

Investment Policy Statement
For
Lane Community College Foundation

Adopted: January 25, 2007
Revised: January 14, 2016
Revised: June 9, 2016

Statement of Purpose

This investment policy statement provides a framework for the management of assets of the Lane Community College Foundation (the Foundation). The Foundation exists for the express purpose of advancing and promoting the interests and development of Lane Community College, students, faculty, and community. The Foundation's Board of Trustees (the Board) is organized to solicit and accept gifts in support of Lane Community College and to manage, invest and account for Foundation assets.

This policy is designed to provide selected investment managers with general investment management guidelines as determined by the Board. A subcommittee of the Board, the Finance & Investment Committee (the Committee), has been established to implement and monitor the Foundation's investments in accordance with this policy statement.

Goals and Objectives

Investment Objectives

Underlying the Foundation's investment objectives is its desire to maintain the purchasing power of endowment income and the protection of the real value of endowment principal in perpetuity. The goal is to provide a stable source of perpetual financial support.

Performance Objectives

Foundation portfolio returns should show favorable, relative performance characteristics. These returns should equal or exceed the average return of appropriate capital market indices and the universe of managers of similarly managed funds to those selected by the investment manager(s).

Performance objectives are based upon a long-term investment horizon; therefore, interim fluctuations should be expected and tolerated. Portfolio returns will be evaluated over rolling ten-year periods.

Investment Management Policies and Procedures

Engagement and Selection of External Investment Managers

The Foundation may engage external investment managers to assist in the management of the Foundation portfolio. The number of managers and the amount of funds under their management shall be determined by the Committee, with periodic review and approval by the Board. The Foundation will internally manage those funds that because of size or value cannot feasibly or economically be managed by external managers.

Investment managers will be selected from strongly established and financially sound organizations that have a proven record in managing funds consistent with the needs of the Foundation. Selection of investment managers will depend on factors established by the Committee. Terms and fees for arrangements with investment managers will be approved by the Committee prior to engagement.

Investment Policy

The investment managers will have full discretion and authority for determining investment strategy, security selection, safekeeping and custody of securities, and timing of purchases and sales of assets,

subject to the guidelines specific to their recommended diversification criteria, their recommended asset allocation models and the Foundation's investment prohibitions, both as contained in this policy statement and as adopted from time to time by the Committee.

The Foundation assets shall be invested according to asset allocation models proposed by the investment managers and approved by the Committee. The Committee has established a range of fifty (50) to eighty (80) percent as the total equity portion and fifty (50) to twenty (20) as the total fixed income and other non-equity portion of any asset allocation model. These percentage allocations are designed to meet the long-term goals of the Foundation and are based on a number of factors, including projected spending needs, the maintenance of sufficient liquidity to meet spending payments, and the real return and long-term principal protection of the Foundation assets.

Sustainability and socially-responsible investing is a core value and a strategic direction of Lane Community College. In order to support this College value, the Foundation will direct investment managers to integrate Environmental, Social and Governance (ESG) factors into fundamental investment analysis to the extent that they are material to investment performance, and to the extent possible given the availability of ESG rating/ranking systems currently available to our investment managers. The Foundation believes consideration of ESG practices for the companies that the Foundation invests in is consistent with its fiduciary duties given that such practices can have a material impact on investments.

Spending Policy

It is the Foundation's policy to distribute annually a maximum of four percent of the endowment portfolio value, based on three-year trailing market values. This total return basis for calculating spending is sanctioned by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA sets guidelines for prudent endowment distribution.

Investment Manager Reporting and Evaluation

Investment managers are responsible for the investment of the Foundation's assets and shall report quarterly on the performance of the portfolio, including comparative returns for the funds and their respective benchmarks. Included in their reports should be a complete accounting of all transactions involving the Foundation during the quarter, a statement of beginning market value, fees, capital appreciation, income and ending market value, for each account. To the extent possible and given currently available tools, investment managers shall report on the Environmental, Social and Governance (ESG) ratings of the Foundation's investment portfolio and/or the extent to which ESG factors have been incorporated into investment analysis. The managers should review the portfolio in person with the Committee at least annually and otherwise be available as necessary for proper review.

Investment managers shall be subject to at least annual performance reviews by the Committee, using performance measurements mutually agreed upon.

Roles and Responsibilities

The Committee, within the framework of policy set by the Board, shall have direct responsibility for the oversight of the Foundation assets and for the establishment of investment policies and procedures. Upon recommendation of the Committee, the Board shall have the power to employ or discharge fiscal agents, investment managers or advisors.

The Foundation's Executive Director and staff shall be responsible to the Committee for maintaining detailed records on all investment funds and for carrying out the investment policies and procedures

established by the Board and/or the Committee. Reports on the Foundation assets will be provided quarterly to the Committee.

Rebalancing

The purpose of rebalancing is to maintain the long-term policy asset allocation. The portfolio will be evaluated quarterly by the members of the Committee in conjunction with the Foundation's investment managers and rebalanced as appropriate based upon the investment managers' recommendations.

Cash Reserves

Uninvested cash reserves shall be kept to a minimum. Short-term, cash-equivalent securities are usually not considered an appropriate investment vehicle for longer-term investments, but are appropriate to meet current liquidity needs. It is the Foundation's policy to invest cash reserves, beyond the basic needs for current operational and program liquidity, in funds or securities which provide an appropriate combination of safety, investment return, investment term and liquidity, as approved by the Committee.

Uninvested Cash held by the Foundation should be fully FDIC insured at all times.

Prohibited Investments

The Committee and Board have set forth the following investment restrictions and prohibitions, except as such investments may exist in a diversified fund previously recommended by an investment manager and approved by the Committee:

1. No direct investment in gold, other commodities and collectibles.
2. No short sales or trading on margin.
3. No investments in lettered stock.
4. No options, including puts or calls, unless they are covered options.

The Committee may, from time to time, adopt further investment restrictions and prohibitions and will communicate these to the investment manager(s).

Gift Processing Policies

It is the Foundation's policy to liquidate all gifts of securities and mutual funds at the time of receipt, except where retaining such securities is recommended by the investment manager(s).

Occasionally, gifts may be offered to the Foundation upon which the donor wishes to place certain investment form restrictions. The Foundation's policy is to encourage donors to entrust gifts to the Foundation without investment restrictions. The Committee will review all potential gifts which include donor-proposed investment restrictions and recommend a course of action to the Board. If accepted by the Board, such funds will be invested according to the donor's requirement only to the extent such requirement is a condition of the gift. The Board may, from time to time, find it prudent to refuse a gift with investment restrictions it determines to be inappropriate.

Investment Policy Review

To assure continued relevance of the objectives, policies and procedures established in this statement, the Committee shall review this statement periodically, but no less frequently than biannually, and recommend appropriate revisions to the Board.