STUDENT UNION OF SAN .JOSE STATE UNIVERSITY

INVESTMENT POLICY STATEMENT

I. BUSINESS AND INVESTMENT OBJECTIVES

Assets of the Student Union, Inc. of SJSU (Student Union) shall be invested in accordance with this Investment Policy Statement.

The primary function of these assets is to secure, with appropriate limitations on the risk of the principal, protection against inflation and to provide both a dimension of growth of long-term assets and income to fund operations. Specifically, the following objectives must be properly balanced:

A. Income - to produce sufficient current and continuing income from investment returns to fund operations and board designated projects.

B. Growth – to preserve or increase the purchasing power of the assets, thus protecting the assets against inflation.

C. Safety - to place sufficient limitations on risks associated with the implementation of the income and growth objectives and to protect the principal value through diversification and using such vehicles as modern portfolio theory.

II. ASSET ALLOCATION

A. Cash & Equivalents - Cash & Equivalent reserves shall consist of money market instruments having a quality rating of A-1, P-1 or higher. Certificates of deposit, repurchase agreements, auction rate preferred and commercial paper rated A1, P-1 or better are also acceptable investment vehicles.

   Range 0% to 20%

B. Fixed Income - At a minimum, 60% of the fixed income allocation should be in investment grade quality or better. Investments in securities of a single issuer in a portfolio (with the exception of the U.S. Government and its agencies) must not exceed 10% of the market value. The investment manager is prohibited from speculating in fixed income, interest rate futures or derivatives. International fixed income will be limited to 20% of the fixed income allocation.

   Range 30% to 100%

C. Equities
   a. Equity holdings in any one company should not exceed 5% at cost and 10% of the market value of the portfolio.
   b. These holdings must represent companies meeting a minimum capitalization requirement of $250 million on the date of purchase.
   c. The investment manager is prohibited from investing in private placements and from speculating in futures or derivatives.

d. The managers shall have the discretion to invest a portion of the assets in cash reserves when deemed appropriate. However, the managers will be evaluated against peers on the performance of their total funds under management.
e. Small and midcap allocation will be limited to 10% of the equity allocation, international allocation will be limited to 20% of the equity allocation and the REIT allocation will be limited to 10% of the equity allocation.

Range 0% to 60'%

D. Alternative Investments - Alternative investments can be used to lower risk and lower volatility *but not* for speculation. Alternative investments are non-traditional investments that lower correlation with most traditional asset classes.

Range 0% to 20%

III. STRUCTURE AND RESPONSIBILITY

A. Responsibilities of the Board of Directors - The Board of Directors is responsible for adopting the Investment Policy Statement (IPS) and any subsequent amendments to the Investment Policy Statement, and for receiving and reviewing investment reports.

B. Responsibilities of the Finance Committee - The Finance Committee is responsible for monitoring the IPS as approved by the Board of Directors, reviewing the performance of outside investment advisors/managers, reviewing and recommending amendments to the Investment Policy, reviewing investments on a quarterly basis, and recommending changes in the investment portfolio.

C. Responsibilities of the Executive Director - The Executive Director is responsible for implementing and administering the adopted investment policy and for submitting investment statements as may be requested by the Board of Directors.

D. Responsibilities of the Investment Manager-

a. Manage the Account's assets under its care, custody and/or control in accordance with IPS objectives and guidelines as set forth herein, and also expressed in separate ,written addendum to this IPS if and when deviation is deem d prudent by the Finance Committee of the Student Union Board of Directors.

b. Assist the Executive Director in exercising investment direction within the IPS objectives and guidelines set forth herein.

c. Promptly inform the SUBOD Finance Committee regarding all significant and/or material matters and changes pertaining to the investment of the Account's assets including but not limited.to:

i. Investment strategy
ii. Portfolio structure
iii. Ownership
iv. Organizational structure
v. Financial Condition

vi. Professional staff
vii. Recommendations for guideline changes
viii. All legal material, SEC, and other regulatory agency proceedings affecting the investment advisor.

d. Coordinate closely with Student Union to ascertain the current and future liquidity needs of the Account and take appropriate steps to ensure such liquidity is available as needed.

e. Allocate the Account's assets in such a manner as to maximize potential return within the risk and asset parameters stated in this IPS and the liquidity constraints of the Account. Asset Allocation should be rebalanced once a year at a minimum.

f. Monitor the Account and provide a monthly summary to the Student Union, which includes an accurate report of beginning and ending balances of all transactions.

g. Monitor and measure the Account and provide quarterly performance reports to the Student Union on a timely basis.

h. Meet with the SUBOD Finance Committee on a regular basis (preferable semi-annually, but not less than once annually) to review the Account's performance, and outlook.

i. Managers that do not meet the stated criteria will be subject to review and the possibility or removal.

IV. INVESTMENT MANAGER SELECTION

The Finance Committee of the Student Union will select and recommend to the Board of Directors appropriate money managers to manage the Account's assets.

V. REVIEW AND MONITOR

The Student Union of San Jose State University and its Investment Manager will review this policy at least once annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the IPS for achieving those objectives.

It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

VI. CHANGES TO INVESTMENT POLICY STATEMENT

This Investment Policy Statement, dated May 13, 2022, has been adopted by the Student Union Board of Directors and supersedes all previous versions of the Investment Policy Statement.

Investment Policy Statement

Signature Page

Approved By:

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SUBOD Chair: Isaiah Andrews Date: May 13, 2022

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Executive Director: Tamsen Burke Date: May 13, 2022

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Revised:
May 19, 1998
October 30, 2007
February 12, 2013
May 13, 2022