UTICA COLLEGE
Statement of Investment Policy

Introduction

The investment policy of Utica College "The College" is constructed with the purpose of managing The College's investments prudently, within a long-term context, in order to provide the means to further its educational goals. The Resources and Finance Committee has been empowered by the Board of Trustees "Board" to establish an investment policy that includes investment objectives, an asset allocation policy, a spending policy, investment restrictions, and review procedures that will best achieve the following overall investment goals:

A. Preserve the portfolio's purchasing power through asset growth, considering the impact of inflation.
B. Produce a stable stream of funds for The College, which grows at a rate that exceeds inflation.
C. Invest assets in order to maximize The College's long-term return while assuming a reasonable level of risk given The College's tolerance for volatility.

As required by the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the College considers the following factors when investing its assets:

- General economic conditions;
- The possible effect of inflation or deflation;
- The expected tax consequences, if any, of investment decisions or strategies;
- The role that each investment or course of action plays within the overall investment portfolio of the fund;
- The expected total return from income and the appreciation of investments;
- Other resources of the institution;
- The needs of the institution and the fund to make distributions and to preserve capital; and
- An asset's special relationship or special value, if any, to the purposes of the institution.

Investment Responsibilities

The College's Board of Trustees has responsibility for establishing, evaluating, monitoring and modifying this policy. However, the Board has directed that investment responsibilities should be shared by the Resources and Finance Committee, College Staff, and Investment Managers as follows:

The responsibilities of the Resources and Finance Committee include the following:

A. Oversee the College's invested assets.
B. Establish the asset allocation policy for the portfolio.
C. Monitor the investment performance of each manager versus The College's objectives using reports prepared by the Consultant (using Managers reports) and the College's staff.
D. Monitor the appropriateness of each manager's investment strategy given the College's overall strategy, philosophy and objectives.
E. Oversee the process of monitoring manager portfolios to insure compliance with this policy, its guidelines and restrictions.
F. Select and terminate investment managers.
G. Review this Policy no less than annually and recommend changes to the Board of Trustees as may be necessary or desirable.

The responsibilities of the Investment Managers include the following:

A. Act in accordance with "prudent man" principles with respect to the management of The College's assets.
B. Immediately report, in writing, any violations of the guidelines and restrictions as set forth in this Policy.
C. Prepare quarterly written statements, which include actions taken in the portfolio and expected changes in the portfolio.
D. Attend meetings with the Resources and Finance Committee or Board of Trustees as needed.
E. Immediately communicate all pertinent changes in the Manager's firm to The College. This includes, but is not limited to:
    a. Changes in personnel involved in the College relationship;
    b. Changes in Manager's ownership;
    c. Changes in senior investment professionals' responsibilities;
    d. Significant changes in Manager's investment strategy.
F. Adhere to the investment strategy for which the Manager was selected.

The responsibilities of the College include the following:

A. Prepare investment reports for the Resources and Finance Committee's review that contain information necessary for the Resources and Finance Committee to exercise its investment responsibilities.
B. Assist the Resources and Finance Committee and the Managers with all components of this Policy.

Spending Policy

The College is a permanent institution. As a result, it has adopted stable, long-term policies that increase the likelihood of achieving the investment objectives listed in the Introduction to this document. These policies begin with The College's spending policy. In order to supply the community with a predictable level of funds, a total return spending policy has been adopted.

At the beginning of each fiscal year, The College will make available for operations 5.25% of the portfolio's forty-eight month average market value, valued as of December 31st of the prior fiscal year and net of associated management fees and expenses.

Deposits/Withdrawals

The College's Treasurer, with the approval of the Resources and Finance Committee will determine how to allocate large deposits (greater than 5% of the total portfolio) to the managers in a manner that is consistent with the asset allocation policy. Smaller deposits or withdrawals will generally be made at the discretion of the Treasurer.

Investment Philosophy

As a long-term investor, the following issues are significant factors in the prudent allocation of The College's assets:

- In order to achieve a rate of return that will support the above-mentioned spending policy while protecting assets from inflation, The College must be willing to take some investment risk.

- The College believes that the most effective way to establish an appropriate risk level for the portfolio is through its asset allocation (i.e., bonds, stocks and cash holdings).

- There is significant evidence that long-term investors do not benefit from attempting to earn returns through short-term asset class forecasts or market timing. As a result, The College operates with a long-term asset allocation strategy. Over time, the portfolio will remain invested in percentages that are fairly close to those called for in the strategic allocation.

- The College strongly believes in the long-term benefits of diversifying its portfolio into a number of different asset classes and investment strategies. While each asset class and strategy will be carefully selected, the focus of the investment process will always be on The College's overall portfolio.

- To achieve the long-term benefits of a widely diversified portfolio, The College has adopted strategic targets for each asset class that it utilizes. It expects that the portfolio weight for each asset class will remain within minimum and maximum bands. The current strategic asset allocation policy including targets and acceptable ranges is outlined in Appendix A.

- Within each asset class, The College seeks to earn the most efficient rate of return possible (after investment expenses). Investments will be well diversified by investment style and strategy. The College expects style/strategy diversification will increase the probability over three and five year time periods that The College will achieve its investment goals and reduce volatility. The College has adopted specific requirements and restrictions for each asset class. These are described in Appendix B.

Performance Objectives

In order to achieve the objectives stated in the Introduction to this Policy, The College's total portfolio must preserve its purchasing power by earning a rate of return that is at least equivalent to the rate of inflation plus the spending rate. Thus, the long-term objective is to earn a return of at least the Consumer Price Index plus Spending Rate. Given that this benchmark is not directly related to market performance, success or failure in achieving this goal should be evaluated over ten to twenty years.

In order to evaluate the performance of its managers over shorter time periods, The College has also adopted a market driven benchmark for each manager. For the Portfolios as a whole, the Total Portfolio Benchmark "Benchmark" will consist of a suitable index for each asset class used. These indices will be weighted on a monthly basis according to The College's strategic asset allocation targets listed in Appendix A. Appendix C defines the current benchmark.

In general, it is expected The College will earn, over a five-year time horizon, an investment return (net of investment management fees) that meets or exceeds that of the appropriate benchmarks.

Administrative and Review Procedures

The Resources and Finance Committee will review this Policy at least annually.

The Resources and Finance Committee will regularly review The College's assets with the assistance of The College's staff. These reviews will include:

- Review of The College's overall asset allocation to assure compliance with this document.
- Review of the assets held in each portfolio to assure compliance with The College's policies regarding investment restrictions and the consistency of the managers' strategy.
- Review of performance against benchmarks set forth in this document.

Staff will perform the above review monthly and report any deviations or concerns as soon as possible.

Appendix A
Strategic Asset Allocation Policy

The College has adopted the following strategic asset allocation. All figures listed here refer to an asset class's percentage of the total portfolio. The minimum and maximum weights listed here represent the acceptable allocation ranges for each asset class. Actual asset allocation will be compared to these ranges on a monthly basis. In the event that the allocation to a particular asset class falls outside of acceptable range, The College will re-balance the portfolio as soon as possible so that all asset classes are within their permitted allocations.

Asset Class	Target Percentage	Minimum	Maximum
U.S. Large Cap Equity	15.0%	12.0%	18.0%
International Equity	10.0%	7.0%	13.0%
Fixed Income	25.0%	22.0%	28.0%
Global Balanced	50.0%	47.0%	53.0%
Cash/Short Term Equivalents	0.0%	0.0%	5.0%
	100.0%		

Appendix B
Asset Class Definitions/Guidelines

Domestic Equity

U.S. Large Cap Equity: Listed equity securities traded on US markets with a market capitalization greater than or equal to $5 billion.

U.S. Mid Cap Equity: Listed equity securities traded on US markets with a market capitalization between $1 billion and $5 billion.

U.S. Small Cap Equity: Listed equity securities traded on US markets with a market capitalization less than $1 billion.

1) The domestic equity portfolio will be diversified according to economic sector, industry, number of holdings and other investment characteristics. However, it is recognized that any actively managed portfolio will not be as diversified as the market. To produce overall diversification, equity managers will be selected to employ different management strategies that together achieve the desired degree of diversification.

2) Domestic equity managers are permitted to hold up to 10% of their portfolio in American Depository Receipts ("ADRs") or foreign domiciled companies whose equity securities are traded in US markets.

3) No more than 5% at cost or 7% at market of a manager's portfolio may be held in the securities of a single issuer.

4) Short selling of securities is prohibited.

5) Derivative instruments such as financial futures and options may not be used without the prior approval of the Board of Trustees.

6) A manager may only deviate from these guidelines with advance permission of the Committee.

International/Emerging Markets Equity

The following definitions may be used to distinguish between developed and emerging international securities.

International Developed Equity: Listed equity securities traded on developed non-U.S. markets. Developed markets are defined as those included in Morgan Stanley's EAFE index plus Canada.

Appendix B
Asset Class Definitions/Guidelines (Cont.)

Emerging Markets Equity: Listed equity securities traded on emerging non-U.S. markets. Emerging markets are defined as any market that is not included in Morgan Stanley's EAFE index plus Canada. Currently, the College does not allow any investment in emerging markets or debt without approval of Investment Committee.

All restrictions listed above for Domestic Equity also apply to International/Emerging Markets Equity with the following additions and modifications.

1) Managers must hold securities in a minimum of three countries at all times.

2) Currency exposure may only be hedged back to the US dollar. The decision to hedge is left to the manager's discretion. Derivative instruments may be used to achieve currency hedging as permitted under this policy.

Fixed Income

1) The duration of a manager's portfolio should be within 80% and 120% of the duration of their market benchmark.

2) Managers are permitted to invest in the following classes of fixed income securities:

    a) Bonds or notes issued by the U.S. Government or a U.S. Government Agency backed by the full faith and credit of the U.S. Government

    b) Mortgage-backed securities

    c) Corporate bonds issued in the U.S. and denominated in U.S. dollars

    d) Asset-backed securities

3) Aggregate bond managers are expected to maintain an average quality rating for their portfolio that does not fall below an S&P rating of AA-. In addition, only securities with quality rating of "A" or better may be purchased for The College's portfolio. If a security held in the portfolio falls to a below investment grade rating, the manager is required to immediately notify The College by phone and then in writing, when this occurs, and to make a recommendation as to hold or sell.

4) No more than 5% at market of a manager's portfolio may be held in the securities of a single corporate issuer. This restriction does not apply to securities issued by the U.S. Government or a U.S. Government Agency backed by the full faith and credit of the U.S. Government.

Appendix B
Asset Class Definitions/Guidelines (Cont.)

5) A manager may only deviate from these guidelines with advance permission of The College.

Global Balanced

This category includes balanced funds that consist of a number of different asset classes. This generally includes equity classes, fixed income classes and those in the alternative strategies area.

1) When retaining managers in this area, the College will be bound by the prospectus of the fund.

Commingled Products

The College recognizes that as participants in commingled investment funds, they are unable to impose restrictions and must abide by the terms of the prospectus. However, the College does expect to be notified of any changes in the prospectus.

Appendix C
Total Portfolio Benchmark

The College's total portfolio benchmark is based on its strategic asset allocation using suitable market indices to represent each asset class. This custom index is calculated on a monthly basis using the weights below.

Asset Class	Weight	Market Index
US Large Cap Equity	15.0%	S&P 500 Index
International Equity	10.0%	MSCI EAFE
Fixed Income	25.0%	Lehman Aggregate Bond Index/ Lehman Govt/Corp Index
Global Balanced	50.0%	TIFF MAF Constructed Index
	100.0%	