

**CAL POLY POMONA FOUNDATION, INC.
FINANCE & INVESTMENT COMMITTEE**

Friday, December 13, 2024

9:00 a.m.-11:00 a.m.

Join Zoom Meeting

<https://cpp.zoom.us/j/88400831998>

Meeting ID: 898 4163 7463

AGENDA

Committee Chair: Anissa Patel, Acting Chair (In place of Ysabel Trinidad, Chair)

Members: Alison Baski, Michelle Cardona, Dr. Rita Kumar, Carol Lee, Cynthia Nelson, Ruby Suchecki, Kris Zoleta

Staff: Claudia Burciaga-Ramos, Jared Ceja, Lisa Coats, Ernest Diaz, Tariq Marji

Guests: Karin Longhurst - Graystone

I. ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC

Who may or may not be commenting on a specific item or making a general comment.

II. OPEN FORUM

III. CONSENT ACTION ITEMS

Items in this section are considered to be routine and acted on by the committee in one motion. Each item of the Consent agenda approved by the committee shall be deemed to have been considered in full and adopted as recommended. Any committee member may request that a consent item be removed from the consent agenda to be considered as a separate action item. If no additional information is requested, the approval vote will be taken without discussion. An "A" distinguishes items requiring approval.

A. Reading of Minutes	Anissa Patel, Acting Chair	2 – 4
Approval of Meeting Minutes – September 13, 2024		

IV. GENERAL UPDATES

B. CEO's Report	Jared Ceja, CEO	5 – 6
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V. INFORMATION & DISCUSSION ITEMS

C. Financial Highlights – Q1 2024-2025 (Attachment) I	Tariq Marji, Interim CFO	7 – 8
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VI. ACTION ITEMS

D. Mid-year Additional Capital Budget Requests (Attachment) A	Jared Ceja Tariq Marji	9 – 10
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E. Investment Portfolio Report Q2 2024-2025 (Attachment) A	Tariq Marji Karin Longhurst, Graystone	11 – 31
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F. Update to General Investment Policy 131 (Attachment) A	Jared Ceja Tariq Marji	32 – 43
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VII. ADJOURNMENT

Anissa Patel

CAL POLY POMONA FOUNDATION, INC.
Finance & Investment Committee Meeting Minutes
Friday, September 13, 2024
9:00 -11:00 a.m.

Minutes

Notice is hereby given that a regular meeting of the Finance/Investment Committee was held by video conference/teleconference on Friday, September 13, 2024, at 9:00 a.m. to discuss matters on the posted agenda. The meeting notice in its entirety was posted on the internet at <https://www.foundation.cpp.edu/content/d/Meeting%20Packets/F&I%2009.13.24.pdf>

Members: Dr. Alison Baski, Michelle Cardona, Dr. Rita Kumar, Carol Lee, Ruby Suchecki, Ysabel Trinidad, Kris Zoleta

Staff: Jared Ceja, Lisa Coats, Ernest Diaz, Tariq Marji, Thomas Sekayan

Absent: Cynthia Nelson, Anissa Patel

Guest(s): Karin Longhurst, Matt Moses

CALL TO ORDER

Committee Chair Ysabel Trinidad began meeting discussion at 9:00 a.m.

CONSENT ACTION ITEMS

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A. Approval Finance & Investment Committee Minutes, May 21, 2024

A motion was made by Ruby Suchecki and seconded by Dr. Alison Baski to approve the minutes. There was no opposition; the minutes were approved.

GENERAL UPDATES

B. Welcome of New and Returning Members

Committee Chair Ysabel Trinidad welcomed both new and returning members to the committee. Special acknowledgments were given to Dean Baski, who is joining the Committee, and Anissa Patel, a new student representative, who was unable to attend the meeting. Ms. Trinidad expressed optimism about the contributions that both new and continuing members will make to the committee's efforts.

C. CEO's Report

Mr. Ceja provided several updates covering infrastructure, financial performance, and organizational initiatives. He began by addressing recent infrastructure challenges, noting that HVAC failures at the Innovation Village CTTI resulted in a temporary shutdown, leading to a revenue loss of approximately \$19,000. A similar issue occurred at the Bronco Student Center due to a burst pipe, causing the temporary closure of Poly Fresh, Subway, and other dining outlets, with a total revenue impact of about \$35,000. Mr. Ceja assured the committee that repairs have been completed, and efforts are underway to explore long-term solutions, including the installation of more robust HVAC units designed for high-temperature environments.

Mr. Ceja provided an update on the opening of the Schools First Credit Union, scheduled for October 1, 2024. He highlighted the value this partnership brings to the university, including attractive benefits for students and employees, such as a 6.5% interest rate on fully liquid summer saver accounts.

The space for the credit union was made available following the consolidation of bookstore afforded by the IAC program, providing additional rental revenue to the Foundation.

Regarding upcoming financial challenges, Mr. Ceja discussed the impact of Proposition 32, which could raise the minimum wage to \$18 per hour starting in January 2025. He noted that the Foundation's budget already accounts for this increase, but wage compression will remain a challenge, as the new minimum wage will also affect exempt employees whose salaries must meet regulatory thresholds. The Foundation is preparing for these changes while also monitoring efforts to further raise wages for fast-food workers, which may require further budget adjustments. If Prop 32 fails, some planned spring pricing increases will be canceled.

Mr. Ceja then shared positive news about The Patio dining project, which replaced Round Table Pizza in the Bronco Student Center. The student-led initiative has been well-received, with sales increasing by 23% compared to the previous year. He credited Associated Students and the Board for proposing the idea and emphasized the financial and operational benefits of transitioning to a locally managed brand, which has eliminated royalty fees previously paid to Round Table.

Finally, Mr. Ceja provided an update on the CFO recruitment process. Following the departure of the previous CFO, the Foundation is conducting a national search with the goal of filling the position by January 2025. Mr. Ceja acknowledged the contributions of Mr. Tariq Marji, who has served as interim CFO, and noted that the salary for the new CFO will be discussed at the December board meeting.

D. Tentative Committee Meeting Schedule

Mr. Ceja reviewed the tentative meeting schedule for the committee, noting that future meetings will follow a quarterly format to ensure consistent oversight of financial performance and investment strategies. The next meeting is scheduled for December 15, 2024, with subsequent meetings planned for March 12, 2025, and June 9, 2025. These dates will be confirmed via email, and meeting materials will be distributed in advance to allow members adequate time for preparation. The committee also agreed to maintain flexibility in the schedule to accommodate any urgent matters that may require interim discussions.

INFORMATION & DISCUSSION ITEMS

E. Financial Highlights: Q4 2023-2024

Mr. Ceja presented the Financial Highlights for Q4 2023-2024, reporting better-than-expected performance across several areas. Participation in the Instant Access Complete program continues to grow, with more students opting in than initially projected. This increase, combined with stable pricing for students, has led to a projected 10% increase in revenue compared to the previous year. Mr. Ceja emphasized that managing costs, despite rising expenses from publishers, has been a key focus to maintain net revenue growth.

F. CPPE Reserve Analysis

Mr. Marji provided the committee with an overview of the CPPE Reserve Analysis. He confirmed that the Foundation's reserves remain healthy, with sufficient liquidity to cover operational needs and planned investments. Mr. Marji also discussed the importance of maintaining flexibility within the reserve strategy to respond to unexpected events.

ACTION ITEMS

G. Investment Portfolio Report Q4 2023-2024

Ms. Karin Longhurst from Graystone presented the Investment Portfolio Report for Q4 2023-2024. Ms. Longhurst shared that the portfolio's total value stands at \$43.2 million, with cumulative earnings of \$16.1 million since inception. She emphasized the importance of maintaining diversification within the portfolio, particularly given the current economic uncertainty. While some analysts predict a decline in interest rates, Ms. Longhurst advised the committee to remain cautious, as the economic outlook remains mixed.

Ms. Longhurst also discussed the ESG investment strategy, noting that Graystone continues to align the Foundation's portfolio with socially responsible and sustainable goals. She encouraged the committee to consider expanding the use of ESG criteria when selecting new investments, especially in light of recent geopolitical developments.

A motion was made by Dr. Alison Baski and seconded by Kris Zoleta that the members of the Finance & Investment Committee have reviewed the comprehensive quarterly investment portfolio report and believe the report follows the investment policy and recommend it be presented to the Board of Directors at their next regularly scheduled meeting. There was no opposition, and the motion was approved unanimously.

OPEN FORUM

Committee Chair Trinidad opened the floor for further discussion. The committee discussed the alignment between the Foundation's operational and philanthropic investment portfolios to ensure consistency with the university's values. Members expressed interest in monitoring social and environmental factors more closely, given the potential impact of geopolitical events on investments.

ADJOURNMENT

The Finance & Investment Committee meeting was adjourned at 10:45 AM, motioned by Dr. Alison Baski and seconded by Carol Lee.

Ysabel Trinidad
Finance & Investment Committee, Chair

CAL POLY POMONA
ENTERPRISES

CEO's Report

December 13, 2024

Finance & Investment Committee

Agenda

- ▶ Portfolio Allocations
- ▶ IAC Update
- ▶ CPGE Financial & Program Review
- ▶ CO Advisory Review
- ▶ Campus Program & Grant Trainings
- ▶ Potential Housing Purchase



Cal Poly Pomona Foundation, Inc.
Statement of Activities
For Period Ending Sep 30, 2024

	REVENUES		EXPENSES - Payroll		EXPENSES - Other				EXPENSES - Total		SURPLUS/(DEFICIT)			Fund Balance 9/30/2024
	FY 24-25 YE	FY 24-25 YE	FY 24-25 YE	FY 24-25 YE	FY 24-25 YE		FY 24-25 YE	FY 24-25 YE	FY 24-25 YE					
	Actual	Budget	Actual	Budget	Admin Fees	Other Expense	Actual	Budget	Actual	Budget	Actual	Budget	\$ Variance	
Commercial Services														
Dining Services	4,690,236	4,831,530	1,802,351	1,891,809	303,013	2,624,929	2,927,943	3,037,025	4,730,294	4,928,834	(40,058)	(97,304)	57,246	
Bookstore	6,606,070	6,410,408	399,847	435,622	409,945	5,630,695	6,040,640	5,626,374	6,440,487	6,061,996	165,584	348,412	(182,828)	
Kellogg West	977,387	906,559	527,268	553,807	63,694	428,029	491,723	518,512	1,018,992	1,072,319	(41,605)	(165,760)	124,155	
University Village	2,214,611	2,027,056	650,963	663,490	143,906	1,317,627	1,461,533	1,765,679	2,112,496	2,429,169	102,115	(402,113)	504,228	
Real Estate/Rentals	2,547,755	1,951,177	108,882	165,681	110,259	1,551,306	1,661,565	1,110,913	1,770,447	1,276,594	777,308	674,583	102,725	
Total Commercial Services	17,036,059	16,126,730	3,489,312	3,710,409	1,030,817	11,552,587	12,583,404	12,058,503	16,072,716	15,768,912	963,343	357,818	605,525	
Other Activities														
Investments	2,165,643	503,049	0	0	0	16,324	16,324	21,736	16,324	21,736	2,149,318	481,313	1,668,005	
Administration	130,896	132,399	1,589,719	1,725,700	(1,425,217)	277,471	(1,147,746)	(986,515)	441,973	739,185	(311,077)	(606,786)	295,709	
Total Other Activities	2,296,539	635,448	1,589,719	1,725,700	(1,425,217)	293,795	(1,131,422)	(964,779)	458,298	760,921	1,838,241	(125,473)	1,963,714	
Total Commercial Services	19,332,598	16,762,178	5,079,031	5,436,109	(394,400)	11,846,383	11,451,982	11,093,724	16,531,013	16,529,833	2,801,585	232,345	2,569,240	30,547,554
Designated Funds														
Annual Designated	12,070	0	1,825	0	0	217,738	217,738	537,498	219,563	537,498	(207,494)	(537,498)	330,004	
Total Designated Funds	12,070	0	1,825	0	0	217,738	217,738	537,498	219,563	537,498	(207,494)	(537,498)	330,004	
Support Activities														
Bronco One Card	63,395	227,216	68,386	64,656	4,121	67,299	71,420	23,996	139,806	88,652	(76,411)	138,564	(214,975)	
Research Office	889,164	587,502	32,651	79,803	306,192	500,318	806,510	457,699	839,161	537,502	50,004	50,000	4	(1,088,783)
Agriculture	1,095,113	890,280	449,460	531,269	43,568	519,427	562,995	635,795	1,012,455	1,167,064	82,658	(276,784)	359,442	(41,605)
College of P&GE	876,883	784,964	430,788	249,920	39,460	304,083	343,543	305,562	774,331	555,482	102,552	229,482	(126,930)	4,828,126
Support Programs	1,260,213	100,000	458,858	48,500	1,060	581,355	582,416	51,386	1,041,273	99,886	218,939	114	218,825	22,255,398
Total Support Activities	4,184,768	2,589,962	1,440,143	974,148	394,400	1,972,483	2,366,883	1,474,438	3,807,026	2,448,586	377,742	141,376	236,366	
Grants+Transfers														
Grants and Contracts	6,987,865	4,961,133	0	0	0	6,987,865	6,987,865	4,961,133	6,987,865	4,961,133	0	0	0	
Vesting Grant Assets	0	0	0	0	0	(82,829)	(82,829)	0	(82,829)	0	82,829	0	82,829	
Transfers	0	0	0	0	0	9,516	9,516	0	9,516	0	(9,516)	0	(9,516)	
Total Grants+Transfers	6,987,865	4,961,133	0	0	0	6,914,552	6,914,552	4,961,133	6,914,552	4,961,133	73,313	0	73,313	
Total Foundation Net	30,517,301	24,313,273	6,521,000	6,410,257	0	20,951,155	20,951,155	18,066,793	27,472,155	24,477,050	3,045,146	(163,777)	3,208,923	

Memorandum

Date: December 13, 2024
To: Finance & Investment Committee
From: Jared Ceja, CEO
Tariq Marji, Interim CFO
Attached: Mid-Year Capital Request 24/25
Subject: **Mid-Year Capital Budget Requests 2024-2025**



As we continue to move within the current fiscal year, Management has encountered mid-year capital needs essential to sustain operation efficiency, effectiveness, compliance, and safety. These capital expenditures were not anticipated when the 2024-2025 capital budget was proposed. Management is requesting this additional capital to maintain programmatic continuity.

- **\$70,000** Combi oven at Centerpointe to replace a convection oven set that has failed on multiple occasions and is nearing end of life. The Combi oven has a steamer capability that will extend the lifespan of the stand-alone steamer unit that is being used heavily.
- **\$65,000** Cargo van or smaller vehicle at IBW - current vehicle is beyond its lifecycle and currently out of commission due to inability to pass smog and campus checklists.
- **\$19,000** Electric Golf Cart for Dining Services – Replacing a van used beyond lifecycle to transport goods between units, Centerpointe, and special events supporting university departments.
- **\$13,000** Vehicle for Facility Operations - The original budget for a used vehicle was set at \$27,000; however, an appropriate used model was not identified. This conversion opens the possibility for a new vehicle.
- **\$15,000** Electric Golf Cart for IT- the current cart exceeded its useful life and currently is nonoperational.
- **\$15,000** Ice Machine at Starbucks - Brand standard was cubed ice, current requirement required to switch to pelleted ice.

RECOMMENDED ACTION:

Management and the Program Committee recommend that the Finance & Investment Committee approve the proposed mid-year capital budget increase for 2024/2025, as outlined, and forward this resolution to the full Board for consideration at their next scheduled meeting.

BE IT RESOLVED, that the members of the Finance & Investment Committee have reviewed and approve the presented 2024-2025 mid-year capital budget items.

BE IT FURTHER RESOLVED, that the Finance & Investment Committee hereby forwards this resolution to the full Board for consideration at their next scheduled meetings

PASSED AND ADOPTED THIS 13th DAY OF December 2024.

By:

Anissa Patel, Acting Chair
Finance & Investment Committee

CAL POLY POMONA FOUNDATION
2024-2025 CAPITAL EXPENDITURES BUDGET
MID-YEAR REQUEST

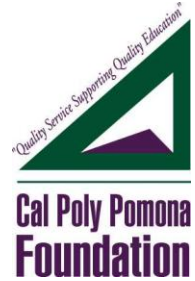
Project	Division	APPROVED CAPITAL	2024-2025 MID YEAR REQUEST	Purpose	Category
Dining Services					
170104	IBW		65,000	Cargo Van at IBW - current vehicle is beyond its lifecycle and currently out of commission due to inability to pass smog and campus safety checks.	Deferred Maintenance
170130	Centerpointe		70,000	Combi oven to replace convection oven set that continuously fails and nearing end of life, also will extend life of stand-alone steamer unit.	Deferred Maintenance
170130	Centerpointe		19,000	Replacing a van used beyond lifecycle and currently out of commission due to inability to pass smog and campus safety checklists.	Deferred Maintenance
170108	Starbucks		15,000	Ice machine at Starbucks needs replacing, brand standard was cubed ice, current requirement required to switch to pelleted ice.	Contractual/Legal
Dining Services Total			169,000		
Real Estate Activities					
170080	Foundation Maintenance	27,000	13,000	Vehicle for Facility Operations - the original budget for a used vehicle was set at \$27K, and additional funds needed to purchase appropriate vehicle.	Programmatic
Real Estate Activities Total			13,000		
Information Technology					
110030	Foundation Information Technology		15,000	Electric golf cart for IT - the current cart exceeded its useful life and currently is nonoperational.	Programmatic
Information Technology Activities Total			15,000		

Additional Capital Needs

\$ 197,000

Memorandum

Date: December 13, 2024
To: Finance & Investment Committee
From: Tariq Marji, Chief Financial Officer
Karin Longhurst, Graystone



Subject: INVESTMENT PORTFOLIO REPORT – 1st Quarter 2024-2025

The Foundation's General Investment Policy 131 requires a comprehensive quarterly report of the investment portfolio's performance be provided to the members of the Finance & Investment Committee and Board of Directors at each regularly scheduled meeting. This quarter's results were impacted by the strong performance in equities driven by positive economic conditions and easing inflation without significantly impacting employment.

GENERAL INVESTMENT PORTFOLIO

The General Investment Portfolio ("Portfolio") has a current market value of \$48.8 million as of September 30, 2024 with 23% Fixed Income, 61% Equities, 16% Alternatives, and 0% Cash. All allocations are within current policy ranges. The majority portion managed by Graystone Consulting has a current market value of \$45.2 million. The return over the last quarter was 4.79% (gross) and 21.09% over the last twelve months (9/30/23-9/30/24). In addition, there is \$3.3 million in the preferred savings account at Morgan Stanley as of September 30, 2024. Additional information is included in the report provided by Graystone.

Management received capital call notices and has contributed \$236,250 against its commitment of \$250,000 to Capital Partners IV and \$701,250 against its commitment of \$750,000 to Capital Private Equity Partners VII, and received distributions of \$1,761,275. The Capital Balance is valued at \$163,255. The Common Fund Summary Investment and Performance Reports are available for further details.

BE IT RESOLVED, that the members of the Finance & Investment Committee have reviewed the comprehensive quarterly investment reports and believe the reports are in compliance with the investment policy and recommends the quarterly investment report be presented to the Board of Directors at their next regularly scheduled meeting.

PASSED AND ADOPTED THIS 13th DAY OF December 2024.

By: _____
Anissa Patel, Acting Chair
Finance & Investment Committee



A business of Morgan Stanley

Capital Markets Commentary



Q3 2024

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Executive Summary

Bottom Line: Since the Fed began the rate cutting cycle with a 50bps “insurance” cut, the S&P500 is up ~4.5% or 250pts to yet another all time high, 5865—while long bonds are selling off aggressively with the 10-year Treasury yield up +45bps. Such a set up reflects rising confidence in the soft landing or even no landing scenario and Q3 US GDP is estimated at over 3% real growth—nowhere near recessionary levels. Stocks are increasingly expensive with the equity risk premium once again well below 50. While corporate profits are likely to be ok, expectations are high and imply 15% growth in 2025—an above average year. Consequently, with risk premiums low but volatility rising and uncertainty high, we stick with our advice for portfolio balance and maximum diversification. Own IG credit, neutralize duration and focus on quality and earnings achievability. We recently took profits in ultra short duration, large-cap growth beneficiaries and added to mid-cap growth and large-cap value in addition to hedge funds and EM.

Our Forecasts

- We are still forecasting an economic soft landing (75% odds up from 50%) MS & Co. real GDP forecasts remain quite solid at 2.2% in 2024 and 2.1% in 2025. However, risks to the forecasts are weakening labor market and a strained consumer. Service sector stability holds the key.
- MS & Co. is expecting two more rate cuts in 2024—about in line with markets and perhaps 4 more in 2025—again in line with market pricing.
- We see cycle terminal rate end of 2025 at 3.625%; markets now sub 3%. We believe we are in a new secular rates regime driven by structural changes and higher debts/deficits.
- US Treasury rates are priced at close to tactical fair value with 10-year yields expected to be 3.80%-4.10% by end of Q4.
- MS & Co. is forecasting US fixed income markets to ultimately compete with US stock index risk-adjusted returns (total return of ~10% through mid 2025). Bonds should beat equities, which are grinding out ~5% advances in the most likely cases through June 2025 (MS & Co S&P 500 target price 5400).
- Our best ideas are US financials, industrials energy, health care, Japan, real assets and infrastructure investments. We like munis and leveraged loans. Watching for any opportunities in key EMs like India, Mexico and Brazil.

Key Considerations and Investment Controversies: Fundamentals INCREASING in importance

- Path of disinflation and progress to Fed’s 2% target may be stalling. September CPI data surprised to the upside with m/m price changes reaccelerating. Improvements finally seen in housing but progress in supercore services, which includes wages remaining sticky and still well above 4%.
- Labor market is cooling albeit not drastically for now; U-3 down to 4.1%, continuing claims showing a tiny bit of stress, but job openings are stabilizing. If Beveridge curve and Phillips curve are normalizing and at a point of maximum convexity, unemployment could begin to rise quickly
- Bifurcation between HAVES and HAVE NOTS; higher for longer should pressure small businesses, lower 2/3rds of consumers, CRE, regional banks, VC-backed companies, small caps. Consumer is increasingly dependent on job market for momentum. BUT perversely given wealth concentration dynamics, rate cuts may negatively impact consumption.
- Both presidential candidate platforms point to higher debts/deficits, higher rates and still higher than target inflation; we expect the neutral rate to reset to towards 2.5-3%.
- Earnings expectations remain ambitious and back-end loaded; big growth still concentrated; consensus \$243 in 2024 increasingly doable but \$280 in 2025 remains a stretch.
- Consensus expectations assume profit margin expansion and achievement of near record operating margins over 12.2%—more than 14% ex-financials.
- US equity valuations appear rich at more than 23x forward consensus earnings (2024 Q4) 21x blended forward and an equity risk premium of only 43bps.
- 12-month stock/bond correlations remain positive; undermining the diversification benefits of 60/40. Finding asset classes uncorrelated to interest rates is difficult.

GIC Recommendations for Portfolio Positioning

- Overall, we remain market weight global equities; the US market cap-weighted beta is slightly underweight while we are overweight the equal-weighted benchmark.
- MS & Co. Wilson’s June 2025 S&P 500 target price is 5400; it incorporates a view that we will trade in a wide range from 4,700-6,100. That said, we are inclined to neutralize strong factor positionings. We are balancing exposures between defensives and cyclicals, growth and value and mega versus large/mid and small caps.
- Alternatively, we remain slightly overweight fixed income, believing that a higher for longer regime creates opportunities to own better risk-adjusted returns in current coupons with the potential for capital gains if rates fade in 2024 as forecast. Munis and IG credit remain decent holds barbelled with short duration Treasuries.
- Outside the US, we prefer Japan based on improving growth and inflation dynamics there and the very inexpensive yen. We continue to also look for stock-specific opportunities in Europe and beta opportunities in select EMs like India, Brazil, and Mexico.
- We also like alternatives in: relative value and L/S hedge funds, infrastructure, commodities, residential real estate, and private credit.
- Remaining fully invested to your PERSONAL BENCHMARKS is the favored strategy. DO NOT TRY TO MARKET TIME.
- Dollar cost averaging should be patient given potential risks in the near term. LONG-TERM STRATEGIC MONEY should be deployed in LUMP sums.

Source: Bloomberg, Morgan Stanley Wealth Management GIC as of October 16, 2024. Beveridge curve, or UV curve, is a graphical representation of the relationship between unemployment and the job vacancy rate, the number of unfilled jobs expressed as a proportion of the labor force. It typically has vacancies on the vertical axis and unemployment on the horizontal. The curve, named after William Beveridge, is hyperbolic-shaped and slopes downward, as a higher rate of unemployment normally occurs with a lower rate of vacancies. Phillips curve is an economic concept developed by A.W. Phillips showing that inflation and unemployment have a stable and inverse relationship. The theory states that with economic growth comes inflation, which in turn should lead to more jobs and less unemployment. Equity risk premium is the excess return that an individual stock or the overall stock market provides over a risk-free rate. The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

We Believe the Bull Case for 2024 Is Close to Fully Priced; What to Do Now?

- Manage portfolios for Tax EFFICIENCY
- Economic Outcomes exhibit “Fat Tails”; both stocks and bonds are currently NOT correctly priced
- Neutralize factor extremes of value vs. growth, quality vs. junk, small, mid, large vs. mega, cyclical versus defensive
- Focus on GARP (Health Care, Industrials, Energy, Financials) and defensive growth (Utilities, REITs)
- Supplement US equal-weighted index exposure with non-US
 - Japan
 - EM ex-CHINA
- Add IG fixed income; Treasury intermediate duration + munis (4-7 years)
- Add equity leveraged hedge funds
- Add real assets and commodities including GOLD
- Add private infrastructure, secondaries, VC-structured equity

Source: Morgan Stanley Wealth Management GIC as of June 12, 2024

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Themes for the Next Bull Market

- Electrification and Real Infrastructure: grid build-out, EV charging networks, data center cooling
- Digitization of services business...include hardware and software/service providers behind enterprise automation implementation of: AI, natural language processing, machine learning, optical scanning and facial recognition as well as the major sectors that could benefit: financials, health care, government, education, consumer services/call center heavy
- Deglobalization: infrastructure and supply chain reconfiguration...industrials, construction, materials, mining
- Decarbonization: energy both green and carbon, MLPs, EV, batteries, minerals, mining, internet of things, smart highways
- Defense/Cybersecurity, space, satellite surveillance
- Biotech/Genomics
- Demographics/Residential housing
- Managing longevity/Debts and deficits

Source: Morgan Stanley Wealth Management GIC as of June 12, 2024

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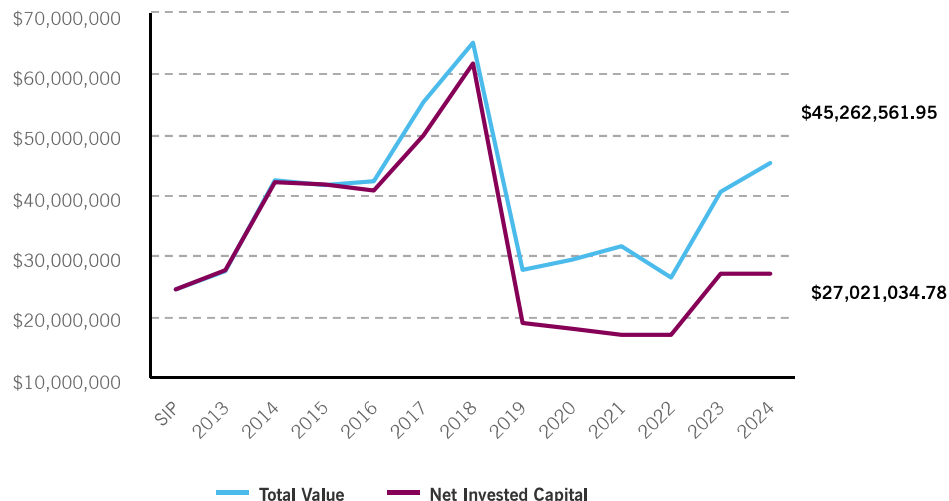
Karin Longhurst, CTFA (310) 788-2156
Senior Vice President, Wealth Management
Senior Institutional Consultant
karin.longhurst@msgraystone.com

Portfolio Review As of September 30, 2024

1999 Avenue of the Stars, Suite 2400
Los Angeles, CA 90067

Investment Summary Dollar Weighted Returns

TOTAL VALUE VS. NET INVESTED CAPITAL

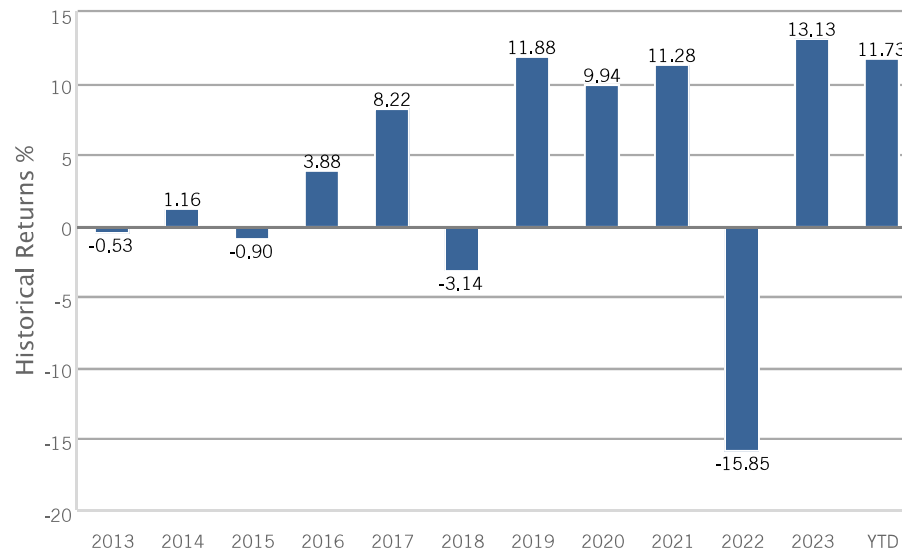


Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED RETURN % (NET OF FEES)

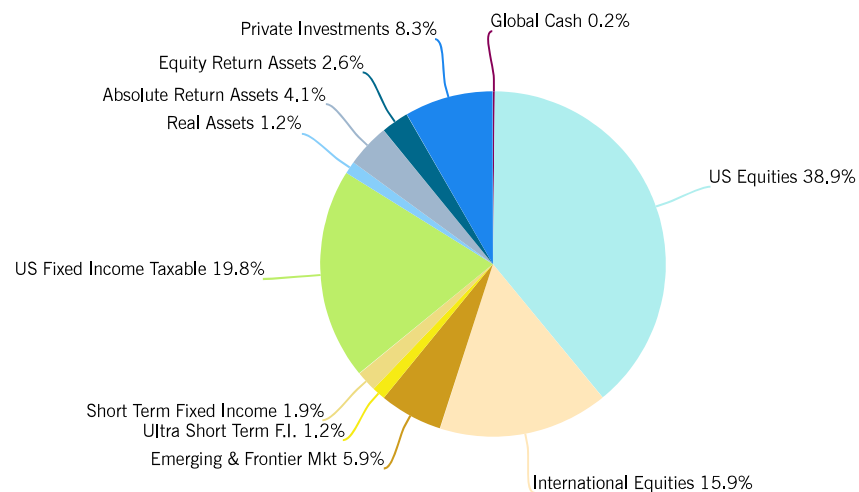
	Quarter to Date (\$) 06/30/24-09/30/24	Year to Date (\$) 12/31/23-09/30/24	Performance Inception Month End (\$) 03/31/13-09/30/24
Beginning Total Value	43,220,562	40,510,179	24,506,769
Net Contributions/Withdrawals	0	113	2,569,165
Investment Earnings	2,042,000	4,752,269	18,186,628
Ending Total Value	45,262,562	45,262,562	45,262,562
DOLLAR WEIGHTED RATE OF RETURN (%) (Annualized for periods over 12 months)			
Return % (Net of Fees)	4.72	11.73	3.77

DOLLAR-WEIGHTED PERIOD RETURN % (NET OF FEES)



Does not include Performance Ineligible Assets.

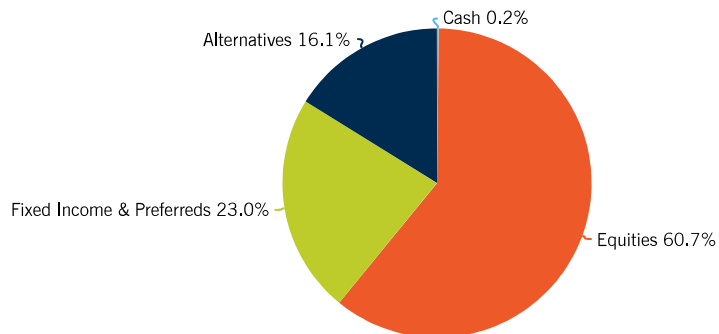
ASSET ALLOCATION



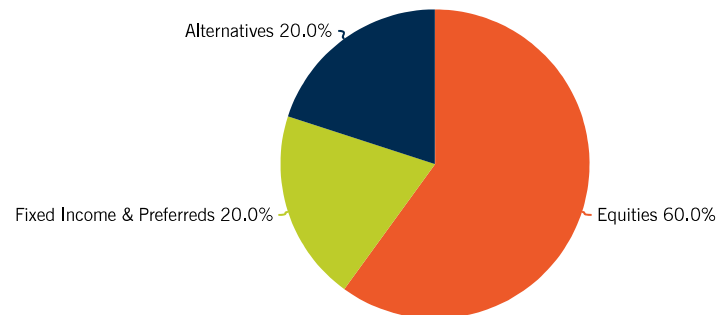
Asset Allocation: Actual vs. Target

ACTUAL VS. TARGET

Actual



Target



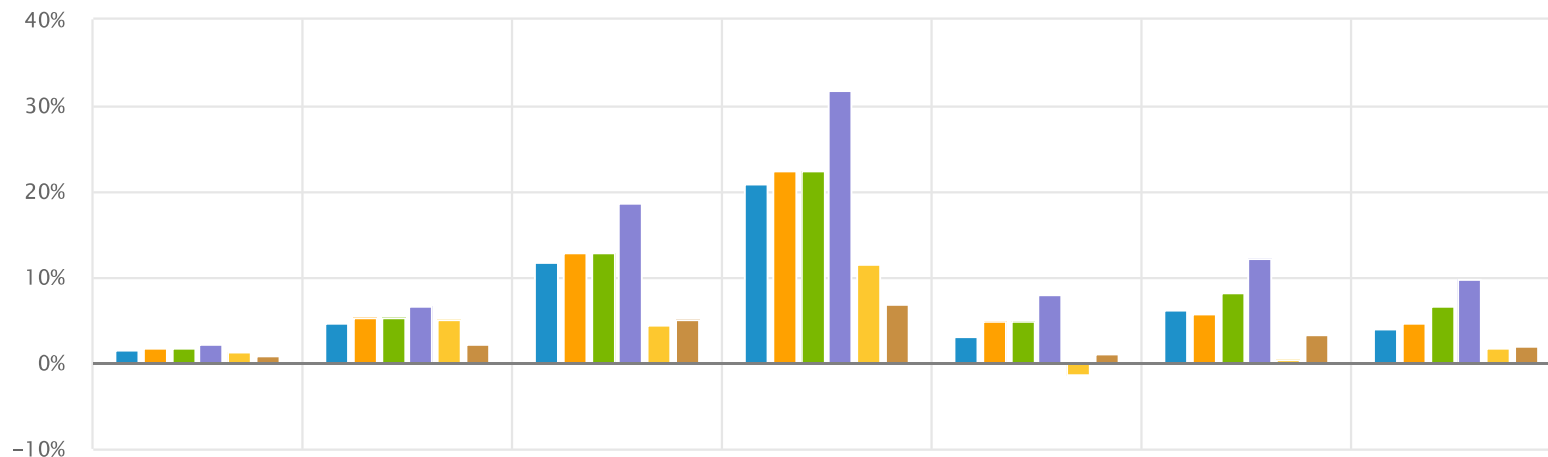
ASSET ALLOCATION: ACTUAL VS. TARGET WITH MIN-MAX RANGE

Asset Class	Actual 09/30/2024		Target		Difference		Min-Max Range (%)
	(\$)	(%)	(\$)	(%)	(\$)	(%)	
Cash	76,659.39	0.17	0.00	0.00	76,659.39	0.17	-
Equities	27,461,805.39	60.74	27,128,761.07	60.00	333,044.32	0.74	35 - 65
Fixed Income & Preferreds	10,377,731.52	22.95	9,042,920.36	20.00	1,334,811.16	2.95	15 - 45
Alternatives	7,298,405.48	16.14	9,042,920.36	20.00	-1,744,514.88	-3.86	10 - 30
Other	0.00	0.00	0.00	0.00	0.00	0.00	-
Total Assets	45,214,601.78	100.00	45,214,601.78	100.00			

Target Allocation as determined by you and your Financial Advisor for this account only. Total Value and % of Portfolio are based on US Dollar values.

Time Weighted Performance Summary

RETURN % (GROSS AND NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Month to Date 08/31/24 - 09/30/24	Quarter to Date 06/30/24 - 09/30/24	Year to Date 12/31/23 - 09/30/24	Last 12 Months 09/30/23 - 09/30/24	Last 3 Years 09/30/21 - 09/30/24	Last 5 Years 09/30/19 - 09/30/24	Performance Inception Month End 03/31/13 - 09/30/24
Beginning Total Value (\$)	44,607,328.42	43,220,561.67	40,510,179.14	37,469,451.35	30,843,689.68	28,256,748.85	24,506,768.54
Net Contributions/Withdrawals (\$)	0.00	0.00	113.32	113.32	9,644,543.85	6,389,741.31	2,569,165.12
Investment Earnings (\$)	655,233.54	2,042,000.29	4,752,269.49	7,792,997.29	4,774,328.42	10,616,071.79	18,186,628.29
Ending Total Value (\$)	45,262,561.95	45,262,561.95	45,262,561.95	45,262,561.95	45,262,561.95	45,262,561.95	45,262,561.95
Return % (Gross of Fees)	1.47	4.79	11.93	21.09	3.47	6.42	4.21
Return % (Net of Fees)	1.47	4.72	11.73	20.80	3.21	6.15	3.96
Cal Poly Pomona - Blended Benchmark (%)	1.85	5.42	12.96	22.36	4.97	5.82	4.58
Cal Poly Pomona Policy BM (%)	1.85	5.42	12.96	22.36	4.97	8.20	6.77
MSCI AC World Net (%)	2.32	6.61	18.66	31.76	8.09	12.19	9.81
Bloomberg US Aggregate (%)	1.34	5.20	4.45	11.57	-1.39	0.33	1.79
HFRX Global Hedge Fund (%)	0.95	2.12	5.08	6.86	1.20	3.30	1.97

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Positions Time Weighted Performance Detail

OCIO - Cal Poly Pomona Foundation

Data as of September 30, 2024

RETURN % (GROSS OF FEES) VS. BENCHMARK (ANNUALIZED)

Asset Class/ Benchmark/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Month to Date (%) 08/31/24 - 09/30/24	Quarter to Date (%) 06/30/24 - 09/30/24	Year to Date (%) 12/31/23 - 09/30/24	Last 12 Months (%) 09/30/23 - 09/30/24	Last 3 Years (%) 09/30/21 - 09/30/24	% of Portfolio
Total Portfolio (Gross of Fees)		12/31/2014	45,262,561.95	1.47	4.79	11.93	21.09	3.47	100.00
<i>Cal Poly Pomona - Blended Benchmark</i>				1.85	5.42	12.96	22.36	4.97	
Equities		12/31/2014	27,460,675.58	1.81	5.70	17.27	30.37	6.06	60.67
<i>MSCI AC World Net</i>				2.32	6.61	18.66	31.76	8.09	
US Equities <i>Russell 3000</i>		12/31/2014	17,583,169.96	1.82 2.07	5.09 6.23	19.12 20.63	33.63 35.19	8.82 10.29	38.85
US Large Cap Growth <i>Russell 1000 Gr</i>		12/31/2014	9,134,144.01	2.19 2.83	2.70 3.19	23.79 24.55	41.17 42.19	9.17 12.02	20.18
Brown Advisory LC Sustain Grth	835-XXX415	05/21/2021	1,202,633.81	1.38	2.74	17.24	34.18	7.37	2.66
JP Morgan Large Cap Growth	835-XXX415	02/02/2023	1,220,967.68	2.21	2.35	27.42	44.37	-	2.70
Vanguard Growth ETF	835-XXX415	12/22/2021	6,710,542.51	2.33	2.74	23.49	40.92	-	14.83
US Large Cap Value <i>Russell 1000 Value</i>		12/31/2014	7,976,357.72	1.50 1.39	7.60 9.43	16.62 16.68	29.62 27.76	10.20 9.02	17.62
Boston Partners LC Value	835-XXX415	05/21/2021	2,864,389.00	1.41	7.69	19.99	33.11	11.37	6.33
ClearBridge Large Value ESG	835-XXX415	05/21/2021	2,819,617.31	1.55	6.15	11.55	25.34	8.73	6.23
Vanguard Value ETF	835-XXX415	12/22/2021	2,292,351.41	1.52	9.30	18.89	29.68	-	5.06
US Mid Cap <i>Russell Midcap</i>		02/19/2016	472,668.23	0.32 2.23	9.81 9.21	7.94 14.63	22.10 29.33	5.24 5.75	1.04
Earnest Prnts Small/Mid Core	835-XXX415	05/21/2021	472,668.23	0.32	9.81	7.94	22.10	5.24	1.04
International Equities <i>MSCI EAFE Net</i>		12/31/2014	7,191,909.67	0.64 0.92	6.92 7.26	14.02 12.99	26.03 24.77	4.49 5.48	15.89

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Positions Time Weighted Performance Detail

OCIO - Cal Poly Pomona Foundation

Data as of September 30, 2024

RETURN % (GROSS OF FEES) VS. BENCHMARK (ANNUALIZED) (Continued)

Asset Class/ Benchmark/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Month to Date (%) 08/31/24 - 09/30/24	Quarter to Date (%) 06/30/24 - 09/30/24	Year to Date (%) 12/31/23 - 09/30/24	Last 12 Months (%) 09/30/23 - 09/30/24	Last 3 Years (%) 09/30/21 - 09/30/24	% of Portfolio
International Equities <i>MSCI EAFE Net</i>		12/31/2014	7,191,909.67	0.64 0.92	6.92 7.26	14.02 12.99	26.03 24.77	4.87 5.48	15.89
iShares ESG Aware MSCI EAFE	835-XXX415	05/21/2021	3,546,250.44	0.98	6.84	13.70	25.71	5.39	7.83
T. Rowe Price Intl Eqty ADR	835-XXX415	07/20/2022	3,645,659.23	0.32	7.00	14.23	26.23	-	8.05
Emerging & Frontier Mkt <i>MSCI EM Net</i>		12/31/2014	2,685,595.95	4.94 6.68	6.50 8.72	14.53 16.86	22.81 26.05	-2.42 0.40	5.93
Emerging Market Equities <i>MSCI EM Net</i>		12/31/2014	2,685,595.95	4.94 6.68	6.50 8.72	14.53 16.86	22.81 26.05	-2.42 0.40	5.93
GQG Emerging Markets Equity Fd	835-XXX415	12/07/2023	417,643.89	-0.06	-1.56	14.01	-	-	0.92
iShares ESG Aware MSCI EM	835-XXX415	05/21/2021	1,789,551.50	6.15	8.58	14.44	23.20	-1.54	3.95
Martin Currie Emerging Markets	835-XXX415	05/21/2021	478,400.56	5.03	6.49	12.18	20.55	-3.79	1.06
Fixed Income & Preferreds <i>Bloomberg US Aggregate</i>		12/31/2014	10,388,345.72	1.25 1.34	4.83 5.20	4.62 4.45	11.26 11.57	-1.41 -1.39	22.95
Ultra Short Term F.I. <i>FTSE Treasury Bill 3 Month</i>		10/14/2016	563,141.21	0.45 0.44	1.41 1.37	3.86 4.17	5.33 5.63	- -	1.24
Ultra-Short Term F.I. <i>FTSE Treasury Bill 3 Month</i>		10/14/2016	563,141.21	0.45 0.44	1.41 1.37	3.86 4.17	5.33 5.63	- -	1.24
iShares BC Short Treasury Bd	835-XXX415	08/31/2023	563,141.21	0.45	1.41	3.86	5.33	-	1.24
Short Term Fixed Income <i>Bloomberg Global Aggregate 1-3 Y</i>		12/31/2014	877,511.63	0.96 1.30	3.71 5.13	5.22 3.70	9.57 8.53	4.84 3.81	1.94

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Positions Time Weighted Performance Detail

OCIO - Cal Poly Pomona Foundation

Data as of September 30, 2024

RETURN % (GROSS OF FEES) VS. BENCHMARK (ANNUALIZED) (Continued)

Asset Class/ Benchmark/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Month to Date (%) 08/31/24 - 09/30/24	Quarter to Date (%) 06/30/24 - 09/30/24	Year to Date (%) 12/31/23 - 09/30/24	Last 12 Months (%) 09/30/23 - 09/30/24	Last 3 Years (%) 09/30/21 - 09/30/24	% of Portfolio
Short Term Fixed Income <i>Bloomberg Global Aggregate 1-3 Y</i>		12/31/2014	877,511.63	0.96 1.30	3.71 5.13	5.22 3.70	9.57 8.53	4.84 3.81	1.94
Vanguard Short Term Corp Bond	835-XXX415	07/20/2022	877,511.63	0.96	3.71	5.22	9.57	-	1.94
US Fixed Income Taxable <i>Bloomberg US Aggregate</i>		12/31/2014	8,947,692.88	1.33 1.34	5.15 5.20	4.54 4.45	11.88 11.57	-2.27 -1.39	19.77
Securitized <i>Bloomberg US Aggregate (A+)</i>		10/23/2017	1,553,454.16	1.29 1.28	5.25 5.11	5.71 4.28	12.51 11.09	3.78 2.57	3.43
JP Morgan Mort Backed Sec Fd	835-XXX415	07/20/2022	1,553,454.16	1.29	5.25	5.71	12.51	-	3.43
US Taxable Core <i>Bloomberg US Aggregate</i>		06/01/2020	7,394,238.72	1.34 1.34	5.13 5.20	4.28 4.45	11.73 11.57	-2.23 -1.39	16.34
Allspring Core Plus Bond Fd	835-XXX415	08/22/2024	1,117,663.36	1.39	0.99	0.99	-	-	2.47
CCM Community Impact Bond Fund	835-XXX415	05/21/2021	1,217,384.03	1.10	4.46	4.82	10.42	-0.60	2.69
Federated Hermes Total Ret Bd	835-XXX415	07/19/2023	2,169,864.30	1.43	5.21	4.83	11.74	-	4.79
iShares BC 7-10 Yr Treas Bd	835-XXX415	07/20/2022	1,113,760.12	1.38	5.66	4.33	11.00	-	2.46
iShares BC Aggregate Bond	835-XXX415	04/18/2022	1,775,566.91	1.33	5.24	4.61	11.39	-	3.92
Alternatives <i>HFRX Global Hedge Fund</i>		12/31/2014	7,334,764.87	0.51 0.95	1.22 2.12	5.09 5.08	6.90 6.86	2.21 1.20	16.20
Real Assets <i>S&P GSSI Natural Resource</i>		12/31/2014	521,775.04	0.13 -1.35	0.04 1.01	2.41 10.71	-1.40 9.40	0.15 18.49	1.15

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Positions Time Weighted Performance Detail

OCIO - Cal Poly Pomona Foundation

Data as of September 30, 2024

RETURN % (GROSS OF FEES) VS. BENCHMARK (ANNUALIZED) (Continued)

Asset Class/ Benchmark/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Month to Date (%) 08/31/24 - 09/30/24	Quarter to Date (%) 06/30/24 - 09/30/24	Year to Date (%) 12/31/23 - 09/30/24	Last 12 Months (%) 09/30/23 - 09/30/24	Last 3 Years (%) 09/30/21 - 09/30/24	% of Portfolio
Real Estate/REITs <i>FTSE EPRA NAREIT Developed REITs TR</i>		12/31/2014	521,775.04	0.13 3.23	0.04 16.29	2.41 13.02	-1.40 30.71	0.15 2.32	1.15
BREIT CL I(BBF37)	835-XXX416	07/01/2021	521,775.04	0.13	0.04	2.41	-1.40	5.79	1.15
Absolute Return Assets <i>HFRI RV Total</i>		05/02/2018	1,851,018.39	0.47 0.86	1.49 2.43	8.43 6.52	10.41 9.27	5.75 -	4.09
Equity Market Neutral <i>HFRI EH Equity Market Neutral</i>		11/28/2022	957,429.02	0.20 0.36	1.11 1.20	10.95 7.54	14.88 9.46	- -	2.12
SCHONFELD FUNDMNTL EF LTD(BCI57)	835-XXX416	11/28/2022	957,429.02	0.20	1.11	10.95	14.88	-	2.12
Relative Value <i>HFRI RV Total</i>		12/29/2021	893,589.37	0.77 0.86	1.90 2.43	5.85 6.52	5.99 9.27	- -	1.97
HUDSON BAY LTD TRNCHE II MS(BCT31)	835-XXX416	07/27/2023	893,589.37	0.77	1.90	5.50	5.64	-	1.97
Equity Return Assets <i>HFRI Equity Hedge Total</i>		06/25/2021	1,205,134.64	2.36 1.31	4.46 3.84	10.19 10.26	20.60 17.31	0.24 3.56	2.66
Equity Long/Short <i>HFRI Equity Hedge Total</i>		06/25/2021	611,817.37	2.99 1.31	4.63 3.84	11.14 10.26	23.08 17.31	0.53 3.56	1.35
COATUE OFFSHORE(BBH04)	835-XXX416	06/28/2021	305,330.59	4.02	2.24	11.70	19.53	3.05	0.67
SEG PARTNERS OFFSH CLASS I(BBZ77)	835-XXX416	06/28/2021	306,486.78	1.99	7.14	10.58	26.83	3.15	0.68
Event Driven/Credit <i>HFRI Event Driven Total</i>		06/28/2021	593,317.27	1.72 1.68	4.28 4.78	9.23 7.75	18.15 13.64	0.06 4.59	1.31
HP/STARBOARD VALUE LTD(HPC6E)	835-XXX416	07/30/2021	317,164.68	0.63	4.57	5.20	14.23	4.45	0.70

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Positions Time Weighted Performance Detail

OCIO - Cal Poly Pomona Foundation

Data as of September 30, 2024

RETURN % (GROSS OF FEES) VS. BENCHMARK (ANNUALIZED) (Continued)

Asset Class/ Benchmark/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Month to Date (%) 08/31/24 - 09/30/24	Quarter to Date (%) 06/30/24 - 09/30/24	Year to Date (%) 12/31/23 - 09/30/24	Last 12 Months (%) 09/30/23 - 09/30/24	Last 3 Years (%) 09/30/21 - 09/30/24	% of Portfolio
THIRD POINT(BBN11)	835-XXX416	06/28/2021	276,152.59	3.00	3.96	14.26	23.01	-4.18	0.61
Private Investments <i>HFRI ED Multi-Strategy</i>		06/05/2017	3,756,836.79	0.00 2.14	0.25 4.83	2.32 8.47	2.78 13.69	2.50 2.20	8.30
Private Real Estate <i>NCREIF Property Idx</i>		05/11/2023	59,152.49	0.51 0.00	1.46 -0.01	5.58 -1.15	-3.60 -4.13	- -	0.13
BLUE OWL RE FUND VI OFF CPV(BDD03CPV)	835-XXX245	09/25/2024	17,431.04	0.00	0.00	0.00	-	-	0.04
BLUE OWL RE FUND VI OFF(BDD03)	835-XXX245	05/11/2023	41,721.45	0.51	1.46	5.58	-3.60	-	0.09
Private Equity <i>Cambridge US Private Equity-Legacy</i>		06/28/2021	683,326.31	0.00 0.00	0.69 0.00	3.04 3.70	4.48 6.47	7.60 5.54	1.51
PARTNERS GROUP PE - I(BBP03)	835-XXX416	07/01/2021	494,929.12	0.00	0.96	2.96	3.97	5.79	1.09
PREMIER LCP X OFFSHORE DPV(BDF27DPV)	835-XXX245	09/25/2024	-3,169.94	0.00	0.00	0.00	-	-	-0.01
PREMIER LCP X OFFSHORE(BDF27)	835-XXX245	06/28/2023	191,567.13	0.00	0.00	3.31	6.08	-	0.42
Private Credit <i>CS Leveraged Loan</i>		11/02/2021	439,893.64	-0.07 0.73	1.13 2.05	6.78 6.58	10.28 9.62	- -	0.97
ATALAYA SOF TE IX CPV(BDX33CPV)	835-XXX245	09/16/2024	66,155.35	0.00	0.00	0.00	-	-	0.15
ATALAYA SOF TE IX(BDX33)	835-XXX245	06/13/2024	56,562.38	0.00	0.00	0.11	-	-	0.12

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Positions Time Weighted Performance Detail

OCIO - Cal Poly Pomona Foundation

Data as of September 30, 2024

RETURN % (GROSS OF FEES) VS. BENCHMARK (ANNUALIZED) (Continued)

Asset Class/ Benchmark/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Month to Date (%) 08/31/24 - 09/30/24	Quarter to Date (%) 06/30/24 - 09/30/24	Year to Date (%) 12/31/23 - 09/30/24	Last 12 Months (%) 09/30/23 - 09/30/24	Last 3 Years (%) 09/30/21 - 09/30/24	% of Portfolio
BLACKSTONE BCRED(BCJ25)	835-XXX416	07/01/2021	267,298.91	-0.12	1.45	7.57	11.11	9.28	0.59
FORTRESS LENDING IV A (FO) CPV(BDO26CPV)	835-XXX245	09/23/2024	25,000.00	0.00	0.00	0.00	-	-	0.06
FORTRESS LENDING IV A (FO) (BDO26)	835-XXX245	03/21/2024	24,877.00	0.00	0.00	-5.89	-	-	0.05
Private Investments-Other <i>Cambridge US Private Equity-Legacy</i>		06/05/2017	2,574,464.36	0.00 0.00	0.00 0.00	1.58 3.70	1.66 6.47	1.07 5.54	5.69
HAMILTON LANE PMOF FOF SER CPV(BBB92CPV)	835-XXX325	08/19/2024	44,880.00	0.00	0.00	0.00	-	-	0.10
HAMILTON LANE PMOF FOF SER DPV(BBB92DPV)	835-XXX325	08/19/2024	-69,628.00	0.00	0.00	0.00	-	-	-0.15
HAMILTON LANE PMOF FOF SER(BBB92)	835-XXX325	06/05/2017	2,599,212.36	0.00	0.00	1.58	1.66	1.07	5.74
Other		12/31/2014	1,673.10	56715254.24	-	-	-	-	0.00
60 S&P 500 40 BC AGG				1.82	-	-	-	-	
Other		12/31/2014	1,673.10	56715254.24	-	-	-	-	0.00
Other 60 S&P 500 40 BC AGG		12/31/2014	1,673.10	56715254.24 1.82	- -	- -	- -	- -	0.00
N/A	835-XXX415	08/15/2024	1,673.10	56715254.24	-	-	-	-	0.00
Cash		12/31/2014	77,102.69	0.58	1.35	3.64	5.14	3.53	0.17
FTSE Treasury Bill 3 Month				0.44	1.37	4.17	5.63	3.63	
Cash(0000MONEY)	Multiple	12/31/2014	443.30	-	-	-	-	-	0.00

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Positions Time Weighted Performance Detail

OCIO - Cal Poly Pomona Foundation

Data as of September 30, 2024

RETURN % (GROSS OF FEES) VS. BENCHMARK (ANNUALIZED) (Continued)

Asset Class/ Benchmark/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Month to Date (%) 08/31/24 - 09/30/24	Quarter to Date (%) 06/30/24 - 09/30/24	Year to Date (%) 12/31/23 - 09/30/24	Last 12 Months (%) 09/30/23 - 09/30/24	Last 3 Years (%) 09/30/21 - 09/30/24	% of Portfolio
MSILF GOVT SEC PART(AAPF)	Multiple	08/13/2018	76,659.39	0.58	1.35	3.84	5.35	3.96	0.17

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.
Position level performance detail is only available since 12/31/2014.

Illiquid Alternative Investments

OCIO - Cal Poly Pomona Foundation

Data as of September 30, 2024

ILLIQUID ALTERNATIVE INVESTMENTS

Security Description / Account Number	Inception Date	Valuation Date	As Of Valuation Date (1)						Since Last Valuation		
			Comm. Amt. (\$) / Unfunded (\$) (2)	Contr. Inside Comm. To Date (\$) (2)	Total Contr. To Date (\$) (2)	Non-Recall (\$) / Recall Dist To Date (\$) (2)	Est. Val. (\$) / Est. Profit / (Loss) (\$) (5)	Fund Net IRR (%) (6) / MOIC (x)	Net Cash Flow Since Last Val. (\$) (3) (4)	Adjusted Val. (\$) (3)	Most Recent Cash Flow (4)
ATALAYA SOF TE IX 835-XXX245 <i>Symbol/Cusip: BDX33</i>	06/14/24	06/30/24	250,000 193,501	56,499	56,499	0 0	56,562 64	NM 1.00	66,155	122,718	09/17/24
FORTRESS LENDING IV A (FO) 835-XXX245 <i>Symbol/Cusip: BDO26</i>	03/21/24	06/30/24	250,000 225,000	25,000	25,000	0 0	24,877 -123	NM 1.00	25,000	49,877	09/24/24
HAMILTON LANE PMOF FOF SER 835-XXX325 <i>Symbol/Cusip: BBB92</i>	06/05/17	06/30/24	3,000,000 450,295	3,226,733	3,229,180	1,217,266 677,028	2,599,212 1,264,326	10.40 1.39	-24,748	2,574,464	08/19/24
PREMIER LCP X OFFSHORE 835-XXX245 <i>Symbol/Cusip: BDF27</i>	06/29/23	06/30/24	400,000 242,999	161,904	162,504	518 4,903	191,567 34,484	NM 1.21	-3,170	188,397	09/25/24
BLUE OWL RE FUND VI OFF 835-XXX245 <i>Symbol/Cusip: BDD03</i>	05/12/23	06/30/24	300,000 252,500	47,500	47,897	2,111 0	41,721 -4,065	NM 0.92	16,826	59,152	09/26/24
Illiquid Alternative Investments Total			4,200,000 1,364,295	3,517,635	3,521,080	1,219,896 681,931	2,913,940 1,294,687		80,063	2,994,609	

Footnotes

(1) Transactions pending valuation are not included until the valuation inclusive of the activity is posted.

(2) Total Contributions to date may include certain transaction types which do not reduce Unfunded Commitment (e.g. Contribution Outside Commitment, External Fees and Expenses, Sub Close Interest Paid).

(3) Net Cash Flows Since Last Valuation may include transaction types which do not impact Adjusted Valuation (e.g. External Fees and Expenses, Interest/Income).

(4) Period end dates other than prior business day will exclude cash flows subsequent to the period end.

(5) Estimated Profit / (Loss) = Estimated Valuation + Total Distribution to Date - Total Contributions to Date

(6) Fund Net IRR - the value displayed in this field was calculated and provided by the Alternative Investments manager. Alternative Investments managers may have varying definitions of what constitutes a "Net IRR." The amount is generally an overall fund IRR and may not represent any individual client's experience in the fund. The following values may also appear in this field, as applicable: "NM" - represents IRRs that are determined to be not meaningful during the early stages of the fund's life. "-" - represents that a return is not available for the given period.

Private Programs Investment Report

Cal Poly Pomona Foundation

All Accounts

July 1, 2024 - September 30, 2024



commonfund

All Accounts

July 1, 2024 - September 30, 2024

STATEMENT OF CHANGES AS OF 9/30/2024

	Opening Market Value	Cash Contributions	Management Fees	Net Operating Income (Expense)	Net Realized Gain (Loss)	Net Unrealized Gain (Loss)	Cash Distributions	Other	Carried Interest	Ending Market Value
General Fund - 06										
Private Equity Partners VII										
Quarter-to-Date	\$119,639		(\$122)	\$312	\$6,105	(\$6,494)	(\$2,945)		\$1	\$116,496
Year-to-Date	\$161,328	\$750	(\$362)	(\$726)	\$41,617	(\$42,334)	(\$43,813)		\$36	\$116,496
Inception-to-Date		\$701,250	(\$53,179)	(\$15,216)	\$934,931	\$23,981	(\$1,451,678)		(\$23,593)	\$116,496
Inception Date: 9/30/2007	Total Commitment: \$750,000		IRR: 13.73	Value Date: 9/30/2024						

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is not indicative of future performance.

All Accounts

July 1, 2024 - September 30, 2024

ACCOUNT SUMMARY AS OF 9/30/2024

	Vintage Year	Capital Committed	Capital Called	Remaining Capital to be Called	Capital Distributions	Capital Balance	Multiple	IRR	Value Date
General Fund - 06									
Commonfund Real Estate									
Realty Investors 2004-12 (Tranche)	2005	\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.2	-26.2%	
Total Commonfund Real Estate		\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.2	-26.2%	
US Private Equity									
Private Equity Partners VII	2007	\$750,000	\$701,250	\$48,750	(\$1,451,678)	\$116,496	2.2	13.7%	9/30/2024
Total US Private Equity		\$750,000	\$701,250	\$48,750	(\$1,451,678)	\$116,496	2.2	13.7%	9/30/2024
Multi-Asset									
Capital Partners IV	2007	\$250,000	\$236,250	\$13,750	(\$409,597)	\$46,759	1.9	9.9%	6/30/2024
Total Multi-Asset		\$250,000	\$236,250	\$13,750	(\$409,597)	\$46,759	1.9	9.9%	6/30/2024
Total General Fund - 06		\$2,500,000	\$2,437,500	\$62,500	(\$2,144,371)	\$163,255	0.9	-0.6%	9/30/2024
Grand Total		\$2,500,000	\$2,437,500	\$62,500	(\$2,144,371)	\$163,255	0.9	-0.6%	9/30/2024

Explanatory Notes:

- Performance data is net of all fees and carried interest. Transaction flows and capital for these funds are included in the appropriate totals.

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is not indicative of future performance.

All Accounts

July 1, 2024 - September 30, 2024

- Multiple, also referred to as TVPI, total value to invested capital net of the general partners and special limited partners (Capital Distributions + Capital Balance/Capital Distributions).
- Each partnership's net IRR (Internal Rate of Return) should be evaluated in light of information on such partnership's investment program, the risks associated therewith, and partnership performance as disclosed in the respective Offering Memorandum and Annual and Quarterly Reports. Return information calculated on a dollar-weighted (e.g., internal rate of return), since inception basis, which is standard for the private capital industry, rather than the time-weighted (e.g., annual or other period rate of return) basis. Comparison of returns calculated on a net IRR basis with returns on a time-weighted basis is not appropriate. There can be no assurance that unrealized investments ultimately will be realized at the valuations used in calculating net IRRs or Net Multiples or that the calculated net IRRs will be obtained. Actual realized returns will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale.
- Capital Called and Capital Distributions are since inception through the report End Date.

NON-MARKETABLE INVESTMENTS ROLL FORWARD FROM VALUE DATE TO 9/30/2024

Non-Marketable Fund	Incep. Date	Commitment	Valuation Date	Most Recent Valuation	Capital Calls since Valuation Date	Distributions since Valuation Date	Adjusted Market Value
Private Equity Partners VII	9/30/2007	\$750,000.00	6/30/2024	\$119,639.00	\$0.00	(\$2,945.00)	\$116,694.00
Total Private Equity (buyouts & growth equity)		\$750,000.00	6/30/2024	\$119,639.00	\$0.00	(\$2,945.00)	\$116,694.00
Capital Partners IV	9/30/2007	\$250,000.00	6/30/2024	\$46,759.00	\$0.00	(\$3,747.00)	\$43,012.00
Total Multi-Strategy		\$250,000.00	6/30/2024	\$46,759.00	\$0.00	(\$3,747.00)	\$43,012.00
Non-Marketable Total		\$1,000,000.00	6/30/2024	\$166,398.00	\$0.00	(\$6,692.00)	\$159,706.00

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is not indicative of future performance.

Memorandum



Date: December 13, 2024

To: Finance & Investment Committee

From: Jared Ceja, CEO
Tariq Marji, Interim CFO

Attached: Proposed General Investment Policy 131 with Tracked Changes

Subject: **Update to General Investment Policy 131**

General Investment Policy 131 was last updated in 2021. That amendment changed the portfolio distribution while strengthening the language on environmental and social stewardship. The resulting actions have included strong consideration for ESG investing instruments. Management is suggesting additional language to specifically call out the importance of these investment options with the following proposed language addition:

Thus, consideration for environmental, social, and governance (“ESG”) factors shall be integrated into the investment decision process.

The tracked changes version of the policy is attached.

Recommended Action:

Management recommends that the Finance & Investment Committee amend General Investment Policy 131, as presented, to specifically reflect Environmental, Social and Global (ESG) considerations in investment decisions.

BE IT RESOLVED that the members of the Finance & Investment Committee have reviewed and approve the proposed amendment to General Investment Policy 131.

BE IT FURHTER RESOLVED that the approved amendment to General Investment Policy 131 be forwarded to the Board of Directors for review and approval at the next scheduled meeting.

PASSED AND ADOPTED THIS 13TH DAY OF DECEMBER 2024.

By: _____
Anissa Patel, Acting Chair
Finance & Investment Committee



POLICIES AND PROCEDURES

CORPORATE POLICY

Subject: General Investment Policy

Policy No.: 131

Last Revision Date: 02/25/21

Date: ~~March 8,~~

~~2022~~ December 13, 2024

Revision: 2

- A. **Policy**
 - B. **Objective**
 - C. **Scope**
 - D. **Delegation and Grants of Authority**
 - E. **Ethics and Conflict of Interest**
 - F. **Criteria for Selection of Investment Managers**
 - G. **Performance Evaluation**
 - H. **Return Objective**
 - I. **Target Asset Allocation**
 - J. **Rebalancing**
 - K. **Safekeeping and Custody Agreements**
 - L. **Internal Controls**
 - M. **Investment Policy Review**
-

A. Policy

This Statement of Investment Policy is intended to provide guidelines for the prudent investment of the Foundation's (see Scope, Section III) general investment portfolio and outline the policies for maximizing the effectiveness and efficiency of the Cal Poly Pomona Foundation, Inc. ("Foundation") investment management program. The goal of this General Investment Policy is twofold, one is to enhance the economic status of the Foundation while preserving its capital resources; the second is to establish a clear understanding between the Foundation and their Investment Manager(s) regarding investment objectives and policy guidelines. The Foundation's General Investment Policy is to be governed by Sections 5210 and 5231 of the California Corporations Code, and California Probate Code Section 18500 et seq. (Uniform Prudent Management of Institutional Funds Act).



POLICIES AND PROCEDURES

B. Objective

The Foundation's investment management program is designed to monitor and forecast expenditures and revenues, thus enabling the Foundation to invest its asset portfolio to the fullest extent possible. The Foundation attempts to obtain the highest yield available, while investments meet the criteria established for safety (preservation of capital), liquidity and yield.

A. SAFETY

Asset portfolio safety is the foremost objective of the Foundation. Each investment transaction shall seek to ensure portfolio losses are avoided, whether from securities default, rating downgrades, broker/dealer defaults, or erosion of market value. Cal Poly Pomona Foundation, Inc. shall seek the preservation of its portfolio by managing two types of risk: credit risk and market risk.

1. Credit Risk - is the risk of loss due to failure of the issuer and is managed by proper due diligence prior to investing and on an ongoing basis, and diversifying the general investment portfolio so the failure of any one issuer would not materially affect the cash flow of the Foundation.
2. Market Risk - is the risk of investment value fluctuations due to changes in the general level of interest rates or the issuer's individual or industry sector performance. This risk shall be managed by limiting the average maturity of the fixed income portion of the Foundation's general investment portfolio to five years or less and the maximum maturity of any one security to ten years, with the exception of Mortgage-Backed Securities (MBS), the maximum maturity of which shall be limited to thirty years. Market risk shall also be managed by structuring the portfolio so fixed income securities maturing match cash outflows, eliminating the need to sell securities prior to their maturity. It is recognized that within a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall return on the investment.

B. RETURN ON INVESTMENT

The Foundation's general investment portfolio shall be designed to attain or exceed a target rate of return throughout economic cycles consistent with risk limitations and prudent investment principles. The target rate of return shall be measured in "absolute", "relative" and "comparative" terms as determined by the Finance & Investment Committee. See Return Objective Section IX of this General Investment Policy for further details.

C. LIQUIDITY



POLICIES AND PROCEDURES

Foundation's general investment portfolio will remain satisfactorily liquid to enable the Foundation to meet anticipated operating and cash flow requirements. Historical and cash flow needs are to be analyzed continuously.

C. Scope

The funds identified in this section and entrusted to the Foundation will be pooled in an actively managed portfolio. The Foundation shall oversee management of the portfolio within the content of the "Uniform Prudent Management Investment Funds Act of 2008" section 18503 (b) which states:

"...each person responsible for managing and investing an institutional fund shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

" This policy is applicable, but not limited to all funds listed below:

- General Fund
- Sponsored Programs Fund
- Designated Fund
- Enterprise Fund
- Agricultural-Aid-To-Instruction Fund
- Foundation Program Fund
- Continuing Education Fund
- Real Estate Fund

D. Delegation and Grants of Authority

Responsibility for the investment program has been delegated by the Foundation Board of Directors to the Finance & Investment Committee. The Finance & Investment Committee may outsource the portfolio management of the assets to the Investment Advisor, in concert with the rules and parameters included in this document and described below. A report on portfolio performance will be provided to the full Foundation Board on a quarterly basis at a regularly scheduled Board meeting.

A. THE INVESTMENT ADVISOR

The Investment Advisor will be a discretionary advisor to the Foundation Board of Directors. Investment advice concerning the investment management of the Portfolio will be offered by the Investment Advisor, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this General Investment Policy.



POLICIES AND PROCEDURES

The Investment Advisor may assist the Foundation Board of Directors in establishing investment policies, objectives and guidelines as is set forth in this General Investment Policy and as is amended from time to time. In addition, the Investment Advisor will be responsible to review Investment Managers, measure and evaluate investment performance, and other tasks as deemed appropriate. Ongoing investment decisions will be made on a discretionary basis by the Investment Advisor, within the investment and governance parameters delineated in this General Investment Policy.

The Investment Advisor represents that with respect to the performance of its duties under this policy, it is a "fiduciary" and is registered as an investment advisor under the Federal Investment Advisers Act of 1940 (the "Advisors Act") and will perform the duties set forth hereunder consistently with the fiduciary obligations imposed under the Advisors act, and regulations promulgated thereunder and any interpretations thereof by the U.S. Securities and Exchange Commission, notwithstanding the potential conflicts of interest described below.

Specific responsibilities of the Investment Advisor include, but are not limited to:

- assisting in the development and periodic review of the General Investment Policy, including asset allocation guidelines as illustrated in this policy;
- executing investment portfolio management, asset allocation, rebalancing and other day-to-day responsibilities on a discretionary basis within the guidelines of this General Investment Policy;
- providing ongoing due diligence required to monitor the individual investment managers and to provide a periodic review of investment manager's performance considering among other factors, historical composite investment performance, investment risk, investment process, and investment personnel.

B. THE INVESTMENT MANAGERS

The Investment Managers have discretion to make all investment decisions for the assets placed under its jurisdiction by the Investment Advisor within the parameters of this policy.

E. Ethics and Conflict of Interest

All Foundation Board members and investment personnel including family members shall refrain from personal business activity which could create a conflict in fact or in appearance with proper execution of the investment program, or which could impair their ability to execute impartial investment decisions. All such personnel shall disclose to the Executive Director any material financial interests in financial institutions which conduct business within the jurisdiction and shall disclose any material financial investment positions which could be



POLICIES AND PROCEDURES

related in a conflicting manner to the performance of the Foundation's general investment portfolio. The Executive Director shall report in writing to the full Board at least annually all issues, which could influence the performance of the Foundation's investments.

F. Criteria for Selection of Investment Mangers

In order to retain investment management organizations that have demonstrated competence in executing one or more investment strategies consistent with the established policy, the following criteria will be applied in retaining existing firms and selecting new investment managers:

- A. Demonstrated performance in one or more of the asset categories defined in section X.
- B. A sound research program;
- C. A disciplined, consistent and measurable approach to the construction and monitoring of portfolios;
- D. Established investment control procedures with operating management information to assure regular review of the portfolio manager's decisions;
- E. Ability to trade at the competitive rates and consistently secure best price execution;
- F. Primary business purpose will be investment management and will have sufficient experience with educational investment assets;
- G. Demonstrated ability to manage its affairs in a businesslike manner and with a high degree of financial stability;
- H. An experienced, highly competent professional staff, recognized as such within the industry. Continuity of such personnel will be considered;
- I. No conflict of interest with the policy, objectives, or organization of the investment portfolio, nor any conflict which would interfere with prudent management of the portfolio's assets;
- J. Capability to report accounting and performance data in a timely manner;
- K. Competitive fee structure.

Additionally, in light of the social and environmental challenges of our time, fiduciary actions must include prudent management practices with principles of environmental and social stewardship, concern for community, and corporate accountability to stakeholders alike. Therefore, the Foundation actively seeks investments, which support and recognize the central position of global and holistic sustainability. These investments may be focused on specific themes or offer a broader recognition of the long-term global macroeconomic and environmental drivers within sustainable business ventures. Thus, consideration for environmental, social, and governance ("ESG") factors shall be integrated into the investment decision process.



POLICIES AND PROCEDURES

G. Performance Evaluation

Performance will be reviewed for purposes of determining adherence to appropriate risk levels, and for comparison of returns to the established objectives and specific goals.

It is recognized that investment results can fluctuate through market cycles. Achievement of total rate of return within the risk levels identified will be the primary basis upon which to evaluate manager performance. Each manager's portfolio will be monitored and reported quarterly to the Finance & Investment Committee. A comprehensive quarterly report accepted by the Finance & Investment Committee will be presented to the full Board of Directors.

H. Return Objective

The purpose of the Foundation's general investment portfolio is to support the University and its mission over the long term. Accordingly, the purpose of this statement is to establish a written procedure for the investment of the Foundation's general investment portfolio to ensure that the future growth of the portfolio is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the portfolio. This statement will establish appropriate risk and return objectives in light of the fund's risk tolerance and investment time horizon. These objectives, as well as asset allocation guidelines and suitable investments are outlined below.

The return objectives of the Foundation's general investment portfolio shall be viewed from three perspectives as follows: **Absolute** - Real (i.e., net of inflation) rate-of-return **Relative** - Time-weighted rates of return versus capital market indices; and **Comparative** - Performance of the Investment Manager(s) as compared to a universe of similar investment funds.

1. The **Absolute Objective** of the Foundation's general investment portfolio is to seek an average total annual return of 3.5% plus the percentage change in the greater Higher Education Price Index (HEPI). This objective shall be measured over rolling one, three, five- and ten-year time periods. The intent of this objective is to measure, over time, the return on the portfolio as measured in inflation adjusted terms.
2. The **Relative Objective** of the Foundation's general investment portfolio is to seek competitive investment performance versus appropriate capital market benchmarks or indices illustrated below.

Based on the asset allocation ranges outlined in section X, the Investment Policy Benchmark that should be used in evaluating the performance of the Client's assets is:

Global Equities MSCI All Country World (Net)	60%
US Fixed Income Barclays Cap US Aggregate Bond Idx TR	20%
Global Alternatives HFRX Global Hedge (USD)	20%



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3. The Comparative performance objective of the Foundation’s general investment portfolio is to achieve a total rate of return that is above the median performance of universe of similar portfolios. The Foundation’s assets have a long-term, indefinite time horizon that runs concurrent with the endurance of the University. As such, these funds can assume a time horizon that extends well beyond a normal market cycle, and can assume an above-average level of return volatility (as measured by the standard deviation of annual returns) in exchange for an expected higher level of returns over the longer time horizon. It is expected, however, that both professional management and sufficient portfolio diversification will smooth volatility and help to assure a reasonable consistency of return.

I. Target Asset Allocation

To achieve its return objectives, the Foundation’s general investment portfolio shall be allocated among a number of asset classes. These asset classes may include domestic and foreign equity, domestic and international fixed income, cash, real assets, real estate and alternative investments. The purpose of allocating among asset classes is to ensure the proper level of diversification within the Foundation’s general investment portfolio. It is understood that assets may temporarily be placed in a cash equivalent account prior to investing in longer term instruments. The following Target Asset Mix Table defines the Foundation’s general investment portfolio target asset allocation.

Target Asset Mix Table

<u>Asset Class</u>	<u>Range</u>	<u>Representative Index</u>
Equities Domestic Foreign (Developed and Emerging)	35-65%	Russell 3000 Foreign (Developed and Emerging) MSCI All Cap World X US Index
Fixed Income	15-45%	Barclays Intermediate Gov’t/Credit
Cash Equivalents	0-20%	90-Day Treasury Rate
Real Assets	0-10%	Comparable Index
Real Estate	0-10%	Comparable REIT Index
Alternative Investments	10-30%	Authorized Investment Vehicle

No more than 5 percent of the asset class may be invested in any single equity or fixed income issuer, excluding U.S. Treasury Securities, U. S. Government Agency Securities and Mortgage Back Securities, at time of purchase.

Exposure to any industry sector shall generally be limited to 20 percent of the asset class, excluding U.S. Treasury Securities, U.S. Government Agency Securities and Mortgage Back



POLICIES AND PROCEDURES

Securities, at time of purchase. This sector limitation is applicable to both debt and equity.

All limitations expressed on a market value basis.

The portfolio may include exchange-traded funds (ETFs) or commingled vehicles with compositions outside of the control of the Investment Advisor. In those cases, the Investment Advisor will exercise its best efforts to utilize funds with investment objectives that are generally consistent with guidelines found in this policy.

The General Investment Policy shall be to diversify investments among asset classes so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category.

Investments in international issues shall be U.S. dollar denominated or appropriately hedged so as to eliminate fluctuations in value attributable to changes in currency exchange rates.

ACCEPTABLE INSTRUMENTS

1. Money Market Funds
2. Certificates of Deposit
3. U.S. Government or Government Agency Obligations,
4. International Bonds
5. Mortgage Backed Securities – Agency
6. Mortgage Backed Securities – Non-Agency
7. Corporate Debt
8. Repurchase Agreements
9. Mutual Funds (Debt or Equity)
10. Real Estate
11. Real Assets
12. Alternative Investments
13. Single Equity Securities

With respect to the above listed investments, the following limitations will apply:

- Money Market Funds including the Local Agency Investment Fund (LAIF). No more than 5% of the market value of the total portfolio may be invested in any fund. All funds utilized must be pre-approved by the Finance & Investment Committee.
- Certificates of Deposit. Investments in certificates of deposit in any insured bank or savings institution shall be limited to the FDIC insurance maximum.
- U.S. Government or U.S. Government Agency Obligations. There is no limitation within the asset class as to the percentage of the portfolio, which can be invested in U.S. Government obligations.
- International Bonds. These are debt securities issued by non-U.S. governments and



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corporations.

- Mortgage Backed Securities all investments in MBS shall be U.S. Agency guaranteed (e.g. GNMA, FNMA, FHLMAC). No more than 5% of the total market value of the asset class may be invested in any single security and no more than 20% of the total market value of the asset class may be invested in MBS issued by any U.S. Agency.
- Mortgage Backed Securities – Non-Agency. These are issued by private institutions (not by government or quasi-government agencies); their underlying collateral generally consists of mortgages which do not conform to the requirements for inclusion in mortgage-backed securities issued by agencies such as Ginnie Mae, Fannie Mae or Freddie Mac. Types of non-agency MBS include: Prime, Alternative-A, Option ARMs & Subprime.
- Corporate Debt, including Commercial Paper. No more than 5% of the market value of the asset class may be invested in debt issued by any domestic or international corporation. Corporate debt must carry an investment grade rating by at least two of three rating agencies (i.e. Moody, S&P and Fitch) at time of purchase. In the case of securities where the rating is split between investment grade and non-investment grade, the higher rating shall define the quality of the security. Rating downgrades subsequent to purchase shall be managed on a case-by-case basis. This policy authorizes investment of up to 10% of the market value of the asset class in non-investment grade debt provided that all such investments shall be made through mutual funds so as to diversify risk.
- Repurchase Agreements. The Foundation may invest in repurchase agreements with banks and Primary Dealers in U.S. Government Securities with which the Foundation has entered into a Public Securities Association (PSA) repurchase contract, which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed 30 days. The market value of securities used as collateral for repurchase agreements shall be monitored daily by the Foundation's staff and will not be allowed to fall below 102% of the value of the repurchase agreement. Repurchase agreements cannot exceed 20 percent of the total market value of the asset class.
- Mutual Funds. For purposes of this Policy, mutual funds shall be considered and treated as investments in common and preferred stocks and therefore subject to the same limitations.
- Real Estate. Investments in real estate shall be limited to securities (e.g. REITs) for which there is a ready and active market.
- Real Assets. Include investments in public/private real estate, natural resources, commodities, infrastructure, timber and inflation-linked securities (TIPS).



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- Alternative Investments that meet the “mission of the University” for the benefit of the University and are authorized by Foundation Board resolution and supported by appropriate and documented “due diligence” analysis. The value of these alternative investments shall be benchmarked against an authorized investment vehicle of the Foundation. The target value of these investments will be 10% to 15% and the total value shall not exceed 25% of the portfolio. The alternative investments will diversify and reduce volatility of the portfolio.
- The Foundation will not directly invest in fossil fuel companies or buy carbon in proven oil, gas and coal reserves, although it may hold some fossil fuel stocks in commingled funds or mutual funds.

J. Rebalancing

The Investment Advisor on an ongoing basis and in accordance with market fluctuations, shall rebalance the investment portfolio so it remains within the ranges of asset allocations, and the planned distribution among investment managers.

Formal asset allocation studies will be conducted at least every two (2) years, with evaluations of the validity of the adopted asset allocation.

K. Safekeeping and Custody Agreements

To protect against potential losses caused by collapse of individual securities dealers, all securities owned by the Foundation shall be kept in safekeeping by a third-party brokerage firm or bank custodial department, acting as agent for the Foundation under the terms of a custody agreement.

L. Internal Controls

The CFO has developed a system of internal investment and accounting controls while establishing a segregation of responsibilities of investment functions to ensure an adequate system of internal controls over the investment function.

M. Investment Policy Review

This General Investment Policy shall be reviewed by the Finance & Investment Committee at least annually to ensure consistency with the overall objectives of the preservation of capital, liquidity and return of the investment portfolio. The General Investment Policy shall also be reviewed to ensure its compliance and relevance to the current law, financial and economic trends, and to meet the cash flow requirements of the Foundation. Investments are reviewed



POLICIES AND PROCEDURES

monthly by the Foundation staff during the reconciliation process of investment transactions to the third-party statements and the proof of cash process. The general investment portfolio is audited annually by the Foundation's independent accountants for internal controls and balances.