

AGENDA ITEM 1B

COLLEGE ILLINOIS!® PREPAID TUITION PROGRAM STATEMENT OF INVESTMENT POLICY

Submitted for: Action

Summary: Normally when investment staff recommends a new Asset Allocation for approval, we also provide revisions to the following sections (Section IV.A. Asset Allocation and Section IV.E Policy Benchmark) of the Statement of Investment Policy to reflect the new asset targets. In this case, we are providing several asset allocation mix alternatives to the Investment Committee and Commission for review. Therefore, we would prefer to make such adjustments to the Statement of Investment Policy once we had an opportunity to review all the scenarios with the Investment Committee and Commission and a final asset mix was approved.

We would also like to ask the Investment Committee and Commission to approve updating the Infrastructure asset class index from 90-day T bills +4% to 90-day T bills, as the current short term interest rates are rather high relative to the historical average.

Action requested: For the Commission to approve that investment staff updates page 10 of the Statement of Investment Policy with the new Asset Allocation targets and rebalancing ranges as recommended by the Investment Committee and approved today by the Commission. In addition, we are asking the Commission to approve that investment staff updates page 11 of the Statement of Investment Policy with the new asset class weights for the Policy Benchmark as recommended today by the Investment Committee and approved by the Commission. Furthermore, for the Commission to approve that investment staff updates the Infrastructure asset class index to 90-day T bills in page 11 of the Statement of Investment Policy as approved and recommended today by the Investment Committee.