

THE CITY UNIVERSITY OF NEW YORK - SHORT-TERM INVESTMENT POLICY

RESOLVED, That the Board of Trustees approve the Short-Term Investment Policy set forth in Attachment I hereto and approve the creation of the Short-Term Investment Pool contemplated therein.

EXPLANATION: This Short-Term Investment Policy was drafted in consultation with the University's Office of General Counsel and the University's investment consultant, Cambridge Associates, and governs the University's short-term investment of available cash, if any, and the proposed Short-Term Investment Pool (STIP). In order to provide the colleges and related entities with a centralized alternative to money market funds and other low-yielding investment vehicles currently being used for non-day-to-day operating cash balances, the University is proposing the creation of the STIP. The STIP will be a pooled investment vehicle with separate maturity tiers (short, intermediate and long), the allocation of which is intended to increase diversification and expected return, while maintaining a stipulated liquidity profile.

The following is a summary of the principle provisions of the Short-Term Investment Policy.

With respect to governance, the Short-Term Investment Policy provides that except for the adoption and amendments thereto, the Board of Trustees delegates to the Vice Chancellor for Budget and Finance the responsibilities for providing broad oversight of the investments of cash in the Short-Term Investment Pool. Those responsibilities will be primarily carried out by the University Controller and his Investment Staff, which shall report at least annually to the Subcommittee on Investments, which shall in turn report at least annually to the Board of Trustees. The Controller has broad authority, within the guidelines set forth in the Short-Term Investment Policy, to make decisions, with the advice of the Investment Consultant(s), in such areas as asset allocation, choice of investment managers and other external agents, rebalancing and reporting of investment results.

The Short-Term Investment Policy stipulates that the investment objectives of the STIP are to provide a return greater than that achievable through investment in common money market funds at a standard deviation that does not exceed 3%. Such objectives will be evaluated over rolling three-year periods. It further stipulates that the liquidity profile of the STIP must be high, with at least 50% of the STIP having daily liquidity and no more than 10% having liquidity beyond a quarter.