

DUTCHESS COMMUNITY COLLEGE FOUNDATION

INVESTMENT POLICY

Preamble:

The purpose of this document is to set forth the objectives, policies, and guidelines that are to govern the investment of the assets of this portfolio. They are not to be constructed as absolutes, but rather as benchmarks for guidance to be interpreted in a thoughtful process by the Finance Committee. The Investment Policy should be reviewed annually to assure it serves the changing needs of the School.

Investment Objective:

The Foundation's investment objective is to guarantee a long-term, total rate of return that will permit real growth in endowment assets while providing a positive cash flow.

The specific, long-term annual total return goal for the investment portfolio is approximately 500 basis points above the annual changes in the Gross Domestic Product price deflator.

Portfolio Allocation:

The Allocation or Balance of the portfolio shall be determined by market and economic conditions. Mutual funds and common investment funds may be utilized to meet objectives set forth by the policy. Allocations should be among accounts reviewed by the Finance Committee that maintain the asset allocation principles contained in this policy. The mutual funds and/or investment funds shall be advised by the Finance Committee to adjust or rebalance allocations among these classifications of investments on a quarterly basis if their administrative procedures permit.

The investments of the Fund will be diversified to help minimize the overall risk of the portfolio, unless, under the circumstances, it is clearly prudent not to do so.

Real Estate – Investments may include equity real estate, held in the form of professionally managed, income-producing commercial and residential property. Such investment may be made only through professionally managed, pooled real estate investment funds, as offered by leading real estate managers with proven track records.

The equity designated funds shall be 60% \pm 10% of the portfolio, while fixed income funds shall be 40% \pm 10%. Cash management funds will be considered part of the fixed income allocation.

Real estate investments can be up to 10% of the equity allocation account.

Investment Benchmarks:

The equity segment of the investment portfolio shall be measured against the Wilshire 5000 Stock Index, S & P 500, Russell 1000 and the return of the fixed income shall be measured against the Lehman Aggregate Bond Index.

Approved: Board Resolution #2006-19, dated June 2, 2006

Amended by Board Resolution on December 5, 2008
