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# Investment Guidelines for the Securities Lending Enhanced Short Term Investment Fund (STIF)

**Objective:**

Achieve a superior market return by investing in a diversified portfolio of domestic and foreign U.S. dollar denominated money market instruments rated within a high credit category assigned by established rating agencies.

Maximum Final Maturity on Floating Rate Instruments:

A1 or P1	5 years
A2 or P2	95 days

**Sector Positioning:**

Investments Utilized include, but are not limited to:

**Credit Quality:**

In general, instruments rated A1 or P1 will be employed. A maximum of 25% A2 or P2 instruments will be permitted.

**Minimum Long term Rating:** BAA

The Fund may hold until maturity instruments that fall below these criteria.

**Maturity:**

A minimum of 20% of the portfolio must be invested in overnight instruments or those that are redeemable upon demand.

Not more than 20% of the portfolio can extend beyond 90 days in maturity or to next reset date.

Range of Weighted-Average Portfolio Maturity: 1 - 180 days

Maximum Issue Maturity on Fixed Rate Instruments:

A1 or P1	15 months
A2 or P2	95 days

Maximum Time to Next Reset Date:

A1 or P1	15 months
A2 or P2	95 days

Master Notes  
 Loan Participations  
 Commercial Paper  
 Domestic, Yankee, and Euro-Dollar Certificates of Deposit  
 Domestic and Euro-dollar Time Deposits  
 Bankers Acceptances  
 Bank holding company paper and savings bank deposits  
 Floating Rate Instruments  
 Corporate Notes  
 Medium Term Notes  
 Bank Notes  
 Deposit Notes  
 U.S. Treasury and Agency Securities  
 Collateralized Repurchase Agreements-- collateral custodied at bidder bank or other custodial banks or depositories  
 Asset Backed Securities  
 Mortgage Backed Securities  
 Foreign Debt Securities fully hedged against foreign currency exposure  
 Registered Money Market Mutual Funds  
 Other custodian bank STIFs  
 Other Fixed Income Instruments - The fund may purchase other types of instruments and enter into other types of transactions if they meet the Fund's quality, maturity, and liquidity requirements.

**Position Limits:**

No more than 5% of the portfolio, or a minimum transaction size of \$25 million, will be invested in

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securities of any single A 1 or P 1 issuer, although up to an additional 5% can be in overnight instruments or those that are redeemable upon demand.

No more than 2% of the portfolio will be invested in any single A2 or P2 issuer.

**Country Exposure:**

Foreign obligations are issued in U.S. dollars or are fully hedged into U.S. dollars.

The overall country guidelines and approved credit are reviewed quarterly on a formal basis and monitored on an ongoing basis. There may be certain occasions when these guidelines are temporarily exceeded in order to capture a market opportunity.

The following are the current guidelines to total country exposure (based upon where the parent institution is domiciled):

Maximum Exposure

Country	Guidelines
United States	100%
Great Britain	50
Germany	50
Japan	50
Switzerland	50
Australia	30
Austria	30
Canada	30
Denmark	25
Finland	25
France	25
Spain	25
Belgium	20
Italy	20
Netherlands	20
Sweden	20

**Accounting Methodology:**

The fund is a constant unit value fund which, in general, employs a "buy and hold" strategy.

**Margin Requirements:**

For loans of securities the principal trading market for which is in the United States, 102%, and for loans of securities the principal trading market for which is outside the United States, 105%, of the aggregate market value of the loaned securities plus any accrued but unpaid distributions thereon.

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