Cal Poly Pomona | PHILANTHROPIC FOUNDATION

Policy 500

Investment Policy Statement

For

The Cal Poly Pomona Philanthropic

Foundation

Adopted: December 11, 2025

Mission

The goal of the Cal Poly Pomona Philanthropic Foundation is to strengthen California State Polytechnic University's educational mission by increasing student scholarships and supporting faculty research initiatives and projects that will benefit the economic vitality of the state and region. The Foundation serves as the leader for the fundraising efforts of University by continuing to build on our achievements, broadening partnerships and diversifying financial support.

The Foundation was established in 2019 as a non-profit corporation under the laws of the State of California and recognized by the Internal Revenue Service as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and is classified as a public charity.

Purpose

The purpose of this Investment Policy Statement (this "Policy") is to outline a clear understanding between the Foundation and its Investment Advisers and Donors regarding investment goals, objectives and policy guidelines for the prudent management of the Foundation's investments (the "Portfolio"). This Policy defines the Foundation's investment objectives and the responsibilities of, and standards applicable to, those involved in the investment and management of the Portfolio.

This Policy will:

- Outline the expectations, objectives and guidelines in connection with the investment of the Portfolio.
- Provide the framework for a diversified asset mix specific to the Foundation that is reasonably expected to generate long term returns at a reasonable risk level while endeavoring to protect the corpus of the funds.

The Investment Adviser appointed by the Board will be obligated to follow the requirements of the Policy, specifically to:

- Adhere to the risk parameters set forth therein.
- Maintain the investments within the asset allocation guidelines.
- Establish guidelines regarding the selection of Investment Managers.
- Specify the criteria for evaluating the performance of the Portfolio and the Investment Managers.
- Define the responsibilities of Investment Managers.
- Engage in effective communication with the Foundation's Chief Operating Officer, Chair of the Finance and Investment Committee and the Board.

Portfolio

The Portfolio consists of (a) the Endowment Fund Pool, which includes endowment funds as such term is defined under the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and (b) the General Investment Pool, which includes funds that are intended for short-term operating

and program expenses, funds to support the Foundation's future operations, and funds that serve as a resource for economic downturns.

The Foundation will maintain records to account for the activities and balance of the underlying funds in the Portfolio, and reports regarding the composition of the Portfolio will be made on a periodic basis to the Finance and Investment Committee and annually to the Board in accordance with this Policy. The Portfolio is designed to ensure long-term financial security to the Foundation and to provide a source of funding for the Foundation's activities, programs, and operating expenses.

Investment Objectives

The Foundation's investment objectives are to safeguard and preserve the real purchasing power of the Portfolio while earning investment returns that are commensurate with the Foundation's risk tolerance (as determined by this Policy) and sufficient to meet its operational requirements. The specific investment objectives and guidelines for the Endowment Fund Pool and General Investment Pool are set forth below-

Endowment Fund

The Endowment Fund Pool shall be invested with the objective of preserving the long-term real purchasing power of the Endowment Fund Pool's assets while seeking an appropriate level of risk associated with investment return. More specifically, the Foundation's investment objectives and constraints for the Endowment Fund Pool consist of the following:

- Preservation of Purchasing Power. The Foundation aims to at least preserve the real purchasing power of its assets over time by seeking returns on its investments that are in excess of the spending rate (described below) and the then current rate of inflation.

- Long-Term Growth. The Foundation seeks to achieve growth in its assets in excess of then current inflation by emphasizing long-term investment fundamentals in structuring its investments.

- Time Horizon. The Foundation intends to invest for the long-term, with the total return on the Endowment Fund evaluated on a five-year rolling basis. It is recognized that not every five-year period will meet the Foundation's objectives, but the Foundation aims to attain its objectives over a series of five-year periods. The Foundation will monitor shorter-term investment results and trends while focusing on long-term results.

- Risk Tolerance. The Foundation seeks to control risk and reduce the volatility in its Portfolio through diversification. However, short-term volatility is characteristic of the securities markets and will be tolerated if such volatility is consistent with the volatility of similar investment portfolios (such as the volatility of performance benchmarks, described below). The Foundation recognizes and acknowledges that some risk must be assumed in order to achieve the long-term investment objectives of the Endowment Fund. In establishing its risk tolerance, the Foundation's ability to withstand short- and intermediate-term variability as well as the statistical probability of loss for a given period of time for the Endowment Fund is periodically evaluated by the Finance and Investment Committee, with the advice of the Investment Adviser of the Foundation (as defined below).

- Liquidity Requirements. The Foundation seeks to maintain adequate liquidity to meet its obligations, including budgeted expenditures. The Finance and Investment Committee will inform the Investment Adviser of any anticipated need for liquidity as such need becomes known. The Investment Adviser will presume no liquidity needs other than those provided by this Policy or the Finance and Investment Committee.

General Investment

The General Investment Pool (GIP) (other than those funds characterized by the Foundation as Reserve Funds) shall be invested with the objective of preserving the long-term real purchasing power of the GIP assets while seeking an appropriate level of investment return. More specifically, the Foundation's investment objectives and constraints for the GIP consist of the following:

- Preservation of Purchasing Power. The Foundation aims to preserve the real purchasing power of its assets over time by seeking returns on its investments that are in excess of the spending rate (described below) and the then current rate of inflation.

- Long-Term Growth. The Foundation seeks to achieve growth in its assets in excess of then current inflation by emphasizing long-term investment fundamentals in structuring its investments.

- Time Horizon. The Foundation intends to invest for the long-term, with the total return on the GIP evaluated on a short term basis taking into consideration income and growth. The Foundation aims to attain its objectives over a series of five-year periods. The Foundation will monitor shorter-term investment results and trends while focusing on the short term horizon.

- Risk Tolerance. The Foundation seeks to control risk and reduce the volatility in its Portfolio through diversification. However, short-term volatility is characteristic of the securities markets and will be tolerated if such volatility is consistent with the volatility of similar investment portfolios (such as the volatility of performance benchmarks, described below). The Foundation recognizes and acknowledges that some risk must be assumed in order to achieve the short-term investment objectives of the Portfolio. In establishing its risk tolerance, the Foundation's ability to withstand short- and intermediate-term variability as well as the statistical probability of loss for a given period of time for the Portfolio is periodically evaluated by the Finance and Investment Committee, with the advice of the Investment Adviser of the Foundation.

- Liquidity Requirements. The Foundation seeks to maintain adequate liquidity to meet its obligations, including budgeted expenditures. The Finance and Investment Committee will inform the Investment Adviser of any anticipated need for liquidity as such need becomes known. The Investment Adviser will presume no liquidity needs other than those provided by this Policy or the Finance and Investment Committee.

Responsible Constituents

The Board

The Board, or such members of the Board as so designated, has sole responsibility for investing and managing the Portfolio as well as the responsibility for establishing and modifying this Policy, including establishing the asset allocation for the Portfolio. The Board has delegated these responsibilities to the Finance and Investment Committee.

The Chair of the Finance and Investment Committee, the Foundation's designated staff, the Foundation's investment adviser (the "Investment Adviser"), and the investment managers (the "Investment Managers") are charged with implementing this Policy. Their respective responsibilities are set forth below.

Finance and Investment Committee

The Finance and Investment Committee is responsible for:

- Managing, reviewing, supervising and taking all actions with respect to the investment of the Foundation's assets, consistent with the provisions of this Policy.

- Establishing, reviewing periodically, and modifying this Policy and its Exhibits from time to time, and reporting any changes to the Board.

- Setting the asset allocation targets and ranges for the Portfolio and modifying them from time to time.

- Overseeing the Portfolio's assets and reporting on the status of the Portfolio to the Board not less than quarterly.

- Engaging the Investment Adviser to assist the Finance and Investment Committee in carrying out its investment responsibilities and to implement the investment strategy and decisions of the Finance and Investment Committee.

- Continuing or terminating the Investment Adviser and monitoring its performance.

- Monitoring the fees and other expenses associated with the management and administration of the Portfolio.

Investment Adviser

The Investment Adviser is expected to manage the Portfolio in a manner consistent with this Policy and in accordance with State and Federal law, including the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Investment Adviser must be a Registered Investment Adviser and shall act as the Investment Adviser and fiduciary to the Foundation until the Foundation decides otherwise. The Investment Adviser is responsible for:

- Monitoring the investment environment and regularly communicating with the Chief Operating Officer and Chair of the Finance and Investment Committee concerning issues that may impact the Portfolio.

- Guiding the Finance and Investment Committee with respect to the strategic asset allocation.

- Setting and implementing any tactical strategy that seeks to take advantage of market dislocations (e.g., underweight/overweight specific sectors).

- Implementing rebalancing on a consistent basis or when otherwise appropriate.

- Implementing the Portfolio's asset allocation through the selection, continuation, and termination of Investment Managers.

- Selecting, continuing, or terminating Investment Managers based on appropriate criteria, including the following: investment philosophy, historical performance, experience of key personnel, and financial viability or changes in these factors. In selecting each Investment Manager, the Investment Adviser will take reasonable measures to assess the independence of the Investment Manager, including any conflicts of interest that the Investment Manager may have. (This responsibility regarding the selection of the Investment Managers also includes the ongoing monitoring of the Investment Managers for adherence to this Policy and his, her, or its stated investment strategy to ensure consistency with the Policy.)

- Reviewing Investment Managers, establishing the scope and terms of the delegation to each Investment Manager, and monitoring their respective performance and compliance with the scope and terms of the delegation.

- Monitoring, analyzing the performance of, and recommending performance benchmarks for each Investment Manager.

- Preparing investment reports at least quarterly for the Finance and Investment Committee's review that contain the information necessary for the Finance and Investment Committee to exercise its judgment and carry out its investment responsibilities prudently.

- Attending meetings in person or by telephone conference with the Board, the Finance and Investment Committee and the Foundation's staff as requested.

- Providing necessary information to and cooperating with the Finance and Investment Committee, Foundation staff, and the Foundation's external auditors.

- Providing feedback regarding changes to this Policy when requested by the Board or the Finance and Investment Committee and proposing corresponding amendments to the relevant account documents, if necessary.

Guidelines on Prudent Investing

Standard of Care

Each person responsible for managing and investing the Foundation's assets will do so in good faith with the care that an ordinarily prudent person in a like position would exercise under similar circumstances and will consider both the purposes of the Foundation and the goals of the Portfolio.

A person with special skills or expertise or selected in reliance upon his or her representation that he or she has special skills or expertise, will use those skills or that expertise in managing and investing the Foundation's Portfolio.

In managing the Portfolio, the Foundation will incur only those costs that are appropriate and reasonable in relation to the Portfolio, the purposes of the Foundation, and the skills available to the Foundation. The Foundation will use reasonable efforts to verify facts relevant to the management and investment of the Portfolio.

Exercise of Prudence

In managing and investing the Portfolio, the following factors, if relevant, will be considered:

- general economic conditions;
- the possible effect of then current or reasonably anticipated inflation or deflation;
- the extent to which each investment or course of action may impact the overall Portfolio;
- the expected total return from income and the appreciation of investments;
- the needs of the Foundation and of particular specified funds within the Portfolio to make distributions and to preserve capital;
- the special relationship or special value, if any, of any particular asset to the purpose of the Foundation;
- the requirement and benefit of diversification among types of investments and within types of investments;
- liquidity considerations;
- the impact of management or administration costs; and
- risk management.

Management and investment decisions about an individual asset will be made not in isolation but rather in the context of the Portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the Portfolio and the Foundation.

Delegation Standards

To the extent that it can prudently delegate under the circumstances, the Finance and Investment Committee will delegate to the Investment Adviser the management and investment of the Portfolio, subject to the Investment Adviser's conformity to this Policy. In connection with such delegation, and as part of its general duty of oversight over the Portfolio, the Committee will act in accordance with the Standard of Care and Exercise of Prudence described above by: (i) selecting, continuing, or terminating the Investment Adviser, (ii) establishing the scope and terms of the delegation, and (iii) monitoring and evaluating the Investment Adviser's performance and compliance with the scope and terms of the delegation, as well as its compliance with this Policy.

The Finance and Investment Committee will take reasonable measures to assess the independence of the Investment Adviser, both before and after the Investment Adviser is engaged. Investment Advisers will be selected based on competence, experience, past performance, and proposed compensation, without regard to business or personal relationships with any affiliates of the University. Any actual or potential conflicts of interest affecting or existing with respect to a member of the Board or the Finance and Investment Committee relating to the Investment Adviser or otherwise must be disclosed and resolved in accordance with the Foundation's conflict of interest policy.

Spending Policy

The annual spending rate will be determined by the Board on a semi-annual basis with due consideration given to then current or reasonably anticipated market conditions, the spending levels of peer institutions and the level of real return after spending over a rolling 12-quarter time period. The goal for the spending rate will be reviewed and determined annually by the Finance & Investment Committee. The spending rate will be applied to the 12-quarter moving average market value. The use of a rolling 12-quarter time period and the expectation of infrequent adjustments to the spending rate are intended to provide relatively stable spending allocations. The Finance and Investment Committee will determine the frequency of distributions to better accommodate endowment awards/scholarships but avoid risk in the event of poor performance by financial markets.

Distributions will take place in the Spring of each year. The determination of the annual rate will take place in the Board of Directors meeting prior to the distribution. If any changes are recommended to the annual rate the Board of Directors will approve or reject the change prior to the distribution.

Spending Reserve

The objective of the Spending Reserve is to provide a source of reliable funding for distributions from the Endowment Fund Pool. The Foundation's goal is that the Spending Reserve be in an amount at least equal to the estimated distribution for one year, but which Spending Reserve should not exceed double the estimated distribution for one year. The actual amount of the Spending Reserve may be based on the distribution totals for the previous fiscal year, and the Spending Reserve may consist of income and realized and unrealized investment gains.

Asset Allocation

The Finance and Investment Committee will establish in writing the Foundation's asset allocation guidelines, including minimum and maximum allocations for each asset class in the Portfolio, and will modify the asset allocation guidelines from time to time, soliciting recommendations from the Investment Adviser.

The current asset allocation for the General Investment Pool Portfolio (other than the Reserve Funds) is attached to this Policy as Exhibit A and the current asset allocation for the Endowment Fund Pool is attached to this Policy as Exhibit B.

Rebalancing and Cash Flows

The Investment Adviser shall monitor asset allocations and attempt to stay within the ranges allowed for each category. Should the Portfolio move outside of the ranges, the Investment Adviser will develop a plan of action to rebalance the Portfolio. Such rebalancing plan will be reviewed and approved by the Finance and Investment Committee.

The Finance and Investment Committee will identify the destination of all cash flows, including additional contributions to the Foundation's assets, consistent with this Policy. The Foundation's net cash flows may be used to implement any necessary rebalancing activities in order to minimize transaction costs.

Performance Benchmarks

Performance benchmarks are used by the Finance and Investment Committee to properly measure and evaluate the success of the Investment Adviser and the Investment Managers. The performance benchmarks selected by the Finance and Investment Committee (with recommendations from the Investment Adviser) should be representative of the Foundation's long-term return objectives and risk tolerance and be calculated over the same time period as the returns on the Portfolio with which the performance benchmark is being compared. These performance benchmarks are intended as targets only and are no guarantee or assurance of the performance of any investment or of the Portfolio.

Reporting and Oversight

The Finance and Investment Committee will meet quarterly to review the reports of the Investment Adviser and the Investment Managers, and to evaluate the performance of the Portfolio and adherence by the Investment Adviser and the Investment Managers to this Policy. The performance of the Portfolio will be measured relative to appropriate and agreed upon performance benchmarks (described above).

Revisions

The Finance and Investment Committee will review this Policy periodically and recommend revisions to the Board for approval as determined to be in the best interests of the Foundation. In conducting such review, the Finance and Investment Committee may consult with the Investment Adviser regarding the performance of the Foundation's investments, the current asset allocation, the Foundation's overall investment strategy, general economic and market conditions, and any other relevant information that may bear on this Policy.

EXHIBIT A

Asset Allocation for the General Investment Pool (Other Than the Reserve Funds)

Asset Class / Sub-Asset Class	Lower Limit	Target Allocation	Upper Limit
Investment Grade Fixed Income	20.5%	35.5%	50.5%
Other Fixed Income	0.0%	9.0%	19.0%
US Equity	33.8%	43.8%	53.8%
Non-US Equity	1.7%	11.7%	21.7%

The Target Allocation is designed to target the risk level of the General Investment Pool's reference benchmark of 70% equities / 30% fixed income. The asset class and sub-asset class ranges accommodate instances such as onboarding/transitioning to the target allocation, rebalancing and cash raise flexibility, temporary market fluctuations, and ramp-up of private asset exposures over time (if applicable). They also provide administrative efficiency by allowing the portfolio to adjust within reasonable bounds without requiring an update to this Investment Policy Statement.

EXHIBIT B

Asset Allocation for the Endowment Fund Pool

Asset Class / Sub-Asset Class	Lower Limit	Target Allocation	Upper Limit
Investment Grade Fixed Income	1.0%	16.0%	31.0%
Other Fixed Income	0.0%	7.0%	17.0%
US Equity	31.1%	41.1%	51.1%
Non-US Equity	0.9%	10.9%	20.9%
Hedge Funds	0.0%	2.5%	12.5%
Private Equity and other Private Assets	0.0%	22.5%	37.5%

The Target Allocation is designed to target the risk level of the Endowment's reference benchmark of 70% equities / 30% fixed income. The asset class and sub-asset class ranges accommodate instances such as onboarding/transitioning to the target allocation, rebalancing and cash raise flexibility, temporary market fluctuations, and ramp-up of private asset exposures over time (if applicable). They also provide administrative efficiency by allowing the portfolio to adjust within reasonable bounds without requiring an update to this Investment Policy Statement