## Bridgewater State University Foundation Endowment Fund Investment Policy Statement

Accepted July 2010

Revised March 2012

Revised November 2012

Revised November 2015

Revised September 2017

Approved October 2017

GENERAL INFOROROR

## SPENDING POLICY

Each year a stated spending percentage is recommended by the Committee and approved by the Board for expenditure in the following fiscal year, which shall be documented by a formal vote. The percentage is applied to the last 12-quarter

In determining the annual spending percentage, the Foundation will monitor - restricted in nature.

In periods of prolonged market value declines in the Portfolio which result in restricted funds having an aggregate market value less than donor stipulated levels (underwater funds), UPMIFA allows the Foundation to continue expending if it is in

## PROFESSIONAL SERVICE PROVIDERS

With advice from the Committee, the Board may engage professional service

administration, audit and custody. Compensation to these providers must be fair, reasonable and transparent. Periodically the Board shall conduct a formal RFP review of the portfolio and service providers. Annually the Board shall separately review and discuss internally the performance of all current professional service providers and record all relevant findings of same to ensure compliance with all applicable due diligence and proper governance standards.

The Committee may engage professional investment managers that will have full discretion to buy, sell, and tender securities for the exclusive benefit of the Portfolio.

Selection and continued engagement of investment managers need not follow defined rules or quantitative procedures. In particular, the Committee is not required to emphasize past performance as the primary determinant of future outcomes. The Committee, with assistance from their investment consultant, will use its best judgment with a focus on long-term performance of assets.

Each investment manager will inform the Committee on a timely basis of any material changes in their organization that might impact future returns. Examples include (but are not limited to) material changes in portfolio management personnel, ownership structure and investment philosophy.

Under normal circumstances, voting proxies and responding to tender offers and other corporate activities will be the responsibility of the investment managers,

Fixed Income			
USInvestment-Grade	10%	15%	30%
High Yield	0%	5%	15%
International	0%	0% 10	0%
Total Fixed Income	10%	20%	30%
Alternatives			
Hedged Strategies	0%	5%	10%
Natural Resources	0%	0%	5%
Direct Real Estate & REITs	0%	5%	10%
Private Equity*	0%	10%*	20%
Total Alternatives	0%	10%*	30%

0% 0%

20%

Portfolio Liquidity	<u>Minimum</u>	<u>Maximum</u>
Daily	70%	100%
Monthly	0%	20%
Quarterly	0%	20%
Illiquid	0%	30%

Cash & Equivalents

<sup>\*</sup>Developing a diversified Private Equity program will take 7-12 years (completion expected 2022-2027) to achieve market value near the 10% target. During the development phase, the excess assets will be allocated to Equities.

The performance benchmark for the overall Portfolio:

70% MSCI All Cap World Net

20% BC Aggregate Bonds

5% HRFI FofF Composite

5% Wilshire REIT

Further, asset class benchmarks will be assigned within asset subsets:

US Equities Russell 3000

Intl Developed MSCI EAFE Net

Intl Emerging MSCI EM Net

Total Equities MSCI World Net

USInvestment-Grade BC Govt/ Oredit Intermediate

High Yield BCHigh Yield

International BCGobal Aggregate xUS

Total Fixed Income BC Aggregate Bonds

Hedged Strategies HFRI FoF Composite

Further, individual managers within the Portfolio may be benchmarked by more specific indices matched to their investment mandate. Such indices selected may be based upon capitalization size, geographic emphasis, and/ or investment style.

[END]