

**CAL POLY CORPORATION
San Luis Obispo**

**INVESTMENT COMMITTEE
A STANDING COMMITTEE OF THE
BOARD OF DIRECTORS**

Statement of Purpose and Functions

I. PURPOSE AND AUTHORITY

Article II, Section 5, of the Bylaws of the Cal Poly Corporation (“CPC”) permits the Board of Directors to act through committees established by the Board and to assign powers and functions to such committees, consistent with the Articles of Incorporation and the Bylaws.

The primary purpose of the Committee on Investments is to provide the Board of Directors with consistent, reliable, and close advice and consultation on the development and implementation of policies, programs, and practices relating to investments held and managed through the CPC, and to take action on behalf of the Board when appropriate.

II. FUNCTIONS

Specific functions of this committee are as follows:

- A. Review and advise on the effectiveness of investment policy and management practices and make specific recommendations regarding any necessary changes in policies to the Board.
- B. Evaluate periodic reports on the results of the investment program and summarize and report to the Board.
- C. Develop and recommend investment objectives/goals and, in consultation with management, provide investment advice, including appropriate general asset allocation for the CPC's investment funds within established policy.
- D. Develop an investment performance program, including the retention of external investment consultants when deemed necessary, and evaluate and report to the Board periodically relative to the investment program performance.
- E. When deemed necessary and appropriate, initiate a process for and recommend to the Board the appointment of investment managers.
- F. Consult with management and investment managers on decisions requiring interpretation of investment policy.

III. MEMBERSHIP

Membership of this committee is limited to the Board Chair, no more than three members of the Board of Directors appointed by the Chair, and may include non-Board members with professional investment experience. The committee will receive staff support from:

- 1. CPC Executive Director
- 2. Director of Financial Services
- 3. Investment Administrator
- 4. Trust Administrator
- 5. Legal Counsel (as needed)

6. Investment Consultants (as needed)

The Chair of the committee will be named by the Board Chair from among the committee members.

IV. COMMITTEE RELATIONSHIPS

- A. Relationship with the Board. The committee serves as an extension of the Board in helping to fulfill the Board's fiduciary role as trustee of invested funds and other liquid assets held by the CPC. This relationship requires the committee to keep the Board fully apprised of investment program policy issues and program performance, and to relieve the full Board from being involved in the ongoing evaluation process. The Board retains ultimate responsibility to make investment program policy decisions.
- B. Relationship with Management. Management serves in a staff support and advisory role to the committee. The committee serves as both a designee of the Board and as a policy recommending body to the Board. Management shall function in an administrative facilitating role to the committee. The committee will function through management with respect to custodial and safekeeping arrangement facilities.
- C. Relationship with Investment Consultants. Investment consultants, when retained, report to the Board through the committee with respect to performance reviews and policy, goals, and objectives changes.
- D. Relationship with Investment Managers. Investment managers report to the Board through the committee.

V. DUTIES OF CHAIR/MEMBERS

- A. The chairperson shall have the following duties:
 - 1. Organize the functions of the committee.
 - 2. Represent the committee before the Board and, at the Board's discretion, represent the CPC on issues relating to investments.
 - 3. Maintain a close communication link with the Board, management, investment managers and investment consultants on matters under the committee's purview.
 - 4. Chair meetings of the committee.
- B. The duties of committee members include:
 - 1. Participation in the functions of the committee.
 - 2. Remain current on matters and areas within the scope of the committee's concern.
 - 3. Contribute to the committee's productivity through positive interaction with members, resourcefulness, and collaboration.