

# **COLLEGE OF MICRONESIA – FSM RESERVES FUND**

## **INVESTMENT POLICY STATEMENT**



Adopted: February 2015  
Amended: March 2017

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## EXECUTIVE SUMMARY

Name of Fund                      College of Micronesia - FSM Reserves Fund

Current Market Value:             \$2.92 Million (as of December 31, 2016)

Planning Time Horizon:             Greater than 5 years.

Expected Return:                     Nominal rate of 4.2%.

### Asset Allocation:

	<u>Lower Limit</u>	<b><u>Strategic Allocation</u></b>	<u>Upper Limit</u>
<u>U.S. Equities</u>	10%	<b>20%</b>	30%
<i>Large Value</i>		10%	
<i>Large Growth</i>		10%	
<u>Non-U.S. Equities</u>	0%	<b>10%</b>	20%
<i>Mature Markets</i>		10%	
<u>Fixed Income</u>	40%	<b>50%</b>	60%
<i>Intermediate U.S. Bond</i>		50%	
<u>Cash &amp; Equivalents</u>	10%	<b>20%</b>	30%

Evaluation Benchmark:    10%    RUSSELL 1000 VALUE INDEX  
                                   10%    RUSSELL 1000 GROWTH INDEX  
                                   10%    MSCI EAFE INDEX  
                                   50%    BC INTERMEDIATE GOVT/CREDIT INDEX  
                                   20%    90-DAY TREASURY BILL

## **I. STATEMENT OF PURPOSE**

The purpose of this Investment Policy Statement (IPS) is to assist the College of Micronesia - FSM Board of Regents (“Regents”) and its Investment Committee (“Committee”), in effectively supervising, monitoring and evaluating the investment of the College of Micronesia - FSM Reserve Fund (“Fund”). The Fund’s investment program is defined in the various sections of the IPS by:

- Stating in a written document the Regents’ attitudes, expectations, objectives and guidelines in the investment of all Fund assets.
- Setting forth an investment structure for managing all Fund assets. This structure includes various asset classes, investment management styles, asset allocation, and acceptable ranges that, in total, are expected to produce a sufficient level of overall diversification and total investment return over the long-term.
- Providing guidelines for each investment portfolio that controls the level of overall risk and liquidity assumed in that portfolio so that all Fund assets are managed in accordance with stated objectives.
- Encouraging effective communications between the Regents, the Committee, the investment consultant (Consultant), and the investment managers.
- Establishing formalized criteria to monitor, evaluate and compare the performance results achieved by the investment managers on a regular basis.
- Complying with all fiduciary, prudence and due diligence standards that experienced investment professionals would be subject to.

This IPS has been arrived at upon consideration by the Regents of the financial implications of a wide range of policies, and describes the prudent investment process that the Regents deem appropriate.

## **II. STATEMENT OF OBJECTIVES**

The objectives of the Reserves Fund have been established in conjunction with a comprehensive review of the current and projected financial requirements. The objectives are:

- To defray the operational expenses and other special needs of COMFSM.
- To maximize return within reasonable and prudent levels of risk in order to minimize the dependency upon contributions.

- To exceed earnings assumptions as set forth in the IPS.
- To control costs of administering the Fund and managing the investments.

The Regents will carry out their duties as fiduciaries with the goal of achieving the established objectives with the realization that the Fund is faced with an uncertain funding stream, which may inhibit or delay the achievement of these objectives.

### **III. SPENDING POLICY/CASH FLOW EXPECTATIONS**

The Board currently has no specific projected distribution requirements for the Fund. However, in anticipation of such an eventuality, the Fund will be invested in such a way that adequate funds can be made available within a short period of time should need arise.

### **IV. SOCIAL RESPONSIBILITY POLICY**

The College of Micronesia-FSM demonstrates its concern for preservation of the environment and other social causes through its programs and activities. However, no specific constraint in regards to social causes is to be placed on its investment portfolio at this time. Constraints can be added in the future as deemed advisable by the Regents.

### **V. POLICY ON CONFLICTS OF INTEREST**

Article V. Statement of Ethical Conduct in the Board of Regents Bylaws shall govern all decisions concerning investment of the College's Reserves Fund.

### **VI. GUIDELINES AND INVESTMENT POLICY**

#### **Time Horizon**

The investment guidelines are based upon an investment horizon of five years, so that interim fluctuations should be viewed with appropriate perspective. Similarly, the Fund's strategic asset allocation is based on this short-term perspective.

#### **Liquidity**

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Regents will periodically provide Investment Management Consultant with an estimate of expected net cash flow. The Regents will notify the Investment Management Consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

To maintain the ability to deal with unplanned cash requirements that might arise, the Regents requires that a minimum of twenty (20) percent of Fund assets shall be maintained in cash or cash equivalents.

### **Risk Tolerances**

The Regents recognize the difficulty of achieving the Fund's investment objectives in light of the uncertainties and complexities of contemporary investment markets. The Regents also recognize that some risk must be assumed to achieve the Fund's investment objectives. However, it is the intent to monitor the risk being assumed by each individual Investment Manager and by the Fund as a whole. To that end, risk will be evaluated by:

- Over a market cycle, risk associated with any Investment Managers portfolio, as measured by the variability of quarterly returns (standard deviation) must not exceed that of the Investment Manager's respective performance benchmark, without a commensurate increase in return.
- Over a market cycle, risk associated with the total Fund, as measured by the variability of quarterly returns (standard deviation) must not exceed that of the blend of indices representing the strategic asset allocation of the Fund, without a commensurate increase in return.
- During market cycles the risk measures, as indicated herein, will be reviewed at least annually by the Regents.

### **Performance Expectations**

The desired investment objective is a short-term nominal rate of return on assets that is at least equal to a 4.2% nominal rate of return after deducting for advisory, money management, and custodial fees as well as transaction costs (assumed to approximate 1%). The target rate of return for the Fund has been based upon the assumption that future real returns will approximate the long-run rates of return experienced for each asset class in the IPS.

It is acknowledged that the specified rate of return may not be achievable each and every year. It is the objective of the COMFSM Reserves Fund to meet this objective over a complete market cycle.

The investment objective of the Fund is to strive for positive real rates of return. As inflation statistics are more readily available for the United States than for the FSM, the U.S. Consumer Price Index (CPI) will be used when determining the real rate of return.

Each investment security utilized in the management of the Fund must have a competitive market rate of return if it is to be included in the Fund.

The Regents realize that market performance varies and that a 4.2% nominal rate of return may not be meaningful during some periods. Accordingly, relative performance benchmarks for the managers are set forth in Appendix B.

Over a complete market cycle, the Fund's overall annualized total return, after deducting all investment related costs, should perform above a customized index comprised of market indices weighted by the strategic asset allocation of the Fund.

#### **Asset Allocation Constraints**

The Regents believe that the Fund's risk and liquidity posture are, in large part, a function of asset class mix. The Regents have reviewed the long-term performance characteristics of various asset classes, focusing on balancing the risks and rewards inherent in the marketplace.

Four asset classes were selected:

1. U.S. Equities
2. Non-U.S. Equities
3. U.S. Fixed Income
4. Cash & Equivalents

Based on the Fund's time horizon, risk tolerances, performance expectations, and asset class preferences, an efficient or optimal portfolio was identified (Appendix A).

#### *Re-balancing of Strategic Allocation*

The percentage allocation to each broad-asset class may vary as much as plus or minus 10% of target.

When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the strategic asset allocation of the Fund. The allocation of the Fund will be reviewed quarterly.

If the Investment Committee upon review with the Consultant, judges cash flows to be insufficient to bring the Fund within the strategic allocation ranges, the Regents shall be promptly informed and an appropriate course of action recommended. The Regents will then determine the appropriate course of action to be taken. The investment managers will then be instructed to execute such action required to bring the strategic allocation within the pre-specified ranges.

## **VII. SECURITIES GUIDELINES**

Every investment manager selected to manage Fund assets must adhere to the following guidelines.

#### **General:**

- Any pertinent restrictions existing under the laws of the Federated States of Micronesia with respect to the Fund, that may exist now or in the future, will be the governing restriction.

- U.S. and Non-U.S. equities, ADRs (American Depository Receipts), convertible bonds, preferred stocks, fixed-income securities, mutual funds and short-term securities are permissible investments.
- No individual security of any issuer, other than that of the United States Government, shall constitute more than 10% (at cost) of the Total Fund or any Investment Manager's portfolio.
- Holdings of any issuer shall constitute no more than 5% of the outstanding securities of such issuer.
- Investments in a registered mutual fund managed by the Investment Manager are subject to the prior approval of the Regents.
- The following securities and transactions are not authorized: letter stock and other unregistered securities; and, non-negotiable securities. Commodities or other commodity contracts; short sales; margin transactions; options; and, futures are restricted, except by petition to the Regents for approval.

**Equities:**

- Consistent with the desire to maintain broad diversification, allocations to any economic or industry sector should not be excessive.
- Equity holdings shall be restricted to readily marketable securities of corporations that are actively traded on the major exchanges and over the counter.
- The investment managers shall have the discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the investment managers will be evaluated against their peers on the performance of the total funds under their direct management.
- Common stock and preferred stock of any institution or entity created or existing under the laws of the United States or any other country are permissible investments.

**Fixed Income:**

- All fixed income securities held in the portfolio shall have a Moody's, Standard & Poor's and/or a Fitch's credit quality rating of no less than "BBB". U.S. Treasury and U.S. Government agencies, which are unrated securities, are qualified for inclusion in the portfolio and will be considered to be of the highest rating.
- Total portfolio quality (capitalization weighted) shall maintain an "A" minimum rating.



**Cash/Cash Equivalents:**

- Cash equivalent reserves shall consist of cash instruments having a quality rating of A-1, P-1 or their equivalent. U.S. Treasury and Agency securities, Bankers Acceptances, Certificates of Deposit, and Collateralized Repurchase Agreements are also acceptable investment vehicles. Custodial Sweep Accounts must be, in the judgment of the investment managers, of credit quality equal or superior to the standards described above.
- In the case of Certificates of Deposit, they must be issued by FDIC insured institutions. Deposits in institutions with less than \$10,000,000 in assets may not be made in excess of \$100,000 (or prevailing FDIC insurance limit), unless the Deposit is fully collateralized by U.S. Treasury Securities.
- No single issue shall have a maturity of greater than two (2) years.
- Custodial Sweep Account portfolios must have an average maturity of less than one (1) year.

**VIII. SELECTION OF INVESTMENT MANAGERS**

The Regents, with the assistance of the RIA, will select appropriate investment managers to manage Fund assets. Investment managers must meet the following minimum criteria:

- Be a bank, insurance company, investment management company, or investment adviser as defined by the Registered Investment Advisers Act of 1940.
- Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment.
- Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel.
- Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- Must have been continuously engaged as an investment manager for five (5) or more years.
- Must have least Two Hundred Million dollars under management.

- Assets that are to be placed in an investment management organization shall not exceed 20% of the organization's total asset under management.
- Selected firms shall have no outstanding legal judgments or past judgments, which may reflect negatively upon the firm.

## **IX. SELECTION OF THE REGISTERED INVESTMENT ADVISOR**

The Regents will select an appropriate, registered investment management consulting firm as a Registered Investment Advisor ("RIA") to assist in the prudent investment and monitoring of the Fund. The RIA selected will execute a written contract with the Regents. The RIA must meet the following minimum criteria:

- The RIA must be a Registered Investment Advisor (RIA) registered with the Securities Exchange Commission.
- RIA's must be recognized as expert in Investment Management Consulting, with an emphasis in institutional/endowment funds and must be able to provide unbiased fiduciary and financial advice.
- RIA's must demonstrate experience in the breadth and depth of their professional staff. The specific individual providing advice to the Fund must provide evidence of specialized training in the field of Investment Management Consulting, such as the Certified Investment Management Analyst™ (CIMA®) designation, or its equivalent.
- The specific individual providing advice to the Fund shall not have any awards or judgments against him or her either by the Securities Exchange Commission (SEC) or National Association of Securities Dealers (NASD).
- RIA must maintain its own independent investment manager database and have its own investment manager due diligence capabilities, as well as its own investment performance monitoring system to ensure quality and accuracy of data and which tasks should not have to be either subcontracted out or purchased from third party vendors.

The College of Micronesia FSM's relationship with the RIA will be subject to ongoing and annual review, benchmarked against the criteria set forth in the IPS. The term of the relationship will be at the discretion of the Regents, as they deem necessary. It is noted that having fixed or arbitrary time frames may lead to RIA behavior that is not necessarily driven by the best interests of the College.

## **X. SELECTION OF SECURITIES CUSTODIAN**

The Regents with RIA advice will select an appropriate securities custodian (“Custodian”) to safe keep Fund assets and to provide timely reporting of assets and activity. The Custodian must meet the following minimum criteria:

- Must be a U.S financial institution regulated by the Federal Reserve or the appropriate equivalent, depending upon the nature of the given institution.
- Must have a minimum net worth in excess of \$100 million.
- Must have direct access to the Depository Trust Company I.D. System.
- Must have at least 10 years experience as a custodian of similar funds.
- Must have at least \$1 billion in custodial assets.
- Must offer electronic access to account information, to include statements.

## **XI. CONTROL PROCEDURES**

### **Duties and Responsibilities of the Investment Managers**

The duties and responsibilities of each Investment Manager retained include:

- Exercising investment discretion over the Fund assets under its care and control in accordance with the IPS objectives and guidelines set forth herein.
- Promptly informing the Regents in writing, all significant or material matters pertaining to the investment of Fund assets, including, but not limited to: investment strategy; portfolio structure; tactical approaches; ownership; organizational structure; financial condition; professional staff; and, any material, legal or regulatory agency proceedings affecting the firm.
- Promptly voting all proxies and related actions in a manner consistent with the long-term interests and objectives of the Fund set forth herein.
- Utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like funds with like aims in accordance and compliance with all applicable laws, rules and regulations from local, state and federal entities as it pertains to fiduciary duties and responsibilities.
- Acknowledge, and agree in writing to, their fiduciary responsibility.

### **Duties and Responsibilities of the Registered Investment Advisor**

The duties and responsibilities of the RIA retained by the Regents include, but are not limited to, the following:

- Assist in with the development of investment strategies for Fund’s assets

- Analyze existing investments
- Assist with asset allocation
- Select relevant performance benchmarks for each investment management style, updating Appendix B as needed in consultation with the Regents Assist in the IPS development/ongoing review
- Recommend replacement of Investment Managers when warranted by qualitative or quantitative factors set forth herein
- Provide investment manager search services
- Monitor the performance of Fund assets and Investment Managers to include reporting against relevant performance benchmarks
- Report on Investment Managers' adherence to the IPS guidelines
- Provide educational forms, as requested
- Provide quarterly on-site reviews
- Assist with special projects.

#### **Duties and Responsibilities of the Securities Custodian**

The duties and responsibilities of the Custodian include, but are not limited to, the following:

- Keep safe assets entrusted to the care of the Custodian;
- Collect, and credit, on a timely basis, all income due to the Fund;
- Provide on a timely basis, monthly accounting statements for all Fund accounts;
- Provide electronic access to account information, to include account activity and monthly statements.

#### **Performance Objectives**

Investment performance will be reviewed at least quarterly to determine the continued feasibility of achieving the investment objectives and the appropriateness of the IPS for achieving those objectives. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

#### **Monitoring of the Registered Investment Advisor**

On a timely basis, but not less than once a year at the end of each fiscal year, the Regents will meet concerning:

- RIA's adherence to the IPS guidelines and applicable laws

- RIA's continuing qualifications per IPS requirements
- Material changes in the RIA's organization and/or personnel
- Timeliness, completeness and accuracy of reporting
- Review of RIA's performance relative to advice given regarding investment strategy development, asset allocation and monitoring of Investment Managers
- Quality of educational programs, quarterly reviews and special projects
- Fees paid.

### **Monitoring of Investment Managers**

On a timely basis, but not less than four times a year, the Regents will meet concerning:

- Investment Manager's adherence to the IPS guidelines and applicable laws
- Material changes in the Investment Managers' organization, investment philosophy and/or personnel
- Review of Investment Manager performance relative to the established performance benchmarks
- Fees paid.

The appropriate performance benchmarks are detailed under each Investment Manager's specific objectives and guidelines as presented in Appendix B.

#### *Performance Measurement Periods*

The measurement period for complete evaluation will be cumulative annual periods and complete market cycles. Market cycles will be loosely defined as periods of at least two consecutive quarters of rising stock prices/interest rates and two consecutive quarters of declining stock prices/interest rates.

Quarterly performance will be evaluated to test progress toward the attainment of longer-term goals. It is understood that there are likely to be short-term periods during which performance deviates from market indices. During such times, greater emphasis shall be placed on *peer*-performance comparisons with investment managers employing similar styles.

The Regents will utilize the services of the RIA to assist in their evaluation and complete performance measurement duties.

The performance of the Fund's Investment Managers will be monitored on an ongoing basis and it is at the Regent's discretion to take corrective action by

placing an Investment Manager on a “Watch List”, or terminating an Investment Manager, if they deem it appropriate at any time.

#### *Watch List*

The RIA shall maintain a Watch List, which provides a means to communicate developments of potential concern. Placement on the Watch List initiates a probationary period that allows time to better assess the effects – negative or positive – stemming from the development in question. Upon placement on the Watch List, the Regents may notify the Investment Manager in writing and may require a countersignature upon receipt upon inception of Watch List notification.

The Regents, with the assistance of the RIA, will attempt to resolve Watch List assignments as soon as possible. These attempts are balanced with a goal of making more informed judgments that are consistent with maintaining a long-term investment perspective.

More common reasons for Watch List assignments include:

- Major ownership changes
- Significant firm and/or product asset declines
- Excessive asset growth in products with limited capacity
- Concerns regarding changes to key service providers
- Professional turnover
- Notably altered incentive structures for key professionals
- Questionable changes in investment decision-making authority
- Material changes in investment approach
- Extended period(s) of unexplainable or unanticipated relative underperformance

If the Investment Manager improves and satisfies the concerns over a reasonable time period (often 6 months to 18 months) the Investment Manager is upgraded off of the Watch List. For example, if Watch is caused by two to three years of underperformance, combined by excessive analyst turnover, performance improvement and personnel stability can cause the upgrade, and vice versa. If concerns are not satisfied, the Regents will terminate the Investment Manager, or if not, provide the rationale for not terminating the Investment Manager.

#### *Termination*

The Regents may replace an Investment Manager at any time for any reason the Regents deems appropriate and in the long-term best interest of the fund, including, but not limited to:

- a. Failure to meet investment goals delineated herein.
- b. Deviations from permitted investments listed herein.
- c. Failure to adhere to stated investment philosophy and style.
- d. Violating applicable laws and regulations. Special emphasis will be placed upon adherence to "best price and execution" guidelines as well as adherence to the "Prudent Expert Rule".
- e. For any other reason the Regents deems appropriate and in the long-term best interest of the Fund.

It is the Regent's policy that if the need arises to replace an investment manager, the Regents has the authority to do so in the manner deemed to be most appropriate. The Regents, in conjunction with the RIA, will develop the credentials and qualifications desired, to be able to evaluate potential managers.

#### **Safe Harbor**

Five generally recognized "safe harbor" requirements will be followed:

- Investment decisions must be delegated to a "prudent expert(s)" (registered investment adviser [including mutual funds], bank or insurance company).
- The Regents must demonstrate that the prudent expert(s) was selected by following a due diligence process.
- The prudent expert(s) must be given discretion over the assets.
- The prudent expert(s) must acknowledge their co-fiduciary status in writing (mutual funds are exempted from this requirement - the prospectus is deemed to serve as the fund's fiduciary acknowledgement).
- The Regents must monitor the activities of the prudent expert(s) to ensure that the expert(s) is properly performing the agreed upon tasks using the agreed upon criteria.

## College of Micronesia - FSM Reserves Fund - Appendix A

### Investment Manager Structure and Style Review

Based on a formal asset allocation study initially conducted in 2014 and subsequently, the Regents and Committee, with the assistance from the Fund's Consultant, identified an optimal asset mix based on the Fund's time horizon, risk tolerances, performance expectations, and asset class preferences. The following strategic asset allocation for the Reserve Fund was selected:

The Regents further augmented the diversification of the Fund by implementing the strategic asset allocation with complementary styles of asset management. The Regents has reviewed the characteristics of various styles of investment management, focusing on balancing the risks and rewards of style behavior. The Regents specifically noted how investment styles go in and out of favor and the Regents understands the prudence of diversifying among several styles of investment management. The following strategic asset allocation and the specific investment manager structure for each broad asset class are listed below:

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	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
<u>U.S. Equities</u>	10%	<b>20%</b>	30%
<i>Large Value</i>		10%	
<i>Large Growth</i>		10%	
<u>Non-U.S. Equities</u>	0%	<b>10%</b>	20%
<i>Mature Markets</i>		10%	
<u>Fixed Income</u>	40%	<b>50%</b>	60%
<i>Intermediate U.S. Bond</i>		50%	
<u>Cash &amp; Equivalents</u>	10%	<b>20%</b>	30%



### Asset Allocation Analysis - COM FSM Reserves

Analysis Inputs  
Case: Allocation Case

	Forecast Return	Risk			
<b>Assets</b>					
U.S. Large Value Eq	6.8%	18.1%			
U.S. Large Growth Eq	6.8%	18.1%			
Non-US Developed Eq	7.2%	20.3%			
U.S. Core Fixed Inc	3.2%	5.3%			
Cash	2.5%	2.0%			
<b>Projection Inputs</b>					
Target Return:	5.6%				
Time Horizon:	5 Years				
Initial Value:	2,800,000				
<b>Correlations</b>					
	1	2	3	4	5
1. U.S. Large Value Eq	1.00				
2. U.S. Large Growth Eq	1.00	1.00			
3. Non-US Developed Eq	0.77	0.77	1.00		
4. U.S. Core Fixed Inc	0.11	0.11	0.03	1.00	
5. Cash	-0.01	-0.01	-0.11	0.14	1.00

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Zephyr AllocationADVISOR: Raymond James - Beverly Hills

### Asset Allocation Analysis - COM FSM Reserves

Portfolio Statistics  
Case: Allocation Case Target Return: 5.60% - 5 Year Time Horizon - 95% of Projected Return Distribution

	Current AA	IPS AA
<b>Portfolio Allocations</b>		
Asset Allocations		
U.S. Large Value Eq	10.0%	10.0%
U.S. Large Growth Eq	10.0%	10.0%
Non-US Developed Eq	10.0%	10.0%
U.S. Core Fixed Inc	0.0%	50.0%
Cash	70.0%	20.0%
<b>Portfolio Statistics</b>		
Expected Return (Annualized)		
One Year	3.8%	4.2%
Expected Risk		
One Year	5.5%	6.2%
Time Horizon	2.4%	2.8%
Best Case Return (Annualized)		
One Year	14.9%	16.8%
Time Horizon	8.6%	9.5%
Worst Case Return (Annualized)		
One Year	-6.5%	-7.4%
Time Horizon	-1.0%	-1.3%
Probability of Target Return		
One Year	36.4%	39.8%
Time Horizon	21.8%	28.2%
Probability of Negative Return		
One Year	24.5%	25.4%
Time Horizon	6.2%	7.0%

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Zephyr AllocationADVISOR: Raymond James - Beverly Hills

**College of Micronesia – FSM Reserves Fund – Appendix B**  
Investment Manager Performance Objectives

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*Management Style:*                    **Large Cap Value**

*Performance Benchmark:*        Russell 1000 Value Index

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*Manager Style:*                    **Large Cap Growth**

*Performance Benchmark*        Russell 1000 Growth Index

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*Management Style:*                    **International Developed Markets Equity**

*Performance Benchmark:*        MSCI EAFE Index

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*Management Style:*                    **Intermediate Fixed Income**

*Performance Benchmark:*        BC Intermediate Government/ Credit Index

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*Management Style:*                    **Cash & Equivalents**

*Performance Benchmark:*        90-Day Treasury bill

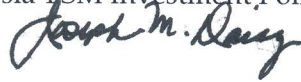
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**College of Micronesia - FSM Reserves Fund - Appendix C**  
Adoption of the Investment Policy Statement

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The College of Micronesia- FSM Investment Policy Statement is hereby adopted:



Signature: \_\_\_\_\_

Name (Print): Joseph M. Daisy

Position: President/CEO

Firm: College of Micronesia- FSM

Date: April 6 2017