

# University of California

## Office of the Chief Investment Officer of the Regents

### POLICY – Intrafund Transfer



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Issued by: Chief Operating Officer  
Issue date: July 1<sup>st</sup>, 2020  
Last Updated: July 20<sup>th</sup>, 2020  
Effective Date: July 1<sup>st</sup>, 2020

## I. Purpose

The University of California (the “University”) Office of the Chief Investment Officer of the Regents (“UC Investments”) has adopted this Policy to establish the standard of business conduct that the UC Investments’ trading team must follow. This Policy is in line with the University of California’s (“UC”) Standards of Ethical Conduct<sup>1</sup> that all UC employees are subject to. Additionally, the trading guidelines in the Investment Implementation Manual<sup>2</sup> require that UC Investments has policies in place to ensure all trades are allocated in a fair and equitable manner among portfolios. In accordance with ethical standards, the Policy incorporates the following general principle:

- Conduct UC Investments’ business in a manner consistent with the Policy, which includes avoiding any actual or potential conflicts of interest and any abuse of a Covered UC Investments Associate’s position of trust and responsibility.

## II. Scope

All intrafund transfers or cross trades that take place in internally managed portfolios must be conducted in a manner that is consistent with this Policy. “Cross Trade” is defined as a buy and sell transaction of the same security between two or more accounts managed by the Manager. In the event that a cross transaction between multiple portfolios is deemed appropriate, it is UC Investments’ policy to allow a Portfolio Manager (“PM”) to determine for each portfolio that such purchase or sale would be appropriate based upon the portfolio’s investment/risk parameters, cash constraints, liquidity and portfolio exposure. In such instances, the security will be purchased at the latest available value.

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<sup>1</sup> [https://www.ucop.edu/ethics-compliance-audit-services/\\_files/stmt-stds-ethics.pdf](https://www.ucop.edu/ethics-compliance-audit-services/_files/stmt-stds-ethics.pdf)

<sup>2</sup> <https://regents.universityofcalifornia.edu/regmeet/mar18/i2attach13.pdf>

In general, positions may be re-balanced based on each portfolio's proportionate share of assets managed under the strategy, the type of instrument/security involved in the rebalancing transaction and/or such other terms which may be deemed fair and equitable by the PM.

### **III. Reporting and Review Processes**

Traders will be required to enter a rationale for all cross trades that are conducted in Bloomberg. For cross trades that take place outside of Bloomberg, the PM and/or traders will be asked to review the trades on a quarterly basis and provide rationale. The Compliance team will review the rationales provided by the PM Team, and escalate any issues as necessary.

Violations of this Policy may be escalated to the Compliance Committee.