UFSS Finance Committee Meeting

California State University, Sacramento
Monday, July 20, 2026 at 10:00 a.m.
https://csus.zoom.us/j/89632412385?pwd=eUHWuaiWvyPWYg34m3zjraDmnaKcpy.1

Agenda

I. Call to Order

II. Public Comments - Members of the public may speak for up to one minute

III. Review and Approval of the July 20, 2026 Agenda

IV. Review and Approval of the minutes from the May 5, 2026 meeting

V. Review and discuss the Committee Charter

VI. Review the Reserves Spend Process and Policy and vote to move it to the Executive Committee

VII. Review the UFSS Liquidity and Reserve Policy New Accounts and vote to move it to the Executive Committee

VIII. Open Forum

IX. Adjournment

SACRAMENTO STATE
The University Foundation
at Sacramento State
6000 J Street • Sacramento, CA 95819-6030
T (916) 278-7043 • F (916) 278-5709

The University Foundation at Sacramento State
Finance Committee Meeting
Tuesday, May 5, 2026 (2:30 p.m.)
Zoom

Committee Members Present:
Garry Maisel - *Committee Chair*
Lora Anguay
David Bugatto
Rose McAuliffe
Ajay Singh
Holly Tiche

Committee Members Absent:
Alice Perez
Michael Reza
Scott Syphax

Guests:
Sonia Diwa – *Accounting Services*
Pam Stewart
Brian Dombkowski – *Sand Hill*
Megan Daters - *Sand Hill*
Drew Kunde - *Sand Hill*

Advancement Staff:
Jennifer Barber – *AVP, Alumni Relations*
Sharise Harrison – *AVP, Advancement Services*
Tatiana Azad
Renee Siden

MINUTES

1. Chair Garry Maisel called the meeting to order with a quorum at 2:36 p.m.

2. Public Comments - None

3. Approval of the May 5, 2026 agenda
   a. Motion: David Bugatto
   b. Second: Ajay Singh
   c. The agenda was approved

4. Approval of the January 28, 2025 minutes
   a. Motion: Bugatto
   b. Second: Singh
   c. The minutes were approved

5. Presentation and Discussion of the University Advancement 2026-27 Budget
   a. Motion to move the budget to the Executive Committee with recommendation from the Finance Committee to approve
      i. Motion: Singh
      ii. Second: Lora Anguay
      iii. Motion passed unanimously

6. Presentation and Discussion of the UFSS Reserve Policy
    a. A motion was made to move the reserve policy to the Executive Committee with recommendation from the Finance Committee to approve
        i. Motion: Bugatto
        ii. Second: Singh
        iii. Motion passed unanimously
7. Sand Hill Global Advisors Portfolio Review – Q1
    a. The UFSS Endowment Portfolio fell 1.55% during the first quarter, net of all fees, compared to -1.50% for the benchmark. Performance was positively impacted by selection within fixed income and equity. The primary detractors from quarterly performance were an overweight to large cap U.S. growth equity and an underweight to absolute return
    b. Sand Hill reviewed peer group data from fiscal year 2025 NACUBO results
    c. Sand Hill reviewed the performance and allocation of the Current Use Funds Portfolio and the Short-Term Portfolio
8. Review of the Financial Statements as of March 31, 2026
    a. A motion was made to move the financials to the Executive Committee with a recommendation from the Finance Committee to approve
        i. Motion: Bugatto
        ii. Second: Anguay
        iii. Motion passed
9. Open Forum - Nothing
10. The meeting was adjourned by Maisel at 3:51 p.m.

FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS OF
THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE

CHARTER

I. PURPOSE

The primary function of the Finance Committee is to assist the Board of Directors (the "Board") of The University Foundation at Sacramento State (the "Foundation") in fulfilling its oversight responsibility for the financial activities of the Foundation by:

- Formulating the overall investment policies of the Foundation, subject to the approval of the Board, and establishing investment guidelines in furtherance of those polices;
- Monitoring the management of the portfolio for compliance with the investment policies and guidelines and for meeting performance objectives over time.
- Periodic review and selection of Investment Advisor
- Budgeting and financial planning and financial reporting;
- Review of staff reporting of accurate, timely and meaningful quarterly financial statements to the Board;
- Helping the Board to understand the Foundation's finances;
- Monitoring of internal controls and accountability policies of the University Accounting Staff;
- Ensure the liquid assets of the Foundation are properly maintained through a custodian and the University Accounting Staff;
- Compliance with Federal, State and other reporting requirements;

II. COMPOSITION

(a) Qualifications and Appointment of Finance Committee Members. The Board appoints the Chair and members of the Finance Committee. Members of the Finance Committee shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

(b) Committee Membership. The Finance Committee shall consist of no fewer than three (3) members, and each member shall be a member of the Board. The Chair of the Audit Committee may not serve on the Finance Committee.

(c) Delegation. When appropriate, the Finance Committee may designate one or more of its members to perform certain of its duties on its behalf, subject to such reporting to or ratification by the Committee as the Committee may direct.

III. MEETINGS

The Finance Committee shall meet as frequently as circumstances dictate, but in no event less than [e.g. four (4) times] per year, and shall make a report to the Board at each Board meeting about the Committee's activities.

IV. RESPONSIBILITIES AND DUTIES

The Finance Committee shall, among other things:

1. Subject to the approval of the Board, set investment policies and guidelines, including policies and guidelines regarding asset classes, asset allocation ranges, and prohibited investments.

2. Oversee investment and reinvestment of the funds of the Foundation. The Committee may delegate investment functions to external investment managers.

3. Monitor the management of the funds by reviewing reports from investment advisors and by discussions with investment advisors at Committee meetings that focus on the primary determinants of returns, including asset allocation and investment strategy.

4. Evaluate investment performance of the fund based on a comparison of actual returns with the Foundation's absolute return objective, and with such other benchmarks as the Board or Committee may from time to time select with the assistance of the investment advisors. Compare the Foundation returns and composition of the investment portfolio with comparative sized educational institutions in the annual NACUBO investment reporting. The evaluation will take into account compliance with investment policies and guidelines and risk levels.

5. Review and make recommendations to the Board regarding the Foundation's budget, including the process used in developing the budget.

6. Review quarterly financial reports, including budget to actual reports and monitor performance against budget and projections.

7. Review and make recommendations to the Board regarding the establishment and termination of banking, investment advisory and custodial relationships.

8. Periodically review and assess the adequacy of this Charter and make recommendations to the Management and Governance Committee regarding changes.

6. Conduct an annual performance evaluation of the Committee and report its findings to the Chair of the Board.

Nothing in the foregoing list is intended to be, or shall, limit the scope of activities the Committee may undertake in the fulfillment of its purposes, as noted above. The Committee may perform such other or additional activities as it deems necessary or desirable consistent with this Charter and the Foundation's bylaws and governing law, or as may be delegated to it by the Board of Directors of the Foundation.

Strategic Reserve and Quasi-Endowment
DRAFT: Funding Request Process

I. PURPOSE

The purpose of this process is to ensure that requests for Strategic Reserve and Quasi-Endowment funding are evaluated through a structured, institution-wide prioritization process that aligns Foundation resources with Sacramento State's highest strategic priorities.

II. RESERVE AND STRATEGIC INVESTMENT REVIEW COMMITTEE

Sacramento State shall establish a Reserve & Strategic Investment Review Committee ("Review Committee") responsible for evaluating, prioritizing, and recommending requests for Strategic Reserve and Quasi-Endowment funding to UFSS.

The Review Committee shall consist of:

- Chief of Staff to the President
- Vice President for University Advancement
- Provost and Vice President for Academic Affairs
- Chief Financial Officer
- Vice President for Student Affairs

The committee may invite additional subject matter experts when appropriate.

Responsibilities
The Review Committee shall:

1. Solicit requests for Strategic Reserve and Quasi-Endowment funding from the President's Cabinet.
2. Review and evaluate requests using approved criteria (see appendix A).
3. Determine the appropriate funding source (Strategic Reserve or Quasi-Endowment).
4. Prioritize requests when available funding is limited.

5. Develop and submit annual funding requests for consideration by the Finance Committee and Board of Directors.

III. ANNUAL REVIEW CYCLE

January
The Review Committee issues an annual call to the President's Cabinet for funding requests. Cabinet level leaders will consult with their respective areas for funding requests.

April 1
Funding requests are submitted by the Chief of Staff to the Vice President for University Advancement for submission to the UFSS Board. All requests should address the specific questions and criteria outlined in Appendices A and B.

April/May
The Finance Committee reviews submissions using the criteria and scoring rubric in APPENDIX C. The Finance Committee forwards recommendations to the Board of Directors.

June
The UFSS Board of Directors votes on the recommended proposals. The Board of Directors retains final authority over all Strategic Reserve and Quasi-Endowment allocations. Approval shall occur as part of the annual budget process unless extraordinary circumstances warrant off-cycle consideration.

Reporting
Consider how we will ask for reporting back - could be added to dashboard – some format for reporting back on use of funds. Will vary based on length of project/nature of request.

APPENDIX A: Request Criteria

The Review Committee shall evaluate proposals using the following criteria:

1. **Strategic Alignment**
   Does the project advance Sacramento State's strategic priorities?
2. **Institutional Impact**
   How broadly will the project benefit students, faculty, staff, or the community?
3. **Financial Leverage**
   Will the investment unlock external funding, donor support, grants, or matching opportunities?
4. **Sustainability**
   Can the initiative be sustained after reserve funding is exhausted?
5. **Urgency**
   Is there a time-sensitive opportunity or institutional need?

APPENDIX B: Request Information

The following information should be included with all funding requests submitted by the Review Committee:

- Project Title
- Requesting Division/Unit
- Cabinet Level Project Sponsor
- Primary Contact
- Amount of Request
- Requested Funding Source (Strategic Reserve, Quasi-Endowment, or Review Committee Determination)
- Project Summary *(need to indicate a desired length of summary?)*

APPENDIX C: Finance Committee Rubric and Prioritization

The Finance Committee should use the following scoring criteria and rubric:

Scoring Criteria (1–5 each)

Criterion	Description	Score (1-5)

Funding Source Alignment	Appropriate use of Strategic Reserve or Quasi-Endowment	
Financial Sustainability	Long-term funding implications understood	
Return on Investment	Generates measurable institutional or financial value	
Risk Assessment	Financial and operational risks identified and mitigated	
Reserve Impact	Does not impair liquidity or reserve targets	
Funding Source Alignment	Appropriate use of Strategic Reserve or Quasi-Endowment	
Total Score (25 Possible)		

Additional Review
Finance Committee confirms:

- Working Capital minimum maintained
- Operating Reserve minimum maintained
- Stabilization Reserve target maintained
- Quasi-Endowment threshold and spending policy compliance
- Long-term financial sustainability

Outcome
☐ Recommend Approval
☐ Recommend Approval with Conditions
☐ Defer
☐ Deny

APPENDIX D: Funding Source Guidance

Strategic Reserve
The Strategic Reserve should primarily support:

- Feasibility studies
- Design and planning work
- Engineering assessments
- Environmental review
- Campaign readiness initiatives
- Technology modernization
- Bridge or matching opportunities
- Research, scholarship, and student success initiatives
- Seed funding opportunities
- Matching fund opportunities that leverage external grants, donor investments, or other strategic funding sources

Quasi-Endowment
The Quasi-Endowment should primarily support:

- Recurring capital renewal
- Infrastructure modernization
- Strategic academic initiatives for strategy
- Long-term institutional priorities

Quasi Principal: Exceptional use only

- Transformational projects
- Board approval required
- Financial impact analysis required
- Replenishment strategy identified

Funding shall be provided through the annual Quasi-Endowment payout in accordance with the Foundation's spending policy.

SUMMARY
INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State (UFSS)
Operating Reserve

Portfolio Account Detail:	UFSS Operating Reserve
Investment Objective:	Capital Preservation and Liquidity are the primary objectives.
Withdrawal Requirement:	It is expected that UFSS will draw upon the funds as needed.
Time Horizon:	Short-Term
Risk Tolerance:	Conservative
Target Return:	Achieve a total return in excess of prevailing money market rates.
Target Allocation:	100% cash, cash equivalents & short-term fixed income
Evaluation Benchmark:	U.S. 90-day Treasury Bill Index

INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State (UFSS)

This policy statement outlines the assumptions and understandings under which Sand Hill Global Advisors (the "Advisor") is to manage the Operating Reserve portfolio of UFSS. The content herein has been composed based upon meetings with the UFSS Board, Finance Committee, and staff in which discussions covered UFSS's goals, attitudes, expectations, risk tolerance, desires for liquidity, and present and future cash flow requirements.

It is agreed that the Advisor will meet with the Finance Committee on a quarterly basis to report on the status of the portfolio and to receive and provide information that will aid in the management of the portfolio. This investment policy statement will be reviewed annually as to its appropriateness given any significant changes in UFSS's needs or in light of significant shifts in the economy or the investment markets. Day-to-day contact with UFSS will be made via the telephone and e-mail.

I. INVESTMENT OBJECTIVES

The investments in the Operating Reserve portfolio represent cash reserves that will be used to support temporary revenue declines, extraordinary expenses, and financial disruptions. Funds will be held in short-term liquid vehicles that are intended to generate a return that exceeds the prevailing interest rates available on money market funds. The purpose is to protect UFSS operations during disruptions, and the intention is to maintain at least six months of UFSS's operating budget in this portfolio.

1. **Portfolio Risk Tolerance -**The risk tolerance is conservative and focused on capital preservation.

2. **Withdrawal Requirements** - It is expected that UFSS will draw upon the funds as needed.

3. **Time Horizon -** The overall portfolio will be allocated with a short-term time horizon in mind.

4. **Tax Considerations** - None since this organization is tax exempt.

5. **Illiquidity -** The overall portfolio should maintain daily liquidity.

II. POLICY & ASSET ALLOCATION

The account will be managed as a portfolio of high-quality short-term cash, cash equivalents and ultra-short fixed income mutual funds, ETFs, or individual fixed income securities.

1. **Asset Allocation:**

	Target
CASH/CASH EQUIVALENTS	**100%**

III. MISSION STATEMENT ALIGNMENT

The University Foundation promotes philanthropy to provide a level of excellence at the University beyond what is possible through state funds. The members of the Board of Directors of The University Foundation accomplish this mission by helping to raise private resources that advance the mission and priorities of the University and serving as ambassadors for philanthropy in the University community.

The Board provides fiduciary stewardship in the prudent investment of its resources, actively reviews its investment exposures relative to their alignment with the University's mission and ensures the integrity of The Foundation through accountability and transparency in its interactions with its donors, beneficiaries, and the broader University community.

It is a core value of the Foundation, to invest the Foundation's assets in a manner consistent with our socially responsible principles, within the guidelines established by the CSU Board of Trustees. As such, the Board of Directors continually strives to strike an appropriate balance between its support for the University's Values and its fiduciary duty to create financial returns in support of the Foundation's mission. The Board of Directors also recognizes that because the Foundation invests mainly in commingled vehicles such as mutual funds, which limit the ability of any individual investor to enforce customized investment parameters, our ability to directly enforce customized investment guidelines may be limited. That said, The Foundation regularly reviews its underlying investments and directs its Investment Advisor to invest in investment vehicles that are as consistent as possible with the University's social values, while balancing the financial return objectives of the Foundation, in a manner that advances our mutual long-term interests.

The Advisor will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, costs relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee.

IV. INVESTMENT GUIDELINES

1. **Individual Fixed Income Securities:**

   - The account may consist of U.S. Treasury securities, Federal Government Agency securities, commercial paper, and certificates of deposit (CDs). All securities will be rated investment grade by Moody's and Stand & Poor's rating agencies. CDs, if held, will be owned up to the limits of FDIC insurance. No single issue or security, except US Treasury & Agency securities, will be greater than 10% of the portfolio market value at the time of purchase. The Fixed income security selection will be a function of maturity distribution, yield curve, and yield differentials between U.S. Treasury, Agency, CDs, and commercial paper.

   - Maturities will be selected to meet both the liquidity requirements set forth by UFSS and to take advantage of yield curve opportunities. Maturities will not exceed 12 months from date of purchase.

2. **Commingled Bond Funds, Bond Mutual Funds and Bond Index Funds:**

   - The account may invest in ultra-short bond funds, commingled bond funds, bond mutual funds and bond index funds with an overall duration of less than 12 months.

   - The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability, and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and relative expense ratios. Special care will be taken in the selection of the appropriate type of security or class of shares to minimize the expense ratio and transaction costs. When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.

3. **Cash/Cash Equivalents:**

   - Cash equivalent positions will be instruments with ratings of A-2, P-2 or higher. U.S. Treasury Bills, Eurodollar Certificates of Deposit, time deposits, money market funds, and repurchase agreements are acceptable instruments.

V. BROKERAGE AND PROXY POLICY

- Sand Hill Global Advisors will seek best execution for all transactions effected for UFSS. Securities and cash will be held in custody at Fidelity.

- Proxy voting has been delegated to Sand Hill Global Advisors. Sand Hill Global Advisors uses Broadridge to vote proxies.

VI. CONTROLS AND MONITORING

The UFSS Finance Committee will monitor the total portfolio performance as follows:

1. **Quarterly Reviews**:

    - The UFSS Finance Committee will review the investment performance of Sand Hill Global Advisors and the individual managers (retained by Sand Hill Global Advisors) in the portfolio with respect to the risk and return objectives established for UFSS. The review may include topics such as the overall business management, organizational changes, and other relevant factors.

Prepared By:	Reviewed and Accepted By:
______________________________ Brian Dombkowski, CFA Chief Executive Officer Sand Hill Global Advisors	______________________________ Michael Reza Vice President - University Advancement University Foundation at Sacramento State
Date: __________________________	Date: __________________________
	______________________________ Alice Perez Board Chair University Foundation at Sacramento State
	Date: __________________________

APPENDIX

1. **Benchmark Composition:**

The Liquidity Portfolio Benchmark is composed as follows:

Asset Class	Index	Weight
Cash/Cash Equivalents	U.S. Treasury Bill 90-day Index	100%

SUMMARY
INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State (UFSS)
Strategic Reserve

Portfolio Account Detail:	UFSS Strategic Reserve
Investment Objective:	Capital Preservation is the primary objective and Capital Appreciation is the secondary objective.
Withdrawal Requirement:	It is expected that UFSS will draw upon the funds as needed.
Time Horizon:	Mid-Term
Risk Tolerance:	Moderately Conservative
Target Return:	Over the long-term, exceed the blended portfolio benchmark, net of fees with similar risk.
Target Allocation:	40% Growth Assets and 60% Capital Preservation Assets
Evaluation Benchmark:	The passive indices in similar weights to the target asset allocation.

INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State (UFSS)

This policy statement outlines the assumptions and understandings under which Sand Hill Global Advisors (the "Advisor") is to manage the Strategic Reserve portfolio of UFSS. The content herein has been composed based upon meetings with the UFSS Board, Finance Committee, and staff in which discussions covered UFSS's goals, attitudes, expectations, risk tolerance, desires for liquidity, and present and future cash flow requirements.

It is agreed that the Advisor will meet with the Finance Committee on a quarterly basis to report on the status of the portfolio and to receive and provide information that will aid in the management of the portfolio. This investment policy statement will be reviewed annually as to its appropriateness given any significant changes in UFSS's needs or in light of significant shifts in the economy or the investment markets. Day-to-day contact with UFSS will be made via the telephone and e-mail.

I. ACCOUNT CIRCUMSTANCES

The investments in this Strategic Reserve portfolio are intended to fund initiatives that prepare the University for capital or strategic commitments. Use of funds will include capital enablement, bridge and matching, and advancement capacity.

II. INVESTMENT OBJECTIVES

UFSS seeks to achieve growth of the portfolio at a moderately conservative rate in excess of inflation. Preservation of capital is an important consideration; therefore, portfolio volatility should be held similar to that of the evaluation benchmark as a whole.

1. **Portfolio Return Objectives:**

   - **Total Portfolio Return:** Achieve a time-weighted that outperforms the blended benchmark after fees and program costs. This return will be sought using a diversified style of investment management, providing an average annual return that will be measured over a complete market cycle assumed to be five years.

   - **Blended Benchmark Return:** Over rolling five-year cycles, to achieve a return that exceeds the Blended Benchmark, net of fees with similar risk.

2. **Portfolio Risk Tolerance** **-**The risk to the portfolio must be moderately conservative, since the portfolio provides a source of funds that allows UFSS to perpetuate its mission.

3. **Withdrawal Requirements** - It is expected that UFSS will draw upon the funds as needed.

4. **Time Horizon** **-** Overall portfolio will be allocated with a mid-term time horizon in mind.

5. **Tax Considerations** - None since this organization is tax exempt.

6. **Illiquidity** **-** The overall portfolio should maintain 90% daily liquidity.

III. MISSION STATEMENT ALIGNMENT

The University Foundation promotes philanthropy to provide a level of excellence at the University beyond what is possible through state funds. The members of the Board of Directors of The University Foundation accomplish this mission by helping to raise private resources that advance the mission and priorities of the University and serving as ambassadors for philanthropy in the University community.

The Board provides fiduciary stewardship in the prudent investment of its resources, actively reviews its investment exposures relative to their alignment with the University's mission and ensures the integrity of The Foundation through accountability and transparency in its interactions with its donors, beneficiaries, and the broader University community.

It is a core value of the Foundation, to invest the Foundation's assets in a manner consistent with our socially responsible principles, within the guidelines established by the CSU Board of Trustees. As such, the Board of Directors continually strives to strike an appropriate balance between its support for the University's Values and its fiduciary duty to create financial returns in support of the Foundation's mission. The Board of Directors also recognizes that because the Foundation invests mainly in commingled vehicles such as mutual funds, which limit the ability of any individual investor to enforce customized investment parameters, our ability to directly enforce customized investment guidelines may be limited. That said, The Foundation regularly reviews its underlying investments and directs its Investment Advisor to invest in investment vehicles that are as consistent as possible with the University's social values, while balancing the financial return objectives of the Foundation, in a manner that advances our mutual long-term interests.

The Advisor will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, costs relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee.

IV. POLICY & ASSET ALLOCATION

1. **Diversification**:

   - Given the objective for moderate risk with growth, the portfolio will be managed as a diversified portfolio. We believe that diversification of assets is sound investment policy and that allocation of assets across various sectors as well as types of securities will minimize risk while improving performance. Accordingly, Sand Hill Global Advisors will at no time invest more than 15% of the portfolio with a single active fund family.

2. **Investment Vehicles**:

   - The portfolio's investments will be allocated over various asset classes, either directly or through pooled or commingled investment accounts (mutual funds and index funds), that might include domestic and foreign equities, bonds, real estate, alternative investments, and cash or cash equivalents. With each asset class, Sand Hill Global Advisors will weigh factors including expense, market efficiency, transparency of information, and diversification to determine whether direct investments or commingled investments are in UFSS's best interests.

3. **Asset Allocation:**

	Bottom Range	Target	Top Range
TOTAL EQUITY	**25%**	**37%**	**48%**
TOTAL FIXED INCOME	**35%**	**48%**	**60%**
REAL ASSETS	**0%**	**3%**	**12%**
ABSOLUTE RETURN	**0%**	**10%**	**18%**
CASH/CASH EQUIVALENTS	**0%**	**2%**	**15%**

   - Generally, the allocation will be within the ranges shown above; however, Sand Hill Global Advisors is permitted to have a more defensive position that may result from significant cash inflows. The ultimate implementation will be achieved over a transitional period involving staggered commitments. Additionally, Sand Hill Global Advisors will seek the approval of the UFSS Finance Committee whenever deviating the targeted strategy in excess of 10 points of risk, as defined by the combined weight of equities and real assets.

4. **Rebalancing:**

   - The portfolio will be reviewed regularly by Sand Hill Global Advisors and rebalanced whenever the weighting of a major asset class deviates or a tactical opportunity presents itself.

IV. INVESTMENT GUIDELINES

Sand Hill Global Advisors may utilize an appropriate combination of individual securities in a direct account and specialized third party, commingled funds, or mutual fund alternatives to implement the asset allocation. Third-party offerings will be used to enhance the portfolio's diversification in certain asset classes that require specialized expertise or where liquidity may be limited. In each case, the potential for added value, institutional share class fees, and cost effectiveness will be a major consideration. Such categories will include passive strategies such as index funds or exchange-traded funds (ETFs), and active strategies such as international, emerging markets or REIT mutual funds.

UFSS will not invest in funds or commodities that principally invest in fossil fuels.

Not more than 30% of the portfolio shall be invested in a single industry, using standard industry codes to define an industry. A manager may not sell securities short or buy on margin.

1. **Individual Equity Securities in Direct Accounts:**

   - UFSS will not utilize individual equity securities in its investment allocation.

2. **Fixed Income Securities in Direct Accounts:**

   - With the exception of U. S. Government securities and Federal Government Agency securities, no more than 10% at cost of the portfolio may be invested in the securities of a single issuer.

   - Corporate issuers will be U. S. or multinational corporations.

   - Up to 10% of the total account may be invested in below investment grade securities, commonly referred to as "high yield debt", but only through adequately diversified investment vehicles.

   - Fixed income portfolios should have an average duration of 4 – 8 years unless specific written permission is received from the Finance Committee.

3. **Commingled Funds, Mutual Funds, and Index Funds:**

   - The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability, and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and relative expense ratios. Special care will be taken in the selection of the appropriate type of security or class of shares to minimize the expense ratio and transaction costs. When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.

- The fund selection process will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, cost relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee.

4. **Real Estate:**

   - The real estate portion may be comprised of private and publicly held real estate investments.

5. **Alternative Investments:**

   - Alternative investments will be broadly defined, but not limited to, as investments in absolute return funds, gold, real return strategies, venture capital, private equity, and other hedged investment vehicles. These categories are to be implemented only through diversified investment vehicles. In the case of absolute return private partnerships, the diversification should be achieved through a "fund of funds" approach.

   - The Finance Committee's approval will be required prior to any purchase of an alternative investment that does not have daily liquidity.

6. **Cash/Cash Equivalents:**

   - Cash equivalent positions will be instruments with ratings of A-2, P-2 or higher. U.S. Treasury Bills, Eurodollar Certificates of Deposit, time deposits, money market funds, and repurchase agreements are acceptable instruments.

V. BROKERAGE AND PROXY POLICY

- Sand Hill Global Advisors will seek best execution for all transactions effected for UFSS. Securities and cash will be held in custody at Fidelity.

- Proxy voting has been delegated to Sand Hill Global Advisors. Sand Hill Global Advisors uses Broadridge to vote proxies.

VI. CONTROLS AND MONITORING

The UFSS Finance Committee will monitor the total portfolio performance as follows:

1. **Quarterly Reviews**:

   - The UFSS Finance Committee will review the investment performance of Sand Hill Global Advisors and the individual managers (retained by Sand Hill Global Advisors) in the portfolio with respect to the risk and return objectives established for UFSS. The review may include topics such as the overall business management, organizational changes, and other relevant factors.

2. **<u>Watch List:</u>**

- In the event that any individual manager is significantly underperforming over the long-term, Sand Hill Global Advisors will maintain a higher level of oversight and may put the firm on a watch list.

Prepared By:

____

Brian Dombkowski, CFA
Chief Executive Officer
Sand Hill Global Advisors

Date: ____________________________

Reviewed and Accepted By:

____

Michael Reza
Vice President - University Advancement
University Foundation at Sacramento State

Date: ____________________________

____

Alice Perez
Board Chair
University Foundation at Sacramento State

Date: ____________________________

APPENDIX

1. Benchmark Composition:

The Blended Benchmark will be used for the total portfolio review and to review Sand Hill Global Advisors. Individual asset classes will be reviewed using the indices most appropriate and assigned to each manager or investment style.

The Blended Benchmark is composed as follows:

Asset Class	Index	Weight
Equity		
Domestic Large Capitalization	S&P 500 Index	20%
Domestic Small Capitalization	Russell 2000 Index	7%
Foreign	MSCI All-Cap World Index excl. U.S.	10%
Fixed Income	Bloomberg U.S. Aggregate Index	48%
Real Estate	NAREIT Index	3%
Absolute Return	Bloomberg 1-3 Year Aggregate Index	10%
Cash/Cash Equivalents	U.S. Treasury Bill 30-day Index	2%

U.S. EQUITY MARKET INDICATORS

The market indicators included in this report are regarded as measures of equity or fixed-income performance results. The returns shown reflect both income and capital appreciation.

Standard & Poor's 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is capitalization-weighted, with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

Russell 2000 Index is composed of the 2000 smallest stocks in the Russell 3000 Index, representing approximately 11% of the U.S. equity market capitalization.

FIXED-INCOME MARKET INDICATORS

Bloomberg U.S. Aggregate Bond Index is a combination of U.S. Treasuries, mortgage-backed securities, and U.S. investment grade corporate bonds.

INTERNATIONAL EQUITY MARKET INDICATORS

Morgan Stanley Capital International (MSCI) All Cap World Index (ACWI) Ex-U.S. Index is composed of approximately 6,000 equity securities representing the stock exchanges of Europe, Australia, New Zealand, the Far East and Emerging Market nations capturing 99% of the global investable market outside of the US. The index captures large, mid and small-cap companies. The index is capitalization-weighted and is expressed in terms of U.S. dollars.

OTHER INDICES

National Association of Real Estate Investment Trusts (NAREIT) Index is the only REIT index to include all REITs currently trading on the New York Stock Exchange, the NASDAQ National Market System and the American Stock Exchange. It is also the first index to include monthly historical statistics from 1972. It is often used as a publicly traded approximation for the illiquid private real estate market.

Bloomberg 1-3 Year Aggregate Bond Index is a combination of the Mortgage-Backed Securities Index and the shorter duration components of the Government/Credit Bond Index.

U.S. Treasury Bill 30-day Index is the benchmark used to measure cash. It is also considered to be the “risk-free rate” for purposes of performance measurement.

<u>SUMMARY</u>
<u>INVESTMENT POLICY STATEMENT</u>

University Foundation at Sacramento State (UFSS)
Spending Stabilization Reserve

Portfolio Account Detail:	UFSS Spending Stabilization Reserve
Investment Objective:	Capital Preservation is the main objective.
Withdrawal Requirement:	It is expected that UFSS will draw upon the funds as needed.
Time Horizon:	Short to Mid Term
Risk Tolerance:	Conservative
Target Return:	Generate a return in excess of the Bloomberg U.S. Aggregate 1-3 Year benchmark over a complete market cycle.
Target Allocation:	100% Capital Preservation
Evaluation Benchmark:	The passive index in similar weight to the target asset allocation.

INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State (UFSS)

This policy statement outlines the assumptions and understandings under which Sand Hill Global Advisors, LLC (the "Advisor" or "SHGA") is to manage the Spending Stabilization Reserve portfolio of UFSS. The content herein has been composed based upon meetings with the Board of Directors and staff in which discussions covered UFSS's goals, attitudes, expectations, risk tolerance, desires for liquidity, and present and future cash flow requirements.

It is agreed that the Advisor will meet with the Finance Committee on a quarterly basis and with the Board of Directors on an annual basis to report on the status of the portfolio and to receive and provide information that will aid in the management of the portfolio. This investment policy statement will be reviewed periodically as to its appropriateness given any significant changes in UFSS's needs or in light of significant shifts in the economy or the investment markets. Day-to-day contact with UFSS will be made via telephone and e-mail.

I. ACCOUNT CIRCUMSTANCES

The role of this portfolio is to support underwater endowments and to offset significant revenue declines. The purpose of this portfolio is to smooth fluctuations in endowment payout and gift fee revenue. This portfolio shall be invested in high-quality, liquid, short-term fixed income funds and cash equivalents with a maximum portfolio duration of 3 years.

II. INVESTMENT OBJECTIVES

UFSS seeks to preserve your existing capital, maintain high liquidity and support the expenditure needs of the organization with these funds. Expected return will likely be modest, representing the available rate of return at the short-end of the yield curve and from time-to-time may not exceed the rate of inflation.

1. Total Portfolio Return: Achieve a time-weighted, rate of return in excess of prevailing short-term interest rates. This return will be sought using diversified fixed income and cash equivalent funds, providing an average annual return that will be measured over a complete market cycle which is defined as five years.

2. Blended Benchmark Return: Over rolling five-year cycles, to achieve a return that exceeds the Bloomberg U.S. Aggregate 1-3 Years, net of fees with similar risk.

3. Portfolio Risk Tolerance: The portfolio provides a source of annual liquidity and therefore the tolerance for market volatility is low.

4. Withdrawal Requirements: It is expected that UFSS will draw upon the funds as needed.

5. Time Horizon: Overall portfolio will be allocated with a short to intermediate time-horizon in mind.

6. Tax Considerations: None, since this organization is tax exempt.

7. Illiquidity: The overall portfolio should maintain 100% daily liquidity.

III. MISSION STATEMENT ALIGNMENT

The University Foundation promotes philanthropy to provide a level of excellence at the University beyond what is possible through state funds. The members of the Board of Directors of The University Foundation accomplish this mission by helping to raise private resources that advance the mission and priorities of the University and serving as ambassadors for philanthropy in the University community.

The Board provides fiduciary stewardship in the prudent investment of its resources, actively reviews its investment exposures relative to their alignment with the University's mission and ensures the integrity of The Foundation through accountability and transparency in its interactions with its donors, beneficiaries, and the broader University community.

It is a core value of the Foundation, to invest the Foundation's assets in a manner consistent with our socially responsible principles, within the guidelines established by the CSU Board of Trustees. As such, the Board of Directors continually strives to strike an appropriate balance between its support for the University's Values and its fiduciary duty to create financial returns in support of the Foundation's mission. The Board of Directors also recognizes that because the Foundation invests mainly in commingled vehicles such as mutual funds, which limit the ability of any individual investor to enforce customized investment parameters, our ability to directly enforce customized investment guidelines may be limited. That said, The Foundation regularly reviews its underlying investments and directs its Investment Advisor to invest in investment vehicles that are as consistent as possible with the University's social values, while balancing the financial return objectives of the Foundation, in a manner that advances our mutual long-term interests.

The Advisor will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, costs relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee.

IV. POLICY & ASSET ALLOCATION

1. **Diversification**: Given the requirement for low portfolio volatility , the portfolio will be managed as a diversified funds-based portfolio. We believe that diversification of assets is a sound investment policy and that allocation of assets across appropriate fixed income sectors will minimize risk while improving the consistency of performance outcomes.

2. **Investment Vehicles**: The portfolio's investments will be allocated in short-term fixed income and cash equivalents. With each asset class, Sand Hill Global Advisors will weigh factors including expense, market efficiency, transparency of information, and diversification to determine whether direct investments or commingled investments are in UFSS's best interests.

3. **Asset Allocation:**

Asset Allocation:	**Target**
SHORT-TERM FIXED INCOME	**100%**

   - Generally, the allocation will be within the ranges shown above; however, SHGA is permitted to have a more defensive position that may result from significant cash inflows.

4. **Rebalancing:** The portfolio will be reviewed regularly by SHGA and rebalanced whenever the weighting of a major asset class deviates or a tactical opportunity or need presents itself.

IV. INVESTMENT GUIDELINES

Sand Hill Global Advisors, LLC will utilize a funds-based investment approach.

Fixed Income Mutual Funds, Index Funds and ETF's

The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and relative expense ratios. Special care will be taken in the selection of the appropriate type of security or class of shares to minimize the expense ratio and transaction costs. When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.

Cash/Cash Equivalent Funds:

- Cash equivalent positions will be instruments with ratings of A-2, P-2 or higher. U.S. Treasury Bills, Eurodollar Certificates of Deposit, time deposits, money market funds, and repurchase agreements are acceptable instruments.

V. BROKERAGE AND PROXY POLICY

- All transactions effected for UFSS will be "subject to the best price and execution." Funds and cash will be held in custody at Fidelity Investments.

- Proxy voting has been delegated to SHGA. SHGA has retained Broadridge to vote proxies in the best interest of the shareholders.

VI. CONTROLS AND MONITORING

As scheduled, the UFSS Finance Committee will review the investment performance of SHGA and the individual managers (retained by SHGA) in the portfolio with respect to the risk and return objectives established for UFSS. The review may include topics such as the overall business management, organizational changes and other relevant factors.

Prepared By:

____
Brian Dombkowski, CFA
Chief Executive Officer
Sand Hill Global Advisors, LLC

Date: _________________________

Reviewed and Accepted By:

____
Michael Reza
Vice President - University Advancement
University Foundation at Sacramento State

Date: _________________________

____
Alice Perez
Board Chair
University Foundation at Sacramento State

Date: : _________________________

APPENDIX

1. Benchmark Composition

The Benchmark will be used for the total portfolio review and to review SHGA. Individual asset classes will be reviewed using the indices most appropriate and assigned to each manager or investment style.

The Benchmark is composed as follows:

Asset Class	Index	Weight
Short-Term Fixed Income	Bloomberg 1-3 Year U.S. Aggregate Index	100%

SUMMARY
INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State (UFSS)
Quasi-Endowment

Portfolio Account Detail:	UFSS Quasi-Endowment
Investment Objective:	Capital Appreciation and Capital Preservation are the main objectives to support the sustainability and longevity of UFSS's mission in perpetuity.
Withdrawal Requirement:	No payout until $2,500,000 corpus or with Board approval. Thereafter, a 4% annual withdrawal.
Time Horizon:	Overall portfolio allocated with a long-term time horizon in mind. As an endowment, the time horizon spans in perpetuity.
Risk Tolerance:	Moderately Aggressive
Target Return:	Over the long-term, exceed the blended portfolio benchmark, net of fees with similar risk.
Target Allocation:	70% Growth Assets and 30% Capital Preservation Assets
Evaluation Benchmark:	The passive indices in similar weights to the target asset allocation.

INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State (UFSS)

This policy statement outlines the assumptions and understandings under which Sand Hill Global Advisors (the "Advisor") is to manage the Quasi-Endowment portfolio of UFSS. The content herein has been composed based upon meetings with the UFSS Board, Finance Committee, and staff in which discussions covered UFSS's goals, attitudes, expectations, risk tolerance, desires for liquidity, and present and future cash flow requirements.

It is agreed that the Advisor will meet with the Investment Committee on a quarterly basis to report on the status of the portfolio and to receive and provide information that will aid in the management of the portfolio. This investment policy statement will be reviewed annually as to its appropriateness given any significant changes in UFSS's needs or in light of significant shifts in the economy or the investment markets. Day-to-day contact with UFSS will be made via the telephone and e-mail.

I. ACCOUNT CIRCUMSTANCES

The investments in the Quasi-Endowment portfolio are intended for long-term growth and to provide sustainable capital support.

II. INVESTMENT OBJECTIVES

UFSS seeks to achieve growth of the portfolio at a moderate rate in excess of inflation. Preservation of capital is an important consideration; therefore, portfolio volatility should be held similar to that of the evaluation benchmark as a whole.

1. **Portfolio Return Objectives:**

   - **Total Portfolio Return:** Achieve a time-weighted, real rate of return of 3%, after fees and program costs. This return will be sought using a diversified style of investment management, providing an average annual return that will be measured over a complete market cycle assumed to be five years.

   - **Blended Benchmark Return:** Over rolling five-year cycles, to achieve a return that exceeds the Blended Benchmark, net of fees with similar risk.

2. **Portfolio Risk Tolerance -** The risk of the portfolio is moderately aggressive and portfolio volatility should be held similar to that of the evaluation benchmark as a whole.

3. **Withdrawal Requirements** - No payout until $2,500,000 corpus or with Board approval. Thereafter, a 4% annual withdrawal.

4. **Time Horizon -** Overall portfolio will be allocated with a long-term time horizon in mind.

5. **Tax Considerations** - None since this organization is tax exempt.

6. **Illiquidity -** The overall portfolio should maintain 90% daily liquidity.

III. MISSION STATEMENT ALIGNMENT

The University Foundation promotes philanthropy to provide a level of excellence at the University beyond what is possible through state funds. The members of the Board of Directors of The University Foundation accomplish this mission by helping to raise private resources that advance the mission and priorities of the University and serving as ambassadors for philanthropy in the University community.

The Board provides fiduciary stewardship in the prudent investment of its resources, actively reviews its investment exposures relative to their alignment with the University's mission and ensures the integrity of The Foundation through accountability and transparency in its interactions with its donors, beneficiaries, and the broader University community.

It is a core value of the Foundation, to invest the Foundation's assets in a manner consistent with our socially responsible principles, within the guidelines established by the CSU Board of Trustees. As such, the Board of Directors continually strives to strike an appropriate balance between its support for the University's Values and its fiduciary duty to create financial returns in support of the Foundation's mission. The Board of Directors also recognizes that because the Foundation invests mainly in commingled vehicles such as mutual funds, which limit the ability of any individual investor to enforce customized investment parameters, our ability to directly enforce customized investment guidelines may be limited. That said, The Foundation regularly reviews its underlying investments and directs its Investment Advisor to invest in investment vehicles that are as consistent as possible with the University's social values, while balancing the financial return objectives of the Foundation, in a manner that advances our mutual long-term interests.

The Advisor will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, costs relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee.

IV. POLICY & ASSET ALLOCATION

1. **Diversification**:

- Given the objective for moderate risk with growth, the portfolio will be managed as a diversified portfolio. We believe that diversification of assets is sound investment policy and that allocation of assets across various sectors as well as types of securities will minimize risk while improving performance. Accordingly, Sand Hill Global Advisors will at no time invest more than 15% of the portfolio with a single active fund family.

2. **Investment Vehicles**:

- The portfolio's investments will be allocated over various asset classes, either directly or through pooled or commingled investment accounts (mutual funds and index funds), that might include domestic and foreign equities, bonds, real estate, alternative investments, and cash or cash equivalents. With each asset class, Sand Hill Global Advisors will weigh factors including expense, market efficiency, transparency of information, and diversification to determine whether direct investments or commingled investments are in UFSS's best interests.

3. **Asset Allocation:**

	Bottom Range	Target	Top Range
TOTAL EQUITY	**52%**	**66%**	**80%**
TOTAL FIXED INCOME	**15%**	**21%**	**35%**
REAL ASSETS	**0%**	**4%**	**8%**
ABSOLUTE RETURN	**0%**	**7%**	**15%**
CASH/CASH EQUIVALENTS	**0%**	**2%**	**15%**

- Generally, the allocation will be within the ranges shown above; however, Sand Hill Global Advisors is permitted to have a more defensive position that may result from significant cash inflows. The ultimate implementation will be achieved over a transitional period involving staggered commitments. Additionally, Sand Hill Global Advisors will seek the approval of the UFSS Finance Committee whenever deviating the targeted strategy in excess of 10 points of risk, as defined by the combined weight of equities and real assets.

4. **Rebalancing:**

- The portfolio will be reviewed regularly by Sand Hill Global Advisors and rebalanced whenever the weighting of a major asset class deviates or a tactical opportunity presents itself.

IV. INVESTMENT GUIDELINES

Sand Hill Global Advisors may utilize an appropriate combination of individual securities in a direct account and specialized third party, commingled funds, or mutual fund alternatives to implement the asset allocation. Third-party offerings will be used to enhance the portfolio's diversification in certain asset classes that require specialized expertise or where liquidity may be limited. In each case, the potential for added value, institutional share class fees, and cost effectiveness will be a major consideration. Such categories will include passive strategies such as index funds or exchange-traded funds (ETFs), and active strategies such as international, emerging markets or REIT mutual funds.

UFSS will not invest in funds or commodities that principally invest in fossil fuels.

Not more than 30% of the portfolio shall be invested in a single industry, using standard industry codes to define an industry. A manager may not sell securities short or buy on margin.

1. **Individual Equity Securities in Direct Accounts:**

    - UFSS will not utilize individual equity securities in its investment allocation.

2. **Fixed Income Securities in Direct Accounts:**

    - With the exception of U. S. Government securities and Federal Government Agency securities, no more than 10% at cost of the portfolio may be invested in the securities of a single issuer.

    - Corporate issuers will be U. S. or multinational corporations.

    - Up to 10% of the total account may be invested in below investment grade securities, commonly referred to as "high yield debt", but only through adequately diversified investment vehicles.

    - Fixed income portfolios should have an average duration of 4 – 8 years unless specific written permission is received from the Finance Committee.

3. **Commingled Funds, Mutual Funds, and Index Funds:**

    - The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability, and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and relative expense ratios. Special care will be taken in the selection of the appropriate type of security or class of shares to minimize the expense ratio and transaction costs. When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.

    - The fund selection process will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, cost relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee.

4. **Real Estate:**

- The real estate portion may be comprised of private and publicly held real estate investments.

5. **Alternative Investments:**

- Alternative investments will be broadly defined, but not limited to, as investments in absolute return funds, gold, real return strategies, venture capital, private equity, and other hedged investment vehicles. These categories are to be implemented only through diversified investment vehicles. In the case of absolute return private partnerships, the diversification should be achieved through a "fund of funds" approach.

- The Finance Committee's approval will be required prior to any purchase of an alternative investment that does not have daily liquidity.

6. **Cash/Cash Equivalents:**

- Cash equivalent positions will be instruments with ratings of A-2, P-2 or higher. U.S. Treasury Bills, Eurodollar Certificates of Deposit, time deposits, money market funds, and repurchase agreements are acceptable instruments.

V. BROKERAGE AND PROXY POLICY

- Sand Hill Global Advisors will seek best execution for all transactions effected for UFSS. Securities and cash will be held in custody at Fidelity .

- Proxy voting has been delegated to Sand Hill Global Advisors. Sand Hill Global Advisors uses Broadridge to vote proxies.

VI. CONTROLS AND MONITORING

The UFSS Finance Committee will monitor the total portfolio performance as follows:

1. **Quarterly Reviews**:

- The UFSS Finance Committee will review the investment performance of Sand Hill Global Advisors and the individual managers (retained by Sand Hill Global Advisors) in the portfolio with respect to the risk and return objectives established for UFSS. The review may include topics such as the overall business management, organizational changes, and other relevant factors.

2. **Watch List:**

- In the event that any individual manager is significantly underperforming over the long-term, Sand Hill Global Advisors will maintain a higher level of oversight and may put the firm on a watch list.

Prepared By:

____
Brian Dombkowski, CFA
Chief Executive Officer
Sand Hill Global Advisors

Date: __________________________

Reviewed and Accepted By:

____
Michael Reza
Vice President - University Advancement
University Foundation at Sacramento State

Date: __________________________

____
Alice Perez
Board Chair
University Foundation at Sacramento State

Date: __________________________

APPENDIX

1. Benchmark Composition:

The Blended Benchmark will be used for the total portfolio review and to review Sand Hill Global Advisors. Individual asset classes will be reviewed using the indices most appropriate and assigned to each manager or investment style.

The Blended Benchmark is composed as follows:

Asset Class	Index	Weight
Equity		
Domestic Large Capitalization	S&P 500 Index	40%
Domestic Small Capitalization	Russell 2000 Index	11%
Foreign	MSCI All-Cap World Index excl. U.S.	15%
Fixed Income	Bloomberg U.S. Aggregate Index	21%
Real Estate	NAREIT Index	4%
Absolute Return	Bloomberg 1-3 Year Aggregate Index	7%
Cash/Cash Equivalents	U.S. Treasury Bill 30-day Index	2%

U.S. EQUITY MARKET INDICATORS

The market indicators included in this report are regarded as measures of equity or fixed-income performance results. The returns shown reflect both income and capital appreciation.

Standard & Poor's 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is capitalization-weighted, with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

Russell 2000 Index is composed of the 2000 smallest stocks in the Russell 3000 Index, representing approximately 11% of the U.S. equity market capitalization.

FIXED-INCOME MARKET INDICATORS

Bloomberg U.S. Aggregate Bond Index is a combination of U.S. Treasuries, mortgage-backed securities, and U.S. investment grade corporate bonds.

INTERNATIONAL EQUITY MARKET INDICATORS

Morgan Stanley Capital International (MSCI) All Cap World Index (ACWI) Ex-U.S. Index is composed of approximately 6,000 equity securities representing the stock exchanges of Europe, Australia, New Zealand, the Far East and Emerging Market nations capturing 99% of the global investable market outside of the US. The index captures large, mid and small-cap companies. The index is capitalization-weighted and is expressed in terms of U.S. dollars.

OTHER INDICES

National Association of Real Estate Investment Trusts (NAREIT) Index is the only REIT index to include all REITs currently trading on the New York Stock Exchange, the NASDAQ National Market System and the American Stock Exchange. It is also the first index to include monthly historical statistics from 1972. It is often used as a publicly traded approximation for the illiquid private real estate market.

Bloomberg 1-3 Year Aggregate Bond Index is a combination of the Mortgage-Backed Securities Index and the shorter duration components of the Government/Credit Bond Index.

U.S. Treasury Bill 30-day Index is the benchmark used to measure cash. It is also considered to be the "risk-free rate" for purposes of performance measurement.