

**CSU PUEBLO FOUNDATION
SECURITIES INVESTMENT POLICY
FINAL – As presented by Investment Committee
to Full Board of Directors for Approval**

I. COMPOSITION AND POWERS OF THE INVESTMENT COMMITTEE

A. The Investment Committee shall be comprised of at least five (5), but not more than seven (7), members. It shall be made up of community leaders with sufficient practical experience as to guide the investments of the Foundation. It is not necessary that the members of this committee also be on the Board of Director-Trustees of the Foundation. However, the Investment Committee chair shall always be a director-trustee. The Investment Committee chair shall be elected annually in July.

B. The Investment Committee shall have the power to approve all investment decisions as may be permitted by this investment policy. The Investment Committee shall work with an investment advisor representative to direct the investments of the Foundation in a manner consistent with board approved objectives and guidelines. The Investment Committee shall report their activities to the Board of Director-Trustees on a quarterly basis.

II. PURPOSE

A. This investment policy has been adopted by the Investment Committee to define the investment policy of the Foundation. It is intended to be a guide to the Investment Committee and the officers and directors of the Foundation as well as to provide public information to donors and others who may be interested in the Foundation's investment policy and practices.

B. The over-riding investment goals of the Foundation are to produce a strong and growing level of income in order to provide current funding for the Foundation's various programs and to generate capital appreciation to maintain a purchasing power of the Foundation's assets over time, considering the effects of inflation.

III. PROFESSIONAL MANAGEMENT

When the Foundation Board justifies, the assets of the Foundation may be professionally managed (i.e. discretionary accounts may be used). On a quarter-annual

basis, the Foundation investments will be reviewed for overall performance; the Investment Committee will share such review with the Board of Directors.

IV. ASSET ALLOCATION

A. The asset allocation should reflect the long-term objectives and portfolio constraints of the Foundation. Management of the Foundation's portfolio should focus on satisfying these objectives through optimal allocation of stocks and bonds. Bonds should be used to satisfy current income requirements and control total portfolio volatility. Common stocks should generate capital and income growth to preserve and enhance the purchasing power of the portfolio. The nature of the assets involved and the long-term objective of the Foundation suggest utilizing a total return approach to investment management. Specifically, the funds should conform to the following asset allocation guidelines:

	Long-Term Target:	Allowable Range:
1. Fixed Income/Cash	approximately 40%	35%-55%
2. Equities	approximately 60%	45%-65%
3. Cash Reserve	as required	as required

These percentages will be valued on the market value of the investments, rather than the acquisition cost.

B. Cash Reserve. It is anticipated that a reasonable cash reserve will be established to meet the Foundation's on-going cash needs for program distributions and Foundation expenses. The balance of the assets will be allocated as outlined above. The above allocation guidelines are exclusive of any real estate or other miscellaneous property which the Foundation may hold.

V. INVESTMENT GUIDELINES

A. Permissible Investments. Foundation assets may be invested in high quality publicly traded common and preferred stocks, convertible bonds, bank common funds, mutual funds, fixed income securities and other assets as authorized by the Investment Committee from time to time. Individual options, futures, and real estate may not be purchased by the Foundation without prior consent of the Board of Directors.

B. Prohibited Investments. The following are not permissible investments:

1. Common stock in non-public corporations.
2. Letter or restricted stock.
3. Buying or selling on margin.
4. Direct placement of mortgages on real property unassociated with Foundation holdings or interests.
5. Bonds, notes or other indebtedness for which there is no public market (private placements) unassociated with Foundation holdings or interest.

C. Equity Investments. At the time of investment, the Foundation may not invest more than five percent (5%) of total Foundation assets, based on the fair market value of said assets, in any single security. No more than fifteen percent (15%) of securities investment assets may be invested in any single mutual fund. No more than twenty percent (20%) of the market value of the total Foundation assets may be invested in any single industry. No more than twenty five percent (25%) of the Foundation's assets may be invested in foreign stocks or in international equity mutual funds.

Investments in small capitalization companies less than (\$500,000,000.00 in total market capitalization) should comprise no more than ten percent (10%) of the total market value and should be consistent with the long-term objectives and constraints of the Foundation.

D. Fixed Income Investments. The portfolio should contain high quality issues that are investment grade and that carry a credit rating of Baa or above, or average credit quality of Baa or above in the case of a mutual fund, or an equivalent rating by both Moody's and Standard and Poor's rating services.


VI. REVIEW PROCEDURES

A. The Investment Committee shall review this investment policy statement at least annually, in April, to determine if modifications are necessary or desirable. Any modifications shall be promptly communicated to the investment advisor representative, Investment Committee, and other interested persons.

Adopted this 28TH day of June, 2011.

A handwritten signature in black ink, appearing to read "Marvin Stein". The signature is fluid and cursive, with the first name being more prominent.

Foundation Chair – Marvin Stein

A handwritten signature in black ink, appearing to read "Russell DeSalvo". The signature is more stylized and less legible than the one on the left, with a prominent horizontal stroke.

Foundation Vice-Chair – Russell DeSalvo