

Investment Policy for Short -Term Investments

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Introduction

The CSULB 49er Foundation has established an Investment Policy Statement (“IPS”) pursuant to the guidance provided under the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) and appropriate practices for management of trusts as set forth in the Uniform Prudent Investor Act (“UPIA”). The goal of this IPS is to provide a framework for the management and investment of the Short-Term Investments of the CSULB 49er Foundation (“the Portfolio”) to assist the Foundation in achieving its goal to have sufficient assets to meet spending needs as they become due. This IPS has been formulated, based upon consideration by the Foundation’s Investment Committee (the “Committee”) of the financial implications of a wide range of policies, and describes the prudent process that the Committee deems appropriate. The Committee has decided to participate in a Custom Investment Outsourcing program (“CIO”), in which the Investment Advisor has dedicated investment professionals to make discretionary investment decisions on behalf of the Foundation. Additionally, the Investment Managers under the jurisdiction granted by the Investment Advisor have discretion to

developing an appropriate asset allocation strategy. The IPS is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical. This policy should reflect the Investment Committee's current status and philosophy regarding the investment of the Portfolio. This policy will be reviewed at least annually, and revised periodically as needed

- x projecting the Foundation's spending policy, financial needs, and communicating such needs to the Investment Advisor;
- x establishing overall financial objectives, risk tolerance, investment time horizon, tax policies and setting investment policies and notifying the Investment Advisor promptly of any changes to this information;
- x setting parameters for the Foundation's asset allocation;
- x selecting a qualified Investment Advisor;
- x selecting a qualified Custodian;
- x establishing a process and criteria for the selection and termination of the Investment Advisor and Custodians;
- x monitoring investment results regularly to assure that objectives are being met and the Investment Policy Statement guidelines are being followed;
- x communicating on a structured and ongoing basis with those persons responsible for investment results;
- x responsible for and empowered to exercise all rights, including proxy-voting rights.

The Investment Advisor:

The Investment Advisor will be a discretionary advisor to the Investment Committee. 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 Investment Policy Statement.

The Investment Advisor may assist the Investment Committee in establishing investment policies, objectives and guidelines as are set forth in this Investment Policy Statement and as are 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 Investment Policy Statement.

The Investment Advisor represents that with respect to the performance of its duties under this Investment Policy Statement, 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

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- x executing investment portfolio management, asset allocation, rebalancing and other day-to-day responsibilities on a discretionary basis within the guidelines of this Investment Policy Statement;
- x providing ongoing due diligence required to monitor the individual Investment Managers and to provide a periodic review of Investment Managers' performance considering among other factors, historical composite investment performance, investment risk, investment process and investment personnel.

The Investment Managers:

The Investment Managers have discretion to make all investment decisions for the assets placed under their jurisdiction by the Investment Advisor. The Investment Committee and the Investment Advisor desire to permit the Investment Managers flexibility to maximize investment opportunities and practice prudent management in order to conserve and protect the assets and to prevent exposure to undue risk. The Investment Committee and Investment Advisor, in recognition of the diversification benefits, intend to use mutual funds, exchange traded funds or commingled vehicles; and as such the Investment Committee and Investment Advisor understand that the guidelines outlined in this Investment Policy Statement will not be directly applied to the management of such commingled vehicles. However, the Investment Advisor will utilize mutual funds, exchange traded funds and other commingled vehicles that generally comply with the investment guidelines stated in this Investment Policy Statement.

It is understood that individual Investment Managers have:

Although the Investment Committee prefers to limit the Portfolio's volatility, they are comfortable with fluctuations in their asset values and the possibility of small declines in total market value, in order to seek to grow the Portfolio over time.

The Investment Committee recognizes that prudent investing requires taking reasonable risks in order to raise the likelihood of achieving the targeted investment returns. The Foundation's Short-Term assets will be structured to maintain prudent levels of diversification. The Investment Advisor is to make reasonable efforts to control risk, and will evaluate regularly to ensure that the risk assumed is commensurate with the given investment style and objectives as stated in this Investment Policy Statement.

To achieve its investment objectives, the Short-Term portfolio may be allocated among a number of asset classes. These asset classes may include Global Equity, Global Fixed Income, Global Alternatives, and Global Cash. However, the initial Strategic Allocation for this portfolio will be 100% Global Fixed Income and/or Global Cash, unless and until revised otherwise.

The investments of the Short-Term portfolio shall be diversified so as to minimize the risk of loss resulting from a concentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed.

Investment Objective

The Short-Term investment portfolio will seek to preserve the real purchasing power of the assets while maximizing total return relative to the benchmark. The benchmark is the Barclays Intermediate U.S. Government/Credit index. Recognizing the volatility of bond markets, it is understood that this objective may not be met on an annual basis. In order to meet its needs, the investment strategy of the funds is to emphasize total return...that is, the aggregate return from interest income, dividends, and capital appreciation. The funds have a short-term horizon of two to five years.

Risk control is an important element in the investment of the funds. The Foundation will attempt to manage risk by diversifying the Short-Term portfolio so that potential losses on the overall portfolio are reduced. The Short-Term portfolio shall remain sufficiently liquid in order to meet all operating requirements that may be reasonably anticipated.

Time Horizon

The time horizon for the Foundation's Short-Term assets is two to five years and is currently anticipated to continue without significant modification. Capital values do fluctuate over shorter periods and the Investment Committee recognizes that the possibility of capital loss does exist.

Asset Allocation & Style Diversification

The Investment Committee recognizes the strategic importance of asset allocation and style diversification in the investment performance of the Portfolio over long periods of time. The Investment Advisor will determine how the Client's assets are allocated on a discretionary basis according to the stated objectives as outlined in this Investment Policy Statement.

Summary of Asset Allocation Guidelines:

After reviewing the long-term performance and risk characteristics of various asset classes and balancing the risks and rewards of market behavior, the following asset allocation strategy is incorporated to achieve the objectives of the Portfolio:

Table 1.0 Asset Allocation Ranges

Broad Asset Class	Min Weight %	Strategic Allocation	Max Weight %
Global Equity	0%	0%	25%
Global Fixed Income	50%	100	

necessary, the Investment Advisor will communicate to the Investment Committee the need to modify the Investment Policy Statement guidelines accordingly.

Selection & Retention Criteria for Investments

The Investment Advisor will select Investment Managers according to the following criteria, including but not limited to:

- x the investment style and discipline of the proposed Investment Manager;
- x how well each proposed investment complements other assets in the Portfolio;
- x the size of the organization as measured by the amount of assets under management with respect to the investment style under consideration;
- x experience of the organization as measured by the tenure of the professionals with respect to the investment style under consideration;
- x past performance, considered relative to other investments having the same investment objective. Consideration shall be given to both performance rankings over various time frames and the magnitude and consistency of value-added performance, the amount of risk in relation to an appropriate benchmark and performance in adverse market conditions;
- x evaluation of each Investment Manager's likelihood of significantly underperforming a given market index.

Investment Guidelines

The Investment Advisor may populate any of the asset classes described below with mutual funds, exchange traded funds or collective trust funds (collectively "Funds"). The Investment Committee understands and acknowledges that the Investment Advisor has no control over the management or portfolio composition of any Fund. While the Investment Advisor will use its best efforts to utilize funds with investment objectives and policies that are generally consistent with the IPS guidelines, the Investment Committee understands that any individual fund's portfolio holdings may not at all times be consistent with the IPS guidelines.

Equity Holdings :

Security Types: Equity securities shall consist of, but are not limited to, common stocks and equivalents (issues convertible into common stock, etc.), ADRs and equity securities of non-U.S. companies (Ordinary Shares).

Fixed Income Holdings:

Security Types: Fixed Income securities shall consist of, but are not limited to U.S. Government Treasury and Federal Agency Obligations, Mortgage-backed securities of U.S. Government, Money market funds, Short-Term Investment Fund accounts, Certificates of Deposit, Bankers Acceptances, Commercial Paper, Repurchase Agreements, Asset-Backed Securities, Collateralized Bond Obligations, Investment-Grade Bonds, Collateralized Mortgage Obligations, International Bonds, High-Yield Bonds, Exchange Traded Funds, European Depository Receipts (EDRs).

- x Maturity: The maturity schedule shall be set by the Investment Managers.

- x Restrictions: Written permission is required before the following transactions may take place:
 1. Investment in municipal or other tax exempt securities (taxable municipals are permitted)

Investment Policy Statement. It is not expected that the investment policies or guidelines will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Investment Policy Statement.

Start-Up and Transition Periods:

The Investment Committee understands and acknowledges that it may not be prudent for

respect of which he/she has made is required to make disclosure, unless otherwise