FOUNDATION OF CALIFORNIA STATE UNIVERSITY MONTEREY BAY

FOUNDATION OF CSUMB

BOARD POLICY

Policy 201

Endowment Investment Policy Statement

Section: 200- Financial
Issue Date: 04/21/11
Last Reviewed: 12/13/24
Previous Versions: 06/09/23; 12/13/19, 6/13/14, 08/16/11

1) PURPOSE

This Endowment Investment Policy is intended to provide guidelines for the prudent investment of the Endowment Fund of Foundation of California State University, Monterey Bay (the "Foundation") and to outline an overall system of investment policies and practices such that the Foundation's ongoing financial obligations are satisfied. An additional and equally important purpose of this document and other Foundation investment-related policies is to provide donors, prospective donors, and donation recipients with information about investment performance expectations, guidelines for distribution of earnings, and levels of reimbursements of costs to the Foundation.

2) MISSION

The mission of the Foundation investment portfolio (the "Portfolio") is to support the program and operations of the Foundation through a flow of interest, dividends and appreciation of assets. It is the intent that the purchasing power of the Portfolio will be maintained without putting the principal value of these funds at imprudent risk.

This policy statement is issued for the guidance of participants involved with the investment process, including investment managers and members of the Investment Committee (the "Committee"), to be used in the course of investing assets for the Portfolio.

3) GENERAL STANDARDS

The Portfolio will be managed consistently with the applicable standards and requirements set forth in the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by California in 2009.

In seeking to attain the investment goals and objectives set forth in the policy, Committee members must act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner reasonably believed to be in the best interest of the Foundation. Members of the Committee must provide full and fair disclosure to the Committee of all material facts regarding any potential conflicts of interest.

4) STATEMENT OF GOALS AND OBJECTIVES

This statement is to set forth an appropriate set of goals and objectives for the Portfolio and to define guidelines within which the investment managers may formulate and execute their investment decisions.

(1) The Portfolio will be managed with a long-term investment perspective with the intent that principal is preserved and enhanced over time. Total return, consistent with prudent investment management, is the primary goal. Total return, as used herein, includes income plus realized and unrealized gains and losses on the Portfolio ("Total Return").

(2) The target total rate of return is stated as a range from 6.5 - 8.5%, net of investment expenses, compounded annually. This range takes into consideration the Portfolio spending policy, prudent investment expenses and the fact that capital market conditions and inflation change over time. At times it may be desirable to manage the Portfolio asset allocation at either the low end or high end of the range.

(3) The total return for the overall Portfolio is expected to meet or exceed the Endowment's Policy Index (as described in Appendix I) and rank in the top-half of the custom peer group universe (for example, endowments and foundations with assets between $0 and $50 million, or a similar universe based on a reasonable sample size).

(4) Total risk exposure and risk-adjusted returns will be regularly evaluated and compared with the peer group universe. Total portfolio risk exposure as measured by the standard deviation of return should generally rank in the mid-range of comparable portfolios.

(5) Active investment managers are expected to strive to exceed, net of fees, the risk-adjusted return of the designated benchmark index. Passive managers are expected to closely match the return of the designated index.

   a. The Committee is aware that there may be deviations from the stated performance targets. Normally, results are evaluated over a five- to ten-year time horizon, but shorter-term results will be regularly reviewed and earlier action taken if in the best interest of the Portfolio for Items 1-5 above.

5) INVESTMENT GUIDELINES

To achieve the total return objective, the following guidelines will be employed. The Committee recognizes that any statement of guidelines requires periodic update. Should any of these guidelines need revision or involve any imprudent risk to the assets under management, the investment manager is expected to immediately notify the investment consultant and recommend suitable modification. No investment will be made which might reasonably be expected to place in jeopardy the Foundation's exempt status under the U.S. Internal Revenue Code. It is the policy of the Committee to review these goals and objectives at least once per year and as appropriate, to communicate any material change thereto to the investment managers. The asset allocation of the Portfolio should reflect the proper balance of need for liquidity, preservation of purchasing power, and risk tolerance. The targeted mix to achieve these goals is shown in Appendix I.

The Foundation recognizes the importance of integrating environmental sustainability factors into our investment decision-making process. In addition to complementing our ability to generate superior long-term financial returns, the integration of environmental sustainability factors may also lead to better social and environmental outcomes for The Foundation, our community, and our planet.

This is consistent with CSUMB's current environmental sustainability statement, below:

> *"CSUMB's broad approach to sustainability recognizes that the decisions we make today impact future generations. Through the lens of justice and equity we work in all areas of operations and teaching to respect, and respond to, the needs of our natural environment."*

In general, The Foundation will seek over time to integrate more investment funds that consider environmental sustainability factors in the sourcing and due diligence process for Foundation investments.

6) REBALANCING GUIDELINES

The Committee authorizes staff and investment consultant to rebalance portfolio assets within the permissible ranges noted in Appendix I. Rebalancing actions will be reported and reviewed by the Committee every quarter. An asset class may be permitted to be above or below its permissible range with the approval of the Committee.

7) INVESTMENT MANAGERS

The assets of the Portfolio will be managed by external investment managers. Each manager's objective is to maximize total return and achieve results that compare favorably with their respective benchmarks and peers over the long term. An investment manager has full discretion to invest over the broad spectrum of opportunities within the global investment universe of the appointed mandate, provided the manager maintains high fiduciary standards and appropriate risk controls, and complies with the constraints as outlined in these guidelines.

Relationships are expected to be long term; however, an investment manager may be terminated at any time subject to the terms of any contract with said investment manager. Typical reasons for termination may include but are not limited to the following events:

- Restructuring of the investment manager portfolio asset allocation,
- Breach of fiduciary conduct,
- Non-adherence to these guidelines, or the manager's articulated investment strategy,
- Significant changes in the organization's structure or personnel,
- Loss of confidence in the organization's ability to add value,
- Lack of adequate internal controls, and
- Underperformed longer-term performance (typically 5 - 10 years).

Short-term underperformance, by itself, is not typically cause for dismissal; however, as the period of underperformance extends, it may be suggestive of personnel problems, faulty strategies, or a failure to control the investment process. As part of the Foundation's ongoing due diligence process, investment managers are reviewed on an ongoing basis, with quarterly updates provided by the Investment Consultant to the Investment Committee. The updates are centered on a process that monitors and evaluates each manager for changes in the organization, the investment process and performance versus the stated objective. Managers for which concerns, or potential issues have been identified are placed on a watch list, with the status of any manager on the list being reviewed at each quarterly Investment Committee meeting, with action taken (e.g., termination, removal from the watch list, or continued watch list status) as deemed appropriate and with support provided by the consultant.

The amount of assets an investment manager manages for the Portfolio may be increased or decreased as deemed appropriate by the investment consultant. Typical reasons for such adjustments may include but are not limited to the following events:

- To bring the equity and fixed income holdings of the total fund within Portfolio asset allocation guideline requirements,
- To raise cash to meet spending needs,
- To allocate contributions into the Portfolio, and
- To fund new investment managers or reallocate assets from terminated managers.

8) TRANSFER OF FUNDS & DONATION GUIDELINES

Funds may be admitted to the Portfolio at any time consistent with the Foundation’s fiscal policies and procedures in connection with acceptance and administration of gifts. Typically, new money will be invested in the cash equivalent category until such time as the Investment Manager(s) can prudently invest those funds in the fixed income, equity, and/or alternatives components.

Unrestricted donations of marketable securities are to be liquidated in an orderly fashion unless they conform to the investment model as determined by the Investment Manager.

Assets acquired with special restrictions on substitution or sale should be managed in strict accordance with the instruction of the donor.

9) GUIDELINES FOR FIXED INCOME PORTFOLIO

Fixed income securities include obligations of the U.S. government and its agencies, corporate obligations, mortgage-backed securities, asset backed securities, commercial paper, certificates of deposit, Yankee bonds, emerging market debt and other instruments deemed prudent by the investment managers. Additionally, securities rated below investment grade (i.e., below BBB- by Standard & Poor’s, or an equivalent rating by Moody’s or Fitch) may be included if deemed prudent by the investment manager. This includes mandates that focus exclusively on below investment grade securities (including high yield, bank loans, less liquid or illiquid senior lending strategies and private debt), emerging market debt or other sectors of the fixed income market. Managers that hold broadly diversified portfolios that are more absolute return focused may be utilized as well.

Fixed-income securities are to be selected and managed to ensure appropriate balances in qualities and maturities, consistent with current market and economic conditions.

International fixed income managers may employ an active currency management program and deal in futures and options within the discipline of that currency management program. The use of futures and options to establish a leveraged position is prohibited.

The investment managers are responsible for making an independent analysis of the creditworthiness of fixed income securities and their appropriateness as an investment, regardless of the classification provided by the rating service.

10) GUIDELINES FOR EQUITIES

Equity securities may include common stocks, convertible preferred stocks, and debt securities convertible into equity securities. Strategies where the majority of the expected return is projected to be derived from investment in long only public equity may be classified as a public equity investment at the discretion of the investment consultant. Such investments, which may be held in a hedge fund structure and have the ability to short equity securities, shall provide liquidity no longer than on a quarterly basis.

International equity managers may employ an active currency management program and deal in futures and options within the discipline of that currency management program. The use of futures and options to establish a leveraged position is prohibited.

Decisions as to individual security selection, security size and quality, number of industries and holdings, current income levels, turnover and the other tools employed by active managers are left to broad manager discretion, subject to the usual standards of fiduciary prudence.

11) GUIDELINES FOR MULTI-ASSET STRATEGIES

These strategies include global asset allocation and hedge fund strategies where the manager has the strategy(ies) to improve portfolio diversification and generate attractive risk-adjusted returns, relative to equities and fixed income.

These strategies may employ either a passive or active / tactical approach regarding how the assets are invested. The strategies may include products that are focused on generating absolute or real returns compared to other strategies in the portfolio which may be more benchmark sensitive.

When selecting these strategies, consideration will be given to their potential ability to preserve capital in down markets and their ability to potentially hedge inflation risk. Hedge fund strategies may include direct strategies and fund of funds. The primary objective of these strategies is to provide more consistent returns than equities and provide increased diversification to the portfolio. Investments in direct hedge funds are permitted provided the return expectation and/or diversification benefits of such investments offset the reduced liquidity and transparency when compared to traditional investments.

12) GUIDELINES FOR PRIVATE MARKET AND OPPORTUNISTIC STRATEGIES

Private market investments include investments in private equity, venture capital, private debt and real assets that are illiquid. The objective of these investments is to earn a return in excess of public market equivalents with the goal of capturing an illiquidity premium that more than compensates for the lack of liquidity and the additional administrative burden compared to traditional investments. Opportunistic investments may include traditional, alternative, niche or hybrid strategies that are viewed attractive from a valuation standpoint. They may be offensive (return oriented) or defensive in nature (focus on protecting principal) depending upon capital market conditions. They may also be liquid or illiquid in nature.

13) GUIDELINES FOR CASH AND ENHANCED CASH STRATEGIES

The Foundation may hold short term funds for a variety of purposes. These funds may be designated for the ongoing operating support of the Foundation, grants awaiting distribution, the support of special projects or other gifts to the Foundation.

While a majority of these short-term funds must be readily accessible, the Foundation may, from time to time, have short term funds which will not be utilized for a defined period of time. The Foundation will notify the agent of the relevant facts upon the deposit of such funds. The Foundation will utilize mutual funds or commingled vehicles when investing the short-term assets. No individual securities may be purchased.

More than one investment vehicle may be utilized in the cash management process depending upon the investment horizon of the assets to be invested. The primary investment vehicle for very short-term liquidity needs should be a U.S. government money market fund that maintains a $1 NAV to protect principal value; the return generated is a secondary consideration. This fund(s) should have daily liquidity and be rated AAA by Standard and Poor’s or Aaa by Moody’s Investor Services.

For cash that has a longer time horizon before the funds will be needed (e.g., six months or more), investment in an enhanced cash vehicle is permitted. The effective duration of any fund employed should be less than twenty-five months, and the focus of the fund should be on very high-quality fixed income investments.

14) INVESTMENT RESTRICTIONS

The assets of the Portfolio may be held in segregated accounts which hold only assets belonging to the Portfolio, or in commingled vehicles. Given the asset size of the Portfolio, it is anticipated the majority of the assets will be held in commingled vehicles. When the Portfolio assets are invested in commingled vehicles such as mutual funds registered with the SEC under the Investment Company Act of 1940, limited partnerships or limited liability companies, it is accepted that such assets will be managed in accordance with the objectives, policies and restrictions set forth in the investment’s prospectus, offering memorandum or applicable document that highlights the investment’s guidelines. When investing in commingled vehicles, the consultant will select strategies that are consistent with goals and objectives of the Portfolio.

The Investment Consultant has the ability to invest in commingled pools that have the ability to lend securities. If given the option for a potential investment that offers the same strategy that does not lend securities, the bias is to enter into non-lending funds.

The following are prohibited investments that jeopardize the safety of principal concept or non-profit status of the Foundation. The following types or methods of investments are expressly prohibited:

(1) Trading in securities on margin;
(2) Investing in working interests in oil or gas wells;
(3) Derivatives which increase portfolio risk above the level that could be achieved in the portfolio using only traditional investment securities. In addition, derivatives will not be used to acquire exposure to changes in the value of assets or indexes that by themselves would not be purchased for the portfolio. Derivative usage is strictly limited to use by underlying investment manager strategies.
(4) Purchasing mortgages directly; and
(5) Unregistered or restricted stock.

15) ROLES AND RESPONSIBILITIES

Investment Committee

The roles and responsibilities of the Committee are identified in the Investment Committee Charge which is included in Appendix II.

Investment Consultant

The Investment Consultant partners with the Committee to establish and adjust policy objectives and guidelines, including developing long-term asset allocation strategies. Within the discretionary mandate, the consultant is responsible for selecting an appropriate mix of investment manager styles and strategies and conducting all manager searches and selections. Additionally, the consultant will oversee performance calculation, evaluation, and analysis. The consultant is expected to provide timely and relevant information—both written and oral—on investment strategies, instruments, managers, and related topics, as needed by the Committee.

Investment Managers

The selection of investment managers is the responsibility of the Investment Consultant. Each investment manager retained is expected to meet with staff and/or the Committee upon request to review investment activity, results, and other relevant information. They are also required to provide quarterly reports within 30 days of the end of each quarter and to communicate promptly any material changes in the manager's organization, investment process, or philosophy.

Custodian Bank

The majority of the Portfolio's assets will be held in commingled vehicles and thereby the custodian will be appointed by the investment manager. The custodian is responsible for the safekeeping of assets held in separate accounts and all associated reporting and accounting requirements of the Foundation's staff.

16) STANDARDS OF INVESTMENT PERFORMANCE

Performance of this Portfolio will be evaluated on a periodic basis. Consideration will be given to the degree to which performance results meet the goals and objectives as set forth herewith. Toward that end, the following standards will be used in evaluating investment performance:

(1) The compliance of each investment manager with the guidelines as expressed herein.
(2) The extent to which the total rate of return performance of the Portfolio achieves or exceeds the targeted goals.
(3) All investment managers shall manage and invest the assets in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

17) FOUNDATION ADMINISTRATIVE COSTS

Endowment accounts are subject to a 1.00% administrative fee to reimburse the Foundation for expenses related to endowment administration.

18) IMPLEMENTATION

All moneys invested for the Portfolio by its investment managers after the adoption of this Investment Policy are expected to conform to this policy.

ADOPTION

The Policy was most recently revised and approved by the Foundation Board of Trustees at a meeting on _DECEMBER 13th, 2024___.

APPENDIX I
FOUNDATION OF CALIFORNIA STATE UNIVERISTY, MONTEREY BAY
ENDOWMENT PORTFOLIO INVESTMENT POLICY STATEMENT
ASSET CLASSES, TARGETS AND RANGES
LONG TERM

The rate of return target for the Portfolio is stated as a range from 6.5 - 8.5 %. In order to have a reasonable probability of earning the desired level of return over a market cycle, the Committee has adopted the long-term asset allocation policy detailed below.

ASSET CLASS	TARGET %	PERMISSIBLE % RANGE	BENCHMARK
CASH	**1.0%**	**0.0% – 5.0%**	**90 Day U.S. T-Bill**
Cash	1.0%	0.0% - 5.0%	90 Day U.S. T-Bill
FIXED INCOME	**16.0%**	**10.0% - 30.0%**	**Bloomberg Agg.**
Core Fixed Income	11.0%	0.0% - 30.0%	Bloomberg Agg.
Core Plus Fixed Income	0.0%	0.0% - 15.0%	Bloomberg Agg.
Opportunistic/Multi-Asset Credit	5.0%	0.0% - 15.0%	Bloomberg Global Agg.
U.S. EQUITY	**29.0.%**	**20.0% - 40.0%**	**Russell 3000**
U.S. All Cap Equity*	19.0%	10.0% - 40.0%	Russell 3000
U.S. Large Cap Equity*	10.0%	5.0% - 28.0%	S&P 500 / FTSE US Choice
U.S. Mid Cap Equity	0.0%	0.0% - 8.0%	Russell Mid Cap
U.S. Small Cap Equity	0.0%	0.0% - 4.0%	Russell 2000
NON-U.S. EQUITY	**16.0%**	**10.0% - 20.0%**	**MSCI ACWI ex US IMI**
International Developed Large Cap Equity**	8.0%	5.0% - 12.5%	MSCI EAFE / ESG Leaders Index
International Developed Small Cap Equity	3.0%	2.0% - 5.0%	MSCI EAFE Small Cap
Emerging Market Equity	5.0%	3.0% - 7.5%	MSCI Emerging Markets
REAL ASSETS	**8.0%**	**0.0% - 15.0%**	**50% NFI – ODCE / 50% CPI**
Private Real Estate	4.0%	0.0% - 8.0%	NFI - ODCE
Private Infrastructure	4.0%	0.0% - 8.0%	Consumer Price Index (CPI)
ALTERNATIVES	**30.0%**	**10.0% - 35.0%**	**Custom*** **
Private Credit/Debt	5.0%	0.0% - 15.0%	Custom***
Private Equity/Venture	25.0%	0.0% - 30.0%	Custom***

* The U.S. Large Cap Equity exposure will be split equally between the indexed exposure and environmental sustainability sensitivity strategies.
** The International Developed Large Cap Equity exposure will be split equally between the index exposure and environmental sustainability strategies.
***The custom benchmark for the private market / alternatives category is tied to the composition of the managers employed to invest those asset classes.

ENDOWMENT POLICY INDEX

The Policy Index is a custom benchmark designed to indicate the returns which a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement. The Policy Index is useful in separating the impact of investment policy from execution of the investment strategy in evaluating the performance of the Foundation's investment program. The Policy Index is calculated per the below:

ASSET CLASS	TARGET %	BENCHMARK
CASH	**1.0%**	90 Day U.S. T-Bill
FIXED INCOME & REAL ASSETS	**25.0%**	Bloomberg Agg.
EQUITIES & ALTERNATIVES	**60.0%**	MSCI ACWI IMI
EQUITIES – U.S. ENVIROMENTAL SENSITIVITY	**10.0%**	FTSE US Choice Index
EQUITIES – NON-U.S. ENVIRONMENTAL SENSITIVITY	**4.0%**	MSCI EAFE ESG Leaders Index

FOUNDATION OF CALIFORNIA STATE UNIVERISTY, MONTEREY BAY
ENDOWMENT PORTFOLIO INVESTMENT POLICY STATEMENT
ASSET CLASSES, TARGETS AND RANGES

SHORT-TERM
(0 – 3 years)

The rate of return target for the Portfolio is stated as a range from 6.5 - 8.5 %. In order to have a reasonable probability of earning the desired level of return over a market cycle, the Committee has adopted the short-term asset allocation policy detailed below.

ASSET CLASS	TARGET %	PERMISSIBLE % RANGE	BENCHMARK
CASH	**1.0%**	**0.0% - 5.0%**	**90 Day U.S. T-Bill**
Cash	1.0%	0.0% - 5.0%	90 Day U.S. T-Bill
FIXED INCOME	**20.0%**	**15.0 – 30.0%**	**Bloomberg Agg.**
Core Fixed Income	0.0%	0.0% - 30.0%	Bloomberg Agg.
Core Plus Fixed Income	20.0%	17.0% - 23.0%	Bloomberg Agg.
Opportunistic/Multi-Asset Credit	0.0%	0.0% - 15.0%	Bloomberg Global Agg.
U.S. EQUITY	**37.0%**	**25% - 45.0%**	**Russell 3000**
U.S. All Cap Equity	24.0%	20.5% - 27.5%	Russell 3000
U.S. Large Cap Equity*	13.0%	11.0% - 15.0%	S&P 500 / FTSE US Choice
U.S. Mid Cap Equity	0.0%	0.0% - 8.0%	Russell Mid Cap
U.S. Small Cap Equity	0.0%	0.0% - 4.0%	Russell 2000
NON-U.S. EQUITY	**20.0%**	**15.0%-25.0%**	**MSCI ACWI ex US IMI**
International Developed Large Cap Equity**	10.5%	9.0% - 12.0%	MSCI EAFE / ESG Leaders Index
International Developed Small Cap Equity	3.5%	3.0% - 4.0%	MSCI EAFE Small Cap
Emerging Market Equity	6.0%	5.0% - 7.0%	MSCI Emerging Markets
REAL ASSETS	**9.0%**	**0.0% - 15.0%**	**50% NFI-ODCE / 50% CPI**
Private Real Estate	3.5%	0.0% - 8.0%	NFI - ODCE
Private Infrastructure	5.5%	0.0% - 8.0%	Consumer Price Index (CPI)

ALTERNATIVES	**13.0%**	**10.0% - 35.0%**	**Custom*** **
Private Credit/Debt	10.0%	0.0% - 15.0%	Custom***
Private Equity/Venture	3.0%	0.0% - 30.0%	Custom***

* The U.S. Large Cap Equity exposure will be split equally between the indexed exposure and environmental sustainability sensitivity strategies.
** The International Developed Large Cap Equity exposure will be split equally between the index exposure and environmental sustainability strategies.
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CASH	**1.0%**	90 Day U.S. T-Bill
FIXED INCOME & REAL ASSETS	**29.0%**	Bloomberg Agg.
EQUITIES & ALTERNATIVES	**52.0%**	MSCI ACWI IMI
EQUITIES – U.S. ENVIROMENTAL SENSITIVITY	**13.0%**	FTSE US Choice Index
EQUITIES – NON-U.S. ENVIRONMENTAL SENSITIVITY	**5.0%**	MSCI EAFE ESG Leaders Index

APPENDIX II
INVESTMENT COMMITTEE CHARGE

CHARGE

The Investment Committee is responsible for overseeing the management of the university's endowment portfolio in collaboration with the OCIO (Outsourced Chief Investment Officer) investment consultant. Key duties include engaging and evaluating investment consultants and managers, ensuring alignment with the endowment's objectives, and performing additional responsibilities as assigned by the Board of Trustees.

COMMITTEE STRUCTURE

The Investment Committee shall be comprised of industry professionals, key stakeholders, university staff, as well as representatives from both the Foundation and Corporation. The Committee is chaired by a designated member. The Committee shall meet regularly to review the endowment's performance and strategy, providing timely updates to the Board as requested.

RESPONSIBILITIES

The specific responsibilities of the Investment Committee relating to the investment management of assets include:

(1) Establishing reasonable and consistent investment objectives, policies and guidelines that will direct the investment of the assets;
(2) Determining the risk tolerance and investment time horizon and communicating these to the appropriate parties;
(3) Conveying the financial needs of the Foundation to the investment consultant on a timely basis;
(4) Prudently and diligently selecting qualified investment professionals, including the investment consultant(s);
(5) Quarterly evaluation of the performance of all investments to both monitor investment objective progress and assure adherence to Policy guidelines;
(6) Periodic review of these guidelines to ensure consistency and to make changes to meet evolving circumstances;
(7) Developing and enacting proper controls and procedures.

APPENDIX III
SOCIALLY RESPONSIBLE INVESTING POLICY

INTRODUCTION

The Board of Trustees of the California State University adopted resolution RFIN 7-78-6 regarding Social Responsibility and Investments. This resolution urges auxiliary boards that make corporate investments to issue statements of social responsibility and to follow those precepts in examining past and considering future investment policies.

POLICY

The Foundation Board of Directors recognizes and accepts its social responsibility with respect to the investment of funds. However, recognizing the increasingly complex nature of the contemporary economic world and the trade-offs that need to be made given the Foundation's current asset size, the Foundation will be guided by the following practical considerations about investment decisions:

The primary fiduciary responsibility in investing and managing the Foundation's economic assets is to maximize the financial return on those resources, taking into account the amount of risk appropriate for the assets.

The Foundation shall not attempt to achieve absolute "purity" in its investment portfolio nor spend scarce resources searching for problems in the investment portfolio. However, those examples brought the Foundation's attention will be analyzed as carefully and objectively as possible.

It is recognized that investments in pooled funds, which the Foundation may select for diversification or cost management purposes, cannot be controlled or modified. The Foundation shall carefully consider possible social concerns pertaining to investments within pooled funds; however, the Foundation must balance the cost associated with correcting ethical concerns relative to its overall financial objectives.

ADOPTION AND REVIEW

The Foundation Board of Directors has adopted this Socially Responsible Investing Policy,
Dated: **April 2011** and reviewed as of the reference date of this investment policy statement.

The Investment Committee of the Foundation Board of Directors will review this policy five years from its adoption date to determine its effectiveness and appropriateness. The policy may be evaluated before that time as necessary to reflect Socially Responsible Investing Policy substantial organizational, financial, or physical change(s) at the Foundation or any change required by law or by other governing policy. Any proposed amendments or variations of this policy would require a majority approval by the Foundation Board of Directors.

19) RELATED DOCUMENTS

a) California State University Board of Trustees Resolution RFIN 7-78-6
b) Foundation's Socially Responsible Investing Policy
c) Foundation's Endowment Spending Policy