



PATIENT-CENTERED OUTCOMES RESEARCH INSTITUTE

Investment Policy

This Investment Policy (“Policy”) governs the investment management of assets of the Patient-Centered Outcomes Research Institute (“PCORI”). PCORI is an independent, nonprofit organization authorized by federal law that is exempt from taxation under Section 501(c)(1) of the Internal Revenue Code of 1986, as amended. Consistent with the purpose set forth in its authorizing law, PCORI funds patient-centered comparative clinical effectiveness research and related initiatives to help patients, caregivers, clinicians, employers, insurers and policymakers make informed healthcare decisions and improve healthcare delivery and outcomes. To advance its mission, PCORI makes ongoing commitments to fund research and other initiatives, many of which are multi-year projects.

PCORI is incorporated under the District of Columbia Nonprofit Corporation Act and follows the principles of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) enacted by the District of Columbia with respect to the investment and management of its funds.

I. Investment Objectives

(a) PCORI will expend institutional funds to fund research and other initiatives in furtherance of its statutory purpose on a current basis rather than holding such funds for long-term appreciation. Accordingly, PCORI’s overall investment objective is to manage institutional funds in a manner that will preserve the value of its funds and maintain high levels of liquidity to enable PCORI to fulfill its ongoing commitments to fund multi-year research and other initiatives.

(b) PCORI will follow investment guidelines that are consistent with its need for the maintenance of liquidity to fund research and other initiatives out of current assets rather than investment fund earnings or appreciation, if any. To that end, PCORI will invest institutional funds in interest-bearing obligations of the United States and other investments of like investment quality and liquidity.

(c) PCORI is an independent organization that seeks to ensure the independence and integrity of the research and other projects that it funds. PCORI will not hold investments in entities that manufacture or are otherwise related to products or services that may be the focus of the research and other projects funded by PCORI.

II. General Guidelines

(a) The Board of Governors of PCORI (“Board”) will oversee the management of PCORI’s investment assets. The Board may delegate this responsibility to a Board Committee. References in this Policy to the Board include any Board Committee with Board-delegated authority to oversee investments.

(b) The Board will manage PCORI’s investment assets in good faith, and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. Investment decisions will take into account the considerations set forth under the UPMIFA, with particular focus on the need to invest assets in a prudent manner that will create liquidity and preserve assets to fund PCORI’s on-going programs.

(c) The Board may engage unaffiliated investment managers and delegate to such managers responsibility for the management of investments in accordance with this Policy. The Board will act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in selecting investment managers, establishing the scope and terms of their responsibilities consistent with the purposes of PCORI and this Policy, and periodically reviewing the investment managers' actions in order to monitor their performance and compliance with the scope and terms of this Policy. Investment managers that have special skills or expertise shall have a duty to use those skills or that expertise in managing and investing PCORI's investment assets.

(d) Investment decisions about an individual asset will be made in the context of PCORI's investment portfolio as a whole and as part of an overall investment strategy having risk and return objectives consistent with PCORI's need for the preservation of capital and maintenance of liquidity to carry out its on-going programs.

(e) PCORI will invest its institutional funds in interest-bearing obligations of the United States and other investments of like investment quality and liquidity. The Board will review these investment guidelines as frequently as circumstances require, but at least annually.

(f) PCORI's investment funds may be commingled for investment purposes.

(g) In managing investments, PCORI shall incur only those costs that are appropriate and reasonable in relation to the assets, the purposes of the investments and the skills available to PCORI, and will make a reasonable effort to verify facts relevant to the management and investment of PCORI's investment assets.

(h) This Policy may be amended from time to time by the Board.

History:

Approved by the PCORI Board January 10, 2017