## Committee Working Documents
(These documents are not part of the Board’s Policies)

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The documents contained in this section are not policies of the ISUF Foundation but rather committee documents. These are working documents which may change at any time.
ATTACHMENT 1 – Working Document for Investment Committee

EXECUTIVE SUMMARY

Type of Fund: University Foundation  
Current Assets: Approximately $30,000,000  
Planning Time Horizon: Greater than 5 years  
Modeled Return: Spending Rate, Administrative Fee, CPI  
Modeled Risk Tolerance: Losses not to exceed -10% in any year, with a statistical confidence level of 90%

PURPOSE

The Idaho State University Foundation, Inc. (Foundation) Board of Directors (Board) establishes this Investment Policy Statement (IPS) to help manage and guide investment decisions for the Foundation’s endowed donations. Endowed donations are either permanently restricted or temporarily restricted by the donor’s intention to use the assets for specific purposes. The majority of the Foundation’s endowed donations are held in a pooled investment portfolio (E-Portfolio).

The Foundation Policy Manual (Policy V E 4, “Donor Direction of Investment Policy”), reads in part as follows: “Without specific approval of the Foundation Board, no endowment shall be accepted in which the donor directs the investment transactions or holdings or may approve investment policy or strategy.” This allows a donor, with specific approval of the Board, to decide against pooling or co-mingling assets, in other words, certain endowment donations may be held separately from the Foundation’s E-Portfolio. In such a case, all (or some) sections of this IPS may not apply to the management of these separately held endowment donations.

The investment program is defined in the IPS by:

1. Stating the Board’s attitudes, expectations, objectives and guidelines for the E-Portfolio,
2. Setting forth an investment structure for managing the E-Portfolio. This structure includes the use of various asset classes, investment management styles and asset allocations that are expected to provide prudent diversification and to maximize total investment return within prudent levels of risk over the long-term,
3. Providing guidelines for the E-Portfolio that controls the level of overall risk and liquidity,
4. Encouraging effective communication between the Board, the Investment Committee (Committee), the investment advisors and the money managers,
5. Establishing formal criteria to monitor, evaluate and compare the performance results achieved by the money managers on a regular basis,
6. Complying with all applicable fiduciary requirements that experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state and federal political entities.

This IPS has been formulated based upon consideration by the Board of the financial implications of a wide range of policies and describes the prudent investment process that the Board deems appropriate.

MISSION

The mission of the Foundation is:

1. To support and augment University programs by responsible stewardship of the funds donated to the Foundation, and

2. To promote growth of the funds in order to realize the greatest return on Foundation assets by building reserves and attracting new donors as a result of responsible management of the funds.

RESPONSIBILITIES

The Board is a fiduciary, and is responsible for providing the overall investment policy for the Foundation’s endowed donations (i.e. E-Portfolio). The IPS establishes investment objectives, investment security guidelines, asset class allocation guidelines, professional investment advisors and managers, performance reviews, roles and responsibilities.

The Board may delegate any or all of its duties enumerated in the IPS, with the exception of the duty to periodically review suggestions to improve to the IPS, and the duty to review compliance with the IPS.

The Board has delegated investment and management responsibilities to the Committee. The Board has delegated authority to the Committee to fulfill the Board’s duties, as contained in this IPS.

INVESTMENT OBJECTIVES

General Objectives

The purpose of the Foundation is to support Idaho State University and its mission over the long term. The objective of the investment program is to ensure that the future growth of the E-Portfolio is sufficient to offset normal inflation plus administrative costs and reasonable spending, thereby preserving the constant dollar value and purchasing power of the E-Portfolio. This will be accomplished through a carefully planned and executed long-term investment program. The objective of the investment program is to enhance the Foundation’s long-term viability by maximizing the value of the E-Portfolio with a prudent level of risk. Notwithstanding
this policy, all restrictions placed by donors on the interest and investment earnings on donated funds will be honored.

Performance Objectives

The E-Portfolio will have the following long-term objectives.

1. The E-Portfolio will have the objective of exceeding the average return (net of all investment fees) of appropriate capital market indices weighted by asset allocation target percentages (as defined in the section “E-Portfolio Asset Allocation Guidelines”),

2. The E-Portfolio will have the objective of exceeding appropriate index returns in each asset class,

3. The E-Portfolio will have the objective of exceeding the median return of a universe of similarly sized endowment portfolios as reported in the Commonfund Benchmark Study,

4. The E-Portfolio will have the goal of achieving a Total Return Objective that is equal to the Annual Administrative Fee, the (CPI) Inflation Rate, and the Spending Rate. (See “Components of the Total Return Objective” below.)

Components of the Total Return Objective

1. Annual Administrative Fee (Currently 1.5%) - All endowments are subject to a Board established annual administrative fee. The fee is calculated and disbursed from each endowment in a manner very similar to the Spending Rate (see Spending Rate below).

2. (CPI) Inflation Rate (a variable rate) – As a long-term goal, inflation adjusted endowment growth is desired and should be part of the Total Return Objective. For the purpose of calculating a Total Return Objective, CPI will be defined as a percentage rate based on a trailing twenty year rolling average of the 12-Month Percent Change “Annual” data, from the Bureau of Labor Statistics, All Items Consumer Price Index for All Urban Consumers (CPI-U), for the entire U.S., without seasonal adjustments, and using the 1982-1984 reference base.

3. Spending Rate (Currently 4%) – The Foundation Policy Manual (Policy V E 6, “Spending Policy for Endowments”), establishes a range of 3% to 6% as the annual distribution rate for endowments (Spending Rate). The Spending Rate currently in effect will be reviewed periodically by the Finance Committee and recommended changes will be submitted to, and approved by, the Board of Trustees.

The Foundation’s Fiscal Officer will determine the actual dollar amount to be distributed from each endowment in January of each year. This annual distribution is calculated by multiplying the Spending Rate times the average market value of the endowment over the preceding 12
quarters. If a particular endowment has not existed for three years, then the calculation is based on all quarters for which market value information is then available (but see EXCEPTION below.)

The Spending Policy defines the amount of money that can be disbursed from each endowment to accomplish donor intent. The goal of the Spending Policy is to balance the endowment’s long-term investment earnings with the endowment’s annual distributions. The Spending Policy accomplishes two important goals. First, the “purchasing power” of each endowment is maintained (i.e., corpus adjusted for inflation and expenses), and this preserves each endowment’s ability to meet the future needs of the donor’s stated wishes. Second, application of the Spending Policy reduces the endowment’s vulnerability to significant fluctuations in the stock and bond markets. By averaging market values over an extended period of time (i.e., 12 quarters), the endowments are less affected by sharp, short-term market fluctuations. This allows for steadier levels of spending and the opportunity for continued growth, both of which are advantageous to the beneficiaries of the endowments over the long term.

EXCEPTION: The Foundation Policy Manual (Policy V E 6, “Spending Policy for Endowments”) requires at least four complete quarters of market value history in order for the Foundation to begin making annual distributions to fund grants. For example, if an endowment is established April 1st in Year 1, there will only be three quarters of market value information by January of Year 2, and therefore the endowment cannot begin making grants until the following annual distribution in January of Year 3, at which time, there will be seven quarters of market value information.

The Fiscal Officer will analyze and compare trends for the Total Return Objective vs. the actual returns of the E-Portfolio, based on twenty year rolling averages if possible, and report the results during the first quarter of each year to the Finance Committee and the Investment Committee. The Fiscal Officer will accumulate said reports and have them available for review by committee members or Board members upon request. Twenty years of historical returns for the E-Portfolio does not exist at this time. Until such a history exists, the Fiscal Officer, to the best of his ability, will use data based on trailing annual returns of a hypothetical portfolio with asset class allocations and indices similar to the E-Portfolio. Likewise, twenty years of historical data for all components of the Total Return Objective does not exist (with the exception of CPI), therefore, trends for the Total Return Objective will have to develop over time as historical data is accumulated.
GENERAL INVESTMENT PHILOSOPHY

The primary purpose of the E-Portfolio is to provide current income, capital appreciation, and growth of income, to be used principally for the purpose of scholarships and institutional support, as specified by donors. To meet this purpose over the long-term, the net asset value of the existing portfolio must grow even without additional gifts. To accomplish this growth, the IPS provides that the E-Portfolio be invested in a diversified mixture of asset classes that are collectively expected to provide an acceptable level of return with an acceptable level of risk over an extended time horizon. Even though a review of investment performance versus appropriate market indices will occur on a quarterly basis, investment performance will also be evaluated over a full market cycle. Typically, market cycles last three-to-five years and are sometimes extended over longer time horizons. Investment performance reviews will include, when possible, a review of the specific investment funds within the E-Portfolio.

It is recognized that a strategic long-term asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the E-Portfolio’s investment performance. The assets will be managed on a total return basis. While the Foundation recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. It is not a breach of fiduciary responsibility to pursue riskier investment strategies if such strategies are in the E-Portfolio’s best interest on a risk-adjusted basis.

Risk management of the investment program is focused on understanding both the investment and operational risks to which the E-Portfolio is exposed. The objective is to minimize operational risks and require appropriate compensation for investment risks.

The E-Portfolio is expected to operate in perpetuity. In making investment strategy decisions for the E-Portfolio, the focus shall be on a long-term strategic investment time horizon that encompasses a variety of different market conditions and market cycles rather than attempting to employ market timing techniques. Liquidity needs will be periodically reviewed. The income produced by the E-Portfolio is not subject to state of Idaho or federal income taxes because it is held by the Foundation, which is a 501 (c) (3) non-profit organization.
INVESTMENT SECURITY GUIDELINES

The term “Fund”, used below, refers to the Foundation’s E-Portfolio. The majority of the Fund consists of commingled-pooled investments. Therefore, it is not practical or feasible to give pooled fund managers specific restrictions. The list below is intended to guide the Investment Committee and the investment manager by giving general restrictions for evaluating existing domestic investments and domestic investments that may be added to the Fund.

The restrictions and prohibitions listed below apply to conventionally managed portfolios. Hedge Fund of Funds may employ strategies that violate certain of these restrictions or prohibited investments.

10.04.01 - Allowable Investments

Equity Securities

The purpose of equity investments, both domestic and international, in the plan is to provide capital appreciation, growth of income, and current income, with the recognition that this asset class carries with it the assumption of greater market volatility and increased risk of loss. This component includes domestic and international common stocks, American Depository Receipts (ADRs), preferred stocks, and convertible stocks traded on the world’s stock exchanges or over-the-counter markets.

Public equity securities shall generally be restricted to high quality, readily marketable securities of corporations that are traded on the major stock exchanges, including NASDAQ. Equity holdings must generally represent companies meeting a minimum market capitalization requirement of $50 million with reasonable market liquidity. Decisions as to individual security selection, number of industries and holdings, current income levels and turnover are left to broad manager discretion, subject to the standards of fiduciary prudence. However, no single major industry shall represent more than 20% of the Fund’s total market value, and no single security shall represent more than 5% of the Fund’s total market value.

The “Traditional Long-Only” Investment Manager(s) is prohibited from borrowing money or pledging assets, or trading uncovered options, commodities or currencies without the advance approval of the Fund. The Manager(s) is also restricted from investing in private placements and restricted stock unless otherwise permitted by the Investment Committee. It is expected that no assets will be invested in securities whose issuers are or are reasonably expected to become insolvent, or who otherwise have filed a petition under any state or federal bankruptcy or similar statute.

Within the above guidelines and restrictions, the Manager(s) has complete discretion over the timing and selection of equity securities.

Fixed Income Securities

The purpose of fixed income investments, both domestic and international, is to provide diversification, and a predictable and dependable source of current income. It is expected that
fixed income investments will not be totally dedicated to the long term bond market, but will be flexibly allocated among maturities of different lengths according to interest rate prospects.

Fixed income instruments should reduce the overall volatility of the Fund’s assets, and provide a deflation hedge. This component includes both the domestic fixed income market and the markets of the world’s other developed economies. It includes but is not limited to U.S. Treasury and government agency bonds, foreign government and supranational debt, public and private corporate debt, mortgages and asset-backed securities, and non-investment grade debt.

Fixed income also includes money market instruments, including, but not limited to, commercial paper, certificates of deposit, time deposits, bankers’ acceptances, repurchase agreements, and U.S. Treasury and agency obligations.

Investments in fixed income securities should be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums. These investments will be subject to the following limitations:

1. The weighted average duration of their portfolio should be within 20% of the duration of the index to which the portfolio is benchmarked;

2. Investments of a single issuer, with the exception of the U.S. Government and its agencies (including GNMA, FNMA and FHLMC), may not exceed 5% of the total market value of the Fund;

3. No more than 25% of the fixed income portfolio may be rated below investment grade.

Within the above guidelines and restrictions, the Manager(s) has complete discretion over the timing and selection of fixed income securities.

Cash and Equivalents

The Investment Manager may invest in the highest quality commercial paper, repurchase agreements, Treasury Bills, certificates of deposit, and money market funds to provide income, liquidity for expense payments, and preservation of the Fund’s principal value. Commercial paper assets must be rated at least A1 or P-1 (by Moody’s or S&P). No more than 5% of the Fund’s total market value may be invested in the obligations of a single issuer, with the exception of the U.S. Government and its agencies.

Un-invested cash reserves shall be kept to a minimum; short term, cash equivalent securities are usually not considered an appropriate investment vehicle for investment. However, such vehicles are appropriate as depository for income distributions from longer term investments, or as needed for temporary placement of funds directed for future investment to the longer term capital markets. Also, such investments are the standard for contributions to the current fund or for current operating cash.

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Committee Working Documents
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Within the above guidelines and restrictions, the Manager(s) has complete discretion over the timing and selection of cash equivalent securities.

Other Investments

**Private Capital Partnerships** – Investments may also include domestic and international venture capital and private equity investments, held in the form of professionally managed pooled limited partnership investments. Such investments must be made through funds offered by professional investment managers.

**Real Estate** - Investments may also include equity real estate, held in the form of professionally managed, income producing commercial and residential property. Such investment may be made through professionally managed pooled real estate investment funds, as offered by leading real estate managers with proven records of superior performance over time. In addition, investments may also include properties to support the university.

**Commodities** - Investments may also include a broad range of commodity oriented strategies. These strategies will include but may not be limited to futures, options on futures and forward contracts on exchange traded agricultural goods, metals, minerals, energy products and foreign currencies. The use of swap transactions will be permitted to access this market strategy. Investments may be held in the form of professionally managed pooled funds, segregated and limited liability or corporate investments.

**Marketable Alternatives** - Investments may also include equity-oriented or market-neutral hedge funds (i.e. Long/Short, Macro Event Driven, Convertible Arbitrage, and Fixed Income strategies) which can be both domestic and international market oriented. These components may be viewed as equity-like or fixed income-like strategies as defined by their structures and exposures.

**Derivatives and Derivative Securities** - Certain of the Plan’s managers may be permitted under the terms of their specific investment guidelines to use derivative instruments. Derivatives are contracts or securities whose market value is related to the value of another security, index, or financial instrument. Investments in derivatives include (but are not limited to) futures, forwards, options, options on futures, warrants, and interest-only and principal-only strips. No derivative positions can be established that create portfolio characteristics outside of portfolio guidelines. Examples of appropriate applications of derivative strategies include hedging market, interest rate, or currency risk, maintaining exposure to a desired asset class while making asset allocation changes, gaining exposure to an asset class when it is more cost-effective than the cash markets, and adjusting duration within a fixed income portfolio. Investment managers must ascertain and carefully monitor the creditworthiness of any third parties involved in derivative transactions.

Each manager using derivatives shall (1) exhibit expertise and experience in utilizing such products; (2) demonstrate that such usage is strategically integral to their security selection, risk management, or investment processes; and (3) demonstrate acceptable internal controls regarding these investments.
Committee Working Documents
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Prohibited Investments / Transactions

Prohibited investments and transactions include, but are not limited to, the following:

1. Direct Illiquid Private Placements (except with prior approval from the Investment Committee).

For mutual and other commingled funds, the prospectus or Declaration of Trust documents of the fund(s) will govern the investment policies of the fund investments. While the Committee understands that such funds have their own stated guidelines which cannot be changed for individual investors, in principle and spirit those guidelines should be similar in nature to the guidelines stated above. To the extent that a fund allows any or all of the above stated restrictions, the Committee must be aware of their possible use and be confident that the Investment Manager(s) thoroughly understands the risks being taken, has demonstrated expertise in their usage of such securities, and has guidelines in place for the use and monitoring of those securities.

E-PORTFOLIO ASSET ALLOCATION GUIDELINES

Asset Allocation Targets and Ranges

Investment management of the E-Portfolio assets shall be in accordance with the following asset class allocation guidelines. The Investment Committee may amend the allocation targets and ranges from time to time.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Min Wt.</th>
<th>Target Wt.</th>
<th>Max Wt.</th>
<th>Representative Index</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Strategies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Equity</td>
<td>40%</td>
<td>60%</td>
<td>70%</td>
<td>MSCI ACWI Index</td>
</tr>
<tr>
<td>Private Capital</td>
<td>0%</td>
<td>25%</td>
<td>35%</td>
<td>MSCI ACWI + 4%</td>
</tr>
<tr>
<td>Distressed Debt</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>HFRI Distressed</td>
</tr>
<tr>
<td><strong>Fixed Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core Bonds</td>
<td>0%</td>
<td>5%</td>
<td>15%</td>
<td>Barclays Aggregate</td>
</tr>
<tr>
<td>Global Bonds</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>Citigroup World Gov’t Bond</td>
</tr>
<tr>
<td>Private Credit</td>
<td>0%</td>
<td>5%</td>
<td>10%</td>
<td>ML High Yield Masters II</td>
</tr>
<tr>
<td>TIPS</td>
<td>0%</td>
<td>2%</td>
<td>10%</td>
<td>Barclays U.S. TIPS Index</td>
</tr>
<tr>
<td>Cash &amp; Equivalent</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>90 Day T-bills</td>
</tr>
<tr>
<td><strong>Diversifying Strategy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolute Return</td>
<td>5%</td>
<td>15%</td>
<td>25%</td>
<td>HFRI FOF Conservative Index</td>
</tr>
<tr>
<td><strong>Real Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Resources</td>
<td>0%</td>
<td>5%</td>
<td>15%</td>
<td>S&amp;P Global LargeMidCap Comm/Resources</td>
</tr>
<tr>
<td>Real Estate</td>
<td>0%</td>
<td>8%</td>
<td>15%</td>
<td>NCREIF ODCE (lagged)</td>
</tr>
</tbody>
</table>

Updated March 30, 2017
With Categories changed September 29, 2017
POLICY BENCHMARK: The policy benchmark is a diversified benchmark that reflects the underlying exposures of the portfolio. This is the benchmark to which the Foundation will be managed. Over time, the policy benchmark should show the benefit of diversification versus the Traditional Benchmark. The current policy benchmark is the weighted average of the underlying target asset class exposures as noted above.

TRADITIONAL BENCHMARK: The traditional benchmark is a commonly used benchmark that gives a general classification of the risk/return profile of the portfolio. The actual portfolio and policy benchmark may deviate from this benchmark over shorter periods of time. The current traditional benchmark is 75% S&P 500/25% Barclays Aggregate Index.

LONG TERM BENCHMARK: The long term benchmark is the actual investment objective of the foundation, currently represented by CPI plus 5.5 percent.

Performance relative to benchmarks will be measured on a net of fee basis and considered over a full market cycle.

Rebalancing of Assets

It is the Foundation’s policy to rebalance within the stated ranges on a uniform basis so as not to cause undue expense to be allocated to the portfolio. The purpose of rebalancing is to control portfolio risk and maintain the policy asset allocation within the targeted ranges. It is the Foundation’s policy to rebalance within the stated ranges as defined in the Asset Allocation Guidelines table above. Policy requires the portfolio to be rebalanced at least annually or more frequently if desired by the members of the committee charged with the oversight of the portfolio’s investments. Tactical rebalancing asset classes within their ranges are also permissible as long as the trades do not cause undue expense to the portfolio. Under the current agreement with Commonfund Strategic Solutions, Commonfund will execute rebalancing transactions. These rebalancing shifts may be tactical in nature and must fall within the specified asset allocation ranges as defined by this statement. Commonfund Strategic Solutions may not execute rebalancing that would result in a new commitment to an illiquid investment program or allocation outside of the guidelines in this policy statement without prior approval of the Investment Committee. Illiquid programs include private capital, natural resources, distressed debt and private real estate. The rebalancing process will be consistent with the executed agreement between the ISU Foundation and Commonfund Asset Management Company.

Liquidity

Illiquid Assets – assets invested in funds that do not provide liquidity within 1 year from the inception of the investment based upon the stated terms of the funds. Typically, the funds have multi-year investment periods with 7 to 12 year life spans.

Semi-Liquid Assets – assets invested in funds with quarterly, semi-annual, or annual liquidity with a majority of the underlying assets generally considered liquid.

Liquid Assets – assets invested in funds with daily, weekly or monthly liquidity with the underlying assets generally considered to have daily liquidity.
INVESTMENT FUND MANAGERS AND INVESTMENT COMPANIES PERFORMANCE REVIEW AND EVALUATION

Performance Objectives and Review

Performance reports shall be compiled at least quarterly and communicated to the Investment Committee for review. The investment performance of the total portfolio, as well as asset class components, will be measured against previously stated performance benchmarks as well as those stated elsewhere in this policy statement. Consideration shall be given to the extent to which the investment results are consistent with the overall investment objectives, goals, and guidelines as set forth in this statement. The Investment Committee intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to recommend to the Executive Committee the termination of any investment fund manager or investment management company for any reason, with or without cause.

Duties and Responsibilities

Duties of the Board of Trustees:

In the management of the Foundation’s assets, the Board will approve the Investment Policy developed by the Investment Committee for the investment program.

The Board in its sole discretion can delegate its decision-making authority to the Investment Committee regarding the investment program within the guidelines established by this policy statement. The following are the duties and responsibilities delegated by the Board to the Investment Committee:

1. Review, with assistance from the Fiscal Officer and the Investment Advisor, at least quarterly the portfolio’s investment structure and financial performance. The review will include recommended adjustments to the long-term, strategic asset allocation policy, if adjustments are warranted.

2. Select, retain, and terminate Investment Manager Company, and investment advisors as necessary to conduct performance review, asset allocation, manager review and selection, and topical research. The comments and recommendations of the advisors will be considered in conjunction with other available information to aid the Fiscal Officer and the Investment Committee in making informed, prudent decisions.

3. The Investment Committee will assist, if needed, the Finance Committee as they establish and recommend the institution’s Spending Rate or spending policy, to be approved by the Board of Trustees.
4. The Investment Committee will report semi-annually to the Board on the financial performance of the portfolio and significant committee decisions related to the management of the portfolio.

Duties of the Foundation Management and its Staff

In the management of the Foundation’s assets, Foundation Management (Management) will:

1. Establish and maintain guidelines and objectives for investments of the Foundation,

2. Annually review the Foundation’s relationship with Investment Managers and Investment Advisors,

3. Review and consider donor recommendations related to the Foundation’s investments, Investment Managers, or Investment Advisors (understanding that ultimate decision authority is vested in the Foundation),

4. Implement the investment policy as directed by the Investment Committee,

5. Fund the spending or cash distribution account as frequently and in an amount, in the discretion of the Fiscal Officer, as the Fiscal Officer may determine. Contributions or other income to the portfolio will flow through this short-term cash account,

6. Execute any documents necessary to facilitate implementation of this policy, including but not limited to contracts with consultants and investment managers for providing services,

7. Review the Portfolio’s investments at least monthly to ensure that policy guidelines continue to be met. Management or its staff shall monitor investment returns on both an absolute basis and relative to appropriate benchmarks. The information for these reviews shall come from outside advisors, the custodian, and the Foundation’s investment advisor and managers,

8. Raise timely concerns with the Investment Committee and take appropriate action under the direction of the Investment Committee if investment objectives are not being met or if policies and guidelines are not being followed,

9. Administer the investments in a cost-effective manner. These costs include, but are not limited to: management, consulting and custodial fees, transaction costs and other administrative costs chargeable to the investment pool,

10. Be responsible for selecting a qualified custodian as defined by the ability to handle investments, transactions, and strategies authorized by this policy statement. For mutual and other commingled funds, responsibility for selecting a qualified custodian resides
Duties of Investment Advisor

Commonfund Strategic Solutions, a group within Commonfund Asset Management Company (Comanco) will serve as Investment Advisor and provide advisory services as defined by a written investment agreement. In the advisory capacity, Commonfund Strategic Solutions will:

1. Assist in establishing investment policies, objectives, and guidelines,

2. Recommend investment funds in accordance to the Policy and periodically review such funds,

3. Rebalance the portfolio to maintain the proper diversification within the ranges approved by the Investment Committee and in accordance to the guidelines established in the rebalancing policy of this document,

4. Review the Foundation’s investments at least monthly to ensure that policy guidelines continue to be met,

5. Monitor investment returns on both an absolute basis and relative to appropriate benchmarks. Provide reports to Management and the Committee on a quarterly basis,

6. Informing the Investment Committee and the Fiscal Officer regarding any qualitative change to investment management or strategies.

Duties of the Investment Managers

Commonfund Asset Management Company (“Comanco”) will serve as the Investment Manager and in such capacity select, retain and terminate fund managers (“sub advisors”) as necessary to execute the strategies of its investment programs. Comanco will have discretion to develop and execute the investment program within the constraints of the guidelines for each program. Comanco will be responsible for the timely implementation and administration of these decisions.

The Investment Manager will, at a minimum:

1. Comply with "prudent expert" standards,
Committee Working Documents
(These documents are not part of the Board’s Policies)

2. Know and comply with the policies as outlined in this document. It is Investment Manager’s responsibility to identify policies that may have an adverse impact on performance, and to initiate discussion with Management or its staff toward possible improvement of those policies,

3. Maintain thorough and appropriate written risk control policies and procedures. Oversight of compliance with these policies must be ongoing and independent of line investment activity,

4. Reconcile every month accounting, transaction and asset summary data with custodian valuations, and communicate and resolve any significant discrepancies with the custodian,

5. Maintain frequent and open communication with Management and its staff, as well as the Investment Committee, on all significant matters pertaining to the investment policy, including, but not limited to, the following:

   i. Major changes in the Investment Manager's investment outlook, investment strategy, investment process, sub advisors or portfolio structure;

   ii. Significant changes in ownership, organizational structure, financial condition or senior personnel;

   iii. All pertinent issues which the Investment Manager deems to be of significant interest or material importance;

   iv. Meet with Management or its designees on an as-needed basis.
Attachment 2 – Working Document for Nominating Committee

Protocol for Pipeline Management

1. Working with the Development Office, the Nominating Committee maintains a long range list of candidates who are to be pre-screened on a semi-annual basis and presented, confidentially, to the Nominating Committee as a “development pipeline”

2. Candidates deemed by the Nominating Committee to be within 1 year of readiness to be nominated to the ISUF Board are aligned with known retirement positions and reviewed for readiness 3-6 months in advance of the anticipated vacancy.

3. A Nomination Package is prepared with assistance and support of the Development Office, and is submitted to the Nominating Committee for discussion and vote. This package may include information available in public domain or personal knowledge, the candidate’s anticipated stewardship and giving capacity, anticipated availability and desire to serve. The Nominating Committee, Board Members or Development Office will not distributed or discuss the information in the Nomination Package beyond the ISUF or Development Office.

4. Approval by the Nominating Committee of a candidate to become a nominee requires a simple majority vote in the affirmative, either in person or electronically.

5. Nominees are presented to the Executive Committee for discussion, then to the full Board for discussion, in executive session, at a regular or special meeting. (Executive session may be used when discussing personnel.) After leaving executive session the Board may vote to approve “the nominee” without stating their name, by a simple majority vote in the affirmative, either in person or electronically. The nominee’s name is kept confidential until the nominee accepts the position.

6. Upon approval of the Board, the nominee is recruited by the Chair of the ISUF and EXECUTIVE VICE PRESIDENT with assistance from the Nominating Committee if requested by the Chair.

7. The nominee is informed that they have been nominated by the ISUF to serve as a Member of the Board of Directors and asked if they accept the nomination with the expectation of participation and stewardship set for in this Policy Manual.

8. If the nominee responds in the affirmative they are invited to the following semiannual ISUF BOD meeting to be welcomed by the Board.

9. Any questions or concerns from either the nominee or Board Officers should be addressed to the satisfaction of both before the invitation is accepted.

10. At the next scheduled ISUF BOD meeting the nominee may be publicly introduced to the Board and a public press release will be provided by the Nominating Committee the same day.
Protocol for the Seating of Officers

1. The Nominating Committee notifies Board members and associates of upcoming vacancies for Board Officers, and encourages submission, in writing, for candidates to fill the vacancies.
2. The Nominating Committee thoroughly vets each candidate submitted:
   3. Considers Section 1.04.03.01, 1.04.05.01-.05, Section 2 Section 3
   4. Insures the availability of the candidate
   5. Determines desire to fulfill the responsibilities of the office from the candidate
   6. The Nominating Committee selects a nominee and presents the individual, in writing, to be read before the Board for approval at a regular or special meeting.
   7. The Board, by private ballot, votes to agree or disagree with the nomination.
   8. A simple majority of votes in agreement is required for the nominee to be seated in the office. If a majority is not reached, the Nominating Committee should provide an alternate nominee until a majority in agreement is reached.