



## **INVESTMENT POLICY STATEMENT**

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**Revised January 23, 2018**

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**Revised January 28, 2020**

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION**  
**INVESTMENT POLICY STATEMENT**

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## **EXECUTIVE SUMMARY**

**Type of Fund:** Foundation

**Name of Fund:** Pooled Investment Fund

**Purpose of Fund:** To promote scholarships, programs, technology, professional development and special projects that strengthen and develop CSM and its students.

**Primary Investment Objective:** The total expected return should exceed the inflation rate as measured by Consumer Price Index (CPI) plus the spending policy rate of 5% over a full market cycle.

**Time Horizon:** 20+ years

**Spending Policy:** The level of spending made by the Foundation allowable in any budget year shall not exceed 5% of the average calendar year ending market value of the Pooled Investment Fund over the trailing twenty quarters.

# COLLEGE OF SOUTHERN MARYLAND FOUNDATION

## INVESTMENT POLICY STATEMENT

(Draft 01/2020)

### Mission of Foundation

As the leader among Maryland community colleges, the College of Southern Maryland is a thriving and technologically advanced institution that delivers quality higher education programs and services. The CSM Foundation is the fundraising arm of the College of Southern Maryland. The Foundation's primary function is to further the objectives of the College by cultivating relationships, actively seeking and accepting tax-deductible gifts, managing, investing, and disbursing all funds and endowments raised to support the needs of CSM students and the College. Investing in the College of Southern Maryland through the Foundation is an investment in the community.

The College of Southern Maryland Foundation, established in 1970, is a non-profit, tax-exempt organization with a charge to promote academic excellence, growth, progress, and the general welfare of the College of Southern Maryland by raising and managing funds and providing support to strengthen and develop the college and its objectives. The Foundation seeks to provide outstanding educational opportunities and services to students, employees and the Southern Maryland community, which is accomplished through successful friend-raising and fundraising.

### Purpose of the Investment Policy Statement

This Investment Policy Statement (“IPS”) has been adopted by the Foundation’s Board of Directors (“Board”) to provide formal guidelines to those selected to manage the Foundation’s investment funds. The IPS has been set forth to:

1. State the Board of Directors’ expectations, objectives and guidelines for the investment of all assets;
2. Provide guidance regarding prudent investment standards as defined in the Uniform Prudent Management of Institutional Funds Act (UPMIFA)<sup>1</sup>;
3. Define the spending policy for the Foundation;
4. Establish the framework for a well-diversified asset mix that can be expected to generate acceptable long-term returns at a level of risk suitable to the Foundation, including:
  - A. Describing an appropriate risk posture for the investment funds;
  - B. Establishing the relevant investment horizon for which the investment funds will be managed, and establishing reasonable expectations, objectives and guidelines in the investment of the assets;
  - C. Defining and assigning the responsibilities of all involved parties;
  - D. Encouraging effective communication between the Board, Investment Advisor and the money managers;

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<sup>1</sup> See Appendix A.

- E. Setting forth an investment structure detailing permitted asset classes and expected allocations among asset classes, and establishing a basis for evaluating investment results; and
- F. Establishing investment guidelines regarding the selection of investment managers, permissible securities and diversification of assets.

This Investment Policy Statement is intended to be a summary of an investment philosophy that provides guidance for the Foundation's investable assets. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical. These policies will be reviewed and revised periodically to ensure they adequately reflect any changes related to the Foundation's assets and to the Board's attitude towards risk. It is understood that there can be no guarantee about the attainment of the goals or investment objectives outlined herein.

For purposes of managing investment risk and optimizing investment returns within acceptable risk parameters, funds will be held in two investment pools called the "**Operating Fund**" and the "**Pooled Investment Fund.**"

### Assignment of Responsibilities

To carry out the investment activities as described in this document, the responsibilities of the involved parties are described below. These parties include, but are not limited to, the Board of Directors ("Board"), the Finance and Investment Committee ("Committee"), Investment Advisor(s), Executive Director or designated staff member(s), the Investment Manager(s) and the Custodian(s).

#### *Responsibilities of the Board of Directors*

As fiduciaries, the Board retains ultimate responsibility for managing the Foundation's assets. Specific responsibilities of the Board relating to the investment management of assets include:

- 1. Approving the investment objectives and policies for the Foundation's assets;
- 2. Approving changes to the investment policy, guidelines and objectives;
- 3. Approving the selection or termination of Investment Advisor(s), and Custodian(s);
- 4. Approving the annual spending rate recommended by the Committee;
- 5. Following the provisions of, and applying the standards of UPMIFA; and
- 6. Reviewing and dealing prudently with conflicts of interest.

#### *Responsibilities of the Finance and Investment Committee*

The Board has delegated to the Finance and Investment Committee the responsibility to monitor and oversee the Foundation's assets in accordance with its purpose and any applicable restrictions and pursuant to the direction and supervision of the Board. The specific responsibilities of the Committee relating to the investment management of assets include:

- 1. Recommending reasonable and consistent investment objectives, policies and guidelines that will direct the investment of the assets;
- 2. Recommending the risk tolerance and investment time horizon for the Foundation's investment funds and communicating these to the appropriate parties;
- 3. Prudently and diligently recommending to the Board Investment Advisor(s) and Custodian(s) and informing the Board of any changes to service providers;

4. Monitoring and evaluating the performance of the Investment Advisor based on clarity of communication, availability, and the Pooled Investment Fund's performance compared to the investment objectives;
5. Working collaboratively with the Investment Advisor to prepare and review annually this IPS and strategic asset allocation, and to recommend any revisions to the Board for final approval;
6. Prudently diversifying, or overseeing the diversification of portfolio assets to meet an agreed upon risk/return profile as determined by periodic allocation modeling studies provided by the Investment Advisor;
7. Evaluating the performance of all investments quarterly, including the Investment Advisor's choice of Investment Manager(s) to assure that objectives are being met and the Investment Policy guidelines are being followed;
8. Controlling and overseeing investment related expenses, with the assistance of the Investment Advisor;
9. Reporting the investment performance of the Foundation's investment funds and providing a review of the Investment Policy Statement to the Board at least annually;
10. Reporting all other concerns and recommendations to the Board based on its responsibilities as set forth above, at a regularly scheduled meeting or on an interim basis as circumstances may require.

***Responsibilities of the Executive Director, Treasurer or Designated Staff Members***

1. Working with the Committee to project the financial needs of the Foundation and communicating such needs to the Investment Advisor on a timely basis;
2. Keeping the Committee and Board informed of any significant events that may impact the Foundation's investment funds;
3. Transferring funds between the Operating Fund and Pooled Investment Fund as directed by the Committee;
4. Authorizing investments for the Operating Fund that are within IPS guidelines;
5. Notifying the Custodian of any expected gifts/donations so that they may be processed in a timely manner; and
6. Executing such other duties as may be described in this IPS or delegated by the Board.

***Responsibilities of the Investment Advisor(s)***

The Investment Advisor's role is to manage the funds entrusted to it by the Board and Finance and Investment Committee. The day-to-day investment decisions for the Pooled Investment Fund will be managed on a discretionary basis by the Investment Advisor within the investment and governance parameters delineated in this IPS. Specific responsibilities of the Investment Advisor include, but are not limited to:

1. Assisting in the development and periodic review of the investment objectives, investment policy and asset allocation guidelines;
2. Implementation of the investment program for the Pooled Investment Fund including portfolio construction, asset allocation, rebalancing and other day-to-day responsibilities on a discretionary basis within the guidelines of this IPS;
3. Conducting manager searches and hiring and terminating investment managers as necessary. For the purposes of this policy "manager" shall mean separately managed accounts, mutual funds, ETFs and all other portfolios managed by a third party firm<sup>2</sup>;

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<sup>2</sup> With respect to the inclusion of mutual funds, exchange traded funds (ETFs) or commingled vehicles, the Committee understands that

4. Ongoing monitoring of the investment managers' performance, investment risk, investment process and personnel to ensure those selected are meeting stated objectives;
5. Ongoing monitoring and management of the risk profile of the Pooled Investment Fund to ensure that the risk assumed is commensurate with the given objectives as stated in this Investment Policy Statement and is consistent with that depicted in periodic Asset Allocation Studies prepared by the Investment Advisor.
6. Meeting with the Committee to review and explain matters of policy and the Pooled Investment Fund's performance results so that they may evaluate the progress towards achieving the investment objectives as stated in this IPS;
7. As requested, providing the Executive Director and/or Treasurer with investment recommendations for the Operating Fund;
8. Providing or facilitating the distribution of monthly statements and quarterly performance reports;
9. Providing information in support of the Foundation's annual audit, as required;
10. Where applicable, assisting the Committee in understanding investment program costs; and
11. Reviewing investment history, historical capital markets performance and the contents of this IPS with the Committee and Board as appropriate.

### ***Responsibilities of the Investment Manager(s)***

Each Investment Manager engaged by the Investment Advisor on behalf of the Foundation will have full discretion to make all investment decisions for the assets placed under its mandate. Specific responsibilities of the Investment Manager(s) include;

1. Discretionary investment management including decisions to buy, sell, or hold individual securities and to alter asset allocation within the guidelines of their stated methodology;
2. Communicating to the Investment Advisor any major changes to economic outlook, investment strategy, or any other factors that affect implementation of investment process;
3. Informing the Investment Advisor of any qualitative change to the investment management organization. Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
4. Absent delegation to another service provider, each investment manager is responsible and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. The investment manager(s) shall vote proxies according to their established Proxy Voting Guidelines. A copy of those guidelines, and/or summary of proxy votes shall be provided to the Committee upon request.

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the Advisor does not have any control over the management or portfolio composition of such funds. While the Investment Advisor will use best efforts to utilize funds with investment objectives and policies that are generally consistent with IPS guidelines, the Committee understands that individual fund portfolio holdings may not at all times be consistent with IPS guidelines.

## ***Responsibilities of the Custodian***

Specific responsibilities of the Custodian include:

1. Physically or electronically (or through agreement with a sub-custodian) maintaining possession of securities owned by the Foundation;
2. Valuing the holdings, accruals, payables, and receivables;
3. Collecting dividend and interest payments, redeeming maturing securities, and effecting receipt and delivery following purchases and sales;
4. Performing regular accounting of all assets owned, purchased or sold, as well as movement of assets within fund accounts;
5. Providing the Foundation in writing or via online access, confirmation of the initiation and completion of all transfers between accounts and initiation and completion of buy and sell transactions; and
6. Providing monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall portfolio since the previous report.

## **Spending Policy**

The level of spending made by the Foundation allowable in any budget year shall not exceed 5% of the average calendar year ending market value of the Pooled Investment Fund over the trailing twenty quarters. This 20 quarter average was chosen to smooth out the payouts based on a more volatile, growth-oriented portfolio. The rate shall be reviewed annually by the Committee and submitted to Board for approval as part of the budget approval process. It is the intent of the Board to establish spending guidelines and limits for the budget year that are consistent with the Foundation's needs, the current economic environment, and compliant with the current regulatory environment.

## **OPERATING FUND**

### **Purpose**

The purpose of the Operating Fund is to provide an account for receipts into and disbursement from the Pooled Investment Fund and to provide sufficient cash to meet the financial obligations of the CSM Foundation in a timely manner. The Board seeks to maintain six months of operating expenses, as determined by the Executive Director and the College Treasurer, in liquid cash reserves at all times. Amounts over and above that designated amount shall be invested according to the investment guidelines noted below.

### **Investment Objectives**

The investment objectives of the Operating Fund are:

1. Preservation of capital;
2. Liquidity;
3. To optimize the investment return within the constraints of the IPS.

### **Investment Guidelines**

#### ***Allowable Investments***

The Executive Director and/or College Treasurer are authorized to invest the Operating Fund within the following guidelines:

1. Interest bearing checking accounts in federally insured banks and savings and loans expected not to exceed federally insured amounts on an ongoing basis;
2. Money market funds that invest in government backed securities;
3. Federally insured certificates of deposit not to exceed federally insured amounts; and
4. Direct obligations of the U.S. Government, its agencies and instrumentalities.

#### ***Maturity***

The maturities on investments for the Operating Fund shall be limited to one year or less. The Executive Director, or College Treasurer shall be responsible for scheduling maturities.

### **Reporting**

The Custodian shall prepare the following reports for presentation on a monthly basis to the Executive Director and College Treasurer;

1. Schedule of investments;
2. Interest income year to date;
3. Current yield.

The Investment Advisor shall prepare a performance report for presentation to the Finance and Investment Committee on a quarterly basis. The results will be compared to 90 day Treasury Bills.

# POOLED INVESTMENT FUND

## Purpose

The purpose of the Pooled Investment Fund is to provide funding for current commitments, to enhance the purchasing power of funds held for future requests, to fund scholarships and other programs and to provide the income required to meet the operating needs of the Foundation.

The Pooled Investment Fund consists of endowed and long term funds.

## Investment Objectives

### *Performance Expectations*

The objectives of the portfolio represent a long-term goal of maximizing the returns without exposure to undue risk, as defined herein. It is understood that fluctuating rates of return are characteristic of the securities markets. The primary concern should be long-term appreciation of the assets and consistency of total return on the portfolio. Recognizing that short-term market fluctuations may cause variations in the account performance, the portfolio is expected to achieve the following objectives, net of fees, over a full market cycle:

1. In order to maintain asset levels capable of supporting desired spending, providing additional growth to cover operating expenses and preserving the purchasing power of the Pooled Investment Fund over time, the Pooled Investment Fund's total expected return should exceed the inflation rate as measured by Consumer Price Index (CPI) plus the spending policy rate of 5% over a full market cycle.
2. In order to evaluate the decisions regarding Investment Manager selection and asset allocation decisions, the Pooled Investment Fund's total return should outperform a blended benchmark that is a weighted blend of the indices referred to in the section entitled "Investment Guidelines" herein that reflects this IPS's target asset allocation over a full market cycle.

### *Risk Tolerance*

In establishing the risk tolerances for this Policy Statement, the Board and Committee acknowledge the Pooled Investment's Fund's ability to withstand short and intermediate term variability in order to achieve longer-term objectives.

Understanding that a long-term positive correlation exists between performance volatility (risk) and statistical returns in the securities markets, the following short-term objective has been established:

The portfolio should be invested to minimize the probability of low negative total returns, defined as a one-year return worse than approximately -9%. It is anticipated that the portfolio should exceed these downside targets no more than one out of twenty years.

## Investment Guidelines

The policies and restrictions presented in this IPS serve as a framework to achieve the investment objectives at the level of risk deemed acceptable.

### *Investment Restrictions*

No investment of fund assets is permitted unless made in accordance with these investment guidelines or the prior approval of the Board.

Purchases of Alternative Investments with liquidity of greater than one year must be approved in writing by the Committee.

### *Asset Allocation*

The Pooled Investment Fund shall be comprised of the asset classes listed in the table below. The target weight is the desired weight for each asset class. The minimum and maximum weights are designed to allow for normal market fluctuations and to allow for temporary over/under weight allocations that are believed to be desirable by the Investment Advisor.

<b>ASSET CLASS</b>	<b>MINIMUM WEIGHT</b>	<b>TARGET WEIGHT</b>	<b>MAXIMUM WEIGHT</b>
<b>Domestic Equity</b>	23%	33%	43%
<b>International Equity</b>	15%	22%	29%
<i>Total Equity</i>	<b>38%</b>	<b>55%</b>	<b>72%</b>
<b>Domestic Fixed Income</b>	16%	23%	30%
<b>International Fixed Income</b>	3%	5%	7%
<i>Total Fixed Income</i>	<b>19%</b>	<b>28%</b>	<b>37%</b>
<b>Alternative Investments</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>
<b>Cash</b>	<b>0%</b>	<b>2%</b>	<b>5%</b>
<b>TOTAL</b>		<b>100%</b>	

*Investment Fund Benchmark: 33% Russell 3000 Index, 22% MSCI ACWI ex US Index, 23% Barclays Aggregate Index, 5% Barclays Global Aggregate Index ex US, 15% HFRX Index, 2% 90 day Treasury Bills.*

### *Rebalancing Procedures*

The Finance and Investment Committee will monitor the asset allocation of the Pooled Investment Fund based on quarterly reports provided by the Investment Advisor. It is the responsibility of the Investment Advisor to monitor the Pooled Investment Fund on an on-going basis and to rebalance the Fund as necessary to ensure that it remains within IPS guidelines.

## *Asset Class Definitions*

### **Equity Investments**

*Domestic Equity:* A portfolio of stocks composed primarily of U.S. based companies selected from a universe of the 3000 largest U.S. companies based on total market capitalization. The generally accepted, nationally recognized index for this asset class is the Russell 3000 Index.

*International Equity:* A portfolio of stocks composed primarily of non-US-based companies whose primary shares trade on a non-US exchange. American Depositary Receipts (ADRs) are considered international stocks. The generally accepted, nationally-recognized index for this asset class is the Morgan Stanley Capital International (MSCI) All Country World Index Ex USA (Net).

### **Fixed Income Investments**

*Domestic Fixed Income:* A portfolio composed primarily of the dollar denominated investment-grade fixed-rate taxable bonds, including Treasuries, government-related and corporate securities, MBS pass-through securities, asset-backed securities, and commercial mortgage-based securities. The portfolio may also include non-benchmark fixed income investments which may include non-investment grade bonds. The generally accepted, nationally-recognized index for this asset class is the Barclays Capital Aggregate Bond Index.

*International Fixed Income:* A portfolio comprised primarily of investment grade government, corporate, and mortgage-related bonds denominated in currencies other than U.S. dollars. The generally accepted, nationally recognized index for this asset class is the Barclays Global Aggregate ex-US Dollar Bond Index.

### **Alternative Investments**

Alternative investments represent investment vehicles that seek to provide diversification through innovative and flexible strategies (such as the ability to short, add leverage and hedge). Investments in such vehicles are expected to provide diversification and the opportunity for capital appreciation. Diversification standards within each investment vehicle shall be according to the prospectus or trust document. Investments in these investment vehicles carry special risks. The fund(s) may utilize speculative investment strategies, trade in volatile securities, and use leverage in an attempt to generate superior investment returns. The fund(s) may invest in illiquid securities for which there is no ready market and place restrictions on investors as to when funds may be withdrawn.

Alternative investments may include: Hedge Funds, Commodities, Real Estate and Private Equity and Private Debt. Performance comparisons will be made to an index or blend of indices with similar risk/return characteristics of the alternative composite including but not limited to the HFRX Index, the NCREIF Property Index and the other relevant index comparisons.

### **Cash Reserves**

Cash Reserves consist of highly liquid investments having an average weighted maturity of three months or less. Investments should primarily be held in the custodian's money market fund, bank deposit sweep accounts, short-term maturity Treasury securities or certificates of deposit, and insured savings instruments of commercial banks and savings and loans. Performance comparisons will be made to 90 day T-Bills.

## **Investment Manager Selection and Evaluation Criterion**

### ***Investment Manager Selection***

The selection of Investment Manager(s) must be based on prudent due diligence procedures. In selecting the Investment Managers for the Pooled Investment Fund, the Investment Advisor will consider a variety of qualitative and quantitative factors. These factors, measured over a multi-year period, may include the Investment Manager's investment objectives, performance relative to its index and peer group, risk characteristics, return characteristics, investment style, manager tenure and turnover, style consistency and the degree of correlation with other fund Investment Managers.

### ***Investment Manager Monitoring and Review***

The on-going monitoring of investment options must be a regular and disciplined process. It is the mechanism for revisiting the Investment Manager Selection process and confirming that the criteria originally satisfied remain so, and that an Investment Manager continues to be a valid offering. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

The Investment Advisor will monitor, on a periodic basis, the same factors identified above under "Investment Manager Selection". Termination of an Investment Manager, or placement of a manager on a "watch list", may be required if an Investment Manager has:

1. A change in manager or analytical staff;
2. Experienced style drift;
3. Performed unfavorably relative to its index or peer group over rolling three and five year periods;
4. Performed unfavorably on a risk adjusted basis relative to its index or peer group over rolling three and five year periods;
5. Violated the Foundation's IPS guidelines;
6. Material litigation filed against the firm;
7. Material changes in firm ownership structure;
8. Exhibited any other factors that the Investment Advisor deems material since the initial selection of the investment option; or
9. Taken outsized risks in its portfolio deemed inappropriate by the Investment Advisor.

Watch list status is expected to last no longer than six months and will be used to evaluate the factors that led to the watch list designation. If, at the conclusion of the watch list evaluation, the Investment Advisor has overall satisfaction with the Investment Manager, no further action is required. If areas of dissatisfaction exist, it is the responsibility of the Investment Advisor to consider taking steps to remedy the deficiency including the removal of the Investment Manager.

### ***Investment Manager Removal***

An Investment Manager may be terminated at any time by the Investment Advisor, with or without cause, and assets may be re-allocated from time-to-time in the discretion of the Investment Advisor. The Investment Advisor may remove an Investment Manager when they believe such removal is in the best interest of the

Foundation taking into account all relevant factors including and without limitation, when the Investment Advisor has lost confidence in the Investment Manager's ability to:

1. Achieve performance and risk objectives;
2. Comply with investment guidelines;
3. Maintain a stable organization and retain key relevant investment professionals.

An Investment Manager's consistent failure to adhere to one or more of the above conditions and failure to remedy the circumstances, within a reasonable time, may be grounds for termination.

The watch list is not the only route for removing an existing manager. The aforementioned events, or any other events of concern identified by the Investment Advisor or re-balancing or re-allocation, may prompt the immediate removal of a manager without it being watch listed. Any decision to remove an Investment Manager will be treated on an individual basis.

### **Reporting**

The Custodian shall prepare the following reports for presentation on a monthly basis to the Executive Director:

1. Schedule of investments;
2. Interest income year to date;
3. Current yield.

The Pooled Investment Fund will be evaluated quarterly on a total return basis net of all fees. Returns will be compared to:

1. The increase in the Consumer Price Index (CPI) plus 5%.
2. A blended benchmark enumerated within the IPS.

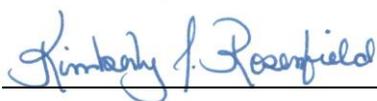
Comparisons will show risk and return performance statistics over relevant time periods. The report will be prepared by the Investment Advisor and will be provided to the Finance and Investment Committee on a quarterly basis.

### **Notes and History for this Investment Policy Statement**

This IPS was originally adopted by the Board of Directors on November 5, 2015 and revised thereafter.

Revision Date: January 28, 2020

Adoption of this IPS for the Foundation is acknowledged by:



January 31, 2020

**Board Chair**

**Date**

## **Appendix A**

### **The Uniform Prudent Management of Institutional Funds Act (UPMIFA)**

It is the intent of the Board to follow the provisions and apply the investment standards of UPMIFA in the management of the Foundation's investment funds. Key provisions to be considered in the management of institutional funds are listed below. A full evaluation of UPMIFA can be found at [www.uniformlaws.org](http://www.uniformlaws.org).

1. Subject to the intent of a donor expressed in a gift instrument, an institution, in managing and investing an institutional fund, shall consider the charitable purposes of the institution and the purposes of the institutional fund.
2. In addition to complying with the duty of loyalty imposed by law other than this Act, each person responsible for managing and investing an institutional fund shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.
3. In managing and investing an institutional fund, an institution may incur only costs that are appropriate and reasonable in relation to the assets, the purposes of the institution, and the skills available to the institution.
4. An institution may pool two or more institutional funds for purposes of management and investment.
5. In managing and investing an institutional fund, the following factors, if relevant, must be considered:
  - A. General economic conditions.
  - B. The possible effect of inflation or deflation.
  - C. The expected tax consequences, if any, of investment decisions or strategies.
  - D. The role that each investment or course of action plays within the overall investment portfolio.
  - E. The expected total return from income and the appreciation of investments.
  - F. Other resources of the institution.
  - G. An asset's special relationship or special value, if any, to the tax-exempt purposes of the institution.
  - H. The needs of the institution and the Fund to make distributions and to preserve capital.
6. Management and investment decisions about an individual asset must be made not in isolation but rather in the context of the institution's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Fund and to the institution.
7. Except as otherwise provided by law other than UPMIFA, the institution may invest in any kind of property or type of investment consistent with this section;
8. The institution shall diversify the investments unless it reasonably determines that, because of special circumstances, the purposes of the Fund are better served without diversification.
9. Within a reasonable time after receiving property, the institution shall make and carry out decisions concerning the retention or disposition of the property or to rebalance a portfolio, in order to bring the Fund into compliance with the purposes, terms, and distribution requirements of the institution as necessary to meet other circumstances of the institution and the requirements of this Act.