

# MONTANA

## BOARD OF INVESTMENTS

## BOARD ADOPTED POLICY

**POLICY NUMBER:** 40.944

**EFFECTIVE DATE:** November 30, 2021

**TITLE:** Investment Objectives and Guidelines  
Fish, Wildlife, & Parks General  
License Account

**SUPERSEDES:** April 20, 2021

**BOARD ADOPTION:** November 30, 2021

**REVIEWED:**

### I. Appendix III: Operating Funds: Investment Objectives and Guidelines

- A. Schedule III-E: Investment Objectives and Guidelines Fish, Wildlife & Parks General License Account.
- B. Approved Date of Schedule: April 2, 2019.
- C. This Schedule is effective upon adoption by the Board and supersedes all previous Investment Objectives and Guidelines for this specific portfolio.

### II. Introduction

- A. The purpose of the investment objectives and guidelines is to provide a framework for the Fish, Wildlife, & Parks General License Account under the guidance of the Board.
- B. The Fish, Wildlife, & Parks General License Account was established under Section 87-1-601, MCA. This account contains revenue generated from the sale of hunting and fishing licenses.

### III. Statement of Purpose

- A. The purpose of these objectives and guidelines is to:
  1. Establish the investment objectives and performance standards of the Fish, Wildlife, & Parks General License Account.
  2. Provide diversified investment exposure within the guidelines in a prudent and cost-effective manner.

### IV. Investment Objective

- A. Strategic
  1. The objective of the Fish, Wildlife & Parks General License Account portfolio is to attain above benchmark total return within the parameters of the Investment Guidelines set forth below with an emphasis on investment income and preservation of principal.
- B. Performance
  1. Success in achieving this objective will be measured by comparing the risk and return of the account to the Trust Funds Investment Pool (TFIP) benchmark, the Short-Term Investment Pool (STIP) benchmark, and the Bloomberg/Barclays 1-5 Year Treasury Index, each weighted proportionately to the portfolio's holdings, over a five (5) year moving average.
- C. Time Horizon
  1. Fish, Wildlife, & Parks General License Account is a permanent account. The Board expects to meet or exceed all objectives over a long-term investment horizon. Over shorter periods, the anticipated market volatility, and specific actions, including risk mitigation efforts of the Board

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Revised

Reviewed

may lead to unfavorable but expected deviation from these objectives.

D. Investment Guidelines

1. The Board will have full discretion to manage the Fish, Wildlife & Parks General License Account portfolio consistent with the investment guidelines stated below. Compliance with the following guidelines for permitted investments and other restrictions is the sole responsibility of the Staff. Any exceptions or compliance violations are to be reported to the Board at the next scheduled quarterly Board meeting.

E. Permitted Investments

1. The Fish, Wildlife, & Parks General License Account may only invest in the following:
  - a) Debt obligations of the U.S. Government, including its agencies and instrumentalities.
  - b) TFIP.
  - c) STIP or any cash vehicle at the Custodial Bank.

F. Other Restrictions

1. A maximum of twenty-five percent (25%) of the market value of the portfolio will be invested directly in U.S. Government / Agency securities.
2. The maximum maturity of U.S. Government / Agency securities will be six (6) years.
3. A maximum of fifty percent (50%) of the market value of the portfolio will be invested in the TFIP.
4. A minimum of forty percent (40%) of the market value of the portfolio will be invested in the STIP.

- G. If at any time, due to market fluctuations or any other circumstances, any of the guidelines are not maintained, Staff will use its best efforts to conform to these limits in a timely manner, while considering current market conditions and the associated costs of rebalancing. At the Board's next regularly scheduled quarterly meeting, the CIO shall inform the Board of any cases that the allocations were outside the limits and either inform the Board of the actions that were taken to return the portfolio back within guidelines or a plan to do so.

Authority: Montana Constitution, Article VIII, Section 13  
Section 2-15-1808, MCA  
Section 17-1-113, MCA  
Section 17-6-201, MCA  
Sections 17-6-202 through 17-6-205, MCA  
Section 87-1-601, MCA