



REPUBLIC OF PALAU

National Government

REPUBLIC OF PALAU COMPACT OF FREE ASSOCIATION TRUST FUND

Investment Policy Statement

Adopted: March 1995

Amended: 2000, 2003, 2014, 2016, 2018, 2019, 2020, 2021, 2023, 2024, 2026

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ROP COFA Trust Fund Investment Policy Statement

EXECUTIVE SUMMARY

Name of Fund: Republic of Palau Compact of Free Association Trust Fund
 Current Market Value: \$438 million (as of January 31, 2026)
 Planning Time Horizon: Greater than 20 years
 Base Return: Nominal rate of 7.2%, net of fees
 Policy Index Return: Nominal rate of 6.7%, net of fees
 Risk Tolerance: Moderately Aggressive
 Asset Allocation:

	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
U.S. Equities	19%	29%	39%
<i>Large Cap Value</i>		9%	
<i>Large Cap Core</i>		6%	
<i>Large Cap Growth</i>		9%	
<i>Small Cap Core</i>		5%	
Global Climate Solutions	5%	15%	25%
<i>Global Impact Equities</i>		10%	
<i>Global Green Bonds</i>		5%	
Non- U.S. Equities	10%	15%	25%
<i>Developed Markets</i>		7.5%	
<i>World ex-U.S.</i>		7.5%	
Fixed Income	11%	21%	31%
<i>U.S. Core/ Intermediate</i>		16%	
<i>U.S. High Yield</i>		2%	
<i>Non-U.S.</i>		3%	
Alternatives	10%	20%	30%
<i>Public Real Estate</i>		3%	
<i>Private Real Estate</i>		3%	
<i>Private Markets</i>		10%	
<i>Private Credit</i>		4%	

Performance Standard: Weighted benchmark comprised of the individual asset class benchmarks set forth in Appendix B.

I. STATEMENT OF PURPOSE

The purpose of this Investment Policy Statement ("IPS") is to assist the Republic of Palau Compact of Free Association ("COFA") Trust Fund Board of Trustees ("Board"), in effectively supervising, monitoring and evaluating the investment of the Republic of Palau Compact of Free Association Trust Fund ("Fund") assets. The Fund's investment program is defined in the various sections of the IPS by:

- Stating in a written document the Board's attitudes, expectations, objectives, and guidelines in the investment of all Fund assets
- Setting forth an investment structure for managing all Fund assets. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce a sufficient level of overall diversification and total return over the long-term.
- Providing guidelines for each investment portfolio that controls the level of overall risk and liquidity assumed in that portfolio so that all Fund assets are managed in accordance with stated objectives
- Encouraging effective communications between the Board, the registered investment advisor ("RIA"), and the investment managers ("Investment Managers")
- Establishing formalized criteria to monitor, evaluate and compare the performance results achieved by the Investment Managers on a regular basis
- Complying with all fiduciary, prudence and due diligence requirements that experienced investment professionals would utilize.

This IPS has been arrived at upon consideration by the Board of the financial implications of a wide range of policies and describes the prudent investment process that the Board deems appropriate.

II. BACKGROUND

The Compact of Free Association ("Compact") is an Agreement entered into in November 1994 by and between the Republic of Palau ("ROP") and the United States of America (U.S.). Under the Compact, the U.S. provides direct economic assistance, federal services, and military protection to the Republic of Palau, in exchange for defense rights.

Under the Compact, one such direct economic assistance is the Section 211(f) Trust Fund (Fund) which charges the ROP with the prudent management and oversight of the Fund, most specifically the Ministry of Finance, under whose purview the Fund falls.

RPPL 9-20 amended Title 40 of the Republic of Palau National Code with the purpose of re-creating a Board of Trustees that would be charged thereunder, with the prudent administration and management of the Fund. The provisions of Title 40 of the Republic of Palau National Code and the Bylaws of the Board of Trustees (Bylaws) subsequently adopted by the Board, shall govern the administration of the Board. If certain statements contained in the bylaws are in conflict or inconsistent with Title 40, then the provisions of Title 40 shall prevail to the extent of such conflict or inconsistency.

The Bylaws created the Fund Monitoring Committee (Committee). The Committee is tasked with the following:

- Obtaining and reviewing relevant detailed reports on the level and performance of the investment funds administered by the Board of Trustees on a monthly basis.
- Conducting research on matters relevant and related to the investment of such funds, including requests for information from registered investment advisors or fund managers, and other sources.
- Ensure that the investment of such funds is in compliance with the most recent Board approved Investment Policy Statement and applicable law.
- Providing a status report on such funds to the Board at regular meetings.
- Design and recommend for adoption by the Board a standard format or template for regular reports on the investment of administered funds.
- Ensure that the Board meets its reporting responsibilities in relation to the investment of funds as prescribed in applicable law and policy.
- Ensure that all reports and records of administered funds are organized, kept, maintained, and placed with the records of the Board.

III. STATEMENT OF OBJECTIVES

The objectives of the Fund have been established in conjunction with a comprehensive review of the current and projected financial requirements. The objectives are:

- To attain an expected rate of return net of fees as stated per fund in the executive summary annual rate of return or a rate of return at least four percent over the rate of inflation over a market cycle, whichever is greater. It is expected that this objective will be met within the levels of economic risk that a prudent man would take under various economic conditions. This objective may be modified periodically in light of changing rates of inflation.
- It is acknowledged that the rate of return outlined above may not be achieved each and every year. It is the goal of the Fund to meet this objective over a complete market cycle.
- To control costs of administering the Fund and managing the investments.

IV. FUNDING & SPENDING POLICIES

Funding:

- \$66 million - FY 1994. Source: COFA Section 211(f)
- \$ 4 million - FY 1997 - Source: COFA Section 211(f)
- \$65.25 million - FY 2018 - Source: U.S. SB 2610
- \$50 million - FY 2024. Source: CRA 2024 – commingled but with accounting of value
- \$50 million - FY 2025. Source: CRA 2024 – commingled but with accounting of value

Spending:

- Normal and customary expenses for Fund management, oversight and the like may be expended from the Fund.
- Maximum withdrawals by the Government of Palau of \$15 million in Fiscal Years 2024 through 2026. These withdrawals will be considered as reductions to the accumulated value of the CRA 2024 fundings.
- Notwithstanding the provisions of Section 211(f) of the Compact and the Section 211 (f) Agreement, beginning in fiscal year 2027, the Government of Palau may make annual withdrawals of up to 4 percent of the three-year moving average of the value of the Section 211(f) Fund at the end of each of the most recently available completed three fiscal years, or \$15 million, whichever is greater.

V. BROKERAGE POLICY

It is the policy of the Board to instruct the Investment Managers to direct transaction orders to designated broker-dealers. The direction of such trading shall be “subject to the best price execution” for all transactions effected for the Fund.

The Board has entered into an asset-based fee arrangement, where it may instruct the Investment Managers to direct securities transactions to designated broker/dealers. For transactions that occur under this arrangement, executions will be without commission expense, finder’s fees or other forms of compensation that may have been paid for asset placement. The Investment Managers, exercising their full discretion, must attempt to obtain “best available price and best execution” with respect to all transactions effected for the Fund.

VI. SUSTAINABLE, RESPONSIBLE & IMPACT INVESTING POLICY

The ROP is a globally recognized leader amongst the international community with its environmental initiatives, such as the Micronesian Challenge; PAN Fund; Palau International Coral Reef Center; and, its cooperation with South Pacific Nations in advocating awareness of Global Warming and its effects in the South Pacific Region. The ROP has also been recognized for its financial stability and good governance, and has therefore amplified its international leadership and emphasized the importance of regional and global partnerships.

The ROP COFA Board believes that as fiduciaries with oversight over valuable assets of the Palauan peoples, it is their duty to take a “Sustainable” and “Responsible” investment approach (“SRI”) to the management of the Fund. This approach integrates the good Environmental, Social and Governance (ESG) practices currently being practiced in the ROP in the real-world environment, into the management of its financial assets. The challenge the Board will continually face is to how best to take ESG factors into account, but to still look at it through the lens of performance-based duty.

A growing body of research has demonstrated that poorly managed ESG risks, such as natural resource efficiency, human capital/labor management, and board independence can have a material impact on asset values.

In 2018, the Board adopted a requirement for all Investment Managers employed to be a signatory ("Signatory") of the United Nations Principles for Responsible Investment ("PRI"). The PRI is a global organization that encourages and supports the uptake of responsible investment practices in the investment industry. PRI Signatories represent over \$100 trillion in investment assets, with Asset Owners comprising some 575 of the total 7,000 signatories in 135 countries.

As such, it began implementing an ESG policy of "Integration". This is the practice of incorporating ESG information into investment decisions to help enhance risk-adjusted returns, regardless of whether a strategy has a sustainable mandate. According to a recent CFA Institute study, Integration remains the most common method employed by asset owners and investment managers to put ESG into practice, especially among those just beginning the process.

Since adopting this policy, an increasing number of the investment managers retained by the Fund have become Signatories, with two investment managers not yet signatories.

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The principals are:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

Becoming a PRI Signatory indicates a commitment to the U.N. Sustainable Development Goals (SDGs) which were adopted by 193 countries in 2015. SDGs serve as the world's shared plan to end extreme poverty, reduce inequality, and protect the planet by 2030. The SDGs Goals adopted were:

- | | |
|------------------------------|---|
| • No Poverty | • Industry, Innovation & Infrastructure |
| • Zero Hunger | • Sustainable Cities and Communities |
| • Good Health and Well-being | • Responsible Consumption & Production |
| • Quality Education | • Climate Action |
| • Gender Equality | • Life Below Water |
| • Clean Water and Sanitation | • Life on Land |

- Affordable & Clean Energy
- Decent Work & Economic Growth
- Reduced Inequality
- Peace and Justice Strong Institutions
- Partnerships to achieve the Goal

In 2021, the Fund became a PRI Signatory in the Asset Owner category. With this increased commitment to the Principles, the Board determined it was appropriate to take the next step in the progression along the path of sustainable, responsible, impact investing; to imbue the Fund portfolio with those “values”, or “causes” that are deemed to be most impactful to the peoples of the Republic of Palau (“Palau”). Palau is designated as a Small Island Developing State. Small Island Developing States (SIDS) are a distinct group of 38 UN Member States and 20 Non-UN Members/Associate Members of United Nations regional commissions that face unique social, economic and environmental vulnerabilities.

SIDS are some of the world’s nations most vulnerable to climate change. Due to their proximity to water, SIDS are especially vulnerable to the marine effects of climate change like sea level rise, ocean acidification, marine heatwaves, and the increase in cyclone intensity. Changing precipitation patterns could also cause droughts.

Citizens of SIDS live near a coastline, meaning that they have a high-risk exposure to the effects of marine climate change. Additional climate change vulnerability comes through their economies: many SIDS have economies that are based on natural resources, such as ecotourism, fishing, or agriculture. Phenomena like sea level rise, coastal erosion, and severe storms have the potential to severely impact their economies.

Due to the extreme vulnerability of Palau to climate change, the causes that the Board will initially seek to address are those having to do with climate change. Fund Causes will evolve as the Trustee’s ESG priorities evolve. Appendix D will set specific SRI performance metrics for the Fund as a whole and for individual Investment Managers.

Implementation, Engagement & Reporting

The Board will actively engage on ESG to understand, quantify and influence a company’s exposure to climate change-related risks and the way it is managing those risks.

On the Investment Manager level, the Board will maintain the requirement that Investment Managers employed be PRI Signatories, and provide annual public Transparency Reports.

As a Signatory, the Fund will similarly provide an annual public Transparency Report.

This SRI strategy will be implemented through the current asset allocation and Investment Manager structure employed, at no additional expense to the Fund. Changes will be made if, and when, deemed prudent by the Board.

The RIA will, under the terms of their engagement, provide to the Board as needed, the analytics and reporting that the Board will require to fulfil its duties in regard to SRI. This will include quarterly reporting of the ESG performance of the Fund on the macro-level, as well as on the individual Investment Manager level.

Emissions Disclosure

The Board expect that companies in which the Fund's Investment Managers invest to make appropriate and timely public disclosure of carbon and other GHG emissions. Such disclosure should include targets for emissions intensity reduction and absolute level reduction.

In December 2019, the European Union (EU) made a giant step towards the regulation of sustainability-related disclosures with the advent of the Sustainable Finance Disclosure Regulation (SFDR). Those disclosures began to take effect on March 10, 2021, for all EU financial market participants.

Although non-EU companies are not obligated by law to disclose sustainability-related data, the Board believes this shift will impact U.S. markets and set the standard for the future. As the EU unveils more SFDR next steps, the Board will take a closer look at exactly how SFDR regulations may impact the U.S. markets, and what it will mean for the Fund.

Low-Carbon Transition Plans

The Board expect that companies in which the Fund's Investment Managers invest to have a credible, publicly disclosed plan to reduce GHG emissions. This plan should include measurable science-based targets that align with the Paris Agreement, which requires full de-carbonization of economies (net zero emissions) by 2050. Actions that should be included in a low-carbon transition plan are:

- Change business processes to reduce the company's carbon footprint;
- Introduce efficient energy management into buildings and factories;
- Source low carbon energy through direct generation or power purchase agreements;
- De-carbonize transport fleets, e.g., through electric vehicles; and, supply chains;
- Offset emissions from corporate travel, e.g., through afforestation;
- Advocate for regulations which drive the de-carbonization of their industry.

Voting

- It is the Board policy to vote against directors of companies which do not publicly disclose their emissions and do not have a credible plan for their reduction, and will request that Fund Investment Managers to vote proxies in that manner.
- It is the Board policy to vote against auditors where the Annual Report fails to report material climate risks, and will request that Investment Managers to vote proxies in that manner.

Divestment

The Board will evaluate the divestment of a company if it refuses to disclose its emissions and does not have a credible plan for their reduction.

Reporting

On an **annual quarterly** basis, the RIA will provide to the Board, a report of the ESG performance of the Fund on the macro-level, as well as on the individual Investment Manager level. This may be shared with other Fund stakeholders.

Advocacy

The Board believe that all public funds in the ROP should support mandatory GHG emissions disclosure both by companies in which they invest; and, should require them to adopt credible low carbon transition plans.

The Board will seek to lead the advocacy efforts for all public funds in Palau, and throughout Micronesia. The Board will seek to influence such disclosure and emissions management by directing their investment managers to vote against boards which hide their emissions and have no credible plan for their reduction. The Board will further advocate for these funds to consider replacing those investment managers which do not do so.

VII. GUIDELINES AND INVESTMENT POLICY

Time Horizon

In 2018 the ROP determined that it was in its best interests to adopt a policy that contemplates the Fund to be invested for perpetuity. The objective being to maintain the inflation adjusted principal value of the Fund Corpus, while striving to provide a stable source of income for the ROP. Therefore, investment guidelines are based upon an investment horizon of greater than twenty years, so that interim fluctuations should be viewed with appropriate perspective. Similarly, the Fund's strategic asset allocation is based on this long-term perspective.

Risk Tolerances

The Board recognizes the difficulty of achieving the Fund's investment objectives in light of the uncertainties and complexities of contemporary investment markets. The Board also recognizes that some risk must be assumed to achieve the Fund's long-term investment objectives. However, it is the intent to monitor the risk being assumed by each individual Investment Manager and by the Fund as a whole. To that end, risk will be evaluated by:

- Over a market cycle, risk associated with any Investment Managers portfolio, as measured by the variability of quarterly returns (standard deviation) must not exceed that of the Investment Manager's respective performance benchmark, without a commensurate increase in return.
- Over a market cycle, risk associated with the total Fund, as measured by the variability of quarterly returns (standard deviation) must not exceed that of the blend of indices representing the strategic asset allocation of the Fund, without a commensurate increase in return.
- During market cycles the risk measures, as indicated herein, will be reviewed periodically by the Board.

Performance Expectations

The Base Rate of Return objective is a long-term nominal rate of return on assets that is at least equal to 6.0%. This target rate of return for the Fund was derived from earnings assumptions employed in the renewed terms of the COFA agreed upon by and between the ROP and U.S. Government in September 2010.

That rate of return was based upon modeling that employed the assumption that future real returns will approximate the long-run rates of return experienced for various asset class.

The Total Return Index ("TRI"), is the expected annualized rate of return which is derived through portfolio optimization modeling which includes as inputs: current forecast rates of returns for each asset class; more recent volatility statistics for each asset class; and, more recent correlation statistics among the asset classes. The current TRI of the Fund is 6.7%. The TRI will be re-evaluated on an annual basis.

The Policy Index will be employed to measure relative performance of the Fund to the capital markets, and is a weighted benchmark comprised of the individual asset class benchmarks set forth in Appendix B.

The investment objective of the Fund is to strive for positive real rates of return (note: the U.S. Consumer Price Index (CPI) will be used when determining the real rate of return). It is acknowledged that the target rate of return may not be achievable each and every year. The Fund's objective is to meet the target rate of return over a complete market cycle.

The Board realizes that market performance varies and that the base target return of 6.0%, as well as the TRI of 6.7%, may not be meaningful during some periods. Accordingly, relative performance benchmarks for the Investment Managers are set in Appendix B.

The Board will also consider risk-adjusted performance. Over market cycles, Investment Managers will be expected to provide returns with a positive Alpha, as measured against their respective benchmark index; and have a higher Sharpe Ratio than the index. The Fund as a whole will be measured in the same manner against an index composite in the same allocation as the Funds strategic allocation.

Asset Allocation Constraints

The Board believes that the Fund's risk and liquidity posture are, in large part, a function of asset class mix. The Board has reviewed the long-term performance characteristics of various asset classes, focusing on balancing the risks and rewards inherent in the marketplace.

Five broad asset classes have been selected:

1. U.S. Equities
2. Non-U.S. Equities
3. U.S. Fixed Income
4. Non-U.S. Fixed Income
5. Alternative Investments

Given the Fund's time horizon, risk tolerances, performance expectations & asset class preferences; an efficient (optimal) portfolio was identified (Appendix A)

Re-balancing of Strategic Allocation

The percentage allocation to each broad asset class may vary as much as plus or minus 10% of target. The Fund's asset allocation will be reviewed for compliance by the Board after the end of each fiscal quarter.

When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the strategic asset allocation of the Fund. The allocation of the Fund will be reviewed by the Board quarterly. When cash flows are insufficient to bring the Fund within the strategic allocation ranges, the Board shall determine the appropriate course of action to be taken. The Investment Managers will then be instructed to execute such action required to bring the strategic allocation within the pre-specified ranges.

Custodial Credit Risk

Custodial credit risk will be mitigated by requiring that: 1) All securities held in custody be protected by deposit insurance, bond, or pledged collateral; and 2) Securities held in custody be in either the Fund's name, or in the name of the Fund's custodian identified specifically as for the benefit of the Fund, most commonly at DTC. At all times, Fund assets shall remain segregated from Custodian's corporate assets.

Ethics Guidelines

The Board and Registered Investment Advisor (RIA) must avoid conflicts of interest and should be sensitive to even the appearance of a conflict. A conflict of interest occurs when outside activities or personal interests interfere, or appear to interfere, with the ability to objectively perform a job or act in the best interests of the Fund. All financial, business and other activities must be lawful and free of conflicts or even the appearance of a conflict with the responsibilities to the Fund.

If there are potential conflicts of interest or even if there is a possibility that a conflict may exist or appear to exist, it should be disclosed to the Board in writing. All fiduciaries will annually acknowledge the Fund's ethics policies and agree to disclose any potential conflicts of interest accordingly.

VIII. SECURITIES GUIDELINES

The investment policies, guidelines and restrictions presented in this policy statement serve as a framework to help the Board achieve the investment objectives at a level of risk deemed acceptable.

The Fund will be diversified by asset class and within asset classes. Within each asset class, securities will be diversified among economic sector, industry, quality, and size.

Any pertinent restrictions existing under the laws of Palau or under the Compact with respect to the Fund, that may exist now or in the future, will be the governing restriction.

Within the equity and fixed income asset classes, different investment styles will be employed. Diversification by investment style is also an important step in reducing the risk of the Fund portfolio.

Equity Securities

The purpose of equity investments, both domestic and international, in the Fund is to provide capital appreciation, growth of income, and current income, with the recognition that this asset class carries with it the assumption of greater market volatility and increased risk of loss.

Investment styles within the equity asset class are defined as follows:

- **Large Cap (Growth)** – Equity securities with primary exposure to companies exceeding a market capitalization of \$10 billion that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in the stock selection process.
- **Large Cap (Value)** – Equity securities with primary exposure to companies exceeding a market capitalization of greater than \$10 billion that are generally believed to be undervalued or possessing lower than average price/earnings ratios, based on their potential for capital appreciation.
- **Large Cap (Core)** – Equity securities with primary exposure to companies exceeding a market capitalization of \$10 billion that are expected to have above average prospects for long-term growth in earnings and profitability and undervalued or possessing lower than average price/earnings ratios, based on their potential for capital appreciation. Future growth prospects and valuation levels are both considered in the stock selection process.
- **Small Cap (Core)** – Equity securities with primary exposure to small companies with market capitalization generally less than \$2 billion and typically averaging approximately \$500 million that are expected to have above-average prospects for long-term growth in earnings and profitability and undervalued or possessing lower than average price/earnings ratios, based on their potential for capital appreciation. Future growth prospects and valuation levels are both considered in the stock selection process.
- **World ex-U.S.** – Equities of companies domiciled outside the United States and may include companies in developed countries or emerging markets in less-developed economic regions of the world.

Equity Securities Guidelines

Equity holdings shall generally be restricted to high quality, readily marketable securities of corporations that are actively traded on the major stock exchanges, including NYSE, AMEX and NASDAQ. Non-U.S. equity exposure would preferably be gained through American Depositary Receipts (ADR), everything being equal.

Each equity investment manager shall:

- Assure that no position of any one company exceeds 10% of the manager's total portfolio as measured as a percentage of the invested market value of the Fund;

- Vote proxies and share tenders in a manner that is in the best interest of the Fund and consistent with the investment objectives contained herein;
- Maintain minimum of 25 positions in the portfolio to provide adequate diversification;
- Construct a properly diversified portfolio across sectors and industries; and,
- U.S. equity managers should have no more than 20% of the total portfolio invested in foreign stocks or American Depository Receipts (ADRs).

Eligible Equity Securities

- Common Stocks
- Convertible Notes, Bonds and Preferred Stocks
- American Depository Receipts (ADRs) of Non-U.S. Companies
- Emerging Markets
- Stocks of Non-U.S. Companies (Ordinary Shares)
- Mutual Funds

Within the above guidelines and restrictions, the Investment Managers have complete discretion over the timing and selection of equity securities.

Fixed Income Securities

The purpose of fixed income investments is to provide diversification, and a highly predictable, dependable source of current income. It is expected that fixed income investments will be focusing on total return, but will be flexibly allocated amongst maturities of different lengths according to interest rate prospects. Fixed instruments should reduce the overall volatility of the Fund's assets and provide a deflation hedge.

Fixed Income Securities Guidelines:

Investments in fixed income securities should be managed to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums, with the objective of meeting or exceeding the results of the fixed income market as represented by the annualized returns of the appropriate Barclays Capital Bond Index, over an annualized moving three and five-year time period.

Each core fixed income investment manager shall:

- Maintain an overall weighted average credit rating of "A" or better according to Moody's and Standard & Poor's ratings; and,
- Hold no more than 10% of the portfolio in below investment grade ("Baa"/"BBB") securities where split rated securities will be governed by the lower rating;
- Maintain a duration within +/-20% of the effective duration of the appropriate benchmark; and

- Ensure that any one issuer does not exceed 5% of the manager's portfolio, as measured at market value, except for securities issued by the U.S. government or its agencies.

Each high yield fixed income investment manager shall:

- Maintain an overall weighted average credit rating of "B" or better according to Moody's and Standard & Poor's ratings;
- Hold no more than 20% of the portfolio in investments rated below "B" where split rated securities will be governed by the lower rating; and,
- Ensure that any one issuer does not exceed 5% of the manager's portfolio, as measured at market value, except for securities issued by the U.S. government or its agencies.

Eligible Fixed Income Securities

- U.S. Government and Agency Securities
- Corporate Notes and Bonds
- Mortgage-Backed Bonds
- Preferred Stock
- Fixed Income Securities of Foreign Governments and Corporations
- Collateralized Mortgage Obligations
- Mutual Funds
- High Yield

Within the above guidelines and restrictions, the Investment Managers have complete discretion over the timing and selection of fixed income securities.

Cash and Cash Equivalents

The Investment Manager may invest in cash and cash equivalents to provide income, liquidity for expense payments, and preservation of the Fund pool principal value.

Cash and Cash Equivalent Guidelines

Un-invested cash reserves shall be kept to a minimum; short term, cash equivalent securities are usually not considered an appropriate investment vehicle for the Fund assets.

However, such vehicles are appropriate as depository for income distributions from long term Fund investments, or as needed for temporary placement of funds directed for future investment to the longer-term capital markets. Also, such investments are the standard for current operating cash.

Commercial paper must be rated at least A1 or P-1 (by Moody's or S&P).

No more than 5% of the total market value of the manager's portfolio may be invested in the obligations of a single issuer, with the exception of the U.S. Government and its agencies.

Eligible Cash and Cash Equivalent Securities

- Treasury Bills
- Money Market Funds
- Short Term Investment Funds
- Commercial Paper
- Certificates of Deposit

Within the above guidelines and restrictions, the Investment Managers have complete discretion over the timing and selection of cash equivalent securities.

Non-Traditional/ Alternative Investments

Non-Traditional/Alternative Investments are often structured as private investments and are generally formed as limited partnerships or limited liability companies and, in many cases, organized in low or no tax jurisdictions. The managers of these investments generally are allowed to operate with greater flexibility than most traditional investment managers and their compensation usually includes substantial performance incentives.

Objective

Investment in alternatives may be considered by this organization within the context of an overall investment plan. The objective of such investments will be to seek to diversify the portfolio, complementing traditional equity and fixed-income investments and improving the overall performance consistency of the portfolio. It is acknowledged that there is no guarantee that this objective will be realized.

Transparency and Liquidity

It is acknowledged that these investments are less transparent than traditional investments and that liquidity in such investments is usually significantly limited. Liquidity constraints, including lockup provisions and redemption or withdrawal fees, must be taken into consideration when making allocations to such investments.

Allowable Strategies

Since alternative investments generally seek to provide diversification by investing in strategies that do not correlate directly with traditional equity and/or fixed-income investments, investments strategies may include, but are not limited to, the following:

- | | |
|--------------------------|----------------------------------|
| • Statistical Arbitrage | • Distress Securities |
| • Momentum Trading | • Fixed Income Arbitrage |
| • Debt/Equity Financing | • Equity Long/Short |
| • Leveraged Buyouts | • Real Estate (Public & Private) |
| • Venture Capital | • Short Selling |
| • Mezzanine Debt | • Commodities and Futures |
| • Equity Market Neutral | • Structured Credit Products |
| • Convertible Securities | • Master Limited Partnerships |

The foregoing allowable strategies may be pursued in any manner acceptable to the Board.

The Board acknowledges that alternative investments can be highly illiquid and may engage in leveraging and other speculative investment practices, which may involve volatility of returns and significant risk of loss, including the potential for loss of the principal invested. Further, that there is no secondary market currently available for interests in most alternative investments and that there may be restrictions imposed by the fund on transferring such interests; that investing in alternative investments is only suitable for experienced and sophisticated investors who are willing to bear the high economic risks of the investment; and, that it will carefully review and consider all potential risks before investing including the following specific risks:

- loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices;
- lack of liquidity as there may be no secondary market for the investments;
- volatility of returns;
- restrictions on transferring interests in the investments;
- potential lack of diversification;
- absence of information regarding valuations and pricing;
- complex tax structures and delays in tax reporting;
- less regulation and higher fees than other forms of investments; and,
- investment advisor risk.

IX. SELECTION OF INVESTMENT MANAGERS

The Board, with the assistance of the RIA, will select appropriate investment managers to manage Fund assets. Investment Managers selected will execute written contracts with the Fund or the RIA, particularly where the RIA has a master contract with Investment Managers, whereby they can be retained by the Fund at preferential fees and at substantially reduced minimums. The Fund may subcontract with them through its contract with the RIA. Investment Managers must meet the following minimum criteria:

- Be a bank, insurance company, investment management company, or investment adviser as defined by the Investment Advisers Act of 1940.
- Must have a minimum of \$1 billion under management.
- Must claim compliance to GIPS® standards and provide independent verification by a qualified third-party verifier.
- Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- Must have been continuously engaged as an investment manager for 5 or more years.

- Assets that are to be placed in an investment management organization shall not exceed 20% of the organization's total asset under management.
- Selected firms shall have no outstanding legal judgments or past judgments, which may reflect negatively upon the firm.
- Must commit to attending an annual investment manager review to be held on Palau, Guam, Manila or Honolulu, at the discretion of the Board.
- Must be a signatory of the United Nations Principles for Responsible Investment ("PRI"), or of an equivalency acceptable to Board.

The Fund's relationship with the Investments Mangers will be subject to ongoing periodic review, benchmarked against the criteria set forth in the IPS. The term of the relationships will be at the discretion of the Board, as they deem necessary. It is noted that having fixed or arbitrary time frames may lead to Investment Manager behavior that is not necessarily driven by the best interests of the Fund.

X. SELECTION OF REGISTERED INVESTMENT ADVISOR

The Board will select an appropriate, registered investment management consulting firm as a Registered Investment Advisor ("RIA") to assist in the prudent investment and monitoring of the Fund. The RIA selected will execute a written contract with the Fund. The RIA must meet the following minimum criteria:

- The RIA must be registered with the Securities Exchange Commission.
- RIA must be recognized as expert in Investment Management Consulting, with an emphasis in institutional/Fund funds and must be able to provide unbiased fiduciary and financial advice.
- RIAs must demonstrate experience in the breadth and depth of their professional staff. The RIA providing advice to the Fund must provide evidence of specialized training in the field of Investment Management Consulting, such as the Certified Investment Management Analyst (CIMA) designation, or its equivalent.
- The RIA providing advice to the Fund shall not have any awards or judgments against him or her either by the Securities Exchange Commission (SEC) or Financial Industry Regulatory Authority (FINRA).
- RIA must maintain its own independent investment manager database and have its own investment manager due diligence capabilities, as well as its own investment performance monitoring system to ensure quality and accuracy of data and which tasks should not have to be subcontracted or purchased from third party vendors.
- The Fund's relationship with the RIA will be subject to ongoing and annual review, benchmarked against the criteria set forth in the IPS. The term of the relationship will be at the discretion of the Board, as they deem necessary. It is noted that having fixed or arbitrary time frames may lead to RIA behavior that is not necessarily driven by the best interests of the Fund.

XI. SELECTION OF SECURITIES CUSTODIAN

The Board, with RIA advice, will select an appropriate securities custodian ("Custodian") to safe keep Fund assets and to provide timely reporting of assets and activity. The Custodian must meet the following minimum criteria:

- Must be a U.S financial institution regulated by the Federal Reserve, a state banking authority, the Comptroller of the Currency or the appropriate equivalent, depending upon the nature of the given institution.
- Must have a minimum net worth in excess of \$100 million.
- Must have direct access to the Depository Trust Company I.D. System.
- Must have at least 10 years of experience as a custodian of similar funds.
- Must have at least \$1 trillion in custodial assets.
- Must offer electronic access to account information, to include statements.

XII. CONTROL PROCEDURES

Duties and Responsibilities of the Investment Managers

The duties and responsibilities of each Investment Manager retained include:

- Exercising investment discretion over the Fund assets under its care and control in accordance with the IPS objectives and guidelines set forth herein.
- Promptly informing the Board in writing of significant/ material matters pertaining to the investment of Fund assets, including, but not limited to: investment strategy; ownership; organizational structure; financial condition; professional staff; and, any material, legal or regulatory agency proceedings affecting the firm.
- Promptly voting all proxies and related actions in a manner consistent with the long-term interests and objectives of the Fund.
- Provide current year PRI Transparency Reports, if applicable.
- Acknowledging their fiduciary responsibility by the signing of this IPS.
- Utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like funds with like aims in accordance and compliance with all applicable laws, rules and regulations from local, state and federal entities as it pertains to fiduciary duties and responsibilities.

Duties and Responsibilities of the Registered Investment Advisor

The duties and responsibilities of the RIA retained by the Board include, but are not limited to, the following:

- Assist in with the development of investment strategies for Fund's assets
- Analyze existing investments

- Assist with asset allocation
- Select relevant performance benchmarks for each investment management style, updating Appendix B as needed in consultation with the Board
- Assist in the IPS development/ongoing review
- Recommend replacement of Investment Managers when warranted by qualitative or quantitative factors set forth herein
- Provide investment manager search services
- Monitor the performance of Fund assets and Investment Managers to include reporting against relevant performance benchmarks
- Report on Investment Managers' adherence to the IPS guidelines
- Provide educational forums, as requested
- Provide quarterly reviews
- Assist with special projects.

Duties and Responsibilities of the Securities Custodian

The duties and responsibilities of the Custodian include, but are not limited to, the following:

- Keep safe assets entrusted to the care of the Custodian;
- Collect, and credit, on a timely basis, all income due to the Fund;
- Provide on a timely basis, a monthly accounting statement for all Fund accounts;
- Provide electronic access to account information, to include account activity and monthly statements.

Performance Objectives

Investment performance will be reviewed at least quarterly to determine the continued feasibility of achieving the investment objectives and the appropriateness of the IPS for achieving those objectives. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

Monitoring of the Registered Investment Advisor

On a timely basis, but not less than once a year at the end of each fiscal year, the Board will meet concerning:

- RIA's adherence to the IPS guidelines and applicable laws
- RIAs continuing qualifications per IPS requirements
- Material changes in the RIA's organization and/or personnel
- Timeliness, completeness and accuracy of reporting

- Review of RIA's performance relative to advice given in regard to investment strategy, asset allocation and investment manager's advice.
- Quality of educational programs, quarterly reviews and special projects
- Fees paid.

Monitoring of Investment Managers

On a timely basis, but not less than four times a year, the Board will meet concerning:

- Investment Manager's adherence to the IPS guidelines and applicable laws
- Material changes in the Investment Managers' organization or investment philosophy
- Review of performance relative to the established performance benchmarks
- Fees paid.

The appropriate performance benchmarks are detailed under each Investment Manager's specific objectives and guidelines as presented in Appendix B.

Performance Measurement Periods

The measurement period for complete evaluation will be cumulative annual periods and complete market cycles. Market cycles will be loosely defined as periods of at least two consecutive quarters of rising stock prices/interest rates or two consecutive quarters of declining stock prices/interest rates.

Quarterly performance will be evaluated to test progress toward the attainment of longer-term targets. It is understood that there are likely to be short-term periods during which performance deviates from market indices. During such times, greater emphasis shall be placed on peer-performance comparisons with investment managers employing similar styles.

The Board will utilize the services of the RIA to assist in their evaluation and complete performance measurement duties.

The performance of the Fund's Investment Managers will be monitored on an ongoing basis, and it is at the Board's discretion to take corrective action by placing an Investment Manager on a "Watch List", or terminating an Investment Manager, if they deem it appropriate at any time.

Watch List and Termination

The RIA shall maintain a Watch List, which provides a means to communicate developments of potential concern. Placement on the Watch List initiates a probationary period that allows time to better assess the effects — negative or positive — stemming from the development in question. Upon placement on the Watch List, the Board may notify the Investment Manager in writing and may require a countersignature upon receipt upon inception of Watch List notification.

The Board, with the assistance of the RIA, will attempt to resolve Watch List assignments as soon as possible. These attempts are balanced with a goal of making more informed judgments that are consistent with maintaining a long-term investment perspective.

More common reasons for Watch List assignments include:

- Major ownership changes
- Significant firm and/or product asset declines
- Excessive asset growth in products with limited capacity
- Concerns regarding changes to key service providers
- Professional turnover
- Material changes in investment approach
- Extended period(s) of unexplainable or unanticipated relative underperformance

If the Investment Manager improves and satisfies the concerns over a reasonable time period, the Investment Manager is upgraded off of the Watch List. For example, if Watch is caused by two to three years of underperformance, combined with excessive analyst turnover, then performance improvement and personnel stability can cause the upgrade, and vice versa.

The RIA may recommend the termination of an Investment Manager if the original investment thesis is materially and permanently impaired. This most common is the result of fundamental developments that are determined to be detrimental to the potential longer-term success of the manager or underlying investment strategy.

Fiduciary Process

As the Fund's investment decisions are Board-directed, five generally recognized "safe harbor" requirements will be followed:

- Investment decisions must be delegated to "prudent experts" such as registered investment advisers, to include mutual funds & ETFs.
- The Board must demonstrate that the prudent experts were selected by following a due diligence process.
- The prudent experts must be given discretion over the assets.
- The prudent experts must acknowledge their fiduciary status in writing (mutual funds and ETFs are exempted from this requirement – the prospectus is deemed to serve as fiduciary acknowledgement).
- The Investment Board must monitor the activities of the prudent experts to ensure that the experts are properly performing the agreed upon tasks using agreed upon criteria.

Monitoring of Fiduciary Responsibilities and Prudent Practices

On a timely basis, but not less than once a year, the Board and the RIA will meet to address:

- Appropriate policies and procedures are in place to address all fiduciary obligations;
- Policies and procedures are effectively implemented and maintained; and,
- The IPS is up-to-date.

Republic of Palau Compact of Free Association Trust Fund

Investment Policy Statement - Appendix A

Asset Allocation Review and Optimization Analysis

Based on an updated asset allocation study in 2026, the Board, with the assistance from the Fund's RIA, identified an optimal broad asset class mix based on the Fund's time horizon, risk tolerances, performance expectations, and asset class preferences.

The Board further augmented the diversification of the Fund by implementing the strategic asset allocation with complementary styles of asset management. The Board has reviewed the characteristics of various styles of investment management, focusing on balancing the risks and rewards of style behavior. The Board specifically noted how investment styles go in and out of favor and the Board understands the prudence of diversifying among several styles of investment management.

The following strategic asset allocation for the Fund was selected:

	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
U.S. Equities	19%	29%	39%
<i>Large Cap Value</i>		9%	
<i>Large Cap Core</i>		6%	
<i>Large Cap Growth</i>		9%	
<i>Small Cap Core</i>		5%	
Global Climate Solutions	5%	15%	25%
<i>Global Impact Equities</i>		10%	
<i>Global Green Bonds</i>		5%	
Non- U.S. Equities	10%	15%	25%
<i>Developed Markets</i>		7.5%	
<i>World ex-U.S.</i>		7.5%	
Fixed Income	11%	21%	31%
<i>U.S. Core/ Intermediate</i>		16%	
<i>U.S. High Yield</i>		2%	
<i>Non-U.S.</i>		3%	
Alternatives	10%	20%	30%
<i>Public Real Estate</i>		3%	
<i>Private Real Estate</i>		3%	
<i>Private Markets</i>		10%	
<i>Private Credit</i>		4%	

**Republic of Palau Compact of Free Association Trust Fund
Investment Policy Statement - Appendix B
Investment Manager Performance Objectives**

(Note: RIA will update Performance Benchmarks, when needed in consultation with Board)

Management Style:	U.S. Large Cap Growth Equity
Performance Benchmark:	Russell 1000 Growth Index
Management Style:	U.S. Large Cap Core Equity
Performance Benchmark:	S&P 500 Index
Management Style:	U.S. Large Cap Value Equity
Performance Benchmark:	Russell 1000 Value Index
Management Style:	U.S. Small Cap Core Equity
Performance Benchmark:	Russell 2000 Index
Management Style:	Global Equities
Performance Benchmark:	MSCI ACWI Index
Management Style:	Global Equities
Performance Benchmark:	MSCI AC World Index Small Mid Cap Index
Management Style:	Non-U.S. Developed Markets Equity
Performance Benchmark:	MSCI EAFE Index
Management Style:	World ex-U.S. Equity
Performance Benchmark:	MSCI ACWI ex-U.S. Index
Management Style:	U.S. Core Fixed Income
Performance Benchmark:	Bloomberg Barclays U.S. Aggregate Bond Index
Management Style:	U.S. Intermediate Fixed Income
Performance Benchmark:	Bloomberg Barclay U.S. Intermediate Government/Credit Bond Index
Management Style:	U.S. High Yield Fixed Income
Performance Benchmark:	Bloomberg U.S. Corp: High Yield Index
Management Style:	Non-U.S. Fixed Income
Performance Benchmark:	FTSE Non-US WGBI Hedged Index
Management Style:	Private Credit
Performance Benchmark:	Morningstar LSTA US Leveraged Loan TR
Management Style:	Real Estate Investment Trusts
Performance Benchmark:	Wilshire REIT Index
Management Style:	Private Real Estate
Performance Benchmark:	NCREIF Fund Index-Open End Diversified Core Index
Management Style:	Private Markets
Performance Benchmark:	HFRI FOF Fund of Funds Composite Index

Republic of Palau Compact of Free Association Trust Fund

Investment Policy Statement - Appendix C

SRI Performance Metrics and Prudent Process towards Climate Change Mitigation

1. All Investment managers must be PRI Signatories

- Current non-compliant managers are excepted, but with an annual revisit

Goal: To set a minimum standard for ESG engagement on the part of investment managers

2. U.N. Sustainable Development Goals (SDG) of focus:

- SDG #7: Affordable & Clean Energy
- SDG #13: Climate Action

Goal: Transition portfolio to align with Paris Agreement goal of limiting global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

3. Causes of focus:

- Reduced Greenhouse Gas Emissions
- Renewable Energy

Goal: Transition the portfolio to align with the International Energy Agency (IEA) roadmap to reach net-zero emissions by 2050.

4. **Annually Quarterly** evaluate the aggregated Equity Portfolios against its blended indices benchmark

Goal: Determine ESG performance relative to blended benchmark

5. **Annually Quarterly** evaluate the individual investment managers against their respective benchmarks

Goal: Determine ESG performance relative to benchmark

Goal: Identify managers and/or asset classes negatively affecting overall ESG performance

6. For managers below benchmark, consider replacement, but with performance paramount

Goal: Positive impact on ESG performance for the investment manager and total fund

7. **Create a "Global Climate Solutions Fund" sleeve or "GCF" under "Global Equities"**

- Incorporate **equity and bond** strategies directly dealing with climate change mitigation
- Benchmark the aggregate against an appropriate index blend reflecting the equity and bond allocation **adopted the MSCI World Index**

Goal: Demonstrate Palau's commitment to investing in an impactful way on climate change

Goal: Avoid a "greenwashing" approach to climate change by not investing in broad ESG

Goal: Control ROP COFA Trust Fund expenses

**Republic of Palau Compact of Free Association Trust Fund
Investment Policy Statement - Appendix D
Adoption of the Investment Policy Statement**

The Republic of Palau Compact of Free Association Trust Investment Policy Statement is hereby adopted by the below ROP Compact of Free Association Board of Trustees:


Signature

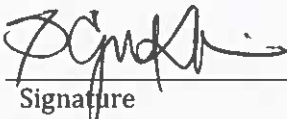
Lindsay M. Timarong, Chairman
Printed Name/ Title

May 1st, 2026
Date


Signature

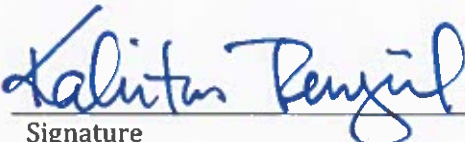
E. Iway / Keda, Vice Chairman
Printed Name/ Title

05 May 2026
Date


Signature

Caryn L. Koshiba, Treasurer
Printed Name/ Title

May 1st, 2026
Date


Signature

Kalistus Rengil
Printed Name/ Title

May 1, 2026
Date

Signature

Printed Name/ Title

Date

Signature

Printed Name/ Title

Date

**Republic of Palau Compact of Free Association Trust Fund
Investment Policy Statement - Appendix E
Acknowledgment of the Investment Policy Statement**

Receipt of the Republic of Palau Compact of Free Association Trust Investment Policy Statement is hereby acknowledged by the ROP Compact of Free Association Investment Manager:

Michael A. Torres

Signature

Michael A. Torres

Printed Name

CEO

Capacity

Adelante Capital Management LLC

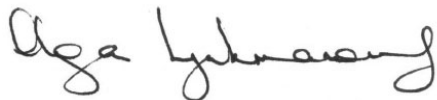
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May, 5, 2026

Date

**Republic of Palau Compact of Free Association Trust Fund
Investment Policy Statement - Appendix E
Acknowledgment of the Investment Policy Statement**

Receipt of the Republic of Palau Compact of Free Association Trust Investment Policy Statement is hereby acknowledged by the ROP Compact of Free Association Investment Manager:



Signature

Olga Lyukmanova

Printed Name

VP, Compliance

Capacity

Aristotle Capital Management, LLC

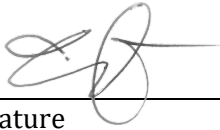
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5.11.2026

Date

**Republic of Palau Compact of Free Association Trust Fund
Investment Policy Statement - Appendix E
Acknowledgment of the Investment Policy Statement**

Receipt of the Republic of Palau Compact of Free Association Trust Investment Policy Statement is hereby acknowledged by the ROP Compact of Free Association Investment Manager:



Signature

Edwin G. Quan

Printed Name

SVP and Director- Institutional Services

Capacity

Bank of Hawai'i

Firm

05/19/2026

Date

**Republic of Palau Compact of Free Association Trust Fund
Investment Policy Statement - Appendix E**

Acknowledgment of the Investment Policy Statement

Receipt of the Republic of Palau Compact of Free Association Trust Investment Policy Statement is hereby acknowledged by the ROP Compact of Free Association Investment Manager:

Ashley Lyon
Signature

ASHLEY LYON
Printed Name

PRINCIPAL
Capacity

BOSTON COMMON ASSET MANAGEMENT
Firm

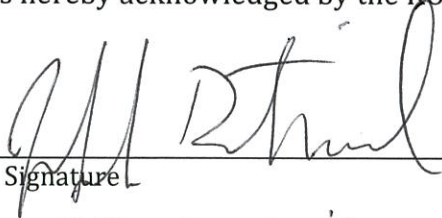
5-7-2026
Date

Republic of Palau Compact of Free Association Trust Fund

Investment Policy Statement - Appendix E

Acknowledgment of the Investment Policy Statement

Receipt of the Republic of Palau Compact of Free Association Trust Investment Policy Statement is hereby acknowledged by the ROP Compact of Free Association Investment Manager:



Signature

Jeff Detwiler

Printed Name

Co-Deputy CIO

Capacity

Garcia Hamilton & Associates

Firm

May 8, 2026

Date

Pursuant to a Portfolio Manager Sub-advisory Agreement between Lazard Asset Management LLC ("Lazard") and Raymond James Financial, Inc. ("RJ"), dated January 3, 2013, as amended (the "Agreement"), Lazard provides RJ with a model portfolio of the Lazard International Equity Strategy for use in the Raymond James Consulting Services program.

The undersigned acknowledges that the model delivery complies with the Agreement in all material respects and affirms its commitment to conduct regular annual meetings with RJ and certain clients of RJ, as reasonably requested.

Lazard Asset Management LLC



Signature

Mark R. Anderson

Printed Name

Managing Director, General Counsel

Title

June 8, 2026

Date

ROP COFA Trust Fund Investment Policy Statement

Republic of Palau Compact of Free Association Trust Fund

Investment Policy Statement - Appendix E

Acknowledgment of the Investment Policy Statement

Receipt of the Republic of Palau Compact of Free Association Trust Investment Policy Statement is hereby acknowledged by the ROP Compact of Free Association Investment Manager:

Tim Dubost

Signature

Timothy Dubost

Printed Name

Managing Director, Global Fixed Income

Capacity

Nuveen

Firm

May 6, 2026

Date

**Republic of Palau Compact of Free Association Trust Fund
Investment Policy Statement - Appendix E
Acknowledgment of the Investment Policy Statement**

Receipt of the Republic of Palau Compact of Free Association Trust Investment Policy Statement is hereby acknowledged by the ROP Compact of Free Association Investment Manager:

Tim Tarpening

Signature

Tim Tarpening

Printed Name

Managing Director

Capacity

Pacific Income Advisers

Firm

May 27, 2026

Date

**Republic of Palau Compact of Free Association Trust Fund
Investment Policy Statement - Appendix E
Acknowledgment of the Investment Policy Statement**

Receipt of the Republic of Palau Compact of Free Association Trust Investment Policy Statement is hereby acknowledged by the ROP Compact of Free Association Investment Manager:


Signature

Austin Gardner
Printed Name

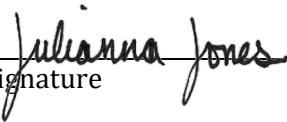
Head of Distribution
Capacity

Rockefeller Global Investment Management
Firm

May 18, 2026
Date

**Republic of Palau Compact of Free Association Trust Fund
Investment Policy Statement - Appendix E
Acknowledgment of the Investment Policy Statement**

Receipt of the Republic of Palau Compact of Free Association Trust Investment Policy Statement is hereby acknowledged by the ROP Compact of Free Association Investment Manager:



Signature

Julianna Jones

Printed Name

Operations Manager

Capacity

WCM Investment Management, LLC

Firm

Jun 3, 2026

Date