

SCSU Foundation, Inc.
Program Support Funds Investment Policy
Revised February 20, 2019

The distinguishing characteristics of Program Support funds are that they are not held in perpetuity and may be subject to immediate expenditure. The Program Support funds are invested in a pooled fund designed to meet the following criteria: liquidity, preservation of capital and total return.

A. CRITERIA FOR INVESTMENTS:

1. The portfolio will be invested in high grade securities or, where applicable, maintain an average rating of A (or equivalent rating).
2. Target Account Allocations:
 - a. Cash Account 15% (10% +/- band)
 - b. Fixed Income Account 50% (10% +/- band)
 - c. Endowment Pool 35% (10% +/- band)
3. Allowable investment instruments include:
 - a. U.S. Treasury and government agency securities.
 - b. High Quality corporate securities.
 - c. Asset-backed, mortgage backed commercial and bank paper, preferred and convertible securities.
 - d. High Quality Bond Fund (“...devoted to investing in high quality, investment-grade-only [at time of purchase] fixed income securities.”¹)
 - e. Endowment Pool investment governed by the Foundation’s Endowment Investment Policy.
4. The Investment Committee, in accordance with the Foundation’s bylaws, reserves the right to determine the duration of the investment vehicles based on the yield curve and to make any changes as it deems appropriate.
5. For mutual and other commingled funds, the prospectus or Declaration of Trust documents of the fund(s) will govern the investment policies of the fund investments. While the Committee understands that such funds have their own stated guidelines which can not be changed for individual investors, in principle and spirit those guidelines should be similar in nature to the guidelines stated above. To the extent that a fund allows any or all of the above stated restrictions, the Committee must be aware of their possible use and be confident that the Investment Advisor(s) thoroughly understands the risks being taken, has demonstrated expertise in their usage of such securities, and has guidelines in place for the use and monitoring of those securities.

¹ Commonfund’s [Information for Members](#) June 2009 page 9

B. PERFORMANCE MEASUREMENT AND EVALUATION:

1. Performance of the fund will be monitored by the Foundation's Business Manager on a quarterly basis and reported to the Investment Committee to ensure compliance with policy guidelines.
2. Performance and target allocations for the Program Support Funds will be evaluated relative to benchmarks with the understanding that liquidity, availability and capital preservation are the objectives of these funds.

Approved by SCSU Foundation Investment Committee June 13, 2007

Approved by Foundation Board of Governors June 13, 2007

(Formerly named "Operating Funds Investment Policy")

Revision to "Program Support Funds Investment Policy" Approved by SCSU Foundation Investment Committee February 1, 2010

Approved by Executive Board April 29, 2010

Revision to variances in Section A(2) approved by SCSU Foundation Investment Committee December 14, 2011.

Revision to variances in Section A(2) approved by SCSU Foundation Investment Committee June 25, 2015.

Revision to "Program Support Funds Investment Policy" Approved by SCSU Foundation Investment Committee February 20, 2019

Approved by SCSUF Board June 20, 2019