

UCF FOUNDATION BOARD OF DIRECTORS
Agenda Item Summary
April 14, 2023

Title: Statement of Investment Strategy

Information Discussion Action

Purpose and Issues to be Considered:

The policy was approved at the December 8, 2022, meeting of the Investment Committee, and was approved at the February 16, 2023, meeting of the Executive Committee. This policy is now coming before the Foundation Board for approval.

Background:

The Statement of Investment Strategy was originally adopted on May 11, 2005, and last amended April 2022. The investment committee reviewed and discussed potential policy changes to the endowment pool targets at the September 23, 2022, meeting. Discussion included the impact of increased risk and budget impact to the non-endowed pool by increasing the weights of the endowment pool.

The proposed changes include adopting a two-tier structure that allows the funds to maintain sufficient liquidity and downside protection while also seeking higher long-term growth. Tier 1 assets will include investments in broad asset classes while tier 2 will represent a unitized investment in the endowment pool. These changes also include reducing the asset allocation targets for public equities from 20% to 15%, reducing fixed income from 70% to 65%, reducing opportunistic from 10% to 0%, and increasing the investment to the endowment to 20% (was categorized as opportunistic which was previously 10%).

Recommended Action:

Approve the amended Statement of Investment Strategy, as proposed.

Alternatives to Decision:

Decline to recommend approval.
Table item of business for future consideration.
Request revisions for future consideration.

Fiscal Impact and Source of Funding:

The Statement of Investment Strategy impacts all investment assets held by the Foundation's investment pools. The current policy change will impact the Endowment Pool only.

Authority for Investment Committee Action:

Florida Statute 1004.28
UCF Foundation Bylaws Article 2.2

Contract Reviewed/Approved by Assigned General Counsel **Not Applicable**

Agenda Item Reviewed/Approved by Assigned General Counsel **Not Applicable**

Agenda Item Reviewed/Approved by Associate Vice President, DSOs **Not Applicable**

Committee/Board Chair has Approved Adding This Item to the Agenda

Submitted by:

Glen Dawes '84, *Chief Financial Officer*, UCF Foundation, Inc.

Supporting Documentation:

Attachment A – UCFF Investment Strategy Version 18.0 Redline

Attachment B – UCFF Investment Strategy Version 18.0 Clean

Facilitators/Presenters:

Included in Consent Agenda