



Office of Trust Funds

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To: Interested Campus Stakeholders

From: Doug Hoerr, Director and Assistant Trust Officer
UW System Administration – Office of Trust Funds

Date: March 22, 2018

Re: **UW System Trust Funds – Upcoming Investment Management Transition**

Effective April 1, 2018, the UW System will transfer its investment management responsibilities for Trust Funds 161 and 162 to the State of Wisconsin Investment Board (SWIB).

SWIB currently manages more than \$117 billion in combined assets for the Wisconsin Retirement System (WRS), the State Investment Fund (SIF), and other state trust funds. We are confident SWIB will be a prudent and effective investment manager for the UW System. ***Important note:** the UW System Office of Trust Funds and the Office of Finance will continue to be responsible for the general administration, accounting, and recordkeeping of Trust Funds assets and projects.*

161 Trust Fund

The 161-Income Cash Fund is used to receive spending distributions from the Long Term Fund, for investing fully expendable funds with a short investment time horizon, and from which all expenditures are made. The Income Cash Fund is invested in the State Investment Fund, which is administered by the Department of Administration and managed by SWIB. There are no changes to this Fund related to the transition.

162 Trust Fund

The 162-Long Term Fund is used primarily for endowments and other long-term monies. Under SWIB's management, the Long Term Fund will remain and retain its long-term/endowment orientation, and the transition should be seamless to investors in this Fund.

The 162-Intermediate Term Fund is used for fully expendable funds with an intermediate investment time horizon. **The Intermediate Term Fund as a separate investment option for expendable funds will be eliminated as part of the transition.**

Post-Transition

After the transition, there will be only two investment options for Trust Funds assets: the 161-Income Cash Fund and the 162-Long Term Fund. **As of March 31, 2018, all investments/holdings you may have in the Intermediate Term Fund will be automatically liquidated and transferred to the Income Cash Fund. If you have directed that any new gifts or accounts be invested in the Intermediate Term Fund, they will instead be invested in the Income Cash Fund.** Subsequent to this transfer, Trust Funds account/project holders will be able to invest fully expendable monies in the Long Term Fund, in part or in whole, if a longer-term orientation is appropriate.

Requests to transfer monies to the Long Term Fund should be communicated to the Office of Trust Funds, which will consult and advise as appropriate.