

CALIFORNIA STATE UNIVERSITY, FRESNO INVESTMENT POLICY

PURPOSE

The effective management of Association investments is the responsibility of the Board of Directors. The process by which the Board accomplishes this objective is the subject of this document. In recognition of its responsibility to manage investments prudently, the Board of Directors has established an Investment Committee composed as follows:

Vice President from Administration of the
University (Secretary-Treasurer of the Association) - Chair
Executive Director of the Association
Noncampus person of the Board of Directors
Chief Financial Officer of the Association

The following duties, responsibilities and authority are hereby delegated to the Investment Committee:

1. The Committee shall develop investment policies and guidelines for consideration and approval by the Board of Directors.
2. The investment policies and guidelines will be reviewed as necessary by the Committee. Revisions of established policies shall be presented to the Board of Directors for consideration and approval.
3. The Committee has the responsibility and authority to supervise the investment of available funds within established policies and guidelines without consultation with the Board of Directors.

I. Goals and Objectives

The objective of the Association in the investment of funds is to fully invest all available funds for the maximum period possible to yield the maximum amount consistent with prudent investment policies.

II. Policies

Investment Philosophy:

1. The investment objectives call for a disciplined, consistent management philosophy that accommodates the occurrence of all those events which might be considered reasonable and probable. They do not call for a philosophy which represents extreme positions or opportunistic styles.

2. The investment portfolio shall be diversified. The purpose of diversification is to minimize the risk by spreading available funds among financial institutions so that no institution will have a disproportionate or significant amount of funds invested.
3. Investment certificates of deposit and money market accounts in savings and loans and commercial banks shall be limited to the maximum insured amount. (Currently \$100,000) (Amount in our prime commercial bank may exceed the \$100,000 limitation).

Portfolio Composition and Risk:

Funds may be invested in any of the following securities:

- a. Certificates of deposit
- b. Banker's acceptances
- c. Corporate commercial paper - A rating or higher
- d. Corporate bonds - A rating or higher
- e. Securities of the U.S. Government
- f. Savings accounts
- g. Money market accounts
- h. The Common Fund
- i. Governmental Security Mutual Funds

III. Social Responsibilities in Investments

The California State University, Fresno Association, Inc. will not knowingly invest any Association funds in any securities of a corporation which intentionally practices discrimination based on sex, religion, or race.

IV. Conflict of Interest

All necessary step shall be taken to avoid any real or apparent conflict of interest in investment management. Conflicts may arise if members of the Board of Directors are also officers or have a financial interest in financial institutions with which the Association conducts business. Any real or apparent conflict shall be reported to the Board by Board members.

Reference: Education Code Sections 89906-89909 - See Attached

V. Implementation

In order to carry out any investment of Association funds, the Executive Director, Vice President for Administration of the University, Chief Financial Officer, and Director of Financial Services, any two acting together, are authorized to sell, assign, transfer and deliver stocks, bonds, evidences of

interest and/or indebtedness, rights and options to acquire the same, and all other securities, corporate or otherwise, now or hereafter held by the Association in its own right or in any fiduciary capacity and to execute any and all instruments necessary, proper or desirable for the purpose.

Any two of the following persons acting together may establish or withdraw funds of a savings or term savings account and may enter into the safe deposit box maintained by the Association:

- a. Executive Director
- b. Chief Financial Officer
- c. Vice President for Administration of the University (Secretary-Treasurer)
- d. Director of Financial Services