

CUNY Short-Term Investment Pool (“STIP”) Participant Rules

1. Purpose

These Participant Guidelines govern the relationship between CUNY and any Short-Term Investment Pool investing entity (“Participants”)

2. Deposits

Upon deposit of a Participant's assets in the Account, the assets will be invested pro-rata on a commingled basis in the STIP and the Participant will be assigned a pro-rata share of the STIP's total invested amount. Any Participant, with CUNY's approval, may invest additional assets in the STIP at any time.

Even though the STIP is for non-tax levy funds and, therefore, not subject to spending rules, for each Individual Fund in a Participant's Account, the Participant shall provide CUNY with (i) information regarding the name and purpose of the fund and any restrictions imposed on the fund; (ii) all available underlying documentation for the fund including, but not limited to, any gift instrument associated with the fund and any amendments thereto (iii) a statement of the book and market value of the fund as of the date the fund is delivered to CUNY for investment in the STIP; and (iv) a statement of anticipated cash flows (anticipated contributions and withdrawals) forecasted over the next 3 years. Especially for larger anticipated withdrawals and/or for longer-dated capital project needs, accuracy of the forecast is very important as it guides the rebalancing of tiers and helps avoid a potential liquidity mismatch.

Participants acknowledge that CUNY relies on the information and underlying documentation provided by the Participants and shall not hold CUNY liable for actions taken in reliance of such information to the extent that the information proves inaccurate or incorrect.

3. Governance, Objectives and Investment Implementation

The assets that the Participant invests in the STIP will be invested and managed pursuant to CUNY's Investment Policy as it relates to the STIP. The Investment Policy sets out the STIP investment objectives, risks, investment implementation guidelines etc. All Participants shall be given and required to read a copy of the Investment Policy before the first deposit to the Pool. CUNY will inform the Participant of any substantive amendments to the Investment Policy.

4. Reporting to Participants and Valuation Methodology

CUNY will provide the Participant with regular performance reports for the STIP that will include a calculation of the Participant's share of the STIP. This information will be available on the STIP's website, which is updated on a monthly basis.

CUNY will maintain records of the individual funds (the "Individual Funds") that comprise the Participant's Account. Such records for each Individual Fund will reflect actual additions to and withdrawals from each such fund, transfers to and from the fund, income earned by the fund, the fund's realized gains and losses and the fund's book and market value.

In determining the value of securities in the STIP, CUNY will rely on the STIP's investment managers and custodian. Readily marketable securities held by the STIP shall be valued using sources of information and pricing methods that are generally accepted by the industry.

A minor portion of the assets in the STIP will be invested in alternative investments (through the long-term tier co-invested in the CUNY long-term pool). Because these alternative investments, and the assets backing them, may not be readily marketable, valuations of these security interests may be subjective in nature. The valuation of these interests may marginally affect the value of the units it is assigned or receives when it elects to participate in or withdraw from the STIP.

5. Fee, Expense and Management Cost Sharing

The Participant's pro-rata share of the costs and expenses of managing and administering the STIP will be allocated to the Participant's Account. Such costs and expenses include, but are not limited to, all investment manager fees, related incentive fees; consultant fees; custodial and participant record-keeping fees; administrative fees; fees, such as legal or specialist fees when deemed necessary for compliance purposes; any other STIP-related costs and expenses. Currently, CUNY does not charge a fee for administering the STIP. CUNY will notify the Participant before initiating an administrative fee.

6. Withdrawals and Pool Participation Termination

Participants may withdraw funds from its Account by submitting to the CUNY Investment Office properly completed Withdrawal Requisition Forms, signed by two Authorized Representatives. Withdrawal Requisition Forms may be submitted by email, facsimile or overnight courier service to the CUNY Investment Office.

CUNY will endeavor to process withdrawal requests as promptly as is possible while maintaining the integrity of the STIP.

In order to ensure against a liquidity mismatch, advance notice is required for any withdrawal from the STIP as follows:

- For withdrawals less than \$500,000, 2 business days.
- For withdrawal requests of \$500,000 and up to \$1 million, 5 business days
- For withdrawal requests for amounts above \$1 million - 7 business days.

In order to advance the Financial Objectives of the STIP, Participants are encouraged to keep the total number of withdrawal requests per quarter to a minimum. Further, to be efficient and cost-effective, participants are encouraged to consolidate requests so to avoid de minimus withdrawal requests.

CUNY reserves the right to delay withdrawals partially or fully in extraordinary circumstances if such a transfer would have an adverse impact on the Participant itself or other STIP participants, such as during a financial crisis, an investment manager lockdown/gating situation or in the event of concurring extraordinarily large withdrawals from several STIP participants in a given period. At such times, CUNY will act prudently and in the best interests of all participants in the STIP in determining the time period necessary for the transfer of the Participant's funds and will inform the Participant of the circumstances and its decision in a timely manner.

A full termination of STIP participation or one or more withdrawal requests that constitute a withdrawal of all of the Participant's funds in its Account requires 30 days' notice. On the last day of the notice period, CUNY will transfer the funds in the Participant's Account, net of any applicable costs and expenses and net of the holdback described below to the Participant or a third party designated in writing by the Participant to receive such funds. CUNY may waive this and other notice periods at its discretion if it deems that doing so does not adversely impact other STIP participants. CUNY reserves the right to delay termination transfers partially or fully under the extraordinary circumstances described above.

In order to provide for equitable treatment of all participants in the STIP and given that some costs are incurred with a lag, in the case of a complete withdrawal, the STIP will retain 3 percent of the Participant's market value for unanticipated liquidity events—whether or not due to market conditions or inaccurate/ incorrect information provided--as well as costs and expenses under Section 8 of this Agreement, which will be applied to such costs, with any difference between the amount retained and the actual costs incurred by the Participant's account, paid or billed to the Participant within 90 days of the end of the applicable fiscal year. CUNY has the right to waive the holdback at its discretion.