



Applies to: All university personnel responsible for managing trust agreements or individuals participating in trust agreements.

Responsible Office

Office of Business and Finance

POLICY

Issued: 02/01/2008
Reviewed: 01/01/2015

The Office of Financial Services is responsible for investing and managing the university's trust agreements.

Purpose of the Policy

To manage investments in a manner that will provide an income payout to the beneficiary(s) in accordance with a trust agreement and to preserve the purchasing power of a trust when it transfers to the university.

Policy Details

- I. Overview
 - A. The preferred investment vehicle used in managing trusts will be index mutual funds or exchange traded funds designed to replicate the return of the overall markets at a low cost. Investments will be made to diversify the assets in a prudent manner.
 - B. Asset allocation will be reviewed on a periodic basis and revised based on market conditions and the ages of the beneficiary(s).
 - C. Responsibility for investment of those funds is with the Office of Financial Services.
- II. Targets
 - A. The initial target for maintaining purchasing power on a newly established trust is to preserve two-thirds of the present value based on the beneficiary(s) life expectancy.
 - B. The secondary target is to preserve one-half of the present value based on the beneficiary(s) life expectancy plus five years.

PROCEDURE

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- I. Asset Allocation
 - A. Typically the types of asset classes that will be used include:
 - 1. Domestic equities
 - 2. International equities
 - 3. Domestic fixed income
 - 4. Inflation protected securities
 - 5. Money market
 - B. Depending on the age(s) of the beneficiary(s), the allocation can be short, intermediate, or long-term in nature.



University Policy

Applies to: All university personnel responsible for managing trust agreements or individuals participating in trust agreements.

Responsibilities

Position or Office	Responsibilities
Office of Financial Services	Manage investment funds covered by this policy.

Contacts

Subject	Office	Telephone	E-mail/URL
Policy questions	Office of Financial Services	614-292-6261 or 800-678-6009 Fax: 614-292-7568	treasurer.ohio-state.edu/

History

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