POLICY & PROCEDURE MANUAL

<u>California State University</u> Channel Islands Foundation Policy No.: 13.02 Number of Pages: 5 Approved: Aug. 14,2013 Revised: Nov. 16, Apr. 17,

Feb. 19, Feb. 21, Apr. 21, Aug. 22

INVESTMENT POLICY STATEMENT

A. Statement of Purpose

- 1. Set Board and Finance & Investment Committee objectives and goals on:
 - a. Monitoring investment performance
 - b. Prescribing a general course of action to guide the selected Investment Advisor(s)
 - c. Establishing restrictions on investment allocations, types, and management
 - d. Outline procedures and policy for performance review
- 2. Establish Investment Policy for use by the Finance & Investment Committee using long-term rates of return to serve as the standard to evaluate investment performance

B. Statement of Responsibilities

- 1. Foundation Board 1 adopts Investment Policy generally based upon Committee recommendation
- 2. Finance & Investment Committee i develops Investment Policy and recommends such to Foundation Board
 - a. Reviews service and performance of the various investments and individual managers on a quarterly basis, or more frequently if needed.

 - - i. Meets or directly interacts with Investment Advisor(s) on overall portfolio and the recommended indij $]Xi\ U^{\cdot}$

G. Investment Policy Statement Guidelines

General Statement: The guidelines apply to gifts and donations placed in three classes of investments I Permanently Restricted Endowments, Temporarily Restricted, and Unrestricted Current Net Asset Classes. The Board shall limit placing investments with firms and/or instruments that adhere to established guidelines and that meet the standards of prudent investment management.

- 1. Donor restricted endowments (UNCHANGABLE INVESTMENTS):
 - a. Donor shall engage independent tax counsel to review gift/donation to assure Board that there will be no adverse tax consequences
 - b. 8 cbcf@investment instructions may be followed provided they are compliant with CI Foundation investment policy

I. Prohibited

2. Fixed-Income Investments

a. <u>Bonds</u>

Most fixed income investments are to be invested in high-quality corporate, Treasury and US Government Agency bonds

The average credit quality shall be investment grade

Suggested mix/diversification shall be accomplished through a mutual fund

b. <u>Money Market or Cash-Equivalent Investments</u>

Not considered an appropriate vehicle for Permanently Restricted Endowment assets except as:

- i. Depository for income distributions from longer-term investments, or
- ii. Temporary funds placement pending investment

R. Social Responsibility

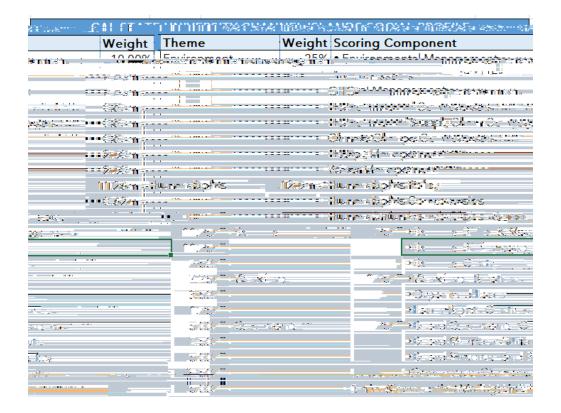
The CSU Channel Islands Foundation operates in this manner because we believe:

- This is consistent with fiduciary obligations to constituents in the light of changing external markets and world conditions.
- These actions may lead to better endowment returns if prudently and properly managed.
- ESG and SRI have impact on the long-term sustainability of companies and assets, and therefore form an important input to the risk management process.
- Investment managers who effectively manage the risks and opportunities arising from ESG and SRI issues are likely to be more successful over the long term than those that do not.

Investment managers that manage separate account portfolios for the Foundation are required to implement ESG and SRI issues within their investment processes in all new or renegotiated fund manager guidelines. Integration of ESG and SRI requires that the impact of any of these issues on the price of a company is included in the evaluation process.

Portfolio Exclusions

The following companies/industries are to be



The Investment Advisor will provide the Committee with ESG/SRI investment options as they become available to the portfolio.

The Investment Advisor will also provide the Committee with a report showing the exposure to the restricted Wta dlb]Yg'k]h\]b'h\Y': ci bXlh]cb\vec{N}j'bcb-separately managed investments.