The Investment Guidelines for the management of the Miami Dade College’s Community Endowment Fund assets, including funds subsequently pledged from the Endowment or received from the State under the state’s Facility Enhancement Challenge Grant program (the “Fund”), will be defined, implemented, reviewed, evaluated and modified where appropriate by the District Board of Trustees of the Miami Dade College (the “Board”). The Board has delegated the day-to-day execution and supervision of said Guidelines to the College President or his designee.

I. MANAGEMENT OF COMMUNITY ENDOWMENT FUND INVESTMENTS

Authority for Investment Management: The Board vests authority to recommend investment guidelines to the College’s Investment Advisory Committee (the “Committee”). This Committee regularly reports to the Board regarding the status of the Fund, investment guidelines; investment results; and makes recommendations for any changes in investment guidelines. The Board has delegated the discretion and authority to the College President or his designee whether to implement the recommendations of the Committee. The actions taken are reported to the Board for ratification or change.

A. General Functions of the Committee

1. The Committee shall review regularly all investments of the Fund. Its principal function shall be to develop and recommend to the Board such investment and investment-related guidelines as it deems appropriate.

2. The Committee shall make periodic reports, on a quarterly basis if administratively possible, to the Board.

3. The Committee shall make an annual report to the Board, which will be delivered by the College President or his designee and/or Chairperson.
4. The Committee shall recommend to the Board appropriate guidelines and procedures for custodianship and access to securities held by the Fund, as it may deem proper.

5. Staff from the Senior Vice Provost for Business Affairs office shall be responsible for keeping minutes of the actions of the Committee.

6. The Committee may recommend the engagement of an Investment Consultant to work with staff and advise staff of the Committee on the aspects of investment management including, but not limited to overall investment strategy, general asset allocation, target asset allocation, market trends, investment manager selection, manager evaluation criteria and other information deemed appropriate.

7. The Committee shall be appointed by the Board. The Board shall establish the structure, selection, and scope of the Committee, which may be changed from time to time. The most recently approved structure, selection, and scope are found in Appendix D.

B. Specific Functions of the Investment Advisory Committee
   1. Recommend investment objectives for the funds invested and managed by the Fund.
   2. Recommend asset allocation and manager structure guidelines for investments of the Fund.
   3. Recommend updates to the investment guidelines.
   4. Recommend investment managers for the Fund and an Investment Consultant for the investment program of the Fund.
   5. Recommend, monitor, and update the investment process.
   6. Review investment performance against established objectives.
   7. Review, at least annually, investment activity to insure compliance with investment guidelines.
   8. Members of the Committee will be responsible for completing 8 hours of continuing education in subjects or courses of study related to investment practices and products.

C. Specific Functions of the Investment Consultant
   1. Assisting the Committee in the development, implementation and evaluation of investment policy for the Endowment that reflects the Committee’s tolerance for risk and the Committee’s objectives for the Fund, including performance, and spending policy objectives.
   2. To assist the Committee in the development, implementation and evaluation of an investment manager structure that provides appropriate diversification with respect to the number and types of investment managers retained by the Committee.
   3. Making recommendations to the Committee regarding the identification of appropriate market benchmarks and peer groups against which each investment option should be evaluated.
4. Conducting a prudent investment manager search process, as needed, to identify appropriate candidates for review and selection by the Committee.

5. Producing quarterly performance evaluation reports to assist the Committee in evaluating the Committee’s investment policies and the Investment Program. Such reports will evaluate the performance and risk characteristics of each investment option then in the Fund and each investment manager relative to targets established in this Investment Policy Statement. The Investment Consultant will also evaluate the investment style of each manager to determine if the manager is fulfilling the role for which they were hired. In conjunction with these reports, the Investment Consultant will provide the Committee with recommendations for action when appropriate or if required by the Committee.

6. Educating the Committee on investment issues that could impact the Fund or the Investment Program.

II. COMMUNITY ENDOWMENT FUND INVESTMENT GUIDELINES

The goal of the investment program for the Fund is to provide a real total return from assets invested that will generate a return sufficient to support the established spending requirements. Achievement of the real total return will be sought from a continuation of investment strategies, which provide an opportunity for superior returns within acceptable levels of risk and volatility.

A. Investment Objectives

The primary investment objective for the Fund is to earn a total return (net of investment and custodial fees), within prudent levels of risk, which meets all established spending guidelines and requirements. The Board shall establish spending directives, which may be changed from time to time, for the Fund. The most recently approved directives are found in Appendix C.

The Board agrees that an (8%) target rate of return is appropriate for the Fund. The target rate of return shall be net of actual out of pocket expenses incurred for managing the Fund, such as investment fees, custodian fees and consultant fees. It is recognized that the Board has discretion to draw down the annual distribution described in Appendix C. The asset allocation recommended by the consultant and adopted in Appendix A is intended to achieve or exceed the target rate of return over the long-term with the least possible volatility.

B. Asset Allocation

1. To achieve its investment objective, the Fund shall target four asset classes. These asset classes are domestic and non-domestic equity, domestic and non-domestic fixed income, alternative investments and cash and equivalents. The purpose of allocating assets to these asset classes is to ensure the proper level of diversification within the Fund.

2. The strategic asset allocation adopted by the Board is outlined in Appendix A.

3. The purpose of equity investments in the Fund is to provide some current income, growth of income and appreciation of principal with the recognition that this class of investment carries with it the assumption of greater market volatility and risk of short-term loss.
4. The purpose of fixed income investments is to provide diversification and a highly predictable, dependable source of income. It is expected that fixed income investments will not be totally dedicated to the Long-Term Bond market, but will be flexibly allocated among maturities of different lengths according to interest rate prospects. Fixed instruments should reduce the overall volatility of the Fund’s assets.

5. The Fund will be diversified both by asset class and within asset classes. Within each asset class, securities, for example, will be diversified among economic sector, industry, quality and size. The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the performance of the total fund. As a result, the risk level associated with the portfolio investment is reduced.

8. The domestic equity manager structure adopted by the Board is outlined in Appendix A.

9. Within the fixed income asset class, managers with different investment styles will be deployed. Diversification by investment style is also an important step in reducing the risk of the Fund portfolio.

C. Asset Allocation Review and Rebalancing Procedure

1. The strategic asset allocation and manager structure guidelines will be reviewed at least annually by the Committee.

2. The staff shall allocate assets to the investment managers in a manner, which will rebalance to or maintain the target asset and style allocation guidelines. Should an Allowable Range be violated, the Committee must meet or conference to decide whether to recommend rebalancing the existing assets to the target asset and style allocation guidelines. In addition, the Committee shall review the actual allocations at each meeting in order to ensure conformity with the adopted strategic allocation. It is expected that under normal procedures, scheduled withdrawals will be taken from the investment managers on a pro rata basis.

D. Domestic Equity Investments

Domestic equity investment managers are engaged to provide growth of income and appreciation of principal. Domestic equity managers are hired according to the need for a specific philosophy or style within the Fund equity portfolio.

1. The equity managers and styles currently employed by the Fund are outlined in Appendix A. Relative performance objectives are identified in Appendix B.

2. The objective of the total equity portfolio is to outperform the Russell 3000 index (net of fees) as well as the rolling three-year median return in the Callan Endowment and Foundation Domestic Equity database.

3. Performance is monitored by the Investment Consultant on a quarterly basis and results are reported to the Committee.

4. Permissible securities shall include U.S. Common Stocks, American Depository Receipts (ADRs)
and U.S. Convertible Preferred Stock. Unless otherwise stated in this document, decisions as to individual domestic security selection, security size and quality, number of industries and holdings, current income levels, turnover and the other tools employed by active managers are left to the manager’s discretion, subject to the usual standards of fiduciary prudence and any regulatory requirements such as not more than 10% of the market value of any manager’s portfolio may be invested in the securities of any one company unless recommended by the Committee and an expressed written permission is granted by the Senior Vice Provost for Business Affairs in consultation with the College President. American Depository Receipts are considered to be domestic securities, but an equity manager may not hold more than 7.5% of its portfolio in the form of ADR’s unless recommended by the Committee and an expressed written permission is granted by the Senior Vice Provost for Business Affairs in consultation with the College President.

5. Each equity manager may hold some investment reserves of cash but with the understanding that performance will be measured against the peer groups identified in Appendix B.

6. Equity transactions should be entered into by the equity manager on the basis of best execution, which is interpreted normally to mean best-realized price, and negotiated commission rates. The Committee may recommend that the manager’s trade with selected brokerage firms only on the basis of best execution and fully negotiated commission rates.

7. Each domestic equity investment manager will be responsible for the voting of proxies with respect to the issues of securities in which Fund assets are invested. Voting of proxies should be made giving consideration to the best interests of the Fund.

8. Equity oriented hedge funds may also be deployed where appropriate.

E. Fixed Income Investments

Fixed Income Manager(s) are engaged to reduce the overall volatility of the Fund’s assets and to provide a highly predictable and dependable source of income. It is expected that investments made by the managers will be flexibly allocated among maturities of different lengths according to interest rate prospects.

1. The fixed income managers relative performance objectives are identified in Appendix B.

2. The objective of the total fixed income portfolio is to outperform the Blended Fixed Income (net of fees), as well as the rolling three-year median return in the Callan Associates Total Fixed Income Database.

3. Performance is monitored by the Investment Consultant on a quarterly basis and results are reported to the Committee.

4. The fixed income managers are expected to employ active management techniques, but each manager’s overall portfolio should exhibit at least an Investment Grade rating by either Moody’s or Standard & Poor’s. Tax-exempt securities shall not be purchased except in unusual circumstances.

5. Decisions concerning the hedging, or lack thereof, of any foreign currency exposure shall be totally at the discretion of each investment manager.

6. Permissible securities include money market instruments, corporate bonds—including trust preferred, corporate debt of REITs, - floating rate notes, convertible bonds, government and
agency bonds, mortgage and asset-backed securities (except inverse floating rate CMOs, and interest or principal only strips), high-yield securities, domestic and non-U.S. bonds, 144As commercial paper, sovereigns, supranationals, foreign local governments, foreign agencies and hedged non-dollar instruments. However, equities are excluded. Yankee bonds are considered to be domestic securities. It is recognized by the Committee that investment managers operate in a fiduciary capacity. Because of this, unless otherwise stated in this document, decisions as to individual security selection, turnover, number of industries and holdings and the other tools employed by active managers are left to the manager’s discretion, subject to the usual standards of fiduciary prudence and any regulatory requirements such as not more than 10% of the market value of any manager’s portfolio may be invested in the securities of any one company unless recommended by the Committee and an expressed written permission is granted by the Senior Vice Provost for Business Affairs in consultation with the College President.

Obligations of the U.S. Government and federal agencies may be held without limitation. Non-domestic securities of no more than 10% of each manager’s portfolio may be held if: 1) The bonds represent the sovereign or corporate debt of a nation or corporation of a nation found in the Europe Asia Far East (EAFE) Index, or 2) Brady bonds. Yankee bonds are considered to be domestic securities.

7. Investment in private placement securities is prohibited. Instruments used to hedge foreign currency exposure, asset-backed securities and conservatively constructed Collateralized Mortgage Obligations (CMOs) issued by agencies such as the Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank and Federal Farm Credit Banks are not defined as derivatives and limited to the following:
   a. Planned Amortization Class
   b. Target Amortization Class
   c. Very Accurate Defined Maturity
   d. Sequential Pay
   e. Floaters
   f. Accrual

   Note: Inverse floaters, Interest only and Principal only CMOs are prohibited as well as the use of leverage concerning any security.

8. Each fixed-income manager may, at its discretion, hold investment reserves of cash, but with the understanding that performance will be measured against indices as described in Appendix B.

9. Absolute return strategy hedge funds may also be deployed where appropriate.

F. Non-Domestic Equity Investments

1. Non-domestic equity investment managers are hired to provide growth of income and appreciation of principal as well as diversification benefits. Non-domestic equity managers are hired according to the need for a specific philosophy or style within the Fund’s equity portfolio.

2. The non-domestic manager styles currently employed by the Fund are outlined in Appendix A. Relative performance objectives are identified in Appendix B.
3. The objective of the total equity portfolio is to outperform the MSCI All Country World ex-US Index (net of fees) as well as the rolling three-year median return in the Callan Endowment/Foundation Non-US Equity Database.

4. Performance is monitored by the Investment Consultant on a quarterly basis and results are reported to the Committee.

G. Separately Managed Portfolio Guidelines

1. Permissible securities shall include non-U.S. ordinary shares, American Depository Receipts (ADRs) and non U.S. Convertible Preferred Stock. Unless otherwise stated in this document, decisions as to individual security selection, currency hedging, security size and quality, number of countries industries and holdings, current income levels, turnover and the other tools employed by active managers are left to the manager’s discretion, subject to the usual standards of fiduciary prudence and any regulatory requirements such as not more than 10% of the market value of any manager’s portfolio may be invested in the securities of any one company unless recommended by the Committee and an expressed written permission is granted by the Senior Vice Provost for Business Affairs. American Depository Receipts (ADRs) are considered to be domestic securities.

2. Each equity manager may hold some investment reserves of cash but with the understanding that performance will be measured against the peer groups identified in Appendix B.

3. Each non-domestic equity investment manager will be responsible for the voting of proxies with respect to the issues of the securities in which Fund assets are invested and should make every conceivable effort to do so. Voting of proxies should be made giving consideration to the best interests of the Fund.

4. Equity oriented hedge funds may also be deployed where appropriate.

F. Alternative Investments

Alternative Investment strategies may be utilized to support the overall investment strategy by enhancing total return, reducing the overall volatility of the Fund’s assets and/or to providing a highly predictable and dependable source of income. These may include, but are not limited to, the following:

1. **Private Capital Partnerships** – Investment allocations may include venture capital, private equity and international private capital investments, held in the form of professionally managed pooled limited partnership investments. Such investments must be made through a Fund offered by professional investment managers.

2. **Marketable Alternative Strategies** – Investments may include equity-oriented or market-neutral hedge Fund (i.e. Long/Short, Macro Event Driven, Convertible Arbitrage, and Fixed Income strategies), which can be both domestic and international market oriented. The components may be viewed as equity-like or fixed income-like strategies as defined by their structures and exposures.

3. **Natural Resources** – Investments may include oil, gas, and timber investments, held in the form of professionally managed pooled limited partnership investments. Such investments must be made through Fund offered by professional investment managers.
4. **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 Fund, as offered by leading real estate managers with proven track records.

G. **Commingled Funds**

All commingled fund managers are expected to at all times adhere to the provisions and guidelines of the respective fund’s Trust Agreement. Because of the commingled nature of the investment vehicles, the investment constraints and guidelines are set by each respective investment manager. The Investment Advisory Committee recognizes that commingled funds’ guidelines are established by their trust documents/prospectuses and that the Committee’s guidelines have no bearing on fund guidelines. However, the Committee expects that any manager of a commingled fund and/or index fund would inform the Committee if the investment guidelines of any such fund conflicts with this Investment Guideline Statement.

H. **Performance Measurement, Monitoring and Evaluation**

In addition to reporting time-weighted total returns for each manager and each investment pool, a comparison is made with relevant market indices as well as the composite returns for other money managers with similar philosophies to those managers investing for the Fund. The Investment Consultant provides this external data as necessary. As much as is practical, reports include historical data in order to evaluate short-term results against long-term strategies.

I. **Guidelines for Corrective Action**

Corrective action should be taken naturally as a result of the on-going review process for Investment Managers. While there may be unusual occurrences at any time, the following are instances where corrective action, or termination, may be in order:

1. Major organizational changes in a firm may require a new contract and interview process. Failure on the part of the Investment Manager to notify the Committee and the College President or his designee of such changes is grounds for termination. At all times communication with the manager should be easy and informative. Each Investment Manager will meet, if administratively possible, on an annual basis with the Committee and the College President or his designee.

2. Violation of terms of the contract without prior approval of the Committee and the College President or his designee constitutes grounds for termination.

3. Diversification Strategy -- As part of its overall asset allocation strategy, the Committee and the College President or his designee will choose managers with certain styles and approaches to provide portfolio diversification. Therefore, it is critical that managers adhere to the original intent of the Committee and the College President or his designee at the time they are engaged. Should either the consultant or the staff ascertain that significant changes in investment approach have occurred, this may be grounds for termination.
4. Ordinarily the Committee and the College President or his designee will not as a rule terminate a manager on the basis of short-term performance. If the organization is sound and the firm is adhering to its style and approach, the Committee and the College President or his designee will allow a sufficient interval of time over which to evaluate performance. In this area, the consultant is valuable and will provide some insight regarding the appropriate length of time. The manager’s performance will be viewed in light of the firm’s particular style and approach, keeping in mind at all times the Fund’s diversification strategy as well as the overall quality of the relationship.

5. Managers may be replaced at any time as part of an overall restructuring of the Fund.

6. In the event of a manager termination the College President or his designee is authorized to take all necessary actions to dispose of and transfer assets from the terminated manager to new manager in the most efficient and cost effective manner. These actions may include utilizing a manager transition specialist and making investments in Index funds or Exchange Traded Funds (such as S&P SPYDRS and Barclay’s I Shares).

J. Custodian and Depository Activities

The custodian and depository activities of the Endowment, including agreements with any banks for fund management, will be subject to annual review by the Investment Advisory Committee to assure that the Endowment is receiving competitive rates and services.

(SEE APPENDICES BELOW)
### APPENDIX A

**Strategic Asset Allocation**

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>Allowable Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>41%</td>
<td>30-60%</td>
</tr>
<tr>
<td>Non-U.S. Equity</td>
<td>27%</td>
<td>15-40%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>13%</td>
<td>5-25%</td>
</tr>
<tr>
<td>Alternative Investments</td>
<td>19%</td>
<td>5-30%</td>
</tr>
</tbody>
</table>

**Domestic Equity Manager Structure**

<table>
<thead>
<tr>
<th>Equity</th>
<th>Target</th>
<th>Allowable Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Cap Core</td>
<td>42%</td>
<td>30% - 70%</td>
</tr>
<tr>
<td>All Cap Equity</td>
<td>45%</td>
<td>0 - 50%</td>
</tr>
<tr>
<td>Small Cap Core</td>
<td>13%</td>
<td>5% - 25%</td>
</tr>
</tbody>
</table>

**Non-US Equity Manager Structure**

<table>
<thead>
<tr>
<th>Equity</th>
<th>Target</th>
<th>Allowable Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-US Value</td>
<td>50%</td>
<td>30% - 70%</td>
</tr>
<tr>
<td>Non-US Growth</td>
<td>50%</td>
<td>30% - 70%</td>
</tr>
</tbody>
</table>

**Fixed Income Manager Structure**

<table>
<thead>
<tr>
<th>Equity</th>
<th>Target</th>
<th>Allowable Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Fixed Income</td>
<td>50%</td>
<td>30% - 70%</td>
</tr>
<tr>
<td>Global Fixed Income</td>
<td>50%</td>
<td>30% - 70%</td>
</tr>
</tbody>
</table>
APPENDIX B

**Time Horizon**

The Committee acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term periods. Accordingly, the Committee view interim fluctuations with an appropriate perspective.

Recognizing that short-term fluctuations may cause variations in the portfolio’s performance, the Committee encourages each investment manager to develop long-term investment strategies consistent with the guidelines contained in this Investment Guideline Statement. A five-year moving time period reflects the Committee’s emphasis on the long term. However, this five-year moving average shall not be the sole determinant of any committee decision.

**Performance Objectives**

The Committee has determined that it is in the best interest of the Community Endowment that performance objectives be established for the total portfolio and each investment manager. It is clearly understood that these objectives are to be viewed over the long term and have been established after full consideration of all factors set forth in the Investment Guidelines Statement. The Committee acknowledges that investment styles come in and go out of favor depending on economic and capital-market conditions. Accordingly, the Committee has established style group comparisons as shorter-term performance objectives to be applied over rolling three-year time periods.

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Performance Index Target</th>
<th>Callan Peer Group Universe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Portfolio</td>
<td>Target Index*</td>
<td>Endowment/Foundation Database</td>
</tr>
<tr>
<td>Domestic Equity</td>
<td>Russell 3000</td>
<td>Endowment/Foundation Domestic Equity</td>
</tr>
<tr>
<td>Large Cap Equities</td>
<td>S &amp; P 500</td>
<td>Large Cap Core Equity</td>
</tr>
<tr>
<td>All Cap Equity</td>
<td>S &amp; P 400/Russell 3000</td>
<td>All Cap Equity</td>
</tr>
<tr>
<td>Small Cap Equities</td>
<td>Russell 2000/2500</td>
<td>Small Cap Equity</td>
</tr>
<tr>
<td>Non-US Equity</td>
<td>MSCI ACWI ex-US</td>
<td>International Equity Core/Mutual Funds</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>Bloomberg Barclay Aggregate</td>
<td>Global Fixed Income Unhedged</td>
</tr>
<tr>
<td>Core Bonds</td>
<td>Bloomberg Barclays Aggregate</td>
<td>Core Fixed Income</td>
</tr>
<tr>
<td>Global Fixed Income</td>
<td>FTSE WGBI</td>
<td>Global Fixed Income Unhedged</td>
</tr>
<tr>
<td>Real Estate</td>
<td>NCREIF NFI-ODCE</td>
<td>Open End Core Commingled Real Estate</td>
</tr>
</tbody>
</table>

* The target Index is the passive representation of the Committee’s asset allocation guideline: 41 percent of the Russell 3000 Index, 27 percent of the MSCI ACWI ex-US Index and 13 percent of the Bloomberg Barclay Aggregate Bond Index, 7 percent of the NFI-ODCE Index and 12 percent of the MSCI World Index + 2%
**Performance Measure Guidelines**

The Committee acknowledges that the ongoing review of money managers is just as important as the due diligence during the selection process. Accordingly, the Committee has deemed it appropriate to include “objective standards” designed to govern future decision to terminate contractual relationships.

The standards, noted below, are not to be mechanically applied. Rather, if an investment manager seemingly fails to meet any one of the following three standards, then subject to appropriate due diligence, the Investment Committee shall consider whether to recommend the termination of a relationship. The three standards are these:

1. **Extraordinary Events (Organizational Issues)** –
   
   Extraordinary events that need to be rigorously evaluated prior to a termination decision include such things as –
   
   a. Ownership changes (e.g. key people “cash out”)
   b. Key people leave firm
   c. Manager changes the strategy it was hired to implement
   d. Manager is involved in material litigation or fraud
   e. Material client-servicing problems

2. **Long-Term Performance in Relation to Appropriate Market Index**

   Long-term performance standards should measure a manager’s since-inception and rolling five-year return in relation to the market index that the manager previously agreed to be measured against. If a manager fails to generate a return premium in excess of the Performance Objective listed on the previous page, then, upon completion of appropriate due diligence, the Committee shall consider whether to recommend the termination of the contract with the manager.

3. **Shorter Term-Performance in Relation to Appropriate “Style Group”**

   Shorter-term performance standards should incorporate a time period of at least three years. Each manager is to be measured against the median return of a previously agreed-upon peer group of managers with similar investment styles. If a manager fails to generate a return in excess of the median return of the appropriate Callan “Style Group,” then, upon the completion of appropriate due diligence, the Committee shall consider whether to recommend the termination of the contract with the manager.
APPENDIX C

THE COMMUNITY ENDOWMENT FUND SPENDING DIRECTIVES

The administration requires formal spending directives from the Board and direction in the refinement of the Investment Guidelines of the Community Endowment for assistance in the establishment of annual Endowment withdrawals and investment management.

At the December 16, 1992 District Board of Trustees’ meeting, the Board adopted a formal policy for the use of the referendum revenue. The policy requires:

1. That the income from the referendum be an endowment fund, and be managed so that the combination of earnings and principal last until 2012 (20 years), with an annual amount between nine and ten million dollars available for use by the College.

2. That the College is committed to maintaining an open door admissions policy, and that this is continued for not less than five years and hopefully, for the remainder of the decade if there is reasonable funding from the Legislature.

3. That the open door admissions policy be sustained even if the State Legislature reduces funding up to the amount provided by the referendum.

4. That budget reductions, if necessary, including salary reductions, be made in order to sustain the commitment.

In accordance with Rule 6A-14.0765(3), Florida Administrative Code and to ensure maximum benefit from the endowment, the College established an investment committee and hired an investment consultant to design and administer a long-term investment plan for the endowment. The investment plan consists of strategic planning that incorporates asset allocation, duration of investment, and portfolio mix while taking into account the spending directives. The asset allocation recommended is intended to achieve the target rate of return of 8%, with the least possible volatility.

To refine the investment policy, in 1997, the District Board of Trustees adopted spending directives to withdraw or transfer an annual amount no greater than $9.5 million from the endowment fund for use by the College. In the event of a fiscal emergency, the College administration is required to seek authorization from the Board to increase the annual withdrawal.

During a review of the overall Investment Guidelines at the November 16, 2000 District Board of Trustees meeting, the Board reaffirmed the target annual amount to be withdrawn of $9.5 million and specified that if there are any funds remaining at the end of the twenty year period, the College may continue withdrawing $9.5 million annually until all funds have been expended.
APPENDIX D

STRUCTURE, SELECTION AND SCOPE OF THE INVESTMENT ADVISORY COMMITTEE

STRUCTURE

The structure of the Investment Advisory Committee relates to its membership, terms of appointment and governance. The structure is:

1. In addition to a Board of Trustees representative, membership of the Committee will include seven members, including four non-College community members, the College President or his/her designee, the Senior Vice Provost for Business Affairs, and a member of the College’s Administration appointed by the College President.

2. The Committee will meet not less than quarterly, reporting to the Board as necessary, but at least annually.

3. Members will be appointed for a staggered three-year period.

4. Annually, the members will select a Chairperson and a Vice Chairperson who will preside at the meetings.

5. Staff from the Senior Vice Provost for Business Affairs office will be responsible for scheduling the meetings and will prepare and distribute an agenda prior to each meeting with the concurrence of the Chairperson. The staff will prepare and distribute the minutes of the meetings to be approved by the Committee.

SELECTION OF THE EXTERNAL COMMITTEE MEMBERS

The Committee is to act in an independent advisory role. Its membership should reflect its purpose.

1. Members should be independent of any financial institution or security firm with which the College conducts its investment activities.

2. Members should be professionals who have knowledge, experience, and familiarity with financial investments, portfolio management and financial management in general.

SCOPE

The Committee shall:

1. Advise and recommend investment guidelines concerning the use and selection of legal investment alternatives.

2. Review implementation plans for the use of new investment techniques and provide the return on the College’s investments, which is commensurate with the overall objectives of the Community Endowment Fund.

3. Advise in the monitoring of the performance of investment managers.


5. Advise on alternative financing techniques for the building of educational facilities and ancillaries.