

**ECSU Foundation, Inc.**  
**Investment Policy Statement**  
**June 11, 2020**

**Foundation's Philosophy and Mission**

The Foundation's philosophy is to balance the present with the future. The origin of the Foundation was based on the need to establish a pact between generations. Its mission is to fulfill a promise from past and current donors to future students and faculty; a promise that the Institution will maintain certain commitments over time, even in the face of rising costs. Future generations depend on the current generation to balance the claims of the future against the claims of the present.

**ECSU Foundation, Inc.**

The Foundation is currently composed of the following:

- gifts and donations in the form of endowments, with long-term benefit objectives
- contributions received for the current benefit of the institution
- State matching funds

The ECSU Foundation currently maintains the following accounts:

1. ECSU FDN INC STATE MATCH FUND (Key Private Bank account #2160104)
2. ECSU FDN INC MATCH ENDW FUND (Key Private Bank account #2158548)
3. ECSU FDN INC ENDOWED CHAIRS FUND (Key Private Bank account #2160102)
4. ECSU FDN RESTRICTED FUNDS (Key Private Bank account #2160103)  
This fund is restricted for the purpose of funding scholarships.  
For investment purposes only, the Restricted Funds account also includes the following sub-accounts, all of which are restricted for the same purpose of funding scholarships:
  - ECSU FDN INC RES VALUE (account #2160136)- for value-oriented assets
  - ECSU FDN INC RES GROWTH (account #2160137)- for growth-oriented assets
  - ECSU FDN INC RES FUND FIXED INC (account #8001539)- for some fixed income assets

When needed, additional accounts may be opened to house Foundation funds that must be segregated from the accounts listed above. In addition, additional sub-accounts may be opened to facilitate the implementation of specific investment strategies or may be consolidated into the corresponding primary account if no longer needed.

**General Investment Guidelines**

In recognition of its fiduciary responsibility, the ECSU Foundation, Inc. has adopted investment management guidelines. The guidelines apply to those gifts and donations received in the form of endowments with long-term objectives, contributions received for the current benefit of the institution and all State matching funds. They are designed to support the programs of the University and to

maximize the benefit intended by the donors/contributors both now and for multiple generations to come. The guidelines are:

- to invest the Foundation assets on a total return basis
- to adopt investment strategies based on a long-term time horizon
- to consider the financial needs and circumstances of the foundation
- to take into account the cash flows and liabilities of the foundation
- to design a portfolio with an appropriate risk level
- to adopt sound investment practices and policies that meet the standard of a prudent investor

Consistent with this, the investment of the Foundation assets should be guided by the following underlying goals:

- achieve growth in value over time to preserve the purchasing power of the assets, protecting against inflation
- maintain sufficient liquidity to meet the shorter-term obligations of the Foundation
- diversify the portfolio to keep the overall risk at an appropriate board approved level

#### Investment Objective

The ECSU Foundation, Inc. portfolio will be managed on a long-term, total-return basis. It will focus primarily on growth, with a secondary objective to produce income. The portfolio will reflect a moderate level of risk and reasonable diversification to avoid unnecessary risk.

#### Asset Allocation

To meet the Growth/Income investment objective, the asset allocation guidelines are as follows:

Equity	50% - 70%
Fixed Income	25% - 45%
Cash	0% - 20%
Alternatives	0% - 20%
Real Assets	0% - 10%

In a neutral environment, the portfolio will target the mid-point of the equity and fixed income ranges. However, when appropriate, the Investment Manager may target the lower or the upper end of the range in a tactical move to emphasize or de-emphasize a particular asset class.

The Investment Manager will rebalance the portfolio periodically, when appropriate, within the ranges listed above.

The investment objective (and therefore the asset allocation ranges) may be changed at any time with board approval and any changes will be documented in writing.

The Investment Manager may diversify within the asset classes listed above. For example, equity exposure may include large-cap, mid-cap, and small-cap domestic equities, international developed equities and emerging market equities.

There are no specific investment restrictions at this time and the Investment Manager may invest in a variety of investment vehicles, including individual stocks, individual bonds, mutual funds, ETFs, and money market funds. When selecting investment vehicles, the Investment Manager will consider the liquidity and risk parameters. The Foundation Board will notify the Investment Manager in writing should a need arise to initiate any investment restrictions in the future.

In cases where sub-accounts are used to execute specific investment strategies, the primary account and all sub-accounts will be combined for asset allocation purposes. For example, a sub-account may contain 100% equities but, on a combined basis, the primary and sub-accounts would reflect the asset allocation of the Growth/Income objective, as listed above.

#### Spending Guidelines

The spending policy serves as a guideline for determining the amount of the distributions from the Foundation accounts. The goal is to distribute a portion of the portfolio's total return to meet current obligations and retain a portion so that the Foundation will grow over time, protecting its purchasing power. It is the policy of ECSU Foundation, Inc. to distribute funds annually to the University in accordance with an approved budget. The Foundation Board will notify the Investment Manager as to the distribution amount and schedule for such distributions.


This Investment Policy Statement is intended to serve as a guideline to assist the Foundation Board and the Investment Manager and it may be amended at any time.

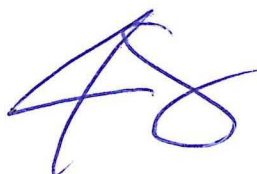
This Investment Policy Statement has been adopted as of: June 11, 2020 (date)

BY: ECSU Foundation, Inc. Board of Directors

Signature

Title:

  
VICE PRESIDENT  
& LIAISON TO ECSU FOUNDATION, INC.



Justin L. Murphy  
President