

# BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

## **Business & Finance Committee**

Thursday, November 9, 2023

8:45 a.m. – 10:15 a.m.

Symphony Room, 2nd Floor  
Gordon Dining & Event Center  
770 W. Dayton Street  
Madison, Wisconsin  
& via Zoom Videoconference

- A. Calling of the Roll
- B. Declaration of Conflicts
- C. Approval of the Minutes of the October 5, 2023 Meeting of the Business & Finance Committee
- D. UW System Plan for Use of Workforce Development Funding Included in the 2023-25 Biennial Budget
- E. UW-River Falls Contractual Agreement with Shorelight, LLC
- F. UW-Whitewater Contractual Agreement with Shorelight, LLC
- G. Regent Policy Document Review: Tuition Policies
- H. Office of Trust Funds Intermediate Term Fund Presentation
- I. Regent Policy Document Review: RPD 31-XX, "Intermediate Term Cash Management Fund Investment Policy Statement: Key Elements and Review Process"
- J. Trust Funds Quarterly Investment Report

November 9, 2023

**UW SYSTEM PLAN FOR USE OF WORKFORCE DEVELOPMENT  
FUNDING INCLUDED IN THE 2023-25 BIENNIAL BUDGET**

**REQUESTED ACTION**

Adoption of Resolution D., approving the plan for use of workforce development funding included in the 2023-25 biennial budget.

**Resolution D.** That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the UW System plan for the use of workforce development funding included in the 2023-25 biennial budget, and submission of the plan to the Legislature’s Joint Committee on Finance.

**SUMMARY**

On July 5, 2023, Governor Evers signed the state’s 2023-25 biennial operating budget, which includes \$31,881,800 in General Purpose Revenue (GPR) in the Joint Committee on Finance’s supplemental appropriation in 2023-24 for release to UW System upon request and approval for performance on the workforce metrics under outcomes-based funding in s. 36.112, Wisconsin statutes.

To fulfill the UW System’s mission to the state, the workforce development plan focuses on four high-need occupational areas: engineering, nursing and other healthcare professionals, business and finance specialists, and data/computer scientists. Each UW System institution identified opportunities within a range of allocable funding to increase capacity and develop additional talent in one or more of those fields at each university. The proposed investment in the plan totals \$31,881,800 over the biennium, or \$15,940,900 annually in ongoing funding for the 13 Universities of Wisconsin.

The UW System Workforce Development Plan is presented as Attachment A.

**Presenter:**

- Sean Nelson, Vice President for Finance and Administration, UW System

## **BACKGROUND**

In 2017, the UW System Board of Regents approved an outcomes-based funding model for allocating new state funds to UW institutions in accordance with statutory requirements established in the 2017-19 biennial budget. Outcomes-based funding is allocated based on performance goals in four areas: 1) Grow and ensure student success; 2) Enhance operational efficiency and effectiveness; 3) Improve student progress and completion; and 4) Expand contributions to the workforce.

## **ATTACHMENT**

- A) UW System 2023-25 Workforce Development Plan



## Universities of Wisconsin 2023-25 Workforce Development Plan

The War for Talent in Wisconsin is real – and it is urgent. Directly or indirectly, it affects every citizen in the state. To win this war, Wisconsin needs to leverage its greatest talent generator and magnet, the Universities of Wisconsin.

As part of our commitment to serve the people of Wisconsin and help ensure that the state’s economy is robust and thriving, the Universities of Wisconsin have been directing our resources for years into high-demand fields, including: engineering; nursing and other healthcare professionals; business and finance specialists; and data/computer scientists.

UW universities already deliver nearly 15,000 graduates into science, technology, engineering, and mathematics (STEM) and health careers each year. That is close to 40% of all degrees awarded by the Universities of Wisconsin overall – and reflects a 30% increase over the past 10 years.

Yet employers continue to tell us they need even more skilled talent.

Our research shows that by 2032, Wisconsin will need an additional 5,200 college-educated data/computer scientists, 5,500 business and finance specialists, 4,700 nurses (and another 5,000 in other medical occupations), and 2,800 engineers over and above what we are graduating now.

The inherent challenge in producing such a volume of additional talent is only exacerbated by demographic trends that include both declining birth rates and increased net migration out of the state.

To help respond to these demands and challenges, the Universities of Wisconsin are submitting a plan for the use of workforce development funding included in the 2023-25 biennial budget. A summary of the plan is set forth in Table 1.

The Universities of Wisconsin are an extraordinary asset for all Wisconsinites. As the legislature looks for opportunities to address our significant workforce challenges, we hope to be its partner and believe these proposals can help add capacity where Wisconsin needs it most.

Our sincere hope is that – with your support – we invest wisely for the next generation so that Wisconsin remains positioned to compete successfully and thrive in a global knowledge economy. The investments we make today – or the investments we fail to make – will define Wisconsin’s future.

## **Engineering**

The need for engineers in our state cannot be overstated. Wisconsin has a proud tradition of manufacturing and engineers are essential in driving innovation, supporting economic growth, and addressing various challenges across multiple sectors of the economy.

We know that we need to keep investing in engineers to maintain a strong Wisconsin. With your support we will add investments and capacity across the Universities of Wisconsin in:

- Artificial Intelligence
- Automation
- Biomedical Engineering
- Electrical Engineering
- Food Process Engineering
- Paper Science and Chemical Engineering
- Robotics

These investments will lead to an additional 2,250 graduates on a fully phased-in basis over a five-year period. The following universities will be part of a comprehensive strategy around increasing engineers across the state:

- UW-Eau Claire
- UW-Green Bay
- UW-Milwaukee
- UW-Oshkosh
- UW-Platteville
- UW-River Falls
- UW-Stevens Point
- UW-Stout
- UW-Whitewater

Additional details can be found in Appendix A.

## **Nursing / Healthcare**

Wisconsin is facing a healthcare workforce challenge. We have an aging population that is requiring more care while at the same time a significant number of healthcare practitioners are at or near retirement age. Combining those forces with an extremely competitive job market has led to an increasing shortage of qualified workers in our state. We know that we must increase our capacity to train and educate these individuals.

We have partnered with the Legislature, the Governor, and the healthcare community to maximize current investments, but more needs to be done. With your support we can make additional investments in:

- Expanding nursing capacity
- Health Administration
- Mental Health
- Prelicensure Nursing
- Radiological Sciences
- RN to BSN Nursing Program

These investments will lead to an additional 2,390 graduates on a fully phased-in basis over a five-year period. The following universities will be a part of a comprehensive strategy to increase healthcare workers in our state:

- UW-Eau Claire
- UW-Green Bay
- UW-La Crosse
- UW-Milwaukee
- UW-Oshkosh
- UW-Parkside
- UW-Platteville
- UW-River Falls
- UW-Stevens Point
- UW-Stout
- UW-Superior
- UW-Whitewater

Additional details can be found in Appendix B.

## **Business / Finance**

There is a significant and growing need for business and finance graduates in Wisconsin. We have an incredibly diverse economy that needs to be further diversified. Business and finance graduates will be needed to support the operations, management, and financial aspects of these industries.

The need for business and finance graduates is not limited to Wisconsin's large corporations. Small- and medium-sized enterprises, which are the backbone of our state's economy, also have a strong need for these professionals to help them expand into new markets. These graduates contribute to the efficient management of businesses, facilitate economic development, attract investments, and ensure financial stability and compliance.

Our programming in this area has been strong, but additional investments are necessary if we are to close the gap. With your support of this plan, we can add additional investments in the following areas:

- Agriculture MBA
- Artificial Intelligence
- Actuarial Sciences
- Business / Data Analytics
- Finance
- Financial Technology
- Insurance
- Marketing
- New Product Development
- Risk Management
- Supply Chain Management

The investments made through this request will create an additional 2,525 graduates on a fully phased-in basis over a five-year period. The following universities will be part of the comprehensive strategy to increase business and finance graduates in our state:

- UW-Eau Claire
- UW-Green Bay
- UW-La Crosse
- UW-Milwaukee
- UW-Parkside
- UW-Platteville
- UW-River Falls
- UW-Stout
- UW-Superior
- UW-Whitewater

Additional details can be found in Appendix C.

## **Computer / Data Science**

There is significant need for additional graduates in computer and data science. Wisconsin has a thriving technology sector, with numerous tech companies and startups. Our graduates are needed to develop software, design algorithms, analyze data, and contribute to technological advancements across the entire Wisconsin economy.

The world is rapidly changing. Our reliance on technology is only increasing. We need graduates who can help keep Wisconsin working by providing IT services, engaging in data-driven decision making, keeping our technology safe by protecting against cybersecurity threats, and finding ways to use

technology to improve patient outcomes. In addition, we will need graduates to imagine the future and plan how to get there.

The Universities of Wisconsin currently produce more than two and half times the graduates in computer and information sciences than we did just a decade ago, jumping from 620 to more than 1,600. UW-Madison has led the way, more than tripling its graduates (from 178 to 675) in these areas over the same period and that booming growth is expected to continue.

However, this is a rapidly evolving space, and we need to make additional investments to provide for a prosperous future. The support of this plan will make additional investments in the following areas:

- Application Development
- Artificial Intelligence
- Computer Engineering
- Cybersecurity
- Data Informatics
- Data Science
- Networking
- Predictive Analytics

The investment in these areas will result in an additional 2,185 graduates on a fully phased-in basis over a five-year period. The following universities will be part of a state-wide strategy to increase graduates in high demand field:

- UW-Eau Claire
- UW-Green Bay
- UW-Madison
- UW-Milwaukee
- UW-Oshkosh
- UW-Parkside
- UW-Platteville
- UW-River Falls
- UW-Stevens Point
- UW-Stout
- UW-Whitewater

Additional Details can be found in Appendix D.

Table 1

### UWS Workforce Development Plan

	Engineering	Nursing / Healthcare	Business / Finance	Computer / Data Science	Allocation Total
<b>UW-Eau Claire</b>	\$162,820	\$282,531	\$414,918	\$139,731	<b>\$1,000,000</b>
<b>UW-Green Bay</b>	\$282,531	\$271,334	\$260,080	\$186,055	<b>\$1,000,000</b>
<b>UW-La Crosse</b>		\$596,000	\$404,000		<b>\$1,000,000</b>
<b>UW-Madison</b>				\$2,470,450	<b>\$2,470,450</b>
<b>UW-Milwaukee</b>	\$827,987	\$459,402	\$642,765	\$540,296	<b>\$2,470,450</b>
<b>UW Oshkosh</b>	\$117,147	\$720,109		\$162,744	<b>\$1,000,000</b>
<b>UW-Parkside</b>		\$501,465	\$255,057	\$243,478	<b>\$1,000,000</b>
<b>UW-Platteville</b>	\$368,941	\$213,621	\$288,448	\$128,990	<b>\$1,000,000</b>
<b>UW-River Falls</b>	\$201,112	\$187,330	\$187,330	\$424,228	<b>\$1,000,000</b>
<b>UW-Stevens Point</b>	\$347,919	\$318,204		\$333,877	<b>\$1,000,000</b>
<b>UW-Stout</b>	\$175,780	\$175,780	\$175,780	\$472,660	<b>\$1,000,000</b>
<b>UW-Superior</b>		\$714,795	\$285,205		<b>\$1,000,000</b>
<b>UW-Whitewater</b>	\$77,900	\$77,900	\$554,441	\$289,759	<b>\$1,000,000</b>
<b>Total</b>	<b>\$2,562,137</b>	<b>\$4,518,471</b>	<b>\$3,468,024</b>	<b>\$5,392,268</b>	<b>\$15,940,900</b>

The above table outlines the proposed investment by field and by university.

For additional context, on July 5, 2023, Governor Evers signed the state's 2023-25 biennial operating budget, which includes \$31.89 million in General Purpose Revenue (GPR) in the Joint Committee on Finance's supplemental appropriate in 2023-24 for release to the UW universities upon request and approval for performance on the workforce metrics under Outcomes-Based Funding in state statute (section 36.112).

As developed in the FY2017-19 biennial budget, outcomes-based funding is allocated based on performance goals in four areas:

- Grow and ensure student success;
- Enhance operational efficiency and effectiveness;
- Improve student progress and completion; and
- Expand contributions to the workforce.

The current plan being submitted by the Universities of Wisconsin for approval specifically addresses the fourth goal.

Each UW university has identified opportunities within a range of allocable funding to increase capacity and develop additional talent in one or more of the identified high-demand fields: engineering; nursing and other healthcare professionals; business and finance specialists; and data/computer scientists.

Within the total funding request of \$31.89 million over the biennium, proposed allocations to the UW universities include \$2.47 million each for UW-Madison and UW-Milwaukee (\$9.88 million over the biennium) and \$1 million each for the 11 comprehensive universities (\$22 million over the biennium).

As delineated in the plan, allocations specifically target areas of highest need, both immediately and in the future.

## **Engineering**

- **UW-Eau Claire** will allocate \$162,820 to establish a Robotics Engineering major in collaboration with existing expertise in other programs to support industry demand for the design, testing, installation, and operation of robotics systems. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 100 additional graduates over a five-year period.
- **UW-Green Bay** will allocate \$282,531 to support a new emphasis in automation/robotics; to provide agricultural/environmental engineering expertise in support of its bachelor's degree in environmental science at the Green Bay and Manitowoc campuses; to support the bachelor's degree in electrical engineering technology at the Marinette campus; and to fund a Lab Manager/Outreach position to support industry partnerships and collaborations for student projects and faculty research. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 75 additional graduates over a five-year period.
- **UW-Milwaukee** will allocate \$827,987 to expand capacity, reduce time-to-degree, and increase new student access through the addition of faculty, instructors and student support staff. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 1,200 additional graduates over a five-year period.
- **UW Oshkosh** will allocate \$117,147 to support its new Biomedical Engineering and Automation Engineering programs through the addition of faculty, preparing graduates for a wide range of careers in the growing biotechnology and manufacturing sectors. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 125 additional graduates over a five-year period.
- **UW-Platteville** will allocate \$368,941 to expand online and regional capacity in its engineering programs through an additional faculty and lab equipment at its Baraboo campus; additional teaching lines, advising, and recruitment to support online adult learners; and the launch of a M.S. in Safety including Construction Safety Management impacting Engineering and Industrial Studies. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 160 additional graduates over a five-year period
- **UW-River Falls** will allocate \$201,112 to provide an emphasis in Food Process Engineering, and support development of its Fermentation Science program, as well as add one advisor to improve completion rates. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 125 additional graduates over a five-year period.
- **UW-Stevens Point** will allocate \$347,919, in response to regional industry demand, to launch a new graduate certificate in Industrial Process Control and to expand capacity in its Paper Science and Chemical Engineering program through the addition of faculty, industry specialists and other

operational needs. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 150 additional graduates over a five-year period.

- **UW-Stout** will allocate \$175,780 toward engineering as a portion of a total \$1 million initiative to enable an Artificial Intelligence in Manufacturing, Data, and Information interdisciplinary cluster hire across five departments. The investment will facilitate a new standalone B.S. in Artificial Intelligence and additional AI tracks within existing programs. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 225 additional engineering graduates over a five-year period.
- **UW-Whitewater** will allocate \$77,900 to expand pathways to engineering degrees through additional partnerships and the addition of a student outreach and support specialist. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 90 additional engineering graduates over a five-year period.

## Nursing / Healthcare

- **UW-Eau Claire** will allocate \$282,531 to establish a psych/mental health emphasis within its Doctor of Nursing Practice degree that provides mental health curriculum for students and continuing education for community healthcare workers. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 50 additional graduates over a five-year period.
- **UW-Green Bay** will allocate \$271,334 to expand the capacity of its prelicensure nursing program through the addition of faculty, instructors and clinical and simulation equipment. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 40 additional graduates over a five-year period.
- **UW-La Crosse** will allocate \$596,000 to expand capacity in its undergraduate Radiological Sciences and doctorate Physical Therapy programs, and to increase pre-health undergraduate student advising and expansion of clinical sites. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 200 additional graduates in Radiologic Science and Physical Therapy over a five-year period.
- **UW-Milwaukee** will allocate \$459,402 to support the growth and expand the capacity of its nursing program at its Waukesha location through recruitment and retention of faculty and advisors to meet student demand. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 250 additional nursing graduates over a five-year period.
- **UW Oshkosh** will allocate \$720,109 to expand capacity in its nursing program by increasing undergraduate student enrollment and access to pre-nursing coursework in the university's largest major. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 500 additional graduates over a five-year period.
- **UW-Parkside** will allocate \$501,465 to offer a nursing program independent of current collaborative agreements with other institutions and toward implementation of a master's degree in Physician Assistant. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 200 additional graduates over a five-year period.
- **UW-Platteville** will allocate \$213,621 to expand capacity to meet the demand for its pre-healthcare program, and to launch an RN-to-BSN completion degree program in collaboration with regional technical schools. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 110 additional graduates over a five-year period.
- **UW-River Falls** will allocate \$187,330 to develop a Health Administration major and a Social Work master's program through the addition of teaching lines and student advising. The capacity

enabled by this investment will result in (on a fully phased-in basis) an aggregate of 200 additional graduates over a five-year period.

- **UW-Stevens Point** will allocate \$318,204 to expand its 1+2+1 Nursing Partnership program to its Marshfield campus through the addition of one faculty and one academic specialist position, and to expand capacity in all health care fields through the addition of two positions to provide foundational courses. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 175 additional graduates over a five-year period.
- **UW-Stout** will allocate \$175,780 toward nursing/healthcare as a portion of a total \$1 million AI initiative (*as described above under “Engineering”*) and to enhance healthcare-related manufacturing. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 75 additional graduates over a five-year period.
- **UW-Superior** will allocate \$714,795 to support the development of an RN-BSN completion program in partnership with the local Superior-based technical school, as well as expand growth in its complementary certificate offerings, and expand health-care related microcredentials, career pathway programming, and health-care oriented dual enrollment. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 500 additional graduates over a five-year period.
- **UW-Whitewater** will allocate \$77,900 to expand pathways to nursing degrees through additional partnerships and the addition of a student outreach and support specialist who will similarly support engineering. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 90 additional nursing graduates over a five-year period.

## **Business / Finance**

- **UW-Eau Claire** will allocate \$414,918 to expand capacity in its two fastest-growing and largest undergraduate Business majors (Marketing and Finance), to develop a new M.S. in Finance and new graduate certificates in Finance and Digital Marketing through the addition of faculty. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 300 additional graduates over a five-year period.
- **UW-Green Bay** will allocate \$260,080 to facilitate growth in the School of Business through additional faculty in programs including its BBA in Finance, BBA in Marketing, and Supply Chain management emphasis. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 100 additional graduates over a five-year period.
- **UW-La Crosse** will allocate \$404,000 to expand capacity to meet demand in its College of Business Administration through the addition of teaching lines that will avoid the need to cap admissions. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 650 additional graduates over a five-year period.
- **UW-Milwaukee** will allocate \$642,765 to develop an undergraduate certificate in Artificial Intelligence (AI) & Data Analytics; expand capacity in Actuarial Sciences/Insurance/Risk Management to meet high local industry demand; develop new certificates in New Product Development, Finance and Delivery and AI Augmented Work; and add student advising resources to support degree completion. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 250 additional graduates over a five-year period.
- **UW-Parkside** will allocate \$255,057 to create a Center for Artificial Intelligence and Business Analytics, supported also by an allocation from its Computer Science Department (*noted below under "Computer/Data Science"*). The Center is a curricular, business/industry, applied research center in which students and faculty members across disciplines will work on projects with industry partners, conduct impactful research, and generate and disseminate information for curriculum and workforce development. The Center will also offer a new interdisciplinary undergraduate online degree program in Business Data Analytics. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 150 additional business graduates over a five-year period.
- **UW-Platteville** will allocate \$288,448 to expand capacity in its business/finance programs through additional faculty and advisors supporting face-to-face and online offerings at both the main and Baraboo campuses, and through a corporate partnership manager and instructional design staff to support access to upskilling programs for adult learners. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 150 additional graduates over a five-year period.

- **UW-River Falls** will allocate \$187,330 to expand capacity in its Agriculture MBA, Farm and Industry Short Course, and Adult Degree Completion Program (Business/Finance emphasis) through the addition of teaching lines and student advising. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 150 additional graduates over a five-year period.
- **UW-Stout** will allocate \$175,780 toward business/finance as a portion of a total \$1 million AI initiative (*as described above under "Engineering"*). The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 150 additional business/finance graduates over a five-year period.
- **UW-Superior** will allocate \$285,205 to support additional undergraduate and graduate programs, enable growth in its certificate offerings, and expand microcredentials, career pathway programming, and dual enrollment offerings through new teaching lines. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 375 additional graduates over a five-year period.
- **UW-Whitewater** will allocate \$554,441 to establish a new Financial Technology emphasis with the Finance major, and a Business associate degree in partnership with its Rock County campus. Funds will support the addition of teaching lines, including a Business AI position in support of a new Artificial Intelligence program (collaborative with the Computer Science department). Also, the university will increase graduates across all programs through the addition of student support staff to improve recruitment, retention and completion. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 250 additional graduates over a five-year period.

## Computer / Data Science

- **UW-Eau Claire** will allocate \$139,731 to establish a new major in AI and Data Informatics, aligning closely with existing partnerships with major regional employers in the areas of high-performance computing and healthcare analytics. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 285 additional graduates over a five-year period.
- **UW-Green Bay** will allocate \$186,055 to establish two new emphases in Data Science and Computer Engineering through additional faculty positions. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 100 additional graduates over a five-year period.
- **UW-Madison** will allocate \$2,470,450 to expand capacity and support continued growth in its high-demand School of Computer, Data & Information Sciences through the addition of faculty and instructional staff, as well as student service and advising. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 625 additional graduates over a five-year period.
- **UW-Milwaukee** will allocate \$540,296 to enhance recruitment for three recently-launched degrees in Data Analytics (B.S.) and Data Science (B.S. and M.S.), and expand instructional capacity in its information studies programmatic array to address the demand for trained data scientists and analysts. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 250 additional graduates over a five-year period.
- **UW Oshkosh** will allocate \$162,744 to expand program array in Data Science and Artificial Intelligence through the addition of faculty in its Cybersecurity Center of Excellence. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 150 additional graduates over a five-year period.
- **UW-Parkside** will allocate \$243,478 to create a Center for Artificial Intelligence and Business Analytics in collaboration with its Business Department (*as described above under "Business/Finance"*). The Center will also offer a new interdisciplinary undergraduate online degree program in Business Data Analytics. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 125 additional computer science graduates over a five-year period.
- **UW-Platteville** will allocate \$128,990 to expand capacity to meet demand for its computer science, data science, and cybersecurity programs through additional faculty to increase both online and on-campus access, as well as to launch a M.S. in Computer Science. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 100 additional graduates over a five-year period.

- **UW-River Falls** will allocate \$424,228 to expand capacity in Data Science and Predictive Analytics, to support a program in Cybersecurity, and to develop a Center for Artificial Intelligence through the addition of teaching lines and professional advising. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 175 additional graduates over a five-year period.
- **UW-Stevens Point** will allocate \$333,877 to expand capacity and upscale its offerings in Application Development, Cybersecurity, Networking, and Data Science and Management, as well as add a new certificate in Cybersecurity with an emphasis in Artificial Intelligence, through the addition of faculty, a student support specialist, and other operational needs. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 150 additional graduates over a five-year period.
- **UW-Stout** will allocate \$472,660 toward computer/data science as a portion of a total \$1 million AI initiative (*as described above under "Engineering"*). The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 100 additional graduates over a five-year period.
- **UW-Whitewater** will allocate \$289,759 to develop an Artificial Intelligence major and minor (collaborative with the College of Business and Economics) and a Data Science program through the addition of teaching lines, and to increase graduates across all programs through the addition of student support staff to improve recruitment, retention and completion. The capacity enabled by this investment will result in (on a fully phased-in basis) an aggregate of 125 additional data/computer science graduates over a five-year period.

November 9, 2023

**UW-RIVER FALLS CONTRACTUAL AGREEMENT  
WITH SHORELIGHT, LLC**

**REQUESTED ACTION**

Adoption of Resolution E., approval of a contractual service agreement between the Board of Regents and Shorelight, LLC.

**Resolution E.** That, upon recommendation of the Chancellor of the University of Wisconsin-River Falls and the President of the University of Wisconsin System, the Board of Regents approves the five-year contractual agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-River Falls, and Shorelight, LLC.

**SUMMARY**

UW-River Falls seeks approval of its proposed agreement with Shorelight, LLC (“Shorelight”) under the terms of the Master Services Agreement and Participating Institution Form provided for review by the Board of Regents. The agreement is expected to exceed \$1 million in value over the 5-year life of the contract.

Universities of Wisconsin Administration (UWA) is taking a strategic approach to enhance its recruitment of international students, which waned during the pandemic and has not reached its pre-pandemic numbers. To do so, UWA is seeking to partner with reputable and capable international recruitment agent aggregators. These aggregators are not agents themselves, but engage with agents overseas to identify and recruit interested international students. Since these agreements are non-exclusive and only provide revenue to the recruiter when they actually identify students, a Request for Proposals is not considered necessary, and an exception to UW System Administrative Policy and Procedure (SYS) 522 allows for such contracts.

To promote consistency in contractual terms and conditions when multiple UW institutions contract with the same agent aggregator, reduce the need for UW institutions to compete against each other through the offering of higher agent fees, and increase bargaining power vis-à-vis agent fees across the UW institutions, UWA has created a Master Service Agreement (MSA) based on common industry terms and incorporating the suggestions

from UWA's Office of Internal Audit on best practices regarding such relationships. This MSA will be the basis for negotiations between UW institutions and Shorelight, the one vendor with whom an MSA has been established to date.

UW institutions choosing to utilize the MSA will work closely with Shorelight, utilizing a UWA-developed Participating Institution Form (PIF) to itemize the details of services between the university and Shorelight. Each UW institution choosing to utilize this MSA will be required to gain Board approval prior to signing a Participating Institution Form with Shorelight if the value is estimated to be greater than \$1 million.

**Presenter:**

- Brent Tilton, Director for Procurement, UW Administration
- David Ruhland, Vice Chancellor for Finance and Administration, UW-River Falls

**BACKGROUND**

Regent Policy Document 13-1 requires that any grant or contract with private, profit-making organizations with a value greater than \$1,000,000 for all universities other than UW-Madison be presented to the Board of Regents for formal approval prior to execution.

**Related Policies**

- Regent Policy Document 13-1, "General Contract Signature Authority, Approval, and Reporting"

**UW-WHITewater CONTRACTUAL AGREEMENT  
WITH SHORELIGHT, LLC**

**REQUESTED ACTION**

Adoption of Resolution F., approval of a contractual service agreement between the Board of Regents and Shorelight, LLC.

**Resolution F.** That, upon recommendation of the Chancellor of the University of Wisconsin-Whitewater and the President of the University of Wisconsin System, the Board of Regents approves the five-year contractual agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Whitewater, and Shorelight, LLC.

**SUMMARY**

UW-Whitewater seeks approval of its proposed agreement with Shorelight, LLC ("Shorelight") under the terms of the Master Services Agreement and Participating Institution Form provided for review by the Board of Regents. The agreement is expected to exceed \$1 million in value over the 5-year life of the contract.

Universities of Wisconsin Administration (UWA) is taking a strategic approach to enhance its recruitment of international students, which waned during the pandemic and has not reached its pre-pandemic numbers. To do so, UWA is seeking to partner with reputable and capable international recruitment agent aggregators. These aggregators are not agents themselves, but engage with agents overseas to identify and recruit interested international students. Since these agreements are non-exclusive and only provide revenue to the recruiter when they actually identify students, a Request for Proposals is not considered necessary, and an exception to UW System Administrative Policy and Procedure (SYS) 522 allows for such contracts.

To promote consistency in contractual terms and conditions when multiple UW institutions contract with the same agent aggregator, reduce the need for UW institutions to compete against each other through the offering of higher agent fees, and increase bargaining power vis-à-vis agent fees across the UW institutions, UWA has created a Master Service Agreement (MSA) based on common industry terms and incorporating the suggestions

from UWA's Office of Internal Audit on best practices regarding such relationships. This MSA will be the basis for negotiations between UW institutions and Shorelight, the one vendor with whom an MSA has been established to date.

UW institutions choosing to utilize the MSA will work closely with Shorelight, utilizing a UWA-developed Participating Institution Form (PIF) to itemize the details of services between the university and Shorelight. Each UW institution choosing to utilize this MSA will be required to gain Board approval prior to signing a Participating Institution Form with Shorelight if the value is estimated to be greater than \$1 million.

**Presenter:**

- Brent Tilton, Director for Procurement, UW Administration
- Brenda Jones, Vice Chancellor for Finance and Administrative Affairs, UW-Whitewater
- John Chenoweth, Provost and Vice Chancellor for Academic Affairs, UW-Whitewater

**BACKGROUND**

Regent Policy Document 13-1 requires that any grant or contract with private, profit-making organizations with a value greater than \$1,000,000 for all universities other than UW-Madison be presented to the Board of Regents for formal approval prior to execution.

**Related Policies**

- Regent Policy Document 13-1, "General Contract Signature Authority, Approval, and Reporting"

**REGENT POLICY DOCUMENT REVIEW:  
TUITION POLICIES**

**REQUESTED ACTION**

Adoption of Resolution G.

- Resolution G.** That, upon the recommendation of the President of the University of Wisconsin System, the UW System Board of Regents:
- 1) rescinds RPD 32-1, "Delegation of Authority Regarding Residence Classification," RPD 32-2, "Nonresident Tuition Remission Delegated to Chancellors," RPD 32-3, "Academic Student Fee Structure," RPD 32-4, "Tuition Structure: 12-18 Credit Plateau," RPD 32-5, "Tuition Policy Principles," RPD 32-6, "Delegation of Authority to Establish Graduate Resident Tuition," and RPD 32-7, "Student Involvement in Differential Tuition Initiatives" from the Regent Policy Documents;
  - 2) approves a new Regent Policy Document, "Tuition Policy," which consolidates and updates provisions from the rescinded policies; and
  - 3) approves the reclassification of institution-wide tuition differentials as base tuition, starting in the 2024-25 academic year.

**SUMMARY**

The Board of Regents has broad statutory authority to establish tuition and fees. As part of an ongoing effort to update Regent Policy Documents, this proposal rescinds, updates, and consolidates seven Regent policies related to tuition and fees into a single Regent tuition policy.

**Presenter(s)**

- Julie Gordon, Senior Associate Vice President for Finance, UW Administration

## **BACKGROUND**

Section 36.27, "Tuition," of the Wisconsin Statutes, provides the UW System Board of Regents broad authority to establish tuition and fees, with the statutes stating that the board, "...may establish for different classes of students differing tuition and fees incidental to enrollment programs or use of facilities in the system...." The statutes also allow the Board to establish nonresident tuition, special rates of tuition and fees for extension and summer sessions and "such other studies or courses of instruction as the board deems advisable." Other significant provisions in Section 36.27, Wis. Stats., include:

- Section 36.27 (2), Wis. Stats., "Nonresident Tuition Exceptions," identifies various categories of students who are qualified for an exemption from nonresident tuition.
- Section 36.27 (3), Wis. Stats., "Tuition remissions," identifies various reasons the Board may remit nonresident tuition, such as to recognize high academic achievement or as part of an athletic scholarship. This section also provides for full remission of fees for certain survivors who are Wisconsin residents, such as family members of first responders who have been killed in the line of duty.

### **Regent Policy Documents Related to Tuition and Fees**

Section 32 of the Regent Policy Documents (RPDs) includes eight RPDs related to tuition and fees. If adopted, this proposal will rescind, update, and consolidate the provisions of the following seven policies into a single Regent tuition policy (Attachment A). RPD 32-8, "Application Fees and Waivers," would not be consolidated into this new policy, instead remaining as a standalone policy.

#### RPD 32-1, "Delegation of Authority Regarding Residence Classification."

The Board adopted Resolution 1727 in September 1978, delegating authority to each institution to make final decisions concerning students' residence classification. The proposed policy continues to delegate authority to chancellors to determine residency. The proposal also incorporates provisions from s. 36.27 (2m), Wis. Stats., which requires students to submit information, if requested, to support a determination about residency.

A copy of RPD 32-1 is found in Attachment B.

#### RPD 32-2, "Nonresident Tuition Remission Delegated to Chancellors"

The Board adopted Resolution 3789 in May 1987, which formally delegated authority to each UW chancellor to implement nonresident tuition remissions and authorized the vice business for business and finance to require institutions to submit reports on the administration of remission programs.

A tuition remission is a benefit that waives a certain proportion of tuition or academic fees, such as the nonresident tuition fees. Section 36.27 (3), Wis. Stats., identifies several specific tuition remissions, including: non-resident tuition remissions; remissions of academic fees for the children and spouses of certain first responders killed in the line of duty; fee remissions for a spouse, surviving spouse, and children of certain veterans; remissions for veterans; and a \$25 fee remission for funeral assistants. The proposed revisions expand the policy to recognize the chancellors' authority for all types of tuition remissions outlined in s. 36.27 (3), Wis. Stats.

A copy of RPD 32-2 is found in Attachment C.

#### RPD 32-3, "Academic Student Fee Structure" and RPD 32-4, "Tuition Structure"

RPD 32-3 and RPD 32-4 were adopted in 1988 and 1989, respectively, and include provisions accepting reports on academic fee structures, which the Board was required to submit to the Joint Committee on Finance. These provisions were time-specific, do not meet the standards for an RPD, and would be rescinded.

In RPD 32-4, the Board also adopted the 12-18 credit plateau as a general tuition structure throughout the UW System. Under the credit plateau, students are charged one flat fee for any number of credits between 12 and 18 credits. Another provision of this RPD allows individual institutions to seek approval from the Board to adopt a per credit structure if the institution determines that such a structure would better address local circumstances. (UW-Stout is currently the only UW university with a per credit tuition model.) These provisions of RPD 32-4 have been incorporated into the proposed tuition policy, with revisions to improve clarity.

A copy of RPD 32-3 is found in Attachment D, while RPD 32-4 is found in Attachment E.

#### RPD 32-5, "Tuition Policy Principles"

The Board adopted RPD 32-5 in October 1992. RPD 32-5 presents high-level principles for setting tuition. This policy replaced the Board's previous long-term tuition policy established in November 1990, which essentially set a goal of bringing tuition levels for undergraduate residents to the midpoint of peer institutions.

In addition to streamlining and improving clarity, the revisions remove two principles. The principle of maintaining the State's General Purpose Revenue (GPR) funding commitment at 65% for UW initiatives would be rescinded. This principle has not been consistently honored by the State, and the Board of Regents cannot enforce such a provision. The principle of covering certain costs by pooling systemwide tuition revenue has historically been a management practice. This practice is a technical approach that does not warrant inclusion in a Board policy.

A copy of RPD 32-5 is found in Attachment F.

#### RPD 32-6, "Delegation of Authority to Establish Graduate Resident Tuition Remissions"

1997 Wisconsin Act 27 required the Board of Regents to remit nonresident tuition and fees, in whole or part, to resident and nonresident graduate students or fellows who are employed within the UW System as faculty, instructional academic staff or assistants with an appointment equal to at least 33% of a full-time equivalent position. RPD 32-6 delegates this authority to each UW chancellor, and the proposed policy would continue providing this delegated authority to chancellors.

A copy of RPD 32-6 is found in Attachment G.

#### RPD 32-7, "Student Involvement in Differential Tuition Initiatives"

RPD 32-7 was adopted in May 1999, at a time in which Wisconsin Statutes restricted the Board's ability to raise resident undergraduate tuition rates to certain circumstances, such as the biennially approved pay plans. An exception was provided, however, for differential tuition rates approved by the Board.

Institution-wide differential tuition rates were established at several UW universities, largely to address bottleneck courses, various programmatic needs such as advising, and financial aid. With the rescission of the restrictive statutory language, these costs can be covered through increases to base tuition rates, rather than a separate institution-wide differential.

Under this proposal, RPD 32-7 would be rescinded. Institution-wide differentials would be reclassified as base tuition starting in the 2024-25 academic year. The proposal continues to allow program-specific tuition rates for high-cost and high-demand programs, though student involvement would not be required.

A copy of RPD 32-7 is found in Attachment H.

#### **Related Laws and Policies**

- Section 36.27, Wis. Stats., "Tuition"
- SYS 805, Tuition and Fee Policies for Credit Instruction (formerly F44)

## **ATTACHMENTS**

- A. RPD 32-xx, "Tuition Policy" (Proposed Policy)
- B. RPD 32-1, "Delegation of Authority Regarding Residence Classification" (Current Policy)
- C. RPD 32-2, "Nonresident Tuition Remission Delegated to Chancellors" (Current Policy)
- D. RPD 32-3, "Academic Student Fee Structure" (Current Policy)
- E. RPD 32-4, "Tuition Structure: 12-18 Credit Plateau" (Current Policy)
- F. RPD 32-5, "Tuition Policy Principles" (Current Policy)
- G. RPD 32-6, "Delegation of Authority to Establish Graduate Resident Tuition Remissions" (Current Policy)
- H. RPD 32-7, "Student Involvement in Differential Tuition Initiatives" (Current Policy)

## **Regent Policy Document –Proposed Policy 32-xx Tuition Policy**

### **Scope**

This policy applies to all tuition rates assessed by University of Wisconsin (UW) System institutions.

### **Purpose**

Section 36.27, Wis. Stats., grants the UW System Board of Regents the authority to set tuition rates. This policy establishes the Board's principles and guidelines to be used in setting tuition rates. This policy also describes tuition authority delegated by the Board of Regents.

### **Policy Statement**

It is the policy of the UW System Board of Regents to provide a system of higher education that allows all citizens to access high-quality, post-secondary education at affordable costs. As a publicly supported system of higher education, whose programs benefit individual students as well as the state of Wisconsin, the resident tuition charged by UW System institutions should reflect the shared responsibility, benefit, and needs of individual students, the UW System, and the state of Wisconsin.

Consistent with this philosophy, the Board of Regents must consider the following principles when setting undergraduate, graduate, professional, and nonresident tuition rates:

1. Tuition rates must be based on the level of resources necessary to maintain access for students, to sustain academic quality, and to achieve the UW System's mission. When general state budget increases are not sufficient to attain these objectives, tuition increases should assist in redressing the imbalance between needs and resources.
2. Tuition and financial aid should be considered simultaneously and should balance access and ability to pay.
3. The full cost of attending UW System institutions includes tuition as well as the cost of housing, food, books and supplies, and other expenses, all of which will be taken into consideration.
4. Increases in resident tuition rates should be moderate when possible and subject to the need to maintain quality and access.

5. Nonresident students must pay a larger share of instructional costs than resident students, when the market allows, to reflect the cost of instruction without a State subsidy.
6. Graduate, professional, and nonresident tuition rates should be competitive with rates of peer institutions and be sensitive to institutional enrollment changes and objectives.

### Tuition Rates

UW System institutions shall use a 12-18 credit plateau structure for undergraduate tuition. Tuition for undergraduate students carrying less than 12 credits or more than 18 credits will be assessed on a per credit basis. Tuition for graduate students carrying less than nine credits must be charged on a per credit basis. Institutions must obtain approval of the Board of Regents to adopt an alternative structure.

Program-specific tuition rates for undergraduate and graduate programs may be added to base tuition to support additional services and programming for students within particular high-cost or high-demand programs, subject to the approval of the Board of Regents. The ability to identify and define high-cost or high-demand programs is delegated to the UW System President.

All tuition increases shall be limited to the amount necessary to meet institutional needs and maintain educational quality.

**Resident Undergraduate:** Resident undergraduate tuition shall include separate base tuition rates for each UW campus. All undergraduate tuition rates are subject to the approval of the Board of Regents.

**Resident Graduate:** Resident graduate tuition shall include separate base tuition rates for each UW campus. Tuition rates may vary by program, subject to the approval of the Board of Regents, but shall be established on a cost-related basis within market rates.

**Nonresident:** Tuition rates for nonresident undergraduate, graduate, and professional students may vary by institution and must be established at rates higher than tuition rates for resident students, when the market allows and as approved by the Board of Regents.

**Professional:** Tuition rates for professional students may vary by program, subject to the approval of the Board of Regents, but must be established on a cost-related basis within market rates.

**Programs for Nontraditional Students:** The Board of Regents recognizes that programs tailored toward nontraditional students are often responsive to specific student or

workforce needs and need a nimble implementation process. As a result, the Board delegates the authority to set such tuition rates to the UW System President.

### Residency

UW institutions must determine residency for tuition purposes in a manner consistent with s. 36.27, Wis. Stats. UW institutions may require students who have been granted nonresident tuition exemptions to submit information verifying the student's eligibility for the exemption or the student's residency status. The Board delegates to each chancellor, or their designee, the authority to make final decisions concerning the residence classification of students for tuition purposes.

### Remissions

The Board delegates to chancellors the authority to remit nonresident tuition, in whole or in part:

- To nonresident students upon the basis of merit, to be shown by suitable tests, examinations or scholastic records and continued high standards of scholastic attainment; and
- To additional students who, in the judgment of the chancellor, are deserving of relief from the assessment of nonresident tuition.

Nonresident tuition and fees may be remitted, in whole or in part, as athletic scholarships, up to the maximum number allowed by the appropriate athletic conference, as recommended by the chancellor.

The Board delegates to chancellors the authority to remit nonresident tuition and fees, in whole or in part, to resident and nonresident graduate students who are fellows or who are employed within the UW System as faculty, instructional academic staff or assistants with an appointment equal to at least 33 percent of a full-time equivalent position.

Tuition and fee remissions for survivors of certain public safety employees, the surviving spouses and children of veterans, veterans, and funeral assistants must be provided as required under ss. 36.27(3m), (3n), (3p) and (3r), Wis. Stats.

### **Oversight, Roles, and Responsibilities**

The UW System President is responsible for developing any policies or procedures necessary to implement this Regent Policy Document.

### **Related Regent Policies and Applicable Laws**

## Section 36.27, Wisconsin State Statutes

### *History:*

*Res. 1727, adopted 09/08/1978, created Regent Policy Document (RPD) 78-7, subsequently renumbered RPD 32-1, "Delegation of Authority Regarding Residence Classification."*

*Res. 3789, adopted 05/08/1987, rescinded RPD 72-12 and created RPD 87-6, subsequently renumbered RPD 32-2, "Nonresident Tuition Remission Delegated to Chancellors."*

*Res. 5046, adopted 09/09/1988, created RPD 88-11, subsequently renumbered RPD 32-3, "Academic Student Fee Structure."*

*Res. 5144B, adopted 02/10/1989, created RPD 89-2, subsequently renumbered RPD 32-4, "Tuition Structure: 12-18 Credit Plateau."*

*Res. 6238, adopted 10/09/1992, replaced RPD 90-8 with RPD 92-8. Various provisions of RPD 92-8 were affirmed and/or amended by Res. 6733, adopted 08/18/1994; Res. 7176(b), adopted 05/09/1996, which also created RPD 96-3; Res. 8316, adopted 03/08/2001; and Res. 8841, adopted 05/07/2004. RPD 92-8 was subsequently renumbered RPD 32-5, "Tuition Policy Principles." Res. 9451, adopted 04/10/2008, reaffirmed RPD 32-5.*

*Res. 7685, adopted 05/08/1998, created RPD 98-3, subsequently renumbered RPD 32-6, "Delegation of Authority to Establish Graduate Resident Tuition Remissions."*

*Res. 7904, adopted 05/04/1999, created RPD 99-2, subsequently renumbered RPD 32-7. Res. 9755, adopted 04/09/2010, repealed and recreated RPD 32-7, "Student Involvement in Differential Tuition Initiatives."*

*Res. xxxx, adopted xx/xx/2023, rescinded RPDs 32-1, 32-2, 32-3, 32-4, 32-5, 32-6, and 32-7, and created RPD 32-xx, "Tuition Policy."*

**Regent Policy Document 32-1 (*formerly 78-7*)—Current Policy  
Delegation of Authority Regarding Residence Classification**

Pursuant to authority vested in the Board of Regents by Wis. Stats. § 36.27, authority is delegated to each chancellor or his/her designee to make final decisions concerning the residence classification of students for tuition purposes.

*History: Res. 1727 adopted 9/8/78.*

**Regent Policy Document 32-2 (*formerly 87-6*)—Current Policy  
Nonresident Tuition Remission Delegated to Chancellors**

Authority granted in Wis. Stats. § 36.27(3), to remit nonresident tuition, is delegated to the chancellor of each institution in the System, and the Vice President for Business and Finance shall be responsible for monitoring the granting of such remissions and shall be authorized to require institutions in the System to submit such reports on the administration of § 36.27(3) as the Vice President may from time to time require.

*History: Res. 3789 adopted 5/8/87; rescinds 72-12*

**Regent Policy Document 32-3 (*formerly 88-11*)—Current Policy  
Academic Student Fee Structure**

Upon recommendation of the President of the University of Wisconsin System, the Academic Student Fee Structure Policy Paper is received and approved for transmittal by the Board of Regents to the Joint Committee on Finance as directed by 1987 Wisconsin Act 27, section 3054(3g). The full document may be obtained from the University of Wisconsin System Office of Budget Planning and Development.

*History: Res. 5046 adopted 9/9/88.*

**Regent Policy Document 32-4 (formerly 89-2) - Current Policy  
Tuition Structure: 12-18 Credit Plateau**

1. As a general University of Wisconsin System policy, the 12-18 credit plateau tuition structure is adopted;
2. If an institution determines that a per credit structure better addresses local circumstances, the institution would be permitted to seek approval from the Board of Regents to adopt a per credit structure;
3. The Report on Restructuring Tuition is received and approved for transmittal by the Board of Regents to the Joint Committee on Finance as directed by the Joint Committee on Finance in September, 1988 under Wis. Stats. § 13.10.

*History: Res. 5144B adopted 2/10/89.*

## Regent Policy Document 32-5 (*formerly 92-8*) - Current Policy Tuition Policy Principles

1. Tuition and financial aid in the University of Wisconsin System should balance educational quality, access, and ability to pay.
2. As a matter of fiscal and educational policy, the state should, at a minimum, strive to maintain its current General Purpose Revenue funding share (65%) of regular budget requests for cost-to-continue, compensation, and new initiatives, and fully fund tuition increases in state financial aid programs.
3. Nonresident students should pay a larger share of instructional costs than resident students, and at least the full cost of instruction, when the market allows. Nonresident rates should be competitive with those charged at peer institutions and sensitive to institutional nonresident enrollment changes and objectives.
4. Where general budget increases are not sufficient to maintain educational quality, supplemental tuition increases should assist in redressing the imbalance between needs and resources.
5. Tuition increases should be moderate and predictable, subject to the need to maintain quality.
6. General Purpose Revenue financial aid and graduate assistant support should increase at a rate no less than that of tuition while staying commensurate with the increased student budget needs of students attending the University of Wisconsin System. In addition, support should also reflect increases in the number of aid eligible students.
7. General tuition revenue (to cover regular budget increases under the standard 65% General Purpose Revenue and 35% fees split) should continue to be pooled system wide. Special fees may be earmarked for particular institutions and/or programs increasing those fees.
8. When considering tuition increases beyond the regular budget, evaluation of doctoral graduate tuition should consider impacts on multi-year grants and the need to self-fund waivers or remissions from base reallocation within departmental budgets.

*History: Res. 6238 adopted 10/9/92; replaces 90-8; Guideline 6 re-affirmed by Res. 6733, 8/18/94; Guideline 5 and 6 revised by 96-3 (Resolution 7176(b), 5/9/96); principle 7 reaffirmed by Res. 8316, 3/8/01, amended by Res. 8841 adopted 5/7/04. Res. 9451, adopted 04/10/2008, reaffirmed RPD 32-5.*

**Regent Policy Document 32-6 (*formerly 87-6*) - Current Policy**  
**Delegation of Authority to Establish Graduate Resident Tuition Remissions**

Revise delegation of authority granted in Wis. Stats. § 36.27(3) to remit nonresident tuition to the chancellor of each institution to include resident tuition remissions for graduate assistants with appointment equal to at least 33% of a full time equivalent position.

*History: Res. 7685 adopted 5/8/98*

## **Regent Policy Document 32-7 (formerly 99-2) - Current Policy Student Involvement in Differential Tuition Initiatives**

Section 36.27(1), Wis. Stats., restricts the ability of the Board of Regents to set tuition rates for resident undergraduate students. An exception is provided, however, for differential tuition approved by the Board of Regents.

Differential tuition is tuition added to the base tuition level for the purpose of supplementing services and programming for students within an institution. Differential tuition can be assessed to undergraduate students, graduate students, or both. Differential tuition can be implemented in a variety of ways, including within an individual program, on an institution-wide basis, or on a systemwide basis.

The Board has full authority to establish tuition levels for all student groups and classes other than resident undergraduates. Accordingly, this policy describes the student involvement required for Board approval of institution-wide or program-specific differential tuition for resident undergraduate differential tuition. It does not apply to other tuition decisions made by the Board of Regents. It further instructs the UW System President to establish guidelines that address the magnitude of differential tuitions, financial aid components, the number of differential tuitions at a single institution, and the frequency of Board reviews.

### **I. Definitions**

A. "Institution-wide differential tuition" means tuition added to an institution's base tuition level as established by the Board of Regents, for the purpose of supplementing services and programming within the institution beyond existing institutional activities supported by General Purpose Revenue (GPR) and Program Revenue (PR) funding, and other revenue sources.

B. "Program-specific differential tuition" means tuition added to an institution's base tuition level as established by the Board of Regents, for the purpose of supplementing academic and other student services for a specific program beyond existing program activities supported by GPR and PR funding, and other revenue sources.

### **II. Differential Tuition Procedures**

A. Students shall be advised and consulted, directly or through their student government organizations, of all planned differential tuition initiatives before proposals are submitted to the Board of Regents.

B. Differential tuition proposals presented to the Board of Regents shall include a description of the student consultation process and outcome, as well as any official position taken by the student government organization, if one has been provided, and the results of any student

surveys, referenda, and other solicitations of student input and opinion that were undertaken. Institutions shall provide adequate time for:

1. The student government organization to review the final proposal in the case of an institution-wide proposal.
2. Affected students to review the final proposal in the case of a program specific proposal.

The Board of Regents may ask for additional student consultation before approving a differential tuition proposal.

C. Differential tuition proposals must clearly state the following information, as established by the institution in consultation with students, when presented to the Board of Regents:

1. The purposes of the proposal, including the educational objectives;
2. The timing of the proposal;
3. The specific uses to which the differential tuition funds will be put, or the process by which such uses will be determined; and
4. How and when the success of the proposal in accomplishing its purposes will be evaluated. Differential tuition proposals must describe any oversight, evaluation, or consultation process for the proposal. The format of this oversight, evaluation, or consultation process must be discussed with students before the proposal is presented to the Board of Regents for approval.
5. A mechanism for periodic review by students of expenditures from the differential tuition.

D. The Chancellor of the institution is responsible for determining whether the differential tuition will be forwarded to UW System and the President of the UW System will make the final determination whether a differential tuition proposal is submitted to the Board of Regents for approval.

E. Spending decisions related to the funds generated by an approved differential tuition are the responsibility of the Chancellor of the institution, in accordance with s. 36.09 (3) Wis. Stats, but shall be consistent with the information and procedures described in the proposal submitted to, and approved by, the Board of Regents. Any substantial change in the purposes for which the funding is expended shall be approved by the Board of Regents.

### **III. General Differential Tuition Procedures – UW System Guidance**

A. The President of the UW System shall develop System guidelines for institutions to use in preparing differential tuition proposals. The guidelines shall address, at a minimum, the following:

1. Factors an institution should consider when determining the magnitude of a differential tuition proposal;
2. How to assure that the differential tuition is affordable for all students, including whether the proposal should include a financial aid component and, if so, the appropriate level of that component;
3. Whether the number of institution-wide and program-specific differential tuitions at a single institution should be limited;
4. The frequency of Board review of differential tuition initiatives.

B. Guidelines developed pursuant to this section shall be provided to the Board of Regents.

*History: Res. 7904 adopted 5/7/99; repealed and recreated by Res. 9755,4/9/10*

**OFFICE OF TRUST FUNDS INTERMEDIATE TERM FUND  
PRESENTATION**

**REQUESTED ACTION**

No action is required; this item is for information only.

**SUMMARY**

The Universities of Wisconsin Office of Trust Funds will offer a presentation on the Intermediate Term Fund, including its background and history, as well as an overview of the asset allocation plan and governance structure.

**Presenter**

- Charles Saunders, Chief Investment Officer, Office of Trust Funds

**NEW REGENT POLICY DOCUMENT:  
“INTERMEDIATE TERM CASH MANAGEMENT FUND INVESTMENT  
POLICY STATEMENT: KEY ELEMENTS AND REVIEW PROCESS”**

**REQUESTED ACTION**

Adoption of Resolution I.

**Resolution I.** That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves a new Regent Policy Document entitled “Intermediate Term Cash Management Fund Investment Policy Statement: Key Elements and Review Process.”

**SUMMARY**

The University of Wisconsin (UW) System Board of Regents codifies its policies in Regent Policy Documents (RPDs), which it adopts under the authority granted in Chapter 36, Wis. Stats. The RPDs address a wide array of subjects, including academic policies and programs, contracts, student activities, and trust and investment policies. The Regents have adopted RPDs over time, with some dating back to the creation of the UW System.

This proposed policy clarifies the governance structure for the operation of the Intermediate Term Cash Management Fund (ITF), delegating oversight to the Board’s Business & Finance Committee and delegating authority for the management and administration of the ITF to the Board’s Trust Officers, along with an internal ITF Investment Committee to be comprised of representatives from participating UW institutions.

Specifically, this RPD provides for the establishment of an Investment Policy Statement (IPS) outlining the goals, objectives, and risk profile of the ITF and clarifying the respective duties of the Investment Committee and any investment consultants or investment managers employed in carrying out the objectives of the ITF. The IPS will also provide a framework for monitoring ITF performance and regular reporting by the Executive Director of Trust Funds to the Board through the Business and Finance Committee.

Pending approval of this proposed policy, the IPS will be developed and approved by the internal Investment Committee prior to submission for final Board approval.

## **Presenter**

- Charles Saunders, Executive Director, UW System Office of Trust Funds

## **BACKGROUND**

This RPD clarifies the roles and responsibilities of the staff of UW System and its constituents to implement and oversee the investment of ITF assets consistent with the fiduciary responsibilities of the Board of Regents as well as a mechanism of accountability for ITF performance.

The ITF was established last year and so this is the initial RPD related to the ITF.

## **ATTACHMENTS**

- A) Proposed Regent Policy Document, "Intermediate Term Cash Management Fund Investment Policy Statement: Key Elements and Review Process"
- B) Memorandum of Understanding with University of Wisconsin-Madison Division of Business Services (January 14, 2022)

Regent Policy Document 31-XX

# Intermediate Term Cash Management Fund Investment Policy Statement: Key Elements and Review Process

## Scope

This policy applies to the invested assets of The University of Wisconsin System Intermediate Term Cash Management Fund. This policy does not include or apply to assets covered under Regent Policy Document 31-9 “*Investment Policy Statement: Key Elements and Review Process*” (RPD 31-9).

## Purpose

The purpose of this policy is to provide the key elements which are to be incorporated into a fuller, more detailed stand-alone document, the University of Wisconsin System Intermediate Term Cash Management Fund: Statement of Investment Policy (IPS), and the process the Board uses for regularly reviewing these key elements and the IPS in its entirety. In broad terms, the IPS should provide the guiding principles for all aspects of the management of the Intermediate Term Cash Management Fund and the premises on which these principles rest, and to provide the Board with an intermediate duration investment option for effective management of cash balances currently not available under RPD 31-9.

## Policy Statement

Key elements of the Board’s IPS for the University of Wisconsin System Intermediate Term Cash Management Fund shall include the following:

*General Policy Statement*, which discusses the underlying bases for the policies and their implementation, and falls into these main categories:

- Investment objectives, constraints, and competencies
- Role of the internal Intermediate Term Cash Management Fund (ITF) Investment Committee

*Investment Policies*, which are to describe specific policies adopted to attain identified objectives while conforming with the major premises, and fall into these main categories:

- Asset allocations, policy portfolios, and benchmarks
- Other investment and risk management policies and practices

*Implementation*, which is to describe by whom and how the policies are to be implemented, and fall into these main categories:

- Roles and responsibilities
- Investment Consultant selection, retention, termination and responsibilities
- Investment Manager selection, retention, termination and responsibilities
- Conflicts of interest

*Reporting*, which is to describe how investment performance will be monitored, and falls into these main categories:

- Monitoring and measuring investment performance
- Reporting and communication standards

*Appendices*, which are to provide greater detail on various policy elements discussed at a broader level in the main body of the document, and should include the following:

- Detailed asset allocations and benchmarks for the investment fund

Given the centrality of the IPS itself in ensuring that the Board meets its fiduciary responsibilities and effectively oversees the management of the investment program, it is imperative that the Board review, reaffirm, and/or adopt any necessary revisions to the full IPS document on an on-going basis. Although strategic in nature, the IPS should nevertheless be considered a living document; revisions and further refinements may be required as and when goals, constraints, or external market conditions change significantly.

## **Oversight, Roles, and Responsibilities**

The Board of Regents is the principal and ultimate fiduciary for the University of Wisconsin System Intermediate Term Cash Management Fund. The Board of Regents Business & Finance Committee is delegated oversight of the management and administration of the Intermediate Term Cash Management Fund, including the authority to hire investment consultants and investment managers, and to give discretionary authority to investment managers in the purchase and sale of securities within guidelines determined by the Business & Finance Committee.

The Board and/or its Business & Finance Committee shall regularly review and approve the IPS, which is to include asset allocations for the investment funds. The Trust Officers of the Board, along with the internal ITF Investment Committee, are delegated the authority and have the

duty to otherwise implement, conduct, oversee, and monitor all aspects of the management and administration of the UW System Intermediate Term Cash Management Fund consistent with the IPS.

Membership of the internal ITF Investment Committee is comprised of the UW System Administration Trust Funds Executive Director as Chair; the UW System Administration Vice President for Finance & Administration (or designee); and additional representatives appointed from participating UW institutions by the Chancellors of those participating UW institutions providing more than 10% of total ITF assets, consistent with the Memorandums of Understanding (MOUs) developed by UW System with each participating UW institution.

New and revised MOUs, after approval by the ITF Investment Committee, will be provided to the Board of Regents Business & Finance Committee and kept on file with the UW System Office of Trust Funds, which will also maintain a record of all agendas and meeting minutes of the internal ITF Investment Committee.

## **Related Regent Policies and Applicable Laws**

Wis. Stat. § 36.11(11m)

Wis. Stat. § 36.29, Gifts

Wis. Stat. § 112.11, Uniform Prudent Management of Institutional Funds Act (UPMIFA)

Regent Policy Document 31-9, "Investment Policy Statement: Key Elements and Review Process"

Bylaws of the Board of Regents of the University of Wisconsin System

**The Board of Regents of the University of Wisconsin System**  
**and**  
**The University of Wisconsin Madison Division of Business Services**

**Memorandum of Understanding**

This Memorandum of Understanding ("MOU") made as of January 14, 2022, by and between the Board of Regents of the University of Wisconsin System (UWSA) and the University of Wisconsin Madison Division of Business Services (UW-Madison), sets forth the terms and conditions for managing the Cash Management Portfolio (CMP).

Per Wis. Stat. § 36.11(11m), UW-Madison may delegate the management functions of all or a portion of their gifts, grants, and donations to contracting with the investment board. Pursuant to that authority, UWSA acts as intermediary for funds held by UW-Madison for investment with the State of Wisconsin Investment Board (SWIB), an independent agency of the State of Wisconsin.

*Section 1. Oversight and Structure.*

An Investment Committee shall be created and exercise oversight responsibility for the CMP. The committee will be comprised of the following individuals:

- UWSA Trust Funds Executive Director (Chair)
- UWSA Vice President for Finance (or designee)
- UW-Madison Vice Chancellor for Finance and Administration (or designee)
- One Additional Representative from UW-Madison Financial Administration
- One Representative from UW-Madison Business School.
- (Optional) One Representative from the Investment Staff of either WFAA or WARF nominated by a Committee Member and approved by the Committee.

This committee will review and approve the Investment Policy Statement (IPS) and the asset allocation policy of the CMP. Subsequent revisions to the IPS or the allocation policy will require committee approval. The committee is responsible for recommending and implementing changes in fund managers and consultants as warranted.

The committee will meet quarterly to approve distributions and evaluate fund performance. Four members of the committee will constitute a quorum and committee decisions will be made pursuant to Robert's Rules of Order. The Board of Regents of The University of Wisconsin System (BOR) will be apprised and updated on a regular basis.

*Section 2. Arrangements.*

An investment consultant will be retained by UWSA. The consultant will advise the Investment Committee on the establishment of the IPS and the allocation policy. The consultant will provide ongoing services for the operation of the CMP, including but not limited to updating IPS language, performance reporting and regular asset allocation reviews. The consultant contract will be serviced with UWSA.

SWIB will be the appointed investment manager of the CMP. With this authority, SWIB will implement the approved allocation policy of the CMP. SWIB is provided the authority to purchase and sell securities on behalf of the University in accordance with the investment guidelines of the Investment Management Agreement (IMA). UWSA will manage all aspects of the relationship with SWIB as outlined in the IMA.

Custody of these assets will be maintained with Bank of New York Mellon.

### *Section 3. Standard of Performance.*

In operating the CMP, UWSA and UW-Madison agree to perform the following:

- A. Shared accounting responsibilities
  - (1) Exhibit A outlines the responsibilities for both UWSA and UW-Madison
- B. Reporting
  - (1) Upon request, UWSA shall provide UW-Madison with such documents, reports, data, and other information at such times as UW-Madison may reasonably require and that UWSA has in its control and can readily produce
  - (2) UWSA will be responsible compiling GAAP reporting information for the UW Annual Financial Reports and the State of Wisconsin Comprehensive Annual Financial Report
  - (3) UWSA shall provide data with respect to the CMP reasonably requested by UW-Madison to assist UW in its compliance with legal filing or reporting obligations under applicable law
- C. Liquidity Management
  - (1) UW-Madison is responsible for the management of their campus cash requirements
  - (2) Liquidation/purchases will occur quarterly. UW-Madison request for such transactions shall be made to UWSA no later than five (5) business days following the end of quarter
  - (3) UWSA will initiate such transactions with the CMP (SWIB)
- D. Distribution
  - (1) Following the end of each calendar quarter and Investment Committee approval, UWSA will transfer cash to UW-Madison
  - (2) UWSA will use commercially reasonable effort to transfer cash timely to UW-Madison
- E. Meetings
  - (1) The UWSA Trust Funds Executive Director will regularly meet with and report performance of the CMP to the Business and Finance Committee of The Board of Regents.
  - (2) UW-Madison may make reasonable request of UWSA staff to meet concerning CMP operations.

### *Section 4. Fees and Expense.*

- A. For each fiscal year during which SWIB is employed as the investment managers fees shall be paid as follows:
  - (1) Initial investment: 5.5bps
  - (2) Subsequent fiscal years: 5.5bps on the monthly arithmetic mean of the month-end fair market value
- B. The CMP will directly bear all initial and ongoing expenses associated with the CMP, including but not limited to, the investment consultant, UWSA staff time/salary, investment expenses, fees and expenses charged by external managers, its pro rata share of custodial fees and middle office expenses, third-party

legal and compliance costs, fees and expenses for third-party consultants, taxes, audit, and transitions costs.

Fees and expenses will be initially received and paid for by UWSA. The Investment Committee will review these charges. If approved, these fees and expenses will reduce the distribution.

*Section 5. Authorized Personnel & Instruction.*

Upon execution of this MOU, UW-Madison shall provide UWSA with a list of authorized UW-Madison personnel ("Authorized Persons") who will be permitted to execute specific tasks under this MOU on behalf of UW-Madison. The list of Authorized Persons and any changes to such list shall be made in writing to UWSA and signed by an executive officer. Until notified of any such changes, UWSA may rely upon instructions received from an Authorized Person identified on the then current list furnished by UW-Madison. UWSA may request a current list at any time.

All directions and instructions to UWSA from any authorized person shall be in writing and transmitted by hand, mail, or electronic delivery by e-mail.

*Section 6. Fiduciary Duties.*

A fiduciary is defined as someone who oversees and/or manages the assets of, or for the benefit of, another person and who stands in a special relationship of trust, confidence, and/or legal responsibility. UWSA and the Office of Trust Funds shall manage fiduciary arrangements of the CMP on behalf of the BOR..

*Section 7. Termination.*

This MOU may be terminated by either party on 120 days' written notice.

If any provision of this MOU is or should become inconsistent with any law or rule of any governmental or regulatory body having jurisdiction over the subject matter of this agreement, the provision will be deemed to be rescinded or modified in accordance with any such law or rule.

*Section 8. Miscellaneous.*

- A. The UWSA will produce meeting minutes for all Investment Committee meetings and maintain records of all Investment Committee meeting minutes and agendas.
- B. Access to the CMP may subsequently be made available to other UW System campuses or entities. Under such potential arrangements UW-Madison will only be responsible for its pro rata share of expenses related to the management of the CMP.

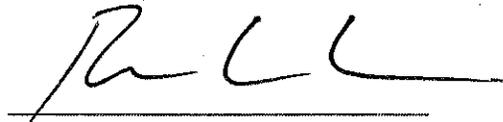
*Section 9. Amendments.*

This MOU may be amended by mutual consent of the parties.

*Section 10. Signatories*

A handwritten signature in black ink, appearing to be 'SN', written over a horizontal line.

Sean Nelson  
Vice President for Finance  
UW System Administration

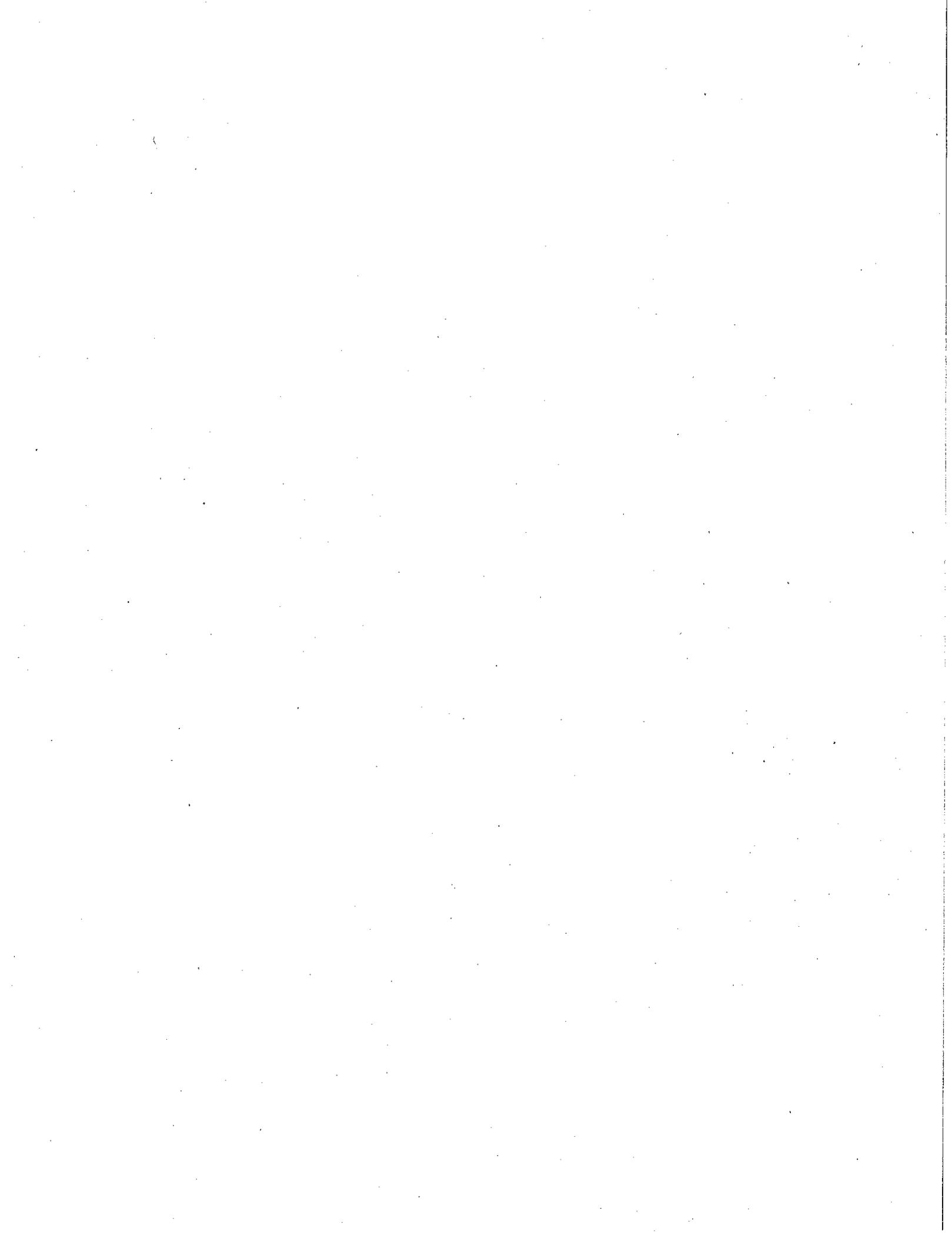
A handwritten signature in black ink, appearing to be 'RC', written over a horizontal line.

Robert Cramer  
Vice Chancellor for Finance and Administration  
UW-Madison

Exhibit A

Shared accounting responsibilities

Date	Task	Responsible Party	Details
During Quarter	Invoices	UWSA	Throughout the quarter, UWSA will be responsible for reviewing and paying invoices for the CMP.
EOQ +5 business days	Liquidity Management	UW-Madison	UW-Madison shall inform UWSA of any purchase and/or liquidation requirements for the quarter, if any.
EOQ +10-12 business days	Interest, Dividends, and Market Values Finalized	UWSA	Market activity from the prior quarter will finalize.
EOQ +12-15 business days	Investment Committee Approval	UWSA	UWSA will lead the coordination of the Investment Committee quarterly meeting. Approval of performance, fees and the distribution will be completed.
EOQ +15 business days (post-committee approval)	Accounting Entries	UWSA	<ol style="list-style-type: none"> <li>1. If no inflow of new funds,               <ol style="list-style-type: none"> <li>(1) Initiate interest/dividend drawdown</li> <li>(2) Charge investment fees &amp; expenses to the fund</li> <li>(3) Allocate the change in market value</li> <li>(4) Distribute (+161) &amp; transfer funds to UW-Madison holding account</li> </ol> </li> <li>2. If additional inflows are expected from UW-Madison and greater than distribution,               <ol style="list-style-type: none"> <li>(1) Calculate net flow with interest/dividend earnings</li> <li>(2) Pull funds from UW-Madison holding account</li> <li>(3) Calculate and distribute 161 SIF earnings</li> <li>(4) Wire remaining net funds to SWIB</li> </ol> </li> </ol>
		UW-Madison	<ol style="list-style-type: none"> <li>1. If no inflow of new funds,               <ol style="list-style-type: none"> <li>(1) Distribute funds from UW-Madison holding account</li> </ol> </li> <li>2. If additional inflows are expected from UW-Madison,               <ol style="list-style-type: none"> <li>(1) Move cash from related funds to UW-Madison holding account</li> <li>(2) Later, distribute funds deposited by UWSA</li> </ol> </li> </ol>



**UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS  
QUARTERLY INVESTMENT REPORT AS OF JUNE 30, 2023**

**REQUESTED ACTION**

No action is required; this item is for information only.

**SUMMARY**

As of June 30, 2023, UW System Trust Funds assets totaled \$580.1 million, comprised of \$541.7 million in the Long Term (endowment) Fund and \$38.4 million in the Income Cash Fund (a component of the State Investment Fund). Cash flows into/out of the State of Wisconsin Investment Board (SWIB)-managed portfolios for the period included a \$1,391,503 distribution from the Long Term Fund. \$208,957 was distributed from the SWIB-managed funds for payment of fees.

The U.S. equity market rallied over the quarter, despite concerns over the debt ceiling. Robust gains were supported by resilient economic data and strong performance by large-cap growth stocks. Concerns regarding the U.S. debt ceiling dampened market sentiment in May 2023 before Congress reached an agreement to suspend it. Later in the quarter, markets rallied, boosted by the technology sector on the back of enthusiasm over artificial intelligence.

For the quarter ended June 30, the well-diversified Long Term Fund increased in value +2.37% (net of fees), slightly outperforming its benchmark. The Income Cash Fund gained +1.24% for the period.

**Presenter:**

- Charles Saunders, Executive Director, Universities of Wisconsin Office of Trust Funds

**BACKGROUND**

The attached UW System Trust Funds Quarterly Investment Review as of June 30, 2023, prepared by the State of Wisconsin Investment Board (SWIB), provides the following information: 1) an overview and summary of total Trust Funds assets, investment

performance, and cash flows to/from the SWIB-managed portfolios for the period; 2) a market discussion and commentary section; 3) market overview indicators; 4) asset allocation information; 5) more detailed investment performance information at the overall Fund as well as individual asset class levels; and 6) in the appendix, detailed “fact sheets” for each of the BlackRock common trust index funds, which have been selected by SWIB to provide for Trust Funds’ investments in public markets.

## **ATTACHMENT**

- A) University of Wisconsin System Trust Funds Quarterly Investment Review  
June 30, 2023



## University of Wisconsin System Trust Funds



### Quarterly Investment Review June 30, 2023

**UW System Trust Funds: Overview and Investment Summary**  
 Quarter Ended June 30, 2023

**Investment Objective**

To achieve, net of administrative and investment expenses, reasonable, attainable and sustainable returns over and above the rate of inflation. SWIB seeks to achieve this objective through the use of passive, externally-managed, public markets funds.

**Market Values as of June 30, 2023**

Total Public Market Assets <sup>1</sup>	\$469,614,253
Total Legacy Private Market Assets <sup>1</sup>	\$72,124,667
Other Cash and Accruals <sup>2</sup>	\$489
<b>Total UW System Long Term Fund<sup>1</sup></b>	<b>\$541,739,409</b>
<b>Income Cash Fund (State Investment Fund 'SIF')<sup>3</sup></b>	<b>\$38,357,000</b>

<sup>1</sup> Market values are calculated net of external management fees.

<sup>2</sup> Other Cash and Accruals include custody & middle office fees, SWIB internal management fees, fund-level STIF cash, STIF interest and other pass through fees that either accrue until paid or are pre-paid. Balances vary intra-month and can cross into new quarters.

<sup>3</sup> Data is sourced from the Quarter End Pool Sheets provided by the DOA and represents the monies available in UW Funds 161 and 162 (STAR account(s) 51100 and 51200).

**Performance for Quarter Ended June 30, 2023**

	Apr-23	May-23	Jun-23	3 Months
UW System Long Term Fund (Gross of Fees)	0.84%	-1.13%	2.67%	2.37%
UW System Long Term Fund (Net of All Fees) <sup>4</sup>	0.83%	-1.13%	2.67%	2.35%
UW Fund Custom Benchmark	0.82%	-1.14%	2.66%	2.32%

<sup>4</sup> Returns are calculated net of external management fees.

**Contributions/Withdrawals for Quarter Ended June 30, 2023**

UW System Long Term Fund - Public Markets <sup>5</sup>	\$955,717
UW System Long Term Fund - Private Markets <sup>6</sup>	(\$1,391,503)
UW System Long Term Fund Contributions for Fees	\$0
UW System Long Term Fund Fees Expensed <sup>7</sup>	(\$208,957)

<sup>5</sup> Amount represents the net of new contributions and withdrawals by UWS, including endowment spending distributions, assessment of UWS internal fees, as well as reallocations among the public and private market portfolios.

<sup>6</sup> Distributions from StepStone and other private market underlying funds are net of external investment management fees paid.

<sup>7</sup> Fees expensed can include external and internal management fees, custody & middle office fees, and other pass through fees accrued and paid from both the public and private market accounts.

## **Performance and Market Discussion**

For the quarter ended June 30th, the UW investment portfolio returned +2.37%, performing in-line with its benchmark.

The U.S. equity market rallied over the quarter, despite concerns over the debt ceiling. Robust gains were supported by resilient economic data and strong performance by large-cap growth stocks. Concerns regarding the U.S. debt ceiling dampened market sentiment in May 2023 before Congress reached an agreement to suspend it. Later in the quarter, markets rallied boosted by the technology sector on the back of enthusiasm over artificial intelligence, and chipmakers.

The Federal Reserve raised interest rates by 25 basis points over the quarter, bringing rates to the range of 5.00% and 5.25%. The Fed signaled that hike pauses will come later in the quarter but expressed the need to retain flexibility to bring inflation down.

## **Equity Performance**

The UW System's combined equity portfolio returned +5.61% during the quarter versus the combined equity benchmark return of +5.54%.

The U.S. broad-market Russell 3000 Index increased +8.40% in the quarter.

The U.S. equity market rallied over the quarter, despite concerns over the debt ceiling. Robust gains were supported by resilient economic data and strong performance by large-cap growth stocks.

The MSCI World ex-U.S. Index returned +3.03% during the quarter.

Developed non-U.S. markets posted positive gains over the quarter supported by resilient corporate earnings data. The Information Technology sector rallied and boosted broad market performance, with semiconductor companies leading the way.

The European Central Bank (ECB) raised interest rate to 4% over the quarter, indicating a potential for further rate hikes due to elevated inflation rates. In the United Kingdom, the Bank of England raised the interest rate to 5% in response to increased inflation triggered by wage growth.

The Japanese equity market posted positive returns over the quarter supported by a weaker Yen, improved sentiment towards semiconductor industry, and a strong corporate earnings season.

From a sector perspective, Industrials (6.18%), Information Technology (5.93%), and Consumer Discretionary (5.18%) were among the best performers. While Communication Services (-2.63%), Real Estate (-1.92%), and Materials (-1.70%) were among the worst performers.

## Fixed Income Performance

The UW System's Government/Credit index fund returned -0.89% for the quarter.

The Bloomberg Barclays US Government Credit Index posted a return of -0.93% during the quarter.

In June, the unemployment rate saw its first deviation this month increasing 0.3% up to ~3.7% while the labor force participation rate was unchanged at 62.6%. Hiring continued to be robust in the US as June's nonfarm payrolls print marks the 14th consecutive month where payrolls have surpassed surveyed expectations. After ten consecutive rate hikes over the past 1.5 years, the Fed decided on their first pause during June's FOMC meeting leaving the target range between 5% and 5.25%. Following the announcement, they hawkishly revised the end of year fed funds target range median dot-plot projection to end between 5.50% and 5.75%, suggesting two additional rates hikes for the year. These movements brought the 2024 and 2025 year-end ranges higher, endorsing the higher for longer narrative the Fed has communicated. Additionally, Chair Powell highlighted the difficulties the Fed is facing in managing monetary policy alongside the ambiguity of the lagged effects, potential credit tightening, and the resiliency of the overall macro economy in the United States. Later into the month, CPI printed slightly above consensus, driven by used car prices, with core CPI increasing while headline CPI slowed over the month. Core CPI remains above 5%, slightly lower than last month.

The US 10-year Treasury opened at 3.60% and increased throughout the month, closing 24bps higher in yield at 3.84%. US rates stayed in range for the month of June. Following the CPI print, front-end yields initially sold off while hawkish updated dots indicated more hikes. Rates later eased following the Fed's press conference but the narrative of higher for longer rates is still likely to stress risk assets more than previously expected. The 2yr yield saw a consistent increase before ending May at 4.88%. The 10yr note pushed higher, but at a smaller magnitude, bringing the 2s10s curve to a monthly low of -107bps. The 5s30s curve flattened by 42bps, reaching -30bps at month end.

Against this backdrop, US Investment Grade Credit outperformed duration-adjusted Treasuries by 112 bps in June, with the OAS (option adjusted spread) of the Bloomberg US Credit Index tightening 14 bps to end June at 114bps. The resolution of the debt ceiling crisis continued recovery in regional banks, a Fed at or close to a pause, and strong demand for yield all contributed to a favorable environment for spreads in June. The market remains highly sensitive to incoming data as strong employment data and resilient growth paint an uncertain outlook when measures of economic activity such as ISM manufacturing are showing signs of a slowdown. In corporate news, after the second busiest month of primary issuance this year in May, we saw a bit of a slowdown with \$93B of gross new issuance coming to market in June. Notably, the majority of issuance over the month was brought by financials and more specifically regional and Yankee banks, who were able to access the market for the first time following the volatility in March of this year. In credit specific events, the acquisition of Credit Suisse by UBS was officially completed on June 12. Additionally, the utility space came under pressure after PacifiCorp, a subsidiary of Berkshire Hathaway Energy was found grossly negligent in causing significant damage in the 2020 Labor Day wildfires by an Oregon court.

### **Inflation Sensitive Performance**

The Bloomberg Barclays U.S. TIPS Index returned -1.42% for the quarter. The UW System's TIPS portfolio returned -1.38%.

In Q2, breakeven levels in the US decreased. Over the quarter, 10-year nominal rates increased ~42 bps while real rates rose ~50bps. These movements drove a ~8bps decrease in 10-year inflation expectations, ending the period at 2.23%. Over the quarter, the Fed raised the fed funds rate up to 5%. After ten consecutive rate hikes over the past 1.5 years, the Fed decided on their first pause in June, leaving the target range between 5% and 5.25%. Following this announcement, front-end yields initially sold off as the Fed moved its projections for the fed funds rate in 2023 higher than the market expected, but then moved lower following a more dovish press conference. Chair Powell highlighted the difficulties the Fed is facing in managing monetary policy alongside the ambiguity of the lagging effects, potential credit tightening, and the resiliency of the overall macro economy in the United States which saw a 2.0% print for the annual growth rate in Q1. CPI later printed slightly above consensus, driven by used car prices, with core CPI increasing 0.4% MoM and headline CPI slowing to only increase 0.1% MoM. Core CPI remains above 5%, slightly lower than last month. On the shelter front, OER and rental inflation continue to show signs of cooling marking a positive sign for the second half of the year. On the legislative front, the US Senate voted to suspend the \$31.4 trillion debt ceiling with support from both the right and left wings.

Turning to the labor market, US employers reported a higher-than-expected rise in job vacancies in April, reaching a three-month high. However in June, the unemployment rate saw its first deviation increasing 0.3% up to ~3.7% while the labor force participation rate was unchanged at 62.6%. Hiring continues to be robust in the US as June's nonfarm payrolls print marks the 14th consecutive month where payrolls have surpassed surveyed expectations. Consumer sentiment appears to be strong despite markets pricing in higher for longer rates, increasing prices, and the market's perceived possibility of a recession later this year.

The UW System's REIT portfolio returned +0.47% during the quarter. The FTSE EPRA NAREIT Developed Index returned +0.24%.

Global REITs gained +0.5% in Q2 after adding +1.0% in Q1 2023. Global REITs underperformed both the FTSE Developed Index and MSCI World Index in Q1, which returned +6.9% and +6.1%, respectively. As of 6/30/2023, global REITs had a dividend yield of 4.43%, compared to 2.03% for the FTSE Developed Index and 2.00% for the MSCI World Index.

US REITs also gained in Q2 returning +2.6%, but lagged the S&P 500 Index and Russell 1000 Index which added +8.7% and +8.6%, respectively. As of 6/30/2023 US REITs had a trailing 12-month dividend yield of 4.20% which was more than double the trailing 12-month dividend yields of the S&P 500 Index and Russell 1000 Index, which were 1.57% and 1.50%, respectively.

REIT industries have seen mixed performance YTD with Single Family Home REITs leading the pack up +11.8% followed by Data Center REITs up +11.6%. Data Center REITs benefitted from the surge of interest in Artificial Intelligence in Q2. As this topic stays in focus, the need for data center REITs will remain strong as users increasingly expect their data to be stored safely and securely. On the flip side, Diversified REITs have dropped -10% followed by Infrastructure REITs down -7.8% continuing the drawdown from Q1.

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**UW System Trust Funds: Market Discussion & Commentary**  
Quarter Ended June 30, 2023

Office REITs surged in June up +10.4% from positive news coming from a New York office asset inspiring some optimism after tepid transaction volume since the pandemic. This helped claw back some of the losses from the segment which is still down -16.2% YTD.

Real Estate holds a weight of 2.3% in the MSCI World Index, and was the 6th best performing sector in the index in Q2. Only 2 sectors saw negative returns in Q2, Utilities and Energy. In global REITs, at the country level, the US was the main contributor to positive returns, while Hong Kong and Sweden detracted from returns in Q2.

**Asset Allocation**

Public Markets allocations ended the quarter with 60.2% in equities, versus a target of 57.0%; 18.7% in fixed income versus a target of 20%; and 21.1% in inflation sensitive assets versus a target of 23.0%.

## UW System Trust Funds: Market Overview

Quarter Ended June 30, 2023

Economic Indicators	Quarter Ending	YTD	1 Year	3 Year	5 Year	10 Year
US CPI - U All Urban Consumers Index	1.08%	2.80%	2.97%	5.78%	3.90%	2.71%

*\* All returns and growth rates greater than 1 year are annualized.*

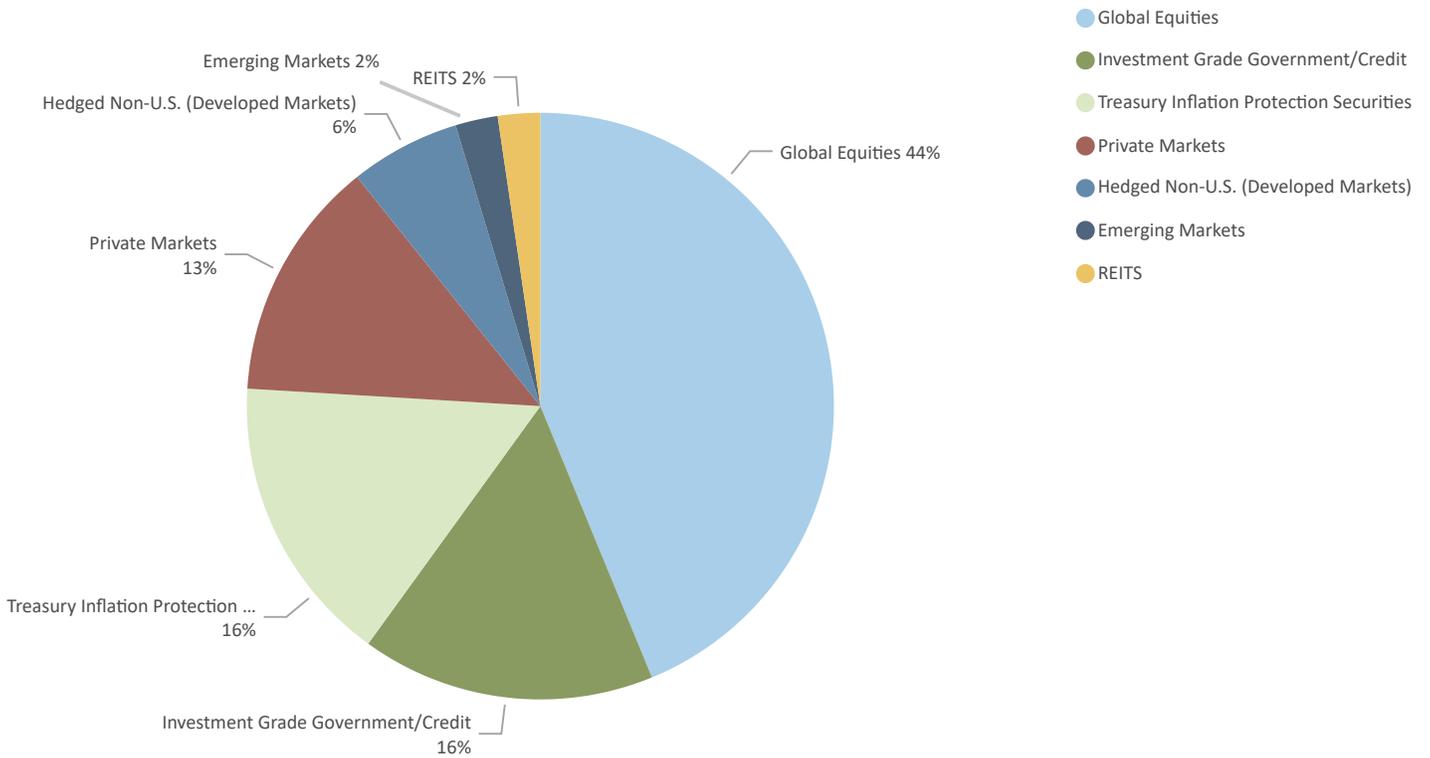
Market Indicators	Quarter Ending	YTD	1 Year	3 Year	5 Year	10 Year
U.S. Large Cap Stocks (S&P 500 Index)	8.74%	16.89%	19.59%	14.60%	12.31%	12.86%
U.S. Small Cap Stocks (Russell 2000 Index)	5.21%	8.09%	12.31%	10.82%	4.21%	8.26%
U.S. Broad Market Stocks (Russell 3000 Index)	8.39%	16.17%	18.95%	13.89%	11.39%	12.34%
International Stocks (MSCI World ex US Index)	3.03%	11.29%	17.41%	9.30%	4.58%	5.40%
International Stocks - Local Currency (MSCI World ex US Index)	3.98%	11.40%	16.66%	11.70%	6.41%	7.64%
Emerging Markets Stocks (MSCI EM Net Index)	0.90%	4.89%	1.75%	2.32%	0.93%	2.95%
Global Stocks (MSCI ACWI Net Index)	5.89%	13.25%	16.14%	10.97%	7.65%	8.62%
Government/Credit (Bloomberg Barclays Capital Gov/Credit)	-0.93%	2.21%	-0.70%	-4.11%	1.03%	1.66%
U.S. TIPS (Bloomberg Barclays U.S. TIPS Index)	-1.42%	1.87%	-1.40%	-0.12%	2.49%	2.08%
Real Estate (FTSE EPRA/NAREIT Developed Net Index)	0.24%	1.02%	-4.56%	3.33%	-0.10%	2.89%

*\* All returns and growth rates greater than 1 year are annualized.*

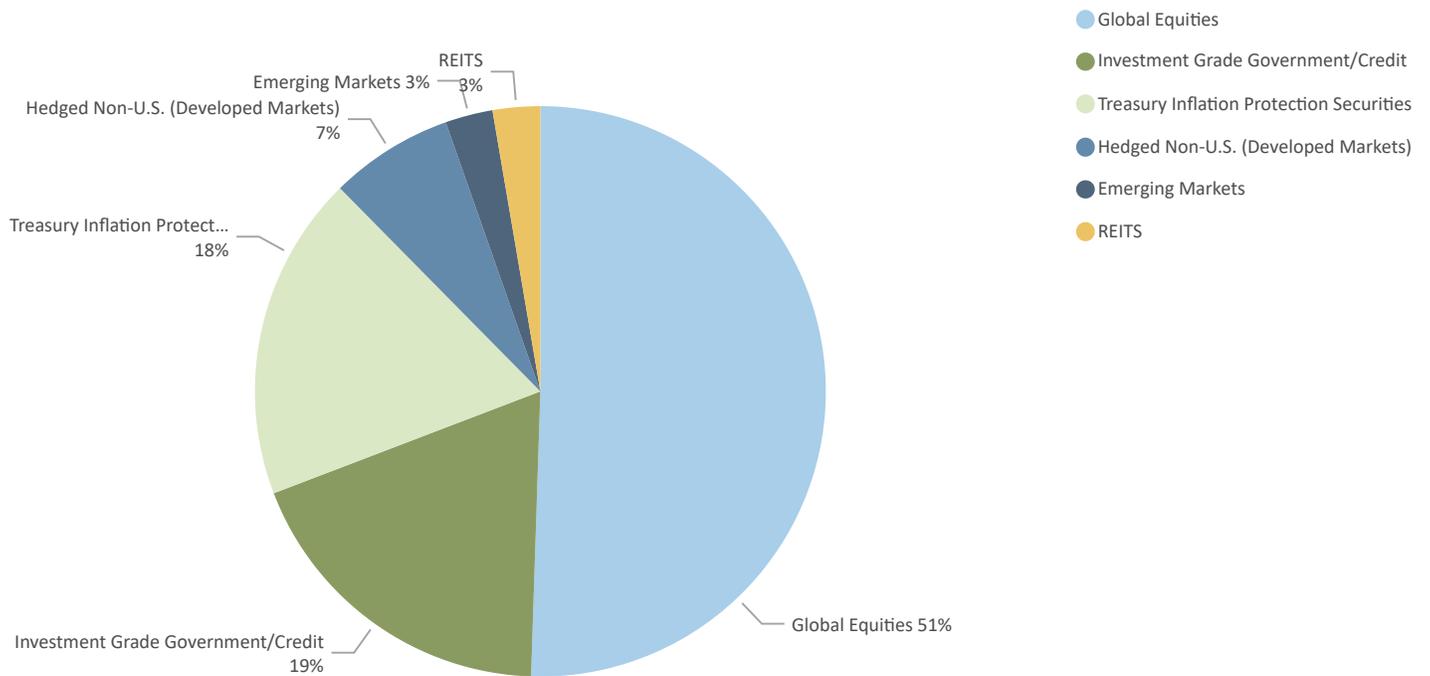
## UW System Trust Funds: Asset Allocation

Quarter Ended June 30, 2023

### UW System Long Term Fund



### UW System Long Term Fund - Public Markets Only



\* Asset Class Allocation percentages are derived using the Net of Fee market value. Sum of asset class market values may not equal total level Net of Fee market value due to the exclusion of fund level other cash and accruals. Excluded amount is immaterial.

**UW System Trust Funds: Actual Versus Target Asset Allocation**  
Quarter Ended June 30, 2023

Asset Class/Strategy	Current Allocation (\$)	Current Allocation (%)	Target Allocation (%)	Min./Max. Guidelines
<b>Total Public Markets</b>	<b>\$469,614,253</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Public Equities</b> <sup>1</sup>	<b>\$282,790,742</b>	<b>60.2%</b>	<b>57.0%</b>	<b>51-63%</b>
<b>Global Equities</b>	<b>\$237,251,289</b>	<b>50.5%</b>	<b>48.0%</b>	<b>44-52%</b>
<b>Hedged Non-U.S. Equities (Developed Markets)</b>	<b>\$32,914,482</b>	<b>7.0%</b>	<b>6.0%</b>	<b>5-7%</b>
<b>Emerging Markets Equities</b>	<b>\$12,624,970</b>	<b>2.7%</b>	<b>3.0%</b>	<b>2-4%</b>
<b>Fixed Income</b>	<b>\$87,649,231</b>	<b>18.7%</b>	<b>20.0%</b>	<b>18-22%</b>
<b>Investment Grade Government/Credit</b>	<b>\$87,649,231</b>	<b>18.7%</b>	<b>20.0%</b>	<b>18-22%</b>
<b>Inflation Sensitive</b>	<b>\$99,174,280</b>	<b>21.1%</b>	<b>23.0%</b>	<b>20-26%</b>
<b>TIPS (Treasury Inflation Protection Securities)</b>	<b>\$86,552,943</b>	<b>18.4%</b>	<b>20.0%</b>	<b>18-22%</b>
<b>REITS (Real Estate Investment Trusts)</b>	<b>\$12,621,337</b>	<b>2.7%</b>	<b>3.0%</b>	<b>2-4%</b>
<b>Private Markets</b> <sup>2</sup>	<b>\$72,124,667</b>			
Terrace Holdings II	\$72,124,667			
<b>Other Cash and Accruals</b> <sup>3</sup>	<b>\$489</b>			
<b>Long Term Fund Total Assets</b> <sup>4</sup>	<b>\$541,739,409</b>			

<sup>1</sup> There is a statutory limitation of 85% maximum exposure to public equities. (§36.29)

<sup>2</sup> Private Markets is not included in the target allocation. The Terrace Holdings II Fund comprises private equity funds of J.P. Morgan, Adams Street Partners, and a TRG Forestry Fund.

<sup>3</sup> Other Cash and Accruals include custody & middle office fees, SWIB internal management fees, fund-level STIF cash, STIF interest and other pass through fees that either accrue until paid or are pre-paid. Balances vary intra-month and can cross into new quarters.

<sup>4</sup> Market values are calculated net of external management fees.

**Rebalancing Policy:**

The asset allocation of fund investments shall be reviewed at the end of each quarter. Quarterly net capital flows to/from the UW System shall be utilized to rebalance toward the target allocations. If the allocation by asset class falls outside the rebalance range following quarterly cash flows, assets will be systematically rebalanced back to the target allocation as soon as practicable and in any event prior to the next quarterly net capital flows. Only the Public Markets allocations will be included in any rebalancing. The legacy Private Markets investments will receive additional inflows based only upon past commitments. No new commitments will be made to private markets. Eventually the legacy Private Markets investments will self-liquidate as distributions are made from existing funds without any new commitments.

**Guidelines**

Current SWIB Guidelines for UW can be found at <https://www.swib.state.wi.us/statutes-guidelines> under Board of Trustees State Investment Fund & Separately Managed Funds Investment Guidelines.

## UW System Trust Funds: Investment Performance Analysis

Quarter Ended June 30, 2023



Performance results for the UW System Long Term Fund are shown below, both graphically and in table format.

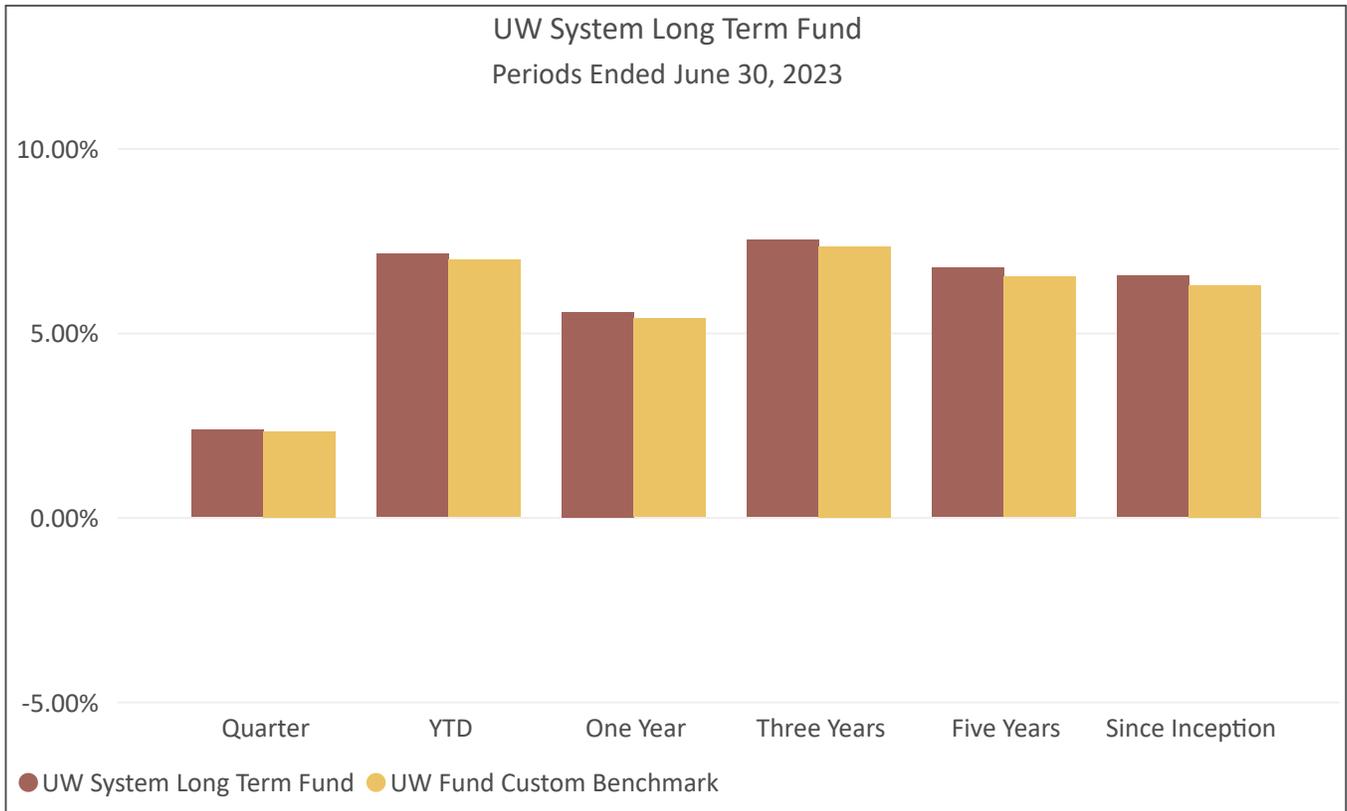
Fund and Benchmark Performance Data	Quarter Ending	Year to Date	One Year	Three Years	Five Years	Since Inception
UW System Long Term Fund	2.37%	7.14%	5.55%	7.51%	6.75%	6.53%
UW Fund Custom Benchmark	2.32%	6.98%	5.38%	7.33%	6.50%	6.29%
CPI + Spending Rate <sup>3</sup>	2.08%	4.83%	7.08%	9.99%	8.04%	8.05%
Income Cash Fund (SIF) <sup>4</sup>	1.24%	2.37%	3.82%	1.36%	1.57%	1.58%

<sup>1</sup> The UW System Long Term Fund's return is a gross of fees return. Inception date is 4/1/2018.

<sup>2</sup> The "UW Fund Custom Benchmark" is asset weighted using the UW Public Equity Benchmark, the Bloomberg U.S. Gov't/Credit Index, the Inflation Sensitive Benchmark, and the net Terrace Holdings II returns. The Bloomberg U.S. Gov't/Credit Index, and the Bloomberg Barclays U.S. TIPS Index are gross returns. All other benchmark components are net returns (net of fees or tax withholdings on dividends). The Private Markets Benchmark change has been approved by both the Investment and Benchmark Committees.

<sup>3</sup> The annual spending rate is 4.0% and the change in CPI is used as the inflation indicator.

<sup>4</sup> Relevant to the extent recipients have allocated a portion of their funds to the Income Cash Fund (SIF). The Income Cash Fund (SIF) is used for receiving spending distributions from the Long Term Fund. UW investment account holders may also allocate a portion of their expendable principal to this fund.



## UW System Trust Funds: Fund and Benchmark Performance Data by Asset Class

Quarter Ended June 30, 2023

Asset Class/Strategy	Quarter	YTD	One Year	Three Years	Since Inception
<b>UW System Long Term Fund</b>					
Gross of Fees	2.37%	7.14%	5.55%	7.51%	6.53%
Net of Fees	2.36%	7.13%	5.53%	7.48%	6.50%
Net of All Fees	2.35%	7.09%	5.46%	7.42%	6.43%
<b>UW Fund Custom Benchmark<sup>1</sup></b>	<b>2.32%</b>	<b>6.98%</b>	<b>5.38%</b>	<b>7.33%</b>	<b>6.29%</b>
<b>Public Equities</b>					
Gross of Fees	5.61%	13.06%	16.33%	11.22%	7.45%
Net of Fees	5.61%	13.04%	16.30%	11.19%	7.43%
<b>UW Public Equity Benchmark<sup>2</sup></b>	<b>5.54%</b>	<b>12.89%</b>	<b>16.02%</b>	<b>10.89%</b>	<b>7.22%</b>
<b>Blackrock MSCI ACWI Index Fund B<sup>3</sup></b>					
Gross of Fees	5.96%	13.43%	16.56%	11.29%	7.80%
Net of Fees	5.96%	13.42%	16.54%	11.27%	7.78%
<b>MSCI ACWI IM Net Index</b>	<b>5.89%</b>	<b>13.25%</b>	<b>16.14%</b>	<b>10.97%</b>	<b>7.42%</b>
<b>Blackrock EAFE Currency Hedged Equity Index Fund B<sup>3</sup></b>					
Gross of Fees	5.04%	13.78%	21.36%	13.80%	9.01%
Net of Fees	5.03%	13.76%	21.31%	13.75%	8.97%
<b>MSCI EAFE Net 100% USD Hedged Index</b>	<b>5.04%</b>	<b>13.78%</b>	<b>21.32%</b>	<b>13.69%</b>	<b>8.93%</b>
<b>Blackrock Emerging Markets Free Fund B<sup>3</sup></b>					
Gross of Fees	0.80%	4.81%	1.53%	2.08%	-0.84%
Net of Fees	0.77%	4.76%	1.43%	2.01%	-0.91%
<b>MSCI Emerging Markets Net Dividend Index</b>	<b>0.90%</b>	<b>4.89%</b>	<b>1.75%</b>	<b>2.32%</b>	<b>-0.70%</b>
<b>Fixed Income</b>					
<b>Blackrock Government/Credit Bond Index Fund B<sup>3</sup></b>					
Gross of Fees	-0.89%	2.49%	-0.57%	-3.98%	1.07%
Net of Fees	-0.90%	2.48%	-0.59%	-4.00%	1.05%
<b>Bloomberg Barclays U.S. Government/Credit Bond Index</b>	<b>-0.93%</b>	<b>2.21%</b>	<b>-0.70%</b>	<b>-4.11%</b>	<b>0.92%</b>
<b>Inflation Sensitive</b>					
Gross of Fees	-1.14%	2.05%	-1.55%	0.58%	2.73%
Net of Fees	-1.15%	2.04%	-1.57%	0.56%	2.71%
<b>Inflation Sensitive Benchmark<sup>4</sup></b>	<b>-1.19%</b>	<b>1.83%</b>	<b>-1.69%</b>	<b>0.44%</b>	<b>2.47%</b>
<b>Blackrock U.S. Treasury Inflation Protected Securities Fund B<sup>3</sup></b>					
Gross of Fees	-1.38%	2.13%	-1.26%	0.01%	2.70%
Net of Fees	-1.38%	2.12%	-1.27%	-0.01%	2.69%
<b>Bloomberg Barclays U.S. TIPS Index, Series L</b>	<b>-1.42%</b>	<b>1.87%</b>	<b>-1.40%</b>	<b>-0.12%</b>	<b>2.52%</b>
<b>Blackrock Developed Real Estate Index Fund B<sup>3</sup></b>					
Gross of Fees	0.47%	1.55%	-3.52%	4.19%	1.68%
Net of Fees	0.45%	1.51%	-3.60%	4.11%	1.60%
<b>FTSE EPRA/NAREIT Developed Net Index</b>	<b>0.24%</b>	<b>1.02%</b>	<b>-4.56%</b>	<b>3.33%</b>	<b>0.86%</b>
<b>Private Markets</b>					
<b>Terrace Holdings II<sup>5</sup></b>					
Gross of Fees	-0.75%	-0.75%	-10.59%	16.87%	13.08%
Net of Fees	-0.75%	-0.75%	-10.59%	16.83%	12.95%
<b>UW Private Equity Benchmark<sup>6</sup></b>	<b>-0.75%</b>	<b>-0.75%</b>	<b>-10.59%</b>	<b>16.83%</b>	<b>12.95%</b>

\* Net of Fee Returns are net of accrued external manager fees (e.g. BlackRock fees). Net of All Returns are net of SWIB internal and external investment management fees, custody & middle office fees, and other pass through fees accrued and paid. Returns are gross of internal UW fees. All Funds have an inception date of 04/01/2018.

1 The "UW Fund Custom Benchmark" is asset weighted using the UW Public Equity Benchmark, the Bloomberg U.S. Gov't/Credit Index, the Inflation Sensitive Benchmark, and the net Terrace Holdings II returns. The Bloomberg U.S. Gov't/Credit Index, and the Bloomberg Barclays U.S. TIPS Index are gross returns. All other benchmark components are net returns (net of fees or tax withholdings on dividends).

2 The "UW Public Equity Benchmark" is comprised of 84% MSCI ACW IM Net Index, 11% MSCI EAFE Net 100% USD Hedged Index, and 5% MSCI Emerging Markets Net Index.

3 Effective 3Q 2021, the valuation frequency for Blackrock mutual funds has been modified from monthly to daily. To correct for the impact of large cash flows, the performance was restated from April 2020 to July 2021 and the revised numbers are included in the 9/30/2021 performance. Note that no impact to performance occurred at the mandate level.

4 The "Inflation Sensitive Benchmark" is comprised of 87% Bloomberg Barclays U.S. TIPS Index, Series L and 13% FTSE EPRA/NAREIT Developed Net Index.

5 The Private Markets valuation update occurs on a lag. The portfolio's performance is updated when SWIB receives an updated quarterly statement, which may not occur in every quarter. The net of fees and net of all returns are net of StepStone manager fees.

6 The "Private Equity Benchmark" is comprised of the net of fees return of Terrace Holdings II, a Private Equity fund of funds being administered by StepStone.

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## APPENDIX

## Government/Credit Bond Index Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

### Investment objective and strategy

The Government/Credit Bond Index Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund shall be invested and reinvested primarily in a portfolio of debt securities with the objective of closely approximating the total rate of return of the Benchmark listed herein.

### Performance

Total return % as of 06/30/2023 (Return percentages are annualized as of period end. Returns for periods less than one year are cumulative.)

	Month*	Q2*	YTD*	1 Year*	3 Year	5 Year	10 Year
Fund return %	-0.31	-0.90	2.47	-0.61	-4.02	1.13	1.76
Benchmark return %	-0.32	-0.93	2.21	-0.70	-4.11	1.03	1.66
<b>Difference</b>	<b>0.01</b>	<b>0.03</b>	<b>0.26</b>	<b>0.09</b>	<b>0.09</b>	<b>0.10</b>	<b>0.10</b>

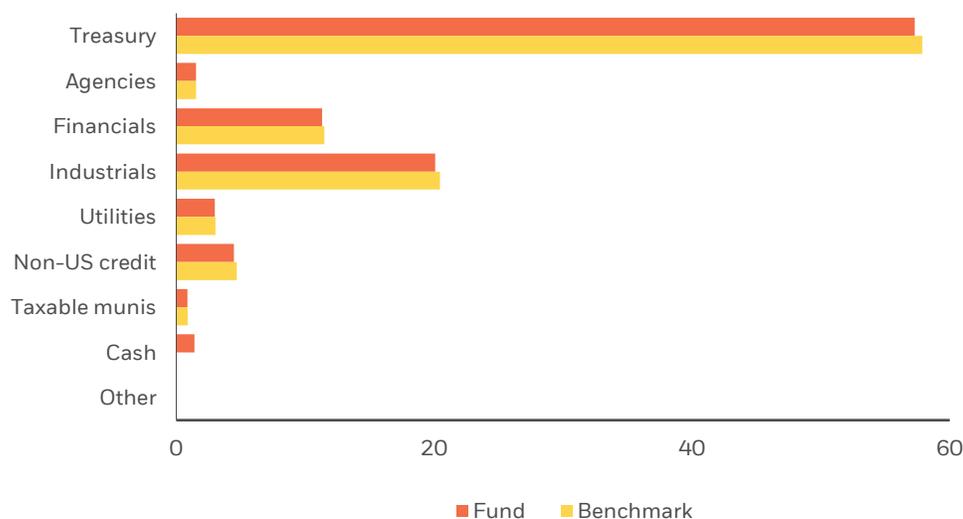
#### Performance disclosure:

The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

\* Period returns for less than one year are cumulative

### Sector allocation

% of Fund or Benchmark as of 06/30/2023



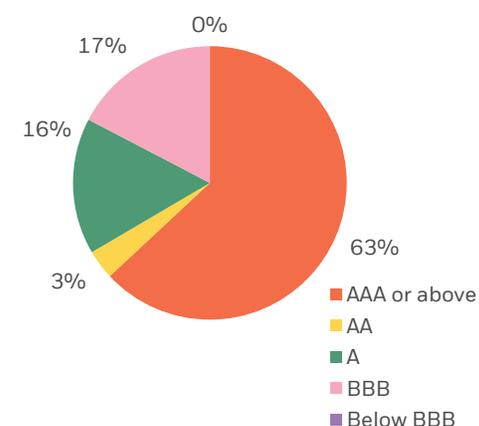
### Investment details (as of 06/30/2023)

<b>Benchmark</b>	Bloomberg U.S. Government/Credit Bond Index
<b>Total fund assets</b>	\$0.34 billion
<b>Fund inception date</b>	03/31/1991

### Characteristics (as of 06/30/2023)

	Fund	Benchmark
Number of securities	7,378	9,196
Market value (B)	\$0.34	\$18,051.98
Coupon (%)	2.88	2.88
Yield to maturity (YTM) (%)	4.80	4.80
Weighted avg life (yrs)	8.94	9.01
Effective duration (yrs)	6.51	6.51
Spread duration (yrs)	2.99	2.98
Option adjusted spread (bps)	45	45
Convexity (yrs)	0.89	0.89

### Quality breakdown (as of 06/30/2023)



The credit quality of a particular security or group of securities may be based upon a rating from a nationally recognized statistical rating organization or, if unrated by a ratings organization, assigned an internal rating by BlackRock, neither of which ensures the stability or safety of an overall portfolio.

Sources: BlackRock, Bloomberg Finance L.P.

Data is used for analytical purposes only. Index data may differ to those published by the Index due to calculation methods.

Breakdowns may not sum to 100% due to rounding, exclusion of cash, STIF and other statistically immaterial factors.

### Important Notes

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The Fund is also subject to other key risks, as described in the Fund’s Collective Investment Fund Profile. Some or all of those risks may adversely affect the value of units in the Fund, yield, total return and the Fund’s ability to meet its investment objective. See the Collective Investment Fund Profile for additional information.

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## MSCI ACWI IMI Index Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

### Investment objective and strategy

The MSCI ACWI IMI Index Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund invests primarily in U.S. and non-U.S. equity securities with the objective of approximating as closely as practicable the capitalization weighted rates of return of the markets in certain countries for publicly traded equity securities. The primary criterion for selection of investments in the Fund shall be the Benchmark listed herein.

### Performance

Total Return % as of 06/30/2023 (return percentages are annualized as of period end)

	Q2*	YTD*	1 Year*	3 Year	5 Year	10 Year
Fund return %	5.96	13.41	16.48	11.25	7.96	8.97
Benchmark return %	5.89	13.25	16.14	10.97	7.65	8.62
<b>Difference</b>	<b>0.07</b>	<b>0.16</b>	<b>0.34</b>	<b>0.28</b>	<b>0.31</b>	<b>0.35</b>

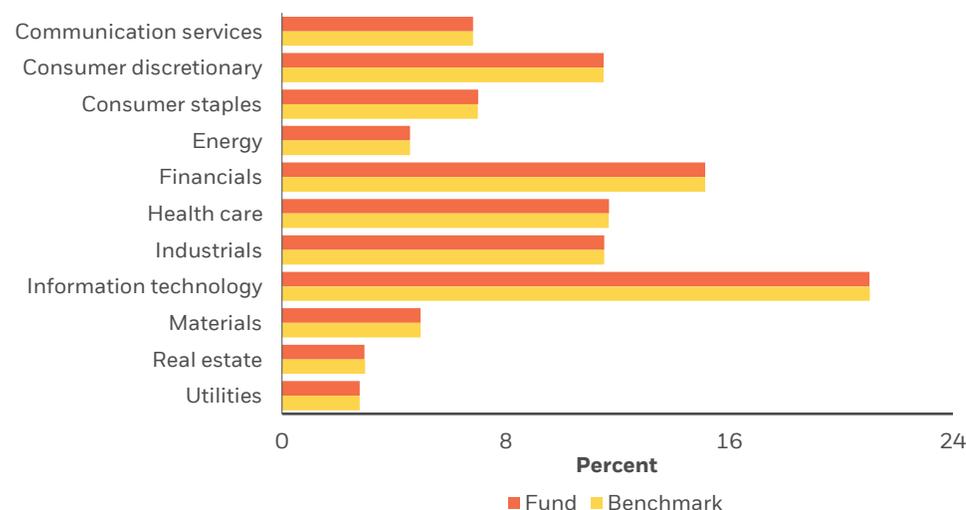
#### Performance disclosure:

The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

\* Period returns for less than one year are cumulative

### Sector allocation

% of Fund or Benchmark as of 06/30/2023



Sources: BlackRock, MSCI Inc.

Data is used for analytical purposes only. Index data may differ to those published by the Index due to calculation methods. Breakdowns may not sum to 100% due to rounding, exclusion of cash, STIF and other statistically immaterial factors.

### Investment details (as of 06/30/2023)

<b>Benchmark</b>	MSCI ACWI IMI Net Dividend Return Index
<b>Total fund assets</b>	\$3.91 billion
<b>Fund inception date</b>	03/23/2010

### Characteristics (as of 06/30/2023)

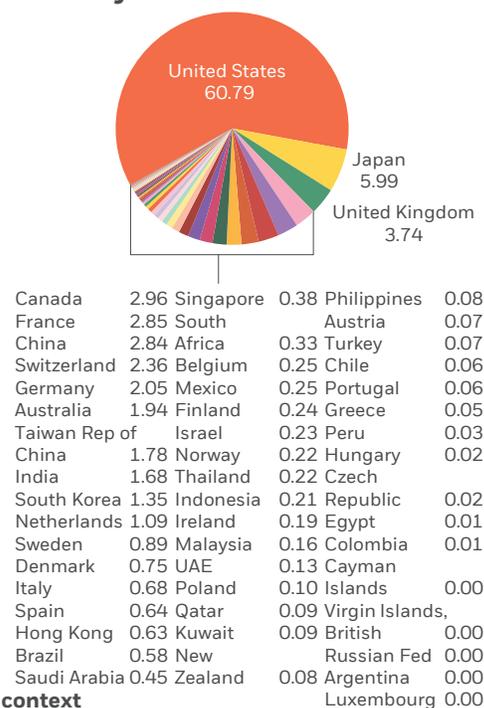
	Fund	Benchmark
Number of securities	9,283	9,182
Dividend yield	2.12	2.12

### Top 10 holdings (as of 06/30/2023)

	Country	Fund (% assets)
Apple Inc	United States	4.30
Microsoft Corp	United States	3.37
Amazon Com Inc	United States	1.68
Nvidia Corp	United States	1.46
Tesla Inc	United States	1.05
Alphabet Inc Class A	United States	1.00
Alphabet Inc Class C	United States	0.91
Meta Platforms Inc Class A	United States	0.89
Taiwan Semiconductor Manufacturing	Taiwan Rep of China	0.64
UnitedHealth Group Inc	United States	0.63

Portfolio holdings are subject to change and are not intended as a recommendation of individual securities.

### Country allocation (% as of 06/30/2023)



### Important Notes

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BES-0161

**BlackRock**

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## Developed Real Estate Index Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

### Investment objective and strategy

The Developed Real Estate Index Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund invests in US and non-US equity securities whose total return will approximate as closely as practicable the capitalization weighted total return net of dividend withholding taxes of the Benchmark listed herein. The investment universe consists of publicly traded real estate equity securities of issuers whose principal business is the ownership and operation of real estate as defined by the Benchmark listed herein.

### Performance

Total return % as of 06/30/2023 (return percentages are annualized as of period end)

	Q2*	YTD*	1 Year*	3 Year	5 Year	Since Inception
Fund return %	0.47	1.54	-3.54	4.17	0.68	2.43
Benchmark return %	0.24	1.02	-4.56	3.33	-0.10	1.67
<b>Difference</b>	<b>0.23</b>	<b>0.52</b>	<b>1.02</b>	<b>0.84</b>	<b>0.78</b>	<b>0.76</b>

#### Performance disclosure:

The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

\* Period returns for less than one year are cumulative

### Investment details (as of 06/30/2023)

<b>Benchmark</b>	FTSE EPRA/NAREIT Developed Index
<b>Total fund assets</b>	\$0.34 billion
<b>Fund inception date</b>	11/18/2014

### Characteristics (as of 06/30/2023)

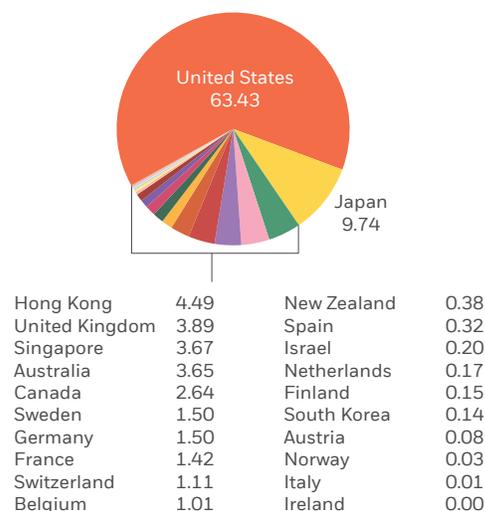
	Fund	Benchmark
Number of securities	346	370
Dividend yield	4.11	4.11

### Top 10 holdings (as of 06/30/2023)

	Country	Fund (% assets)
Prologis REIT Inc	United States	7.51
Equinix REIT Inc	United States	4.88
Public Storage REIT	United States	3.07
Welltower Inc	United States	2.63
Realty Income REIT Corp	United States	2.59
Simon Property Group REIT Inc	United States	2.45
Digital Realty Trust REIT Inc	United States	2.16
VICI Pptys Inc	United States	2.07
AvalonBay Communities REIT Inc	United States	1.73
Equity Residential REIT	United States	1.61

Portfolio holdings are subject to change and are not intended as a recommendation of individual securities.

### Country allocation (% as of 06/30/2023)



Sources: BlackRock, FTSE International Ltd

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### Important Notes

The Developed Real Estate Index Fund B is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"), European Public Real Estate Association ("EPRA"), or National Association of Real Estate Investments Trusts ("NAREIT") (together, the "Licensor Parties"). The Licensor Parties do not accept any liability whatsoever to any person arising out of the use of Developed Real Estate Index Fund B or the underlying data.

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The Fund is also subject to other key risks, as described in the Fund's Collective Investment Fund Profile. Some or all of those risks may adversely affect the value of units in the Fund, yield, total return and the Fund's ability to meet its investment objective. See the Collective Investment Fund Profile for additional information.

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BES-0161

# MSCI EAFE Currency Hedged Equity Index Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

## Investment objective and strategy

The MSCI EAFE Currency Hedged Equity Index Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund invests primarily in international equity securities whose total return will approximate as closely as practicable the cap weighted total return of the markets in certain countries for equity securities outside the US, while seeking to eliminate variations based solely on the value of the currencies in the Fund as compared to the US dollar. The primary criterion for selection of investments in the Fund is the Benchmark listed herein.

## Performance

Total return % as of 06/30/2023 (return percentages are annualized as of period end)

	Q2*	YTD*	1 Year*	3 Year	5 Year	Since Inception
Fund return %	5.04	13.77	21.22	13.74	8.56	9.94
Benchmark return %	5.04	13.78	21.32	13.69	8.55	9.92
<b>Difference</b>	<b>0.00</b>	<b>-0.01</b>	<b>-0.10</b>	<b>0.05</b>	<b>0.01</b>	<b>0.02</b>

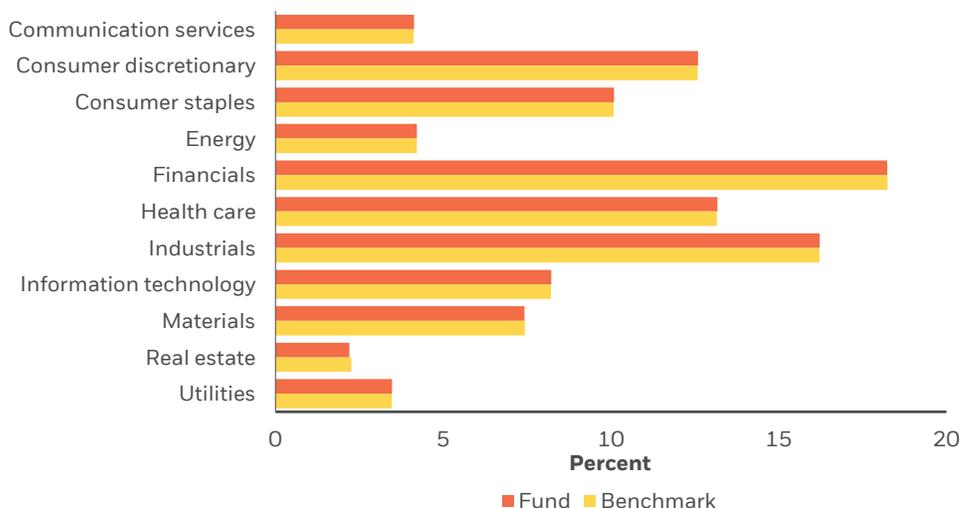
### Performance disclosure:

The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

\* Period returns for less than one year are cumulative

## Sector allocation

% of Fund or Benchmark as of 06/30/2023



Sources: BlackRock, MSCI Inc.

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## Investment details (as of 06/30/2023)

<b>Benchmark</b>	MSCI EAFE 100% Hedged to USD Net Dividend Return Index
<b>Total fund assets</b>	\$0.13 billion
<b>Fund inception date</b>	04/30/2016

## Characteristics (as of 06/30/2023)

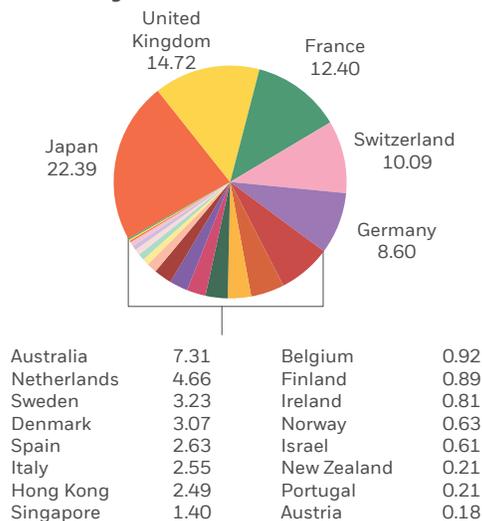
	Fund	Benchmark
Number of securities	797	798
Dividend yield	3.26	3.26

## Top 10 holdings (as of 06/30/2023)

	Country	Fund (% assets)
Nestle SA	Switzerland	2.13
ASML Holding NV	Netherlands	1.88
Novo Nordisk Class B	Denmark	1.72
LVMH	France	1.67
AstraZeneca PLC	United Kingdom	1.43
Roche Holding Par AG	Switzerland	1.38
Novartis AG	Switzerland	1.33
Shell PLC	United Kingdom	1.31
Toyota Motor Corp	Japan	1.09
HSBC Holdings PLC	United Kingdom	1.01

Portfolio holdings are subject to change and are not intended as a recommendation of individual securities.

## Country allocation (% as of 06/30/2023)



### Important Notes

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The Fund is also subject to other key risks, as described in the Fund's Collective Investment Fund Profile. Some or all of those risks may adversely affect the value of units in the Fund, yield, total return and the Fund's ability to meet its investment objective. See the Collective Investment Fund Profile for additional information.

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BES-0161

# U.S. Treasury Inflation Protected Securities Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

## Investment objective and strategy

The U.S. Treasury Inflation Protected Securities Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund shall be invested and reinvested primarily in a portfolio of debt securities with the objective of closely approximating the total rate of return for all outstanding U.S. Treasury Inflation Protected Securities with a maturity of one year or greater, as defined by the Benchmark listed herein.

## Performance

Total return % as of 06/30/2023 (Return percentages are annualized as of period end. Returns for periods less than one year are cumulative.)

	Month*	Q2*	YTD*	1 Year*	3 Year	5 Year	10 Year
Fund return %	-0.34	-1.39	2.10	-1.33	-0.06	2.58	2.21
Benchmark return %	-0.34	-1.42	1.87	-1.40	-0.12	2.49	2.08
<b>Difference</b>	<b>0.00</b>	<b>0.03</b>	<b>0.23</b>	<b>0.07</b>	<b>0.06</b>	<b>0.09</b>	<b>0.13</b>

### Performance disclosure:

The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

\* Period returns for less than one year are cumulative

## Investment details (as of 06/30/2023)

<b>Benchmark</b>	Bloomberg U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L)
<b>Total fund assets</b>	\$4.07 billion
<b>Fund inception date</b>	03/05/2002

## Characteristics (as of 06/30/2023)

	Fund	Benchmark
Number of securities	48	48
Market value (B)	\$4.07	\$1,187.24
Coupon (%)	0.72	0.71
Yield to maturity (YTM) (%)	4.24	4.24
Weighted avg life (yrs)	7.21	7.21
Effective duration (yrs)	6.68	6.68
Convexity (yrs)	0.89	0.89

Sources: BlackRock, Bloomberg Finance L.P.

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Breakdowns may not sum to 100% due to rounding, exclusion of cash, STIF and other statistically immaterial factors.

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**BlackRock**

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## MSCI Emerging Markets Free Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

### Investment objective and strategy

The MSCI Emerging Markets Free Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund invests primarily in international equity securities of issuers in emerging markets, with the objective of providing returns which approximate as closely as practicable the capitalization weighted total rates of return of the markets in certain countries for equity securities traded outside of the United States. The primary criterion for selection of investments in the Fund shall be the Benchmark listed herein.

### Performance

Total Return % as of 06/30/2023 (return percentages are annualized as of period end)

	Q2*	YTD*	1 Year*	3 Year	5 Year	10 Year
Fund return %	0.79	4.81	1.51	2.06	0.74	2.82
Benchmark return %	0.90	4.89	1.75	2.32	0.93	2.95
<b>Difference</b>	<b>-0.11</b>	<b>-0.08</b>	<b>-0.24</b>	<b>-0.26</b>	<b>-0.19</b>	<b>-0.13</b>

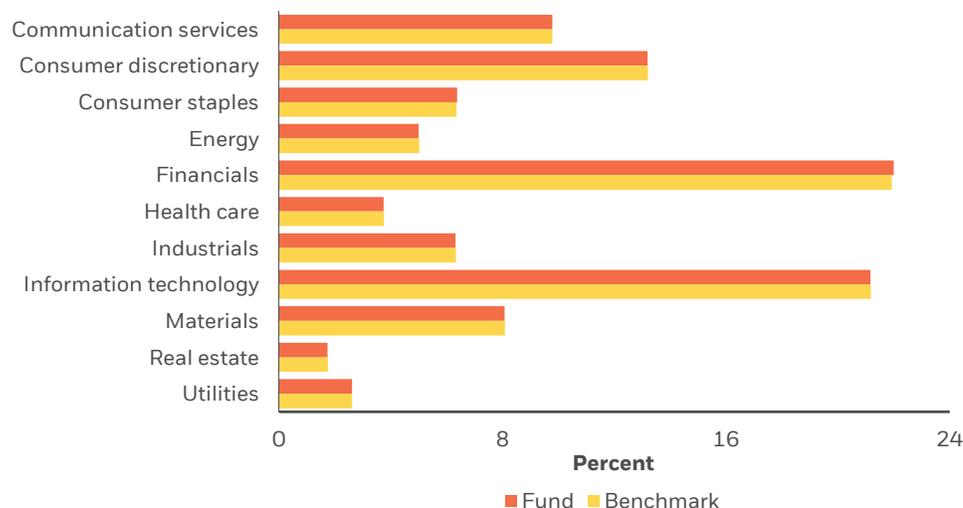
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### Sector allocation

% of Fund or Benchmark as of 06/30/2023



Sources: BlackRock, MSCI Inc.

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### Investment details (as of 06/30/2023)

<b>Benchmark</b>	MSCI Emerging Markets Net Dividend Return Index
<b>Total fund assets</b>	\$2.89 billion
<b>Fund inception date</b>	07/31/2000

### Characteristics (as of 06/30/2023)

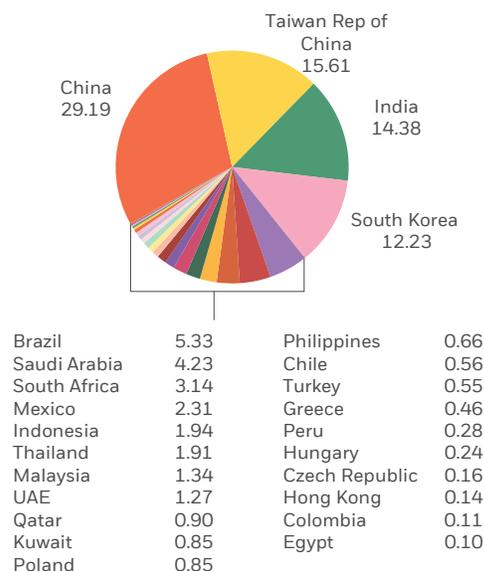
	Fund	Benchmark
Number of securities	1,435	1,423
Dividend yield	3.13	3.14

### Top 10 holdings (as of 06/30/2023)

	Country	Fund (% assets)
Taiwan Semiconductor Manufacturing	Taiwan Rep of China	6.82
Tencent Holdings Ltd	China	3.93
Samsung Electronics Ltd	South Korea	3.89
Alibaba Group Holding Ltd	China	2.56
Reliance Industries Ltd	India	1.42
Meituan	China	1.17
China Construction Bank Corp H	China	0.93
Housing Development Finance Corpor	India	0.90
ICICI Bank Ltd	India	0.89
Infosys Ltd	India	0.81

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### Country allocation (% as of 06/30/2023)



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## Quarterly Newsletter

### Portfolio Update

The 2023-2024 RegentFund team began managing the portfolio since May, 9<sup>th</sup> 2023. As we return to campus September 7<sup>th</sup>, the team will meet to discuss current positions, decide which names we want to sell or hold, and prepare to pitch new names monthly to align our portfolio with our target asset allocation, duration, and sector positioning. As of the end of July, we are target overweight to Investment Grade, underweight to High Yield, and neutral Treasuries to manage duration and volatility. There was no trading activity since we took over the portfolio, and as a result, the portfolio lost \$3,153.11 in value for the quarter.

### Performance

The BOR Portfolio returned -.47% during the second quarter, 6 bps below the benchmark's return of -.41%. Our Underperformance for the quarter was mainly attributed to selection (-13bps) offset somewhat by a positive allocation effect of (+10bps). The returns and relative performance of each asset are shown in Table 1.

**Table 1. Contribution to Return by Asset Class**

Asset Class	Second Quarter		
	Portfolio	Benchmark	Difference
IG Bonds	-0.45%	-0.30%	(0.15%)
Treasurys	-0.09%	-0.31%	0.22%
HY	0.02%	0.12%	(0.10%)
Cash	0.04%	0.08%	(0.04%)
<b>Total</b>	<b>-0.47%</b>	<b>-0.41%</b>	<b>(0.06%)</b>

Source: BNY Mellon, Bloomberg  
 \*Numbers may not sum due to rounding

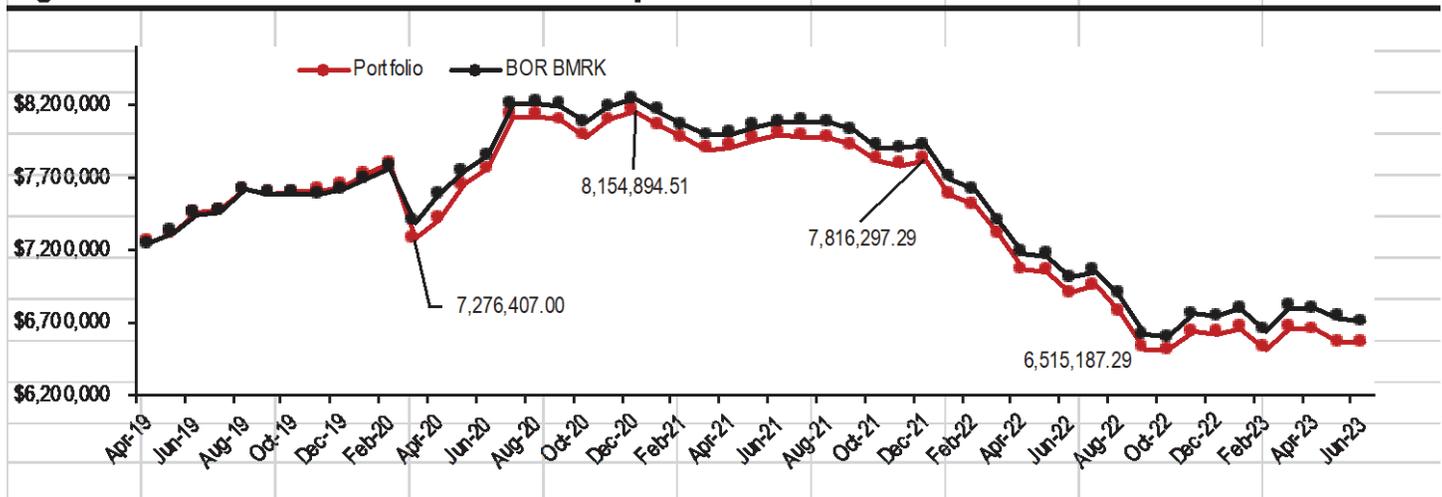
**Table 2. Performance Attribution**

Active Return Attribution Summary	Second Quarter
Curve Carry	(0.07%)
Curve Change	0.04%
<b>Total Curve Return</b>	<b>(0.03%)</b>
Allocation	0.10%
Selection	(0.13%)
<b>Total Excess Return</b>	<b>(0.06%)</b>

Source: BNY Mellon, Bloomberg  
 \*Numbers may not sum due to rounding

Figures 1 & 2 and Table 3 display our monthly performance relative to the benchmark. Our defensive positioning on an asset allocation and sector basis led to overperformance during the quarter. We have adjusted our asset allocation target in a move to be more risk-on, and look to increase allocations in sectors where we see attractive entry points on a value basis

**Figure 2. Performance vs. Benchmark Since Inception**



Source: BNY Mellon, Bloomberg. Note: Investment income is swept quarterly.