

# MONTANA

## BOARD OF INVESTMENTS

### BOARD ADOPTED POLICY

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POLICY NUMBER: 40.957

EFFECTIVE DATE: FEBRUARY 25, 2026

TITLE: DNRC CSKT Compact  
Implementation Pumping Fund  
Investment Policy Statement

SUPERSEDES: NEW

BOARD ADOPTION: February 25, 2026

REVIEWED: February 25, 2026

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#### I. Introduction

- A. All Separately Managed Accounts are governed by the Separately Managed Accounts Investment Policy Statement, Policy 40.900.
- B. On September 17, 2021, the Confederated Salish and Kootenai Tribes (CSKT) – Montana Compact became effective. Funds in the account are from the State of Montana to fulfill its obligations under the compact. The account is administered by the Department of Natural Resources and Conservation.
- C. The Board will have full discretion to manage the DNRC CSKT Compact Implementation Pumping Fund Account 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.
- D. 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 situation in which the allocations were outside the limits and either inform the Board of the actions taken to return the portfolio to within guidelines or a plan to do so.

#### II. Purpose

- A. The purpose of this policy statement is to:
  1. Establish the investment objectives and performance standards of the DNRC CSKT Compact Implementation Pumping Fund Account; and
  2. Provide diversified investment exposure within the guidelines in a prudent and cost-effective manner.

#### III. Investment Objectives

- A. Strategic - The objective of the DNRC CSKT Compact Implementation Pumping Fund Account is to attain above benchmark total return within the parameters of this policy with an emphasis on investment income and preservation of principal.

B. Performance - Success in achieving this objective will be measured by comparing the risk and return of the fund to the securities owned, weighted proportionately to the portfolio's holdings, over a five (5) year rolling average.

C. Time Horizon - The Board expects to meet or exceed all objectives over the long-term investment horizon. Over shorter periods, anticipated market volatility and specific actions, including the Board's risk mitigation efforts, may lead to unfavorable but expected deviations from these objectives.

#### IV. Permitted Investments

A. The DNRC CSKT Compact Implementation Pumping Fund Account may only invest in the following:

1. STIP or any cash vehicle at the Custodial Bank,
2. U.S. Treasury Obligations,
3. Direct Obligations of the U.S. Agencies, and
4. Trust Fund Investment Pool (TFIP).

B. Direct Obligations of U.S. agencies shall consist of only the discount notes, notes, and debentures of the agencies and does not include mortgage pass-through obligations. Coupons may be fixed or floating rate.

#### V. Other Restrictions

A. A maximum of ninety-seven percent (97%) of the market value of the portfolio will be invested in the TFIP.

B. The maximum maturity of the U.S. Treasury and Agency Bond will be six (6) years.

Authority: Montana Constitution, Article VIII, Section 13  
Section 2-15-1808, MCA  
Sections 17-6-201 through 17-6-205, MCA  
Sections 75-6-201 through 17-6-205 MCA  
CSKT Compact