CWU Endowment Restricted State Match 080014716000
CWU Fixed Income Adv AGY 080016117500
Investment Policy (IP)
Partial Amendment
June 10, 2014

The partial portion of the current IP (dated 1/2/13) under the section on page 2 labeled:

**Investment Portfolio Characteristics**

- Effective maturity of the portfolio (by market value) shall not exceed:

<table>
<thead>
<tr>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 – 10 years</td>
<td>10%</td>
</tr>
</tbody>
</table>

Shall be amended to read:

<table>
<thead>
<tr>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 – 10 years</td>
<td>0%</td>
</tr>
</tbody>
</table>

The remainder of the IP shall remain in force as written.

This partial amendment of only the longest maturity portion of the IP is advisable for at least the following reasons:

- This amendment allows the Investment Manager to maintain the shorter term nature of the current portfolio as recent bond maturity proceeds would be forced by IP to be re-invested into longer maturity bonds.
- The current yield environment in the US is historically low and presents little incentive to ‘lock in’ low rates for a 7 to 10 year length of time.
- The portfolio has historically been invested in bonds that mature in 7 years or less.
- The risks of owning low yielding longer term bonds appears unusually high at this time since inflation expectations remain low and the Federal Reserve is taking specific actions such as tapering Quantitative Easing (QE) to boost the inflation rate to at least 2% annually.
- It is expected that bonds maturing over the next year could be re-invested in higher yielding longer term bonds as rates are expected to rise within this time period.
- Active trading of the bonds that make up the portfolio is to be avoided according to the Investment Philosophy portion of the IP.

Central Washington University

By:_________________

Its:_________________