

**MONTANA BOARD OF INVESTMENTS
MONTANA STATE UNIVERSITY (MU81) (FUND 80200)
INVESTMENT POLICY STATEMENT**

INTRODUCTION

This account is an operating account with high liquidity needs but does have a core amount that is long term in nature and can be invested in the TFIP to achieve a higher level of investment income.

OBJECTIVES

The objective is to increase the investment income above that available in STIP.

PERMISSABLE INVESTMENTS

This account may invest in STIP and TFIP. It is not anticipated that individual securities will be held in this account.

**ASSET ALLOCATION
(at market)**

<u>FIXED INCOME</u>	<u>Range</u>
Trust Funds Investment Pool (TFIP)	0-30%
Short-term Investment Pool (STIP)	<u>70-100%</u>
Total Fixed Income	<u>100.0%</u>

LEGAL CONSIDERATIONS

This fund is governed by state regulations, specifically, the "prudent expert principle" which requires the Board of Investments to: (a) discharge its duties with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity with the same resources and familiar with like manners exercises in the conduct of an enterprise of a like character with like aims; (b) diversify the holdings of each fund within the unified investment program to minimize the risk of loss and to maximize the rate of return unless, under the circumstances, it is clearly prudent not to do so; and (c) discharge the duties solely in the interest of and for the benefit the funds forming the unified investment program. The Montana Constitution does not allow equity type investments in non-retirement accounts.