SUMMARY OF CHANGES IN UNRESTRICTED NET ASSETS

The following is a Summary of Changes in Unrestricted Net Assets for each of the five years ended May 31.

SUMMARY OF CHANGES IN UNRESTRICTED NET ASSETS
(In Millions)

YEAR ENDED MAY 31	2011	2012	2013	2014	2015
OPERATING REVENUES					
Tuition and fees, net	$401.2	$432.6	$457.6	$487.1	$503.6
Grants and contracts, net	518.8	520.4	515.6	487.8	475.8
Net patient revenue	1,170.2	1,201.8	1,276.0	1,328.9	1,440.8
Gifts and trusts	52.6	60.7	60.9	67.5	69.6
Net assets released from restrictions	31.9	19.6	25.8	25.0	22.3
Endowment spending distribution	31.1	27.7	29.9	32.1	34.9
Investment return [1]	9.2	3.6	6.1	6.4	4.8
Auxiliary enterprises, net	99.2	105.5	107.2	111.4	117.3
Other sources	26.8	29.2	39.8	29.1	37.4
Total operating revenues	**2,341.0**	**2,401.1**	**2,518.9**	**2,575.3**	**2,706.5**
FUNCTIONAL EXPENSES					
Instruction	461.8	459.5	446.5	479.6	509.1
Research	229.5	233.1	216.6	211.2	208.8
Public service	157.5	154.2	149.9	151.9	136.4
Academic support	146.5	154.6	141.9	136.3	144.2
Student services	38.5	39.4	39.6	43.0	45.7
Institutional support	108.1	123.8	135.9	162.5	191.7
Auxiliary enterprises	145.0	143.1	149.8	163.2	171.7
Patient care [2]	1,040.1	1,123.8	1,232.5	1,196.5	1,276.5
Total functional expenses	**2,327.0**	**2,431.5**	**2,512.7**	**2,544.2**	**2,684.1**
Net operating income (loss)	**14.0**	**(30.4)**	**6.2**	**31.1**	**22.4**
NON-OPERATING ACTIVITIES					
Revenues and other additions (deductions)					
Net asset reclassification for cumulative effect of a change in accounting principle [3]	-	-	(160.8)	-	-
Endowment, annuity and other investment return, net of distributions	101.3	(70.4)	41.3	30.0	(0.2)
Gifts and trusts	3.5	4.7	7.3	0.7	6.4
Net gain (loss) on sale and/or disposal of other assets and property and equipment	(1.6)	1.8	(5.3)	(1.5)	7.4
Net assets released from restrictions	6.7	16.5	8.7	12.3	1.2
Transfer to permanently restricted net assets	(0.2)	(2.3)	(0.7)	(0.7)	(0.5)
Change in unrestricted net assets from non-operating activities	**109.7**	**(49.7)**	**(109.5)**	**40.8**	**14.3**
Postretirement benefits related changes other than net periodic benefit cost	78.0	(167.0)	85.7	32.8	(53.4)
(Decrease) increase in unrestricted net assets	**$ 201.7**	**$ (247.1)**	**$ (17.6)**	**$ 104.7**	**$ (16.7)**

1. Includes net unrealized gains (losses) on investments.
2. Includes $99.2 million in goodwill impairment in FY2013.
3. See 'Endowment' herein for more details.
Note: Certain amounts in the prior year's statement have been reclassified to conform to the current year's presentation.

NET TUITION AND FEES

Net tuition and fees represent the total of tuition and mandatory fee revenue less scholarships and fellowships.

NET TUITION REVENUE (In Millions)					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Tuition and Fee Revenue	$567.3	$606.7	$643.3	$677.6	$701.8
Institutional Scholarships and Fellowships [1]	(154.2)	(163.9)	(175.5)	(181.3)	(186.7)
Sponsored Scholarships and Fellowships	(11.9)	(10.2)	(10.2)	(9.2)	(11.5)
Net Tuition and Fee Revenue	**$401.2**	**$432.6**	**$457.6**	**$487.1**	**$503.6**

1. Excludes scholarships and fellowships associated with auxiliary enterprise revenues.

Note: Certain amounts in prior year's statement have been reclassified to conform to the current year's presentation.

GIFTS

Gifts (including pledges and trusts) received by the University during the five years ended May 31 and the purposes for which they are given, were as follows:

GIFTS RECEIVED [4] (In Millions)					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Unrestricted – Operating	$52.6	$60.7	$60.9	$67.5	$69.6
Unrestricted – Non Operating [1]	3.5	4.7	7.3	0.7	6.4
Temporarily Restricted [2, 5]	37.7	32.2	37.0	36.9	86.7
Permanently Restricted [3]	11.4	11.7	12.1	24.3	34.2
Total	**$105.2**	**$109.3**	**$117.3**	**$129.4**	**$196.9**

1. Primarily gifts and trusts for facilities expansion.
2. Gifts, trusts, and pledges with donor-imposed use stipulations that either expire with the passage of time or that can be fulfilled or removed by actions of the University pursuant to those stipulations.
3. Gifts, trusts, and pledges with donor-imposed use stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the University.
4. Presented on Generally Accepted Accounting Principles ("GAAP") basis.
5. The increase in FY2015 temporarily restricted gifts is attributable to a single large gift in support of a specific building project.

GRANTS AND CONTRACTS

The University has long been a center for programs of sponsored research and training, particularly in the areas of medical and oceanographic research. It ranked 61st nationally in the FY2013 National Science Foundation study of federally funded research universities and 25th among private universities. The decline in grants over the past four years reflects a decline in federal grant awards over that period. Grant and contract revenues received by the University for the five years ended May 31 were as follows:

GRANT AND CONTRACT REVENUES (In Millions)					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Total [1]	**$502.2**	**$510.5**	**$508.1**	**$480.7**	**$461.2**
Medical School	398.0	412.1	394.0	375.0	367.1
Medical School Percentage	79.3%	80.7%	77.5%	78.0%	79.6%

1. Excludes Federal Financial Aid.

Note: Certain amounts in the prior year's statement have been reclassified to conform to the current year's presentation.

The amounts shown in the above table include sponsored grants and contracts from private and governmental agencies for research, training, and public service. They exclude the State Appropriations for the School of Medicine of $16.6, $9.9, $7.5, $7.1, and $14.7 million for the fiscal years ended May 31, 2011, 2012, 2013, 2014, and 2015, respectively. The State annually appropriates funds to the School of Medicine for the Sylvester Comprehensive Cancer Center to pursue its goal of obtaining a national cancer institute (NCI) designation. The amounts reimbursed to the University under such sponsored grants and contracts for the five years ended May 31 were as follows:

FACILITIES AND ADMINISTRATIVE COST RECOVERY (DIRECT AND INDIRECT) (In Millions)					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Direct Costs	$486.9	$474.6	$466.6	$439.7	$417.4
Facilities and Administrative Costs	72.5	72.3	67.3	65.7	64.0
Total [1]	**$559.4**	**$546.9**	**$533.9**	**$505.4**	**$481.4**

1. Includes Federal Financial Aid. Excludes private contracts not subject to indirect cost recovery.

ENDOWMENT

The market values of the University's Endowment, from its audited financial statements, for the five years ended May 31 were as follows:

ENDOWMENT AND ENDOWMENT INCOME (In Millions)					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Market Value	**$719.9**	**$678.7**	**$777.9**	**$865.4**	**$887.3**
Donor Restricted Endowment	552.3	525.8	603.9	678.7	703.7
Quasi Endowment	167.6	152.9	174.0	186.7	183.6
Endowment Spending Distribution	**$31.1**	**$30.1**	**$32.7**	**$34.8**	**$37.6**

The Growth Pool actual asset allocation for the three years ended May 31 compared with the Growth Pool policy allocation is shown in the following table:

GROWTH POOL STRATEGIC ASSET ALLOCATION						
	2013		**2014**		**2015**	
Asset Class	**Policy**	**Actual**	**Policy**	**Actual**	**Policy**	**Actual**
US Large/Mid Cap Equity	16.0%	21.2%	19.0%	21.3%	22.5%	24.8%
US Small Cap Equity	4.0%	5.6%	4.0%	5.6%	6.0%	6.2%
International Equity	17.5%	17.3%	17.5%	18.5%	19.0%	21.3%
Emerging Markets Equity	7.5%	7.3%	7.5%	7.0%	7.5%	7.5%
Global Fixed Income	5.0%	5.0%	5.0%	4.8%	5.0%	4.3%
Aggregate Fixed Income	0.0%	0.0%	2.5%	3.2%	5.0%	5.3%
US Treasury Inflation Protected Securities	5.0%	3.1%	2.5%	1.5%	0.0%	0.0%
Hedge Funds	30.0%	27.9%	27.0%	27.2%	20.0%	18.6%
Private Equity	5.0%	4.3%	5.0%	3.2%	5.0%	3.1%
Hard Assets (including real estate)	10.0%	7.8%	10.0%	7.5%	10.0%	6.6%
Cash	0.0%	0.5%	0.0%	0.2%	0.0%	2.3%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

PLANT ASSETS

The following table presents the recorded carrying value of the University's land, buildings, equipment, library materials, leaseholds, art objects, and construction in progress, for the five years ended May 31.

CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT
(In Millions)

YEAR ENDED MAY 31	2011	2012	2013	2014	2015
Land & Land Improvements	$182.5	$182.0	$194.3	$196.3	$198.4
Buildings & Building Improvements	1,506.2	1,544.1	1,598.0	1,743.5	1,800.2
Moveable Equipment	528.9	557.0	589.3	654.7	714.9
Library Materials	110.8	113.4	115.8	117.0	116.5
Leasehold Improvements	32.5	38.6	47.9	48.9	49.8
Art Objects	51.8	52.4	54.8	55.0	55.7
Sub Total	2,412.7	2,487.5	2,600.1	2,815.4	2,935.5
Construction in Progress	47.7	94.0	143.9	76.8	136.9
Total	2,460.4	2,581.5	2,744.0	2,892.2	3,072.4
Less: Accumulated Depreciation	1,017.5	1,116.3	1,207.9	1,300.3	1,408.3
Net Plant Assets	**$1,442.9**	**$1,465.2**	**$1,536.1**	**$1,591.9**	**$1,664.1**

DEBT

The following table summarizes the University's indebtedness outstanding as of May 31, 2015.

INDEBTEDNESS OUTSTANDING (In Millions)				
YEAR ENDED MAY 31	**SERIES**	**FINAL MATURITY**	**INTEREST RATE**	**PRINCIPAL**
MDCEFA Revenue Bonds	2007A [1]	2037	4.00%-5.00%	$155.1
MDCEFA Revenue Bonds	2007B	2034	5.00%-5.25%	223.3
MDCEFA Revenue Bonds	2008A [1]	2038	5.05%-5.75%	292.8
MDCEFA Revenue Bonds	2012A	2042	4.00%-5.00%	94.6
MDCEFA Revenue Bonds (taxable)	2007C	2016	5.48%	2.8
MDCEFA Revenue Bonds (taxable)	2012B	2023	1.580%-3.308%	20.2
Notes, variable [2]		2016-2020	Variable	109.4
Notes, fixed		2016-2030	2.00%-2.38%	27.8
Par amount of bonds and notes payable				$926.1
Net unamortized premium				24.8
Total Bonds and Notes[3]				**$950.9**

1. The Series 2007A and 2008A Bonds are expected to be refunded by the Series 2015 Bonds.
2. As of May 31, 2015, the University had a line of credit with Bank of America with a capacity totaling $150.0 million and a line of credit with JPMorgan Chase with a capacity totaling $100.0 million, both terminate December 2015. In August 2015, the University executed a new credit facility with a syndicate of lenders and terminated the existing lines of credit.
3.Totals may not add due to rounding.

TUTION RATES

Annual tuition rates for the colleges and schools for full-time study are shown in the following table.

ANNUAL TUITION, FEES, ROOM AND BOARD					
ACADEMIC YEAR	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Undergraduate Tuition Colleges & Schools	$38,440	$39,980	$41,580	$43,040	$44,400
Undergraduate Fees (all fees)	1,214	1,240	1,272	1,310	1,324
School of Law Tuition	$37,418	$42,000	$43,680	$45,200	$46,800
School of Law Fees (mandatory fees only)	930	938	946	966	974
Graduate School Tuition (per credit)	$1,600	$1,660	$1,730	$1,790	1,850
Graduate School Fees (mandatory fees only)	896	904	912	932	948
School of Medicine M.D. Program (in state)	$29,298	$31,686	$33,587	$34,862	$36,117
School of Medicine M.D. Program (out of state)	38,504	41,168	41,168	41,580	$41,580
School of Medicine Fees	955	986	1,004	1,174	1,196
Room (double)	$6,642	$6,914	$7,122	$7,336	$7,556
Board (19 meals)	4,751	4,968	5,192	5,348	5,352
Note: The University does not change a different tuition rate for residential and non-resident undergraduate tuition.					

<u>Endowment Funds and Spending Policy</u>

Last Updated: November 2006
Last Reviewed: October 2014

DEFINITIONS:

Endowments are those funds, which donors have given with some stipulation as to the use of the principal of the gift. There are three types of endowment funds.

Permanent Endowment Funds:

Funds where the donor has stipulated that the gift is to be maintained inviolate and in perpetuity, with only the income from this gift to be expended.

Term endowment Funds:

Same as permanent endowment, except that by the terms of the instrument of gift, the gift principal might be released from inviolability to permit all or part to be expended.

Quasi-Endowment Funds:

Funds, which the Board of Trustees of the University, rather than a donor, has determined, are to be retained and invested with only the income available to be expended.

POLICY:

The University of Miami's policy for endowment funds is twofold. It covers investments and spending as follows:

A. Investment Policy

To invest all funds in the Growth Pool unless specifically restricted from so doing by the donors or by the Investments Committee of the Board of Trustees.

B. Endowment Spending Policy

For accounts invested in the Growth Pool:

To distribute annually five percent of the three-year moving average market value of the Growth Pool.

For all other endowment accounts:

To distribute only interest and dividends.

Effective for endowments opened after November 1, 2002:

Generally, a new endowment must be opened on the University's financial records system before December 31 in order for that endowment to be activated for spending for the next fiscal year. In addition, no distribution will be made from an endowment until its funding reaches the level stipulated by its "class" (as detailed in University Advancement Policy F70) by December 31 of the previous fiscal year. Further, the following "classes" of endowments will have an additional delay of one year in starting distributions: University Chair, Endowed Chair, and Endowed Professorship.

Short-Term Investment Policy: Working Capital

January, 2012
Last reviewed October 2014

Introduction
The objective of the Short-Term Investment Policy for Working Capital is to preserve principal, provide sufficient liquidity to satisfy operating and working capital requirements and earn a competitive market rate of return based on the policy parameters and market conditions.
A Three Tier structure based on a primary objective will be used as detailed below.

Investment Responsibilities
The Investment Responsibilities of the Short-Term Investment Policy for Working Capital are the same as those set forth in the Statement of Investment Policy for the University of Miami Growth Pool, last amended in May, 2011.

Operational Structure:
The University will institute a three-tier organizational structure for its cash holdings. Funds in excess of those required to meet monthly operational cash flows – including at seasonal low points in the annual cash cycle – will be invested in tiers II and III according to the risk/return framework as set by the Investment Policy, as well as by market conditions. Treasury Operations (University administration) will communicate any changes that would impact the flow of funds between the various tiers on a timely basis to the investment manager.

<u>Tier I:</u> **Primary Objective**: Principal preservation/Daily Liquidity

A minimum of one month's operational cash flows and in consideration of seasonal low points in the annual cash cycle

<u>Tier II</u>: **Primary Objective**: Enhance returns to cash. Seek to outperform the returns of a money market fund. Daily Liquidity is secondary in Tier II.

<u>Tier III</u>: **Primary Objective**: Grow cash balance over long-term. Seek to achieve a total return consistent with the applicable benchmark and market conditions through investment in an actively managed diversified portfolio of fixed income securities.

For balances greater than 1.5X the balance in Tier I and in consideration of seasonal low points in the annual cash cycle.

Eligible Securities:

Government obligations: including Treasury Bills, Notes and Bonds and Agencies. Mortgage-Backed Securities ("MBS") and Collateralized Mortgage Obligations ("CMO") of the US Government and/or Agencies supported by the US Government.
Concentration Limit: None

Money market investments: money market funds, commercial paper, certificates of deposit, bankers' acceptances, notes or time deposits. Investments must have a short-term rating of at least A-1/P-1 or the equivalent or a long-term rating of at least A-/A3 or the equivalent by at least one Nationally Recognized Statistical Rating Organization (NRSRO). All money market

funds must be rated AAA or the equivalent. For split rated securities, the lowest rating shall prevail.
Concentration Limit: Not to exceed 30% of the portfolio and no single issuer is to exceed 5% at the time of purchase.

Corporate bonds: for maturities greater than one year, fixed and floating rate of at least A-/A3 or higher by at least one NRSRO. For split rated securities, the lowest rating shall prevail.
Concentration Limit: Not to exceed 30% of the portfolio and no single issuer will exceed 5% at the time of purchase.

Repurchase Agreements: must be collateralized by US Government Securities and should be considered only when other investment alternatives are not cost effective. Repurchase agreements must be tri-party and carry a counterparty rating, if rated, of at least A-1/P-1 or A-/A3 or the equivalent by at least one NRSRO. For split rated securities, the lowest rating shall prevail.
Concentration Limit: None.

Asset-Backed Securities: limited to those collateralized by auto receivables and credit cards that are rated AAA/Aaa or better by at least one NRSRO. For split rated securities, the lowest rating shall prevail.
Concentration Limit: Not to exceed 30% of the portfolio and no single issuer will exceed 5% at the time of purchase.

Municipal Debt: must carry one short term rating of at least VMIG-1 by Moody's or the equivalent or one long term rating of Aa1 by Moody's or the equivalent. For split rated securities, the lowest rating shall prevail.
Concentration Limit: Not to exceed 30% of the portfolio and no individual issuer will exceed 5% at the time of purchase

Applicable benchmarks:

BofA/Merrill Lynch 3-month US Treasury Bill Index	(Tiers I and II)
Barclay's Capital 1-3 year Govt/Credit Index	(Tier III)

Average Portfolio Statistics
Portfolio average credit quality: AA- or the equivalent
Portfolio maximum duration: 90-day weighted average maturity (Tier I)
1 year (Tier II)
Portfolio duration: +/- 0.50 year benchmark duration (Tier III)

Security Level Maturity/Duration:
No individual security whether fixed or floating rate may have a final maturity of more than five years from settlement date. For securities that have put dates, or that trade based on their weighted average maturity date, a five year maximum put date or weighted average maturity will be used.

Downgraded Securities:
In the event a security is downgraded by any of the NRSROs after being purchased, and as a result is lower than the above standards, the Investment Manager will provide the University with a recommended course of action within a reasonable period of time under the circumstances, which may include selling the security.

Prohibited Securities:
The purchase of foreign securities payable in foreign currencies and the purchase of equity or equity-hybrid securities are prohibited

University of Miami
Growth Pool
Statement of Investment Policy

December 2014

Introduction

This document presents the investment process of the University of Miami's Growth Pool ("Growth Pool"), including investment objectives, asset allocation, investment restrictions, and review procedures (collectively, the "Policy"). The Growth Pool consists primarily of the University's Endowment Fund and other long term funds. The overall investment objectives are as follows:

- **Preserve the portfolio's purchasing power through asset growth in excess of the spending policy plus the rate of inflation.**

- **Invest assets in order to maximize the long term return while assuming a reasonable level of risk**

Investment Responsibilities

The Executive Committee of the Board of Trustees has responsibility for establishing and modifying all elements of this Policy. This includes establishing the portfolio's asset allocation strategy. The Executive Committee has directed through the investment responsibilities described below, required activities of the Investments Committee ("Committee"), University Staff, the Investment Consultant, and the Investment Managers ("Managers").

The Committee is responsible for:

1) Overseeing the Growth Pool's assets and reporting on the status of the portfolio to the Executive Committee at least two times per year.

2) Monitoring the investment performance of each manager versus the manager's benchmark using reports prepared by the Managers, the University's staff, and its Investment Consultant.

3) Monitoring the appropriateness of each manager's investment strategy given the University's overall investment strategy, philosophy, and objectives.

4) Overseeing the process of monitoring manager portfolios to insure compliance with this policy, its guidelines and restrictions.

5) Reviewing this Policy on an ongoing basis and recommending changes to the Executive Committee, as may be necessary or desirable.

Investment Responsibilities (cont.)

All Managers are responsible for:

1) Acting in accordance with “prudent man” principles with respect to the management of the University’s assets.

2) Immediately reporting in writing, any violations of the guidelines and restrictions as set forth in this Policy.

3) Immediately reporting any findings against the firm or its principals, either by the SEC or any other regulatory authority. In addition, any lawsuits brought against the firm or its principals should also be immediately reported to the University.

4) Preparing quarterly written statements, including actions taken in the portfolio and expected changes in the portfolio, including proxy voting.

5) Attending meetings with the Committee and University staff as needed.

6) Immediately communicating all pertinent changes in the Manager’s firm to the University. This includes, but is not limited to:

    - Changes in personnel involved in the University relationship
    - Changes in Manager’s ownership
    - Changes in senior investment professionals’ responsibilities
    - Changes in Manager’s investment style

7) Complying with the University’s Policy for Socially Responsible Investments and voting all proxies related to equity holdings in accordance with that policy, in a timely fashion, and in the best economic interests of the University.

8) Adhering to the investment strategy or style for which the Manager was selected.

The University’s Administration is responsible for:

1) Selecting and terminating investment managers for the Growth Pool in accordance with the strategic asset allocation adopted by the Executive Committee as set forth in this policy. At no time will manager changes or cash flows to or from managers be used for the purpose of short term oriented or tactical asset allocation.

2) The Senior Vice President for Business and Finance or the Vice President of Finance and Treasurer are authorized to execute all documents necessary to effectuate transactions consistent with this Policy Statement, including but not limited to designating amounts to be invested with each manager.

Investment Responsibilities (cont.)

3) Any manager change will be by unanimous agreement of the Senior Vice President, Vice President of Finance and Treasurer, and the Investment Consultant.

4) Administration will provide quarterly reports to the committee summarizing their activities, and will notify the committee chair via email 24 hours before hiring or firing any manager, explaining the reasons for this decision.

5) Preparing investment reports for the Committee's review that contain information necessary for the Committee to exercise its investment responsibilities.

6) Monitoring the portfolio's asset allocation versus its strategic asset class and manager targets, rebalancing the portfolio as needed.

7) Assisting the Committee and the Managers with all components of this Policy.

8) Monitoring plan liquidity needs.

The Investment Consultant is responsible for:

1) Assisting Administration and the Committee with its responsibilities.

2) Monitoring this policy and recommending changes as needed.

3) Monitoring each investment manager's ownership structure and investment personnel and reporting all significant changes to the University.

4) Monitoring each investment manager for adherence to this policy as well as to their stated investment style.

5) Monitoring investments of alternative investment managers on a quarterly basis for compliance with the manager's stated strategy.

6) Monitoring portfolio exposures versus asset allocation and manager targets, recommending re-balancing strategies to staff as needed.

Spending Policy

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

Deposits/Withdrawals

The University Vice President of Finance and Treasurer with the approval of the Investments Committee Chairman and with the advice of the Investment Consultant will determine how to allocate large deposits (greater than 5% of the total portfolio) to the managers in a manner that is consistent with the asset allocation policy. Smaller deposits and all withdrawals will generally be made at the discretion of the University Vice President and Treasurer with the advice of the Investment Consultant and in a manner that is consistent with the asset allocation policy.

Investment Philosophy

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

- In order to achieve a rate of return that will support the above-mentioned spending policy while protecting the assets from inflation, the University must be willing to take some investment risk. At present, the return needed to support the University's spending policy is approximately 8.0%, while the portfolio's projected return is 8.6% (Consultant's estimate).

- The Committee believes that the most effective way to establish an appropriate volatility level for the portfolio is through its asset allocation (i.e. stocks, bonds, and cash). Long term investment return and volatility depend on the portfolio's strategic asset allocation. In consultation with its Investment Consultant, a strategic asset allocation policy has been adopted which best balances the opportunity for achieving the investment return objectives as set forth in this policy with an appropriate volatility level.

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

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

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

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

Performance Objectives

In order to achieve the objectives stated in the Introduction to this policy, the University's total portfolio must earn a rate of return that is at least equivalent to the rate of inflation plus the spending rate. Thus, the long-term objective for the Growth Pool is to earn a return of at least the Consumer Price Index plus 5%. Given that this benchmark is not directly related to market performance, success or failure in achieving this goal should be evaluated over ten to twenty years.

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

The University's goal, over each five year time period, is to earn a rate of return on its total portfolio that exceeds the Benchmark return by fifty basis points after investment management fees have been deducted.

Socially Responsible Investments

The University's Policy for Socially Responsible Investments applies to the Growth Pool.

Securities Lending

Participation in securities lending programs is prohibited for assets held directly by the University within its custodial account. In addition, wherever possible, the University will seek to utilize commingled vehicles that do not participate in these programs.

Administrative and Review Procedures

The Investments Committee will review this Policy at least annually.

The Investments Committee will review the performance of the Growth Pool assets each meeting with the assistance of its Investment Consultant and the University staff. These reviews will include

- Review of the Growth Pool's overall asset allocation to assure compliance with this document.

- Review of performance against the benchmarks set forth in this document.

University Staff and the Investment Consultant will perform the above review at least monthly and report any deviations or concerns as soon as reasonably practicable to the Investment Committee Chairman.

Appendix A
Strategic Asset Allocation

The University has adopted the following strategic asset allocation. All figures listed here refer to an asset class's percentage of the total portfolio. The minimum and maximum weights listed here represent the acceptable allocation ranges for each asset class. Actual asset allocation will be compared to these ranges on a monthly basis. In the event that the allocation to a particular asset class falls outside of acceptable range, the portfolio will be re-balanced so that all asset classes are within their permitted allocations. Assets which have not been allocated or called for certain alternative investment classes (hedge funds, private equity and real assets) will be held in those asset classes that contribute the most to the expected return without increasing total portfolio risk and most closely approximate the target asset allocation. From time to time, this may cause actual exposures to exceed the maximum percentage listed here.

Please note that the ranges here are not intended to be used for tactical asset allocation strategies. Markets will naturally shift the actual portfolio's weightings away from the targets. The ranges serve to formalize the approach to rebalancing as described above.

Asset Class	Target Percentage	Minimum	Maximum
U.S. Large/Mid Cap Equity	22.5%	16%	28%
U.S Small Cap Equity	6%	2%	10%
International Equity	19%	15%	24%
Emerging Markets Equity	7.5%	4%	11%
Aggregate Fixed Income	5%	2%	8%
Global Fixed Income	5%	2%	8%
Hedge Funds	20%	15%	26%
Private Equity	5%	2%	8%
Hard Assets	10%	5%	15%

Appendix B
Asset Class Definitions/Guidelines

Domestic Equity

1) The domestic equity portfolio will be diversified according to economic sector, industry, number of holdings and other investment characteristics. However, it is recognized that any actively managed portfolio will not be as diversified as the market. To produce overall diversification, equity managers will be selected to employ different management strategies that together achieve the desired degree of diversification.
2) Domestic equity managers are permitted to hold up to 10% of their portfolio in American Depository Receipts ("ADRs") or foreign domiciled companies whose equity securities are traded in US markets.
3) No more than 5% at cost or 10% at market of a manager's portfolio may be held in the securities of a single issuer.
4) Short selling of securities is prohibited. This restriction does not apply to the hedged equity managers.
5) Derivative instruments such as financial futures and options may not be used without the prior approval of the University's Investments Committee. This restriction does not apply to the hedged equity managers.
6) A manager may only deviate from these guidelines with advance written permission of the University.

International Equity

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

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

Emerging Markets Equity: Listed equity securities traded on emerging non-U.S. markets. Emerging markets are defined as any market that is not included in Morgan Stanley's EAFE index plus Canada.

All restrictions listed above for Domestic Equity, other than item number two (ADRs), also applies to International Equity with the following additions and modifications.

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

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

Appendix B
Asset Class Definitions/Guidelines (Cont.)

Fixed Income (Domestic/Global)

1) The duration of a manager's portfolio should be within two years of the duration of their market benchmark.
2) Managers are permitted to invest in the following classes of fixed income securities:
    a) Bonds or notes issued by the U.S. Government or a U.S. Government Agency backed by the full faith and credit of the US Government
    b) Bonds or notes issued by non-US (Sovereign) governments or their respective agencies that are backed by the full faith and credit of the foreign government.
    c) Mortgage-backed securities
    c) Corporate bonds issued in the U.S. and denominated in U.S. dollars
    d) Asset-backed securities
3) Investment Grade bond managers are expected to maintain an average quality rating for their portfolio that does not fall below an S&P rating of AA-. High Yield bond managers are expected to maintain an average quality rating for their portfolio that does not fall below an S&P rating of B-.
4) No more than 5% at market of a manager's portfolio may be held in the securities of a single corporate issuer. This restriction does not apply to securities issued either by the U.S. Government or a U.S. Government Agency backed by the full faith and credit of the U.S. Government, or any investment grade sovereign issuers and their respective agency securities
5) Derivative instruments may be utilized by a manager in order obtain more efficient exposure to a specific type of security. However, at no time, may derivative instruments be used to leverage the portfolio. In addition, it is expected that a manager will have thoroughly tested the behavior of the derivative instrument under a variety of market conditions before purchasing the security for the portfolio.
6) Global bond managers must invest in at least 3 countries at all times.
7) A manager may only deviate from these guidelines with advance written permission of the University.

Alternative Investments

In order to enhance portfolio results, the University may elect to invest in alternative investment strategies such as hedge funds, real assets or private equity. At present, hedge funds, private equity, commodities, real estate and long/short hedge funds are included in this area. These investments are made with the intention of raising portfolio returns and/or lowering total volatility. In most cases, these investments will be implemented via limited partnerships. Therefore, restrictions are established by the offering documents for each partnership.

Appendix C
Total Portfolio Benchmark

The University's total portfolio benchmark is based on its strategic asset allocation using suitable market indices to represent each asset class. This custom index is calculated on a monthly basis using the weights listed below. Note that the portfolio will be moved gradually towards the targets indicated below and benchmark changes will be made in a manner that is consistent with the actual asset shifts.

Asset Class	Weight	Market Index
US Large/Mid Cap Equity	22.5%	S&P 500
US Small Cap Equity	6%	Russell 2000
International Equity	19%	MSCI EAFE
Emerging Markets Equity	7.5%	MSCI Emerging Mkts Free
Aggregate Fixed Income	5%	Barclays Capital Aggregate
Global Fixed Income	5%	Citigroup World Gov't Bond
Hedge Funds	20%	40% HFRI Fund of Funds/ 60% S&P 500
Private Equity	5%	S&P 500 + 5%
Hard Assets	10%	50% Dow Jones/UBS Commodity Index/50% NCREIF Property Index

Managers within each asset class will be measured against a specific style benchmark along with the market benchmark for their asset class as indicated above.

University of Miami

Employees' Retirement Trust

Statement of Investment Policy

June 2014

Introduction

This document presents the investment process of the University of Miami's Employees' Retirement Plan Trust ("Plan"), including investment objectives, asset allocation, investment restrictions, and review procedures (collectively, the "Policy"). The Plan is a defined benefit retirement plan qualified under §401(a) of the Internal Revenue Code of 1986 and subject to the Employee Retirement Income Security Act of 1974. The Plan is funded by the University and there are no voluntary nor mandatory employee contributions.

The Executive Committee of the Board of Trustees has responsibility for establishing and modifying all elements of this Policy. This includes establishing the portfolio's asset allocation strategy. In formulating the Policy, the following factors were considered:

- Diversification of portfolio investments
- Portfolio liquidity and return relative to anticipated cash flow requirements of the Plan
- Projected return of the portfolio relative to Plan funding objectives

Investment Responsibilities

The Executive Committee has directed through the investment responsibilities described below, required activities of the Investments Committee ("Committee"), University Staff, the Investment Consultant, and the Investment Managers ("Managers"). All recommendations approved by the Investments Committee will then be reported to the Executive Committee for final approval.

The Committee is responsible for:

6) Overseeing the Plan's assets and reporting on the status of the portfolio to the Executive Committee at least two times per year.

7) Monitoring the investment performance of each manager versus the manager's benchmark using reports prepared by the Managers, the University's staff, and its Investment Consultant.

3) Monitoring the appropriateness of each manager's investment strategy given the Plan's overall investment strategy, philosophy, and objectives.

4) Overseeing the process of monitoring manager portfolios to insure compliance with this policy, its guidelines and restrictions.

Investment Responsibilities (cont.)

5) Reviewing this Policy on an ongoing basis and recommending changes as may be necessary or desirable.

All Managers are responsible for:

9) Acting in accordance with the fiduciary standards of the Employee Retirement Income Security Act of 1974 (ERISA) with respect to the management of the Plan's assets. Specifically, managers are expected to:

    (a) Invest Fund assets with the care, skill and diligence that would be applied by a prudent professional investor acting in a like capacity and knowledgeable in the investment of pension funds, within appropriate safeguards and diversity, and

    (b) Undertake transactions on behalf of the Plan in the sole interest of the Plan's participants and beneficiaries.

    (c) Acknowledge that they are fiduciaries with respect to the Plan

10) Immediately reporting in writing, any violations of the guidelines and restrictions as set forth in this Policy.

11) Immediately reporting any findings against the firm or its principals, either by the SEC or any other regulatory authority. In addition, any lawsuits brought against the firm or its principals should also be immediately reported to the University.

12) Preparing quarterly written statements, including actions taken in the portfolio and expected changes in the portfolio, including proxy voting.

13) Attending meetings with the Committee and University staff as needed.

14) Immediately communicating all pertinent changes in the Manager's firm to the University. This includes, but is not limited to:

    - Changes in personnel involved in the University relationship
    - Changes in Manager's ownership
    - Changes in senior investment professionals' responsibilities
    - Changes in Manager's investment style

15) Complying with the University's policy for Socially Responsible Investments and voting all proxies related to equity holdings in accordance with that policy, in a timely fashion, and in the best economic interests of the Plan.

16) Adhering to the investment strategy or style for which the manager was selected.

Investment Responsibilities (cont.)

The University's Administration is responsible for:

9) Selecting and terminating investment managers for the Retirement Trust in accordance with the strategic asset allocation adopted by the Executive Committee as set forth in this policy. At no time will manager changes or cash flows to or from managers be used for the purpose of short term oriented or tactical asset allocation.

10) The Senior Vice President for Business and Finance or the Vice President of Finance and Treasurer are authorized to execute all documents necessary to effectuate transactions consistent with this Policy Statement, including but not limited to designating amounts to be invested with each manager.

11) Any manager change will be by unanimous agreement of the Senior Vice President, Vice President of Finance and Treasurer, and the Investment Consultant.

12) Administration will provide quarterly reports to the committee summarizing their activities, and will notify the committee chair via email 24 hours before hiring or firing any manager, explaining the reasons for this decision.

13) Preparing investment reports for the Committee's review that contain information necessary for the Committee to exercise its investment responsibilities.

14) Monitoring the portfolio's asset allocation versus its strategic asset class and manager targets, rebalancing the portfolio as needed.

15) Assisting the Committee and the Managers with all components of this Policy.

16) Monitoring plan liquidity needs.

The Investment Consultant is responsible for:

7) Assisting Administration and the Committee with its responsibilities.

8) Monitoring this policy and recommending changes as needed.

9) Monitoring each investment manager's ownership structure and investment personnel and reporting all significant changes to the University.

10) Monitoring each investment manager for adherence to this policy as well as to their stated investment style.

5) Monitoring investments of alternative investment managers on a quarterly basis for compliance with the manager's stated strategy.

6) Monitoring portfolio exposures versus asset allocation and manager targets, recommending re-balancing strategies to staff as needed.

Deposits/Withdrawals

The Vice President of Finance and Treasurer with the advice of the Investment Consultant and the Investments Committee Chairman will allocate large deposits (greater than 5% of the total portfolio) to the managers in a manner that is consistent with the asset allocation policy. Smaller deposits and all withdrawals will be made at the discretion of the Vice President of Finance and Treasurer with the advice of the Investment Consultant and in a manner that is consistent with the asset allocation policy. University Staff will monitor Plan liquidity needs and report material changes to the Committee.

Investment Philosophy

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

- In order to achieve the Plan's target rate of return (currently 7.8%), the University must be willing to take some investment risk.

- The University believes that the most effective way to establish an appropriate volatility level for the portfolio is through its asset allocation (i.e. stocks, bonds, and cash). Long term investment return and volatility depend on the portfolio's strategic asset allocation. In consultation with its Investment Consultant, the University has adopted a strategic asset allocation that in its view best balances the opportunity for long term return with an appropriate volatility level.

- Due to certain features of the Plan, participants may benefit from positive returns in excess of 5.5%. Because the Plan is a defined benefit plan and is subject to complex funding requirements, volatility is a significant factor in the investment philosophy.

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

- The University strongly believes in the long-term benefits of diversifying this portfolio into a number of different asset classes and investment strategies. While each asset class and strategy is carefully selected, the focus of the investment process is always on the overall portfolio.

- To achieve the long-term benefits of a widely diversified portfolio, the University has sought the advice of its Investment Consultant and recommended strategic targets for each asset class that it utilizes. It expects that the portfolio weight for each asset class will remain within minimum and maximum percentages. The current strategic asset allocation including targets and acceptable ranges is outlined in Appendix A

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

Performance Objectives

The total target rate of return for the Plan is 7.8%. The rate of return is intended to achieve the optimum balance of return expectation and volatility. Given that this benchmark is not directly related to market performance, success or failure in achieving this goal should be evaluated over ten to twenty years.

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

The University's goal, over each five year time period, is to earn a rate of return on its total portfolio that exceeds the Benchmark return by fifty basis points after investment management fees have been deducted.

Socially Responsible Investments

The University's Policy for Socially Responsible Investments applies to the Plan. Investment managers will notify the chairman immediately if the guidelines are perceived to adversely affect investment performance.

Securities Lending

Participation in securities lending programs is prohibited for assets held directly by the Plan within its custodial account. In addition, wherever possible, the University will seek to utilize commingled vehicles that do not participate in these programs.

Administrative and Review Procedures

The Committee will review this Policy at least annually.

The Committee will review the performance of the assets at each meeting with the assistance of its Investment Consultant and the University staff. These reviews will include:

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

University Staff and the Investment Consultant will perform the above review at least monthly and report any deviations or concerns to the Investments Committee Chair as soon as reasonably practicable.

Appendix A
Strategic Asset Allocation

The University has adopted the following strategic asset allocation. All figures listed here refer to an asset class's percentage of the total portfolio. The minimum and maximum weights listed here represent the acceptable allocation range for each asset class. Actual asset allocation will be compared to these ranges on a monthly basis. In the event that the allocation to a particular asset class falls outside of the acceptable range, the portfolio will be re-balanced so that all asset classes are within their permitted allocations. Assets which have not been allocated or called for certain alternative investment classes (hedge funds, private equity and real assets) will be held in those asset classes that contribute the most to the expected return without increasing total portfolio risk and most closely approximate the target asset allocation. From time to time, this may cause actual exposures to exceed the maximum percentage listed here.

Please note that the ranges here are not intended to be used for tactical asset allocation strategies. Markets will naturally shift the actual portfolio's weightings away from the targets. The ranges serve to formalize the approach to rebalancing as described above.

Asset Class	Target Percentage	Minimum	Maximum
U.S. Large/Mid Cap Equity	18%	15%	21%
U.S. Small Cap Equity	5%	2%	8%
Non-US Developed Equity	13%	10%	16%
Emerging Markets Equity	4%	2%	6%
U.S. Nominal Fixed Income	17%	14%	20%
Global Fixed Income	8%	5%	11%
Hedge Funds	22%	17%	27%
Private Equity	4%	1%	7%
Real Assets	9%	4%	14%

Appendix B
Asset Class Definitions/Guidelines

Domestic Equity

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

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

8) No more than 5% at cost or 10% at market of a manager's portfolio may be held in the securities of a single issuer.

5) Short selling of securities is prohibited. This restriction does not apply to the hedged equity managers.

6) Derivative instruments such as financial futures and options may not be used without the prior approval of the Committee. This restriction does not apply to the hedged equity managers.

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

<u>International Equity</u>

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

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

Emerging Markets Equity: Listed equity securities traded on emerging non-U.S. markets. Emerging markets are defined as any market that is not included in Morgan Stanley's EAFE index plus Canada.

All restrictions listed above for Domestic Equity, other than item number two (ADRs), also apply to International Equity with the following additions and modifications.

Appendix B
Asset Class Definitions/Guidelines (Cont.)

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

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

5) Within the international equity portfolio, up to 20% of the assets may be allocated to dedicated emerging markets managers.

Fixed Income

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

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

    d) Bonds or notes issued by the U.S. Government, U.S. Government Agency or backed by the full faith and credit of the US Government
    e) Bonds or notes issued by a sovereign Government, sovereign Government Agency or backed by the full faith and credit of said foreign Government. Sovereign bonds must carry a minimum rating of Investment Grade.

    f) Mortgage-backed securities

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

    e) Asset-backed securities

5) Aggregate and short term bond managers are expected to maintain an average quality rating for their portfolio that does not fall below an S&P rating of AA-. High Yield bond managers are expected to maintain an average quality rating for their portfolio that does not fall below an S&P rating of B-.

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

10) Derivative instruments, including exchange traded futures and options, may be utilized by a manager in order obtain more efficient exposure to a specific type of security. However, at no time, may derivative instruments be used to leverage the portfolio. In addition, it is expected that a manager will have thoroughly tested the behavior of the derivative instrument under a variety of market conditions before purchasing the security for the Plan's portfolio.

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

Appendix B
Asset Class Definitions/Guidelines (Cont.)

Alternative Investments

In order to enhance portfolio results, the Committee may elect to invest in alternative investment strategies such as hedge funds, real estate or private equity. At present, event arbitrage, private equity, real estate and long/short hedge funds are included in this area. These investments are made with the intention of raising portfolio returns and/or lowering total volatility. In most cases, these investments will be implemented via limited partnerships. Therefore, restrictions are established by the offering documents for each partnership.

Appendix C
Total Portfolio Benchmark

The Plan's total portfolio benchmark is based on its strategic asset allocation using suitable market indices to represent each asset class. This custom index is calculated on a monthly basis using the weights listed below. Note that until there are real estate/timber investments, these funds will remain in the US Large and Mid Cap portfolios as reflected in the benchmark below.

Asset Class	Weight	Market Index
US Large/Mid Cap Equity	18%	S&P 500
US Small Cap Equity	5%	Russell 2000
International Equity	13%	MSCI EAFE Index
Emerging Markets Equity	4%	MSCI Emerging Markets Free
US Nominal Fixed Income	17%	Barclays Aggregate
Global Fixed Income	8%	Citigroup World Gov't Bond
Hedge Funds	22%	40% HFRI Fund of Funds/ 60% S&P 500
Private Equity	4%	S&P 500 + 5%
Real Assets	9%	50% Dow Jones/UBS Commodity Index/50% NCREIF Property Index

Managers within each asset class will be measured against a specific style benchmark along with the market benchmark for their asset class as indicated above.

UNIVERSITY OF MIAMI

POLICY FOR SOCIALLY RESPONSIBLE INVESTMENTS

(Policy Reviewed and Approved January 2011)
(Policy Reviewed February 2013)

The ultimate fiduciary responsibility for the University of Miami rests with the Board of Trustees. This responsibility includes the investment and management of the University's endowment assets, entrusted to it over the years by donors and increased by careful investing.

The University's investments policy is prudently to seek the maximum total return adjusted for risk in support of accomplishing its mission of teaching, research, and related service. The fiduciary responsibility for investments is in the nature of a charitable trust of funds in the public interest, governed by the law of charitable trusts. The responsibility to seek maximum possible investment return should be altered only under compelling circumstances.

The University does not take institutional positions on political or social issues unrelated to its own mission. Rather, it provides a forum for the exchange of all opinions, to the end that fostering intellectual freedom will benefit humankind the most. Fundamental to the University's mission is freedom of individual thought, belief, and expression. That freedom must be defended from both external political pressure and internal orthodoxy.

Also integral to the University's mission is a commitment to effective, ethical service to others, whether of this generation or future generations. The bedrock values of individual dignity, human rights, and human health and safety, as generally accepted in the world community, are implicit in the life of a university. When these values are threatened anywhere, members of a university community should be concerned.

Although the University does not take institutional political or social action unrelated to its mission, as an institutional investor it should act responsibly. Investments should not be made (or liquidated) solely to advance social or political positions, nor should investments knowingly be made in companies whose business is illegal or in violation of basic human rights.

When compelling circumstances exist with regard to any investment or potential investment that may be in violation of this policy, the Investments Committee shall present the same to the Executive Committee of the Board of Trustees for further review and any action deemed appropriate by the Executive Committee.

The University will vote all proxies consistent with this policy.

PATIENT CARE OPERATIONS

A summary of revenues and expenses for the University's hospitals, clinics and physicians professional practice (UMMG), included in the Summary of Changes in Unrestricted Net Assets noted above, for the five years ended May 31 were as follows:

PATIENT CARE OPERATIONS (In Millions)					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Revenues, Gains and Other Support	$1,170.2	$1,201.8	$1,276.1	$1,328.9	$1,440.8
Expenses	1,040.1	1,123.8	1,232.6	1,196.5	1,276.5
Excess of Revenues, Gains, Support over Expenses	**$ 130.1**	**$ 78.0**	**$43.5**	**$132.4**	**$164.3**

Note: Certain amounts in the prior year's statement have been reclassified to conform to the current year's presentation.

MATTERS RELATING TO UM HOSPITAL

Financial and Operating

Select financial and operating results for UM Hospital are provided below. Financial highlights relating to UM Hospital for the five years ended May 31 are shown in the following table.

UM HOSPITAL FINANCIAL HIGHLIGHTS (In Millions)					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014[2]**	**2015**
Total Unrestricted Revenues, Gains and Other Support	$317.7	$348.4	$347.2	$380.8	$394.3
Total Expenses [1]	318.2	359.5	462.6	367.9	392.7
Excess of Revenues, Gains, Support over Expenses	**($ 0.5)**	**($11.1)**	**($115.4)**	**$12.9**	**$1.6**

1. Includes $97.5 million in goodwill impairment in FY2013.

2. Includes $9.9 million in non-recurring revenue transactions in FY2014; $3.5 million AHCA Medicaid DRG (Diagnosis Related Group) transition payment, $2.4 million FEMA (Federal Emergency Management Act) hurricane window replacement grant, and $4.0 million Medicare reserve adjustment.

Note: Financial data for UM Hospital is shown as a standalone entity. Various adjustments are made when this information is consolidated into the University's financial statements.

The following table presents key operating statistics for UM Hospital for the five years ended May 31.

UM HOSPITAL KEY OPERATING STATISTICS					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Licensed Beds (All Private)	560	560	560	560	560
Critical Care	46	46	46	46	46
Psychiatry	104	104	104	104	104
Beds in Service	525	525	525	439	448
Percent Occupancy	63%	64%	62%	74%	77%
Admissions	19,667	20,546	21,094	21,260	22,151
Patient Days	121,235	123,192	119,901	118,963	126,472
Medicare Case Mix Index	1.75	1.78	1.80	1.81	1.84
Total Case Mix Index	1.57	1.58	1.58	1.59	1.60
Average Length of Stay	6.16	6.00	5.68	5.60	5.71
Average Daily Census	332	337	328	326	346
Outpatient Visits	53,475	70,924	98,872	103,808	102,663
Operating Rooms	19	19	19	19	19
Surgeries	9,020	10,665	11,241	10,936	11,040

For the five years ended May 31, UM Hospital's net patient service revenue as measured by payer classification were as follows.

UM HOSPITAL NET PATIENT SERVICE REVENUE BY PAYER CLASSIFICATION					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Medicare	39%	37%	35%	34%	32%
Medicaid	8%	9%	11%	10%	9%
Managed Care and Other	53%	54%	54%	56%	59%

UM Hospital admissions by major service lines for the five years ended May 31 are included in the following table.

UM HOSPITAL ADMISSIONS By Major Service Lines										
YEAR ENDED MAY 31	**2011**		**2012**		**2013**		**2014**		**2015**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Medicine	7,156	36.0%	6,859	33.4%	8,392	39.8%	8,887	41.8%	9,443	42.6%
Psychiatry	3,673	18.7%	4,222	20.6%	4,196	19.9%	3,983	18.7%	3,781	17.1%
Family Medicine	2,395	12.2%	2,551	12.4%	2,955	14.0%	2,935	13.8%	3,426	15.5%
Cardiology	1,384	7.0%	874	4.3%	708	3.4%	483	2.3%	351	1.6%
Pulmonary	1,119	5.7%	1,243	6.1%	-	0.0%	-	0.0%	-	0.0%
Urology	708	3.6%	675	3.3%	637	3.0%	638	3.0%	617	2.8%
General Surgery	793	4.0%	901	4.4%	1,369	6.5%	1,471	6.9%	1,470	6.6%
Orthopedic/Podiatry	483	2.5%	572	2.8%	660	3.1%	617	2.9%	676	3.1%
Gynecology	267	1.4%	474	2.3%	408	1.9%	257	1.2%	251	1.1%
Neurosurgery	510	2.0%	764	3.7%	829	3.9%	885	4.2%	977	4.4%
Otolaryngology	366	1.9%	460	2.2%	469	2.2%	555	2.6%	614	2.8%
Dermatology	151	0.8%	121	0.6%	83	0.4%	97	0.5%	96	0.4%
Hematology/Oncology	140	0.7%	124	0.6%	-	0.0%	-	0.0%	-	0.0%
Colon/Rectal Surgery	117	0.6%	118	0.6%	-	0.0%	-	0.0%	-	0.0%
Oral Surgery	50	0.3%	27	0.1%	-	0.0%	-	0.0%	-	0.0%
Cardiovascular Surgery	51	0.3%	38	0.2%	-	0.0%	-	0.0%	-	0.0%
Nephrology	69	0.4%	67	0.3%	-	0.0%	-	0.0%	-	0.0%
Vascular Surgery	45	0.2%	109	0.5%	-	0.0%	-	0.0%	-	0.0%
Plastic Surgery	90	0.5%	82	0.4%	-	0.0%	-	0.0%	-	0.0%
Thoracic Surgery	34	0.2%	93	0.5%	-	0.0%	-	0.0%	-	0.0%
Gastroenterology	32	0.2%	123	0.6%	169	0.8%	98	0.5%	88	0.4%
Neurology	-	0.0%	-	0.0%	215	1.0%	347	1.6%	357	1.6%
Other	34	0.2%	49	0.2%	4	0.0%	7	0.0%	4	0.0%
Total	19,667	100.0%	20,546	100.0%	21,094	100.0%	21,260	100.0%	22,151	100.0%

Note: The reporting categories for FY2011 and FY2012 were revised to be consistent with subsequent years. There has been no change in the level of services offered.

MATTERS RELATING TO ABLEH AND UMHC/SCCC

Select financial and operating results for ABLEH and UMHC/SCCC are provided below. Financial highlights relating to ABLEH for the five years ended May 31 are shown in the following table.

ABLEH FINANCIAL HIGHLIGHTS (In Millions)					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Total Unrestricted Revenues, Gains and Other Support	$99.7	$107.8	$107.1	$111.4	$119.6
Total Expenses	91.4	100.0	95.7	102.4	107.5
Excess of Revenues, Gains, Support over Expenses	**$ 8.3**	**$7.8**	**$11.4**	**$9.0**	**$12.1**
Note: Financial data for ABLEH is shown as a standalone entity. Various adjustments are made when this information is consolidated into the University's financial statements.					

The following tables show further information on ABLEH including the patient care visits and procedures performed during the past five years.

ABLEH KEY OPERATING STATISTICS					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Hospital Admissions	127	115	57	74	64
Hospital Patient Days (excluding observation)	523	450	219	264	213
Observation Days	234	337	321	236	213
Average Daily Census	2	2	2	1.4	1.2
Average Length of Stay	4.1	3.9	3.8	3.6	3.3
Outpatient Clinic Visits	223,103	231,520	226,901	228,515	227,692
Emergency Room Visits	16,095	16,673	17,309	18,418	19,867
Outpatient Visits (excluding ER)	207,008	214,847	209,592	210,097	207,825
Outpatient Ancillary:					
Photography Procedures	63,226	68,279	60,301	57,281	54,527
Visual Field Procedures	14,248	15,701	15,266	13,955	11,520
Total Outpatient Ancillary	77,474	83,980	75,567	71,236	66,047

Financial highlights relating to UMHC/SCCC for the five years ended May 31 are shown in the following table.

UMHC/SCCC FINANCIAL HIGHLIGHTS (In Millions)					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Total Unrestricted Revenues, Gains and Other Support	$339.0	$360.8	$424.4	$453.3	$548.1
Total Expenses	259.2	274.2	299.4	334.0	394.9
Excess of Revenues, Gains, Support over Expenses	**$ 79.8**	**$ 86.6**	**$125.0**	**$119.3**	**$153.2**

Note: Financial data for UMHC/SCCC is shown as a standalone entity. Various adjustments are made when this information is consolidated into the University's financial statements.

The following tables show further information on UMHC/SCCC including the patient care visits and procedures performed during the past five years.

UMHC/SCCC KEY OPERATING STATISTICS					
YEAR ENDED MAY 31	**2011**	**2012**	**2013**	**2014**	**2015**
Hospital Admissions	1,143	1,362	1,576	1,485	1,305
Hospital Patient Days (excluding observations)	6,148	8,163	10,814	10,953	9,984
Observation Days	1,288	1,504	1,382	1,274	1,650
Average Daily Census	20	27	33	34	32
Average Length of Stay	5.4	6.0	6.9	7.4	7.7
Outpatient Clinic Visits	305,656	324,148	357,061	340,574	358,721
Emergency Room Visits	n/a	n/a	n/a	n/a	n/a
Outpatient Ancillary:					
Chemo Therapy Agents	1,691,756	1,644,542	1,654,126	2,248,211	2,750,792
Chemo Therapy Procedures [1]	32,383	33,349	38,972	48,666	58,198
Total Outpatient Ancillary	1,724,139	1,677,891	1,693,098	2,296,877	2,808,990

1. Chemo Therapy is measured by the number of patients rather than the number of procedures. One patient could have multiple procedures.

GOVERNANCE

The University is currently governed by a Board of Trustees (“the Board”) consisting of sixty-five members, including thirty-three regularly elected trustees (consisting of three alumni representatives and one student trustee), twenty-two senior trustees, five national trustees, and five ex officio members. The president of the University is one of the five ex officio members. In addition, there are twenty emeriti trustees who are retired members of the Board. The University’s by-laws require governance by no less than twenty Board members who are elected by the Board. All classes of trustees are eligible to vote, with the exception of emeriti trustees. Regularly elected trustees, senior trustees, and national trustees are elected to one year terms. There are no term limits for Board members.

The Board generally meets three times per year and operates through committees comprised of trustee members. A thirteen member Executive Committee is empowered to make major decisions concerning University affairs when the Board is not in session and meets approximately six times per year. The members of the Board and their business affiliations are set forth below.

Regularly Elected Trustees

*Member of Executive Committee
[1]No Business Affiliation

Emerti Members

Bernyce Adler
Executive Vice Chairman
Adler Group, Inc.

Adrienne Arsht[1]

Paul L. Cejas
Chairman & Chief Executive Officer
PLC Investments, Inc.

Laura G. Coulter-Jones[1]

Edward W. Easton
Chairman & Chief Executive Officer
The Easton Group

Gloria Estefan
Estefan Enterprises, Inc.

Enrique C. Falla
Executive Vice President (Retired)
Dow Chemical Company/Guidant Corporation

Alfonso Fanjul
Chairman & Chief Executive Officer
Fanjul Corp. & Florida Crystals Corporation

Peter T. Fay
Senior United States Circuit Judge
United States Court of Appeals, Eleventh Circuit

David I. Fuente
Board Member
Office Depot, Inc.

M. Lee Pearce
Private Investor

Fredric G. Reynolds[1]

Eduardo M. Sardina[1]

Frank Scruggs, Esq.
Attorney
Berger Singerman

Robert C. Strauss[1]

Gonzalo F. Valdes-Fauli
Chairman
Broadspan Capital

Marta S. Weeks-Wulf[1]

Barbara A. Weintraub[1]

Frances L. Wolfson
President, Owner and Director
Marine Corporation

Charles J. Zwick[1]

*Member of Executive Committee
[1]No Business Affiliation

UNIVERSITY ADMINISTRATION

Dr. Julio Frenk was named the sixth president of the University in April 2015 and assumed the leadership post on August 16, 2015. The executive and financial officers of the University are listed below:

DR. JULIO FRENK, is the President of the University. Prior to joining the University of Miami, Dr. Frenk was Dean of the Faculty at the Harvard T.H. Chan School of Public Health since January 2009. While at Harvard, he was also the T & Angelopoulos Professor of Public Health and International Development, a joint appointment with the Harvard Kennedy School of Government. Dr. Frenk served as the Minister of Health of Mexico from 2000 to 2006 and was the founding director-general of the National Institute of Public Health in Mexico. In 1998 Dr. Frenk joined the World Health Organization (WHO) as executive director in charge of Evidence and Information for Policy. He also served as a senior fellow in the global health program of the Bill & Melinda Gates Foundation and as president of the Carso Health Institute in Mexico City. He is the founding chair of the board of the Institute for Health Metrics and Evaluation at the University of Washington. He also co-chaired the Commission on the Education of Health Professionals for the 21st Century. Dr. Frenk holds a medical degree from the National Autonomous University of Mexico, as well as a master of public health and a joint doctorate in Medical Care Organization and in Sociology from the University of Michigan, Ann Arbor. In September of 2008, Dr. Frenk received the Clinton Global Citizen Award for changing “the way practitioners and policy makers across the world think about health.” He is a member of the U.S. Institute of Medicine, American Academy of Arts and Sciences, and National Academy of Medicine of Mexico. In addition to his scholarly works, which include more than 140 articles in academic journals, as well as many books and book chapters, he has written two best-selling novels for youngsters explaining the functions of the human body.

THOMAS J. LEBLANC, Ph.D., joined the University in July 2005 as the Executive Vice President and Provost. He is the chief academic and budget officer overseeing twelve schools and colleges. Prior to this, he was Vice Provost and Robert L. and Mary L. Sproull Dean of the Faculty of Arts, Sciences, and Engineering at the University of Rochester in Rochester, NY. Dr. LeBlanc received his Ph.D. degree in computer science from the University of Wisconsin at Madison in 1982. His research interests include the development of software systems for parallel programming, including operating systems, compilers, programming languages, and tools for debugging and performance tuning. His research has received funding from the National Science Foundation, the Advance Research Projects Agency, the Department of Defense and the Office of Naval Research.

PASCAL J. GOLDSCHMIDT, M.D., joined the University in 2006 as Senior Vice President for Medical Affairs and Dean of the University of Miami Leonard M. Miller School of Medicine. He also serves as Chief Executive Officer (“CEO”) of UHealth. Dr. Goldschmidt, whose research applies genomics and cell therapy to the prevention, diagnosis and treatment of coronary artery disease, was previously chairman of the Department of Medicine at Duke University Medical Center. Before taking the chairman’s role, he served as chief of Duke’s Division of Cardiology. Before joining the Duke faculty in 2000, he was director of cardiology at The Ohio State University College of Medicine and Public Health, where he built the Heart and Lung Research Institute and launched a heart hospital. A native of Belgium, Dr. Goldschmidt received his medical degree from the Universite Libre de Bruxelles and completed residency in Brussels at Erasme Academic Hospital and in the United States at Union Memorial Hospital and Cardiology fellowship at the Johns Hopkins University. Following his training at Hopkins, he served as an assistant, then associate professor in the university’s Division of Cardiology in the Department of Medicine, and in the Department of Cell Biology and Anatomy and the Department of Pathology until 1997.

JOE NATOLI, Senior Vice President for Business and Finance and Chief Financial Officer (“CFO”), joined the University in September 2006. He is responsible for campus planning and construction, real estate, business services, information technology, financial management (treasury operations), risk management, accounting and financial reporting and campus services. Previously, he spent 30 years with Knight Ridder, Inc., in positions that included publisher of The Philadelphia Inquirer and Daily News, publisher of the San Jose Mercury News and president of The Miami Herald Publishing Company. He is a graduate of the University of South Florida and has an MBA from Nova (now Nova-Southeastern) University. He has chaired or co-chaired community-wide United Way campaigns in Miami-Dade County, Silicon Valley (San Jose) and Southeastern Pennsylvania (Philadelphia). He is a member of the board of directors of the Mitchell Wolfson Sr. Foundation Board.

SERGIO M. GONZALEZ, Senior Vice President for University Advancement and External Affairs, joined the University in 2001. Prior to his appointment at the University of Miami, he served as Chief of Staff to the Miami-Dade County Executive Mayor. Previously, he served as Director of the South Florida Super Bowl Host Committee and was the Director of the Miami-Dade County Homeless Trust. Mr. Gonzalez has served, and continues to serve, on a number of community and corporate boards including The Miami Foundation, Make-A-Wish Foundation, TotalBank, Orange Bowl Committee, Arsht Center for the Performing Arts, Breakthrough Miami, Buoniconti Fund, and the Greater Miami Chamber of Commerce. He is a member of the Board of Trustees for the Council for Advancement and Support of Education (CASE) and also serves on the Board of Directors for the National Council of La Raza. Mr. Gonzalez received his Bachelor of Science in Foreign Service from Georgetown University in 1985 and his Juris Doctor Degree from Columbia University in 1988.

GEOFFREY KIRLES, Vice President and Treasurer, joined the University in April 2015. In this capacity, he leads the University's efforts to invest assets, including endowment and pension funds. Mr. Kirles is also responsible for the University's capital structure, including liquidity and debt issuances. Additionally, he manages treasury and cash management, the auxiliaries such as the BankUnited Center, risk management, student accounts and collections, and environmental health and safety. Mr. Kirles was previously an executive director with J.P. Morgan's investment bank, which included stints in investment banking coverage, debt capital markets, and international banking teams in New York, Chicago, Toronto and Miami. Mr. Kirles earned his M.B.A. in finance, accounting, strategic management, and entrepreneurship from the University of Chicago Booth School of Business and a B.A. in finance from Michigan State University.

STEVE CAWLEY, Vice President for Information Technology and Chief Information Officer ("CIO"), joined the University in June 2011. He provides the leadership and vision for advancing all aspects of enterprise information technology strategies, including the establishment of appropriate policies and the strategic deployment of hardware and software. Previously, he was the vice president and CIO for the University of Minnesota and CIO of the University of Minnesota System. In his role as CIO at the University of Minnesota, he worked closely with the Academic Health Center, which includes the University's Medical School, Dentistry, Public Health, Pharmacy, Nursing, and Veterinary Medicine, supporting many aspects of technology strategy, service, and policy. He holds a Bachelor of Arts in Organizational Management and Communication and a Master of Arts in Organizational Management from Concordia University in St. Paul, Minnesota.

MARK DIAZ, Vice President for Budget and Planning is responsible for the strategic development of the University's budget and capital plans as well as the organizational development and functional oversight of the business operations within the academic units and centers. He serves as a key advisor in the Office of the Provost, leading the implementation of initiatives and supporting long-range planning and resource allocation consistent with established priorities and effective fiscal and operational management. Additionally, for close to three years, Mr. Diaz has served in the role of interim Chief Financial Officer for the medical enterprise responsible for all school and hospital finance, accounting, planning, reporting, budget, space planning and critical business process initiatives including revenue cycle enhancement. He joined the University in 1999, spending six years as executive director of medical finance operations and budget at the Miller School of Medicine. He became associate vice president for budget and planning in 2005. Before joining the University, he worked in audit and consulting for the national public accounting firm of KPMG Peat Marwick LLP. Mr. Diaz graduated from the University of Miami with a bachelor's degree in accounting and later earned a master's degree in professional accounting.

RUDY FERNANDEZ, was appointed Vice President of Government Affairs in February 2007 and assumed the added responsibility of Community Relations in June 2010. In addition to his Government and Community Relations responsibilities, he became Chief of Staff to the President in June 2013. He serves as the principal liaison between the University and federal, state, and local government officials and community organizations; as well as primary contact for internal and external matters on behalf of the president. Before joining UM in 2007, he was Special Assistant to President George W. Bush. Mr. Fernandez has also held senior positions in the U.S. Department of Transportation and the Bush-Cheney 2004 Campaign. Earlier in his career, he was Director of Grassroots Development at the Republican National Committee and Press Secretary for Florida Congresswoman Ileana Ros-Lehtinen. Mr. Fernandez has a Bachelor of Arts degree in Government from Harvard University and an MBA from the University of Miami.

RUDOLPH “RUDY” GREEN, Vice President and Chief Compliance Officer heads University Compliance Services, joined the University in January 2013 and reports directly to the President and the Audit and Compliance Committee of the Board of Trustees. Mr. Green previously served as Chief Compliance Officer at the University of Texas at Austin where he led the institutional effort for compliance and ethics to become an integral part of the university’s structure and culture. Mr. Green earned an M.B.A. and a J.D. from the University of Texas at Austin and a bachelor’s degree in administrative sciences from Yale University. He previously worked as an attorney at the law firm of Graves Dougherty, Hearon & Moody, handling business and real estate for its clients, and as general counsel for Prime Cable/Prime Management Group, working in the heavily regulated cable television industry.

LARRY MARBERT, Vice President of Real Estate and Facilities, joined the University in 2007. He is responsible for developing and maximizing the value of University-owned and operated real estate. Mr. Marbert is responsible for seven departments: Real Estate, Campus Planning and Development, Facilities Design and Construction, Facilities Management, UM Police, Parking/Transportation, and Office of Emergency Management. Mr. Marbert has contract administration responsibilities for a number of subcontracted University services. Overall, he has responsibility for approximately 800 UM and contract service employees. He was formerly Assistant Vice President for Construction Management at Baptist Health South Florida and spent 30 years in the publishing business holding positions that included Senior Vice President of Operations for The Philadelphia Newspapers, Vice President of Technology and Vice President for Production & Facilities at Knight Ridder, Inc. He holds a master’s degree in Management Science from Auburn University.

JACQUELINE MENENDEZ, Vice President for University Communications was appointed in June 2007. She serves as the University's chief media liaison; acts as senior counselor to the President, the Senior Vice President for University Advancement, and other University leaders. Previously Ms. Menendez served as senior administrator in municipal and county government including Key Biscayne Village Manager. Also for Miami-Dade County, she served as Executive Assistant to the County Manager, Assistant Director and Manager of Media Relations and Communications, and Assistant Director for Administration for Miami-Dade County Fire Rescue. Ms. Menendez was a television news reporter in both English and Spanish language for WCIX, Channel 6 and WLTV Channel 23. She received her Bachelor of Arts in Broadcast Journalism from the University of Miami in 1983.

NERISSA E. MORRIS, Vice President for Human Resources, joined the University in October 2009. She oversees university-wide human resources operations including total rewards (compensation, payroll, benefits, and recognition), client services, talent acquisition, workplace equity and performance management, and workforce engagement and development. Ms. Morris has more than 20 years of human resources experience with the Ford Motor Company. During that time she held senior human resources positions with Ford in the U.S., Sweden, and Brazil. She holds a Bachelor of Science in Business Administration and Master of Business Administration from Xavier University in Cincinnati, Ohio. She is an active member of the Greater Miami Chapter for the Society for Human Resources Management (GMSHRM), College and University Professional Association for Human Resources (CUPA-HR), the Miami Children’s Initiative Board of Trustees, the American Red Cross of Greater Miami, the Key Board of Trustees, and the United Way of Miami-Dade Finance & Administration Committee.

AILEEN M. UGALDE, was appointed Vice President, General Counsel and Secretary of the University in 2006. Ms. Ugalde was previously Assistant to the President and Vice President for Government Affairs. She received a B.A, in Latin American Studies and International Relations, Magna Cum Laude, from Harvard University in 1988, and a Juris Doctorate, Cum Laude, in 1991 from the University of Miami, where she was the Reid Scholar in her class. Ms. Ugalde was admitted to the Florida Bar in 1991 and joined Akerman, Senterfitt & Eidson, P.A., where she practiced in the commercial litigation division. She served on the Board of Directors for City National Bank, from 2006 through 2008, and she serves on the Board of Directors for the Jay Weiss Center for Social Medicine & Health Equality at the Miller School of Medicine. Ms. Ugalde sits on the Board of Directors for the Adrienne Arsht Center for the Performing Arts.

PATRICIA A. WHITELY, Vice President for Student Affairs at the University since 1997. Prior to her appointment, she was Director of Student Life at the University of Miami from 1994 to 1997. She also served from 1982 to 1994 at the University of Miami as a Residence Coordinator, Assistant Director of Residence Halls, and Associate Director of Residence Halls. Dr. Whitely is an Adjunct Faculty Member in the Higher Education Administration program in the Department of Educational and Psychological Studies in the School of Education and Human Development at the University of Miami. She also served on the National Association of Student Personnel Administrator's (NASPA) Foundation Board, is a frequent presenter for the NASPA Alice Manicur Symposium and has served on the NASPA Editorial Board and NASPA Region III Committee. She served as Chair of the Board of Directors for NASPA from March 2014 through March 2015, and is currently serving as Past-Chair until March, 2016. Dr. Whitely received her bachelor's degree from St. John's University, her master's degree from the University of South Carolina, and her doctorate in higher education from the University of Miami.

GABRIEL ESZTERHAS, Associate Vice President and Controller rejoined the University in June 2015. He had previously served as a Director of Finance and/or Budget for the University's Miller School of Medicine from August 2012 to September 2013. His past positions in higher education include Assistant Vice President for the FIU Foundation, Vice President for Administration & Finance at Baruch College (CUNY), and three director level positions at New York University (NYU). Prior to his higher education experience, he worked in county government in New York City. He is a veteran of operations Desert Storm and Iraqi Freedom and began his professional life as an active duty infantry officer. He holds a bachelor's degree in history from the City College of the City University of New York, a master's degree in history from Columbia University, an MBA in finance from New York University, and a master's degree in accounting from Florida Atlantic University.

INSURANCE COVERAGE

The University renegotiates its insurance coverage for each fiscal year. As to particular risks, there is no guarantee the same or any coverage will be available year to year.

The University employs risk managers who assess risks against the cost of coverage. In many instances, additional coverage may be available but the University has made a business judgment that the cost of that coverage is not commensurate with risk. The coverage described in the following paragraphs is accurate only with respect to coverage currently in effect.

Property coverage for fiscal year 2016 is based upon a replacement value of its buildings and their contents, excluding land and building foundations. There are two policies: the first has a limit of $5.0 million for windstorm, $25.0 million for flood and $300.0 million for all other perils such as fire and theft. The second policy has a limit of $25.0 million for windstorm, $25.0 million for flood and $300.0 million for all other perils. Both policy deductibles are: five-percent (5%) of the total value per building and contents at the time of loss, for storms named by the National Oceanic and Atmospheric Administration (NOAA), subject to a minimum deductible of $500,000 for any one occurrence. There is a deductible of $500,000 for flood and all other perils on both policies. The main campus property policy includes coverage for loss of tuition with a $57.0 million sub limit. In addition, the University carries Fine Arts coverage with limits of $70.0 million.

Additional Flood Insurance is provided under separate coverage for the marine campus through the National Flood Insurance Program (NFIP) with maximum limits of $500,000 per building and $500,000 contents. The deductibles per policy are either $500 or $1,000, depending on the values, and apply separately to each building and to its contents. Valuation is on an actual cash value basis.

The University also carries boiler and machinery insurance, automobile liability, general liability, workers' compensation and other various liability insurance policies, including excess liability policies with a total limit of $100 million.

The University is self-insured for medical liability, but maintains commercial excess coverage within specified limits. Provisions for medical liability claims are based on several factors, including an annual actuarial study and are recorded as a liability on the University’s Statement of Financial Position.

LITIGATION AND OTHER LEGAL MATTERS

While there is no litigation involving the University's creation, organization or existence, or in any manner questioning the right of the University to enter into the bond documents, the University is involved in litigation as either plaintiff or defendant concerning various matters including claims by and against the University for monetary damages, matters in probate, medical malpractice and personnel matters. There are also other legal matters such as claims pending before the Equal Employment Opportunity Commission. There are several claims, which could involve substantial legal fees and expenses, even if the University is able to defend its actions successfully. In addition, the University is subject to regulation by various governmental authorities.

The University believes, based upon the advice of various advisors and counsel engaged to represent the University in litigation and other contingent liability matters, that the outcome of these matters would not have a material effect on the University's financial position or results of operations.

ENROLLMENT STATISTICS						
FALL SEMESTER	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Total University Enrollment						
Total Headcount	15,657	16,068	16,172	16,935	16,774	16,848
Total FTE	14,991	15,433	15,613	16,303	16,188	16,242
Total Full-time	14,316	14,736	14,987	15,597	15,502	15,414
Total Part-time	1,341	1,332	1,185	1,338	1,272	1,434
Undergraduate						
Total Headcount	10,368	10,509	10,590	11,380	11,273	11,123
Total FTE	9,969	10,154	10,269	10,992	10,943	10,797
Total Full-time	9,640	9,833	9,979	10,637	10,620	10,482
Total Part-time	728	676	611	743	653	641
Graduate						
Total Headcount	3,057	3,327	3,355	3,473	3,552	3,845
Total FTE	2,820	3,082	3,152	3,270	3,347	3,608
Law						
Total Headcount	1,505	1,474	1,461	1,307	1,148	1,071
Total FTE	1,475	1,442	1,429	1,268	1,097	1,033
Medicine						
Total Headcount	727	758	766	775	801	809
Total FTE	727	756	763	773	801	804
Dormitory Occupancy						
Assignable Spaces	4,431	4,343	4,344	4,310	4,319	4,330
Occupied Spaces	4,284	4,269	4,216	4,249	4,157	4,013

ADMISSIONS STATISTICS					
FALL SEMESTER	**2011**	**2012**	**2013**	**2014**	**2015**
Undergraduate – New Freshman [1]					
Applicants	27,747	27,757	28,907	31,608	33,416
Admitted	10,635	11,020	11,691	12,064	12,625
Percent of Applicants Admitted	38%	40%	40%	38%	38%
Enrolled	2,172	2,012	2,140	2,076	2,082
Percent of Admitted Enrolled	20%	18%	18%	17%	16%
SAT (25^{th} – 75^{th} Percentile)	1250 - 1390	1240-1400	1240-1390	1240-1400	1200-1390
Median SAT Score	1320	1330	1320	1320	1300
Average High School GPA	4.2	4.2	4.2	4.3	4.0
Graduate In Top 20 Percent of High School Class	86%	86%	89%	82%	84%
Percent of New Freshman from Out-of-State [2]	66%	64%	71%	67%	69%
Freshman to Sophomore Retention Rate [3]	90.9%	91.4%	91.3%	92.6%	92.1%
Freshman Class Discount Rate [4]	36.0%	34.9%	37.0%	36.9%	35.5%
Graduation Rate (6 year)	77.9%	80.4%	81.3%	80.9%	81.3%
Transfers					
Applicants	3,047	2,645	2,727	2,589	2,568
Admitted	1,729	1,558	1,591	1,528	1,476
Enrolled	608	563	599	592	548
Graduate					
Applicants	5,714	6,315	5,695	5,601	6,212
Admitted	2,173	2,081	2,004	2,108	2,505
Enrolled	1,136	1,155	1,002	1,112	1,237
Law					
Applicants	5,181	4,738	3,652	3,142	3,037
Admitted	2,456	2,604	1,999	1,661	1,686
Enrolled	572	570	422	347	414
Medicine					
Applicants	5,892	6,074	7,128	7,667	8,291
Admitted	320	316	316	339	369
Enrolled	205	198	198	199	197

1. New Freshman applied, admitted, enrolled, and SAT data are based on the Common Data Set (CDS) methodology, which includes freshman who enrolled during the prior summer session.
2. Percent of New Freshman from Out-of-State include both non-Florida and international students.
3. Fall benchmark to benchmark new freshman retention rate.
4. Represents freshman class tuition discount rate (total discount offered divided by estimated tuition),

FACULTY STATISTICS					
FALL SEMESTER	**2011**	**2012**	**2013**	**2014**	**2015**
Faculty Headcount (Full-time plus Part-time)	3,104	3,050	3,031	3,058	3,047
Faculty Full-time	2,637	2,601	2,576	2,591	2,633
Faculty Part-time *	467	449	455	467	414
Percent Tenured **	77%	78%	79%	79%	76%
Percent Doctorates/Terminal Degree ***	98%	97%	97%	98%	96%

Note: Deans and senior administration with tenure are included.

* Part-time faculty is measured by number of individuals with part-time instructional activities.

** Percent is calculated with respect to the number of full-time tenure-track faculty.

*** Percent is calculated with respect to the number of full-time regular faculty.

CONTACTS FOR FINANCIAL INFORMATION

Geoffrey Kirles
Vice President and Treasurer
1320 South Dixie Highway, Suite 1230
Coral Gables, FL 33146
Phone: 305-284-9285 (direct)
Phone: 305-284-1667 (department)
Fax: 305-284-8573
Email: gkirles@miami.edu

Julia C. Morales
Senior Manager, Finance
1320 South Dixie Highway, Suite 1235
Coral Gables, FL 33146
Phone: 305-284-4226 (direct)
Phone: 305-284-1667 (department)
Fax: 305-284-8573
Email: jcmorales@miami.edu