

**MINUTES
OF THE MEETING OF
THE BOARD OF DIRECTORS OF
UNITED STATES TENNIS ASSOCIATION INCORPORATED**

**GRAND HYATT NASHVILLE
NASHVILLE, TN**

OCTOBER 23 & 24, 2025

PRESENT: Brian Vahaly, Chairman of the Board, J. Christopher Lewis, First Vice President, Maggie Chan Jones, Vice President, Megan Moulton-Levy, Vice President, William McGugin, Secretary-Treasurer, Catherine (CiCi) Bellis, Laura F. Canfield, Chris Capossela, Violet Clark, Amanda Fink-Moore, Kathleen Francis, Jon Rydberg, Hon. Derek J. White, Perren Wong, Directors at Large, and Dr. Brian Hainline, Immediate Past President.

ALSO PRESENT: Andrea Hirsch, Chief Operating Officer and Interim Co-CEO, Kevin Flaherty, Chief Financial Officer, Rachel Booth, General Counsel, and Nellie Nevarez, Senior Director, Office of the President.

1. **Chairman's Welcome.** Vahaly called the meeting to order at 3:03 p.m. (CDT) on Friday, October 23, 2025.

2. **USTA Consent Agenda.**

a. **Approval of the USTA Consent Agenda.** The USTA Consent Agenda was presented and no objections were made. The USTA Consent Agenda included:

i) Minutes.

- Minutes of the Meeting of the Board of Directors of the United States Tennis Association, General Session, June 27 & 28, 2025.
- Minutes of the Combined Meeting of the Board of Directors of the USTA and NTC, Teleconference, August 7, 2025.

ii) ITF Committees/Commissions 2026-2027.

iii) USTA Coaching Board Member Appointment.

Upon motion duly made by Francis, and seconded, the Board unanimously approved the USTA Consent Agenda as presented.

(Stacey Allaster, Chief Executive, Professional Tennis, Kirsten Corio, Chief Commercial Officer, Nicole Kankam, Managing Director, Professional Tennis Marketing & Entertainment, and Danny Zausner, Chief Operating Officer, NTC/Orlando, joined the meeting.)

3. **US Open Debrief.** Corio provided a recap of the 2025 US Open, highlighting key revenue-drivers that contributed to its success. She reviewed work underway to prioritize programs for 2026, grouped around the themes of: i) amplify spectacular, ii) accessibility, iii) fan/player/partner experience, and iv) cultural relevance. Corio provided business updates around the host broadcast operation, new backwall

and naming opportunities, and potential sponsorships. She explained rationale behind the decision to host Arthur Ashe Kids' Day ("AAKD") on the to the Sunday prior to the Qualifying Tournament.

Kankam previewed the 2026 US Open theme art. She described the concept as celebrating the US Open's New York story, noting the contrast to recent themes that focused on historical milestones in tennis. Kankam spoke to the enthusiasm of partners to incorporate and amplify the US Open themes.

Discussion ensued on finding ways to make more low-cost tickets accessible, increasing promotion of free days, the impact of moving AAKD on its volunteer corps, ROI from celebrity representation, vendor diversity, use of AI to drive cultural engagement, and plans for the 50th anniversary of the US Open Wheelchair Tournament.

Allaster provided an update on player relations and player issues, highlighting expansion of electronic line calling, increased player perks, and improved communication. Discussion ensued related to the success of the Mixed Doubles event and strategies to refine the entry criteria for 2026.

Corio and Zausner presented on the construction transformation communication plan, improvements to crowd management, wayfinding signage, use of the new app to help with entry wait times at Louis Armstrong Stadium, premier club experiences, and club sales to date.

(Kankam departed the meeting.)

4. Construction Update.

a. NTC Construction. Zausner presented photos of suite, courtside and loge seating demolition, as well as renderings of finished spaces. He described planned improvements that include new entry portals, increased courtside seating (from 3,000 to approximately 5,000), new clubs and bunker suites, and the player performance center and parking structure. Discussion ensued regarding player amenities and the bunker suite experience.

Zausner reviewed the construction budget and timeline, the impact of tariffs, the New York City approval and permitting process, and the current challenges relating to construction contractor availability.

Zausner was queried on the challenges of and planned improvements for audio and technology in the stadiums. Zausner and Corio fielded question on construction costs and revenue projections for 2026, and key risks to manage in 2026 while the project is in transition.

(Allaster and Corio departed the meeting.)

b. Orlando Construction. Zausner discussed the USTA's commitment to capital improvements at the USTA National Campus as required in the bid to host the NCAA championships, including construction of indoor courts and the addition of shade structures. He advised the design and engineering for the shade structure is complete, with an estimated construction budget of \$3 million.

Zausner displayed renderings of the shade structures, a new player building with indoor courts and viewing gallery, and described changes to staff office spaces. Discussion ensued as to multi-purpose uses of the new courts and spaces.

Upon motion duly made by Capossela, and seconded, the Board unanimously approved the financing of \$3.0 million for the Collegiate Center Shade Structure.

(Zausner departed the meeting.)

(The meeting recessed at 5:00 p.m. on Thursday, October 23, and reconvened at 8:30 a.m. on Friday, October 24.)

5. **Treasurer's Report.** Flaherty presented the 2025 US Open projections against the budget, noting variances due to crowd control and increases to player compensation. He highlighted significant growth in food and beverage, merchandise, and other revenue streams, resulting in a net excess of \$23 million over budget. Flaherty advised the success of the US Open impacts investments in non-US Open services and programs. He explained the adjusted free cash flow of \$32 million as higher than expected but cautioned it excludes the NTC renovation project capex and assumes zero excess investment income. Flaherty briefly reviewed the balance sheet, noting a seasonal peak due to the US Open cash but cautioning many vendors have yet to be paid.

Flaherty fielded questions about expense recognition, USTA's cash position, the optics of reserving substantial amounts of cash, and moneys earmarked for the NTC capital project and mission programs. Discussion ensued concerning potential expense reallocations between the US Open and other budget lines.

a. **Portfolio Review.** Flaherty presented the long-term investment portfolio and the Series D portfolio as of August 31. He reviewed asset allocation targets as compared to legacy targets, describing a strategy for reducing exposure.

b. **Investment Committee | Investment Policy Statement Revisions.** Flaherty described the search for a new investment advisor, and thanked Perren Wong and the Board for their input. He reviewed the basis for the decision to move on from Cambridge Associates. Flaherty then summarized changes to the Investment Policy, which seeks to codify the current practice of granting decision making power to a Board Committee.

Upon motion duly made by Lewis, and seconded, the Board unanimously approved the revised Investment Policy Statement set forth in Exhibit A.

c. **Discussion on Possible Section Bonus.** Vahaly provided background on Section bonuses, noting that in the last two years, bonuses were in the range of \$2.5-\$3 million. He suggested that extra funds could be connected to innovation grants and shared services support for Sections, which would further the 35x'35 goals. Hirsch reviewed the terms of the Section Funding Agreement. Discussion ensued as to Section sentiment towards leveraging National-led shared services.

(Tracy Davies, General Manager, USA Tennis, Jo Wallen, Managing Director, National & Global Events, Angus Mugford, Managing Director, Athlete Performance & Operations, and Liz McSorley, Managing Director, Strategy & Innovation, joined the meeting.)

6. **USA Tennis Strategy.** Vahaly acknowledged the complex landscape Davies inherited. Davies thanked Vahaly and Hirsch for their support.

Davies reviewed the decision in 2024 to unify "Team USA" by combining Player Development (PD), Pro Circuit, Junior Competition, Wheelchair Tennis, Collegiate and Major Events. She further noted that the best global Player Development programs are process-based, long-term, athlete-centered, and focus on holistic support (on-court and well-being). She offered a brief historical analysis of Player Development, enumerating the following observable gaps in the U.S. system:

- A fragmented ecosystem providing inconsistent coaching and disconnected support,
- Lagging capabilities at USTA compared to the private sector,
- Subjectivity in athlete selection, leading to mistrust and misunderstanding,
- Weakened reputation of USTA as a development leader, with established players looking elsewhere for services such as sports science, and
- American players lack sufficient domestic competition and ranking points, forcing expensive international travel.

Davies explained leading nations, including Italy and France, have successful models built on well-resourced systems with unified national coaching philosophies, transparent selection criteria, and integrated competition/support. She opined that funding reductions since 2020 have stalled momentum, and the success of today's American top-10 players should not be expected to continue without taking affirmative action. Davies fielded questions on early development camps, player coaching, player support, pathways for under-resourced communities, and private sector recruiters.

Davies presented a summary of the proposed strategy to develop a sustained pipeline of elite American players competing at all levels. She noted the strategy does not include Collegiate or Wheelchair, which are both still under review. Davies highlighted the five imperatives embedded in the strategy as: transparency and fairness, data-driven success, a world-class system that curates best-in-class services for athletes, scale through a unified ecosystem including the private sector, and positioning the U.S. as a leader in innovation and performance. McSorley spoke to tangible and trackable KPIs and targets. Davies, Wallen, McSorley and Mugford provided detail around each of the five strategic imperatives.

Discussion ensued as to Section involvement with camps, service standards, creation of a player digital hub, and the economics of lower-level pro tournaments.

Davies presented a 3-year investment request, targeting \$7 million to \$11 million by 2028. She noted costs in 2026 would solely be for head count. Discussion ensued as to integration of USTA Coaching and 35x'35, the importance of digital investment to make data driven decisions, identifying appropriate KPIs, and which existing programming could be cut to fund these new investments. She responded to questions from the Board.

(The meeting recessed at 10:48 a.m. and reconvened at 11:00 a.m.)
(Davies, Mugford, and Wallen, departed the meeting.)

(Michael McGoohan, Chief Growth Officer, Ted Loehrke, Managing Director, Head of Section Partnership, Matt Barnhart, Senior Director, Play & Competition, Lisa Cradit, Managing Director, Head of Communication and Content, Lydia Colaresi, Managing Director, Head of Digital Strategy, and Stuart Campbell and David Mortlock of Bain Consulting, joined the meeting.)

7. **Red Ball Update.** McGoohan proposed a revised strategy for red ball programming. He explained the strategy is informed by segmentation and consumer research, showing the youth market represents the single largest segment with the highest potential for sustained, long-term participation and growth.

McGoohan recommended a significant expansion and reinvestment in Junior Team Tennis ("JTT"), proposing a national platform to engage hundreds of thousands of players. This expansion would standardize the program's format and brand across various settings, including PE classes, after-school, and

weekend programs. He explained a key element of this strategy is building cultural relevance and inspiring participation through integrated partnerships with top American professional players.

To fund this growth, McGoohan suggested leveraging commercial partnerships. He suggested that the national rollout could utilize a multi-provider management model, similar to NFL Flag Football, to achieve scale in local parks and community centers. McGoohan recommended against pursuing adult red ball as a national initiative but rather position red ball as a locally driven format, thereby redirecting national resources toward youth programs.

Robust discussion ensued on the success of the recent pilots, Section buy-in for red ball, comparisons to pickleball, equipment giveaways, and the efficiencies or lack thereof in the red ball roll out. McGoohan stressed that red ball programming will continue, but with a recommendation to shift funding and to explore better go-to-market strategies.

Vahaly requested McGoohan consider the Board feedback and revise the recommendation.

(Barnhart departed the meeting.)

(Ben Zislis, Executive Director, USTA Middle States Section, and Becky Cantellano, USTA Executive Director, USTA Northern Section, joined via teleconference.)

8. 35x'35 Update. Vahaly described the 35x'35 journey and the importance of aligning with the Sections on roles and strategic priorities.

a. **Key Insights and Player Engine.** McGoohan presented an overview of the 35x'35 initiative, explaining a strategic pivot to shift focus from legacy programs ("Engine 1") toward a mass participation model ("Engine 2"). He offered that at its core, the Engine 2 strategy aims to expand the game of tennis broadly, not just the USTA itself, by utilizing "force multipliers" and empowering the larger tennis ecosystem. McGoohan emphasized that mass participation is a critical component of this growth formula.

McGoohan presented key insights that have guided strategy concerning acquisition, attrition, and re-engagement. He identified five main challenges to address: limited reach, untapped interest, a gap in coaching and availability, inconsistent facilities success, and a lack of capabilities and misalignment across the USTA. Following this, McGoohan proposed five corresponding solutions: i) drive growth through force multipliers, ii) provide the ecosystem with a player demand engine, iii) build a world-class coaching organization, iv) advocate for and empower facilities to succeed, and v) build the capacity and capabilities of the Association.

Robust discussion ensued with respect to the solutions, including the importance of coaching, whether the solutions will be effective, tactics to be deployed to effectuate the solutions, the youth gap in participation the importance of the "legacy programs," and communication strategies.

McGoohan presented the "player demand engine" to power the future of tennis, reviewing in detail player targeting, cultural relevance, scalability, commercial opportunities, and an integrated ecosystem designed to fuel participation and deepen engagement at every level. Discussion ensued as to the inclusion of parents and parent coaches, pro tennis player integration via merchandise and team sponsorship programs, and implementation and coordination across other pathways. McGoohan explained the need for a common narrative and brand and advised a marketing partner had been retained.

Discussion continued relating to the marketing of USTA in the context of the public, facilities and industry partners. Discussion continued on the use of force multipliers in the ecosystem.

(The meeting recessed at 12:30 p.m. and reconvened at 1:30 p.m.)

(Violet Clark, and Henry Lescaille, Chief People and Culture Officer, joined the meeting via teleconference.)

b. Facilities Engine. Loehrke presented a strategy centered on leveraging facilities as a growth engine to "Empower Facilities to Succeed." He described a goal to ensure an adequate supply of courts and competent providers to support continued growth through two key areas: i) funding, through existing grants and securing new capital through methods like grant writing and impact investing, and ii) subject matter expertise such as tools, services, and best practices (such as technical assessments and capital improvement planning) to help both private and public facilities thrive.

Loehrke reviewed the 2025 facility funding levels, noting that growth was largely fueled by Section-provider relationships. Zislis spoke to USTA Middle States success in facilitating growth. Discussion ensued on several strategies to fuel growth including: scaling efforts to involve Parks systems rather than focusing on one-off projects, improving communication with parks and schools, expanding fundraising and unlocking capital, and exploring public conservation grants and other federal and state grants available to Parks and Recreation departments.

Loehrke described 2026 plans to focus on optimizing distribution by identifying new funding sources, and collaborating with the USTA Ventures Committee and the USTA Foundation. He shared a key lesson from 2025 as the need to be more deliberate and actively seek opportunities to scale. Zislis praised the Tennis Venue Services staff for streamlining the application process.

Loehrke and Lescaille introduced the "World Class Organization" objective, which centers on restructuring National to serve as a resource for Sections. This support includes funding and assistance for Sections to focus on mass participation, business intelligence & analytics (BI&A), information technology, and grants/advocacy. Lescaille noted the initiative seeks to redefine the volunteer role to better utilize talent. Loehrke outlined challenges impacting Sections such as cultural identity, financial dependency, and capability gaps and proposed solutions. Lescaille clarified that solutions would be offered "à la carte," allowing Sections to choose those that best fit their needs.

Lescaille characterized National as a support hub to allow Sections to optimize their structure. He explained existing and proposed shared services offerings for Sections. Lescaille spoke to plans to reimagine volunteer roles/impact, leveraging talent in advisory roles.

Discussion ensued as to Section staffing, Section autonomy, advocacy strategies, Section key performance indicators (KPIs), communication timelines, the importance of maintaining Section flexibility, and the need for support strategies tailored to individual Section needs.

(Lescaille departed the meeting.)

(The meeting recessed at 2:45 p.m. and reconvened at 3:00 p.m.)

9. 35x'35 Update-Continued. Loehrke and McGoohan presented the strategy implementation, which employs a "crawl, walk, run" approach. They noted the operating plan for each initiative is composed of four elements: detailed charters, an integrated roadmap, budget forecasts, and full-time employee (FTE) forecasts. Discussion centered on defining responsibility to drive success among National, Sections, and various staff, integrating providers into the overall ecosystem, and tools for measurement.

Flaherty provided an update on National's financial status, detailing it by programs and services, and presented a preliminary 2026 budget, highlighting in-scope areas. He pointed out programs slated for elimination to achieve savings, and areas where funding will increase, such as shared services and data management tools. Discussion ensued on the proposed 2026 budget for 35x'35, expansion of network architecture, the necessity for distinct funding streams for each of adaptive and wheelchair, RCX's role in youth tennis, the reduction in red ball allocation, metric-tracking, and the utilization of AI to boost efficiencies.

(The meeting recessed at 4:00 p.m. and reconvened at 4:12 p.m.)

Change Management. Bain reflected on the significant progress of "35x'35" over the last three months, noting its evolution resulting in a sequenced operating plan. They explained the plan now consists of ten initiatives, each clearly defined with assigned owners, interlocks, key performance indicators (KPIs), and budget.

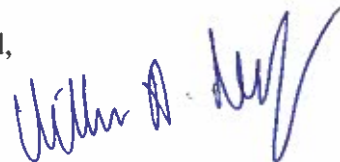
Bain further noted that successful change management requires companies to prioritize how the change is implemented, advising that the significant transformation of the 35x'35 initiative requires the same strategic focus and rigor as does the US Open.

Discussion ensued on strategies for communicating success, the function of dashboards for publishing achievements, the division of decision-making authority between National and Sections, and the imperative for 35x'35 to be a collaborative initiative supported by extensive communication.

Next steps were reviewed, which involve further refinement of the operating plan and budget and establishing a central tournament desk to coordinate the transformation effort. Discussion followed regarding the appropriate placement of this role and the necessary assignment of a senior sponsor.

The meeting concluded at 5:00 p.m. (CDT) on Friday, October 24, 2025.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "William McGugin", is written over the typed name.

William McGugin
Secretary-Treasurer

UNITED STATES TENNIS ASSOCIATION
INVESTMENT POLICY STATEMENT

[October 24, 2025]

Introduction

The purpose of this policy statement is to summarize the policies, guidelines, objectives, investment practices, limitations and special considerations for managing the USTA's Investment Portfolio (the "Portfolio"). The statement is intended to assist the Investment Committee (the "Committee") in effectively formulating a strategy for the Portfolio, and in managing and evaluating the performance of the Portfolio. The Committee has the authority to modify this policy statement from time to time and is expected to do so as needed to position the Portfolio to meet its investment objectives. It is anticipated that this statement will be effective until modified and approved by the Committee.

Scope of IPS

The guidance set forth herein is to be followed by all those responsible for any aspect of the management or administration of the Portfolio. USTA's staff (the "Staff") shall communicate relevant restrictions and guidelines in this IPS clearly and promptly to appropriate third parties, such as custodians and any outsourced chief investment officer ("OCIO").

Governance/Structure and Delegation of Authority

The Board of Directors of the USTA has delegated to the Investment Committee the responsibility for supervising the investment of the Portfolio in accordance with the guidelines listed below. The Investment Committee shall consist of the Secretary/Treasurer and such other USTA Board Members as determined by the USTA President. The Investment Committee may seek advice and guidance from external advisors and staff, as necessary or advisable.

The Committee's duties and responsibilities related to the oversight of the Portfolio include:

- Developing an IPS that addresses items such as financial and investment objectives, asset allocation targets, spending guidelines, acceptable risk levels, total return objectives, and general maintenance guidelines (e.g., diversification guidelines);
- Selecting a qualified OCIO and other experts, as needed, to manage the Portfolio in accordance

with the adopted IPS;

- Monitoring and evaluating results to ascertain whether IPS guidelines are being adhered to and investment objectives are being met;
- Monitoring asset allocation;
- Evaluating the performance of the OCIO;
- Complying with provisions of all pertinent federal and state laws and regulations; and
- Reviewing this charge periodically, reporting changes, if any, to the Board, and performing any other activities consistent with this charge that the Board deems appropriate.

Staff Responsibilities

The Staff is responsible for the following:

- Assisting the Committee in developing and maintaining relevant policies and procedures;
- Coordinating contract reviews and execution;
- Acting as liaison between the Committee, the OCIO, and the underlying investment program service providers; and
- Determining liquidity needs and communicating the same to the OCIO, or other appropriate service providers.

Outsourced Chief Investment Officer (OCIO) Responsibilities

The Committee may retain an OCIO to advise the Board, Committee, and Staff on the development and implementation of the IPS and to manage investments in the Portfolio on a day-to-day discretionary basis within the guidelines of the IPS.

The OCIO's primary objectives include:

- Utilizing its full discretion in managing the assets of the Portfolio in accordance with this IPS, including, but not limited to, monitoring investments, asset allocation and manager and security selection;
- Notifying the Committee proactively if it believes that the IPS and/or investment strategy needs to be modified to achieve the objectives stated herein;
- Seeking to outperform the Policy Benchmark (as defined herein) or other agreed-upon benchmark over a full market cycle, which would generally be viewed as a period of seven to ten years ("Full Market Cycle");
- Providing ongoing education and insights into the capital markets to the Committee;
- Conducting an asset allocation review upon request of the Committee, or as deemed necessary by the OCIO;
- Providing monthly and quarterly performance reporting;
- Attending the standing meetings of the Committee, via telephone, video conference or in person, as mutually agreed upon by the USTA and the OCIO;
- Participating in conference calls relating to the Portfolio and/or the USTA, as requested; and
- Assisting with IPS recommendations and revisions.

Objectives

Financial Objective

The overall financial objective of the Portfolio is to provide a level of support (as determined by the Portfolio's spending policy summarized below) for designated beneficiaries that is consistent with the Portfolio's purchasing power being maintained over time.

Investment Objective

The primary investment objective of the Portfolio is to attain an annualized nominal total return of at least 8% over the long term (rolling five-year periods), net of manager fees. It is recognized that the nominal return objective may be difficult to attain in every five-year period but should be attainable over a series of five-year periods.

To meet the objective stated above, the Portfolio shall be managed in accordance with the principles outlined below:

- **Total Return Objective:** The Portfolio shall be managed for total return, defined as dividend and interest income plus or minus capital gains and losses.
- **Time Horizon:** The Portfolio shall be invested in a manner that is consistent with the perpetual nature of USTA.
- **Investment Prudence:** In seeking to attain the investment objectives set forth herein, the Committee shall exercise prudence and appropriate care in accordance with applicable state and federal law and the New York Uniform Prudent Management of Institutional Funds Act ("UPMIFA").
- **Diversification:** The Portfolio shall be invested in a diversified manner through investments across multiple asset classes, reflective of the belief that asset classes with low correlation to each other may help improve the risk-adjusted return of the Portfolio over a Full Market Cycle.
- **Transparency:** The OCIO is authorized to select investments with limited transparency as to the underlying holdings of the manager, but it is expected that the underlying managers shall provide the OCIO with periodic updates regarding account performance, general strategy, evidence of annual financial audits, the implementation of prudent investment practices, and investment themes.
- **Liquidity:** There must be sufficient liquidity in the Portfolio to ensure that the USTA can meet its distribution/spending policy and operational needs. The OCIO is authorized to select investments with restricted liquidity, provided that the liquidity needs of the USTA have been considered in advance of any such investments. The Staff shall inform the OCIO of the liquidity needs of USTA on a regular basis and upon request by the OCIO.
- **Investment Vehicles:** The investment structures to be used in the Portfolio may include, but are not limited to, separate accounts, mutual funds, exchange traded funds and notes, derivatives, and other pooled investment vehicles, including privately offered funds structured as limited partnerships, corporations or limited liability companies ("LLCs") organized in the U.S. or in non-U.S. jurisdictions. Direct co-investments, co-investments via commingled vehicles and secondary transactions are also allowed. It is understood that investment structures may have unique liquidity, risk, and cost profiles.

- **Taxes:** The USTA is exempt from federal income tax as a membership organization described in section 501(c)(6) of the Internal Revenue Code ("IRC") but is subject to unrelated business taxable income ("UBTI") requirements. Investments that are anticipated to generate UBTI are permissible. The Staff will monitor and evaluate the level of potential UBTI exposure in the Portfolio and will advise the OCIO of any change in the USTA's tolerance for potential UBTI in the Portfolio. The OCIO generally will seek to mitigate exposure to UBTI while balancing performance optimization between blocked and unblocked investment vehicles. It is understood that the OCIO will not provide any tax advice to USTA.
- **Cash:** Under normal market conditions, cash is to be employed productively through investment in short-term cash equivalents to seek safety, liquidity, and return.
- **Fee Objectives:** The OCIO seeks to negotiate fees with underlying managers on behalf of its clients to enhance the Portfolio's net returns.
- **Derivatives:** Derivatives are financial instruments whose value is derived, in whole or part, from the value of one or more underlying securities or assets, or an index of securities or assets. Derivatives may be used to maintain the Portfolio's strategic asset allocation. The OCIO is not prohibited from investing the Portfolio in options, futures contracts, swaps, and other over the counter ("OTC") derivatives of any kind. Managers retained by the OCIO are permitted to utilize derivatives to implement their investment strategies.
- **Leverage:** The OCIO can utilize leverage inherent in certain derivatives, such as futures and swaps, primarily to maintain market exposure during Portfolio transitions. Additionally, the OCIO's Private Capital and Private Real Asset teams may employ lines of credit to make capital calls to underlying funds on a short-term basis. The OCIO will not utilize any lines of credit, or any other sources of debt, to provide leverage for the Portfolio on a long-term basis (generally defined as debt outstanding for more than 12 months), unless otherwise agreed with the Committee.

Risk Objectives

In light of the uncertainties and complexities of investment markets, the Committee recognizes and acknowledges that a reasonable level of risk must be assumed to provide an opportunity to achieve the long-term investment objectives of the IPS.

The Portfolio should be managed to attain a risk level (as measured by standard deviation over a Full Market Cycle) that is equal to or less than that of the Policy Benchmark. The Committee recognizes that, in some periods, the risk level of the Portfolio may exceed that of the Policy Benchmark. In periods when the Portfolio's risk level exceeds that of the Policy Benchmark, the OCIO shall consider the possible reasons for such elevated risk level and shall take action in its discretion to address such Portfolio risk level, which may be limited to continued monitoring of the Portfolio.

Investment Management Structure

External investment managers will manage the Portfolio. The OCIO has discretion to manage the assets in the account to best achieve the investment objectives and requirements, within the guidelines set forth in this policy statement and any supplemental account guidelines provided to the manager.

Portfolio Composition and Guidelines

The Portfolio will invest across multiple asset classes to achieve diversification and reach its risk and return targets. The Portfolio should be diversified both by asset class and within asset classes (e.g., within equities by strategy, economic sector, geography, industry, quality, and size). The purpose of diversification is to provide reasonable assurance that no single security, class of securities, or specific investment style will have a disproportionate negative impact on the Portfolio's aggregate results.

The asset classes in which the Portfolio may be invested include, but are not limited to:

Global Equity

Equity investments in U.S. and international companies are typically among the most liquid and well-researched investment opportunities. This asset class will typically be diversified in terms of style and capitalization and may use both active and passive investment strategies. Smaller capitalization, concentrated, and style-specific hedging strategies may all be used to diversify the portfolio.

Fixed Income and Cash

The returns of Fixed Income investments are expected to be lower than those of equity investments. The goal for the Fixed Income allocation is to provide diversification for the total portfolio, reduce the overall volatility of the portfolio, and generate periodic predictable cash flows that can be used to support annual spending requirements. The Fixed Income portfolio will typically be diversified across various sub-classes and by investment style and strategy (such as duration, sector, and quality). Cash and cash equivalent reserves may be invested in short-term fixed income investments and shall be used to fund necessary financial obligations at times when it is not desirable or practical to liquidate stock or bond investments. Because cash and cash equivalent reserves may earn a return lower than inflation, there could be a loss of real purchasing power associated with the holding of cash assets.

Private Capital

This asset class represents one of the most illiquid asset classes. However, private capital investments offer potentially attractive returns because they may take advantage of market inefficiencies and may benefit from active management strategies. Investments that may be included in this asset class are (i) equity or equity-like investments in companies that have undeveloped products or revenues and are not able or interested in accessing public capital markets ("venture capital"), (ii) equity investments in private or public companies that result in the purchase of a significant portion or majority control of the company ("leveraged buyouts"), and (iii) opportunistic credit investments in the debt of privately or publicly owned companies.

Absolute Return

The purpose of the Absolute Return allocation is to provide portfolio diversification through access to unique sources of return relative to other asset classes. Absolute return investments include diverse strategies that attempt to identify or exploit pricing inefficiencies between related securities or involve transaction-based strategies that tend to have lower statistical correlations to traditional equity and fixed income markets. Examples of these strategies include, but are not limited to: hedged equity, convertible arbitrage, event-driven arbitrage, fixed income arbitrage, global macro, distressed securities, and multi-

strategy. Investments in the Absolute Return allocation are usually offered through partnership and other commingled structures with varying liquidity profiles, including capital call or drawdown structures.

Real Assets

Investments included in the Real Assets allocation include those assets whose primary purpose is to provide a potential hedge against inflationary pressures and to achieve overall portfolio diversification. Real assets include, but are not limited to, the following: real estate, infrastructure, energy, natural resources, agriculture, commodities, sustainable resources, other tangible hard assets, and TIPS. Real assets investments may have low correlations to the traditional equity and fixed income markets and may offer attractive long-term risk-adjusted returns for investors. Investments in the Real Asset allocation are usually offered through registered investment companies, privately offered partnerships or LLCs and other commingled structures with varying liquidity profiles.

Additional Guidelines

All assets selected for inclusion in the portfolio must have a readily ascertainable market value with the exception of alternative investments.

Long-Term Asset Allocation Targets

One of the most important components of an overall investment strategy is the Portfolio's asset allocation. The Committee will determine the long-term asset allocation targets and ranges as described in this IPS and the OCIO will take these targets and ranges into account in managing the Portfolio. The asset allocation of the Portfolio will be reported to the Committee at least annually.

The asset allocation approach should allow for (i) a diverse portfolio without undue concentration in any single asset class and (ii) sufficient flexibility to adapt to various market environments. For this reason, the asset allocation policy calls for long-term "target" allocations as well as ranges around those targets. Those targets and ranges are shown below.

The USTA-approved long-term asset allocation targets and tactical ranges for the Portfolio are as follows:

Asset Class	Policy Target	Tactical Ranges
Global Equity	40%	20% – 70%
Global Fixed Income	10%	0% – 20%
Absolute Return	10%	0% – 20%
Public Real Assets	5%	0% – 10%
Private Real Assets	10%	0% – 20%
Private Capital	25%	0% – 35%
Cash	0%	0% - 20%

The asset allocation targets and acceptable ranges represent a long-term view. As such, market movements may cause the Portfolio's actual asset mix to fall outside the policy ranges at times. The long-term target allocations and ranges may be changed by the Committee but are expected to change infrequently.

The Portfolio shall be adequately diversified within each asset class to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the total Portfolio.

The Portfolio's allocation to nontraditional asset classes stems from their return potential and diversifying power. Alternative assets, by their very nature, tend to be less efficiently priced than traditional marketable securities, providing an opportunity to exploit market inefficiencies through active management. The Portfolio's long-term time horizon is well suited to exploiting illiquid, less efficient markets, such as private investments and hedge funds.

The Portfolio will seek to manage the non-market risks associated with alternative investments through diversification of strategy (i.e., long/short equity, absolute return, etc.), market exposure, and manager.

Asset Allocation Rebalancing

An asset class is considered to be within an acceptable range if the current allocation is within the lower and upper bands as described above. The allocation will be reviewed monthly but may be changed at any time (as long as allocations are within acceptable ranges) based on judgment of the OCIO.

If an asset class allocation should move outside of its acceptable bands or might be reasonably expected to do so in the future, the OCIO should notify the Staff promptly. The Staff should work with the OCIO to understand the reason for the situation and develop a reasonable plan to restore the allocation such that it is within the acceptable bands within a reasonable time frame.

Performance Measurement and Benchmarks

Policy Benchmark

USTA seeks to attain a total return (net of fees and expenses) for the Portfolio over a Full Market Cycle in excess of a Policy Benchmark composed of a blend of two broad-based indices:

- 75% weight to the MSCI All Country World Total Return Net Index (MSCI ACWI); and
- 25% weight to the Bloomberg Global Aggregate Bond Index.

The Committee has selected this Policy Benchmark based on several criteria. First, the Policy Benchmark is comprised of established, widely referenced, and readily available indices. Second, the Policy Benchmark might be expected, over the long-term, to exhibit a similar level of volatility, or standard deviation, as the Portfolio, assuming (i) the Portfolio's investments in certain asset classes are consistent with the long-term targets for each asset class, and (ii) future long-term returns and correlations are consistent with historical returns and correlations. Accordingly, the Policy Benchmark should provide the Committee with a fair representation of a "risk neutral" proxy from which it can evaluate the Portfolio's, and thus the OCIO's, performance.

The Committee recognizes that the Portfolio's return may vary significantly from that of the Policy Benchmark in certain market environments, particularly over short time periods.

Asset Class Blended Benchmark

A Blended Asset Class Benchmark may be used to evaluate the performance of the Portfolio. This Benchmark reflects performance for each of the asset classes in which the Portfolio could have exposure per the established long-term asset class targets set forth in the IPS. As such, should the asset classes or their respective targets change, the Asset Class Blended Benchmark calculation should also be adjusted to reflect the change. The Asset Class Blended Benchmark is calculated by summing the aggregate performance of representative indices for the individual asset classes, each multiplied by its respective long-term target weighting. Indices used are: MSCI All Country World Total Return Net Index, Bloomberg Global Aggregate Bond Index, HFRI Fund of Funds Composite Index, and Real Assets Custom Benchmark (1/3 FTSE EPRA/NAREIT Developed Index, 1/3 Bloomberg Commodity Index, 1/3 Bloomberg U.S. TIPS).

Review

All objectives and policies are in effect until modified by the Committee, who will review these at least annually for their continued pertinence.

If at any time the OCIO believes that any policy guideline inhibits his investment performance, it is his responsibility to clearly communicate this view to the Committee.

The Portfolio will be monitored on a continual basis for consistency in investment philosophy, return relative to objectives, and investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. The Committee on at least a quarterly basis will review individual account performance, but results will be evaluated over running three- to five-year periods. However, the Committee will regularly review the Portfolio in order to confirm that the factors underlying the performance expectations remain in place.

Memo



DATE: October 16, 2025

TO: USTA Board of Directors

FROM: Rachel Booth

CC: Brian Vahaly, Andrea Hirsch

SUBJECT: Eligibility Policy Update

USOPC Mandate

On July 22nd 2025, the U.S. Olympic and Paralympic Committee (USOPC) notified all National Governing Bodies (NGBs) of a requirement to implement policies aligning with Executive Order 14201, signed in February 2025, which calls for banning transgender women from women's' and girls' sports.

<https://www.whitehouse.gov/presidential-actions/2025/02/keeping-men-out-of-womens-sports/>

As a federally chartered organization, the USOPC stated it has an "obligation to comply with federal expectations". The USOPC's action mirror a similar initiative by the National Collegiate Athletic Association (NCAA) and comes amidst ongoing legal challenges to state laws banning transgender athletes from sports. The stated purpose of the USOPC directive is to ensure a "fair and safe competition environment consistent with Executive Order 14201" and is positioned as necessary for the protection of women.

Penalties for non-compliance by NGBs include loss of funding (not relevant to the USTA,) unseating a current Board, and suspension or decertification of NGB status.

PROPOSED POLICY

The USTA's revised Eligibility Policy starkly deviates from the existing policy, approved by the Board in June 2025. The earlier policy explicitly permitted all players to participate, including in sex-specific play, according to their self-identified gender. The revised policy, in accordance with EO 14201 and the USOPC mandate states only athletes who meet the Executive Order definition of woman or girl may participate in sex-specific leagues, tournaments or programs designated for women or girls.

The relevant EO definitions are:

- "Sex" shall refer to an individual's immutable biological classification as either male or female. "Sex" is not a synonym for and does not include the concept of "gender identity."
- "Women" or "woman" and "girls" or "girl" shall mean adult and juvenile human females, respectively."
- "Female" means a person belonging, at conception, to the sex that produces the large reproductive cell."

The EO does not require similar restrictions on individuals of any sex seeking to participate in programs/events designated for men/boys.

There are currently 19 individuals in the USTA membership database who self-identify as transgender females.

Application of Policy

The USOPC has confirmed the policy applies at the grassroots level. National staff has worked closely with two Section Executive Directors to identify programs and events that will be covered by the policy and to also create a robust FAQ for use by USTA Customer Care and Sections to respond to inquiries.

International Landscape and Professional Tennis

The policy conflicts with the current International Tennis Federation (ITF) policy and the Women's Tennis Association ("WTA") Policy. While player eligibility for international competitions will remain subject to policies promulgated by the ITF, WTA and other organizers like the IOC, players selected by the USTA for international events, invitationals, or offered USTA wildcards must adhere to this new policy. Compliance with this policy will be a required part of the US Open entry application in 2026.

Legal quicksand

Adherence to the Executive Order may lead to USTA and all NGBs potentially violating "blue state" laws, which designate gender identity and expression as protected categories under human rights statutes. The USTA is presently monitoring several cases that are expected to establish precedents on this topic.

Attachments:

- Draft Eligibility Policy
- Draft FAQ with Policy application chart

*Definitions are set forth in EO 14168 "Defending Women From Gender Ideology Extremism And Restoring Biological Truth To The Federal Government," dated January 20th, 2025.

<https://www.whitehouse.gov/presidential-actions/2025/01/defending-women-from-gender-ideology-extremism-and-restoring-biological-truth-to-the-federal-government/>

CONFIDENTIAL DRAFT
USTA's Player Eligibility Policy
Policy Effective Date: December 1st, 2025

Introduction.

The U.S. Olympic & Paralympic Committee (USOPC) has directed every National Governing Body to adopt and align its athlete safety policies with the following provision from the USOPC's NGB Athlete Safety Policy:

National Governing Bodies are committed to protecting opportunities for athletes participating in sport. National Governing Bodies will continue to collaborate with various stakeholders with oversight responsibilities, e.g., International Olympic Committee, International Paralympic Committee, and international federations, , to ensure that women have a fair and safe competition environment consistent with Executive Order 14201 and the Ted Stevens Olympic & Amateur Sports Act, 36 U.S.C. § 22501, et. seq. Failure to comply with this directive risks the USTA's status as the National Governing Body ("NGB") for the sport of tennis in the United States.

Purpose of Policy. This purpose of this policy is to provide direction regarding sex-specific USTA-sanctioned leagues, tournaments and competitions, and to ensure consistent application of eligibility guidelines across the USTA organization.

Definitions.

The definitions* specified in Section 2 of Executive Order 14168 shall govern the interpretation and application of the same terms in this policy. The relevant EO 14168 definitions are:

- "Sex" shall refer to an individual's immutable biological classification as either male or female. "Sex" is not a synonym for and does not include the concept of "gender identity."
- "Women" or "woman" and "girls" or "girl" shall mean adult and juvenile human females, respectively."
- "Female" means a person belonging, at conception, to the sex that produces the large reproductive cell."

All other terms shall have the meaning set forth in Friend at Court.

Applicability.

- **Athletes:** This policy applies to all current and prospective athletes (members and account-holders) participating in sex-specific USTA Events.
- **Events:** This policy applies to USTA sex-specific junior and adult leagues, tournaments and competitions ("USTA Events.")
- **Gender Competition Categories:**
 - ❑ Only athletes who meet the Executive Order definition of woman or girl may participate in USTA Events designated for women or girls.
 - ❑ Any athlete may participate in USTA Events designated for men or boys, provided their USTA account reflects their Gender Competition category as male.

Policy Application.

Gender Competition Category is determined during the account creation process (membership and/or usta.com), or for certain programs, during program registration. Only USTA may challenge a member's Gender Competition Category. The determination of whether an individual is female may be established through the individual's birth certificate or [other reliable facts].

International Competition.

Eligibility for participation in international competition is pursuant to policies promulgated by the International Tennis Federation (itftennis.com) and event organizers, e.g. the IOC. Athletes selected by USTA for international competition, invitationals or offered USTA wildcards must meet this policy.

Compliance with Other Policies.

- **Anti-Doping:** Nothing in this policy is intended to contradict or affect in any way any of the requirements of the World Anti-Doping Code, of the WADA International Standards (including the International Standard for Therapeutic Use Exemptions), or of the Tennis Anti-Doping Program.
- **Friend at Court:** The application of this Policy shall not affect or supersede requirements or rules otherwise set out in Friend at Court or other sources for USTA rules, regulations or policies.
- **Safe Play:** Nothing in this policy is intended to undermine or affect in any way any of the requirements of the Safe Play Conduct, Policies & Guidelines.

Questions: For questions about the administration of the policy, email customercare@usta.com or write:

UNITED STATES TENNIS ASSOCIATION
Office of the General Counsel
2500 Westchester Avenue, Suite 411
Purchase, NY 10577

The USTA believes the tennis community is better when people of all backgrounds can contribute and play tennis. This policy is a living document and will be subject to review in light of any changes in the law.

*Definitions are set forth in EO 14168 "Defending Women From Gender Ideology Extremism And Restoring Biological Truth To The Federal Government," dated January 20th, 2025.
<https://www.whitehouse.gov/presidential-actions/2025/01/defending-women-from-gender-ideology-extremism-and-restoring-biological-truth-to-the-federal-government/>

Revised: October 25th, 2025

CONFIDENTIAL DRAFT: FAQ For Customer Care

Where does this policy apply? This policy applies to all USTA and USTA Section, State and District events ("USTA Events") where sex-specific play is offered. USTA Events are as set forth on the attached chart and are subject to change.

When does the updated policy come into effect? The updated policy will take effect on December 1st, 2025.

Why did this policy change from the July 1, 2025 policy? On July 22, 2025, the United States Olympic and Paralympic Committee ("USOPC"), as a federally chartered organization, determined it has an obligation to comply with federal expectations in accordance with the Ted Stevens Olympic and Amateur Sports Act, 36 U.S.C. § 220501 et seq., and as outlined in the President's Executive Order (EO 14201), titled "Keeping Men Out of Women's Sports." The USOPC subsequently required all National Governing Bodies ("NGBs") to align their policies in accordance with USOPC's. Failure of an NGB to do so may result in sanctions imposed by the USOPC, including the potential loss of its status as an NGB.

Are Transgender Athletes allowed to participate in at USTA Events? Yes, however, for sex-specific events, transgender athletes must compete in either the gender category of their sex assigned at birth, in the Men/Boys Category, or in a co-ed category, if available.

How will USTA League Captains, Tournament Directors and other play organizers enforce compliance? Only USTA may challenge a member's Gender Competition Category. All inquiries must be directed to USTA at customercare@usta.com. USTA reserves the right to request documentation from members to support attestations submitted during the event registration or membership purchase process.

Will USTA require copies of birth certificates during the membership purchase or event registration process? No, USTA will not require birth certificates; however, USTA reserves the right to request documentation to support attestations submitted during the event registration or membership purchase process.

Does the policy apply to [usta.com](https://www.usta.com) account holders as opposed to members? The policy applies to members and [usta.com](https://www.usta.com) account holders seeking to participate in sex-specific USTA events.

What if a Transgender Athlete chooses not to reregister in the sex category assigned to them at birth? The Athlete will not be permitted to participate in USTA Events designated for women or girls. The Athlete is eligible for a whole or partial refund if they want to resign their membership. Retroactive refunds will not be granted.

Are Refunds available for Transgender Athletes who must withdraw from a prepaid USTA Event? Yes, the normal refund process should be activated; organizers may refer to USTA for assistance.

What happens to an athlete's ranking points if the athlete re-registers? Athletes required to reregister in a male Gender Competition Category who previously acquired ranking points in a female Gender Competition category will have their ranking points zeroed out.

Are members required to modify their gender identity within their membership profile? Gender Identity is separate from Gender Competition Category. USTA members may self-select their gender identity within their membership profile.

Why are some events/tournaments/programs not subject to the policy? The policy does not apply to events sanctioned and organized under the rules of a third party. For instance, the ITF sanctions and organizes the Pro Circuit/World Tennis Tour, while the ITA sanctions and organizes the ITA Summer Circuit. Similarly, State Athlete Associations govern high school play. USTA events and programs exempt from this policy are either co-educational or developmental in nature.

Does this policy apply to the US Open Tennis Championships? Yes, the policy will apply beginning with the 2026 US Open.

	Adult 65 & Over Adult 70 & Over Tri-Level (18, 40 & 55 & Over) Adult 18 - 39 Adult Other Mixed Other Flex Leagues Flexible Formats Combo	
	USTA Adult Tournaments <ul style="list-style-type: none"> • Level 1 (Nationals) • Level 2 (Advanced) • Level 3 (Advanced) • Level 4 (Advanced) • Level 5 (Advanced) • Level 6 (Intermediate) • Level 7 (Intermediate) 	Unsanctioned Tournaments <u>ITF</u> Masters Tour ITF Beach Tennis Tour WTN Tournaments
		USTA Wheelchair Tournaments <ul style="list-style-type: none"> • Level 1 (A-B-C) • Level 2 (A-B-C) • Level 3 (A-B-C) • Level 4 (A-B-C) • Level 5 (A-B-C)
PRO		<u>ATP</u> , <u>ITF</u> , and <u>WTA</u> Tours
	Wheelchair, Parastanding	USTA Pro Circuit <ul style="list-style-type: none"> • Mens • Womens
	US Open	
	Davis Cup, BJK Cup	
	Wildcards, Invitationals	
Other		Lessons Red ball Tennis in the Parks Cardio tennis NJTLs USA Tennis Development Camps Co-ed programming/events Programs organized through Serve Tennis (unless otherwise
		noted on this chart) WTN Matches