Florida International University Foundation, Inc.
Statement of Investment Policies and Objectives

Draft One: February 2001 – introduced by Consulting Services Group (CSG)
Draft Two: March 2001 – with changes by Investment Committee and CSG
Draft Three: March 2001 – with changes by Finance & Audit Committee & CSG
Draft Four: January 2008 – with changes by CSG, Investment Committee, Finance & Audit Committee & Full Board

- Draft Four Update: January 2010 - Appendix A Updated
- Draft Four Update: January 2013 – Appendix A Updated, Removal of Appendix C, committee titles

Draft Five: February 2014 – with changes by Cambridge Associates and Investment Sub-Committee

- Draft Five Update: June 2015 – Appendix D Updated for Revised Spending Policy
- Draft Five Update: March 2016 – Appendices A & B Updated for Revised Asset Allocation Policy and Benchmarks – March 2017 Appendices A & B Updated for Benchmark
- Draft Five Update: June 2018 Asset Appendix A Updated for Allowable Policy Ranges and Private Co-Investments Guidelines

TABLE OF CONTENTS

PURPOSE OF INVESTMENT POLICY STATEMENT

This Investment Policy Statement (IPS) provides guidance for the Investment Policy, Strategy and Management of the Florida International University Foundation (Foundation) portfolio. The purpose of this Statement is to establish a clear understanding between all parties as to the objectives, investment policies, and goals for the portfolio.

The Board has delegated oversight of the investment program of the Foundation to the Investment Sub-Committee. The Board and Investment Sub-Committee have delegated implementation of the Foundation's portfolio to Cambridge Associates LLC ("Cambridge Associates" or the "Fund Manager") on a discretionary basis, in accordance with the guidelines set out in the IPS.

The investment program is defined in various sections of the IPS by:

- Stating in a written document the Investment Sub-Committee's expectations, objectives, and guidelines for the investment of portfolio assets.

- Setting forth an investment structure for managing portfolio assets. This structure includes targets and allowable ranges for investments in various asset classes and investment management styles utilizing a role in portfolio construct that, in aggregate, is expected to produce a sufficient level of overall diversification and total investment return over the long-term.

- Providing guidelines for the investment portfolio that control the level of overall risk and liquidity assumed in the portfolio, so that all assets are managed in accordance with stated objectives and risk tolerance levels, and the anticipated financial needs of the Foundation.

- Facilitating effective communications between the Investment Sub-Committee, Audit Sub-Committee, Finance Committee, Board of Directors, and the Fund Manager.

- Facilitating the compliance by the Board, the Investment Sub-Committee and the Fund Manager with all applicable fiduciary, prudence and due diligence requirements, and with applicable laws, rules and regulations from various local, state, federal and international political entities that may impact Foundation assets including the Uniform Prudent Management of Institutional Funds Act (UPMIFA) set forth in Fla. Stat. 617.2104..

The IPS has been formulated, based upon consideration by the Investment Sub-Committee and the Fund Manager of the financial implications of various potential policies, and describes the prudent investment guidelines that the Investment Sub-Committee and the Fund Manager deem appropriate.

THE INVESTMENT SUB-COMMITTEE AND FUND MANAGER GUIDELINES

Investment Sub-Committee Guidelines

1. The Investment Sub-Committee is responsible for directing its efforts toward the investment objectives stated herein and acting in good-faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

2. The Investment Sub-Committee is responsible for selecting and engaging the Fund Manager to implement the Foundation's investment strategy, subject to approval by the Board of Directors, and evaluating the performance of the Fund Manager on a periodic basis.

3. The Investment Sub-Committee is responsible for determining, with guidance and recommendations of the Fund Manager, a target allocation policy with allowable ranges, as ratified by the Finance Committee and approved by the Board of Directors, which is consistent with the investment objectives and guidelines of the Foundation as stated herein. The target allocation policy and allowable ranges are set out in Appendix A.

4. The Investment Sub-Committee is responsible for determining, with guidance and recommendations of the Fund Manager, risk guidelines regarding liquidity, aggregate private investment commitments, concentration by investment manager, geographic exposure, and use of derivatives consistent with the investment objectives and guidelines of the Foundation as stated herein. The risk guidelines are set out in Appendix A.

5. The Investment Sub-Committee will meet at least quarterly. At such meetings, they will review the results of the investment portfolio and the portfolio risk exposures to determine whether the investment objectives and investment guidelines set forth herein are being met and followed by the Fund Manager. Materials for the Investment Sub-Committee reviews will be prepared by the Fund Manager. Performance benchmarks for the portfolio are set out in Appendix B.

6. The Investment Sub-Committee is responsible for performing at least an annual review of the investment objectives stated herein to ensure that the objectives are practical and reflect the goals of the Foundation.

7. The Assistant Secretary of the Foundation, as appointed by the Chairperson of the Board of Directors, shall keep minutes of all Investment Sub-Committee meetings.

Fund Manager Guidelines

8. The Fund Manager is responsible for directing its efforts toward the investment objectives stated herein and to discharge its duties and exercise its powers with the care, prudence, and diligence that, under the circumstances then prevailing, a prudent investor acting in a like capacity would exercise.

9. The Fund Manager is responsible for performing at least an annual review of the investment objectives stated herein to ensure that the objectives are appropriate in the context of the macroeconomic and market environment and the Foundation's financial situation. If at any time the Fund Manager does not believe the objectives are appropriate, it is the Fund Manager's responsibility to clearly communicate this view to the Investment Sub-Committee.

10. The Fund Manager will provide guidance and recommendations to the Investment Sub-Committee regarding the strategic target levels, allowable allocation ranges, and risk guidelines on an as needed basis but at a minimum annually. If at any time the Fund Manager believes that any allocation range or policy guideline inhibits investment performance, it is the Fund Manager's responsibility to clearly communicate this view to the Investment Sub-Committee.

11. The Fund Manager is responsible for tactical asset allocation implementation and monitoring of the portfolio within the allowable allocation ranges and risk guidelines as stated herein, and consistent with the investment objectives and guidelines of the Foundation as stated herein.

12. The Fund Manager is responsible for selecting and monitoring qualified, competent, investment managers consistent with the guidelines and limitations stated herein. In the process of selecting investment

managers, The Fund Manager also is responsible for reviewing, and developing when appropriate, the investment objectives and guidelines for individual investment managers.

13. The Fund Manager will, at least quarterly, provide to the Investment Sub-Committee and Foundation Management a written summary of overall portfolio performance and a review of the portfolio in relation to the investment objectives and risk guidelines. The Fund Manager will monitor and report the performance of each manager, each asset class, and the total portfolio. The Fund Manager will provide performance reports to the Investment Sub-Committee that also may be used to provide regular performance reports to the Foundation's Finance Committee and Board of Directors.

14. The Fund Manager will communicate to the Investment Sub-Committee and Foundation Management any portfolio issues that the Fund Manager determines to be significant.

15. The Fund Manager will communicate to the Investment Sub-Committee and Foundation Management on matters and changes pertaining to the investment of the Foundation assets that the Fund Manager determines to be significant and/or material, including but not limited to changes in the ownership, organizational structure, or financial condition of the Fund Manager. The Fund Manager also will communicate all material legal, SEC and other regulatory agency proceedings affecting the Fund Manager.

16. The Fund Manager will consider the following factors, if relevant, in managing and investing the Foundation's portfolio except as otherwise provided by a gift instrument: (a) the purpose of the institution, (b) the purpose of the institutional fund, (c) the general economic conditions, (d) the possible effects of inflation or deflation, (e) the expected tax consequences if any of investment decisions or strategies, (f) the role that each investment or course of action plays within the overall investment portfolio, (g) the expected total return from income and the appreciation of investments, (h) the needs of the Foundation and the portfolio to make distributions and to preserve capital, (i) other resources of the Foundation and (j) an asset's special relationship or special value if any to the purpose of the Foundation; provided that the Fund Manager will be deemed to have complied with (h) – (j) to the extent that the Fund Manager complies with the asset allocation and other guidelines described in Appendix A.

FINANCIAL OBJECTIVES

The objectives of the Foundation have been established in conjunction with a comprehensive review of the current and projected financial requirements. The objectives are:

1. To achieve a real (inflation adjusted) total return, net of investment management fees, that is consistent with spending policy requirements.

2. To manage expectations by recognizing the challenge of achieving the investment objectives in light of the uncertainties and complexities of contemporary investment markets. Therefore, it is acknowledged that some degree of risk must be assumed to achieve the long-term investment objectives. In establishing the risk parameters of the strategic allocation strategy, the ability to withstand short- and intermediate-term variability shall be considered.

3. To control costs of administering and managing the Foundation and managing the investments.

4. To ensure that the investment portfolio is managed responsibly and in compliance with stated guidelines, community expectations, donor guidelines (where applicable), and the investment guidelines set forth herein.

5. To emphasize the long-term nature of the Foundation's investment program by framing guidelines within the Investment Policy Statement within a similar long-term context.

SPENDING POLICY

The spending policy represents the guidelines and administration of the annual amount of funds which can be made available for distribution and withdrawn from the endowment portion of the investment portfolio each year (i.e., the spending rate).

The Finance Committee will recommend, subject to approval by the Board of Directors, the endowment spending distribution policy, and the administrative fee policy.

The Finance Committee will review the Spending Policy each year to determine its adequacy and will make recommendations for any changes to the Board of Directors.

Non-endowed funds in the investment portfolio may be spent at any time subject only to donor restrictions, unless the funds are part of a "reserve" as defined in the Foundation's policy on reserves. Spending distributions from reserves are recommended by the Finance Committee and approved by the Board of Directors, whose guidance will be incorporated into the Foundation's annual budget.

Appendix D details the endowment spending policy, administrative fee distribution policy, the non-endowed accounts and general reserve distribution policies, and the definition of the general reserve.

ASSET ALLOCATION

Objective

The strategic (long-term) allocation strategy of the Foundation is to maximize total return within acceptable risk parameters. The strategic allocation targets and the accompanying allowable allocation ranges (see Appendix A) are recommended by the Investment Sub-Committee with guidance from the Fund Manager, ratified by the Finance Committee and approved by the Board of Directors, in an effort to reflect the financial needs of the Foundation as outlined in the Spending Policy.

The single most important decision made by the Investment Sub-Committee is setting the strategic targets and the accompanying allowable allocation ranges. Investment research has determined that a significant portion of the Foundation's total investment return can be attributed to 1) the asset class/strategies that are employed by the Fund and 2) the weighting of each asset class/strategy.

Guidelines

1. An asset allocation strategy should include strategic (long-term) target levels, as well as allowable allocation ranges for tactical (short-term) adjustments.

2. The Investment Sub-Committee, with guidance and recommendations by the Fund Manager, will establish strategic target levels and allowable allocation ranges (Appendix A).

3. The Investment Sub-Committee, with guidance and recommendations from the Fund Manager, will establish suitable benchmarks for asset/strategy composite and total portfolio performance (Appendix A).

4. The Investment Sub-Committee, with guidance and recommendations from the Fund Manager, should review the strategic target levels, allowable allocation ranges, and benchmarks at least once per year and make revisions as deemed appropriate.

5. The Investment Sub-Committee will consider and may approve deviations from the allowable allocation ranges deemed necessary to support the Foundation's financial objectives.

6. The Fund Manager will provide guidance and recommendations to the Investment Sub-Committee regarding the strategic target levels and allowable allocation ranges on an as needed basis but at a minimum annually. If at any time the Fund Manager believes that any target level or range inhibits investment performance, it is the Fund Manager's responsibility to clearly communicate this view to the Investment Sub-Committee.

7. The Fund Manager will determine the tactical positioning and review and adjust the tactical allocation on an ongoing basis within the allowable allocation ranges provided herein.

8. The Fund Manager will implement and monitor the portfolio on a holistic basis to ensure the strategic allocation, tactical positioning, and manager selection are consistent with the objectives and risk guidelines described in Appendix A.

9. The Foundation Management, as directed by the President and CEO and Assistant Treasurer/Business Manager shall determine the amount of cash flow into or out of the portfolio as significant cash flow activity into and out of the Foundation occurs (i.e., new gifts and distributions).

10. The Fund Manager is responsible for managing the portfolio assets within the guidelines of the IPS once it is determined cash should flow into or out of the portfolio by the Foundation management. In managing contributions to and withdrawals from the portfolio, the Fund Manager will seek to adhere to the asset allocation policy and guidelines as stated herein.

11. The Fund Manager will monitor the portfolio's asset allocation relative to the strategic target levels and allowable allocation ranges (see Appendix A). The Fund Manager also will be responsible for rebalancing as it determines is appropriate. In the event that the portfolio should exceed an "Allowable Range," the Fund Manager will communicate this occurrence to the Investment Sub-Committee and either bring the Fund back into compliance with the applicable guidelines within a reasonable amount of time or request approval from the Investment Sub-Committee, and subsequent approval by the Finance Committee and Board of Directors, to deviate from the allowable allocation range if doing so is in the best interest of the Foundation.

INVESTMENT MANAGEMENT

General Responsibilities

1. The Fund Manager will implement the portfolio, utilizing a role in portfolio construct, such that the portfolio is diversified by role in portfolio, asset class, investment strategy, and manager, and within each category (e.g., within equities by economic sector, industry, quality, size, etc.). The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the portfolio.

2. The Fund Manager will select investment managers to manage portfolio assets and determine the amount of assets to be invested with each investment manager subject to the allowable allocation guidelines and risk guidelines (see Appendix A).

3. The Fund Manager will monitor each investment manager for consistency with their role in the portfolio allocation. There are four broad portfolio roles defined in the strategic allocation policy (e.g., Public and Private Equity, Diversified Growth Investments, Inflation Sensitive, and Deflation Sensitive).

4. The Fund Manager will monitor and evaluate each investment manager for consistency in investment philosophy, return relative to objectives, and investment risk. The Fund Manager does not necessarily expect manager performance to closely track manager benchmarks. Furthermore, it is understood that there are likely to be periods during which individual manager performance substantially lags a manager's benchmark.

5. Within each investment manager's stated investment strategy, decisions as to individual security selection, market capitalization, and industry/sector exposure are left to the investment manager's discretion subject to the usual standards of fiduciary prudence.

Categorization of Asset Classes/Portfolio Roles

Public and Private Equity

1. The role in portfolio and purpose of Public and Private Equity (e.g., domestic stocks, foreign stocks, private equity and venture capital) is to provide growth of income and appreciation of principal over the long-term. It is recognized that pursuit of this objective could entail the assumption of significant variability in price and returns.

2. Return premiums may exist for investors who accept the illiquid and inefficient characteristics of the private equity and venture capital markets. For private investments, the performance objective is to achieve an internal rate of return over the life of the investment that is commensurate with public equity benchmarks plus a premium for illiquidity and risk.

3. The objective for the Public and Private Equity allocation is to, in aggregate, outperform global listed equity markets as measured by the Growth Drivers benchmark noted in Appendix B, net of fees, with a similar or lower level of volatility as measured by standard deviation. Individual investment managers within the allocation will be benchmarked according to the investment manager's specific strategy.

4. Managers whose role in the portfolio is to provide growth of income and appreciation over the long-term predominantly through long public and private equity investments will be categorized as Public and Private Equity regardless of fund vehicle legal structure (e.g., mutual fund, commingled share class, separate account, limited partnership, ETF, etc.) or liquidity parameters. Liquidity risk will be measured across the total portfolio in accordance with the risk guidelines (see Appendix A).

Diversified Growth Investments

1. The role in portfolio and purpose of Diversified Growth Investments (e.g., long/short equity, long/short credit, distressed securities, event driven and multi-strategy hedge funds, global macro funds, non-investment grade debt, emerging markets debt, moderate beta public equity managers, etc.) is to provide attractive absolute returns over a full market cycle with generally lower levels of risk (measured by standard deviation relative to equity markets) and diversification benefits (defined as correlation and measured relative to traditional equity and fixed income markets).

2. Diversified Growth Investment returns generally are driven by manager skill and/or exposure to investment strategies and asset classes typically not accessible through traditional public equity and investment grade fixed income managers.

3. The objective of the Diversified Growth allocation is to, in aggregate, outperform the Diversified Growth benchmark as noted in Appendix B, net of fees. Volatility is expected to be lower than that of the Public and Private Equity allocation but may, in aggregate, exceed that of the benchmark. Individual investment managers within the Diversified Growth allocation will be benchmarked according to the investment manager's specific strategy.

4. Managers whose role in the portfolio is to provide attractive absolute returns over a full market cycle with generally lower levels of risk and diversification benefits relative to public and private equity will be categorized as Diversified Growth Investments regardless of fund vehicle legal structure (e.g., mutual fund, commingled share class, separate account, limited partnership, ETF, etc.) or liquidity parameters. Liquidity risk will be measured across the total portfolio in accordance with the risk guidelines (see Appendix A).

Inflation Sensitive

1. The role in portfolio and purpose of the Inflation Sensitive allocation (e.g., public and private investments in real assets such as real estate, oil and gas, natural resources equities, commodities, gold, etc.) is to provide potential portfolio protection against the risk of unanticipated severe inflation, thus assisting in the preservation of the real value of the portfolio over the long-term.

2. Return premiums may exist for investors who accept the illiquid and inefficient characteristics of the private oil and gas, timber and real estate markets. For private inflation sensitive investments, the performance objective is to achieve an internal rate of return over the life of the investment that is commensurate with public equity benchmarks plus a premium for illiquidity and risk.

3. The objective for the Inflation Sensitive allocation is to, in aggregate, outperform the Inflation Sensitive benchmark as noted in Appendix B, net of fees, with a similar or lower level of volatility as measured by standard deviation. Individual investment managers within the Inflation Sensitive allocation will be benchmarked according to the investment manager's specific strategy.

4. Managers whose role in the portfolio is to provide potential portfolio protection against the risk of unanticipated severe inflation will be categorized as Inflation Sensitive regardless of fund vehicle legal structure (e.g., mutual fund, commingled share class, separate account, limited partnership, ETF, etc.) or liquidity parameters. Liquidity risk will be measured across the total portfolio in accordance with the risk guidelines (see Appendix A).

Deflation Sensitive

1. The role in portfolio and purpose of the Deflation Sensitive allocation (e.g., domestic and foreign investment grade bonds and cash) is to reduce the overall volatility of the portfolio, provide a deflation hedge, provide a highly predictable source of income, and provide ready liquidity.

2. The objective for the Deflation Sensitive allocation is to, in aggregate, outperform the Deflation Sensitive benchmark as noted in Appendix B, net of fees, with a similar or lower level of volatility as measured by standard deviation. Individual investment managers within the Deflation Sensitive allocation will be benchmarked according to the investment manager's specific strategy.

3. The Fund Manager may at its discretion hold investment reserves of cash within the Deflation Sensitive allocation, but with the understanding that performance of the Total Portfolio will be measured against Total Portfolio Benchmarks that do not include a cash allocation (see Appendix A).

4. Managers whose role in the portfolio is to provide a deflation hedge, a highly predictable source of income, and ready liquidity will be categorized as Deflation Sensitive regardless of fund vehicle legal structure (e.g., mutual fund, commingled share class, separate account, limited partnership, ETF, etc.) at the same time deflation sensitive investments also are expected to meet specific liquidity parameters offering a minimum of quarterly liquidity with a preference for daily liquidity.

Within each of the above broad portfolio roles, the Fund Manager may invest in opportunistic strategies that are not specifically noted above (or in Appendix A) as long as the investments are consistent with the purpose and risk parameters of a role in portfolio category (e.g., public and private equity, diversified growth investments, inflation sensitive, and deflation sensitive) and the total portfolio is within the allowable allocation guidelines and risk guidelines (see Appendix A).

Proxy Voting

1. Proxies are to be voted in the best interest of the portfolio consistent with the Foundation's investment objectives. Proxies should generally be voted for proposals that enhance shareholder economic value, maintain or improve shareholder rights, and provide for reasonable management accountability.

2. Responsibility for voting proxies consistent with these guidelines will generally be delegated to the underlying investment manager.

3. To the extent that the portfolio invests in pooled or commingled funds, the Fund Manager will consider the proxy voting guidelines adopted by the underlying investment managers as part of its selection process.

UBTI Sensitivity

1. The Foundation understands that its share of any income from the portfolio (and possibly the gain on the sale of all or a portion of an investment in the portfolio) may constitute unrelated business taxable income, as defined in the U.S. Internal Revenue Code ("UBTI"). UBTI generally is subject to taxation at rates applicable to taxable investors.

2. The Fund Manager will use reasonable efforts to limit the amount of UBTI derived from investments in the portfolio.

3. The Fund Manager will not be prohibited from making investments that generate UBTI, and the Fund likely will make such investments, if the Fund Manager believes that the overall potential after-tax returns from such investments justify any potential UBTI costs attributable to such investments.

4. The Foundation understands and agrees that the realization of UBTI may result in additional administrative costs, including tax and accounting advice required for making the required state and federal tax filings.

GIFTS OF SECURITIES

Gifts of Securities received by the Foundation are not automatically included in the Foundation's investment pool. Instead, they are transferred into a specific brokerage account and sold as soon as possible. Once the cash from the sale is received by the Foundation, the Foundation CEO and Assistant Treasurer will assess the cash flow needs of the Foundation before adding the cash to the investment portfolio.

REVIEW AND REVISION TO THE IPS

Investment performance will be reviewed, analyzed and compared to the stated objectives at least annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of this IPS for achieving those objectives.

It is not expected that the IPS will change frequently; short-term changes in the financial markets should not require adjustments to the IPS. Any revision to the IPS requires a majority vote by the voting members of the Investment Sub-Committee when a quorum is present. All changes to the IPS must be ratified by the Finance Committee and approved by the Foundation's Board of Directors.

Florida International University Foundation, Inc.

Investment Policy Statement: Appendix A
Approved: February 1, 2014
Amended: June 9, 2018

ALLOCATION TARGET LEVELS AND ALLOWABLE RANGES

Target levels and allowable allocation ranges have been set for each broad role in portfolio category (e.g., Public and Private Equity, Diversified Growth Investments, Inflation Sensitive, and Deflation Sensitive).

Allowable allocation ranges for individual asset classes within the broad role in portfolio categories also have been set out herein.

	Long-Term Policy		
	Policy	Policy Ranges	
Asset Class Definition	**Target**	**Low**	**High**
Total Long Public Equity and Private Investments	**57.5**	**50.0**	**65.0**
Public Equity	37.5	16.0	60.0
Global Public Equity	11.5	4.0	21.0
US Public Equity	13.5	5.0	30.0
Non-US Developed Public Equity	8.5	3.0	21.0
Emerging Markets Public Equity	4.0	--	13.0
Global Private Long Equity	20.0	5.0	34.0
Total Diversified Growth	**17.5**	**7.5**	**27.5**
Hedge Funds	**17.5**	**7.5**	**27.5**
Growth Drivers	--	--	13.0
Blend	--	--	13.0
Diversifiers	--	--	13.0
Moderate Beta Public Equity	--	--	10.0
Non-Investment Grade and EM Fixed Income	--	--	10.0
Total Inflation Sensitive	**10.0**	**5.0**	**15.0**
Commodities (incl Gold)	--	--	4.0
Natural Resources (Public)	--	--	6.0
Other (i.e., REITs, timber, infrastructure, MLPs, etc.)	--	--	5.0
Natural Resources (Private)	4.0	--	10.0
Real Estate (Private)	4.0	--	10.0
Total Deflation Sensitive	**15.0**	**6.0**	**24.0**
U.S. Government Bonds	15.0	5.0	24.0
U.S. Investment Grade Credit	--	--	--
Int'l Developed Inv Grade Fixed Income	--	--	8.0
Cash	--	--	8.0

RISK GUIDELINES

The primary purpose of the Foundation's assets is to support the university. Assets based on unrestricted and temporarily restricted gifts need to have annual or better liquidity in order to support current operations. Substantial losses on these assets reduce the Foundation's ability to support the University as our project directors and donors expect the funds to be expended for the charitable purpose that motivated the gift. In contrast, endowment assets are perpetual by nature and are expected to be invested for long term performance. There is an implicit understanding that endowed investments may occasionally suffer losses, but that over the long term, these losses shall be offset by gains.
Liquidity

1. At a minimum, 25% of the portfolio shall be maintained in liquid form and available for withdrawal by the Foundation in cash with daily, weekly or monthly frequency with 30 days notice or less.

2. At a minimum, 55% of the portfolio shall be maintained in investments with annual or better liquidity with 90 days notice or less.

3. Total Private Investments are targeted at 28% of portfolio assets based on current NAV, and at 44% of portfolio assets based on current NAV plus unfunded commitments at any time.

4. To help ensure on-going liquidity, no new private investment commitments will be made while the aggregate of current private investment NAV plus unfunded commitments exceeds 56% of total portfolio net asset value unless explicitly approved by the Investment Sub-Committee.

Investment, Fund and Firm Concentration

1. No single underlying investment will be larger than 7.5% of the portfolio.
2. No single underlying investment firm will be larger than 10.0% of the portfolio.
3. Exception is made for funds and firms that invest solely in U.S. Government bonds, passive index strategies and passive ETFs, where the limit will be 15% of the portfolio.

Geographic Exposure

The aggregate, look-through, geographic exposure of the long public equity individual manager benchmarks to the following three categories: North American equities, ex-North American developed markets equities, and emerging markets equities will be within a range of plus or minus fifteen percentage points relative to the MSCI All Country World Index (ACWI) exposures. For example, if North American equities represent 50% of the MSCI ACWI then the aggregate geographic exposure of the long public equity manager benchmarks to North American equities is expected to fall within a range of 35% to 65%.

It is recognized that significant changes in investment market values could cause the portfolio to be positioned outside of the risk guidelines. If this occurs, the Fund Manager will communicate this breach to the Investment Sub-Committee and will take action to reposition the portfolio consistent with these parameters as soon as practicable.

Private Investment Co-Investments:

1. The Fund manager may make private co-investments which will be considered a part of the private investment allocation.
2. Total co-investments will not exceed 3% of total assets at cost. No new co-investments will be made if the aggregate exposure at net asset value (NAV) to co-investments exceeds 5% of total assets.

Additionally, no new co-investments will be made if private investment NAV and unfunded liabilities exceed the liquidity.

3. Individual co-investments will not exceed 50 bps on a cost basis and will typically range between 20 and 50 bps.
4. Co-investments are expected to be diversified by manager, strategy, and year of initial investment over time.
5. Co-investments will be included in aggregate total portfolio manager diversification limitations.

Derivatives

1. It is understood that certain investment managers selected by the Fund Manager, chiefly those generally categorized as hedge funds, may use derivatives and leverage as part of their investment strategies.

2. The Fund Manager, as part of its manager selection process, will consider the systems in place to analyze and monitor liquidity and counter party credit risk at the investment manager in order to minimize the risks associated with the use of derivatives.

3. The Fund Manager may purchase exchange traded options to hedge investment risks. In any given calendar-year period, the net cost of purchased options premia should not exceed 0.5% of the portfolio net asset value at the beginning of that period. The Fund Manager may not invest in derivatives directly for any other purpose unless explicitly approved by the Investment Sub-Committee.

TRANSITION

Effective December 1, 2013, Cambridge Associates has been selected as Fund Manager and granted discretion to manage the portfolio within the guidelines of the Foundation's IPS. Pending the approval of this IPS, there will be an implementation window of five months to allow for the portfolio to transition from the pre-existing legacy investments into the Cambridge Associates managed portfolio.

EXCLUDED INVESTMENTS

The following investments are included in the Foundation's portfolio but are subject to different financial or investment objectives, specific investment restrictions, and/or liquidity constraints that limit the Fund Manager's ability to manage these assets on a discretionary basis. These investments will be included in Fund Manager performance reports, but excluded from measurement of the portfolio's performance versus benchmarks, compliance with the allowable allocation ranges, and risk guidelines.

1. PIMCO All Asset All Authority – (deferred compensation fund as elected by the President)
2. JMOF Cultural Endowment Fund
3. SunTrust Annuities
4. Student Managed Investment Fund
5. Foundation Enterprise Holdings I
6. Islamorada
7. StoneCastle FICA Program
8. Archstone Offshore Fund
9. State of Florida Treasury Fund

DIRECTED INVESTMENTS

The Foundation, in pursuing and facilitating the best long term interest of Florida International University, may, from time to time, direct that a portion of the investment portfolio be allocated to specific investments. These investments may take many forms, including but not limited to real estate, specific ventures, or specific managers. All such investments will be approved by the Investment Sub-Committee, by the Real Estate Sub-Committee if the investment has a real property component, the Finance Committee and the Board of Directors. In evaluating directed investments, the Board of Directors shall apply the same care and consider the same factors required by Florida's UPMIFA statute. Such directed investments shall be added to the list of Excluded Investments and shall be treated in a similar manner.

Florida International University Foundation, Inc.

Investment Policy Statement: Appendix B
Approved: February 1, 2014
Amended: March 30, 2017

BENCHMARKING

To meet the overall financial objectives, the primary investment objective of the portfolio is to achieve an average annual real total return[1] of 7% over rolling ten year periods, net of investment management fees. It is recognized that the 7% real return objective is challenging and may be difficult to attain in every ten-year period. It is also recognized that given the static nature of this objective it is not directly related to market performance, this reinforces the view that success or failure in achieving this objective should be evaluated in the context of the prevailing market environment and over the long-term.

The secondary objective of the portfolio is to outperform a simple blended benchmark of 70% global stocks (MSCI All Country World Index) and 30% bonds (Barclays US Treasury Bond Index). The portfolio aims to achieve the stated secondary return objective with a targeted annualized standard deviation (i.e., volatility) similar to or less than that of the simple portfolio blend of 70% global stocks (MSCI All Country World Index, i.e.; ACWI)/30% bonds (Barclays U.S. Treasury Bond Index, i.e., Treasuries). It is recognized that this objective may be difficult to attain in every ten-year period.

The performance of the portfolio will be compared with the following total portfolio benchmarks in performance reports provided by the Fund Manager:

- Simple Risk Equivalent Benchmark
- Diversified Policy Benchmark
- Manager Selection Benchmark

The Simple Risk Equivalent Benchmark is defined as 70% ACWI and 30% Treasuries. This benchmark reflects the secondary objective of the portfolio. The portfolio aims to outperform the stated Simple Risk Equivalent Benchmark return with annualized volatility, as measured by standard deviation, similar or less than that of the Simple Risk Equivalent Benchmark.

The Diversified Policy Benchmark represents a passive investment in the four, broad, role in portfolio Policy Target allocations described herein. The table below defines the indices that are weighted by the Policy Target allocations when calculating the Diversified Policy Benchmark. The portfolio aims to outperform the Diversified Policy Benchmark through active manager selection and tactical asset allocation with comparable levels of volatility, as measured by standard deviation.

---

1 Real total return is the sum of capital appreciation (or loss) and current income achieved in the form of dividends and interest adjusted for inflation as measured by the CPI(U) index.

Allocation	Benchmark
Growth Drivers	MSCI All Country World Index (net)
Diversified Growth	40% MSCI All Country World Index (net) and 60% Barclays Aggregate Bond Index
Inflation Sensitive	Equally Weighted DJ-UBS Commodity Index, S&P North America Natural Resources Index, and NCREIF private real estate index
Deflation Sensitive	Barclays U.S. Treasury Bond Index

The Manager Selection Benchmark is defined as each manager benchmark weighted by each manager's weighting in the portfolio. The portfolio aims to outperform the Manager Selection Benchmark through active manager selection.

Individual marketable investment managers will be benchmarked according to the index or peer group comparison (i.e., HFRI) that best represents the manager's objectives and risk profile.

Individual private investment manager returns will be benchmarked against their actual performance during the first five to seven years following a substantive increase in the private investment target level to reflect the impact of the j-curve on early performance from private investment managers. Subsequently, individual private investment manager returns will be benchmarked against a public market equivalent index on an IRR basis.

Florida International University Foundation, Inc.

Investment Policy Statement: Appendix D
Approved: January 30, 2008
Amended: June 7, 2014

SPENDING POLICY AND DISTRIBUTIONS

The Spending Policy became effective on March 28, 2001 as approved by the Board of Directors. It was amended by the Board on January 30, 2008 and on June 7, 2014.

Endowment Spending Distributions

1. The Endowment distribution to each account will be expressed as a percent of the Endowment's average market value (gift corpus plus undistributed investment earnings since inception) over the prior 12 consecutive quarters ended December 31st. The distributions will be made at the close of the Foundation's fiscal year. The Finance Committee will recommend, subject to approval by the Board of Directors, the percentage (historically averaging 4%) to distribute as part of the annual budget process. Spending distributions are dependent on the Foundation's investment returns and are therefore not guaranteed, however, the above noted calculation should allow for more consistent funding. If in any given year investment losses reduce the endowment's market value below original corpus, future spending distributions are contingent on first restoring the endowment to its original corpus, before any distribution is made for spending.

Administrative Fee Distributions

2. For endowed accounts, an annual administrative fee, representing up to two percent (2%) of the Endowment's average market value (gift corpus plus undistributed investment earnings since inception) over the prior 12 consecutive quarters ended December 31st, shall be assessed. The distributions will be made at the close of the Foundation's fiscal year. The annual administrative fee is recommended by the Finance Committee and is subject to approval by the Board of Directors during the annual budget process. Assessment of the administrative fee is dependent on the Foundation's investment returns and is therefore not guaranteed. If in any given year investment losses and/or programmatic spending distributions reduce the endowment's market value below original corpus, the administrative fee will not be assessed.

Non-Endowed Accounts and General Reserve Distributions

3. No investment earnings or losses are distributed to non-endowed accounts. Investments earnings/losses derived from non-endowed accounts increase/decrease the Foundation's General Reserve. Spending distributions from the General Reserve are at the discretion of the Board of Directors.