







G. Investment Policy Statement Guidelines

General Statement: The guidelines apply to gifts and donations placed in three classes of investments: 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 cbc fty investment instructions may be followed provided they are compliant with CI Foundation investment policy

I. Prohibited

2. Fixed-Income Investments

a. Bonds

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. Money Market or Cash-Equivalent Investments

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 prefers to invest with fund managers who have incorporated ESG and SRI principles in their investment processes. The investment manager will report these to the Finance Committee.

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

- i This is consistent with fiduciary obligations to constituents in the light of changing external markets and world conditions.
- i These actions may lead to better endowment returns if prudently and properly managed.
- i 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.
- i 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

