



Subject/Title: Investment Policy

Policy Number: 5.06

Date First Adopted: November 18, 2016

Date Revised: September 7, 2018; May 1, 2020; October 2, 2020; December 14, 2020; September 9, 2022

1. PURPOSE

This policy establishes the principles to guide the Finance and Investment Committee (FIC) of the Foundation to supervise and monitor the management of the Foundation's various investment assets under section 617.2104, Florida Statutes, a provision of the Florida Uniform Prudent Management of Institutional Funds Act.

The Foundation deeply values the contribution of its donors in support of the programs, services, and students of the University and is committed to an investment strategy designed to maximize growth, minimize risk, and provide lasting income in support of the University. The Foundation's investment policies, processes, and investments are guided by its mission, fiduciary responsibilities, and applicable state and federal laws or regulations.

Endowment and Operating Funds are established and defined pursuant to policy 2.03 – Types of Funds. Foundation operating funds may be unrestricted or restricted and are established to fund a scholarship, program, University department, or to otherwise fulfill the purpose stated by the donor.

2. POLICY

The primary long-term investment objective of the Endowment is to preserve the intergenerational equity of endowed gifts while providing a consistent source of funding for the University. This is accomplished by implementing an investment strategy to earn a total rate of return that exceeds the spending rate, plus long-term inflation, plus the costs of managing the investment fund.

3. APPLICABILITY

The FIC is the Board's conduit for the investment of all funds held by the Foundation and is responsible for implementing this policy. This responsibility includes hiring and firing of the firm(s) contracted to provide custodial investment advisory and management services, implementing changes in investment strategy, monitoring performance of the investment portfolio on a regular basis (at least quarterly) and maintaining sufficient knowledge about the portfolio and its managers to be reasonably assured of their compliance with this policy.

The FIC is responsible for reviewing and adopting Board-approved investment guidelines that each investment manager is charged with following:

A. General Functions of the FIC:

- a. Review regularly all investments of the Foundation
- b. Review and recommend to the Board such investment and investment-related policies as it deems appropriate
- c. Make periodic reports to the Board
- d. Recommend to the Board appropriate policies and procedures for custodianship and access to securities held by the Foundation, as it may deem proper

- e. Engage investment advisory and management firm(s) to work with and advise staff and the FC on aspects of investment management including, but not limited to: investment performance reporting, investment policy development and compliance, asset allocation modeling, risk tolerance reviews, administration searches, investment management, trust and estate planned giving services, asset custody, planned giving performance monitoring and review, and overall management of the Foundation's invested assets.

B. Specific Functions of the FIC:

- a. Establish investment objectives for the funds invested and managed by the Foundation, in conjunction with the contracted investment firm(s)
- b. Set asset allocation structure policies for investments of the Foundation
- c. Establish, review annually, and update Foundation policy 5.06 – Investment Policy as needed
- d. Select the firm(s) to provide investment advisory and management services to the Foundation
- e. Review and approve recommendations made by the firm(s) contracted to provide investment advisory and management services to the Foundation
- f. Establish, monitor, and update the investment process, as needed
- g. Review investment performance against established objectives
- h. Review, at least annually, investment activity to ensure compliance with the Investment Policy
- i. Review the spending rate annually and recommend changes, if any, to the Board for adoption.

C. Investment Consulting and Management

An investment consulting firm is responsible for assisting the FIC in all aspects of managing and overseeing the Foundation's investment portfolio. An investment consulting firm is the primary source of investment education and investment manager information and is required to discharge its duties as a fiduciary. The investment consulting firm has discretion to implement FC decisions and manage the assets entrusted to them to best achieve the investment objectives while adhering to the guidelines set forth by the Foundation. Investment consultants and investment managers are fiduciaries and are expected to adhere to guidelines in this Investment Policy for prudence as set forth in the Florida Uniform Prudent Management of Institutional Funds Act (FLUPMIFA).

All goals, objectives and policies are in effect until modified by the FIC. The investment consulting firm is continuously monitored through regular due diligence. Any deviations from this policy must be brought to the FC for review.

D. Communication and Reporting

An investment consulting firm is responsible for frequent and open communication with the FIC and the CEO or designee on all significant matters pertaining to investment policies and the responsibilities include the obligation to:

- a. Provide appropriate information on the investments to the custodian
- b. Inform of major changes in the investment firm's investment outlook, strategy, and portfolio structure
- c. Advise of any significant changes in the ownership, organizational structure, financial condition, or senior personnel staffing of the investment firm
- d. Give quarterly transaction, valuation, and performance reports to coincide with the Foundation's fiscal quarters

- e. General proof of liability and fiduciary insurance coverage upon request
- f. Meet with Foundation-affiliated staff and the FC upon request.

E. Portfolio Management

The investment philosophy of the Foundation is to consider all combinations of asset classes in order to obtain the highest level of return given an acceptable level of risk. The FC reviews market evaluation indicators to assist in determining the asset allocation. The investment firm is selected by the FIC to manage funds in each of the asset classes in the portfolio. Benchmarks are established and performance is measured for the investment firm on a quarterly basis by the Foundation. The investment firm responsible for advisory and management services is recommended by the FIC and approved by the Board.

F. Asset Allocation Plan

The FIC sets asset allocation targets and ranges subject to Board approval. The actual allocation of assets is rebalanced as needed through additions and withdrawals of funds to conform to these targets. The FIC may revise the asset allocation targets within this range, but permanent targets outside of these ranges must be approved by the Board.

POLICY APPROVAL	
Policy: 5.06 – Investment Policy - Revision	
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 80%;"> <p style="font-family: cursive; font-size: 1.2em; margin: 0;"><i>E. Blake Paul</i></p> <p style="font-size: 0.8em; margin: 0;">E. Blake Paul (Sep 22, 2022 13:31 EDT)</p> <hr style="border: 0.5px solid black;"/> <p style="margin: 0;">Governance Committee Chair</p> </div> <div style="width: 15%; text-align: center;"> <p style="font-size: 1.2em; margin: 0;">Sep 22, 2022</p> <hr style="border: 0.5px solid black;"/> <p style="font-size: 0.8em; margin: 0;">Date</p> </div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 20px;"> <div style="width: 80%;"> <p style="font-family: cursive; font-size: 1.2em; margin: 0;"><i>Alvin A. Johnson</i></p> <hr style="border: 0.5px solid black;"/> <p style="margin: 0;">Foundation Board Chair</p> </div> <div style="width: 15%; text-align: center;"> <p style="font-size: 1.2em; margin: 0;">9/22/22</p> <hr style="border: 0.5px solid black;"/> <p style="font-size: 0.8em; margin: 0;">Date</p> </div> </div>	