(3) Return on investments. The university's liquidity fund portfolio shall be structured with the objective of attaining the highest possible total return for the portfolio while avoiding risk.

(4) Compliance with state of Ohio guidelines. Investments shall be made only in publicly traded securities or bank certificates of deposit. In addition, an amount equal to twenty-five percent of the average of the university's total investment portfolio, which includes the university's liquidity fund and the university's investment fund over the course of the previous fiscal year, shall be invested in short-term, liquid securities.

(B) Asset allocation

(1) The liquidity fund may be managed internally or by one or more fixed income investment managers provided that sufficient liquidity is maintained to meet the objectives of the pool.

(2) Assets in the liquidity fund may be invested in securities of the United States (U.S.) government or of its agencies or instrumentalities, the Treasurer of the state of Ohio's pooled

investment program, obligation of the state of Ohio or any political subdivision of the state of Ohio, certificates of deposit of any national bank located in the state of Ohio, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, commercial paper issued by a for-profit corporation rated in the highest classification established by at least two rating services, and mutual funds that invest exclusively in obligations described in this paragraph.

(3) The liquidity fund is expected to normally represent approximately thirty percent of the non-endowment funds, which would include both the liqui

the finance affairs committee may be sent to the investment manager establishing the violation with a specific time frame to comply with the policy; non-conformance may result in termination.

(2) Failure to consistently meet investment benchmarks, as established within a reconciled performance monitor, over an extended period of time may result in a manager being placed on “watch” and may eventually lead to termination. Specifically, if a manager trails