

INVESTMENT AND WITHDRAWAL GUIDELINES FROM THE INTERMEDIATE POOL

The Board of Trustee's Intermediate Pool Authorization and Investment Policy, adopted on October 18, 2016, sets forth guidelines for investments and withdrawals into and out of the Intermediate Pool (IP). Specific procedures consistent with this policy are established by University Financial Management Services (FMS) and Stanford Management Company (SMC). These procedures cover not only investment policies but also extend to the operating policies, such as valuation and computation of the per-share market value established for the IP.

The Intermediate Pool (IP) is being offered as an attractive investment alternative to the Merged Pool (MP) for University capital that requires liquidity. The IP is designed for investors able to take principal risk in pursuit of higher returns, but may also require liquidity from time to time. Investors with an intermediate term investment horizon should consider this investment pool. Investors with time horizons over seven years that are able to accept illiquidity should consider investing in the MP, which has a somewhat higher expected rate of return. Investors with a very short-term time horizon should be cautious of taking principal risk associated with either the IP or MP. Unlike funds within the Expendable Funds Pool (EFP), no guarantee of principal exists for the IP or MP.

Intermediate Pool Mechanics

The IP functions as a unitized pool with shares and share prices, similar to the MP. All funds receive the return of the portfolio, less the cost to administer the portfolio. Funds invested in the IP do not receive payout and are not considered part of the University's endowment.

Eligible Shareholders

The Intermediate Pool is open to the following types of shareholders:

- New Pending Funds not intended for endowment
- New Donor Advised Funds (DAFs), or portions of DAFs, not intended for Stanford's endowment
- New additions to the Land Development Fund (LDF)
- Hospital investments
- School and Department Funds (SDF) (e.g. The Stanford Business School Trust, Stanford Engineering Venture Fund, DAPER Investment Fund, etc.)
- A portion of the Expendable Funds Pool (EFP), at the discretion of the CFO
- Intermediate term reserves from school and units, which might otherwise have been invested in the MP as Funds Functioning as Endowment (FFE).

Required Approvals

- **School and unit reserves:** Requests to invest in the IP made by a school or academic department must be approved by both the Dean or Chair, and the school's Senior Financial Officer.
- **Auxiliary units:** such requests must be approved by a University Vice Provost or Vice

President.

- **Administrative units:** such requests must be approved by the Provost.

Minimum Investment Amounts

- Pending Funds invested in the IP require an initial investment amount of at least \$500K. Exceptions to this policy must be approved by the Vice President for Development.
- All other investments in the IP, including both initial investments and subsequent additions, must be in increments of at least \$1 million to ensure administrative costs remain low and don't unduly impair investment returns. Any exception must be approved by the University's Chief Financial Officer.

Lock-up Periods

School and unit reserves invested in the IP are subject to a 4-year lockup period, during which the school or unit may not withdraw from the fund.

Processing of Investment and Withdrawal Requests

Complete and approved forms (attached here into) must be sent to Fund Accounting.

Questions regarding investments or withdrawals into or out of the Intermediate Pool should be referred to Fund Accounting.

INVESTMENT OF INTERMEDIATE POOL FUNDS

Date: _____

To: FUND ACCOUNTING
3145 Porter Drive
Palo Alto, CA
94304

From: _____
(Name, title, and phone number)

Subject: REQUEST TO INVEST FUNDS IN THE INTERMEDIATE POOL

Please transfer the following amount from the following fund for investment in the Intermediate Pool: **Fund/Account** _____ **Amount** _____

APPLICABLE APPROVAL

I have read the attached guidelines, and agree to abide by them.

School or Academic Department

School Senior Financial Officer: _____

Title: _____

Dean or Chair: _____

Title: _____

Auxiliary Unit

I have read the attached guidelines, and agree to abide by them.

University Vice Provost or Vice President: _____

Title: _____

Administrative Unit

I have read the attached guidelines, and agree to abide by them.

Provost or Designee _____

Title: _____

CONFIRMATION OF INTERMEDIATE POOL FUNDS INVESTMENT

Date: _____

To: _____
[Name of contact from investment form above]

From: _____
[Name of Fund Accounting Staff responsible and phone number]

Subject: CONFIRMATION OF INVESTMENT IN THE INTERMEDIATE POOL

The above funds, \$_____ were transferred to and invested in the IP on (DATE) _____ . I am attaching a copy of the fund authorization statement showing book value, market value, and number of shares. Please retain this information in your records.

You may obtain updates of market values by looking at the relevant on-line information systems or by calling Fund Accounting.

Signed: _____ Phone: _____

WITHDRAWAL OF INTERMEDIATE POOL FUNDS

Date: _____

To: FUND ACCOUNTING
3145 Porter Drive
Palo Alto, CA 94304

From: _____
(Name, title, and phone number)

Subject: **REQUEST TO WITHDRAW FUNDS FROM THE INTERMEDIATE POOL**

Please withdraw the following Intermediate Pool funds during (MO/YR) _____ as described below or in the attached supporting documentation:

Withdraw from:

Fund/Account: _____ Date Fund Established: _____
Recent Fund Market Value: _____ Amount to be Withdrawn: _____

Deposit in:

Fund/Account: _____ Amount: _____

Applicable Approval

I have read the attached guidelines, and agree to abide by them.

School or Academic Department

School Senior Financial Officer: _____

Title: _____

Dean or Chair: _____

Title: _____

Auxiliary Unit

University Vice Provost or Vice President: _____

Title: _____

Administrative Unit

Provost or Designee _____

Title: _____

CONFIRMATION OF INTERMEDIATE POOL FUNDS WITHDRAWAL

Date: _____

To: _____
[Name of contact from withdrawal form above]

From: _____
[Name of Fund Accounting Staff responsible and phone number]

Subject: **CONFIRMATION OF WITHDRAWAL FROM THE INTERMEDIATE POOL**

The above funds, \$_____ were withdrawn from the Intermediate Pool and transferred to (FUND NUMBER)_____ on (DATE)_____. I am attaching a copy of the fund authorization statement showing the remaining book value, market value, and number of shares if any. Please retain this information in your records.

Signed: _____ Phone: _____