

Chapter 7b
Investment of Permanent State Trust Fund Money

Part 1
General Provisions

51-7b-101 Title.

This chapter is known as "Investment of Permanent State Trust Fund Money."

Enacted by Chapter 211, 2013 General Session

51-7b-102 Definition.

As used in this chapter, "permanent state trust fund" means the permanent state trust fund created by and operated under Utah Constitution, Article XXII, Section 4.

Enacted by Chapter 211, 2013 General Session

Part 2
State Treasurer Investment Duties

51-7b-201 Investment of money in the permanent state trust fund.

- (1) The state treasurer shall:
 - (a) invest money in the permanent state trust fund with the primary goal of providing for the stability, income, and growth of the permanent state trust fund's principal;
 - (b) in making investment decisions, consider:
 - (i) general economic conditions;
 - (ii) the possible effect of inflation and deflation;
 - (iii) the role that each investment or course of action plays within the overall permanent state trust fund portfolio;
 - (iv) the expected total return from income and the appreciation of capital; and
 - (v) needs for liquidity, regularity of income, and preservation or appreciation of capital; and
 - (c) diversify the investments of the permanent state trust fund, unless the state treasurer reasonably determines that the purposes of the permanent state trust fund are better served without diversifying.
- (2) Nothing in this section requires a specific outcome in investing.
- (3) The state treasurer may deduct any administrative costs incurred in managing permanent state trust fund assets from earnings before transferring them to the General Fund.
- (4)
 - (a) The state treasurer may contract with professional asset managers to assist in the investment of assets of the permanent state trust fund.
 - (b) The treasurer may provide compensation to asset managers only from assets generated by the permanent state trust fund's investments.

Enacted by Chapter 211, 2013 General Session

51-7b-202 Prudent investor standard -- Determining whether standard met.

- (1) The state treasurer shall invest and manage the permanent state trust fund assets as a prudent investor would, by:
 - (a) considering the purposes, terms, distribution requirements, and other circumstances of the permanent state trust fund; and
 - (b) exercising reasonable care, skill, and caution in order to meet the standard of care of a prudent investor.
- (2) In determining whether the state treasurer has met the standard of care of a prudent investor, a finder of fact shall:
 - (a) consider the state treasurer's investment decision or action in light of the facts and circumstances existing at the time of the decision or action, and not by hindsight; and
 - (b) evaluate the state treasurer's investment and management decisions respecting individual assets:
 - (i) not in isolation, but in the context of the permanent state trust fund portfolio as a whole; and
 - (ii) as a part of an overall investment strategy that has risk and return objectives reasonably suited to the permanent state trust fund.

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