

NDSU FOUNDATION
SHORT TERM INVESTMENT POOL
INVESTMENT POLICY STATEMENT

INTRODUCTION

The NDSU Foundation (the Foundation) acquires, holds, and manages assets for the benefit of North Dakota State University (NDSU). The Executive Governing Board (Board) of the Foundation has a fiduciary responsibility to the Foundation's donors and to NDSU to manage the assets (hold the principal in safekeeping, earn income and increase the principal value through appreciation) in a prudent fashion.

This investment policy statement (IPS) provides a framework for the management of the short-term investment pool (STIP) of the Foundation. Its purpose is to assist the Finance and Audit Committee (Committee) in effectively supervising and monitoring the STIP of the Foundation. These guidelines are designed to allow for sufficient flexibility in the oversight process to capture investment opportunities as they may occur, while at the same time establishing reasonable risk control parameters to ensure prudence and care in the execution of this IPS.

The STIP is a separate investment pool. The primary sources of funds for this pool are:

- Callable funds (cash balances available on expendable donor restricted funds, including capital projects, and endowment spendable funds)
- Other unrestricted cash such as the operating reserve, capital reserve, and property reserve.

This policy is intended to provide clarity about the Foundation's STIP allocation. The goals of this allocation are to:

1. Ensure adequate cash balances are available for Foundation operations;
2. Adequately reserve for University requests of callable funds;
3. Prudently maximize returns on short term funds.

POLICY

The investment objectives for the STIP are to (i) maintain the principal value and (ii) limit the probability that the principal value will be impaired, while (iii) providing income support for Foundation operations.

The target STIP asset allocations shall be:

	Target Allocation	Maximum/Minimum
Endowment (Long Term) Investment Pool	45%	50%/40%
Fixed Income Investments	45%	50%/40%
Cash	10%	15%/5%

Capital Project Funds

For the capital project fund component a subaccount shall be created with a fixed income investment portfolio to match the expected cash outflows of the capital projects.

The STIP should be managed in reasonable accordance with the principles outlined below.

Approve the Investment Policy developed by the Committee. The Board in its sole discretion can delegate decisionmaking authority regarding investment management

Review at least annually investment performance on both an absolute basis and relative to appropriate benchmarks as developed by (r)-(p)-0.7 toopeliiseo-1.Td [(1)-0.6 (-3.3 ir)-2.8 (i)-3. tao o-C3

Duties of the Outsourced Chief Investment Officer (OCIO)

SEI Investments will serve as the OCIO for the Endowment (ten Year Term) Investment Pool. All duties and responsibilities for this allocation are detailed out in the Investment Policy Statement for the NDSU Foundation Endowment.

Bell Bank will serve as the OCIO for the Fixed Income Investments and Cash asset allocations. All duties and responsibilities for these two asset allocations are detailed below.

The OCIO will serve in such capacity to select, retain and terminate fund managers ("sub-advisors") as necessary to execute the investment strategy herein. The OCIO will have discretion to develop and execute the investment strategy within the constraints of the guidelines for each program. The OCIO will be responsible for the timely implementation and administration of these decisions.

The OCIO will, at a minimum:

- Comply with "prudent investor" standards.

- Know and comply with the policies as outlined in this document. It is the OCIO's responsibility to identify policies that may have an adverse impact on performance and to initiate discussion with the Committee or staff toward possible improvement of those policies.

- All pertinent issues which the OCC deems to be of significant interest or material importance;

Short Term Investment Policy Review:

Approved by:

Executive Governing Board: April 26, 2024

Finance and Audit Committee: April 24, 2024

Effective Date: April 26, 2024

Responsible Department: Finance and Operations