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Current Funds Portfolio

September 27, 1990; April 25, 2019

PURPOSE

Earnings from current funds investments provide an important source of unrestricted revenue for the university. Funding for this program includes all current funds held by the university beyond those required to meet the daily cash needs of the university. Current funds may include funds that are either donor-restricted or unrestricted funds that are held by the university for current operations.

Policy

Current funds investments will be governed in whole or in part by the Uniform Prudent Management of Institutional Funds Act, the Virginia Security for Public Deposits Act, and the Virginia Investment of Public Funds Act.

Authority

The Vice President for Administration and Finance, or designee, shall be responsible for interpretation, implementation and compliance with this policy and is empowered to open accounts and invest the funds in according with the investment objectives presented below.

Investment Objectives

The primary investment objective of the fund is to maximize investment income consistent with the need for safety of principal and liquidity. A secondary objective is to realize incremental income or principal appreciation consistent with the primary objective through active management of the portfolio. A target total return for the portfolio is to generate a return in excess of a composite index consisting of 60% of the 91 day T-bill index and 40% of the BofA Merrill Lynch 1-3 year U.S. Treasury Index over rolling one year periods.

Investment Philosophy

All investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Portfolio management and trading may be used to achieve the objectives. Strict quality standards have been established to minimize

