

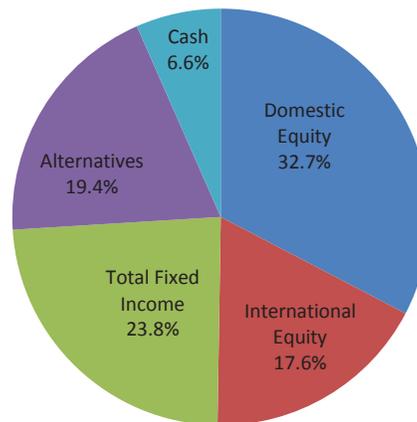
ENDOWMENT INVESTMENT SUMMARY FOR QUARTER ENDING MARCH 31, 2017

INVESTMENT PHILOSOPHY

The purpose of this statement is to establish clear investment policies and objectives of managing assets that the CSU Channel Islands' Foundation Board of Directors can understand, the Finance and Investment Committee can use as a goal to monitor against, and the Foundation's investment advisors can use for guidance. This statement is flexible to allow for changing economic conditions, for evaluating investment performance, and policy procedures.

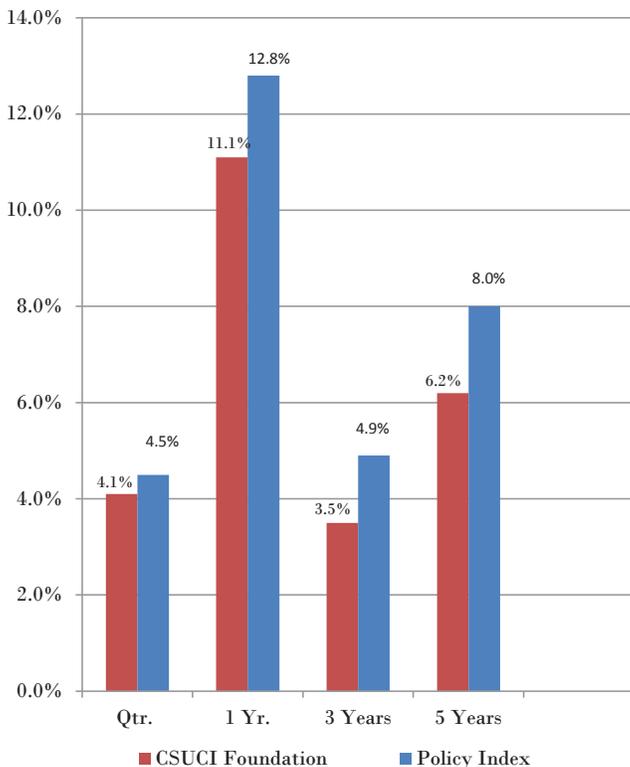
The objective is to promote growth in the investment funds sufficient to offset normal inflation as measured by the Higher Education Price Index (HEPI), plus ensuring reasonable spending, thereby preserving the constant-dollar and principal for future generations, operating cash and reserves, while producing market-level income. The minimum total-return objective for the Permanently Restricted Endowment Net asset class shall be HEPI plus 5%. The Investment Policy will be submitted to the Foundation's Board of Directors periodically for review and recommended changes. Review will occur at a minimum of once every three (3) years. ***

Asset Allocation Policy as Defined by the Foundation Board



\$13,547,369 as of March 31, 2017

Endowment Performance * For period ending March 31, 2017



Portfolio Funds

Domestic Equity Composite:

Diamond Hill Large Cap
Schafer Cullen: High Dividend Value Equity
Saratoga RIM: Large Cap Quality
Wedgewood Partners: Large Cap Focused Growth
Vaughan Nelson: Small Cap Value

International Equity Composite:

Amer. Funds EuroPacific Growth Fund
IVA International I
Lazard Emerging Markets Equity

Fixed Income Composite:

Western Asset Core Bond 1
BlackRock Strategic Income Opps Instl
Legg Mason B W Global

Alternative Composite:

AQR Managed Futures Strategy I
Buchanan Mortgage Holdings, LLC
Voya Global Real Estate I
Wells Fargo Advantage Absolute Ret Instl

*Endowment performance of individual funds may vary from the total pool return due to the timing of contributions. CI performance is net of funds.

**Declines in market could result in reduction of the spending or distribution rate.



FOUNDATION
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ENDOWMENT INVESTMENT SUMMARY FOR QUARTER ENDING MARCH 31, 2017

FINANCE & INVESTMENT COMMITTEE MEMBERS

Douglas McRae, Finance Committee Chair
Financial Consultant

George Leis, Foundation Board Chair, Ex Officio Member
Regional President, Central Coast Division, Union Bank

Christine Garvey, Member
Board of Directors, Union Bank

Jeffrey Sarti, Member
Morton Capital Management

Lois Rice, Member
Retired, Bank Executive

Peter Wollons, Member
President & CEO, Airborne Technologies, Inc.

Ysabel Trinidad, Chief Financial Officer
Vice President for Business & Financial Affairs, CSU Channel Islands

Nichole Ipach, Committee Officer
Vice President for University Advancement, CSU Channel Islands

To ensure impartiality, it is the policy of the CI Foundation that no member of the Finance and Investment Committee manage any part of the asset allocation or receive any compensation for advice.

RECENT FINANCE & INVESTMENT COMMITTEE ACTIONS

Q1-2017

Mr. Flint of Beacon Pointe Advisors reviewed "Can Your Portfolio Survive Make Volatility?" He said January 2017 represented the lowest monthly volatility since 1983, and that the volatility for the quarter was second lowest on record, but cautioned it may not last. The committee will continue to brainstorm strategies to generate income to provide additional resources to the University, keeping in mind the committee's fiduciary duty of preservation of capital. Both the FY 2017/18 Foundation Budget and the revised Investment Policy were ratified and forwarded to the Foundation Board for approval.

Q4-2016

At the January meeting Ms. Rice underscored the importance of social responsibility being a part of all investment conversations on behalf of the Foundation Board. The Committee unanimously agreed. The amount of 5% was approved by the Committee. Beacon Pointe was asked for a recommendation to transition from the equity investments into cash.

Q3-2016

The Committee is recommending a separate Environment/Social/Governance portfolio for the Board's approval. Further recommendations to the Board will be to approve the continuation of the 3% spend rate and to move forward with revisions to the Investment Policy Statement. These revisions include the replacement of REITS, natural resources and hedgefund verbiage with "Alternatives" to enable investment flexibility.

Q2-2016

In April, in order to reflect the Committee's activities, the Committee name changed to the Finance & Investment Committee. A 3% spend rate was factored into the Foundation's proposed 2016-17 fiscal year budget. The Committee is researching the creation of a Socially Responsible Investment fund; this will be discussed during the August 9, 2016 Committee meeting.