**Section 2500.50 Investment Policy**

a) The Treasurer will select the investment options to be offered by the Pool to the account owners. *The Treasurer shall develop, publish, and implement an investment policy covering the investment of the moneys in each of the programs in the Pool. The policy shall be published each year as part of the audit of the Pool by the Auditor General. The policy shall be distributed to all account owners in each program. The Treasurer shall notify all account owners in the program in writing, and the Treasurer shall publish, in a newspaper of general circulation in both Chicago and Springfield, any changes to the previously published investment policy at least 30 calendar days before implementing the policy.* [15 ILCS 505/16.5(g)]

b) The investment policy is a written statement describing the risk management and oversight program and should be designed to:

1) ensure that an effective risk management process is in place to monitor the risk levels of the Pool;

2) ensure that risks taken are prudent, properly managed, and adequately compensated compared to applicable performance benchmarks and standards;

3) describe the Treasurer's investment objectives; and

4) describe the process of evaluating performance of employees and contractors that provide investment management services to the Pool.

c) The Treasurer will utilize the following investment principles when constructing, evaluating, and selecting the investment framework, investment options, and investment funds for the Pool:

1) Low Cost – *The Treasurer must use his or her best efforts to keep fees as low as possible and consistent with the administration of high quality competitive college savings programs.* [15 ILCS 505/16.5(e)]

2) Open Architecture – The Pool's investment framework shall utilize an open architecture plan design, meaning it shall not be required to select proprietary investment funds or investment options. The open architecture design shall allow the Treasurer to select the underlying investment options and investment funds. The open architecture design is intended to provide the Treasurer with:

A) Access to best in class portfolio managers;

B) The ability to use nonproprietary products;

C) Increased flexibility when choosing underlying investment strategies; and

D) The ability to minimize account owner fees on underlying investment funds and accounts.

3) Various Investment Options – The Pool's investment options may include, but are not limited to:

A) Dynamic age-based portfolio;

B) Static portfolios with varying target allocations (i.e., aggressive, moderate or conservative risk profiles); and

C) Individual fund portfolios.

4) The portfolios listed in subsection (c)(3) may include some or all of the following asset categories:

A) Deposits with financial institutions (e.g., FDIC-insured savings accounts);

B) Short-term investments (e.g., money market funds);

C) Fixed income investments;

D) Real estate investments;

E) Domestic equity investments; and

F) International equity investments.

(Source: Amended at 46 Ill. Reg. 3183, effective February 8, 2022)