

Board Policy on Quasi-Endowment Investment
Board of Trustees of Oregon Institute of Technology

1.0 Purpose

1.1 The purpose of the Quasi-Endowment Investment Policy is to govern the investment of the Oregon Tech's Quasi-Endowment Fund ("Quasi-Endowment").

1.2 The policy ensures that:

1.2.1 The Board, the Investment Advisor and others entitled to such information may be made aware of the Policy of the Quasi-Endowment with regard to the investment of its assets.

1.2.2 There will be a clear understanding by the Board, the Investment Advisor and staff of the investment goals and objectives of the Quasi-Endowment.

1.2.3 The Board and management have a basis for evaluation of the investment managers.

1.2.4 The investment managers be given guidance and limitation on investing the funds.

1.3

- Recommending professional investment managers;
- Negotiating and/or monitoring Quasi-Endowment investment expenses;
- Monitoring investment managers, on an ongoing basis
- Assuring proper custody of the investments; and
- Reporting to the Board, on a quarterly basis, the Quasi-Endowment's investment results, its composition and any other information the Board may request.

5.0 Spending Policy

The amount of Quasi-Endowment available for spending (distribution) is 10% per year, not to exceed \$1 million annually, unless otherwise authorized by action of the Board. These funds are to be transferred on a yearly basis to the General Fund of the University. See Exhibit B for spending (distribution) computation.

6.0 Investment Policy Guidelines

6.1. Asset Allocation

The most important component of an investment strategy is the allocation among the various classes of securities available to the Quasi-Endowment. The Investment Advisor, in consultation with the Board, will establish the target asset allocation for the investments that will mostly likely achieve the investment goals of the Quasi-Endowment.

- 6.1.1 The risk/return profile shall be maintained by establishing the following ~~target~~ "target" strategic asset allocations:

<u>Asset Class</u>	<u>Policy</u>	<u>Target</u>	<u>Benchmark</u>
Fixed Income	100%	100%	See Exhibit A
Cash	0-3%	0%	91 Day TBill

6.2 Investment Time Horizon

- 6.2.1 In making investment strategy decisions for the Quasi-Endowment, the focus shall be on a long-term investment horizon that encompasses a complete business cycle (usually three to five years). An interim evaluation will be performed by the Investment Advisor, and/or a designee, if a significant change in fees, manager personnel, investment strategy or manager ownership occurs.

- 6.2.2 While the quantitative assessment of managerial competence will be measured over a complete market cycle, the Board anticipates that the Investment Advisor will make period qualitative assessments as well. Specific qualitative factors consider-5.5 (m)20cizue, T6 (. . .

- 9.2.2 The Investment Advisor directs all managers to vote proxies and to vote them in the best economic interest of the Quasi-Endowment. When requested, managers will report to the Investment Advisor regarding how proxies were voted.
- 9.2.3 Meetings between Quasi-Endowment managers and the Investment Advisor will occur consistent with the policies established for the Investment Advisor's other managers, to discuss items including, but not limited to, the manager's performance, outlook, and investment decision process.

EXHIBIT A

Performance Monitoring

Exhibit B

Spending (Distribution) Computation

The spending (distribution) will be based upon a 20 quarter moving average of the Quasi-Endowment's market value.