



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

March 27, 2025

Utah State University — Revision to Institutional Investment Policies

Board Policy R541, *Management and Reporting of Institutional Investments*, requires that revisions to institutional investment policies receive approval from the institutional board of trustees and the Utah Board of Higher Education. Utah State University's Fiscal Year 2024 year-end investment holdings totaled \$1,251,191,694, with about \$640 million in its endowment, \$12.5 million in foundation funds, and roughly \$600 million in other investments, which include operating funds in liquid interest-bearing accounts.

Like many institutions, USU's investment advisory firm and investment committee have identified the need to modernize its investment policies to better articulate the institution's investment strategy for its endowment and add flexibility to its defensive return pool in order to minimize max drawdowns and maximize annual return. The attached documentation comprehensively outlines the proposed policy changes, but below illustrates the proposed amendments to USU's endowment investment allocation targets:

USU's Current Endowment Investment Allocation

- Global Equity: 35-55%
- Investment Grade Fixed Income: 10-20%
- Opportunistic Fixed Income: 10-20%
- Alternative Assets: 10-30%

USU's Proposed Endowment Investment Allocation

- Global Equity: 35-55%
- Investment Grade Fixed Income: 5-25%
- Opportunistic Fixed Income: 0-15%
- Alternative Assets: 20-45%

The investment policy was presented and approved by the USU Board of Trustees on January 10, 2025.

Commissioner's Recommendation

The Commissioner recommends that the Board approve Utah State University's proposed modification to its current endowment investment policy.

Attachment

Attachment 1 - USU Request Letter & Proposed University Investment Policy Changes