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**FLORIDA INTERNATIONAL UNIVERSITY
HERBERT WERTHEIM COLLEGE OF MEDICINE
SELF-INSURANCE PROGRAM
INVESTMENT POLICY**

APPROVED AS OF FEBRUARY 3, 2010

The Florida International University Self-Insurance Program Council (“Council”) is responsible for the oversight and approval of the overall investment policy and investment portfolio of the Florida International University Self-Insurance Program (“FIUSIP”). The intent of this policy is to define the management process for capturing investment opportunities as they may occur and to set forth reasonable parameters to ensure prudence and care in the execution of the investment program, in accordance with applicable law.

I. Governance; Definition of the Fund

- A. Investment of assets of the FIUSIP shall be governed by a SIP Investment Committee (the “Investment Committee”) of the Council which shall have responsibility for FIUSIP investments and the allocation thereof. The Council may, in its discretion, serve as the Investment Committee until such time as the Council deems it prudent to constitute an Investment Committee.
- B. The Investment Committee shall consist of no less than three members appointed by the Council. The Council shall select the Chairperson of the Investment Committee. In addition to the appointed Investment Committee members, the University Chief Financial Officer, University Treasurer, and Executive Associate Dean for Finance & Administration, Wertheim College of Medicine shall be ex officio members of the Investment Committee. Investment Committee members need not be members of the Council, provided that such members have demonstrable knowledge, experience and familiarity with financial investments and portfolio management.
- C. For purposes of this Investment Policy document, monies available for investment (hereinafter referred to as the “Fund”) means an amount equal to the sum derived when, at any given time, the amount of cash in FIUSIP’s investment custody account is added to an amount equal to the fair market value of all securities held in the investment custody account of the FIUSIP on behalf of the FIUSIP.

II. Investment Committee Responsibilities and Procedures:

- A. The Investment Committee, with the guidance and recommendations of its advisors and consultants, shall be responsible for:
1. Meeting as needed, but no less than once per fiscal year, at the discretion of the Chair of the Council or Chair of the Investment Committee, to review the manner in which the Fund is invested, with outcomes of said meetings to be reported to the Council;
 2. Reviewing the implementation of this Investment Policy at least once each fiscal year and recommending to the Council any changes in investment strategy;
 3. Investing the Fund in conformance with this Investment Policy as approved by the Council. The Investment Committee shall have no power in any way to modify, alter, add to, or subtract from any provisions of this Investment Policy as approved by the Council;
 4. Ensuring that the objectives stated in the Investment Policy are practical and reflect the mission of the FIUSIP;
 5. Recommending the engagement of investment advisors, consultants, managers, and/or custodians for the approval of the Council and/or recommending the termination of such advisors, consultants, managers or custodians that fail to maintain acceptable quantitative (e.g. risk/return profile) and/or qualitative (e.g. organizational changes) standards;
 6. Implementing and monitoring the asset allocation targets;
 7. Determining whether the investment objectives set forth herein are being met and whether the investment guidelines and applicable law are being followed;
 8. Providing regular performance reports to the Council.
- B. The staff, as assigned by the Council in consultation with the University, is an integral part of the day to day requirements of the operating portfolio. The staff has the responsibility of administering and coordinating the implementation decisions made by the Investment Committee and the Council. The staff is responsible for:
1. Administering the investments of the Fund at the lowest possible cost, being careful to avoid sacrificing quality;
 2. Executing the rebalancing procedures, as necessary;

3. Maintaining day-to-day interaction with the investment advisors, consultants, managers, and custodians.
- C. No member of the Investment Committee shall have or appear to have a material personal interest, either directly or indirectly, in conflict with the interests of FIUSIP, unless such interest is disclosed and approved as provided herein. In the event any member of the Investment Committee should have any conflict of interest, he or she shall disclose such conflict to the Council and, if so directed by the Council, shall abstain from voting or acting on matters involving the conflict. The Council shall decide what action, if any, to take in light of the conflict of interest. Such action may, but is not required to, include accepting the individual's abstention, requiring the individual to terminate the conflict of interest, or causing the individual's appointment to the Investment Committee to be terminated.

A member of the Investment Committee shall be deemed to have a possible or actual conflict if he or she has a substantial existing or potential personal interest in a matter which impairs or might appear to impair the member's ability to exercise independent and unbiased judgment in the good faith discharge of his or her duties to FIUSIP.

In addition to limitation on conflicts of interest, no member of the Investment Committee, nor a business entity of which the member is also an officer, director, employee, or substantial owner, shall enter into a transaction with the FIUSIP unless such transaction is disclosed fully to the Council. The Council must approve the transaction by a vote of three-fourths (3/4) of all Council members. The Council's determination regarding any transaction that may constitute a conflict of interest must be consistent with applicable Florida law including Chapter 112 of the Florida Statutes.

The mere employment by an officer or employee of FIUSIP or member of the Investment Committee by the Florida International University Board of Trustees or any of its component or supporting organizations, or by an insured entity of the FIUSIP, shall not constitute a conflict of interest.

- D. The Council will, to the extent legally permissible indemnify and hold harmless each member of the Investment Committee from all actions, proceedings, claims, or demands by any persons, corporations, associations, or entities whatsoever in which such person may be involved by reason of his or her service on the Investment Committee, and will indemnify and hold harmless each member of the Investment Committee against all costs, damages, or expenses which the Investment Committee member may pay, sustain, or incur by reason or in consequence of such service; provided, however, such member was exercising due care and diligence in the performance of his or her duties on behalf of the FIUSIP, and provided that no settlement shall be entered into without the prior consultation and approval of the Council.

- E. The investment advisors, consultants, managers, and custodians shall:
1. Recommend to the Investment Committee changes in investment objectives, policies, and procedures;
 2. Make purchases and sales of securities in accordance with the Investment Policy; and
 3. Report their respective activities to the Investment Committee and in such manner and in such frequency as may be requested, from time to time, by the Investment Committee.

III. Investment Objectives

The overall investment objective of the Fund is to achieve a favorable rate of return, in combination with preservation of principal and liquidity, subject to the quality, diversification, and maturity restrictions imposed by the investment guidelines contained in this Investment Policy and all Florida Statutes cited herein.

IV. Investment Guidelines

- A. Investment of the Fund shall be governed by the following investment guidelines, consistent with Chapter 215.47:
1. The Fund may be invested with no limitation in any security described in Section 215.47(1), Florida Statutes.
 2. Subject to the investment percentage limitations described therein, the Fund may be invested in the securities described in Section 215.47(2), (3), (4), (5), and (6).
 3. All holdings of investment will be of sufficient size in issues actively traded to ensure marketability and liquidity to facilitate transactions at minimum cost and to permit accurate market valuation.
 4. All purchases and sales of securities will be executed by the Investment Committee or its agent(s) at the most advantageous price to the Fund with principal dealers in the particular securities being purchased or sold.
 5. The investment performance of the Fund shall be measured in terms of total return against appropriate benchmarks or market indices having the same investment characteristics and guidelines as the Fund. In the evaluation of performance no distinction shall be made between realized and unrealized returns or between the income and capital components of total return of the Fund.

6. Consistent with the foregoing, the Investment Committee may adopt any such additional guidelines and/or objectives it may deem necessary or appropriate to fulfill its fiduciary responsibilities.