

Florida Polytechnic University Foundation

Subject/Title: Investment Policy
FPUF Policy Number: FPUF – 5.06
Date First Adopted: November 18, 2016
Date Revised: September 7, 2018
Responsible Division/Department: Advancement

A. PURPOSE

The Florida Polytechnic University Foundation (“Foundation”) deeply values the contribution of its donors in support of the programs, services and students of Florida Polytechnic 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 investment policy, process and investments are guided by its mission, fiduciary responsibilities and applicable state and federal law or regulation. This policy outlines the investment, asset advising and management and spending policies of the Foundation and is intended to cover the Foundation’s Endowment and Operating funds.

Operating and Endowment funds are established and defined pursuant FPUF-2.03 Types of Funds. Foundation Operating funds may be unrestricted or restricted and are established to fund a scholarship or University department or to otherwise fulfill the purpose stated by the donor. Endowment funds require a minimum gift of \$100,000 and are held in a separate principal and earnings fund.

B. AUTHORITY

The Investment Policy for the management of the Foundation assets is defined, implemented, reviewed, evaluated and modified where appropriate by the Finance and Investment Committee in compliance with the mandate of the Board of Directors (“Board”). FPUF-1.02 Code of Ethics policy applies in all cases to the activities of the Finance and Investment Committee, custodian(s), and the firm responsible for investment advisory and management services.

C. INVESTMENT OBJECTIVES

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.

D. FOUNDATION BOARD FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee is the Foundation Board’s conduit for the investment of all funds held by the Foundation and is responsible for implementing the Investment Policy. This responsibility includes hiring and firing of the firm(s) contracted to provide 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 so as to be reasonably assured of their compliance with the Investment Policy.

The Finance and Investment Committee is responsible for reviewing and adopting Board-approved investment guidelines that each investment manager is charged with following.

1. General Functions of the Finance and Investment Committee:

- a. Review regularly all investments of the Foundation.
- b. Principal function is to 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. The VP for Advancement or designee shall be Secretary of the Finance and Investment Committee and keep minutes of the actions of the Committee.
- f. Engage investment advisory and management firm(s) to work with and advise staff and the Committee on the 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 and wealth management, trust and estate planned giving services, master trust custodian and planned giving performance monitoring and review, and overall management of the Foundation's invested assets.

2. Specific Functions of the Finance and Investment Committee:

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

E. INVESTMENT CONSULTING AND MANAGEMENT

The investment firm is responsible for assisting the Finance and Investment Committee in all aspects of managing and overseeing the Foundation's investment portfolio. The investment firm is the primary source of investment education and investment manager information. The investment firm has discretion to manage the assets entrusted to them to best achieve the investment objectives while adhering to the guidelines set forth by the Foundation. Investment firms are expected to use strategies to limit and protect asset value in order to avoid major market declines.

All goals, objectives and policies are in effect until modified by the Finance and Investment Committee. The investment firm is continuously monitored through regular due diligence. Any deviations from the policy are brought to the Finance and Investment Committee for review.

F. COMMUNICATION AND REPORTING

The investment firm is responsible for frequent and open communication with the Finance and Investment Committee, University staff on all significant matters pertaining to investment policies and the responsibilities include the obligation to:

1. Provide appropriate information on the investments to the custodian.
2. Inform of major changes in the investment firm's investment outlook, strategy and portfolio structure.
3. Advise of any significant changes in the ownership, organizational structure, financial condition or senior personnel staffing of the investment firm.
4. Give quarterly transaction, valuation and performance reports to coincide with the Foundation's fiscal quarters.
5. Generate proof of liability and fiduciary insurance coverage upon request.
6. Meet with Foundation staff and the Finance and Investment Committee upon request.

G. 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 Finance and Investment Committee reviews market evaluation indicators to assist in determining the asset allocation. The investment firm is selected by the Finance and Investment Committee 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 Finance and Investment Committee and approved by the Board.

H. ASSET ALLOCATION PLAN

The Finance and Investment Committee 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 Finance and Investment Committee 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 No.: FPUF-5.06 – Investment Policy Revision

Approved by the Foundation Board during the September 7, 2018 board meeting.



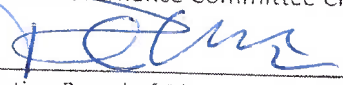
Finance and Investment Committee Chair

9/11/18
Date



Policy and Governance Committee Chair

9/17/18
Date



Foundation Board of Directors Chair

9/18/18
Date