members/lead plaintiffs may not pursue;
9. Costs to the System of separate litigation/lead plaintiff status such as discovery, and Staff/Board time and resources needed to monitor litigation more actively; and
10. Whether the active involvement of the System will likely add value to the potential recovery or management of the case.

If, after reviewing these factors, Staff determines that additional examination is warranted and that the potential exists for the System to add significant value to the claim by actively participating, or opting out of a potential class of litigants and pursuing a claim independently, review of the potential claim may be referred to an evaluation counsel, in accordance with the process outlined below.

6.3 Evaluation Counsel

If further evaluation is determined to be warranted, an evaluation counsel may be retained to perform additional due diligence regarding the claim. The System may retain evaluation counsel through the issuance of a request for proposal ("RFP") on a case-by-case basis, or by issuing an RFP that selects any number of firms to be subsequently used in individual cases when a referral to an evaluation counsel is determined to be warranted by Staff reviewing a case. Additional due diligence may include, without limitation: assessment of the complaint, SEC filings and company disclosures, contacts with other investors, consideration of non- litigation alternatives, and potential conflicts with other class members. The evaluation counsel will make a recommendation to the ED, the CIO, and the Chief Legal Counsel based upon their due diligence as to whether more active participation or opting out of a class action and pursuing a claim independently by the System would add significant value to any other options for recovery. Evaluation counsel may also be asked to evaluate settlements of class actions and recommend whether the System should object to, comment or opt out of a particular settlement. Evaluation counsel will not be eligible to serve as litigation counsel for the System on any matter they have evaluated for the System.

6.4 Staff Review and Consultation

Following a review of the potential claim by Staff and receipt of the recommendation of the evaluation counsel (if applicable), in-house Legal Counsel will make a formal recommendation to the Executive Director for approval of INPRS's active involvement in a securities litigation claim.

6.5 Selection of Securities Litigation Counsel

If the System pursues active involvement in a securities litigation claim, the System shall engage outside counsel to pursue such claims directly on its behalf. The Executive Director shall select the Legal Counsel that he/she deems best able to represent the System's interests in pursuing such action.

The System may determine it would be best to work with another institutional investor, so the Staff may recommend, and the Executive Director may conclude, that the most sensible and cost-effective source of legal representation will be the in-house counsel or the Legal Counsel representing such institutional investor.

6.6 Case Management

The authority to settle, withdraw from or otherwise terminate a securities litigation matter initiated by the System pursuant to this Policy ultimately rests with the Board, but the Board hereby delegates such authority to the Executive Director.

The Board shall receive a quarterly report regarding the status of all securities litigation matters when such matters are currently under consideration and shall direct the Staff to prepare any securities litigation updates.

Addendum 7 Proxy Voting and Shareholder Engagement Policy

7.1 Introduction

The System is a significant equity investor in businesses around the world. The Board recognizes that the proxy voting and shareholder engagement rights appurtenant to such investments must be exercised consistent with the Board's fiduciary duties, including its duty not to allow System assets to be used for or diverted to any purpose other than the benefit of the System's members and beneficiaries. To comply with these duties, with respect to all such public equity investments, the Board may in its discretion choose either to retain the System's authority to exercise its proxy voting and shareholder engagement rights or to delegate this authority to other fiduciaries of the System, either to Service Providers retained by the System for this purpose or to the Investment Managers, retained by the System to buy, sell, or manage common stock. To the extent that a third-party is used by an Investment Manager for proxy voting or shareholder engagement, the Investment Manager must inform the System of the third-party and its exact responsibility.

7.2 Guidelines

In exercising the proxy voting authority and/or shareholder engagement authority delegated to it by the Board, each Service Provider is to exercise this authority exclusively for the financial benefit of shareholders, recognizing that all System assets are governed by the exclusive benefit rule of the Internal Revenue Code applicable to qualified plans, and must adhere to the requirements set forth in Section 8.2.6 of this Investment Policy Statement.

In accordance with Indiana law[29], when voting proxies or conducting shareholder engagement, the Service Provider must act with the care, skill, prudence, and diligence of a prudent expert who is similarly situated and knowledgeable in the matters under consideration and must act solely for shareholders' financial benefit.

7.3 Reporting Requirements

Each Service Provider must independently review and analyze every proxy or shareholder engagement issue before voting or engaging. Service Providers that vote System-owned shares or engage on related issues must document all decisions and activities, reporting to Investment Staff at least annually.

In accordance with IC 5-10.2-14-13, each Service Provider shall provide at least annually to the System a report for public distribution of all proxy votes made on behalf of the System. For each vote reported, the report must contain:

1) A vote caption;
2) The fund's vote;
3) The recommendation of the portfolio company's management; and
4) If applicable, the recommendation of a proxy advisor or other service provider.

7.4 Revocation of Voting Authority

The CIO or ED may revoke the authority of a Service Provider to vote the shares of common stock held by presenting a written revocation of voting authority to the Investment Manager. This revocation may apply to an individual common stock or all common stocks managed by the Service Provider as deemed to be in the best interest of the System. Any actions taken will be reported to the Board at its next regular meeting.

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[29] IC 5-10.3-5-3, IC 5-10.4-3-10, IC 5-10.2-2-1.5

Addendum 8 Investment Information Disclosure Policy

In order to comply with the Access to Public Records Act ("APRA")[30], the Board hereby adopts this policy regarding disclosure of information pertaining to the System's alternative investments (i.e., limited partnership interests in Private Equity funds, Private Credit funds, Private Real Assets funds, Absolute Return funds, and Risk Parity funds (individually, such entity, a "Partnership")).

8.1 General Principles

The Board appreciates its public role as an independent body corporate and politic exercising its responsibility to be publicly accountable for its investment decisions. As a separate corporate body, the Board is required to comply with the public records provisions of APRA.

Generally, public records of the Board must be available for public disclosure. However, APRA prohibits disclosure of records that contain trade secrets[31] or confidential financial information[32] and exempts from disclosure records that are intra-agency or interagency advisory or deliberative material.[33] APRA provides that records containing trade secrets or confidential financial information may not be disclosed by a public agency unless specifically required by statute or under the rules of discovery.[34] Further, APRA provides that records considered intra-agency or interagency advisory or deliberative material shall be excepted from the disclosure requirements under APRA at the discretion of the public agency receiving such APRA disclosure request.[35]

8.2 Alternative Investment Disclosure Policy

Subject to the procedures and any other restrictions applicable under APRA, Staff is permitted to disclose any of the following information in response to a legitimate APRA request concerning alternative investments:

1. The name of the Partnership in which the System has made an investment;
2. The vintage of the Partnership (i.e., the year in which the initial investment was made or the year the Partnership first calls capital);
3. The amount of the System's total commitment to the Partnership;
4. The amount of the System's unfunded commitment;
5. Aggregate capital contributions and distributions to date resulting from the System's investment in the Partnership;
6. The overall size of the Partnership by committed capital;
7. The reported valuation of the System's investment in the Partnership;
8. Quarter to date, year to date, one year, three year, five year, and inception to date internal rate of return ("IRR") for each Partnership;
9. Inception to date investment multiple ("MOIC") for each Partnership;
10. The dollar amount of the total management fees and costs paid on an annual fiscal year-end basis by the System to Partnerships in the aggregate for each applicable asset class; and
11. Other information expressly agreed by the System and Partnership to be disclosable.

In connection with the disclosure of the items listed above, the System is prohibited from agreeing to

[30] IC 5-14-3-1, et seq.
[31] IC 5-14-3-4(a)(4)
[32] IC 5-14-3-4(a)(5)
[33] IC 5-14-3-4(b)(6)
[34] IC 5-14-3-4(a)(4) and (5)
[35] IC 5-14-3-4(b)(6)

any terms which would require the System to:

1. Notify the Partnership of any anticipated disclosure of such information (unless the information to be disclosed is not listed as a permitted disclosure above) pursuant to an APRA request;
2. Provide a legal opinion to the Partnership that disclosure of such information in response to an APRA request is required by law; or
3. Cooperate with the Partnership to prevent the disclosure of such information the System, in good faith, determines is not exempt from public disclosure under applicable law.

In order to comply with APRA's prohibition on disclosure of the records that contain trade secrets, the Board and Staff are expressly prohibited from disclosing any information on the Partnership's portfolio company investments and such portfolio company's individual performance contribution to the rate of return on a particular investment. All information disclosed shall be as of the last calendar date of the quarter prior to the quarter immediately ended.

Addendum 9 Other Funds

9.1 Background

This Addendum is intended to assist the Board in managing the investment program established for the "Other Funds" administered by the System.

Special Death Benefit Fund[36]: Established by the General Assembly in 2015, this Fund allows police officer, firefighter, and emergency medical service (EMS) providers to enroll their employees for a special death benefit in the event of an in line-of-duty death. This benefit provides qualified enrolled employees within line-of-duty death coverage. If a covered employee dies while on duty, his or her elected survivors or beneficiaries will receive the benefit to use for burial, cremation, or other necessary purposes.

Local Public Safety Pension Relief Fund[37]: Designed to relieve cities and towns from some of the liability for benefit payments under the 1925 Police Fund, the 1937 Firefighters Fund and the 1953 Police Fund, and is funded through state and local sources. The Local Public Safety Pension Relief Fund may be commingled with other Funds assets for investment purposes.

Retirement Medical Benefits Account Plan[38]: Designed to reimburse certain qualifying medical expenses in which eligible retirees, their spouses and dependent children incur. The Plan only funds benefits for sickness, accident, hospitalization, and medical expenses to eligible retirees on a pre-tax basis. Active employees or participants are not entitled to receive reimbursements for certain qualified medical benefits under this Plan.

Supplemental Reserve Accounts ("SRAs")[39]: SRAs were established for the purpose of paying postretirement benefits increases, thirteenth checks, and other benefit charges or adjustments granted by the general assembly after June 30, 2018. The following funds have an associated SRA:

1. Public Employees' Defined Benefit Account
2. Teachers' Pre-1996 Defined Benefit Account
3. Teachers' 1996 Defined Benefit Account
4. Excise, Gaming and Conservation Officers' Retirement Fund
5. Legislators' Defined Benefit Fund

Except for Section 6, the investment of the Other Funds remains subject to the other guidelines and requirements found in this Policy.

9.2 Asset Allocation

An asset allocation will be set for the Other Funds that balances the liquidity needs of the investment funds and corresponding liabilities that the assets support. For all situations in which the assets will be utilized on a short-term basis, the investments will be held in a portfolio of high-quality, fixed income assets. Additional asset classes, such as public equities, may be utilized to enhance expected asset returns whenever the investable assets will be held for a significant period of time before disbursement.

[36] IC 5-10-9.8-1 et seq., 5-10-10-1 et seq.
[37] IC 5-10.3-11-1 et seq.
[38] IC 5-10-8.5-0.1 et seq.
[39] IC 5-10.2-12-1, et seq.

Addendum 10 Placement Agent Disclosure Policy and Procedures

10.1 Introduction

The System requires complete and timely disclosure of all agreements or other arrangements by the System's Investment Managers in connection with their use, if any, of Placement Agents with respect to the System's investment and other business activity.

10.2 Definitions

All capitalized terms not defined herein shall have the meanings ascribed to such terms in the System's Investment Policy Statement effective January 1, 2012, as the same may be amended from time to time.

1. Benefit – Any actual or proposed fee (regardless of whether it is a flat fee, a contingent fee, a percentage fee, etc.), commission, retainer, economic benefit or other consideration or benefit, to be paid, provided, or given to a Placement Agent or its designee that is or will be paid, provided, or given with respect to any Investment.
2. Investment Manager – A person or entity that manages Investments and all individuals or entities, regardless of legal form, affiliated with such person or entity. The term "Investment Manager" does not include any employee of the System or of the State of Indiana whose responsibilities include managing the System's investments.
3. Investment(s) – Any actual or proposed investment or commitment to invest made by the System and/or its Retirement Funds, including, without limitation, investments or commitments to invest in investment funds, real estate, real property assets, or securities, or the establishment of a managed account or separate account with respect to which the Investment Manager has investment discretion.
4. Placement Agent – An individual or entity, regardless of legal form, that directly or indirectly through one or more intermediaries, contracts with, is engaged or retained by, or represents or otherwise acts with or on behalf of, an Investment Manager to market, solicit, assist, facilitate or seek to secure an Investment in exchange for a Benefit, where such individual or entity is not an employee of the Investment Manager. The term "Placement Agent" does not include attorneys, actuaries, accountants, financial analysts, or economists under contract with the Investment Manager to provide their respective professional services.
5. Policy – This Placement Agent Disclosure Policy and Procedures.

10.3 Policy Application and Compliance

The Executive Director shall have discretion to determine the application and interpretation of, and compliance with, this Policy including, but not limited to, whether there has been a material misstatement or omission in any Disclosure Letter or Closing Disclosure.

10.4 Disclosure and Compliance Requirements

1. Staff or the Consultant shall provide each prospective Investment Manager with a copy of this Policy prior to the commencement of the System's full due-diligence review of any potential Investment.
2. The Investment Manager shall provide a letter signed by an appropriate senior executive and addressed to the System that provides accurate and complete disclosure with respect to the matters specified in **EXHIBIT A**, attached hereto (the "Disclosure Letter"). The Disclosure Letter must be provided to the System prior to the System's completion of its due-diligence review of any potential Investment.

3. At the final closing of the Investment, the Investment Manager must either (1) restate its previously submitted Disclosure Letter, (2) certify that its previously submitted Disclosure Letter contains no material inaccuracies or omissions, or (3) submit a revised Disclosure Letter (such restated Disclosure Letter, certification, or revised Disclosure Letter, the "Closing Disclosure").
4. Staff shall include the original Disclosure Letter and the Closing Disclosure as an essential part of the closing record in the file with other documents related to the Investment.
5. In the event it is discovered that the Investment Manager knew or should have known about any material omission or inaccuracy in the Disclosure Letter or in the Closing Disclosure or about any other violation of this Policy, the Investment Manager shall provide the System's CIO with written notice within five (5) days. The foregoing provision will apply to the Disclosure Letter and the Closing Disclosure in the form and substance they were provided as of the dates they were each provided based on the facts and circumstances at such time, *i.e.*, there is no continuing obligation to update the Disclosure Letter or the Closing Disclosure with respect to events that occur subsequent to such dates.

10.5 System Remedies

In the event that the Investment Manager fails to comply with this Policy or makes a material misstatement or omission in the Disclosure Letter or in the Closing Disclosure, the System shall have the option in its sole discretion to exercise at any time any or all of the following remedies, to the extent applicable to such Investment: (1) be reimbursed by the Investment Manager for any management or advisory fees paid by the System to the Investment Manager or any of its affiliates or designees for the prior two years in connection with the Investment; (2) be reimbursed by the Investment Manager an amount equal to the Benefit paid or promised to be paid to the Placement Agent in connection with the Investment; and/or (3) terminate without liability or penalty the System's investment relationship with the Investment Manager, which may involve termination of any contract or agreement with the Investment Manager, withdrawing from the applicable investment vehicle, terminating the obligation of the System to pay any fees or make any capital contributions with respect to the applicable investment vehicle and terminating the right of the applicable investment vehicle to withhold and apply amounts retained by such investment vehicle for the account of the System.

EXHIBIT A: Disclosure Letter and Closing Disclosure Requirements

An Investment Manager's Disclosure Letter and Closing Disclosure shall, with respect to each Investment, contain the following:

A. If a Placement Agent was not used in connection with the Investment or in obtaining, or seeking to obtain, a business relationship with the System: A representation that to the best of its knowledge the Investment Manager did not utilize a Placement Agent to assist the Investment Manager in connection with the Investment or in obtaining, or seeking to obtain, a business relationship with the System.

B. If a Placement Agent was used in connection with the Investment or in obtaining, or seeking to obtain, a business relationship with the System:

1. Identification of the Placement Agent and of all natural persons employed, hired, engaged or retained by, or otherwise affiliated (including, but not limited to, third party contractors, advisors and consultants) with, the Placement Agent, who provided services in connection with the Investment;

2. A description of the services to be performed, or that are currently being performed by, the Placement Agent, and a statement whether the Placement Agent is utilized with all prospective investors or with a subset of prospective investors (*e.g.*, public pension funds, pension funds within a certain geographic area, etc.);

3. A description of the value, timing, and nature of any compensation or other Benefits provided or to be provided either directly or indirectly to the Placement Agent by the Investment Manager in connection with the Investment;

4. A statement whether the Placement Agent, or any of its affiliates, is required to be registered or is in fact registered (i) with one or more regulatory or self-regulatory bodies and/or (ii) as a lobbyist with any state or federal governmental body, and confirmation of such registration if so required.

5. A statement whether the Placement Agent (or any of its affiliates, if applicable), has been subject to any disciplinary actions, fines, suspensions of registration, or other material investigations or sanctions by one or more regulatory or self-regulatory bodies (*e.g.*, SEC, FINRA, or state regulators) or by any state or federal governmental body and, if so, a statement providing details of such events.

C. A representation that the Disclosure Letter or Closing Disclosure contains no material inaccuracies or omissions.

D. An acknowledgment and agreement that the System may publicly disclose any information contained in the Disclosure Letter or the Closing Disclosure as required under the Indiana Access to Public Records Act.

E. An agreement to comply with this Policy including, but not limited to, the System's exercise of the remedies described herein and to provide any further information or documents as may be requested by the System in connection with this Policy.