

Asset Allocation of the UWC-USA investment committee, adopted August 2021

The Targets can be used as north stars to guide rebalancing, but do not have to be hit every month. To allow for flexibility, the committee expects that markets will deviate from targets in the short run.

The point is not necessarily that the target or the range is “right” over the next 10 years, but rather that the targets and ranges suggest (and eventually, mandate) rebalancing as investment values shift over time. The targets and ranges have 3 Axes:

1st Axis: Risk Correlation

1. Equity “Beta” Risk (high/near correlation with US & Global Equities)

Target: 75%.

2. Fixed Income Risk (interest-rate correlation)

Target: 20%.

3. Alternative/Non-correlation with traditional equities and fixed income

Target: 5%.

Secondary asset-allocation categories:

2nd Axis: Geography

1. US Market

Target: 60%.

2. Developed

Target: 20%.

3. Less-Developed (“Emerging”) Market

Target: 20%.

3rd Axis: Capitalization (Equities) and Rating (Fixed Income)

1. Large Cap/Investment Grade

Target: 70%

2. Medium and Small Cap/Below Investment Grade

Target: 30%