



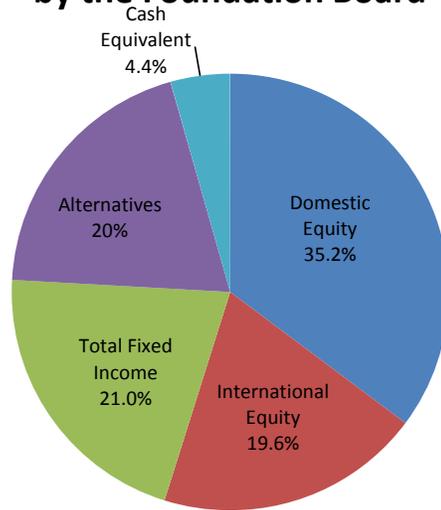
**ENDOWMENT INVESTMENT SUMMARY FOR QUARTER ENDING SEPTEMBER 30, 2014**

**INVESTMENT PHILOSOPHY**

The purpose of this statement is to establish clear investment policies and objectives of managing assets that the Board of Directors can understand, the Finance Committee can use as a goal to monitor against, and the California State University Channel Islands Foundation's (CSUCIF) investment manager(s) can use for guidance. This statement is flexible to allow for changing economic conditions and dynamic securities markets, for evaluating investment performance, and policy procedures.

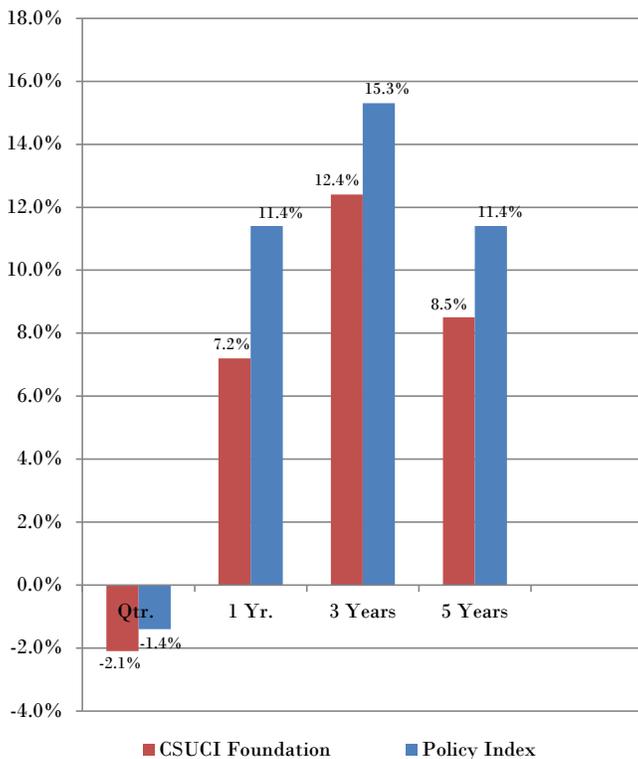
The objective is to promote growth in the investment funds sufficient to offset normal inflation as measured by the Higher Education Price Index (HEPI) plus reasonable spending, thereby preserving the constant-dollar for future generations, and principal of operating cash and reserves while producing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

**Asset Allocation Policy as Defined by the Foundation Board**



\$11,509,633 as of September 30, 2014

**Endowment Performance \*  
For period ending September 30, 2014**



**INVESTMENT MANAGERS**

Domestic Equity Composite:

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

International Equity Composite:

- EuroPacific Growth Fund
- IVA International I
- Lazard Emerging Markets Equity

Fixed Income Composite:

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

Alternative Composite:

- RS Global Natural Resources
- Voya Global Real Estate I
- ABS Alpha Ltd

\*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 some funds being limited to income received, which is approximately 2% of the endowment principal.



**FOUNDATION**  
C H A N N E L  
I S L A N D S

## ENDOWMENT INVESTMENT SUMMARY FOR QUARTER ENDING SEPTEMBER 30, 2014

### FINANCE COMMITTEE MEMBERS

**Douglas McRae, Finance Committee Chair**  
*Financial Consultant*

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

**Larry Hibbler**  
*Owner, President, Simi Valley Ford*

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

**Ysabel Trinidad, Committee 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 COMMITTEE ACTIONS

#### Q3-2014

As of June 30, 2014 the portfolio's value was \$11,754,429, showing an annual rate of return of 7.2% since inception in 2002. The policy index during this same time frame was 8.1%. The portfolio is transitioning to the previously recommended and approved manager replacements.

#### Q2-2014

For the three month period ending March 31st, the portfolio returns reflected a 1.1% gain versus the policy index of 1.8%. One year returns are at 13% versus a policy index of 14.9%. The Lagomarsino CRAT has shown a gain of 1.3% during the past three months versus a benchmark of 2.1%; fiscal year-to-date returns reflect a gain of 12.4% versus a benchmark of 12.3%. fiscal year-to-date returns reflect a gain of 12.4% versus a benchmark of 12.3%.

#### Q1-2014

Investment advisors representing Beacon Pointe recommended minor revisions to the asset allocation mix to better reflect Investment Policy guidelines, to which the Finance Committee agreed.

#### Q4-2013

The Committee moved forward with their selection of an investment consultant advisor, choosing Beacon Pointe Advisors. In December the firm met with members of the Committee, with topics of discussion ranging from asset allocation and risk tolerance to frequency of investment policy review. A follow up meeting was planned to further address these topics, and others.