

INVESTMENT COMMITTEE CHARTER

I. Overall purpose/objectives

The Investment Committee is appointed by the Board of Directors of San Diego State University Foundation (dba San Diego State University Research Foundation) to assist the Board in discharging its oversight responsibilities. The Committee will review and approve investment policies and objectives, including oversight of the SDSUF Retirement Plan Oversight Committee, and business operations to ensure the balance, transparency and integrity of these activities. The Investment Committee will also review:

- Financial policies and strategies not under the auspice of the Audit Committee;
- Annual and mid-year general fund budgets;
- Primary banking relationships;
- Real property expenditures or disposals;
- Other financial and stewardship matters.

The Committee shall maintain free and open communication and effective working relationships among the Committee members, investment managers and management of SDSU Research Foundation. To perform his or her role effectively, each Committee member will need to develop and maintain his or her skills and knowledge, including an understanding of the Committee's responsibilities and of the SDSU Research Foundation's activities, operations and risks.

The Committee will take all appropriate actions to set the overall tone at SDSU Research Foundation for quality business processes, sound risk practices and ethical behavior.

II. Authority

The Board authorizes the Investment Committee, within the scope of its responsibilities, to:

- Perform activities within the scope of its charter.
- Consult independent counsel, consultants, and other advisers, as it deems necessary to carry out its duties and SDSU Research Foundation will fund such costs.
- Have unrestricted access to members of management, faculty and employees as well as to all books, records, and facilities of SDSU Research Foundation.
- Establish procedures for the receipt, retention and treatment of complaints received regarding investment and operational policies or other matters falling within the scope of the Committee.

III. Organization

Membership

- The Board designates Investment Committee members and selects the chairman of the Committee from its members.
- The Committee will comprise at least three and no more than five members and all members shall be independent. Members will be considered independent as long as they do not accept any consulting, advisory, or other compensatory fee from SDSU Research Foundation and are not affiliated persons of the SDSU Research Foundation or management.
- Composition of the Investment Committee cannot have more than a 50% overlap of members with the SDSU Research Foundation Audit Committee.
- Each member should have skills and experience appropriate to the not-for-profit sector.

Meetings

- A majority of the voting members of the Committee will constitute a quorum for the transaction of business.
- Meetings shall be scheduled as needed throughout the year.
- The chair of the Committee shall develop, in consultation with management, the meeting agendas.
- The Committee shall maintain written minutes of its meetings.
- The Committee may invite others to its meetings, as it deems appropriate.
- Meetings of the Committee are subject to the requirements of California Education Code Section 89920 et seq.

IV. Roles and Responsibilities

- A. The Committee is responsible to see that the SDSU Research Foundation's Investment Policy is followed, modified and executed appropriately so that the long-term goals of the corporation are supported. This includes:
 - i. Setting investment policies (subject to approval of the Board) and guidelines, including policies and guidelines regarding asset classes, asset allocation ranges, and prohibited investments.
 - ii. Approving investment and reinvestment of the funds of the corporation. The Committee may delegate investment functions to officers and employees of the corporation, and to external investment managers.
 - iii. Monitoring the management of the funds by the reviewing written reports from investment managers and consultants and by discussions with investment

- managers and consultant at Committee meetings that focus on the primary determinants of returns, including asset allocation and investment strategy.
- iv. Evaluating investment performance of the corporate funds will be based on a comparison of actual returns with the corporation's absolute return objective, and with such other benchmarks as the Board or Committee may from time to time select. The evaluation will take into account compliance with investment policies, guidelines and risk levels.
 - v. Attending to such matters as the Board may from time to time determine.
- B. Provide oversight of the SDSUF Retirement Plan Oversight Committee (RPOC). The RPOC's basic responsibility is to carry out its fiduciary responsibilities as it relates to the SDSUF Defined Contribution Retirement Plan. The Board of Directors retains final decision making authority, as required, over RPOC.
 - C. Review of the investments and allocations for the Retiree Medical Voluntary Employees' Beneficiary Association Trust (VEBA) to ensure compliance with the SDSU Research Foundation's Investment Policy.
 - D. Review and recommend the primary depository banking relationship selection and retention or termination for approval by the Board. Annually review financial and investment transaction signature authority for the corporation and recommend any changes to be submitted to the Board for approval.
 - E. Review and recommend to the Board all long-term debt issuances.
 - F. Review and recommend annual and mid-year general fund budgets.
 - G. Review and recommend real property expenditures or disposals.
 - H. Consider other financial, operational or administrative issues delegated by the Board and not specifically handled by the Audit Committee. Issues considered may be identified by any member of the Committee.
 - I. Review the corporation's annual tax return.
 - J. Advise the Board on other financial and stewardship matters such as: business risk, including insurance coverage; pending, ongoing or threatened litigation; and public
 - K. Advise on other matters as appropriate, whether delegated by the Board or submitted by staff of the corporation.
 - L. Review annually the Investment Committee Charter and recommend any changes to the Board.