



## Amendments to OSU Investment Policy

### EXECUTIVE SUMMARY

These materials include proposed amendments to Oregon State University's Investment Policy to strengthen the governance, clarity, and effectiveness of the university's investment framework while maintaining alignment with fiduciary standards and statutory requirements. The policy continues to guide the prudent investment of university funds, balancing safety, liquidity, and return across defined investment tiers based on time horizon and risk tolerance.

A key enhancement is the formal incorporation of risk tolerance language, explicitly recognizing that some level of market volatility is necessary to achieve long-term investment objectives. This addition aligns the policy more closely with best practices by clarifying the university's approach to managing risk through diversification while maintaining focus on capital preservation and liquidity for near-term needs.

The amendments also introduce a more robust performance evaluation and benchmarking framework, establishing expectations for regular monitoring of both investment managers and overall portfolio performance. Performance will be assessed quarterly and evaluated over rolling multi-year periods (three, five, and ten years), with clearly defined criteria for manager review or termination. This strengthens accountability and ensures alignment between investment outcomes and the university's long-term objectives.

Additional updates improve policy clarity and operational flexibility. The introduction of a formal definition for commingled funds recognizes the role of pooled investment vehicles managed by third parties. Related to this, the policy refines investment restrictions by allowing flexibility for commingled funds with respect to the Carbon Underground 200 list, addressing existing compliance challenges while still encouraging alignment with university investment principles where practical.

The policy continues to emphasize strong fiduciary oversight and governance, with responsibility delegated to the vice president for finance and administration/chief financial officer, supported by the treasurer and external advisors as appropriate. It reinforces the prudent investor standard, ethical requirements, and conflict-of-interest expectations for all individuals involved in investment management.

Finally, the policy maintains a well-defined structure of permitted investment instruments, asset allocation ranges, and liquidity tiers, ensuring that investment strategies are appropriately matched to the university's operational, intermediate, and long-term financial needs. Supporting appendices outline target allocations for operating funds, quasi-endowment assets, bond repayment funds, and trust assets, reinforcing a disciplined and diversified investment approach.

Overall, the amendments are intended to enhance transparency, improve performance oversight, and provide greater clarity around risk and investment practices, positioning the university to manage its financial assets more effectively in a complex and evolving market environment.

### BACKGROUND

The duties of the Finance and Administration Committee include reviewing and recommending to the board University investment policies and monitoring financial performance. At the March 2026

meeting, the committee discussed adding investment performance and benchmarking tools to the policy. These recommended changes are informed by that discussion with trustees.

**RECOMMENDATION**

Staff recommend that the Finance and Administration Committee recommend to the board adoption of the amended OSU Investment Policy as presented in Attachment 1.



## Oregon State University Investment Policy

### PURPOSE OF THE INVESTMENT POLICY

The purpose of this document is to identify the policies for prudent investment of Oregon State University (“University”) funds by providing guidelines for suitable investments while optimizing returns within stipulated risk parameters.

The investment policies and practices of the University are based on federal law, state law, and prudent money management. All **OSU** university funds, and funds otherwise subject to this policy, will be deposited and invested in accordance with this Policy and all statutes, ordinances and policies governing the University.

### SCOPE

It is intended that this policy cover operating funds, board designated funds, board directed funds, agency funds, and investment activities under the direction of the Oregon State University Board of Trustees (Board). This policy excludes retirement funds and **OSU** university endowment funds managed by the Oregon State University Foundation, and the Public University Fund.

### DEFINITIONS

For the purposes of the policy, the following definitions apply:

- A. **Prudent money management** refers to the use of financial assets that are suitable for an investor’s goals and objectives considering the risk/return profile and the time horizon. A prudent investor is required to follow a reasonable process in reaching their investment decisions regardless of whether their investment decisions were successful.
- B. **Board designated fund** is a fund that functions like an endowment, but without any legal restriction to hold the fund permanently. The funds are earmarked by the Board to be invested to provide income for a long but unspecified period. The Board has the right to decide at any time to expend the funds.
- C. **Bond repayment investment** is a specific type of board designated fund in which the funds are earmarked by the Board to be invested to provide for repayment of outstanding taxable general revenue bonds in an approved time period.
- D. **Unspent bond proceeds fund** is a specific type of board directed fund to be invested utilizing a portfolio duration informed by the expected use of funds to provide liquidity for Board approved uses. Tax-exempt bond proceeds are prohibited from investment in equities.

- E. **Agency funds** account for resources held by the University as a custodian or fiscal agent for an external party or organization that has a close or affiliated relationship with the University, such as a student or faculty organization.
- F. **Commingled Funds combined assets from multiple investors into one investment portfolio managed by professional fund managers.**
- G. **Nationally Recognized Statistical Rating Organization (NRSRO)** is a credit rating agency registered and approved by the Securities and Exchange Commission.
- H. **Liquid investments** refers to cash and cash equivalent assets.
- I. **Tier 1 - Short-term** includes investments intended to be held for less than one year.
- J. **Tier 2 - Intermediate-term** includes investments intended to be held between one to ten years.
- K. **Tier 3 - Long-term** includes investments intended to be held longer than ten years.

## RISK TOLERANCE

The University seeks to **control, mitigate** risk and reduce volatility through diversification. However, short-term volatility is characteristic of the investment markets and will be tolerated if such volatility is consistent with the volatility of similar investment portfolios (such as the volatility of performance benchmarks, described below). The University recognizes and acknowledges that some risk must be assumed to achieve long-term investment objectives.

## OBJECTIVES

The primary investment objective(s) by tier are:

- Tier 1 – Safety and liquidity;
- Tier 2 – Safety, liquidity, and return on investment with an expectation of higher return than Tier 1; and
- Tier 3 – Return on investment with the ability to assume more risk and volatility than Tier 1 or 2.

The objectives are applied as follows:

- A. **Safety** — Investments of the University shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio. The University shall seek to mitigate credit and interest rate risk, especially with regard to liquidity and short- to intermediate investments.
  - a. **Credit Risk**. The University will minimize credit risk, the risk of loss due to the financial failure of the security issuer or backer, by:
    - Pre-qualifying the financial institutions, broker/dealers, and advisers with which the University conducts business.
    - Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
    - Actively monitoring the investment portfolio holdings.
  - b. **Interest Rate Risk**. The University will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:
    - Structuring the investment portfolio to provide enough liquidity to meet cash flow needs.

- Maintaining a conservative duration target.
  - Structuring the portfolio to consist largely of securities with active secondary or resale market.
- B. *Liquidity* — The investment portfolio of the University will remain sufficiently liquid to enable the University to meet its cash flow requirements including but not limited to payroll, payroll related liabilities, accounts payable, and debt service.
- C. *Return on Investment* — The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Expected higher returns are available through intermediate- and longer-term investment strategies.

## **PERFORMANCE EVALUATION AND BENCHMARKS**

Monitoring and evaluating performance relative to appropriate performance benchmarks is a prudent investment management practice. Performance benchmarks are used to properly measure and evaluate the success of the individual investment managers and University investment portfolios. The performance benchmarks should be representative of the University's long-term return objectives and risk tolerance. The performance benchmarks will be evaluated for potential changes if the University changes its long-term return objectives, risk tolerance, or asset allocation targets.

Individual investment manager and University investment portfolio performance will be monitored on at least a quarterly basis and evaluated over rolling three, five, and ten-year periods. Investment managers may be terminated due to sustained underperformance, changes in process or style, key personnel departures, fee changes, or other issues affecting expected outcomes.

## **DELEGATION OF AUTHORITY**

The fiduciary management responsibility for the investment program is held by the University vice president for finance and administration and chief financial officer ("CFO"). The CFO will monitor and review all investments for consistency with this investment policy. The CFO may delegate this management responsibility to the university treasurer ("Treasurer") and may delegate investment decision-making and execution authority to an investment advisor. The advisor shall follow the policy and such other written instructions as are provided.

## **PRUDENCE**

The CFO, Treasurer and the Board are fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a fiduciary shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the University, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the University.

## **ETHICS AND CONFLICT OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the prudent execution and management of the investment program, or that could impair their ability to make impartial decisions. Officers and employees are prohibited from using or attempting to use their positions to gain financial benefit or to avoid a financial cost for themselves, a relative, a member of their household or their business. Officers and employees should not engage directly or indirectly in a personal financial transaction, including any personal financial or investment position, that relies upon confidential information obtained through University employment. Employees and officers shall refrain from undertaking personal investment transactions with the same broker or relationship manager with whom business is conducted on behalf of the University.

## PERMITTED INVESTMENT INSTRUMENTS

Where this section specifies a percentage limitation for a particular security type, that percentage is applicable only on the date of purchase. Credit criteria listed in this section refers to the credit rating at the time the security is purchased. If an investment's credit rating falls below the minimum rating required at the time of purchase, the CFO, or their delegate, will perform a timely review and decide whether to sell or hold the investment.

The University will limit investments in any one non-government issuer, except investment pools, to no more than 5% regardless of security type.

### Investment Pools

1. The **Public University Fund** established by Oregon Revised Statutes 352.450.
2. The **Oregon Short-Term Fund (OSTF)** as managed by the Oregon State Treasury in accordance with the terms approved by the Oregon Investment Council.
3. Any investment pool managed by the Oregon State Treasury in accordance with terms approved by the Oregon Investment Council.
4. Any investment pool managed by a third-party manager.

Prior to investing in any investment pool, the University will review the pool's governing document, prospectus (if available), permitted investments, fees, and management for compliance with this policy and other due diligence purposes.

### Securities and Registered Funds

1. **U.S. Treasuries.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. **U.S. Agency Obligations.** Federal agency, instrumentalities of the United States, or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies, instrumentalities, or United States government-sponsored enterprises.
3. **Time Deposits.** Certificates of deposit or time deposits of domestic banks and domestic branches of foreign banks with a short-term debt rating of at least "A-1" or the equivalent from two NRSROs.
4. **Money Market Mutual Funds.** Shares in an open-end, no-load investment funds

provided such fund:

- a) Is registered under the Federal Investment Company Act of 1940,
- b) Is rated “AAAm” or “AAAm-G” or the equivalent by a NRSRO, and
- c) Complies with the requirements of Rule 2(a)-7, or any successor rule, of the United States Securities and Exchange Commission.

Before investing in any mutual fund, the University will obtain a copy of the fund’s prospectus and review permitted investments, fees, and management.

5. **Corporate Bonds.** Corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state, and operating within the U.S. The overall corporate bonds portfolio must have a long-term rating of at least ‘A-1’ or the equivalent from two NRSROs.
6. **Structured/Securitized Securities.** Mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which is rated at least “A” or the equivalent from two NRSROs.
7. **Municipal Obligations.** Lawfully issued debt obligations of the agencies and instrumentalities of any State or their political subdivisions in the United States with a long-term rating of at least ‘A’ or the equivalent from two NRSROs or with the highest rating for short-term municipal debt.
8. **Bankers’ Acceptances.** Issued by domestic banks or domestic offices of foreign banks, which are eligible for purchase by the Federal Reserve System with a maturity of 180 days or less. The issuing corporation, or its guarantor, must have a short-term debt rating of at least “A-1” or the equivalent from two NRSROs.
9. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a state or federally-licensed branch of a foreign bank.
10. **Commercial Paper.** “Prime quality” commercial paper, with a maturity of 270 days or less, issued by domestic corporations (corporations organized and operating under the laws of the United States or any state thereof) provided that the issuing corporation, or its guarantor, has a short-term debt rating of at least “A-1” or the equivalent from two NRSROs.
11. **Equities.** Shares of common stock of U.S. and international companies purchased in the anticipation of income from dividends and capital gains. Investments in privately held or restricted stock is prohibited. To mitigate market volatility, equities are to be used as a long- term investment strategy only.

Permitted Securities and Registered Funds			
Asset Class	Tier		
<b>Fixed Income</b>	<b>1</b>	<b>2</b>	<b>3<sup>1</sup></b>
U.S. Treasuries	X	X	X
U.S. Agency Obligations	X	X	X
Time Deposits	X	X	
Money Market Mutual Funds	X	X	X
Corporate Bonds	X	X	X
Structured/Securitized Securities	X	X	X
Municipal Obligations	X	X	X
Bankers' Acceptances	X	X	
Negotiable Certificates of Deposit	X	X	
Commercial Paper	X	X	
<b>Equity</b>	<b>1</b>	<b>2</b>	<b>3</b>
US Equity			X
Large-Cap			X
Small-/Mid-Cap			X
Non-US Equity			X
Developed Markets			X
Emerging Markets			X

<sup>1</sup> Endowment assets legislatively restricted to certain bond investments

Target Asset Allocation for Permitted Securities and Registered Funds are provided in Table 1 and Table 2 in Investment Policy Appendix 1.

**INVESTMENT RESTRICTIONS**

- Board designated funds excluding bond repayment investments, shall not exceed investments in equities of 15% of the total operating assets less unspent bond proceeds fund balances, applicable only on the date of purchase.
- Board directed funds of unspent bond proceeds or capital funds are not eligible for investment in equities unless approved to be part of the bond repayment investment.

- Collateralized debt obligations (CDO), Collateralized Loan obligations (CLO) and Z- tranche investments are not permitted.
- Investments in Alt-A, sub-prime, limited documentation or other “sub-prime” residential mortgage pools are not permitted. There shall be no use of leverage in any investments (excluding use of securities in a securities lending program). Structured securities such as ABS (Asset Backed Securities), MBS (Mortgage Backed Securities) and CMBS (Commercial Mortgage Backed Securities) shall not be considered as using leverage.
- For newly issued securities with unassigned ratings, “expected ratings” may be used as a proxy for assigned ratings up to 30 business days after settlement date.
- Investments in issuers identified by the Carbon Underground 200 published by Fossil Free Indexes LLC (or successor entity) are not permitted.
  - This restriction shall not apply to investments held in Commingled Funds. Reasonable effort shall be made, to the extent practicable, prudent, and appropriate, to utilize Commingled Funds that have investment objectives and policies that are consistent with the University investment policy. However, given the nature of these investments, it is recognized that there may be deviations between these policies and the objectives of the Commingled Funds.
  - This restricted security list will be updated annually at the calendar year-end and enforced for all new security purchases.
  - Exposures to issuers added to the Carbon Underground 200 subsequent to purchase may be held to maturity.
  - ~~Underlying pool policy exceptions may exist but are to be restricted when possible.~~

## ARBITRAGE MANAGEMENT

Tax-Exempt bond proceeds will be invested subject to the applicable arbitrage considerations included in the Federal Tax Certificate. Calculated arbitrage rebate resulting from the investment income earned on the revenue bond proceeds resulting in positive arbitrage will be reported.

## MAXIMUM MATURITY

Maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled to permit the University to meet all projected obligations.

Unless otherwise noted within this investment policy, the University may not invest in a security with a final maturity that exceeds ten years from the date of purchase, unless the security is a University issued taxable general revenue bond. The maximum duration of the University’s portfolio (which incorporates a bond’s yield, coupon, final maturity and call features into one number, expressed in years, that indicates how price-sensitive a bond or portfolio is to changes in interest rates) may not exceed ten years.

**SAFEKEEPING AND CUSTODY**

The assets of the University shall be secured through third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions.

**REPORTING REQUIREMENTS**

**Manager(s) Responsibilities:**

The investment manager(s) is responsible for strict compliance with the provisions of their investment management agreement with the University, adhering to a “prudent investor” standard to protect university funds. The investment manager(s) will report investment results to the CFO, or their delegate, no less frequently than quarterly. Investment reports will include, but are not limited to:

**Investment Pools and Registered Funds**

- Cost basis
- Market value
- Dividend income
- Dividend yield
- Quarterly performance

**Securities**

- Description of investment instrument
- Interest rate or yield to maturity
- Purchase date
- Maturity date
- Purchase price
- Par value
- Overall portfolio yield
- based on cost
- Current market value as of the date of the report and the source of this valuation

**University Staff Responsibilities:**

The CFO, or their delegate, will present to the Finance & Administration Committee quarterly investment reports, which will include quarterly performance, yield, investment income and market value information.

Reporting of unspent bond proceeds fund reflecting board directed funds will identify committed amounts and unallocated funds.

Annually, the cumulative average returns for the bond repayment investment will be reported for each outstanding taxable series compared to the long-term average earnings target to determine whether to add funds or to provide for distribution of excess funds as recommended by the CFO or their delegate.

**BIENNIAL REVIEW OF INVESTMENT POLICY**

The CFO, or their delegate, will present the Investment Policy to the Board for review no less than on a biennial basis.

**DOCUMENT HISTORY**

- Promulgated October 17, 2014, by majority vote of the Board of Trustees
- Amended October 21, 2016
- Amended January 18, 2019

- Amended January 29, 2021
- Amended May 27, 2022
- Amended January 20, 2023
- Amended January 16, 2026

**INVESTMENT POLICY APPENDIX 1**

**Operating Investment Assets**

- a. Purpose: Operating investments represent all funds available for current use in support of OSU’s academic programs and support functions. Operating assets are pooled to provide efficient administration and investment flexibility. The consolidated management of these funds also allows robust tracking and investment performance reporting, while supporting OSU’s liquidity needs.
- b. Objective: Operating funds are invested for safety of principal, maintain liquidity appropriate to the forecasted working capital requirements of the **u**University, provide prudent diversification of investments, and maximize the rate of return on investment. The liquidity distribution strategy for the operating assets consists of investing funds within three liquidity tiers. The allocation of assets involves a careful balance of meeting investment objectives while minimizing risk. Tier 1 investments are short-term and include cash held in bank accounts and short-term fixed income investments to meet liquidity needs. Investments intended to be held for longer than one year are allocated to intermediate-term fixed income securities.
- c. Risk tolerance: Risk is managed and aligned by liquidity tier, whereby Tier 1 assets’ exposure to market and interest rate risk is low. Market and liquidity risk gradually increase by tier, with higher levels of risk allocated to Tier 3 assets.

Table 1.

<b>Operating Investment Asset Allocation</b>		
<b>Asset Class</b>	<b>Allocation Range</b>	<b>Target Allocation</b>
<b>Fixed Income</b> <sup>1</sup>	<b>85 - 100%</b>	<b>90%</b>
U.S. Treasuries	0 – 100%	
U.S. Agency Obligations	0 – 100%	
Time Deposits	0 – 100%	
Money Market Mutual Funds	0 – 100%	
Corporate Bonds	0 – 40%	
Structured/Securitized Securities	0 – 35%	
Municipal Obligations	0 – 30%	
Bankers' Acceptances	0 – 25%	
Negotiable Certificates of Deposit	0 – 25%	
Commercial Paper	0 – 25%	
<b>Equity</b> <sup>2, 3</sup>	<b>0 - 15%</b>	<b>10%</b>

<sup>1</sup> Tier 1, Tier 2, and Tier 3 investment objective(s)

<sup>2</sup> Tier 3 investment objective

<sup>3</sup> Board Designated Assets – Long-Term Equity detailed below

**Investment Policy Appendix 1, continued**

**Board Designated Assets – Long-Term Equity**

- a. Purpose: This quasi-endowment is funded with OSU’s excess operating assets intended for longer term investments and potentially higher rates of return.
- b. Objective: The primary objective of this portfolio is capital appreciation with the ability to assume more risk and volatility than Tier 1 and 2 investments. Tier 3 investments are long-term and include investments intended to be held longer than ten years.
- c. Risk tolerance: Some principal volatility is tolerated but will be mitigated through asset allocation across asset classes to reduce the impact of market volatility in a manner that is consistent with fiduciary standards of diversification.

Table 2.

<b>Long-Term Equity Asset Allocation</b>		
<b>Asset Class</b>	<b>Allocation Range</b>	<b>Target Allocation</b>
<b>US Equity <sup>1</sup></b>	<b>65 - 100%</b>	<b>70%</b>
Large-Cap	45 - 100%	55%
Small-/Mid-Cap	0 - 20%	15%
<b>Non-US Equity <sup>1</sup></b>	<b>10 - 35%</b>	<b>30%</b>
Developed Markets <sup>2</sup>	10 - 35%	25%
Emerging Markets <sup>2</sup>	0 - 10%	5%

<sup>1</sup>Tier 3 investment objective

<sup>2</sup> As defined by Morgan Stanley Capital International (MSCI)

**INVESTMENT POLICY APPENDIX 2**

**Board Designated Assets – Bond Repayment Investment**

- a. Purpose: This quasi-endowment was funded with revenue bond proceeds and is intended to grow over time to repay OSU’s taxable revenue bond bullet maturities.
- b. Objective: The primary objective of this portfolio is capital appreciation with the ability to assume more risk and volatility than Tier 1 and 2 investments. The time horizon is long-term, and investments are expected to be held longer than ten years (Tier 3). The long-term average hurdle rate is 3% to meet the intended purpose for these quasi-endowment assets.
- c. Risk tolerance: Some principal volatility is tolerated but will be mitigated through diversified asset allocation across asset classes to reduce the impact of market volatility in a manner that is consistent with fiduciary standards of diversification.

Table 1.

<b>Bond Repayment Investment Asset Allocation</b>		
<b>Asset Class</b>	<b>Allocation Range</b>	<b>Target Allocation</b>
<b>Fixed Income <sup>1</sup></b>	<b>0 - 100%</b>	<b>20%</b>
U.S. Treasuries	0 – 100%	
U.S. Agency Obligations	0 – 100%	
Money Market Mutual Funds	0 – 100%	
Corporate Bonds	0 – 40%	
Structured/Securitized Securities	0 – 35%	
Municipal Obligations	0 – 30%	
<b>Equity <sup>2</sup></b>	<b>0 - 100%</b>	<b>80%</b>
US Equity	0 - 100%	60%
Large-Cap	0 – 100%	48%
Small-/Mid-Cap	0 – 20%	12%
Non-US Equity	0 – 35%	20%
Developed Markets <sup>3</sup>	0 – 35%	16%
Emerging Markets <sup>3</sup>	0 – 10%	4%
<b>Alternatives <sup>2</sup></b>	<b>TBD</b>	<b>TBD</b>

<sup>1</sup> Tier 1, Tier 2, and Tier 3 investment objective(s)

<sup>2</sup> Tier 3 investment objective

<sup>3</sup> As defined by Morgan Stanley Capital International (MSCI)

**INVESTMENT POLICY APPENDIX 3**

**OSU - Oregon Paid Family & Medical Leave Plan (OPFMLP) Trust**

- a. Purpose: OSU has adopted and established the Oregon State University – Oregon Paid Family and Medical Leave Plan as an equivalent plan to administer employee insurance benefit payments as outlined in the Oregon Paid Family & Medical Leave Act (ORS 657B). The OPFMLP Trust assets are to be held distinctly separate from OSU University operating assets.
- b. Objective: OPFMLP Trust funds are invested for safety of principal, maintain liquidity appropriate to the forecasted working capital requirements of the Plan, and provide prudent diversification of investments. The allocation of assets involves a careful balance of meeting investment objectives while minimizing risk. Assets are anticipated to be held short-term in Tier 1 investments including cash held in bank accounts and short-term fixed income investments to meet liquidity needs.
- c. Risk tolerance: Risk is managed and aligned by liquidity tier, whereby Tier 1 assets' exposure to market and interest rate risk is low.

Table 1.

OSU OPFMLP Trust Asset Allocation		
Asset Class	Allocation Range	Target Allocation
<b>Fixed Income</b> <sup>1</sup>	<b>85 - 100%</b>	<b>100%</b>
U.S. Treasuries	0 – 100%	
U.S. Agency Obligations	0 – 100%	
Time Deposits	0 – 100%	
Money Market Mutual Funds	0 – 100%	
Corporate Bonds	0 – 40%	
Structured/Securitized Securities	0 – 35%	
Municipal Obligations	0 – 30%	
Bankers' Acceptances	0 – 25%	
Negotiable Certificates of Deposit	0 – 25%	
Commercial Paper	0 – 25%	

<sup>1</sup> Tier 1 investment objective(s)