



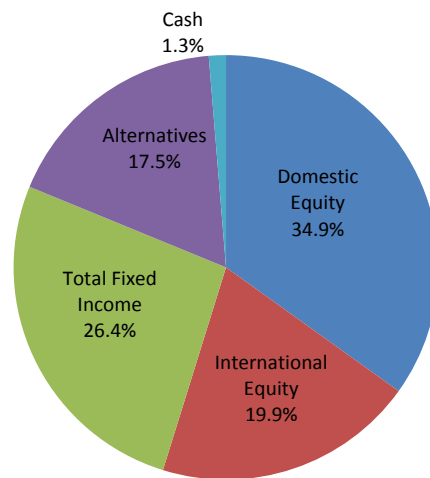
ENDOWMENT INVESTMENT SUMMARY FOR QUARTER ENDING SEPTEMBER 30, 2015

INVESTMENT PHILOSOPHY

The purpose of this statement is to establish clear investment policies and objectives of managing assets that the Board of Directors can understand, the Finance Committee can use as a goal to monitor against, and the California State University Channel Islands Foundation's (CSUCIF) investment manager(s) can use for guidance. This statement is flexible to allow for changing economic conditions and dynamic securities markets, for evaluating investment performance, and policy procedures.

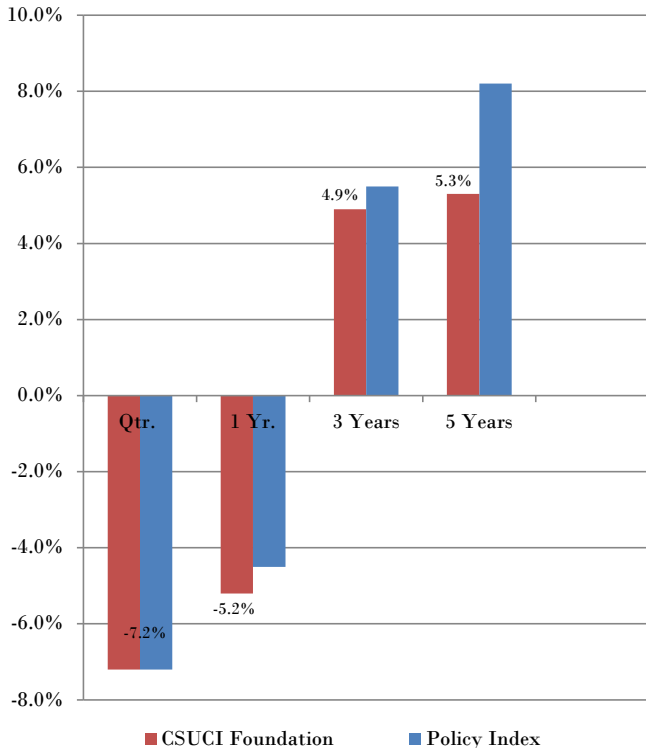
The objective is to promote growth in the investment funds sufficient to offset normal inflation as measured by the Higher Education Price Index (HEPI) plus reasonable spending, thereby preserving the constant-dollar for future generations, and principal of operating cash and reserves while producing market-level income. The minimum total-return objective for the Permanently Restricted Endowment Net asset class shall be HEPI plus 5%. This investment policy will be submitted to the Foundation's Board of Directors periodically for review and recommended changes. Review times will be determined and at a minimum shall be once every three (3) years. **

Asset Allocation Policy as Defined by the Foundation Board



12,215,192 as of September 30, 2015

**Endowment Performance *
For period ending September 30, 2015**



INVESTMENT MANAGERS

Domestic Equity Composite:

- Diamond Hill Large Cap
- Schafer Cullen: High Dividend Value Equity
- Saratoga RM: Large Cap Quality
- Wedgewood Partners: Large Cap Focused Growth
- Vaughan Nelson: Small Cap Value

International Equity Composite:

- EuroPacific Growth Fund
- IVA International I
- Lazard Emerging Markets Equity

Fixed Income Composite:

- Western Asset Core Bond 1 & Plus Bond 1
- BlackRock Strategic Income Opps Instl
- Legg Mason B W Global

Alternative Composite:

- RS Global Natural Resources
- Voya Global Real Estate I
- ABS Alpha Ltd

*Endowment performance of individual funds may vary from the total pool return due to the timing of contributions. CI performance is net of funds.

**Declines in market could result in reduction of the spending or distribution rate.



FOUNDATION
C H A N N E L
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ENDOWMENT INVESTMENT SUMMARY FOR QUARTER ENDING SEPTEMBER 30, 2015

FINANCE COMMITTEE MEMBERS

Douglas McRae, Finance Committee Chair
Financial Consultant

George Leis, Foundation Board Chair, Ex Officio Member
Regional President, Central Coast Division, Union Bank

Larry Hibbler
Owner, President, Simi Valley Ford

Peter Wollons, Member
President & CEO, Airborne Technologies, Inc.

Ysabel Trinidad, Committee Officer
Vice President for Business & Financial Affairs, CSU Channel Islands

Nichole Ipach, Committee Officer
Vice President for University Advancement, CSU Channel Islands

To ensure impartiality, it is the policy of the CI Foundation that no member of the Finance and Investment Committee manage any part of the asset allocation or receive any compensation for advice.

RECENT FINANCE COMMITTEE ACTIONS

Q3-2015

Q2-2015

NACUBO endowment data reflects that the CI portfolio has performed similarly to other institutions of comparable size over time. Asset allocations, too, are within a close range, and reflect those noted in the University's Investment Policy. Returns since the portfolio's inception in 2002 show an overall 6.8% return.

Q1-2015

The first meeting of the new year took place on January 21. Upon review of the Foundation portfolio's asset allocation, portfolio advisors Beacon Pointe noted that all areas are within Investment Policy ranges. The Lagomarsino CRAT update was presented by Rabobank's senior portfolio manager, and he informed the Committee that its asset allocation has been consistent over time.

Q4-2014

During the Nov. 21, 2014 Finance Committee meeting, portfolio advisors Beacon Pointe advised the Committee to continue its current asset allocation in international equities, despite its recent downturn. Approximately \$1.6m of the MartinV. Smith endowment was transitioned to an endowment fund pool, which will potentially create a greater return on investment.