INVESTMENTS

- The **goal of the investment program for the Endowment** is to provide a total return from assets invested that will support future generations while generating an income stream to support the current activities of the University.

- The **Investment Committee of the Foundation’s Board of Directors oversees the investment** of the endowment portfolio. The committee includes both alumni and donors with investing expertise who are responsible for establishing investment policies and strategies.

- The Foundation’s fiduciary responsibility is governed by a **formal Investment Policy** which may be found on the university website at: [http://www.southernct.edu/scsufoundation/policiesandprocedures/](http://www.southernct.edu/scsufoundation/policiesandprocedures/). This policy calls for the Foundation to protect the value of its assets against inflation and obtain maximum income within appropriate risk levels. By maintaining a balanced portfolio of investments, the Foundation attempts to balance the University’s needs for current income with its future needs.

- **Endowed gifts are invested in the Foundation’s pooled endowment portfolio** managed by Commonfund Securities, Inc. To achieve its investment objective, the Endowment Fund is allocated among three asset classes – Domestic Equity, Fixed Income, and International Equity. The purpose of allocating assets to these asset classes is to ensure the proper level of diversification within the endowment portfolio. Newly created endowment funds begin earning income from the date of deposit along with appreciation and/or depreciation in the market value.

- **Commonfund Securities, Inc. is an investment firm** that specializes in nonprofit organizations such as educational institutions, foundations, endowments, and certain other nonprofit institutional investors. Membership in Commonfund is limited to educational institutions and educational support organizations. They have over 1,770 clients with $39.5 billion in assets under management.

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1 Refer to Appendix “Definitions”
• Endowments are charged a **Broker Investment Fee**\(^1\) monthly by Commonfund Securities, Inc. This fee is calculated on a pro rata share depending on the dollar size of each donor’s fund. Commonfund’s investment fee is under one percent.

• Individualized **“Endowment Activity Reports” are mailed in the spring of each year** for Endowments. This report will detail your account activity for the year ending in December along with updated data of the overall endowment fund performance for the year. The Deans, Department Chairs, and other internal constituents will receive reports on a semi-annual basis.

• For permanently restricted endowments, the Foundation charges a 1.25 percent **Administrative Fee**\(^1\) in December of each year based on the 12/31 total market value\(^1\) of each donor’s endowment fund balance. This is well within the range of our peer institutions that average between 1 and 2 percent.

• The Foundation’s **financial statements are audited annually** by an independent financial firm, J.H. Cohn, LLP. In addition, Commonfund Securities, Inc. is also audited annually by Price Waterhouse and the audited statements are then supplied to the Foundation’s audit firm.

• See also **“Fast Facts” under General, Gifts, and Scholarships & Awards.**

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1 Refer to Appendix “Definitions”
DEFINITIONS

- **Market Value** represents the current market price based on the value of the total pooled fund including receipts, disbursements, interest, dividends, realized gains or losses and unrealized gains or losses. It is a figure in constant change, tied to the daily fluctuations in the financial markets.

- **Administrative Fee** is a 1.25 percent management fee charged to each endowment fund that help to fund the Foundation’s operating expenses, which are separate from the University.

- **Investment Fee** is the monthly fee charged by the investment firm, Commonfund, which is allocated to each endowment based on the percentage each fund comprises in the entire endowment portfolio.

- **Investment Income** is the income earned by the investments in Commonfund and is reinvested in the endowment portfolio on a quarterly basis.

- **Pooled Endowment Portfolio** is the consolidation of all Foundation funds for investment purposes.