

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 40.951

EFFECTIVE DATE: June 22, 2023

TITLE: Investment Objectives and Guidelines SUPERSEDES: NEW
State of Montana Workforce Housing Fund

BOARD ADOPTION: June 22, 2023

REVIEWED: June 22, 2023

I. Introduction

- A. The purpose of this policy is to provide a framework for the Workforce Housing Fund under the guidance of the Board.
- B. All Separately Managed Accounts are governed by the Separately Managed Accounts Investment Policy Statement, Policy 40.900.
- C. The Workforce Housing Fund was established by the 2023 Montana Legislature. HB 819, Section 15 states “The purpose of the fund is to advance the construction or purchase of workforce housing of employees who work at state-owned facilities that house state inmates or behavioral health patients.”
- D. The Board will have full discretion to manage the Workforce Housing Fund consistent with this policy. 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. 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 situations where 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.

II. Statement of Purpose

- A. The purpose of these objectives and guidelines are to:
 - 1. Establish the investment objectives and performance standards of the Workforce Housing Fund; and
 - 2. Provide diversified investment exposure within the guidelines in a prudent and cost-effective manner.

III. Investment Objectives

- A. Strategic – Meet the statutory objectives of facilitating Workforce Housing and attain sufficient total return for all investments within the parameters established in this policy.
- B. Performance - Success in achieving this objective will not be measured relative to an investment performance benchmark.

IV. Permitted Investments

- A. The Workforce Housing Fund may only invest in:
 - 1. STIP;
 - 2. United States Treasury securities; and

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3. Real Estate.

V. Other Restrictions

- A. The maximum maturity of United States Treasury securities is five years.

Authority: Montana Constitution, Article VIII, Section 13
Montana Constitution, Article IX, Section 5
Section 2-15-1808, MCA
Section 17-1-113, MCA
Sections 17-6-201 through 17-6-205, MCA
Section 17-6-308, MCA
Chapter 774, Laws of 2023 (House Bill No. 819)