



## **Addendum to the Board Statement on the Investment of Quasi-Endowment Funds**

### **1.0 Purpose of the addendum**

This is addendum to the Board Statement on the Investment of Quasi-Endowment Funds (the Fund) adopted by the Board of Trustees (The Board) on October 17, 2018. On October 17, 2018, the Board has selected the Oregon State Treasury (OST) to serve as the Fund Investment Managers. OST is governed by the Oregon Investment Council (OIC) that has a prerogative of approving Western Oregon University Endowment Fund Guidelines for the OST. The purpose of this addendum is to establish investment benchmarks and to define investment restrictions in line with the OIC established guidelines.

### **2.0 Investment Restrictions**

- a. **Cash:** Cash will be invested into the Oregon Short Term Fund
- b. **Fixed Income:** This component of the Fund shall adhere to the following criteria:
  1. Limit fixed income portfolio risk, as measured by tracking error, to an annualized target of 1.5 percent relative to the established fixed income benchmark;
  2. Average credit quality should not be lower than one grade below the approved fixed income benchmark index;
  3. The fixed income allocation should be sufficiently diversified;
  4. Below investment grade bonds shall not exceed 20 percent of the bond portfolio; and
  5. Non-US dollar bonds shall not exceed 20 percent of the bond portfolio.
- c. **Equities:** This component of the Fund shall adhere to the following criteria:
  1. Permitted Holdings: Publicly traded domestic, international and emerging market common stock, and other equity financial instruments.
  2. Diversification: Not more than five percent of the market value of any investment fund will be invested in any single issuer or security, unless part of an index fund.
- d. **Alternatives:** This component of the Fund should adhere to the following criteria:
  1. Alternative investments include private market investments, commodities, derivatives, and other non-traditional asset classes as defined by OST staff.

### 3.0 Asset Allocation and Benchmarks

Asset Class	Min-Max	Target	Benchmark
Emerging Market Equity	0-10%	5%	
International Equity (Developed)	5-25%	20%	
US Equity	25-65%	30%	
Total Equity	30-100%	55%	MSCI ACWI IMI
Fixed Income	15-60%	40%	Barclays US Aggregate
Cash & Equivalents	0-25%	5%	91 Day T-Bill
Alternatives	0%	0%	