



/ v À • š uWV}Š]] •

Approved 1.20.2023

INTRODUCTION

The Fort Lewis College Foundation (the Foundation) is an independent Colorado entity incorporated solely for the purpose of raising, investing and distributing funds for the benefit of Fort Lewis College. • %o Œ } À]] v š Z & } μ v š } } v [• • Ç

x There shall be a standing committee of the Foundation Board of Directors (the Investment Committee) which shall be responsible for the investments of the Foundation.

x / v À • š u v š } (š Z & } μ v š } } v [• • • š • • Z o o Æ Œ] • š o o š written investment policies, procedures and objectives adopted herein, and implemented by the Foundation Board.

This statement of policies is to provide guidelines for the investing of the funds (the Funds) of the Foundation. The decisions of the Board, the Investment Committee, Advancements staff, and Investment Advisor are governed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board and Investment Committee must make decisions in a prudent manner and in the best interests of Fort Lewis College. The standard of conduct applicable to the management of FLCF Funds is one of ordinary ~~basic~~ care and prudence under the prevailing circumstances, considering ~~short~~ long-term needs, present and anticipated financial requirements, expected total return on current pricing of investments, and general economic conditions.

ROLES AND RESPONSIBILITIES

Committee shall hold a regular meeting within two weeks after the close of each fiscal quarter; however, the Investment Committee may also hold impromptu meetings as market conditions dictate or special circumstances arise

An Investment Advisor will be engaged by the Board to assist the Investment Committee in the overall supervision of the Funds. In this role, the Investment Advisor shall offer resources for additional due diligence as well as independent third party analysis. More specifically, the Investment Advisor may offer guidance and recommendations to the Investment Committee in the selection and retention of investments, the selection of fund managers where applicable and assistance in the regular monitoring of investment performance

It is required that the professional investment advisor for these funds shall report not less than quarterly to the Investment Committee. The report should include the performance of the portfolio, including comparative gross returns for the funds and their respective benchmarks. Also, the investment advisor shall provide a complete accounting of all transactions involving the Foundation investments during the quarter with a statement of beginning balance, fees, capital appreciation, income, and ending balance for each account

Together, the CEO of the Foundation, the Chair of the Foundation Board and the Investment Committee Chair shall monitor adherence to the Investment Policies

GENERAL INVESTMENT POLICY

Fund Segmentation: Total FLCF investment assets shall be managed in three segments: cash/money market, short-term current use funds, and long-term funds, which shall consist of endowment funds.

Diversification: FLCF Funds shall be invested in a diversified manner through investments across the asset classes listed in Appendix A. According to the allocations specified below for each Fund segment, the Board recognizes that asset classes with low correlation to each other may perform differently during respective economic or investment environments.

Rebalancing Target allocations in this policy show the allowed asset allocation ranges. It is anticipated that the Foundation portfolio will be rebalanced as new funds are added to the portfolio, but no less often than on a quarterly basis, to comply with the asset allocation ranges. If rebalancing would result in a negative impact to any asset class in either the short-term or long-term segments, the Investment Advisor will raise this with the Investment Committee to determine the appropriate adjustment. Should the Investment Committee, after consultation with and approval of the Board of Directors, feel that in an unusual situation, the Foundation should deviate from the ranges outlined, it will be permitted to do so.

Asset Categories:

A. Global Equities

The purpose of equity investments, both domestic and international, is to provide capital appreciation, current income, and growth of income. This asset class carries the

assumption of greater market volatility and increased risk of loss but also provides the ability to meet portfolio total return goals over the long term. This component of the portfolio may include convertible and preferred stocks. It may also include stocks in emerging markets. Investments may include stocks in large, mid, and small capitalization companies, and that are either actively or passively managed. It is the role of the Investment Committee to oversee the actions of the Advisor, determine performance benchmarks, evaluate performance relative to market indices and maintain a diversified portfolio such that the risk level of the equity portfolio in aggregate does not exceed prudent levels.

B. Fixed Income and Cash

Domestic and international fixed income investments provide diversification and a dependable source of current income. Diversification within fixed income investments will be flexibly allocated among sectors, maturities, and issuer, and may be used to provide a deflation or inflation hedge, where appropriate. Fixed Income may include U.S. and non U.S. bonds. This category may include government/agency issued securities (including inflation linked), mortgages, investment grade corporate debt, assetbacked instruments and traditional money market instruments. Investments in high yield corporate bonds and emerging market debt may be used, when compensated for the inherent higher risk. Other fixed income securities such as municipal bonds and leveraged loans may also be permitted.

C. Global Private Markets

Private investments are assets or financial instruments that are not listed on an exchange. Private Equity is the most recognized private market investment category with other investments to include venture capital, growth and buyout equity.

D. Real Assets

Investments in the real assets class include those assets for which the primary purpose is to provide a potential hedge against inflationary pressures and to achieve overall portfolio diversification. Real assets include, but are not limited to, the following: real estate, infrastructure, commodities, and TIPS. Real asset investment may have lower correlations to the traditional equity and fixed income markets and may offer attractive long-term risk-adjusted returns for investors.

E. Hedge Funds

The objective of the hedge fund allocation is to diversify Foundation assets and provide returns with low correlations to the public equity and fixed income markets via structural advantages, including controlling market exposure through hedging and increased exposure to manager skill through unconstrained investment management and opportunistic investing.

Liquidity: There must be sufficient liquidity, particularly in the Short-term Segment, to meet the liquidity requirements of the Foundation. The Advisor will monitor liquidity requirements quarterly on a basis by Advancement staff, who will promptly notify the Investment Committee Chair and the Investment Advisor if the liquidity requirements have substantially changed.

INVESTMENT STRATEGY

The Foundation has two principal objectives: To maintain liquidity sufficient to regular payouts such as scholarships, academic enrichment grants established commitments to capital projects, and to provide for long term growth of endowed and quasi-endowed funds. Cash/Money Market (2) Short-term Pool, and (3) Longterm Pool for quasi-endowed, and endowed funds. Each segment shall have an investment policy specific to its risk/return objectives and intended use.

Cash/Money Market: Cash is to be employed productively at all times by investment in cash accounts to provide safety, liquidity, and return as determined by the liquidity needs of the

Short-term Pool Policy and Allocations

The Short-term Pool shall hold current use funds, pending payouts, reserves and other income.

pool investment allocation. The goals of this allocation are to:

1. Ensure adequate cash balances are available for Foundation operations
2. Maintain an adequate reserve for requests of callable funds
3. Prudently maximize returns on short term funds
4. Achieve growth in the cash balance reserves by investing them in asset classes that provide an opportunity for a greater return on investment while reducing risk and preserving liquidity.

Target allocations for this segment:

Asset Class	Target	Range
Global equities	25%	0 to 40%
Global Private Capital		

W}o] Ç •š š u v š•W dZ]• %}o] Ç]•]vš v š} %o CE }Àm o CE]š Ç }P
 current use investment allocation. The goals of this allocation are to:

1. Maintain the integrity and security of permanently restricted and endowed funds
2. Maximize returns on long-term funds.
3. Create a diversified portfolio to ensure that adverse or unexpected developments arising in one security or asset class will not have a significant detrimental impact on the entire portfolio. Assets will be diversified by asset class, geography, manager and
 - μ CE]š Ç Z CE š CE]•š] • • š CE u]v Ç Advisor & }μ v š}}v[• /v À •

Target allocations for this segment:

Asset Class	Target	Range
Global equities	45%	30 to 70%
Global Private Capital	30%	20-40%
Fixed Income and cash	10%	5-20%
Real Assets	5%	0-15%
Global hedge funds	10%	0-25%

Risk tolerance for this segment: Moderate-to-high

Targeted Five Year Rolling Average Return for this segment: 8.0%

CRYPTOCURRENCIES

• • š (} CE š Z]v š Z &} μ v %o š}}w[• W] }Ç U š Z &} μ v š}}v u Ç %o š P
 CE Ç %o š} μ CE CE v Ç](%o %o CE}À Ç š Z &} μ v š}}v[• '](š %o š v }
 Board) with the expectation cryptocurrency shall be converted to USD as quickly as
 administratively possible. Special exception: Should the Board, on a case-by-case basis, approve
 š Z CE š v š}}v } (}v š CE Ç %o š} μ CE CE v Ç]v } CE v Á]š Z š Z }v }
 and/or guidelines, the Investment Committee shall supervise such holdings and monitor data
 security and regulatory compliance issues. When such guidelines permit, cryptocurrency may
 be liquidated in the best interests of Fort Lewis College and the Foundation, upon Board
 approval.

Cryptocurrencies are accounted for separately and do not have allocation targets.
 Cryptocurrency valuations are excluded from calculations of the other allocation targets cited
 above.

KDW > / E d/d, & Kh E d/KE [^ ^ W E / E' WK > / z

The Investment Advisor shall coordinate with the FLCF Investment Committee Chair and Finance
 Committee Chair and ensure that the investments are managed consistent with and in
 compliance with the FLCF Spending Policy. The Investment Advisor shall communicate with the
 FLCF CEO and Investment Finance Committee Chair regularly.

OVERALL PERFORMANCE EVALUATION

While it is understood that overall advisory performance is best measured over full market cycles (e.g., seven to ten years), the Investment Advisor, as well as any investment managers within each Segment, shall be evaluated by the Investment Committee at least annually. The review shall consider cost, manager tenure and experience, investment philosophy (including style, discipline and strategy), risk-adjusted performance (short, medium and long term), ability to meet the Foundation's goals and objectives, and any other measure that the Investment Committee considers valid.

SELECTION OF INVESTMENT ADVISOR

At least every five years, the Investment Committee shall solicit bids from the current Investment Advisor and other Investment Advisors or firms to ensure that the Foundation is receiving the best investment management services and guidance levels that are reasonable and represent the best current industry practice. A minimum of three Investment Advisors or firms will be selected to present their bids to the Investment Committee and other Board or Advancement staff members as designated by the Foundation Board Chair.

QUARTERLY

