

Effective 5/13/2014

Part 3
Investment of Trust Funds

67-19f-301 Investment of State Employees' Annual Leave Program II Trust Fund.

- (1) The state treasurer shall invest the assets of the trust fund with the primary goal of providing for the stability, income, and growth of the principal.
- (2) Nothing in this section requires a specific outcome in investing.
- (3) The state treasurer may deduct any administrative costs incurred in managing trust fund assets from earnings before distributing the trust fund assets.
- (4)
 - (a) The state treasurer may employ professional asset managers to assist in the investment of assets of the trust fund.
 - (b) The treasurer may only provide compensation to asset managers from earnings generated by the trust fund's investments.

Enacted by Chapter 437, 2014 General Session

67-19f-302 State treasurer to follow "prudent investor" rule -- Standard of care.

- (1) The state treasurer shall invest and manage the trust fund assets as a prudent investor would, by:
 - (a) considering the purposes, terms, distribution requirements, and other circumstances of the 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, the judge or finder of fact shall:
 - (a) consider the state treasurer's actions in light of the facts and circumstances existing at the time of the investment 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 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 trust fund.

Enacted by Chapter 437, 2014 General Session