CERTIFICATION NO. 9
2026-2027

I, William Ríos Vázquez, Secretary of the UPR Retirement Board of the UPR Retirement Trust, hereby CERTIFY AND ATTEST:

That the UPR Retirement Board, in its capacity as trustee of the UPR Retirement Trust, at an extraordinary meeting held on September 18, 2026, and pursuant to the authority granted by Act No. 219-2012, as amended, known as the Puerto Rico Trust Act, as well as by Deed No. 58 dated June 29, 2016, adopted the following resolution:

> **To approve the Investment Policy of the UPR Retirement Trust, which shall govern the administration, oversight, and management of the Trust's assets in accordance with its terms and conditions.**
>
> **BE IT FURTHER RESOLVED, that upon the approval of this Certification, any policy, provision, agreement, resolution, determination, or other action previously adopted that is incompatible or inconsistent with the provisions approved herein shall be deemed null and void to the extent of such incompatibility or inconsistency.**

AND FOR THESE PURPOSES, I hereby issue this Certification in San Juan, Puerto Rico, this 27th day of October 2026.

FIDEICOMISO
1945
Sistema de Retiro UPR

William Ríos Vázquez
Secretary
UPR Retirement Board

INVESTMENT POLICY, OBJECTIVES, GUIDELINES AND CONTROLS

CERTIFICATION NO. 9 (2026-2027)

INVESTMENT POLICY, OBJECTIVES, GUIDELINES AND CONTROLS

ADOPTION RESOLUTION

The UPR retirement Board of the UPR Retirement Trust (hereinafter, the "Board"), meeting with the required quorum and exercising the powers and responsibilities conferred upon it by the Trust Deed, applicable legal provisions and current determinations and resolutions, formally adopts this Investment Policy, Objectives, Guidelines and Controls (hereinafter, the "Policy").

This Policy establishes the governance framework, guiding principles, investment objectives, controls, oversight standards and management criteria applicable to all Trust assets. Its provisions govern the custody, investment, monitoring, evaluation and protection of those assets and are binding on the Board, the Executive Office, the committees it establishes, staff, advisers, consultants, investment managers, custodians and any other service provider participating or involved in the administration or implementation of the investment program.

The adoption of this Policy does not constitute, and must not be construed as, an absolute or unrestricted delegation of the Board's fiduciary responsibilities. Regardless of any delegation of functions authorized by law, the Board must at all times retain ultimate responsibility for establishing overall investment objectives and strategies; prudently selecting and overseeing its representatives, advisers and service providers; monitoring and controlling the risks inherent in the investment program; assessing compliance with this Policy; adequately documenting its determinations; and acting diligently, prudently and exclusively for the benefit of the Trust's active participants, pensioners and beneficiaries.

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PREAMBLE AND INSTITUTIONAL STATEMENT

The UPR Retirement Trust was established to provide economic security for its active participants, pensioners and beneficiaries by providing retirement, disability, death and any other benefits authorized under applicable legal and regulatory provisions. Full achievement of this purpose requires that Trust assets be managed and protected as independent trust property, rather than as operational, administrative or budgetary resources of the University of Puerto Rico, the Government of Puerto Rico, the Junta de Retiro UPR or any other entity or person.

Trust assets are held through the UPR Retirement Trust, established and recognized by Deed No. 58 of June 29, 2016. Under Act No. 219-2012, as amended, known as the *Ley de Fideicomisos de Puerto Rico*, the Trust has its own legal personality and an autonomous estate, separate and independent from the estates of any other natural or legal person. It is public in nature because of its origin, purpose and the population it serves, comprising active participants, pensioners and beneficiaries of the Retirement Trust, and its estate remains legally and financially separate from the Universidad de Puerto Rico; accordingly, it may be used solely for the Trust's purposes and objectives.

The Government Board of the University of Puerto Rico was relieved of its fiduciary functions with respect to the Trust by judicial determination. Consequently, the UPR Retirement Board, as the body directly associated with the Trust's aims and purposes and as the institutional representative of active participants, pensioners and beneficiaries, exercises the strategic direction, supervision and fiduciary oversight functions assigned to it under the Trust Deed, applicable laws, current judicial determinations and validly adopted certifications and resolutions.

This Policy recognizes that investment returns are a complementary component of the Trust's financial structure, but do not replace or relieve the obligation to make employer and individual contributions required by law and applicable actuarial studies. Accordingly, the UPR Retirement Board must not assume levels of risk incompatible with the principles of fiduciary prudence for the purpose of compensating for shortfalls in required contributions. The Trust's solvency and financial sustainability depend collectively on the timely and sufficient payment of the corresponding contributions, reasonable control of administrative expenses, prudent and diligent fiduciary administration, a disciplined investment policy and the continuous and effective protection of Trust assets.

CHAPTER I — GENERAL PROVISIONS, AUTHORITY AND HIERARCHY OF GOVERNING RULES

ARTICLE 1.1. Title

These rules are entitled "Investment Policy, Objectives, Guidelines and Controls of the UPR Retirement Trust."

ARTICLE 1.2. Purpose

The Policy has the following purposes:

a. Protect the Trust's estate and ensure that it is administered exclusively for its purposes.

b. Establish a clear, verifiable, prudent and documented fiduciary process.

c. Define the functions and limits of authority of each party participating in the investment program.

d. Link the investment strategy to actuarial obligations, benefit cash flows and the actual capacity to assume risk.

e. Establish limits on investments, liquidity, concentration, leverage, valuation and counterparties.

f. Create mechanisms for selecting, engaging, monitoring and terminating providers.

g. Prevent conflicts of interest, undue influence, ambiguities and informal decisions.

h. Facilitate accountability to active participants, pensioners and beneficiaries, auditors and competent authorities.

ARTICLE 1.3. Legal Basis

The legal basis for adopting and applying this Policy arises, among other sources, from:

a. Act No. 219-2012, as amended, known as the "Ley de Fideicomisos de Puerto Rico", which recognizes a trust as an autonomous estate with legal personality, separate from the estates of the settlor, trustee and trust beneficiaries.

b. Deed No. 58 of June 29, 2016, of Confirmation and Recognition of the UPR Retirement Trust.

c. Final and binding judicial judgments and resolutions concerning the fiduciary relationship, legal personality, standing and administration of the Trust.

d. Certifications, regulations and resolutions validly adopted by the Board, to the extent consistent with the law, the Deed and judicial determinations.

e. Tax, accounting and federal rules applicable to governmental retirement plans, without making mandatory a federal rule that is not legally applicable.

f. Contracts executed with consultants, investment managers, custodians and other providers subordinate to higher-ranking sources of law.

ARTICLE 1.4. Hierarchy of governing rules and order of precedence

In the event of a conflict, the following order of precedence applies: (a) the Constitution and applicable laws; (b) binding judicial judgments and orders; (c) the Trust Deed; (d) regulations and certifications of UPR Retirement Board; (e) this Policy; (f) appendices, manuals and procedures; and (g) contracts. No contract, customs, administrative practice, professional recommendation or provider action may amend or repeal a higher-ranking rule.

When an inconsistency is identified, the Executive Office must notify the Board in writing within five business days. The Board must resolve the inconsistency through a certification and, if appropriate, amend the lower-ranking document.

ARTICLE 1.5. Mandatory application

This Policy must be expressly incorporated into every future investment-related contract. Existing contracts must be amended in writing when necessary. Mere approval of the Policy must not be construed as a unilateral modification of contractual obligations that require consent.

ARTICLE 1.6. Definitions

a. Illiquid assets- Assets that cannot reasonably be converted into cash within ninety days without a material discount, penalty, restriction or significant risk.

b. Actuary- An independent actuarial professional or firm engaged by the Board to assess the Trust's obligations, contributions, funding adequacy and risks.

c. Beneficiaries- Persons with a current or contingent right to Trust benefits.

d. Custodian- An independent financial entity that holds, records, settles and protects assets in accordance with the custody agreement.

e. Trust- UPR Retirement Trust, an autonomous estate and separate legal entity.

f. Fund- All assets, rights, income, claims and reserves of the Trust designated for the System.

g. Investment manager- An investment adviser or manager with discretion over a portfolio or vehicle.

h. Board- UPR retirement Board, the Trust's governing fiduciary body.

i. Active participants- Employees who accrue or retain rights under the Trust.

j. Pensioners- Any person whose right to receive a pension or periodic benefit has been recognized and granted by the Trust in accordance with applicable laws, regulations, and governing rules.

k. Policy- This Policy and its appendices, as validly amended.

l. Risk- The possibility of permanent loss, volatility, insufficient liquidity, noncompliance, credit deterioration, concentration, inflation, fraud, operational error or any adverse outcome.

m. Actuarial assumed rate of return- The return assumption used in the actuarial valuation; it does not constitute a guarantee or automatic authorization to assume risk.

CHAPTER II — NATURE OF THE TRUST AND ITS ASSETS

ARTICLE 2.1. Public nature and separation of the estate

The Trust serves a public function and has historically been associated with the University of Puerto Rico. However, its public nature does not make its assets the University's operational property or impair the Trust's independent legal personality. Accordingly, trust property must not be commingled, consolidated, pledged as collateral or used to satisfy obligations unrelated to the Trust.

ARTICLE 2.2. Ownership and exclusive use

Every asset, item of income, contribution, claim, recovery, contractual right, voting right, dividend, interest payment, rental payment, sale proceeds and litigation right acquired

forms part of the Trust's estate. Such property and resources may be used only for the payment of benefits, reasonable administrative expenses and such other purposes as are authorized by applicable laws and the Trust Deed.

ARTICLE 2.3. Prohibition on appropriation or interference

No University official, governmental entity, Board member, provider or third party may direct, withhold, transfer, encumber or dispose of Trust assets outside expressly authorized procedures. Any request, instruction or action incompatible with this Policy must be rejected immediately and referred to the Board for appropriate action.

ARTICLE 2.4. Relationship with the Universidad de Puerto Rico

The University retains its obligations as settler, employer and source of contributions; however, it must not exercise control or influence over the investment, custody or disposition of Trust assets. All communications with the University must be channeled through the corresponding institutional mechanisms and retained as part of the fiduciary record.

ARTICLE 2.5. Governmental plan

The Trust must be administered as a governmental retirement plan. Fiduciary principles developed under ERISA may be used as persuasive guidance on best practices, to the extent compatible with Puerto Rico's legal framework and the Trust's governing documents. However, those principles must not be regarded as directly applicable legal obligations or invoked as a binding source of rules without the corresponding legal analysis determining their relevance.

CHAPTER III — FIDUCIARY PRINCIPLES AND DUTIES

ARTICLE 3.1. Duty of loyalty and exclusive benefit

Every decision must be made exclusively for the benefit of the Fund and for the purpose of promoting benefit security and fulfillment of the Trust's purposes. Trust assets must not be used to favor political, institutional, personal, labor union, commercial or third-party interests, unless the action produces a reasonably demonstrable economic or fiduciary benefit for the Fund and is consistent with applicable fiduciary duties.

ARTICLE 3.2. Duty of prudence

Fiduciaries must act with the care, skill, prudence and diligence that a prudent person knowledgeable about similar matters would exercise in administering a retirement fund of comparable nature, size, obligations and risks. Prudence must be evaluated based on

the process followed, the information reasonably available and the circumstances existing when the decision was made, rather than exclusively in light of subsequent results.

ARTICLE 3.3. Duty to investigate and deliberate

Before approving any material decision, the Board must obtain and evaluate sufficient information to support its determination, identify available alternatives and consider their costs, risks, potential conflicts of interest and actuarial implications. Recommendations from consultants, advisers or outside experts must not replace the Board's independent judgment or fiduciary responsibility.

ARTICLE 3.4. Duty to diversify

The Fund must be diversified across asset classes, issuers, economic sectors, investment styles, geographic regions, maturities, investment managers and sources of return, for the purpose of reducing the risk of significant losses. However, the Board may maintain a non-diversified exposure when it determines and documents that, under exceptional circumstances, that strategy is more prudent and consistent with the Fund's interests.

ARTICLE 3.5. Duty of impartiality

The Board must give equitable consideration to the interests of current, future and contingent active participants, pensioners and beneficiaries. It must not favor one generation or group to the detriment of another by assuming excessive risks, imposing disproportionate expenses or adopting liquidation measures that transfer unreasonable burdens to other participants or beneficiaries.

ARTICLE 3.6. Duty to control costs

The Board must incur only reasonable, necessary and transparent costs. Every investment strategy must demonstrate that its fees, level of complexity and liquidity terms are justified by an expected benefit, net of expenses and adjusted for risk, compared with reasonably available alternatives.

ARTICLE 3.7. Duty of oversight

Delegating functions to experts, advisers or service providers does not relieve the Board of its fiduciary responsibilities. The Board must prudently select and appoint such delegates, clearly define the scope of their mandate, oversee their performance through periodic reports, investigate any warning sign, promptly correct identified noncompliance and terminate the relationship when necessary to protect the Fund's interests.

ARTICLE 3.8. Duty of obedience

Fiduciaries must comply with applicable laws, the Trust Deed, court orders and this Policy. No financial recommendation, investment strategy or course of action may be implemented if it exceeds the powers conferred upon the Trust or contravenes a higher-ranking legal, judicial or fiduciary provision.

ARTICLE 3.9. Protection of claims and rights

The Board must diligently protect and enforce contractual, fiduciary, tax, securities-related and collection claims and any other rights belonging to the Fund. Any decision not to initiate, continue or intervene in a material claim must be supported by a documented analysis and justified in writing.

CHAPTER IV — GOVERNANCE, POWERS AND DELEGATION

ARTICLE 4.1. UPR Retirement Board

The Board is the Trust's governing fiduciary body and must retain exclusive responsibility for the following nondelegable decisions:

a. Adopt, interpret and amend this, Policy.

b. Approve the Fund's actuarial, financial and investment objectives.

c. Approve the strategic asset allocation and corresponding ranges.

d. Engage, evaluate and, when appropriate, replace or terminate the engagement of the investment consultant, actuary, custodian, investment managers and other material service providers.

e. Approve illiquid investments, new asset classes and any material exception.

f. Approve the liquidity policy, operating reserve and annual investment plan.

g. Approve the fee structure and periodically review its reasonableness and competitiveness.

h. Receive, review and evaluate reports on performance, risk, compliance, costs, liquidity and conflicts of interest.

i. Order corrective measures, investigations, audits, recovery actions and the pursuit of claims for the benefit of the Fund.

j. Certify annually compliance with its fiduciary duties and the obligations established in this Policy.

ARTICLE 4.2 Finance and Investment Committee

The Finance and Investment Committee shall be responsible for making recommendations to the Board regarding the management of the Retirement Fund's assets, seeking to ensure that investments are managed prudently and in alignment with the Fund's objectives. The Committee shall also recommend the adoption, review, and amendment of the Investment Policy; evaluate and recommend the selection, retention, or replacement of investment managers; analyze the performance and returns of the investment portfolio to inform its recommendations to the Board; and promote compliance with all applicable laws, regulations, and governing requirements. All recommendations of the Committee shall be subject to the Board's review and final approval, and the Board shall retain ultimate fiduciary authority and responsibility for all investment decisions of the Fund.

ARTICLE 4.3. Investment consultant

The investment consultant must maintain professional independence and act in the Fund's best interest. Without limiting other responsibilities established in its contract or this Policy, it has the following functions:

a. Prepare asset-liability studies, strategic allocation analyses and other assessments related to the Fund's investment structure.

b. Measure and report investment performance, risks assumed, return attribution, portfolio liquidity and costs incurred.

c. Perform quantitative, qualitative, operational, legal and reputational *due diligence* on investment managers, investments and relevant providers.

d. Make recommendations on the selection, retention or termination of investment managers, without prejudice to the Board's exclusive authority to make the final decision.

e. Disclose promptly any conflict of interest, relevant business relationship, compensation received or circumstance that could affect its independence or impartiality.

f. Provide fiduciary training and education to the Board and relevant staff, without promoting products or services of affiliated entities or receiving compensation for such promotion.

g. Certify quarterly compliance with the strategic allocation, investment parameters and guidelines established by the Board.

h. Report promptly any material deviation from the investment policy, noncompliance with guidelines or situation requiring the Board's consideration.

ARTICLE 4.4. Actuary

The actuary must periodically evaluate the Fund's actuarial obligations, the contributions necessary to fund them, changes in its demographic maturity, benefit payment cash flows and the sensitivity of these elements to changes in actuarial assumptions. The investment consultant and actuary must coordinate and exchange relevant information to promote alignment between the investment policy and the Fund's obligations. However, each retains independent responsibilities within its respective area of expertise, and neither may substitute its professional judgment for that of the other.

ARTICLE 4.5. Investment managers

Each investment manager must act in accordance with a written mandate clearly defining its powers, objectives, restrictions and performance parameters. It must acknowledge and accept, by contract, the fiduciary duties and other obligations applicable to it. It must also seek the best execution reasonably available, control transaction costs, identify and properly manage conflicts of interest, and promptly report any material deviation from its mandate or investment guidelines. No investment manager may interpret the Board's silence, inaction or lack of objection as authorization, approval or ratification of its actions.

ARTICLE 4.6. Custodian

The custodian must keep Fund assets duly segregated from its own assets and those of other clients, settle authorized transactions, collect income, process corporate actions, reconcile positions and preserve complete and accurate records. Its fiduciary status exists only to the extent provided by applicable laws, the corresponding contract or the actual exercise of discretionary powers. However, it is at all times subject to strict contractual standards of care, security, diligence, operational control and accountability for the performance of its functions.

ARTICLE 4.7. Authority and Responsibility Matrix

The authority matrix establishes the allocation of functions and responsibilities among the persons and entities participating in the administration of Trust investments. Its purpose is to promote orderly and transparent decision-making, avoid duplication of functions, prevent contradictory instructions, preclude implied delegations and ensure that each action is performed by the party with the corresponding authority.

The matrix does not require every party to participate in every decision. Its function is to identify, according to the nature of the action, who is responsible for approving, recommending, executing, overseeing, verifying or documenting that action.

The Board is the governing fiduciary body and retains final authority over all matters that this Policy, the Trust Deed or the law reserves as nondelegable. These include approval and amendment of the investment policy, strategic asset allocation, engagement or termination of material providers, approval of significant exceptions and determination of methodologies applicable to matters of particular complexity or risk. The Board's function is to establish the parameters for action, oversee compliance with them and require any necessary corrective measures. This does not mean that it must individually approve every purchase, sale or administrative action performed within previously authorized powers and limits.

The Finance and Investment Committee performs a specialized analysis, review and recommendation function. Its involvement is intended to evaluate technical matters in greater depth before they are presented to the Board. All recommendations must be in writing and supported by the analyses, reports or studies on which they are based.

The Executive Office is responsible for the administrative coordination and execution of decisions adopted by the Board. Its functions include requesting and gathering information, coordinating communications with providers and advisers, verifying compliance with deadlines and requirements, organizing implementation and rebalancing processes, maintaining the corresponding files and ensuring that approved decisions are executed promptly and in accordance with the instructions received. The Executive Office must not unilaterally modify the policy, objectives, investment limits or mandates granted to investment managers or providers.

The investment consultant performs an independent analysis, recommendation and advisory function. It is responsible for evaluating investment performance, risks, liquidity, deviations from the strategic allocation, the reasonableness of methodologies used and the suitability of investment managers and providers. The consultant must not exercise authority over Fund assets or make investment decisions on behalf of the Board. Its responsibility is to provide objective analyses and recommendations that enable the Board to exercise informed judgment.

Investment managers are responsible for managing the assets assigned to them within approved mandates, limits and guidelines. When their contracts grant investment discretion, they may buy, sell or hold assets in accordance with those mandates. However, they must not unilaterally expand their authority, exceed applicable limits or interpret the Board's silence, inaction or absence of objection as authorization to act. Any request for an exception must be submitted in writing and approved before the corresponding transaction is executed.

The custodian is responsible for the custody, recording and settlement of Fund assets and transactions. Its functions include protecting the legal and accounting integrity of assets, processing authorized transactions, collecting income, reconciling positions and maintaining official records. The custodian does not participate in formulating investment strategy or replace the analysis or economic valuation functions assigned to other professionals. However, it must promptly report any irregular instruction, material discrepancy, settlement risk, control deficiency or recordkeeping problem identified in performing its functions.

The authority matrix must be interpreted together with this Policy, the Trust Deed, applicable contracts and Board resolutions. When an action requires the participation of more than one party, each is primarily responsible for its assigned functions. However, all participants retain the duty to report promptly any irregularity, conflict of interest, noncompliance, deviation or material risk that comes to their attention and could affect the Fund's interests or compliance with fiduciary duties.

Responsibility and Authority Matrix

Subject	Board	Investment Committee	Executive Office	Investment Consultant	Investment Manager	Custodian
Investment policy and objectives	Approves	Evaluates and recommends	Administers and coordinates implementation	Advises and recommends	Complies with the mandate	Records and safeguards assets
Strategic asset allocation	Approves	Recommends	Coordinates implementation	Analyses and recommends	Implements in accordance with the mandate	Settles and records transactions
Selection and termination of investment managers	Approves	Evaluates and recommends	Coordinates the process	Performs due diligence and recommends	N/A	N/A

Subject	Board	Investment Committee	Executive Office	Investment Consultant	Investment Manager	Custodian
Rebalancing within approved ranges	Oversees	Reviews	Coordinates execution	Recommends	Executes	Settles and records
Material exceptions to the Policy	Approves	Evaluates and recommends	Documents and processes	Analyzes and recommends	Requests when appropriate	N/A
Payment of benefits	Oversees	N/A	Administers	Analyzes liquidity needs	N/A	Disburses and records
Illiquid asset valuation methodology	Approves	Reviews and recommends	Coordinates the process	Validates and recommends	Provides relevant information and assumptions	Records and verifies
Operational incidents or material noncompliance	Orders corrective measures	Reviews and follows up	Notifies, contains and coordinates the response	Advises	Notifies and cooperates in the investigation	Notifies and cooperates in the investigation
Performance, risk and compliance monitoring	Receives and evaluates reports	Reviews and recommends	Coordinates the collection and presentation of information	Measures, analyzes and reports	Reports results and compliance	Provides data, reconciliations and records
Conflicts of interest	Oversees and determines actions	Reviews	Discloses and documents	Discloses	Discloses	Discloses

This matrix is descriptive and is adopted for purposes of governance and allocation of responsibilities. None of the functions described herein limits or replace the Board's nondelegable fiduciary authority or relieve the other participants of obligations imposed by law, the Trust Deed, this Policy or applicable contracts.

CHAPTER V — FINANCIAL, ACTUARIAL AND RISK OBJECTIVES

ARTICLE 5.1. Primary objective

The primary objective of the investment policy is to maintain a portfolio that contributes to the timely and sustainable payment of benefits while preserving the Fund's purchasing power, within a level of risk consistent with the Trust's maturity, its liquidity needs, contribution cash flows and the Trust's present and future obligations.

ARTICLE 5.2. The actuarial assumed rate of return is not an investment mandate

The current actuarial assumed rate of return is an important reference parameter in formulating investment strategy; however, it must not be interpreted as an instruction to generate that return or as justification for assuming risks incompatible with the Fund's objectives and obligations. The Board must periodically evaluate the relationship between the actuarial assumed rate of return and the portfolio's expected return, considering its volatility, the probability of an actuarial deficit, liquidity needs and the Trust's capacity to pay benefits on time.

ARTICLE 5.3. Quantitative objectives

The Board must annually approve, by formal certification and after analyzing the recommendations of the actuary and investment consultant, the following reference parameters and metrics for portfolio management and oversight:

a. The portfolio's expected ten (10)-year nominal return.

b. The expected real return, net of the effect of inflation.

c. Expected volatility and potential losses under reasonably foreseeable adverse scenarios.

d. The estimated probability of achieving or exceeding the current actuarial assumed rate of return.

e. The probability of a material deterioration in the Trust's actuarial funding adequacy.

f. Projected liquidity and cash needs, on both an annual and a monthly basis.

g. The maximum tolerable level of illiquid assets.

h. The expected contribution to total portfolio risk by asset class.

ARTICLE 5.4. Risks to be measured

The Board must establish and oversee a comprehensive risk management framework that enables the identification, measurement, monitoring and mitigation of material risks that could affect achievement of the Fund's objectives.

At a minimum, the following risks must be evaluated:

a. Market risk, including the possibility of significant or permanent capital losses.

b. Liquidity risk, including the inability to generate cash promptly or the need to make forced sales under unfavorable conditions.

c. Credit and counterparty risk, including credit deterioration, defaults and rating downgrades.

d. Risk associated with inflation and changes in interest rates.

e. Concentration risk by issuer, economic sector, jurisdiction, investment manager, strategy or asset class.

f. Currency risk or foreign currency exposure risk.

g. Risk arising from the use of leverage, derivatives or other strategies that amplify the Fund's economic exposure.

h. Operational risk, including fraud, errors, technological failures, cybersecurity and operational continuity.

i. Legal, regulatory, tax, contractual and reputational risk.

j. Risk related to contributions that are insufficient, late or inconsistent with the Trust's actuarial needs.

ARTICLE 5.5. Stress tests

At least once a year, and additionally when material events or changes occur in economic, financial, actuarial or market conditions, the investment consultant must perform stress tests and analyses of reasonably foreseeable adverse scenarios. These tests must evaluate the potential impact on liquidity, funding level, capacity to pay benefits and the Fund's risk profile.

At a minimum, the scenarios considered must include:

a. Stock market declines of thirty percent (30 %) or more.

b. Abrupt increases or decreases in interest rates.

c. Prolonged periods of higher-than-expected inflation.

d. Significant downgrades in the credit quality of issuers or counterparties.

e. Substantial declines in the value of real estate investments.

f. Employer contributions below required levels or made late.

g. The need to liquidate assets to pay benefits or meet other obligations.

h. Operational, financial or service disruptions involving the custodian, investment managers or other critical providers.

i. Combined scenarios involving multiple simultaneous adverse factors.

ARTICLE 5.6. Prohibition on chasing returns

The Board must not increase the Fund's exposure to investment risk, illiquidity, structural complexity, leverage or other extraordinary sources of risk for the primary purpose of compensating for shortfalls in employer contributions.

Any shortfall, delay or failure to make required contributions must be separately identified, documented and reported, and addressed through the appropriate institutional, actuarial, financial and legal mechanisms.

CHAPTER VI — ASSET-LIABILITY STUDY AND STRATEGIC ALLOCATION

ARTICLE 6.1. Integrated study

The strategic allocation must be based on a comprehensive asset-liability study designed to evaluate the Fund's capacity to meet its present and future obligations within prudent levels of risk. This study must be performed at least every three (3) years and more frequently when there is a material change in the benefit structure, the level or flow of contributions, actuarial funding adequacy, liquidity needs, the demographic characteristics of the participant population, the current actuarial assumed rate of return or financial market conditions.

ARTICLE 6.2. Minimum study content

At a minimum, the integrated asset-liability study must include the following analyses, projections and recommendations:

a. Benefit and contribution projections for one (1), three (3), five (5), ten (10), twenty (20) and thirty (30) years.

b. Evaluation of the ratio of assets to benefits and the Trust's degree of maturity.

c. Analysis of the Trust's demographic composition, including the proportion of active participants, pensioners and beneficiaries.

d. Scenarios involving full, partial, late or below-required contributions.

e. Base, adverse and severe economic and market scenarios.

f. Evaluation of the probability of insolvency, asset depletion or material deterioration in actuarial funding adequacy under each scenario analyzed.

g. Estimation of the portfolio's expected return, net of fees, expenses and implementation costs.

h. Evaluation of the impact of illiquidity and forced asset sales.

i. Sensitivity analysis for changes in the actuarial assumed rate of return and other relevant actuarial assumptions.

j. A strategic asset allocation recommendation including permitted ranges, risk and return objectives and the principal reasons supporting the recommendation.

ARTICLE 6.3. Strategic allocation

The current strategic asset allocation is incorporated through Appendix A, which forms an integral part of this Policy. Any change to a target, range or other material parameter contained in that Appendix requires Board approval by certification.

Appendix A may be amended without modifying or reopening the full text of this Policy, provided that the Board first receives and evaluates the corresponding actuarial, financial and investment analysis and records in its minutes and certifications the reasons justifying the change.

ARTICLE 6.4. Strategic assets and legacy or residual assets.

The Board must distinguish between assets that form part of the approved strategic asset allocation and assets that remain in the Fund as a result of historical investment decisions, loan programs, outstanding amortizations, recoveries, foreclosed assets or liquidation and divestment processes.

The mere existence of a legacy or residual asset, and the percentage of the Fund it represents, must not be interpreted as an investment target or an obligation to maintain that exposure through new investments, commitments, disbursements or originations.

The Board must periodically evaluate legacy or residual assets through a documented process and determine whether it is prudent to retain them, gradually reduce them, liquidate them or formally incorporate them into the strategic asset allocation. In making that determination, it must consider, among other factors, their expected return, risk profile, liquidity, holding costs, actuarial impact, diversification and the economic consequences of early sales or liquidation.

For personal and mortgage loan programs, reductions in balances resulting from payments, amortizations, refinancing's or payoffs do not obligate the Trust to originate new loans solely to maintain a specific portfolio percentage or replicate historical exposure levels.

ARTICLE 6.5. New asset classes

No new asset class, investment strategy or investment program may be approved without the prior preparation and evaluation of an analytical memorandum documenting, at a minimum, the following aspects:

a. Its expected role and purpose within the portfolio.

b. The expected return and associated risks, net of fees, expenses and implementation costs.

c. Its liquidity profile and investment horizon.

d. Its level of complexity and the capacity to oversee it adequately.

e. Applicable valuation methods and available mechanisms for custody, recording and control.

f. Associated legal, tax, contractual and counterparty risks.

g. The availability of alternatives offering similar objectives with less complexity, lower cost or lower risk

h. The termination or exit strategy, including the costs, restrictions and potential financial consequences of early liquidation.

CHAPTER VII — LIQUIDITY, REBALANCING AND CRISIS MANAGEMENT

ARTICLE 7.1. Liquidity reserve

The Board must annually approve a liquidity policy and a minimum reserve of liquid assets, based on benefit payment projections, expected contributions, the Fund's operational needs and the results of adverse scenario analysis.

In determining the appropriate liquidity level, the Board must consider the stability and timeliness of contributions, the maturity structure of assets, the risk of forced sales, market conditions and the Trust's capacity to meet its obligations on time under different scenarios.

As an initial prudential reference, the analysis must evaluate the advisability of maintaining sufficient liquid assets to cover between twelve (12) and twenty-four (24) months of projected net benefit payments. However, this parameter serves solely as a reference guide and must not replace the specific analysis required by the Fund's actuarial, financial and operational circumstances.

ARTICLE 7.2. Liquidity classification

All Fund assets must be classified periodically according to the time reasonably required to convert them into cash without materially affecting their value.

For these purposes, the following liquidity categories must be used:

a. Level 1: Convertible into cash on the same day or within five (5) business days.

b. Level 2: Convertible into cash in more than five (5) business days and up to thirty (30) days.

c. Level 3: Convertible into cash in more than thirty (30) days and up to ninety (90) days.

d. Level 4: Convertible into cash in more than ninety (90) days and up to one (1) year.

e. Level 5: Assets whose conversion into cash would reasonably require more than one (1) year, or that are subject to contractual commitments, transfer restrictions, limited markets or significant uncertainty regarding their realization.

ARTICLE 7.3. Illiquidity limit

The Board must establish and periodically review a maximum aggregate limit for investments classified as Level 4 and Level 5 Assets, including investments held, unfunded capital commitments and any other outstanding investment obligation.

Until a limit based on an updated study of assets and liabilities, liquidity and capacity to assume illiquidity risks is adopted, the Fund must not increase its aggregate exposure to illiquid assets through new commitments, acquisitions or disbursements unless the action is approved by the Board.

Any request for approval under this exception must be accompanied by written opinions from the investment consultant and actuary, which must evaluate, within their respective areas of expertise, the transaction's impact on the Fund's liquidity, actuarial funding adequacy, risk profile, benefit payment obligations and compliance with this Policy.

The corresponding certification must expressly document the reasons supporting the Board's determination and the measures adopted to mitigate identified risks.

ARTICLE 7.4. Rebalancing

The Executive Office and investment consultant must review portfolio exposures monthly and their compliance with the strategic allocation, approved ranges and risk limits established by the Board.

When an asset class exceeds or falls below its authorized range, the Executive Office and consultant must submit to the Board, within ten (10) business days after identifying the deviation, a corrective action plan that includes the causes of the variance, available alternatives, associated risks and the proposed timetable for restoring compliance.

Unless the Board determines and documents otherwise, the deviation must be corrected within sixty (60) calendar days. The Board may authorize a longer period when it concludes, based on reasonably sufficient information, that an immediate sale, purchase or restructuring would be detrimental to the Fund.

Every exception and its grounds must be documented in the corresponding minutes or certifications.

ARTICLE 7.5. Emergency authority

When there is an imminent risk of failure to pay benefits or meet other Fund obligations, fraud, counterparty insolvency or bankruptcy, a cyberattack, a significant operational disruption or any other event threatening to cause a material loss of Fund assets, the

Board may adopt temporary measures that are strictly necessary to protect assets, preserve liquidity, maintain operational continuity or mitigate immediate harm.

Whenever reasonably possible, these measures must be adopted with prior advice from the investment consultant. When the urgency of the circumstances prevents obtaining that advice beforehand, it must be requested as soon as practicable and documented in the corresponding file.

The Board must convene a special meeting to consider the emergency and ratify the temporary measures.

This emergency authority must be interpreted narrowly and must not be used to approve new investment strategies, modify the strategic asset allocation or engage providers on a permanent basis.

ARTICLE 7.6. Payment continuity plan

The Executive Office must maintain and periodically update a documented operational continuity and contingency recovery plan designed to ensure continuity of benefit payments and the Trust's critical functions during events that could affect normal operations.

The plan must include, at a minimum, procedures for responding to banking disruptions, custodian defaults or failures, natural disasters, public health emergencies, cyberattacks, technological failures and the temporary or permanent unavailability of key personnel, critical providers or essential systems.

The plan must identify responsibilities, alternative communication mechanisms, emergency liquidity sources, information backup and recovery procedures, and measures for promptly restoring critical operations and benefit payments.

CHAPTER VIII — ASSET CLASSES, LIMITS AND TRANSACTIONS

ARTICLE 8.1. General rule

The Fund may make only investments included in the strategic asset allocation approved by the Board and executed in accordance with formally adopted investment mandates, policies or guidelines.

Authorization of an asset class does not constitute automatic authorization to invest in any instrument, vehicle, structure or strategy within that class. Each instrument or strategy must be consistent with the objectives, restrictions, risk limits, liquidity requirements and other applicable parameters established by the Board.

ARTICLE 8.2. Public equities

Public equity investments are subject to the following requirements and limitations:

Securities in regulated markets or be held through funds, registered investment vehicles or diversified structures.

Direct exposure to a single issuer must not exceed five percent (5 %) of the total portfolio value, except for index funds, diversified funds or government-issued or government-guaranteed securities.

Unregistered shares, letter stock, direct placements or equivalent instruments are not permitted unless expressly approved under the private asset category and comply with the due diligence requirements established in this Policy.

Exposure to international markets is subject to prudential limits on concentration by country or jurisdiction, level of market development, currency risk, custody structure and other risk factors determined by the Board.

ARTICLE 8.3. Fixed income

Fixed income investments are subject to the following requirements and limitations:

a. Each investment mandate must expressly establish the applicable duration, credit quality and sector parameters and the benchmark.

b. Investments in securities rated below investment grade are subject to specific limits.

c. Exposure to any individual corporate issuer must not exceed the concentration limits established in the applicable investment mandate.

d. Specific controls must be maintained for investments in structured products, securitizations, prepayment risks and liquidity.

e. Any material downgrade must be reported immediately to the Board. The response to the downgrade must be handled in accordance with the protocol and does not require automatic sales of security.

ARTICLE 8.4. Real estate

Preference must be given to investments made through institutional vehicles that have independent valuations and are audited.

Every direct real estate investment requires, at a minimum, appraisal by an independent appraiser, an environmental study, a legal analysis and a documented administration and management plan.

The evaluation must consider, among other factors, capital commitments, the investment vehicle's leverage level, capital calls and the costs of disposing of or exiting the investment.

Real estate investments are subject to periodic reports that include, as appropriate, rental income, occupancy levels, indebtedness, operating expenses, updated valuations and any material event that could affect the investment's value or performance.

ARTICLE 8.5. Personal and mortgage loans

Participant loan programs must be governed by a separate policy approved by the Board. Loans must not be originated for the primary purpose of achieving investment targets.

That policy must regulate, at a minimum, eligibility criteria, exposure limits, interest rates, collateral requirements, appraisals, origination and collection processes, management of delinquencies and defaults, loan restructuring, loss reserves, concentration controls, fraud prevention and the identification and management of conflicts of interest.

ARTICLE 8.6. Private assets

As a general rule, the Trust shall not make new investments or undertake new capital commitments in private equity, private credit, hedge funds, infrastructure funds, private real estate funds, or any other private and illiquid investment strategies. By exception, the Board may authorize such investments only upon a formal resolution supported by a determination that the proposed investment is consistent with the Trust's fiduciary objectives and in the best interests of its participants and beneficiaries. Such authorization requires a favorable recommendation from the Investment Committee and a comprehensive analysis addressing, among other factors, the associated risks, expected returns, costs, fee structure, transparency, liquidity, investment horizon, and the impact on the overall risk profile of the portfolio.

Existing, legacy, or residual private investments shall be subject to continuous monitoring and periodic valuation. The Board, on the advice of its consultants and the Investment Committee, shall seek to reduce exposure to such assets over time whenever prudent

and economically reasonable, considering market conditions and the best interests of the Trust.

Under no circumstances shall a new investment or capital commitment be approved if it could adversely affect the Trust's ability to meet its benefit payment obligations, operational requirements, or liquidity needs on a timely basis. Any evaluation shall consider the cumulative effect of illiquid assets on the overall portfolio and the Trust's ability to maintain a sound and sustainable financial position.

ARTICLE 8.7. Derivatives

Derivative instruments may be used only for *hedging*, efficient exposure management, reduction of transaction costs or temporary investment of cash to maintain the desired market exposure.

Derivatives must not be used for speculative purposes, to assume unauthorized economic leverage or to maintain *naked positions* exceeding the risks accepted by the Trust.

Any use of derivative instruments requires the establishment of gross and net exposure limits, collateral requirements, selection of approved counterparties, independent valuation methodologies, standardized contractual documentation and periodic reports to the Board on risks, results and compliance with this Policy.

ARTICLE 8.8. Securities lending

Securities lending may be conducted only through a program formally approved by the Board and administered by duly qualified entities. The program requires adequate and continuously monitored collateral, establish criteria for selecting eligible counterparties, limit reinvestment of cash received as collateral and provide reasonable indemnification mechanisms against losses caused by counterparty defaults.

ARTICLE 8.9. Foreign currency

The Fund may maintain foreign currency exposure when it results from authorized international investments and is consistent with the Fund's diversification strategy and investment objectives.

Currency hedging transactions must be conducted in accordance with a written policy approved by the Board, aimed at managing risks rather than generating speculative gains.

ARTICLE 8.10. Prohibited investments and transactions

The following investments and transactions are expressly prohibited:

a. Using Fund assets as collateral or backing for obligations of third parties or any entity other than the Fund.

b. Granting loans, advances or credit facilities to Board members, officials, employees, providers, advisers or related parties, except under duly authorized general loan programs applicable to all eligible participants.

c. Making *margin purchases* or incurring direct indebtedness in the Fund's name, except with express authorization by law and prior Board approval.

d. Making *short sales* without adequate coverage or backing by the corresponding assets.

e. Investing in cryptocurrencies, tokens, digital assets or instruments whose value depends primarily on those assets, unless expressly authorized by the Board based on a technical, legal, operational and fiduciary study demonstrating their suitability for the Fund.

f. Acquiring *physical commodities*, works of art, collectibles or other assets lacking reliable valuation and liquidity mechanisms.

g. Conducting transactions with affiliates or related parties that have not been fully disclosed, evaluated and approved in accordance with the Fund's conflict-of-interest rules.

h. Authorizing placement, success, access, referral or other similar compensation payments that have not been previously disclosed and approved by the Board.

i. Using *soft dollars* arrangements to pay management fees, operating expenses or any other expense not permitted by applicable rules and this Policy.

j. Conducting transactions that the Fund's custodian cannot adequately record, value, reconcile and oversee through ordinary control and reporting procedures.

k. Participating in any other transaction that, by its nature, creates significant conflicts of interest, compromises the liquidity necessary to meet the Fund's obligations or is incompatible with the fiduciary duties of prudence, loyalty and diligence governing the administration of Fund assets.

ARTICLE 8.11. Best Execution and Brokerage

Investment managers, investment advisers and other entities authorized to execute transactions for the Fund must seek the best execution reasonably available in each transaction, considering, as appropriate, price, commissions and other transaction costs, execution speed, likelihood of settlement, market depth and liquidity, confidentiality, service quality and any other relevant factor for protecting the Trust's interests.

Transactions must not be directed to brokers, intermediaries or affiliated entities, and transactions with related parties must not be conducted, unless there is express Board authorization, full disclosure of the existing relationship, absence of improper conflicts of interest and documented evidence that the transaction offers terms equal to or more favorable than those available in an independent, arm's-length transaction.

CHAPTER IX — SELECTION, ENGAGEMENT AND TERMINATION OF PROVIDERS

ARTICLE 9.1. Competitive and Uniform Process

Investment managers, advisers, custodians, consultants, administrators, brokers and any other provider of services related to the administration of Fund assets must be engaged through a documented, competitive, transparent and uniform process, except where a duly justified and documented legal or fiduciary exception exists.

Every selection process must promote equal opportunity among qualified proposers and ensure that decisions are made in the Fund's best interest. Informal requests, political recommendations, personal relationships, institutional affiliations or any other consideration unrelated to the merits of the proposal must not replace or alter the procedures established in this Policy.

Process documentation must be retained in a manner that allows verification of the evaluation criteria used, proposals received, recommendations made and reasons supporting the final selection.

ARTICLE 9.2. Minimum Due Diligence

Before engaging or selecting any service provider, investment vehicle or counterparty, the Trust must perform due diligence reasonably appropriate to the nature and complexity of the proposed service or investment. At a minimum, this evaluation must consider the following aspects:

a. The entity's legal and regulatory status, including registrations, licenses, authorizations, certifications and financial solvency.

b. Ownership and control structure, affiliated entities, ultimate beneficial owners, material litigation, regulatory investigations, administrative sanctions and reputational history.

c. The experience, qualifications, stability, turnover and succession plans of key personnel responsible for providing the service or managing the investment.

d. Investment, administration, valuation, risk management, internal control, regulatory compliance and operational continuity processes.

e. Net performance, risks assumed to achieve that performance and consistency of results with the proposed strategy.

f. All fees, expenses, incentives, performance charges, indirect costs and any other compensation that could affect the Trust's net return.

g. Actual or potential conflicts of interest, use of *placement agents*, third-party compensation arrangements and any political contribution or activity that could create reputational or fiduciary risks.

h. References and experiences of comparable clients, particularly those involving pension funds, trusts, governmental entities or institutions of a similar nature.

i. Cybersecurity, data protection, information privacy, disaster recovery and business continuity programs, and applicable insurance coverage.

j. The operational, technical and financial capacity to comply with this Policy's provisions, proposed contractual terms and corresponding fiduciary obligations.

ARTICLE 9.3. Criteria for Selecting and Retaining Investment Managers

Every investment manager must demonstrate relevant experience in the strategies and asset classes under consideration, a sound organizational structure, adequate human and technological resources, sufficient operational capacity and a verifiable performance record consistent with the Trust's investment objectives.

Trust assets managed by an investment manager must not represent more than ten percent (10%) of that investment manager's total assets under management. Any exception to this limit requires express Board approval, supported by a documented analysis evaluating client concentration risks, the investment manager's operational capacity and the implications of mutual dependence between the parties.

ARTICLE 9.4. Minimum Contractual Provisions

Every contract entered with investment managers, advisers, custodians, administrators or other investment service providers must contain, as applicable, provisions governing at least the following aspects:

a. A description of the mandate, investment objectives, *benchmarks*, applicable limitations and responsibilities of the parties.

b. Express acknowledgment of this Investment Policy and the obligation to report promptly any noncompliance, material deviation or event that could affect compliance with it.

c. Full disclosure of fees, expenses, incentives, indirect compensation and any other charge related to the services provided, and prohibition of undisclosed or unauthorized charges.

d. Rights to conduct audits, inspections and reviews, and timely access to information, documentation and records related to the contracted services.

e. Applicable rules on conflicts of interest, transactions with affiliates, use of third parties and obligations related to best execution of transactions.

f. The requirement for independent custody of Fund assets and prohibition on possessing or controlling those assets outside expressly authorized terms.

g. Provisions on professional liability, indemnification, handling of errors, omissions and fraudulent acts, and coverage through adequate insurance policies.

h. Obligations related to cybersecurity, data protection, business continuity and immediate notification of security incidents or unauthorized access to information or assets.

i. Procedures for terminating the contractual relationship, orderly transition of assets and functions, and complete delivery of records, documentation and information.

j. Provisions on governing law, jurisdiction, competent forum, dispute resolution mechanisms and the order of precedence among contractual documents.

The Board may require additional provisions when warranted by the nature of the service, investment or risk involved.

ARTICLE 9.5. Enhanced Monitoring Period

The Board may place any service provider under enhanced monitoring when it identifies circumstances that could reasonably affect fulfillment of the provider's obligations or the trust placed in that provider.

Circumstances that may justify this measure include, without limitation:

a. Performance persistently below established objectives or applicable benchmarks.

b. Significant changes in key personnel or organizational structure.

c. Material deviations from the approved investment strategy or style.

d. Service quality deficiencies or contractual noncompliance.

e. Rapid growth or decline in assets under management that could affect operational capacity or the investment process.

f. Material litigation, regulatory investigations, administrative sanctions or events presenting significant reputational risks.

g. Operational, technological, internal control or risk management failures.

h. Undisclosed conflicts of interest or any other event that, in the Board's judgment, affects the trust reasonably placed in the provider.

ARTICLE 9.6. Contract Termination and Transition

The decision to terminate a relationship with a service provider must be based on a comprehensive evaluation of quantitative and qualitative factors and must not depend exclusively on an automatic formula or short-term results.

Factors to be considered must include risk-adjusted performance, strategic contribution to the portfolio, consistency and discipline of the investment process, organizational stability, service quality, costs, contractual and regulatory compliance, risk management and reasonable prospects for future performance.

Every termination must be accompanied by a transition plan approved by the Board, designed to protect the Fund's interests and minimize operational, legal, market and reputational risks.

The plan must consider, as appropriate, the orderly transfer of assets, operational continuity, tax effects, transaction costs, bid-ask *spreads*, applicable commissions, preservation of the desired market exposure and any other relevant factor for avoiding adverse effects on the portfolio or the interests of its participants and beneficiaries.

CHAPTER X — MONITORING, PERFORMANCE MEASUREMENT, COSTS AND VALUATION

ARTICLE 10.1. Monitoring and Review Frequency

The Board must oversee portfolio performance and risks through a continuous monitoring and evaluation program with the following minimum frequency:

a. Liquidity and asset allocation monitoring; monthly.

b. Comprehensive investment report; quarterly.

c. Evaluation of fees, expenses, conflicts of interest and providers; annually.

d. Comprehensive asset-liability study (ALM); at least every three (3) years.

e. The Board may order extraordinary reviews when any material event occurs that could significantly affect the financial position.

ARTICLE 10.2. "Benchmarks"

Each investment mandate must have an appropriate, investable and transparent *benchmark* consistent with its objective, strategy and function. The Fund must also use an investment policy *benchmark* weighted according to Board-approved targets, a liability *benchmark* when technically feasible, and inflation metrics. Under no circumstances may a portfolio's return be used as its own *benchmark* without an independent and objectively verifiable adjustment.

ARTICLE 10.3. Net return

All performance reports must present both gross returns and returns net of fees and expenses. However, the primary evaluation of investment managers, strategies and investment programs must be based on returns net of all investment-related fees and expenses.

Reports must include results for the following periods, subject to data availability: current quarter, fiscal year, calendar year, one (1), three (3), five (5), seven (7) and ten (10) years, and cumulative return since inception.

ARTICLE 10.4. Risk and attribution

Monitoring and evaluation reports must include, as appropriate, the following risk and attribution measures:

a. Volatility, *tracking error*, *information ratio* and *Sharpe ratio*.

b. *Upside capture ratio* and *downside capture ratio*, maximum *drawdown* and recovery time.

c. Contribution to risk by asset class, investment manager and risk factor.

d. Attribution analysis by allocation, selection, sector, duration, currency and any other applicable material factor.

e. Liquidity, credit, currency, leverage and concentration exposure.

ARTICLE 10.5. Annual cost report

The detailed annual report must include all expenses associated with investment management, in both dollars and basis points. The report must include, among others, management fees, *performance fees*, *carried interest*, fund expenses, commissions, market *spreads*, and custody, consulting, valuation, legal advisory, auditing and administration services.

The report must also compare those costs with those of comparable funds and institutions and explain any material increase or significant variance.

ARTICLE 10.6. Valuation

Public assets must be valued using prices obtained from sources independent of the custodian or from reputable external providers.

Assets without an active market must be valued in accordance with methodologies previously approved by the Board. When reasonable and appropriate, the valuation must be validated by independent third parties with the required expertise. Under no circumstances may an investment manager have exclusive and final authority to

determine the value of assets used for financial statement purposes or Board decision-making.

ARTICLE 10.7. Errors and discrepancies

Any discrepancy related to valuation, positions or cash must be diligently investigated and documented by the responsible parties.

Any difference or discrepancy remaining unresolved for more than thirty (30) calendar days must be reported to the Board in writing, together with an explanation of its causes, actual or potential impact on the Fund and the efforts made to investigate and correct it. Any discrepancy remaining outstanding for more than ninety (90) calendar days requires the preparation and implementation of a corrective action plan that includes proposed resolution measures, the parties responsible for execution and the corresponding compliance timetable, which must be submitted to the Board for consideration and follow-up.

The Board may require additional measures, independent investigations or special reviews when it determines that the nature, amount or recurrence of the discrepancy warrants them.

CHAPTER XI — ETHICS, CONFLICTS OF INTEREST AND EXTERNAL COMMUNICATIONS

ARTICLE 11.1. Annual disclosure

Every Board member, official and employee participating in investment-related functions must submit, at least once a year, a written statement of interests disclosing any financial interest, family relationship, employment, business activity, directorship, ownership interest, gift received, sponsored travel, pending litigation or other circumstance that could give rise to an actual, potential or apparent conflict of interest. Each person must update that disclosure whenever a material change occurs during the year.

ARTICLE 11.2. Recusal

Any person who has or may have an actual, potential or apparent conflict of interest concerning a matter under consideration must disclose it promptly and refrain from participating in any discussion, evaluation, privileged access to information, recommendation, negotiation, voting or execution related to that matter. Disclosure of the conflict, recusal and departure from the meeting while the matter is being considered must be expressly recorded in the corresponding minutes. Merely abstaining from voting, without prior disclosure of the conflict, is insufficient to fulfill this obligation.

ARTICLE 11.3. Gifts, travel and entertainment

No member, official or employee may solicit, accept or receive gifts, travel, lodging, meals, entertainment, discounts, favors or any other benefit of economic value from current or prospective providers, investment managers, consultants or other persons or entities doing or seeking to do business with the Trust, except for promotional items or courtesies of nominal value expressly permitted by applicable ethics rules. Any exception must be promptly disclosed and documented.

ARTICLE 11.4. "Placement agents" and third parties

Every provider must disclose in writing the involvement of *placement agents*, lobbyists, consultants, promoters, intermediaries, outside advisers, contingent compensation arrangements, success fees and any existing relationship with Board members, Trust officials or employees. Omission or failure to disclose information constitutes sufficient grounds for disqualification, termination or any other corrective action determined by the Board.

ARTICLE 11.5. Communications log

All communications from providers must be channeled through the Executive Office or the person designated for that purpose, and an adequate record of those communications must be maintained. No individual Board member has authority to commit, bind or undertake commitments on behalf of the Trust without the corresponding authorization. Every material meeting with current or prospective providers must include at least three (3) Board representatives and must be documented through minutes, a memorandum or a written summary forming part of the institutional records.

ARTICLE 11.6. Political contributions

Providers must disclose any political contributions made by them, their principal executives, affiliates, agents or representatives, as required by applicable laws and regulations, including provisions known as *pay-to-play*. The Board must not approve the engagement or contractual continuation of a provider when the circumstances give rise to a reasonable appearance of undue influence, favoritism or conflict of interest that cannot be adequately mitigated through corrective measures or appropriate controls.

CHAPTER XII — CUSTODY, INTERNAL CONTROLS, CYBERSECURITY AND CONTINUITY

ARTICLE 12.1. Independent custody

Marketable assets must be held in custody by an entity independent of the investment manager, except in collective investment structures where such segregation is not legally possible or is incompatible with their operational structure. In those cases, the adequacy of existing controls must be evaluated and documented, including the role and soundness of the administrator, depositary, external auditor and vehicle controls.

ARTICLE 12.2. Segregation of duties

The Trust must establish and maintain adequate segregation of duties to minimize the risk of error, fraud, misuse of assets and conflicts of interest. At a minimum:

a. No person authorizing a transaction may be solely responsible for executing and reconciling it.

b. Every fund transfer instruction requires dual authorization and an independent verification procedure.

c. Any change to bank accounts requires independent validation before implementation.

d. Reconciliations must be reviewed by staff other than those processing or recording the corresponding transactions.

e. Access credentials, passwords, authentication devices and other security mechanisms must be strictly personal and nontransferable; sharing them or allowing their use by third parties is prohibited.

ARTICLE 12.3. Cybersecurity

Each provider must maintain a reasonable and documented cybersecurity program commensurate with the nature of the services provided and identified risks. The program must include, at a minimum, access controls, multifactor authentication, encryption of sensitive information, backups, periodic penetration tests, staff training, incident response procedures and technology continuity and recovery plans.

Any cybersecurity incident that could compromise Trust assets, operations, systems or confidential information must be reported to the Board immediately after detection and, in no event, later than twenty-four (24) hours after the provider becomes reasonably aware of the incident.

ARTICLE 12.4. Fraud and transfers

No transfer instructions may be processed solely based on an email. Every such request must be validated through direct communication with the authorized person using a previously verified and recorded telephone number or channel.

The Trust must maintain up-to-date lists of persons authorized to issue funds transfer instructions, along with authorization limits.

ARTICLE 12.5. Operational continuity

The Trust and all providers must maintain written operational continuity and disaster recovery plans designed to ensure continuity of essential functions and protection of assets under adverse scenarios. These plans must address, among other events, hurricanes, earthquakes, prolonged power outages, unavailability of physical facilities, pandemics, cyberattacks, technological failures and loss of key personnel.

CHAPTER XIII — PROXY VOTING, SECURITIES LITIGATION AND OWNERSHIP

ARTICLE 13.1. Proxy voting

Voting rights must be exercised exclusively in accordance with the fiduciary duty to maximize economic value.

Every provider authorized to exercise proxy voting rights must maintain a written policy establishing the criteria applicable to the exercise of those rights, promptly disclose any conflict of interest related to a vote and submit, at least annually, a detailed report of votes cast on behalf of the Fund.

The Board may reserve the power to decide certain matters of special importance or engage independent advisers to make recommendations on the exercise of voting rights.

ARTICLE 13.2. Environmental, social and governance factors

Environmental, social and governance (ESG) factors may be considered in evaluating, selecting and monitoring investments when those factors are reasonably considered relevant and financially material to assessing risk, expected return, liquidity, reputation, financial sustainability or the value of an investment.

However, no investment decision may be made for the primary purpose of promoting objectives unrelated to the Trust's purposes, nor may lower returns or the assumption of additional risks that do not serve the best economic interest be justified.

ARTICLE 13.3. Class actions and securities litigation

The Executive Office, in coordination with the custodian, must establish procedures to identify, evaluate, file and collect claims arising from *class actions* and other securities litigation.

Decisions on active participation in such proceedings, opting out or initiating legal actions must be made considering, among other factors, the potential recovery amount, likelihood of success, associated costs, applicable jurisdiction, complexity of the proceeding and the potential deterrent or protective effect for the Trust's interests.

ARTICLE 13.4. Corporate actions

The custodian must promptly notify offers, reorganizations, mergers, acquisitions, conversions, amortizations, redemptions, maturities and other similar events. Notices must be provided sufficiently in advance to permit an informed evaluation and determination.

Investment managers must respond to those corporate actions in accordance with the terms of their mandates, maintaining documentary evidence of the evaluations performed and every material decision adopted.

CHAPTER XIV — REPORTS, RECORDS, AUDIT AND TRANSPARENCY

ARTICLE 14.1. Monthly report

At a minimum, the monthly report must include:

a. Market value and account reconciliations.

b. A summary of cash flows, purchases, sales and income received during the period.

c. The actual allocation and any significant deviation identified.

d. A liquidity report classifying assets according to liquidity levels.

e. A description of any noncompliance, errors or material event occurring during the period.

f. A certification issued by each investment manager concerning compliance with the applicable provisions of this Policy and its investment mandate.

ARTICLE 14.2. Quarterly report to the Board

The Board must receive quarterly a comprehensive report on investment performance and status. The report must include, at a minimum:

a. Gross and net performance for the applicable periods.

b. Comparisons with approved *benchmarks* and peer groups or comparable entities.

c. Information on risk, return attribution, asset concentration and other relevant metrics.

d. Liquidity status and projected benefits.

e. Details of costs, commissions and other investment management expenses.

f. A report on investment managers under observation, monitoring processes or recommendations concerning their continuation.

g. Information on litigation, sanctions and significant changes in providers' organizational structure or key personnel.

h. Corrective action or mitigation plans to address any identified noncompliance, deviation or material situation.

ARTICLE 14.3. Annual fiduciary report

The Board must receive and approve annually a fiduciary report that includes, among other matters:

a. Compliance with this Policy.

b. An analysis of investment management costs and expenses.

c. The results of relevant internal and external audits.

d. The status of cybersecurity and operational continuity controls.

e. Follow-up on securities claims and other potential recoveries.

f. Asset valuation processes and methodologies.

g. Adequacy of liquidity to meet the Fund's present and future obligations.

h. Recommendations for amending this Policy or strengthening investment governance and oversight.

ARTICLE 14.4. Fiduciary decision memorandum

Every material investment decision must be supported by a memorandum forming part of the corresponding file. The memorandum must include, as appropriate:

a. The proposed decision and its supporting legal or regulatory authority.

b. The reports, studies, analyses and other documents examined.

c. The alternatives reasonably considered.

d. The evaluation of risks, costs, liquidity, financial impact and potential conflicts of interest.

e. The opinions or recommendations issued by consultants, actuaries or other experts.

f. The grounds and criteria supporting the decision adopted.

g. The voting result, recusals made and any condition or requirement imposed by the Board.

h. The plan for implementation, oversight and subsequent evaluation of the decision adopted.

ARTICLE 14.5. Retention

All investment-related documents must be retained for no less than ten (10) years from termination of the contractual relationship, or for any longer period required by law, regulation, audit, investigation, litigation or legal preservation requirement.

Board minutes, resolutions, certifications, investment policies, constitutive documents and other institutional governance documents must be retained permanently.

ARTICLE 14.6. Transparency and confidentiality

The Board must promote a culture of transparency, accountability and access to information consistent with its fiduciary obligations and the protection of confidential information. In complying with this principle, the following must be safeguarded, as appropriate: participants' and beneficiaries' personal data, trade secrets, unexecuted investment strategies, information related to systems security and information protected by legal privileges, including attorney-client privilege and the work-product doctrine.

Confidentiality must not be used to conceal conflicts of interest, investment costs, policy violations, internal control deficiencies or any other matter whose disclosure is necessary for the proper exercise of fiduciary oversight and accountability.

CHAPTER XV — NONCOMPLIANCE, EXCEPTIONS AND CORRECTIVE MEASURES

ARTICLE 15.1. Notification

Every Board member, official, employee or provider who becomes aware of a material deviation, noncompliance, irregularity or situation that could affect the Fund's interests must report it immediately to the Board or through any formally established reporting channel.

The identity of any person making a good-faith report must be protected to the extent permitted by law, and no person may be subject to retaliation, discrimination or adverse action for making a good-faith communication or report.

ARTICLE 15.2. Classification

Deviations and instances of noncompliance must be classified according to their nature, impact and risk level:

a. Minor: A technical, administrative or procedural error that does not present a material risk and can be corrected promptly through ordinary measures.

b. Significant: A deviation or noncompliance that could affect compliance with this Policy, generate additional costs, affect liquidity or weaken internal controls.

c. Critical: An act or omission involving fraud, misappropriation, material loss of assets, substantial legal or regulatory noncompliance, an undisclosed conflict of interest, a significant cyberattack, falsification of information, unlawful conduct or any situation presenting an immediate risk to the Fund's assets, operations or capacity to meet its obligations.

ARTICLE 15.3. Corrective plan

Any noncompliance classified as significant or critical must result in the preparation of a written corrective action plan. The plan must identify the nature of the noncompliance, its underlying causes, proposed corrective and preventive measures, compliance dates, persons responsible for execution and, when appropriate, mechanisms for recovering losses or mitigating harm.

The Board must evaluate the severity of the situation and determine any appropriate additional measures, including, without limitation, special audits, independent investigations, suspension of functions, contract termination, claims for damages, notifications to competent regulatory entities or referrals to the corresponding authorities.

ARTICLE 15.4. Exceptions

Exceptions to this Policy must be extraordinary, temporary, duly justified and authorized in writing. Every exception request must clearly identify the provision subject to the exception, the circumstances justifying it, its proposed duration, associated risks, available mitigation measures and recommendations issued by the investment consultant.

Exceptions that could have a material impact on the Fund's assets, risks or governance require affirmative approval by a majority of Board members entitled to vote. Under no circumstances may an exception be authorized that contravenes applicable legal provisions, current judicial resolutions, the Trust Deed or any other constitutive document.

ARTICLE 15.5. Determination of Fiduciary Liability

The existence of a deviation does not, by itself, constitute conclusive evidence of a breach of fiduciary duties. Every determination of liability must consider, among other factors, the materiality of the event, the level of knowledge and information available at the time of the action, the exercise of reasonable diligence, the causal relationship between conduct and outcome, the particular circumstances of the case and the decision-making process followed.

However, a knowing or unjustified action resulting in a material deviation from this Policy may constitute noncompliance and give rise to such actions and liabilities as are appropriate under applicable law.

CHAPTER XVI — REVIEW, AMENDMENT, TRANSLATION AND EFFECTIVE DATE

ARTICLE 16.1. Annual Policy Review

The Board must review this Policy at least once a year to determine its continuing applicability, sufficiency and suitability for the Trust's objectives, obligations and needs. The annual review must be expressly recorded in the Board's minutes or official records, even when it is determined that no amendments or modifications are necessary.

This Policy must also be reviewed when significant changes occur in the applicable legal or regulatory framework, the Fund's actuarial conditions, its liquidity needs, financial markets, its organizational structure or its governance and fiduciary oversight practices.

ARTICLE 16.2. Amendments

Every proposed amendment to this Policy must be submitted in writing and include an explanation of the reasons justifying the change and an evaluation of its potential effects on investment administration and oversight. Before final consideration, every amendment must undergo legal review and be made available to Board members reasonably in advance for their study and evaluation.

When extraordinary circumstances warrant, the Board may provisionally approve modifications to this Policy on an urgent basis. Every modification approved in this manner must be ratified by the Board at its next regular or special meeting.

ARTICLE 16.3. Language

The official version of this Policy for purposes of discussion, interpretation, deliberation, approval and application is the version written in Spanish. Once it has been approved, the Board may authorize preparation of an English translation for operational, administrative or reference purposes.

In the event of any discrepancy, conflict or difference in interpretation between the two versions, the approved Spanish version prevails, unless the Board expressly provides otherwise through an official certification.

ARTICLE 16.4. Fiduciary Education and Training

Every Board member must receive initial orientation on fiduciary duties, the Fund's structure, this Policy and the responsibilities inherent in the position. In addition, each member must complete no fewer than eight (8) hours of continuing education per year in subjects related to investments, retirement fund administration, actuarial science, fiduciary duties, ethics, cybersecurity, internal control, regulatory compliance and institutional governance.

Documentary evidence of all training received must be maintained. No educational activity may be financed directly or indirectly by a current or prospective Trust provider when such financing could create an actual, potential or apparent conflict of interest. Any exception must be evaluated and authorized in advance by the Board, ensuring compliance with applicable ethics rules and the absence of undue influence.

ARTICLE 16.5. Repeal

All and each of the provisions, certifications, rules, regulations, resolutions, agreements, directives, circulars, customs, or internal practices, whether written or oral, previously issued by any body, committee, or internal authority of this Board, that in any manner contravene, modify, or regulate the matters contained in these Regulations, are hereby expressly and unequivocally repealed.

This repeal is total and applies to any prior regulation addressing the functioning, duties, structure, or any operational aspect of the Retirement Board.

In the event of a conflict between these Regulations and any prior regulation, the provisions set forth herein shall prevail, without exception.

ARTICLE 16.6. Effective date

This Policy takes effect on the date specified in the approval certification. It supersedes any prior policy to the extent of any incompatibility, without affecting valid contractual rights until they are modified or terminated in accordance with law.

Translation Disclaimer

This English version of this Policy was prepared using artificial intelligence-assisted translation tools for administrative and reference purposes only. It has not been translated, reviewed, certified, or attested by a certified translator. In the event of any discrepancy, inconsistency, ambiguity, or difference in interpretation between the English version and the official Spanish version approved by the UPR Retirement Board, the Spanish version shall prevail and control. The English translation is provided solely as a convenience and reference document.

APPENDIX A — INTERIM STRATEGIC ALLOCATION

The following allocation reflects the previously adopted structure and remains in place on an interim basis until the Board approves a new asset-liability study. The ranges do not require loan originations or increases in illiquid assets. All exposure must be measured against the total value of the Fund.

Class	Target	Range	Notes
U.S. equities	28%	23%–33%	Includes large, mid and small capitalization.
Global equities outside the United States	20%	15%–25%	Includes developed markets and, within the mandate, emerging markets.
Fixed income	38%	33%–43%	Duration and quality in accordance with mandates.
Real estate	5%	2%–8%	Subject to the aggregate illiquidity limit.
Personal and mortgage loans	9%	5%–13%	Program portfolio; loans must not be originated to reach the target.
Operating cash	0% strategic	According to the approved reserve	Held for benefits, expenses and rebalancing.

The Board must determine whether the 9% allocation to loans and mortgages remains a strategic target or is a residual exposure. Until that determination, the range must be used solely for oversight and not as an incentive to increase originations.

APPENDIX B — INTERIM "BENCHMARKS"

Component	Benchmark
U.S. large-cap equities	S&P 500 or another approved index
U.S. small/mid-cap equities	Russell 2000 / Russell Midcap according to the mandate
Global equities ex U.S.	MSCI ACWI ex USA or approved subindices
Fixed income	Bloomberg U.S. Aggregate Bond Index or an index appropriate to the mandate
Real estate	NFI-ODCE Equal Weight Net or another compatible index
Loans and mortgages	Target rate adjusted for delinquencies, losses, expenses and duration, approved by the Board
Total Fund	Policy "benchmark" weighted by targets and adjusted for approved changes

APPENDIX C — MINIMUM GOVERNANCE CALENDAR

Frequency	Action
Monthly	Allocation, liquidity, reconciliations, incidents and benefit cash flows.
Quarterly	Performance, risk, attribution, investment managers, costs and compliance.
Semiannual	Review of liquidity, cybersecurity and continuity scenarios.
Annual	Policy, costs, conflicts, training, insurance, contracts and "benchmarks."
Every 3 years	Integrated asset-liability study.
Extraordinary	Material changes, crises, insufficient contributions or a new asset class.

APPENDIX D — CHECKLIST FOR MATERIAL DECISIONS

☐ Is there legal and regulatory authority to act?

☐ Has the exclusive benefit for participants and beneficiaries been identified?

☐ Were materials received sufficiently in advance?

☐ Were alternatives analyzed, including a simpler or lower-cost option?

☐ Were risk, liquidity, costs and actuarial impact measured?

☐ Were conflicts and recusals identified?

☐ Can the custodian record, value and control the investment?

☐ Is there a benchmark and a monitoring plan?

☐ Is there an exit strategy?

☐ Were the grounds, vote and conditions documented?

APPENDIX E — QUARTERLY REPORT CONTENT

1. Executive summary of results, risks and required decisions.
2. Fund value and change during the quarter.
3. Actual allocation versus target and range.
4. Gross and net returns versus "benchmarks."
5. Risk, "drawdown," concentration and liquidity.
6. Flows of contributions, benefits and asset sales.
7. Status of investment managers and providers under monitoring.
8. Quarterly and cumulative costs.
9. Noncompliance, litigation, sanctions, cyber incidents and discrepancies.
10. Recommendations and timetable for action.

APPENDIX F — LEGAL AND TECHNICAL REFERENCES

1. Act No. 219-2012, as amended, Ley de Fideicomisos de Puerto Rico.

2. Deed No. 58 of June 29, 2016, Confirmation and Recognition of the UPR Retirement Trust.

3. Judgment of the Court of Appeals in consolidated cases KLAN201900304 and KLCE201900366, as applicable to the official record.

4. Current certifications of the UPR Retirement Board, including those related to separate legal personality, appointing authority and repeal of incompatible rules.

5. Tax rules applicable to governmental plans under the federal and Puerto Rico Internal Revenue Code.

6. Governmental Accounting Standards Board (GASB), including standards applicable to public pension plans.

7. Best-practice principles of GFOA, CFA Institute and other recognized organizations, when compatible with higher-ranking legal sources.