

**CAL POLY POMONA FOUNDATION, INC.  
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**INVESTMENT COMMITTEE MEETING**

**Wednesday, September 11, 2013  
03:30 pm – 04:30 pm  
Building #55 – Executive Conference Room**

**AGENDA**

**CONSENSUS ACTION ITEMS**

**PAGE**

*Consensus Action Items: Items in this section are considered to be routine and acted on by the committee in one motion. Each item of the Consent agenda approved by the committee shall be deemed to have been considered in full and adopted as recommended. Any committee member may request that a consent item be removed from the consent agenda to be considered as a separate action item. If no additional information is requested, the approval vote will be taken without discussion.*

- |    |   |          |       |
|----|---|----------|-------|
| 1. | Minutes of May 15, 2013 meeting<br>ACTION: Approval | Tom Goff | 1 - 2 |
|----|---|----------|-------|

**ACTION ITEMS**

- |    |  |                                    |         |
|----|--|------------------------------------|---------|
| 2. | Investment Report 4th Quarter 2012-13<br>ACTION: Approval    | David Prenovost                    | 3 - 76  |
| 3. | Endowment Spending Distribution Approval<br>ACTION: Approval | Paul Storey and<br>David Prenovost | 77 - 81 |

**DISCUSSION ITEMS**

- |    |                    |                                    |         |
|----|--------------------|------------------------------------|---------|
| 4. | Fossil Fuel Stocks | Paul Storey and<br>David Prenovost | 82 - 86 |
|----|--------------------|------------------------------------|---------|

**INFORMATION ITEMS**

*The following items provide information and reports by management staff to the committee. Staff and committee may engage in discussion on any item if requested by committee member or staff member.*

None

**OPEN FORUM**

**CAL POLY POMONA FOUNDATION, INC.**  
**Investment Committee Meeting Minutes**  
**May 15, 2013**

Present: Ed Barnes, Tom Goff, Darwin Labordo, Richard Lapidus and Kathy Tully

Visitors: Anne McLoughlin, Debra Poe, David Prenovost, Karen Sandoval and Paul Storey

**CALL TO ORDER**

Investment Committee Chair Tom Goff called the meeting to order at 4:00 pm

**CONSENSUS ACTION ITEMS**

1. Minutes – February 5, 2013

The minutes for February 5, 2013 were approved with one correction to Action Item 2- General Investment Portfolio Proposal, first paragraph, last sentence; changed AA rating to AA- rating.

**ACTION ITEMS**

2. General Investment Budget

David Prenovost gave an overview of the current fiscal year forecast and explained for the first eight months fiscal year 2012-13, the fixed income portion of the General Investment portfolio was managed by Bondlogistix and the last four months by Graystone Consulting, a division of Morgan Stanley Smith Barney. The Foundation is forecasting the General Investment portfolio to generate a net surplus of \$1,180,023 for FYE 2012-13.

The proposed budget for General Investment portfolio will generate a surplus of \$453,381 for FYE 2013-14. Quarterly interest distributions to the scholarship and program accounts are proposed to be \$667,802.

A motion was made by Ed Barnes to accept the General Investment proposed Budget for 2013-14 and forward to the Board of Director's for final approval. The motion was seconded by Darwin Labordo and approved 5-Ayes, 0-Nays and 0-Abstentions.

3. Endowment Investment Budget

David Prenovost gave an overview of the current fiscal year and explained the forecast is projected to generate a surplus of \$15.1 million mainly due to the equity earnings and donations. The endowment portfolio's value is forecasted to be \$70.7 million as of June 2013. We forecasted an annual return of 5.8% for the equity portion of the portfolio excluding dividends. Dividends and interest are forecasted to return 2.4% and 3.2% respectively. Donations are forecasted to be \$8.7 million and include the \$8.0 million from the Kellogg Foundation's pledge payment. We have included the 5% or \$1.9 million endowment earnings distribution from October 2012.

The proposed budget generates a surplus of \$9.4 million mainly due to the equity earnings and donations. The endowment portfolio's value is projected to be \$80.2 million as of June 2014. We proposed an annual return of 5.8% for the equity portion of the portfolio excluding dividends. Dividends and interest are forecasted to return 2.4% and 3.2% respectively. Donations are projected to be \$8.6 million and include the \$8.0 million from the Kellogg Foundation's pledge payment. We anticipate a 5% or \$3.5 million endowment earnings distribution in October 2013.

A motion was made by Darwin Labordo to accept the Endowment Investment Budget and the Endowment Donation proposed Budget for 2013-14 and recommends the Budgets be forwarded to the Board of Directors for approval. The motion was seconded by Ed Barnes and approved 5-Ayes, 0-Nays and 0-Abstentions.

4. Investment Report 3<sup>rd</sup> Quarter 2012-2013

David Prenovost explained the General Investment Portfolio has a current market value of \$35,286,819 and the current allocation is 22% in equities, 70% in fixed income, 0% in cash, 0% in real estate and 7% in alternative investments.

## Investment Committee Meeting Minutes May 15, 2013

Page 2

The fixed income portfolio of \$24.2 million earned a total return of 0.50% for the quarter and generated a total return of 1.03% for the one year.

Per the Foundation's Policy # 133, only the annualized yield is distributed; for the fiscal year to date the scholarship programs received \$4,806 and the Foundation programs received \$41,178.

The Common Fund Multi-Strategy Equity Fund is \$7.3 and earned 10.13% for the quarter and 13.23% for the one year. The Common Fund Multi-Strategy Bond fund is \$155,751 earned 0.70% for the quarter and earned 6.85% for the one year.

The Common Fund Real Estate Fund value is \$70,713 as of December 2012 and the Foundation has received \$198,780 is expected to receive approximately the remaining value of the fund here in 2013-14.

The Alternative Investment in Innovation Way infrastructure is \$2.6 million and fiscal year to date was charged \$12,072 per the terms of the investment. This alternative investment repaid \$100,539 in the first quarter of 2009-10 and \$300,000 in the second quarter of fiscal year 2012-13.

The Endowment Investment Portfolio has a current market value of \$70,046,419 as of March 31, 2013 and the current portfolio allocation is no more than 1.1% less than or greater than the investment policy assets allocation and earned 3.94% versus the 5.74% blended benchmark for the quarter and earned 8.45% versus 10.19% for the blended benchmark for the rolling one year mainly due to the underperformance of the domestic equity fund managers, specifically Granite Large Cap Growth, BlackRock Equity Dividend and Tradewinds Value Opportunities. Subsequent to the quarter ended, Graystone Consulting has made some changes with the investment managers.

The Life Income Trust Portfolio has a new Trust and now consists of six charitable remainder trusts with a current market value of \$1,732,591; all the trusts reported positive earnings for the quarter ended.

A motion was made by Kathy Tully to accept the investment reports as in compliance with the investment policies and recommends the reports be presented to the Board of Directors. The motion was seconded by Richard Lapidus and approved 5-Ayes, 0-Nays and 0-Abstentions.

**DISCUSSION ITEMS**

None

**INFORMATION ITEMS**5. Compliance Audit

Paul Storey stated the Chancellors Office completes an Auxiliary Compliance Audit every three years, and came to the Cal Poly Pomona Foundation for five weeks from 3/25/13-4/26/13. All investment policies were reviewed and there were no findings related to investments.

6. Executive Director's Report

1. The Kellogg Legacy Grant is being audited by an internal auditor of the Kellogg Foundation next week.
2. The Board Meeting is 5/23/13 at 2:00-4:00 and will be followed by a reception served by the new Poly Trolley Food Truck.

**OPEN FORUM**

Meeting was adjourned at 4:55pm

Respectfully submitted,

  
Thomas M. Goff

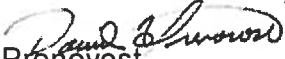
Investment Committee, Chair

# Memorandum



Date: July 25, 2013

To: Investment Committee  
Cal Poly Pomona Foundation, Inc.

From:   
David F. Prenovost  
Senior Managing Director/CFO

Subject: INVESTMENT HIGHLIGHTS – Fourth Quarter 2012-13

## GENERAL INVESTMENT PORTFOLIO

As you may recall, the Investment Committee recommended and the Board approved at its February 2013 meeting a change in the management of the fixed income portion of the General Investment Portfolio (Portfolio); accordingly, Graystone Consulting began managing the fixed income securities during the month of March 2013. The General Investment Portfolio includes equity, fixed income, private capital and real estate investments along with an alternative investment in the first phase infrastructure at Innovation Village. The Portfolio has a current market value of \$37,840,948 and the current allocation is 24% in equities versus the target of 20%, 69% in fixed income versus the target of 60%, 0% in cash versus the target of 5%, 0% in real estate versus the target of 5% and 7% in alternative investments versus the target of 10%.

We only report the Foundation program and scholarship funds that are stratified into three durations, short term being 1 to 3 years, medium term being 4 to 7 years and long term being greater than 7 years. As of March 31st and June 30st the short term balances are \$12.9 million and \$12.8 million, medium term balances are \$4.1 million and \$4.1 million and long term balances \$8.5 million and \$8.1 million respectively.

For the rolling one year the Portfolio returned 3.7% compared to the performance benchmark Higher Education Price Index (HEPI) of 2.3% plus 2% or 4.3% per the Foundation's General Investment Policy # 131. The HEPI index is used to measure the absolute objective of the portfolio as measured in terms of preserving purchasing power. The fixed income portfolio of \$26.1 million lost a total return of 1.8% for the quarter and lost 0.92% for the one year compared to the Barclays Intermediate US Government Credit that lost 1.70% for the quarter and lost 0.29% for the one year. The duration of the fixed income portfolio is 3.39 in line with the Barclays Intermediate Government Credit index of 3.79.

Per the Foundation's Policy # 133, only the annualized yield is distributed; for the fiscal year the annual net yield is 0.17% and the scholarship programs received \$7,834 and the Foundation programs received \$67,269.

The Common Fund Multi-Strategy Equity Fund is \$9.1 million and earned 1.97% for the quarter and 21.51% for the one year compared to the S & P 500 index which earned 2.91% and earned 20.60% respectively. The Common Fund Multi-Strategy Bond fund is \$157,856 was sold and the proceeds transferred to Graystone Consulting to invest in the fixed income portfolio they manage.

The Common Fund Real Estate Fund value is \$41,420 as of March 2013 and the Foundation has received \$244,744 and is expected to receive approximately the remaining value of the fund in 2013-14.

The Foundation has received capital call notices and has contributed \$190,625 against its commitment of \$250,000 to Capital Partners IV and \$510,750 against its commitment of \$750,000 to Capital Private Equity Partners VII. The value of the Non-Marketable Investments is \$686,287 as of March 31, 2013. Please see Capital Partners IV quarterly report for further details.

The Alternative Investment in Innovation Way infrastructure is \$2.6 million and fiscal year to date was charged \$15,593 per the terms of the investment. This alternative investment repaid \$100,539 in the first quarter of 2009-10 and \$300,000 in the second quarter of fiscal year 2012-13.

#### **ENDOWMENT INVESTMENT PORTFOLIO**

The Endowment Investment Portfolio (Portfolio) includes securities managed by investment managers selected by Graystone Consulting, a division of Morgan Stanley Private Wealth Management which provides investment advisory and reporting services to the Foundation for the endowment investment portfolio. The Portfolio has a current market value of \$69,290,107 as of June 30, 2013 and the current portfolio allocation is no more than 2.0% less than or greater than the investment policy asset allocation and lost 1.51% versus the earned 0.18 blended benchmark for the quarter and earned 10.95% versus 13.43% for the blended benchmark for the rolling one year mainly due to the underperformance of the global equities (First Eagle fund manager), International and Emerging Market Equities (Dupont Emerging Markets and Harbor International Equity) offset by the fixed income portfolio's performance by all the managers except for PIMCO Total Return. See asset allocation and performance report for further details.

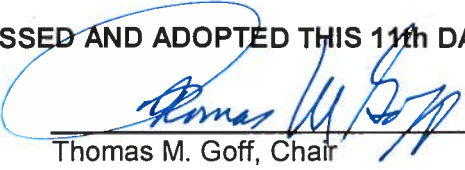
#### **LIFE INCOME TRUST PORTFOLIO**

The Life Income Trust Portfolio has a new Trust and now consists of six charitable remainder trusts with a current market value of \$1,692,026; all the trusts reported negative earnings for the quarter ended except for one and positive earnings for the year ended.

**Recommended Action:** The Foundation's Endowment and General Investment Policies 130 and 131 requires a comprehensive quarterly report of the investment portfolios performance be provided to the Investment Committee and Board of Directors at a regularly scheduled meeting. Foundation management believes that the quarterly investment reports are in compliance with the investment policies and recommends the quarterly investment reports be presented at the next regularly scheduled Board of Directors meeting.

**PASSED AND ADOPTED THIS 11th DAY OF SEPTEMBER 2013.**

By: \_\_\_\_\_

  
Thomas M. Goff, Chair  
Investment Committee  
Cal Poly Pomona Foundation, Inc.

**CAL POLY POMONA FOUNDATION, INC.  
INVESTMENT SUMMARY AS OF JUNE 30, 2013**

Asset Class	Policy Range Minimum	Policy Range Maximum	Policy Target	Portfolio Allocation	Portfolio Amount
Common Fund					
Multi-Strategy Equity Fund	10%	65%	20%	24%	9,087,773
Mutual Funds-Equity	10%	65%	0%	0%	-
Fixed Income					
(Domestic and International)	40%	85%	60%	69%	26,122,598
Mutual Funds-Debt	40%	85%	0%	0%	
Cash Equivalents	0%	20%	5%	0%	69
Common Fund					
Real Estate	0%	10%	5%	0%	41,420
Alternative Investments					
Innovation Way Road	0%	25%	10%	7%	2,589,088
			100%	100%	37,840,948

<b>Performance (net of fees)</b>	<b>Current Quarter</b>	<b>Calendar YTD</b>	<b>One Year(rolling)</b>	<b>Three Year Calendar (Annualized)</b>
Common Fund				
Multi-Strategy Equity Fund	1.97%	12.30%	21.51%	14.64%
<i>S &amp; P 500 Index</i>	2.91%	13.82%	20.60%	18.45%
Fixed Income				
(Domestic and International)	<b>-1.80%</b>	<b>-1.31%</b>	<b>-0.92%</b>	<b>N/A</b>
<i>Barclays Intermediate US Government Credit In</i>	<b>-1.70%</b>	<b>-1.45%</b>	<b>0.29%</b>	<b>3.14%</b>
Mutual Funds-Debt				
Cash Equivalents	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
Common Fund				
Private Capital	4.72%	4.72%	11.51%	10.27%
Real Estate	0.00%	N/A	N/A	-100.00%
<i>Targeted Long Term Return</i>			11-15%	11-15%

**CAL POLY POMONA FOUNDATION, INC.  
INVESTMENTS AS OF JUNE 30, 2013**

**GENERAL INVESTMENT PORTFOLIO**

SECURITY TYPE	Allocation	MARKET VALUE	DIVIDEND YIELD %	Asset	Class
<b>Cash</b>					
Morgan Stanley Bank	0.00%	69	0%		
<b>Mutual Funds</b>					
Doubleline Total Return	7.93%	2,072,188	5.48%	Mortgage Backed Securities	
JP Morgan Strategic Income Opportunities	6.01%	1,568,969	3.28%	Global Unconstrained Credit	
Legg Mason Brandy Wine Global Opportunistic	3.98%	1,040,954	4.71%	Global Fixed Income	
Nuveen Symphony Credit Opportunity Fund	1.98%	517,698	6.40%	Global High Yield/Floating Rate	
PIMCO Low Duration Fixed Income	80.09%	20,922,789	2.26%	Short Duration Fixed Income	
<b>Fixed income portfolio managed by Graystone Consulting</b>		<b>26,122,667</b>			

**EQUITIES, ALTERNATIVE INVESTMENTS, PRIVATE CAPITAL & REAL ESTATE**

	Value	Date
Common Fund Multi-Strategy Equity Fund **	8,401,486	
Alternative Investment - Innovation Village Infrastructure **	2,589,088	
Common Fund Private Capital (valued as of prior quarter) ** & ***	686,287	3/31/2013
Common Fund Real Estate (valued as of the prior quarter) ** & ***	41,420	3/31/2013
<b>Total Portfolio</b>	<b>\$ 37,840,948</b>	

\*\* Excluded from the quarterly return of the portfolio

\*\*\*Market Value as of prior quarter

	Prior Year FOURTH QTR	Current Year THIRD QTR	Current Year SECOND QTR	Current Year FIRST QTR	Annual Net Yield
<b>Quarter Average-Annualized - General Investment Portfolio</b>	1.37%	2.46%	0.55%	1.37%	5.87%
<b>Quarter Average - Annualized Fixed Income Portfolio</b> (see ** of investments excluded from returns)	0.11%	0.03%	0.02%	0.02%	0.17%

**LIFE INCOME TRUST PORTFOLIO**

Custodian & name of CRT	MARKET VALUE 10/1/2012	CURRENT MARKET VALUE NET OF MANAGEMENT FEES				TOTAL 12/31/2012	Prior Year	Current Year	Current Year	Current Year	Current Year
		CORP/TREAS BONDS	MONEY MARKET	EQUITIES			FOURTH QTR NET EARNINGS RATE	THIRD QTR NET EARNINGS RATE	SECOND QTR NET EARNINGS RATE	FIRST QTR NET EARNINGS RATE	Annual NET EARNINGS RATE
Clifford Swan -Jewett	399,211	61,809	177,819	164,618	404,246	1.62%	3.79%	0.27%	1.80%	7.66%	
Clifford Swan -Lane	41,149	13,642	1,854	23,869.00	39,365	-0.19%	7.03%	0.30%	4.84%	12.33%	
Clifford Swan -Scroggs	22,046	10,061	447	11,539	22,047	-0.09%	5.64%	0.33%	3.18%	9.26%	
Morgan Stanley - Janesh	371,525	131,637	-	229,327	360,964	-1.39%	4.96%	2.09%	4.76%	10.70%	
Morgan Stanley - Marraccino	617,040	191,907	9,481	387,335	588,723	-2.12%	1.67%	0.00%	0.00%	N/A	
Ameriprise - Brisco	281,620	184,087	5,132	87,256	276,475	-0.61%	3.08%	-0.52%	2.63%	4.60%	
Wells Fargo - Gregoire			206		206	N/A	N/A	N/A	N/A	N/A	
<b>Total Portfolio</b>	<b>\$ 1,732,591</b>	<b>\$ 593,143</b>	<b>\$ 194,939</b>	<b>\$ 903,944</b>	<b>\$ 1,692,026</b>						
% of Total		35.1%	11.5%	53.4%	100.0%						

Note - the quarterly and annual returns exclude the distributions to the beneficiaries when calculating the returns.

# Cal Poly Pomona Foundation

## Short Term Portfolio

### Investment Results as of June 30, 2013

#### Graystone Consulting

Andrew Price, CIMA®  
Executive Director  
Institutional Consulting Director

Todd Au, CIMA®  
Second Vice President  
Senior Investment Management Consultant

Tim Skelly, CIMA®  
Senior Vice President  
Institutional Consulting Director

J.P. Szabo  
Consulting Group Analyst

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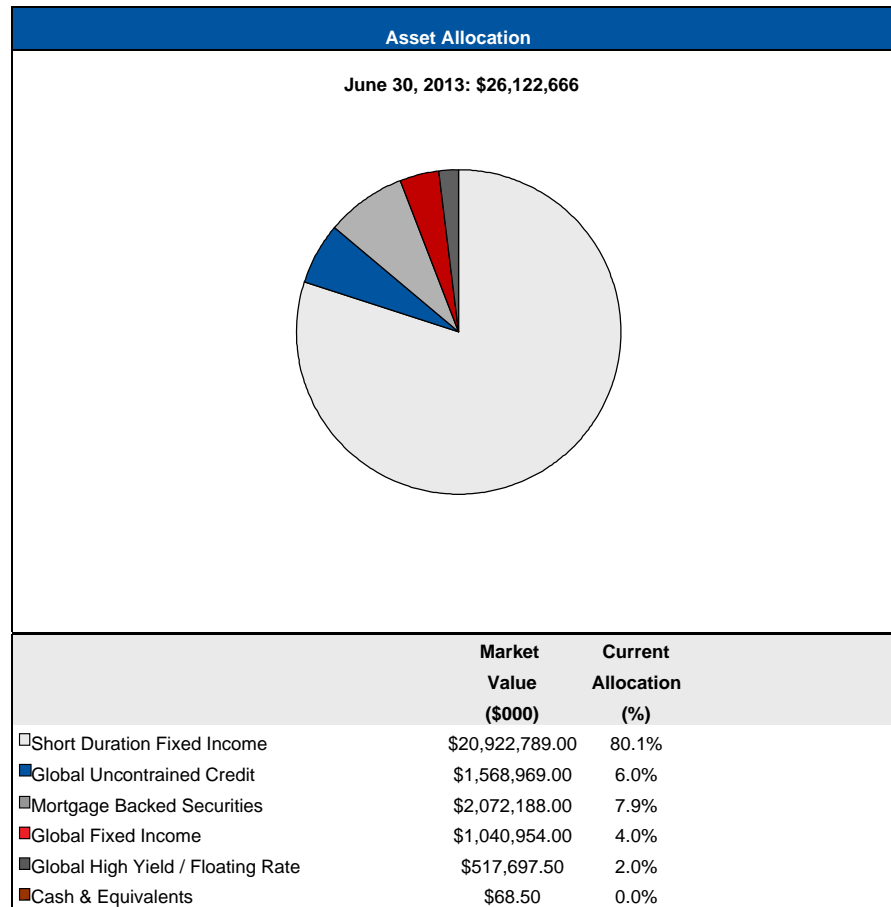
**Phones:**  
Main Line           310-443-0530  
Toll-Free            800-648-3833  
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**Cal Poly Pomona Foundation  
Short Term Portfolio  
Balances and Asset Allocation  
June 30, 2013**

	Total Fund (\$)	(%)
<b>Short Duration Fixed Income</b>	<b>\$20,922,789</b>	<b>80.1%</b>
PIMCO Low Duration	\$20,922,789	80.1%
<b>Global Unconstrained Credit</b>	<b>\$1,568,969</b>	<b>6.0%</b>
JP Morgan Strategic Income Credit Opp.	\$1,568,969	6.0%
<b>Mortgage Backed Securities</b>	<b>\$2,072,188</b>	<b>7.9%</b>
DoubleLine Total Return	\$2,072,188	7.9%
<b>Global Fixed Income</b>	<b>\$1,040,954</b>	<b>4.0%</b>
Brandywine Global Opportunistic	\$1,040,954	4.0%
<b>Global High Yield / Floating Rate</b>	<b>\$517,698</b>	<b>2.0%</b>
Nuveen Symphony Cred Opportunity	\$517,698	2.0%
<b>Cash &amp; Equivalents</b>	<b>\$69</b>	<b>0.0%</b>
<b>Total Short Term Portfolio</b>	<b>\$26,122,666</b>	<b>100.0%</b>



**Cal Poly Pomona Foundation**  
**Report Summary**  
**As of June 30, 2013**

**Performance Summary**

	Allocation		Performance(%)										Inception Date	
	Market Value (\$)	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	2012	2011	2010	2009	2008		
<b>Short-Term Portfolio Strategy</b>	<b>26,122,666</b>	<b>-1.80</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.97</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>03/07/2013</b>
BC Int Gov/Credit		-1.70	-1.45	0.29	3.14	4.58	-1.56	3.90	5.80	5.89	5.24	5.07		
Difference		-0.10	N/A	N/A	N/A	N/A	0.59	N/A	N/A	N/A	N/A	N/A		

**Gain/Loss Summary**

	Quarter To Date	YTD	Since Inception	Inception Date
Short-Term Portfolio Strategy				03/07/2013
Beginning Market Value	24,506,769	-	24,301,287	
Net Contributions	2,155,539	-	2,155,539	
Fees/Expenses	-13,720	-	-17,069	
Income	166,115	-	315,146	
Gain/Loss	-692,037	-	-632,237	
<b>Ending Market Value</b>	<b>26,122,666</b>	<b>-</b>	<b>26,122,666</b>	

# Portfolio Summary

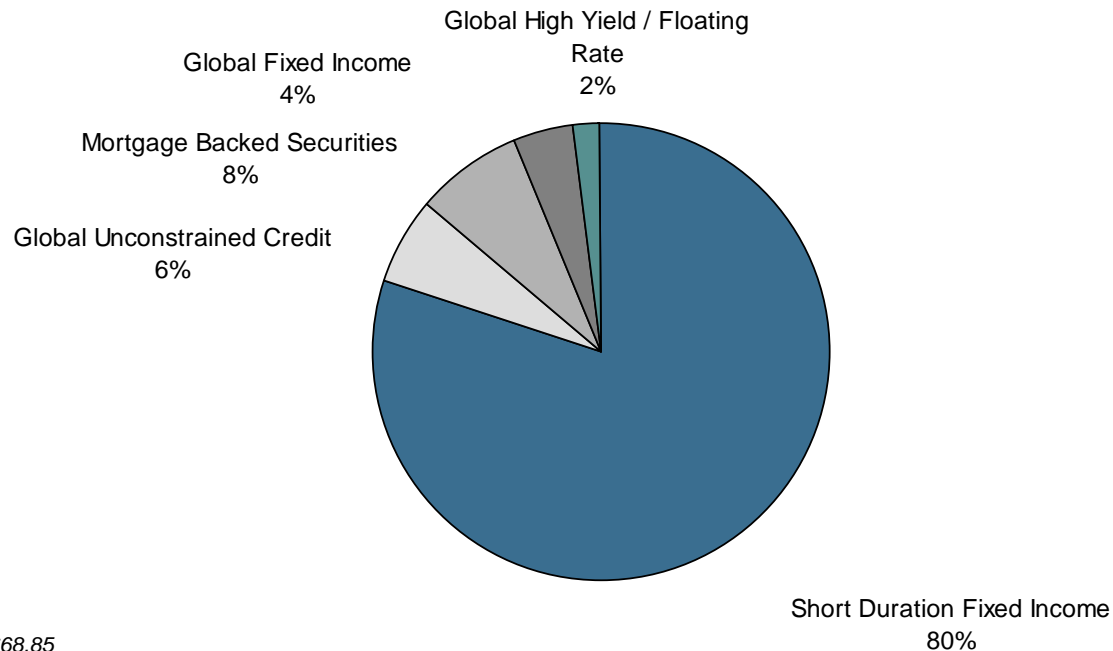
Asset Class	Investment Manager	Allocation	Values as of 6/30/13	Average Credit Quality	Duration (Years)	Yield
Short Duration Fixed Income	PIMCO Low Duration Fixed Income	80.00%	20,922,789	AA-	3.50	1.88%
Global Unconstrained Credit	JP Morgan Strategic Income Opportunities	6.00%	1,568,969	BBB	1.02	2.05%
Mortgage Backed Securities	Doubleline Total Return	8.00%	2,072,188	A	3.52	4.83%
Global Fixed Income	Brandywine Global Opportunistic Fixed Income	4.00%	1,040,954	A	4.42	3.89%
Global High Yield / Floating Rate	Nuveen Symphony Credit Opportunity Fund	2.00%	517,698	BB	3.60	6.40%
<b>Totals*</b>		<b>100.00%</b>	<b>26,122,666</b>	<b>AA-</b>	<b>3.39</b>	<b>2.30%</b>

**Barclays US 1-3 Year Treasury Index**

**1.90**      **0.34%**

**Barclays Intermediate Government/Credit Index**

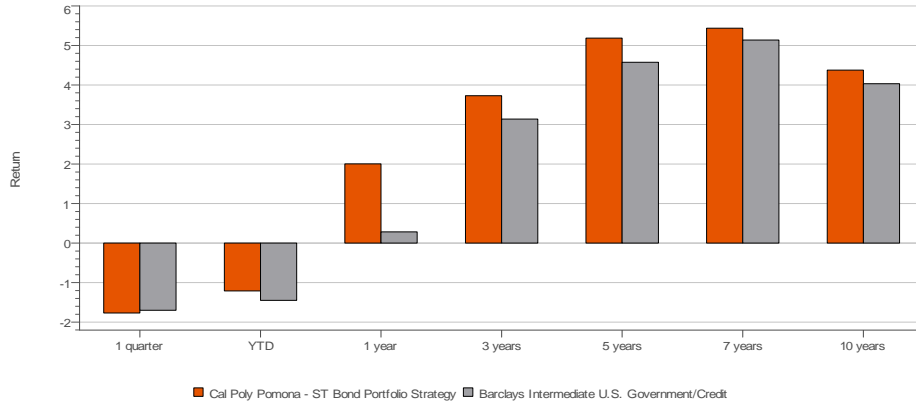
**3.79**      **1.77%**



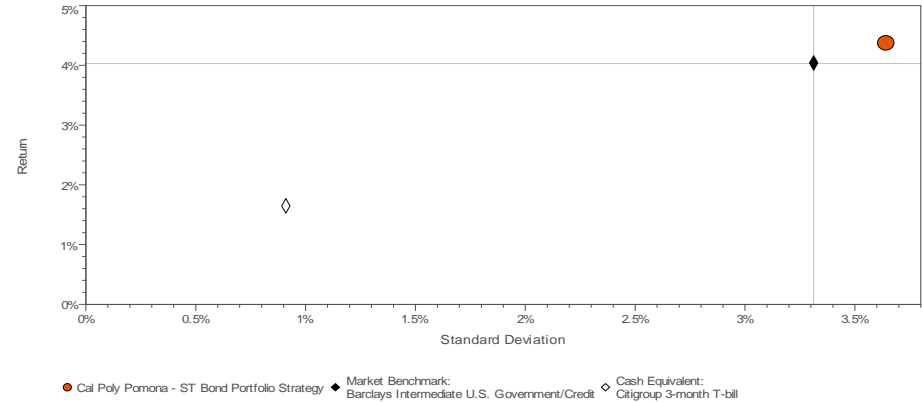
\*Account contained a cash balance of \$68.85  
 Yield and duration totals are weighted averages.  
 Source: Investment Managers  
 Data as of 6/30/13

# Performance Analysis – Total Fund (Pro Forma)

Manager vs Benchmark: Return  
July 2003 - June 2013 (not annualized if less than 1 year)



Risk / Return  
July 2003 - June 2013 (Single Computation)



10-year Statistics  
July 2003 - June 2013: Summary Statistics

	Return	Excess Return	Standard Deviation	Sharpe Ratio	Information Ratio	Alpha	Beta	Maximum Drawdown	Up Capture	Down Capture
Cal Poly Pomona - ST Bond Portfolio Strategy	4.38%	0.35%	3.65%	0.75	0.11	1.88%	0.62	-3.66%	98.56%	61.91%
Barclays Intermediate U.S. Government/Credit	4.03%	0.00%	3.31%	0.72	0.00	0.00%	1.00	-2.70%	100.00%	100.00%

Calendar Year Return  
As of June 2013

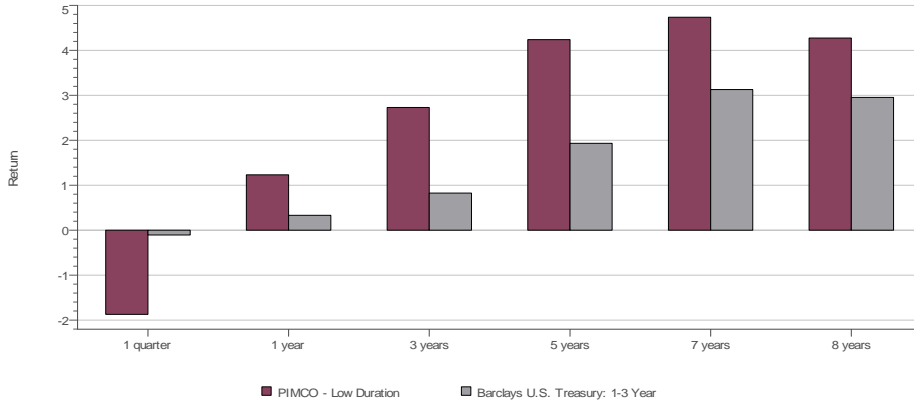
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Cal Poly Pomona - ST Bond Portfolio Strategy	6.90%	2.45%	6.35%	15.02%	-1.66%	7.63%	3.97%	1.57%	3.12%
Barclays Intermediate U.S. Government/Credit	3.89%	5.80%	5.89%	5.24%	5.08%	7.39%	4.08%	1.58%	3.04%

Manager vs Benchmark: Return  
July 2003 - June 2013 (not annualized if less than 1 year)

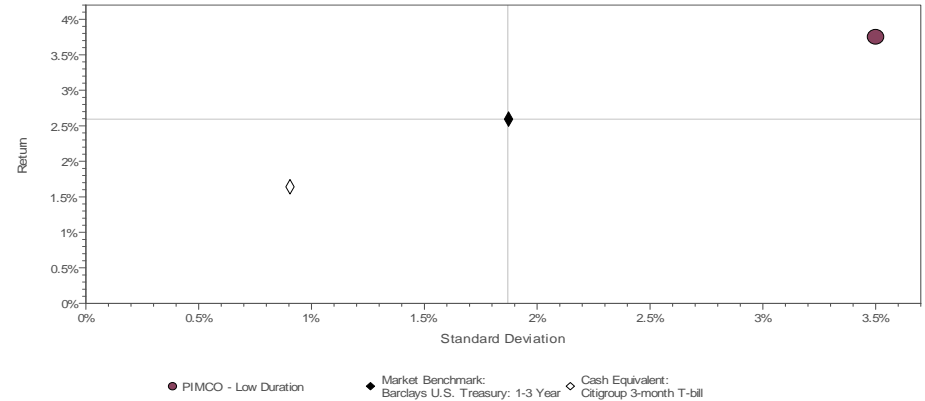
	1 quarter	YTD	1 year	3 years	5 years	7 years	10 years
Cal Poly Pomona - ST Bond Portfolio Strategy	-1.77%	-1.21%	2.00%	3.73%	5.19%	5.44%	4.38%
Barclays Intermediate U.S. Government/Credit	-1.70%	-1.45%	0.28%	3.14%	4.57%	5.14%	4.03%

# Performance Analysis – Fund Analysis (Pro Forma)

Manager vs Benchmark: Return  
July 2003 - June 2013 (not annualized if less than 1 year)



Risk / Return  
July 2003 - June 2013 (Single Computation)



10-year Statistics  
July 2003 - June 2013: Summary Statistics

	Return	Excess Return	Standard Deviation	Sharpe Ratio	Information Ratio	Alpha	Beta	Maximum Drawdown	Up Capture	Down Capture
PIMCO - Low Duration	3.74%	1.15%	3.50%	0.60	0.32	2.72%	0.41	-4.13%	109.73%	-196.76%
Barclays U.S. Treasury: 1-3 Year	2.59%	0.00%	1.87%	0.51	0.00	0.00%	1.00	-1.13%	100.00%	100.00%

Calendar Year Return  
As of March 2013

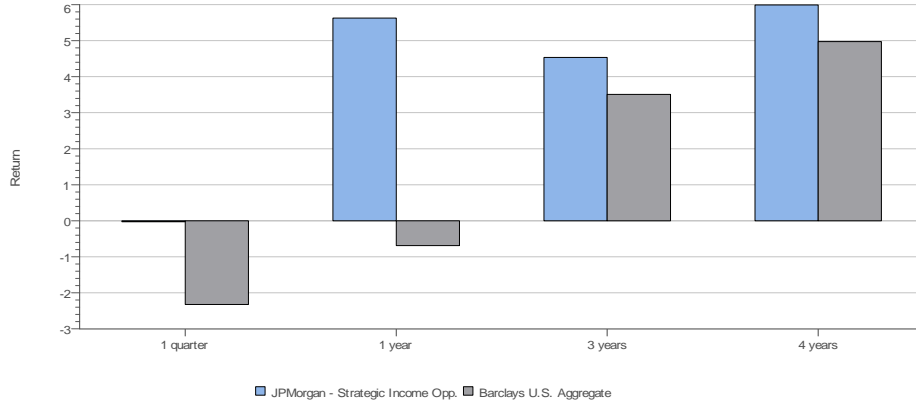
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
PIMCO - Low Duration	6.06%	1.61%	4.86%	13.24%	-1.38%	7.81%	3.65%	1.45%	2.28%	2.87%
Barclays U.S. Treasury: 1-3 Year	0.43%	1.55%	2.40%	0.80%	6.67%	7.31%	3.93%	1.62%	0.91%	1.92%

Manager vs Benchmark: Return  
July 2003 - June 2013 (not annualized if less than 1 year)

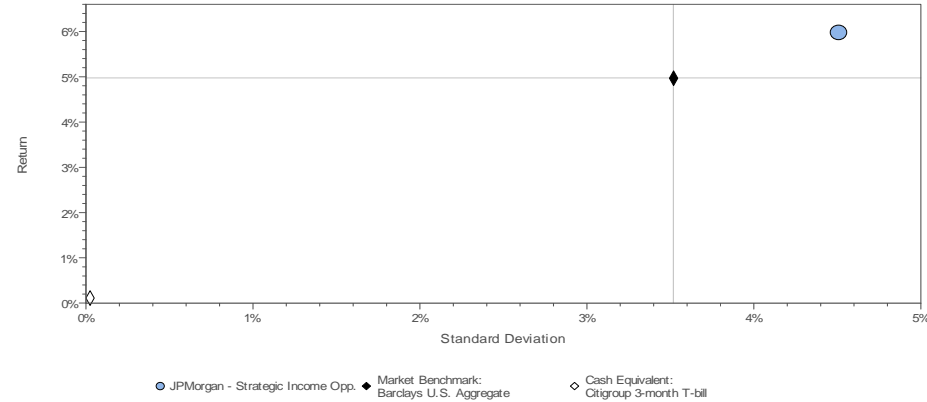
	1 quarter	1 year	3 years	5 years	7 years	10 years
PIMCO - Low Duration	-1.87%	1.23%	2.73%	4.24%	4.74%	3.74%
Barclays U.S. Treasury: 1-3 Year	-0.11%	0.33%	0.83%	1.93%	3.13%	2.59%

# Performance Analysis – Fund Analysis (Pro Forma)

**Manager vs Benchmark: Return**  
July 2009 - June 2013 (not annualized if less than 1 year)



**Risk / Return**  
July 2009 - June 2013 (Single Computation)



**4-year Statistics**  
July 2009 - June 2013: Summary Statistics

	Return	Excess Return	Standard Deviation	Sharpe Ratio	Information Ratio	Alpha	Beta	Maximum Drawdown	Up Capture	Down Capture
JPMorgan - Strategic Income Opp.	5.99%	1.02%	4.51%	1.31	0.17	6.75%	-0.13	-4.55%	85.40%	-92.38%
Barclays U.S. Aggregate	4.97%	0.00%	3.52%	1.39	0.00	0.00%	1.00	-2.44%	100.00%	100.00%

**Calendar Year Return**  
As of March 2013

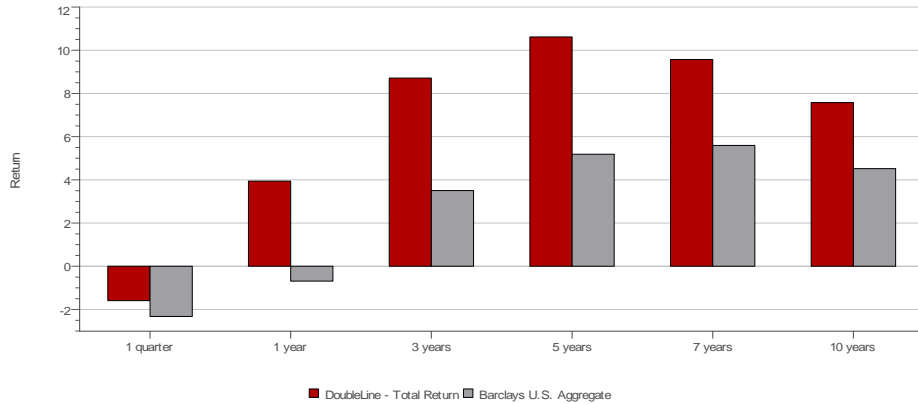
	2012	2011	2010	2009
JPMorgan - Strategic Income Opp.	8.18%	-0.05%	5.28%	19.06%
Barclays U.S. Aggregate	4.21%	7.84%	6.54%	5.93%

**Manager vs Benchmark: Return**  
July 2009 - June 2013 (not annualized if less than 1 year)

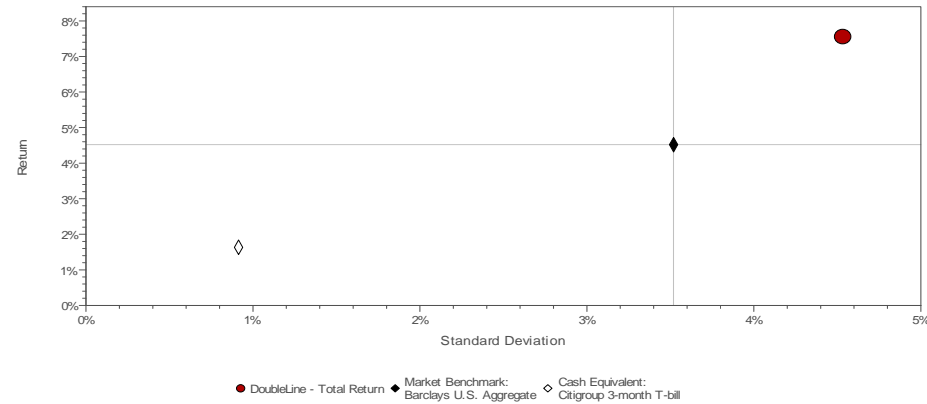
	1 quarter	1 year	3 years	4 years
JPMorgan - Strategic Income Opp.	-0.03%	5.63%	4.53%	5.99%
Barclays U.S. Aggregate	-2.32%	-0.69%	3.51%	4.97%

# Performance Analysis – Fund Analysis (Pro Forma)

Manager vs Benchmark: Return  
July 2003 - June 2013 (not annualized if less than 1 year)



Risk / Return  
July 2003 - June 2013 (Single Computation)



10-year Statistics  
July 2003 - June 2013: Summary Statistics

	Return	Excess Return	Standard Deviation	Sharpe Ratio	Information Ratio	Alpha	Beta	Maximum Drawdown	Up Capture	Down Capture
DoubleLine - Total Return	7.58%	3.06%	4.53%	1.31	0.92	3.56%	0.88	-2.01%	140.52%	23.52%
Barclays U.S. Aggregate	4.52%	0.00%	3.52%	0.82	0.00	0.00%	1.00	-2.44%	100.00%	100.00%

Calendar Year Return  
As of March 2013

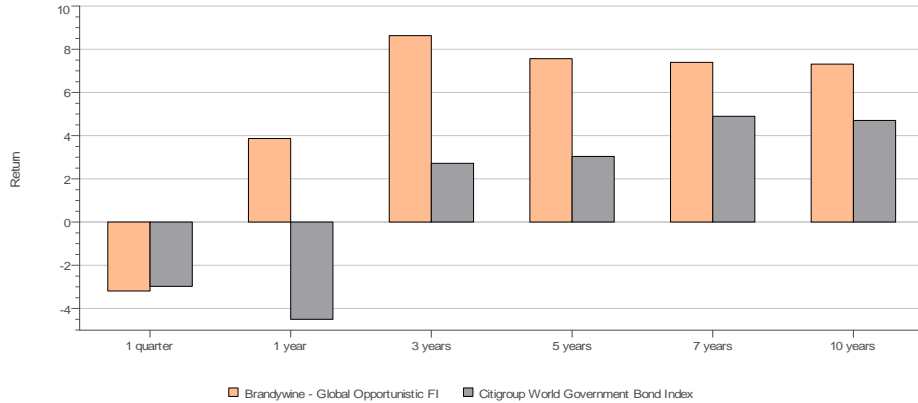
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
DoubleLine - Total Return	9.16%	9.51%	16.91%	19.88%	1.09%	6.60%	5.27%	3.36%	5.19%	3.06%
Barclays U.S. Aggregate	4.21%	7.84%	6.54%	5.93%	5.24%	6.97%	4.33%	2.43%	4.34%	4.10%

Manager vs Benchmark: Return  
July 2003 - June 2013 (not annualized if less than 1 year)

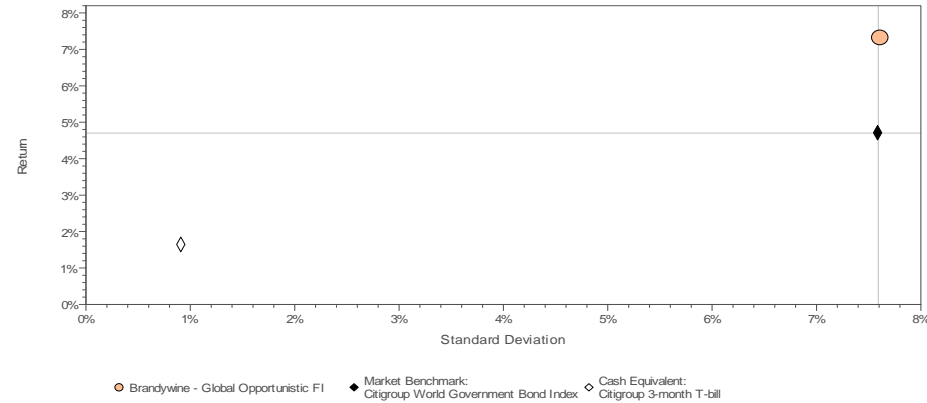
	1 quarter	1 year	3 years	5 years	7 years	10 years
DoubleLine - Total Return	-1.59%	3.94%	8.71%	10.62%	9.57%	7.58%
Barclays U.S. Aggregate	-2.32%	-0.69%	3.51%	5.19%	5.60%	4.52%

# Performance Analysis – Fund Analysis (Pro Forma)

**Manager vs Benchmark: Return**  
July 2003 - June 2013 (not annualized if less than 1 year)



**Risk / Return**  
July 2003 - June 2013 (Single Computation)



**10-year Statistics**  
July 2003 - June 2013: Summary Statistics

	Return	Excess Return	Standard Deviation	Sharpe Ratio	Information Ratio	Alpha	Beta	Maximum Drawdown	Up Capture	Down Capture
Brandy wine - Global Opportunistic FI	7.31%	2.61%	7.60%	0.75	0.37	4.67%	0.57	-13.08%	91.24%	17.61%
Citigroup World Government Bond Index	4.70%	0.00%	7.59%	0.40	0.00	0.00%	1.00	-7.27%	100.00%	100.00%

**Calendar Year Return**  
As of March 2013

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Brandywine - Global Opportunistic FI	13.16%	7.79%	13.03%	20.96%	-8.93%	9.93%	5.55%	-2.82%	12.75%	21.29%
Citigroup World Government Bond Index	1.65%	6.35%	5.17%	2.55%	10.89%	10.95%	6.12%	-6.88%	10.35%	14.91%

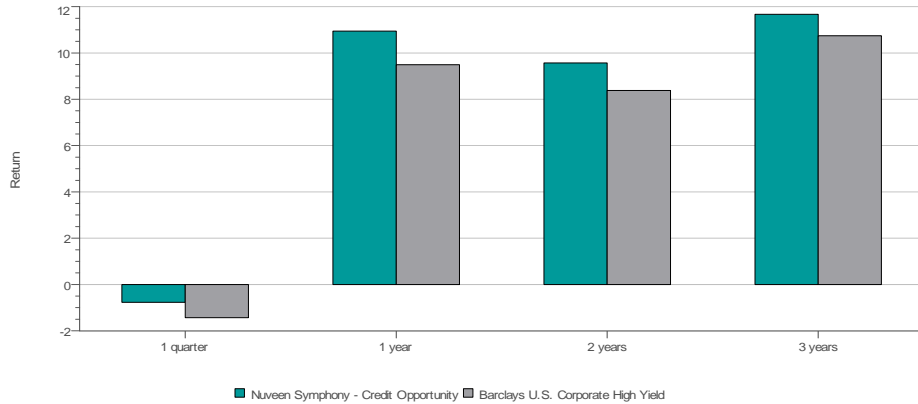
**Manager vs Benchmark: Return**  
July 2003 - June 2013 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	7 years	10 years
Brandywine - Global Opportunistic FI	-3.19%	3.87%	8.63%	7.56%	7.39%	7.31%
Citigroup World Government Bond Index	-2.97%	-4.50%	2.72%	3.04%	4.90%	4.70%

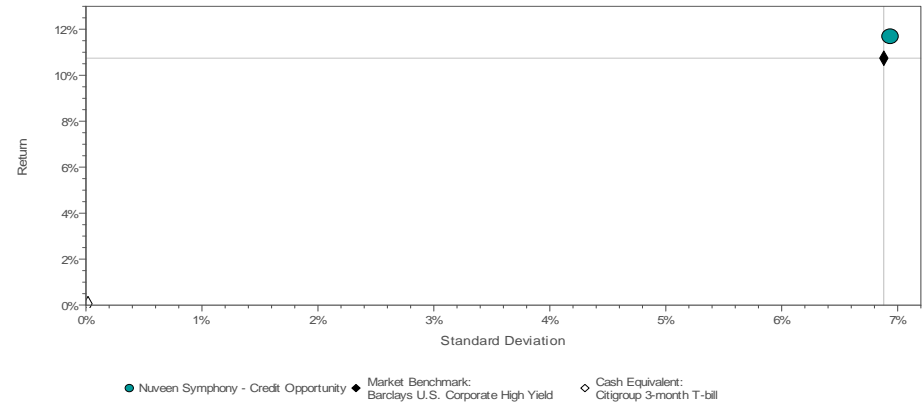


# Performance Analysis – Fund Analysis (Pro Forma)

**Manager vs Benchmark: Return**  
July 2010 - June 2013 (not annualized if less than 1 year)



**Risk / Return**  
July 2010 - June 2013 (Single Computation)



**3-year Statistics**  
July 2010 - June 2013: Summary Statistics

	Return	Excess Return	Standard Deviation	Sharpe Ratio	Information Ratio	Alpha	Beta	Maximum Drawdown	Up Capture	Down Capture
Nuveen Symphony - Credit Opportunity	11.67%	0.93%	6.93%	1.67	0.81	0.92%	0.99	-7.07%	101.51%	89.49%
Barclays U.S. Corporate High Yield	10.74%	0.00%	6.88%	1.55	0.00	0.00%	1.00	-7.14%	100.00%	100.00%

**Calendar Year Return**  
As of June 2013

	2012	2011
Nuveen Symphony - Credit Opportunity	15.87%	4.63%
Barclays U.S. Corporate High Yield	15.81%	4.98%

**Manager vs Benchmark: Return**  
July 2010 - June 2013 (not annualized if less than 1 year)

	1 quarter	1 year	2 years	3 years
Nuveen Symphony - Credit Opportunity	-0.77%	10.95%	9.57%	11.67%
Barclays U.S. Corporate High Yield	-1.44%	9.49%	8.38%	10.74%

# Analysis Disclosure

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The analysis is based on published investment manager rate of return data, capital market indices, custom (benchmarks, indices and universes), as well as software developed by Zephyr Associates. Investment manager rate of return data includes: Efron Plan Sponsor Network Database. Capital markets index data includes: Capital market indices (supplied by Zephyr), Canadian indices (supplied by Zephyr), Salomon Brothers Fixed Income indices, Morgan Stanley Capital International indices, and Dow Jones Global indices.

Zephyr StyleADVISOR uses principles of William Sharpe's theory of returns-based style analysis. Returns-based style analysis assists in identifying investment style without examining the individual security holdings of a portfolio. StyleADVISOR regresses the historical returns of the individual manager(s) against different style indices to identify the pattern of returns that the fund is most closely correlated to. SSB does not recommend the use of returns-based style analysis without the supporting fundamental research of the fund (research attribution reports).

The underlying data is believed to be reliable but accuracy and completeness cannot be assured. While the historical rates of return described in this report are believed to accurately reflect the overall nature of the portfolio, the constituent securities have not been reviewed. This evaluation is for informational purposes only and is not intended to be an offer, solicitation or recommendation with respect to the purchase or sale of any security or a recommendation of the services provided by any money management organization. Past results are not necessarily indicative of future performance.

Investors should consider the investment objectives, risks, charges, fees and expenses of the mutual fund carefully before investing. The prospectus contains more complete information about these factors and other information about the investment company. Read the prospectus carefully before you invest.

## Information Disclosures

Please notify your Financial Advisor if there have been any changes in your financial situation, investment objectives, requested restrictions or other instructions which might affect the services to be provided to you or the manner in which your assets should be invested. We have available at no cost an investment advisory services disclosure document which describes our investment advisory services and those of any investment advisors managing your account. If you would like a copy, please contact your Financial Advisor.

### Sources and Intent

This investment evaluation is directed only to the client for whom the evaluation was performed. The underlying data has been obtained from sources the Firm believes to be reliable but we do not guarantee their accuracy, and any such information may be incomplete or condensed. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security or a recommendation of the services supplied by any money management organization. Past performance is not a guarantee of future results. Performance for periods greater than one year is annualized. The information contained herein was prepared by your Financial Advisor and does not represent an official statement of your account at the Firm (or other outside custodians, if applicable.) Please refer to your monthly statement for a complete record of your transactions, holdings and balances.

### Advisory Notice

The Fiduciary Services-Affiliated Program and the Fiduciary Services-Unaffiliated Manager Program are separate and distinct advisory programs. Absent your written authorization, assets may only be transferred among managers within the particular program.

### International and Small Capitalization Securities

To the extent the investments depicted herein represent international securities, you should be aware that there may be additional risks associated with international investing involving foreign, economic, political, and/or legal factors. International investing may not be for everyone. In addition, small capitalization securities may be more volatile than those of larger companies, but these companies may present greater growth potential.

### Alternative Investments

At your request, private investment fund performance data is provided for informational purposes only, in many instances based on estimated values. Valuations shown are as of the date indicated and do not include a value for any additional investments in the private investment fund that may have been made following the noted valuation date. These investments are generally illiquid and may not be currently priced, and the assigned values may not be realized upon the sale or ultimate disposition of the securities.

The performance data presented has been prepared by the fund or its sponsor. Graystone Consulting has not independently verified such information and is not responsible or liable for any mistake or miscalculation made by the fund or its sponsor, or for any loss, liability, claim, damage or expense arising out of such mistake or miscalculation.

Presentation of the private investment fund performance data is not an offer to sell or solicitation of an offer to buy any security or other interest in the fund and does not constitute investment advice with respect to investment in any security or other interest in the fund. The information regarding the fund should not be regarded as providing any assurance that the fund will continue to have the features, attributes and qualities described herein as of any subsequent date and may not be predictive of future results.

If you have any questions regarding these investments, please contact your Financial Advisor.

**Rates of Return**

The investment results depicted herein may represent a combination of historical Gross performance before the deduction of investment management fees and historical Net performance after the deduction of investment management fees. Valuation for periods prior to July 2004 is calculated based on settlement date accounting methods. As of July 1, 2004, trade date accounting methods are used. Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. The client is referred to the Consulting Group Descriptive Brochure or Part II of the Firm's Form ADV. For historical Gross performance before the deduction of investment management fees, actual returns will be reduced by expenses that may include management fees and cost of transactions. As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, on an account with a 2% fee, if the gross performance is 10%, the compounding effect of the fees will result in a net performance of approximately 7.81%. This Report is for one-on-one client presentations only.

**Bond Average**

Please note that all averages calculated are weighted averages meaning that the calculation takes into account the par value of each position. CMO's and Asset Backed securities are excluded from the calculation. Any bonds that are non-rated by both Moody's and S&P are excluded from the average rating calculation.

**International History:**

Until 4th quarter 1997, International equities were included within the Domestic equity category for performance presentation. For asset allocation purposes, they are reflected beginning Jan.1, 1998.

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# Detailed Consolidated Investment Performance Report

For All Selected Accounts

As Of 06/30/2013

Time Weighted Returns After Fees

	CUR MONTH	CUR QTD	CALENDAR YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	PERF. INCEPTION
<b>ENDOWMENT FUNDS</b>									
<i>General Fund</i>									
Capital Partners IV	0.00	1.43	5.95	7.91	10.77	0.27	N/A	-3.68	10/31/07
Private Equity Partners VII	0.00	2.71	7.66	9.10	11.22	1.22	N/A	-2.32	10/31/07
<b>Total Private Capital</b>	<b>0.00</b>	<b>2.34</b>	<b>7.16</b>	<b>8.76</b>	<b>11.11</b>	<b>0.91</b>	<b>N/A</b>	<b>-2.81</b>	<b>12/31/07</b>
Realty Investors 2004-12 (Tranche)	0.00	N/A	N/A	N/A	0.00	-100.00	N/A	-100.00	10/31/05
<b>Total Real Estate</b>	<b>0.00</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.00</b>	<b>-100.00</b>	<b>N/A</b>	<b>-100.00</b>	<b>09/30/05</b>
<i>Total General Fund</i>	<b>0.00</b>	<b>2.34</b>	<b>6.46</b>	<b>7.82</b>	<b>11.40</b>	<b>-12.30</b>	<b>N/A</b>	<b>-1.37</b>	<b>09/30/03</b>
<b>TOTAL ENDOWMENT FUNDS</b>	<b>0.00</b>	<b>2.34</b>	<b>6.46</b>	<b>7.82</b>	<b>11.40</b>	<b>-12.30</b>	<b>N/A</b>	<b>2.17</b>	<b>01/31/96</b>
<b>OPERATING FUNDS</b>									
<i>General Fund</i>									
Multi-Strategy Equity Fund	-2.09	1.97	12.30	21.51	14.64	5.25	N/A	7.77	09/30/03
S&P 500 Index	-1.34	2.91	13.82	20.60	18.45	7.01	N/A	7.20	
<b>Total Equity</b>	<b>-2.09</b>	<b>1.97</b>	<b>12.30</b>	<b>21.51</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8.96</b>	<b>06/30/11</b>
<i>Total General Fund</i>	<b>-2.09</b>	<b>1.89</b>	<b>12.00</b>	<b>21.07</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8.93</b>	<b>06/30/11</b>
<b>TOTAL OPERATING FUNDS</b>	<b>-2.09</b>	<b>1.89</b>	<b>12.00</b>	<b>21.07</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>7.60</b>	<b>02/29/96</b>
<b>TOTAL INSTITUTION</b>	<b>-1.94</b>	<b>1.90</b>	<b>11.43</b>	<b>19.71</b>	<b>10.92</b>	<b>-12.53</b>	<b>N/A</b>	<b>2.15</b>	<b>01/31/96</b>

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# Detailed Consolidated Investment Performance Report

For All Selected Accounts

As Of 06/30/2013

Time Weighted Returns After Fees

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## *Explanatory Notes :*

- \* Group performance returns include all accounts, both current and closed, and are available from 7/95 forward. Only current accounts are shown as individual line items. Refer to the "Performance - Closed Accounts" query in Portfolio Access for a complete list of closed accounts.
- \* CRI performance reflects data from inception of the institution's first draw down through March 31, 2010.
- \* Effective 10/31/2011, performance for non-marketable investment programs, including private Capital, distressed debt and real estate, is reported in the month that the quarterly fund valuations are completed. For example, if a particular investment program valuation is completed on 9/15/YYYY (representing final valuations for 6/30/YYYY), the performance will appear on the 9/30/YYYY Detailed Consolidated Investment Performance Report. (Note: Prior to 10/31/2011, performance for these funds was reported quarterly, with a 3 month lag.)
- \* Private Capital and Commonfund Realty Partners I, L.P returns are normally reported as an Internal Rate of Return (IRR). All other Commonfund investment returns are reported as Time Weighted Rates of Return (TWR). For Consolidated Performance reporting purposes TWR's are used for all individual and composite returns.
- \* Past performance is no assurance of future results.
- \* For questions, inquiries, concerns or to report any discrepancies or inaccuracies with your report, please call the Account Services team at 888-TCF-FUND.
- \* Benchmarks are not available for all products due to the nature of the investment.

# Institution Summary

As of 06/30/13

Account Title	Marketable Securities			Non-Marketable Securities	
	Equity	Fixed Income	Cash Equivalents	Private	Real Estate
General Fund-06	\$8,401,485.97			\$686,287.00	\$41,419.74
<b>Total Cal Poly Pomona Foundation</b>	\$8,401,485.97			\$686,287.00	\$41,419.74
<b>% Allocation*</b>	92.03%			7.52%	0.45%

**Cal Poly Pomona Foundation Total Market Value** \$9,129,192.71

	<u>Market Value</u>	<u>Value Date*</u>
Marketable Investments	\$8,401,485.97	06/28/13
Private Programs	\$686,287.00	03/31/13
Real Estate	\$41,419.74	03/31/13

	<u>Market Value</u>	<u>% Allocation</u>
Endowment/Plan Pool	\$727,706.74	7.97%
Operating Pool	\$8,401,485.97	92.03%

\* Investments in Programs of Commonfund Capital and Commonfund Realty are carried as of the most recent valuation date which may not correspond to the marketable securities valuation dates.

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# Institution Summary

*As of 06/30/13*

***Explanatory Notes:***

- *Past performance is no assurance of future results.*
- *For questions, inquiries, concerns or to report any discrepancies or inaccuracies with your report, please call the Account Services team at 888-TCF-FUND.*

\* Investments in Programs of Commonfund Capital and Commonfund Realty are carried as of the most recent valuation date which may not correspond to the marketable securities valuation dates.

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# Investment Portfolio by Commonfund Fund

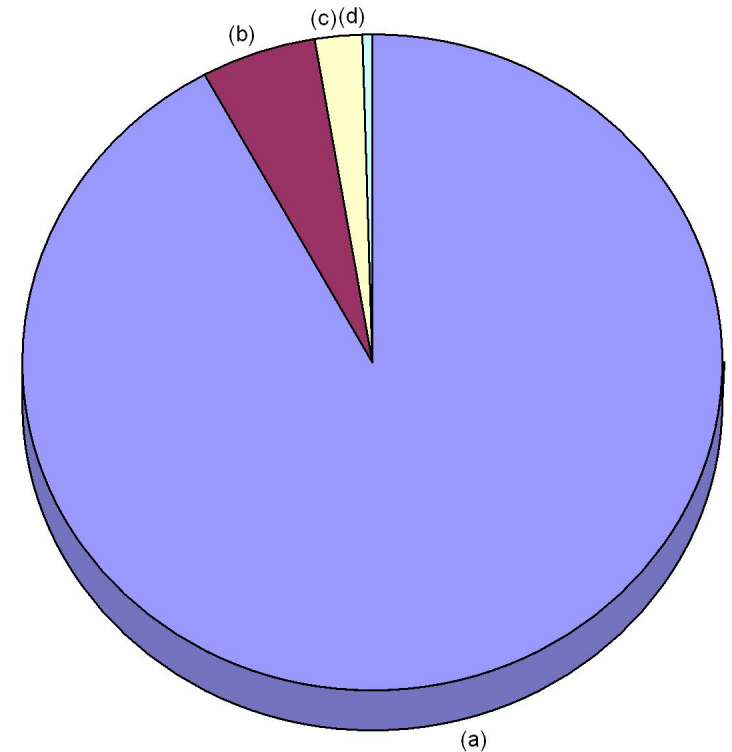
## For All Accounts

As of 06/30/13

Total Portfolio Value:

\$9,129,193

	Market Value	Percent Of Total**
(a) Multi-Strategy Equity Fund	\$8,401,486	92.03%
(b) Private Equity Partners VII	\$485,644	5.32%
(c) Capital Partners IV	\$200,643	2.20%
(d) Realty Investors 2004-12 (Tranche)	\$41,420	0.45%



\* Investments in Programs of Commonfund Capital and Commonfund Realty are carried as of the most recent valuation date which may not correspond to this date.

\*\* Due to rounding, percentages may not total to 100%.

For the Short Term and Evergreen Funds, reported values include transactions pending at current month end.

# Investment Portfolio by Asset Class

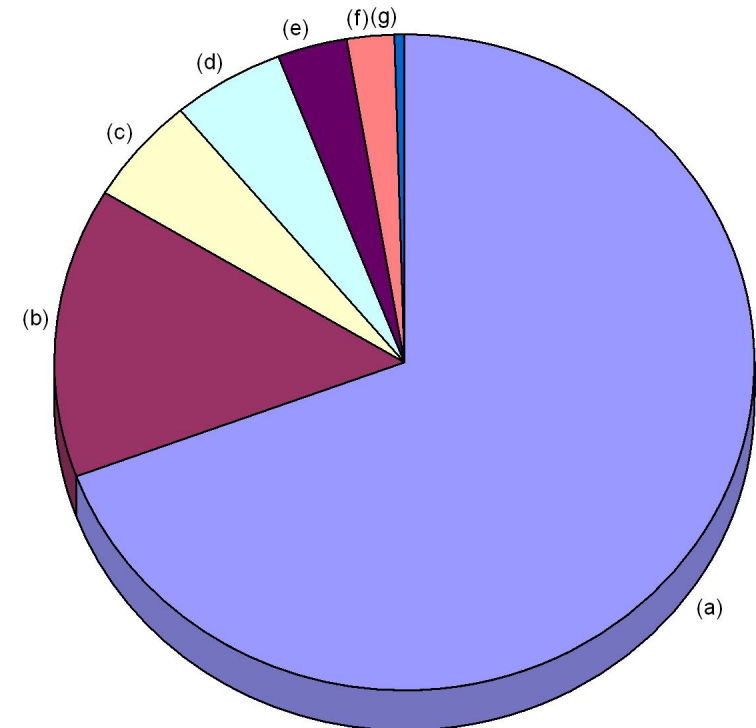
## For All Accounts

As of 06/30/13

Total Portfolio Value:

\$9,129,193

	Market Value	Percent Of Total**
(a) Domestic Equity	\$6,334,720	69.40%
(b) Marketable Alternatives	\$1,302,230	14.26%
(c) Domestic Private Equity	\$485,644	5.32%
(d) Emerging Markets	\$470,483	5.15%
(e) International Equity	\$294,052	3.22%
(f) Multi- Asset	\$200,643	2.20%
(g) Private Real Estate	\$41,420	0.45%



\* Investments in Programs of Commonfund Capital and Commonfund Realty are carried as of the most recent valuation date which may not correspond to this date.

\*\* Due to rounding, percentages may not total to 100%.

\*\*\* For the Short Term and Evergreen Funds, reported values include transactions pending at current month end.

# Investment Portfolio by Asset Style

## For All Accounts

As of 06/30/13

Total Portfolio Value:

\$9,129,193

Asset Style	Total Asset Style Market Value	Percent of Portfolio**
US Large Cap Core Equity	\$3,478,215	38.10%
US All Cap Equity	\$2,537,249	27.79%
Marketable Alternatives	\$1,302,230	14.26%
Private Equity	\$485,644	5.32%
Emerging Market Equity	\$470,483	5.15%
US Large Cap Value Equity	\$319,256	3.50%
International Equity	\$294,052	3.22%
Multi-Asset	\$200,643	2.20%
Private Real Estate	\$41,420	0.45%

\* Investments in Programs of Commonfund Capital and Commonfund Realty are carried as of the most recent valuation date which may not correspond to this date.

\*\* Due to rounding, percentages may not total to 100%.

For the Short Term and Evergreen Funds, reported values include transactions pending at current month end.

# Marketable Investments Account Summary

## For All Accounts

For Date Range 06/01/13 - 06/30/13

Investment Fund	06/01/13 Beginning Market Value	Net* Transactions	Participant fees Withdrawn	Unrealized ** Appreciation	06/30/13 Ending Market Value
<b>OPERATING FUND</b>					
<i>General Fund-06</i>					
Multi-Strategy Equity Fund	\$9,602,019.52	(\$966,102.36)	(\$2,729.81)	(\$231,701.38)	\$8,401,485.97
<b>Total Equity</b>	<b>\$9,602,019.52</b>	<b>(\$966,102.36)</b>	<b>(\$2,729.81)</b>	<b>(\$231,701.38)</b>	<b>\$8,401,485.97</b>
Multi-Strategy Bond Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Fixed Income</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<i>Total General Fund-06</i>	<b>\$9,602,019.52</b>	<b>(\$966,102.36)</b>	<b>(\$2,729.81)</b>	<b>(\$231,701.38)</b>	<b>\$8,401,485.97</b>
<b>TOTAL OPERATING FUND</b>	<b>\$9,602,019.52</b>	<b>(\$966,102.36)</b>	<b>(\$2,729.81)</b>	<b>(\$231,701.38)</b>	<b>\$8,401,485.97</b>
<b>Institution Totals</b>					
<b>Total Marketable Investments</b>	<b>\$9,602,019.52</b>	<b>(\$966,102.36)</b>	<b>(\$2,729.81)</b>	<b>(\$231,701.38)</b>	<b>\$8,401,485.97</b>
<b>Total Operating Fund</b>	<b>\$9,602,019.52</b>	<b>(\$966,102.36)</b>	<b>(\$2,729.81)</b>	<b>(\$231,701.38)</b>	<b>\$8,401,485.97</b>
<b>Total Endowment</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Equity</b>	<b>\$9,602,019.52</b>	<b>(\$966,102.36)</b>	<b>(\$2,729.81)</b>	<b>(\$231,701.38)</b>	<b>\$8,401,485.97</b>
<b>Total Fixed Income</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

\* Net Transactions includes all contributions, withdrawals, and reinvestments.

\*\* Unrealized Appreciation does not include income distributed. See Income Summary for details.

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Cal Poly Pomona Foundation

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# Marketable Investments Account Summary

## For All Accounts

*For Date Range 06/01/13 - 06/30/13*

***Explanatory Notes:***

- *For questions, inquiries, concerns or to report any discrepancies or inaccuracies with your report, please call the Account Services team at 888-TCF-FUND.*

\* Net Transactions includes all contributions, withdrawals, and reinvestments.

\*\* Unrealized Appreciation does not include income distributed. See Income Summary for details.

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# Marketable Investments Income Summary

For All Accounts

For Date Range 06/01/2013 - 06/30/2013

Investment Fund	Fees Accrued	Income Distribution	Reinvestments
<b>OPERATING</b>			
<i>General Fund-06</i>			
Multi-Strategy Equity Fund	(\$2,729.81)	\$0.00	\$33,897.64
<b>Total General Fund-06</b>	<b>(\$2,729.81)</b>	<b>\$0.00</b>	<b>\$33,897.64</b>
<b>TOTAL OPERATING</b>	<b>(\$2,729.81)</b>	<b>\$0.00</b>	<b>\$33,897.64</b>
<b>Grand Total</b>	<b>(\$2,729.81)</b>	<b>\$0.00</b>	<b>\$33,897.64</b>

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# Marketable Investments Income Summary

## For All Accounts

*For Date Range 06/01/2013 - 06/30/2013*

***Explanatory Notes:***

- *For questions, inquiries, concerns or to report any discrepancies or inaccuracies with your report, please call the Account Services team at 888-TCF-FUND.*

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# Marketable Investments Transaction Details by Account

## For All Accounts

*For Date Range 06/01/13 - 06/30/13*

### General Fund-06 from 06/01/13 to 06/30/13

Investment Fund	Date	Type	Shares	Dollars
Multi-Strategy Equity Fund	06/28/13	Dividend Reinvested	145.110	\$33,897.64
Multi-Strategy Equity Fund	06/28/13	Fee Redemption	(11.686)	(\$2,729.81)
Multi-Strategy Equity Fund	06/28/13	Redemption	(4,280.836)	(\$1,000,000.00)



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# Marketable Investments Transaction Details by Account

## For All Accounts

*For Date Range 06/01/13 - 06/30/13*

***Explanatory Notes:***

- *For questions, inquiries, concerns or to report any discrepancies or inaccuracies with your report, please call the Account Services team at 888-TCF-FUND.*

# Non-Marketable Investments Account Summary

For All Accounts

Inception Through June 30, 2013

	Vintage Year	Capital Committed	Capital Called	Remaining Capital to be Called	Capital Distributions	Capital Balance	Overall Return Multiple	IRR	Value Date
<b>General Fund-06</b>									
<b>Private Capital</b>									
<b>Multi Asset</b>									
CCP IV	2007	250,000	190,625	59,375	23,800	200,643	1.18		03/31/13
<b>Total Multi Asset</b>		<b>250,000</b>	<b>190,625</b>	<b>59,375</b>	<b>23,800</b>	<b>200,643</b>	<b>1.18</b>		
<b>U. S. Private Equity</b>									
CEP VII	2007	750,000	510,750	239,250	112,242	485,644	1.17		03/31/13
<b>Total U. S. Private Equity</b>		<b>750,000</b>	<b>510,750</b>	<b>239,250</b>	<b>112,242</b>	<b>485,644</b>	<b>1.17</b>		
<b>Total Private Capital</b>		<b>1,000,000</b>	<b>701,375</b>	<b>298,625</b>	<b>136,042</b>	<b>686,287</b>	<b>1.17</b>		
<b>Real Estate</b>									
RI200412	2005	1,500,000	1,500,000	0	244,744	41,420	0.19		03/31/13
<b>Total Real Estate</b>		<b>1,500,000</b>	<b>1,500,000</b>	<b>0</b>	<b>244,744</b>	<b>41,420</b>	<b>0.19</b>		
<b>Grand Total</b>		<b>2,500,000</b>	<b>2,201,375</b>	<b>298,625</b>	<b>380,786</b>	<b>727,707</b>	<b>0.50</b>		

CCP IV - Capital Partners IV

CEP VII - Private Equity Partners VII

RI200412 - Realty Investors 2004-12 (Tranche)

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# Non-Marketable Investments Account Summary

## For All Accounts

*Inception Through June 30, 2013*

### *Explanatory Notes:*

- *All performance data set forth herein is net of all fees and carried interest. Internal Rates of Return (IRR) should be evaluated in light of information on the investment program of the partnership, the risks associated therewith, and performance of the partnership as disclosed in the Offering Memorandum for the partnership, the Audited Annual Reports of the partnership and the Quarterly Reports of the partnership. Return information is presented for these partnerships on a dollar-weighted (e.g., internal rate of return) basis, which is standard for the private capital industry, rather than the time-weighted (i.e., annual or other period rate of return) basis, which is used principally to report performance of publicly-traded securities. The IRR since inception is the most commonly used calculation methodology for presentation of performance in the private capital business. Comparison of returns calculated on an IRR basis with returns on a time-weighted basis is not appropriate. For a description of the two return calculation methods see Measuring Investment Returns, Time vs. Dollar-Weighted - What's the Difference?, a copy is available from Commonfund.*
- *Also Referred to as Net Multiple, total value to invested capital net of the general partner's carried interest = (Distribution + Ending Capital Balance)/Capital Drawdown).*
- *Net annualized internal rate of return since inception through value date.*
- *Performance information is not shown for liquidated funds or for funds where the information is not yet meaningful due to the youth of the fund. Transaction flows and capital for these funds are not included in the appropriate totals.*
- *Past performance is no assurance of future results.*
- *For questions, inquiries, concerns or to report any discrepancies or inaccuracies with your report, please call the Account Services team at 888-TCF-FUND.*

# Commonfund Capital, Inc. Quarterly Report

Commonfund Capital  
Partners IV, L.P.

March 31, 2013



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## About Commonfund Capital

Commonfund Capital, Inc. is a wholly owned subsidiary of Commonfund. Since our founding in 1988, Commonfund Capital has served as an extension of our client's investment committees and staff. We offer investors flexible solutions to customize private capital portfolios through high-quality fund of funds programs and separate/managed accounts by partnering with many of the world's leading private equity, venture capital and natural resources firms.

## About Commonfund

Founded in 1971, Commonfund is an institutional investment firm serving nonprofit institutions, pension funds and other leading institutional investors offering a broad range of investment solutions in traditional and alternative strategies. Directly or through its subsidiaries—Commonfund Capital and Commonfund Asset Management Company—Commonfund manages over \$24 billion for nearly 1,500 clients. Commonfund, together with its subsidiary companion organizations, offers more than 30 different investment programs. All securities are distributed through Commonfund Securities, Inc. For additional information about Commonfund, please visit [www.commonfund.org](http://www.commonfund.org).

Please see the Private Market Environment and Commentary in the Quarterly Report section of the Portfolio Access Inbox.

### CONFIDENTIAL

The information in this Quarterly Report is intended solely for the use of investors in this fund. Per the limited partnership agreement, Limited Partners must maintain the information in this Report in the strictest confidence, and may not disclose it to any person other than their affiliates or advisers who agree to maintain the information in similar confidence without the prior permission of the General Partner. Limited Partners should understand that the Partnership in many instances agreed with funds in which the Partnership has invested ("Target Funds"), to keep confidential certain information provided by Target Funds to their investors. To the extent such information is included in this Quarterly Report, Limited Partners are advised that (1) Target Funds may possess third party rights with respect to any breaches of the confidentiality obligations contained in the Partnership's Agreement of Limited Partnership; and (2) Target Funds have not participated in the preparation of this Quarterly Report, nor reviewed the financial information provided herein.

Confidential and Trade Secret – Prepared for the exclusive use of Commonfund Capital Investors.

## Commonfund Capital Partners IV, L.P. (CCP IV)

At A Glance | March 31, 2013

### Highlights

- The fund increased in value by \$0.6 million (net of capital calls and distributions) during the quarter

Drivers of the performance included:

- There were valuation increases in many global venture capital funds, including improved operating performance of a software-as-a-service company and a secondary transaction of a gaming company.
- There were valuation increases in many U.S. private equity funds, specifically in the public share prices of Bright Horizons Family Solutions (NYSE: BFAM), U.S. Silica (NYSE: SLCA) and NCI Building (NYSE: NCS). In addition, AssuraMed was sold to a strategic acquirer during the quarter.
- There were valuation increases in many natural resources funds, specifically in the public share price of Cobalt International (NYSE: CIE) as well as a significant addition to the reserves of a privately-held exploration and production company.

### Investment Objective and Strategy\*

Long-term capital appreciation and superior risk-adjusted net returns through equity investments. Strategic focus areas include:

- Venture Capital: early stage, information technology and life sciences/healthcare
- Private Equity: growth equity, small/middle market and large leveraged buyouts
- Global Private Equity ex-U.S.: European, Asian and other non-U.S. private equity
- Natural Resources: oil, natural gas, oilfield services, power and other natural resources-related areas including alternative energy

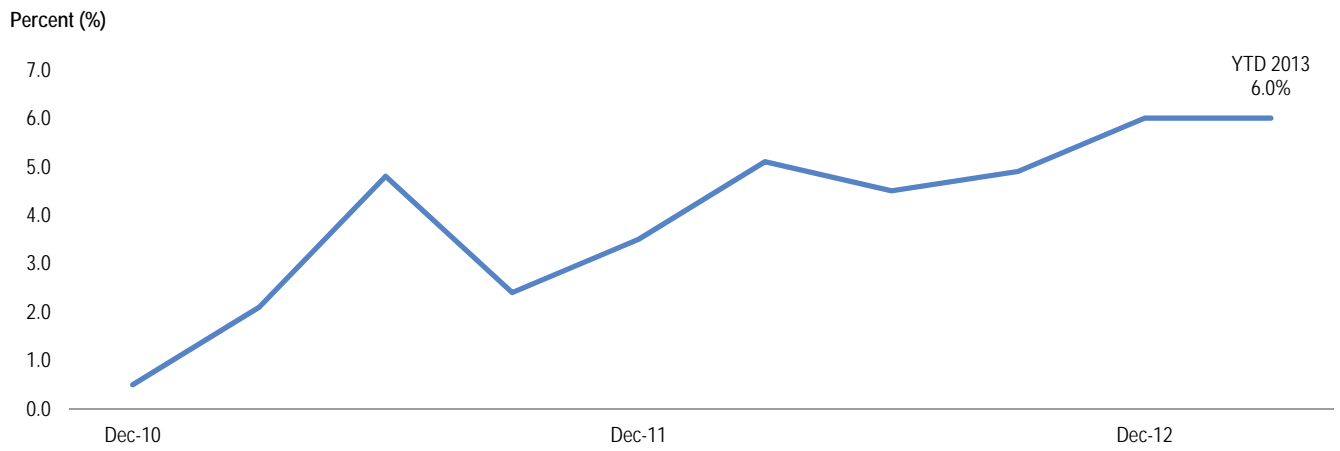
\*The fund's objective may not be achieved. Please see this fund's confidential offering memorandum for a detailed description of its investment objective, program and restrictions. Past performance may not be indicative of future results.

Fund Metrics (\$mm)	
Fund Size	\$40.0
Date of First Capital Call/Inception Date	8/13/2007
Cumulative Capital Called Since Inception	\$29.7
Capital Called this Quarter	\$0.4
Cumulative Distributions Since Inception	\$3.0
Distributed this Quarter	\$0.8
Amount of Managers' Distributions Recycled Since Inception:	\$0.0

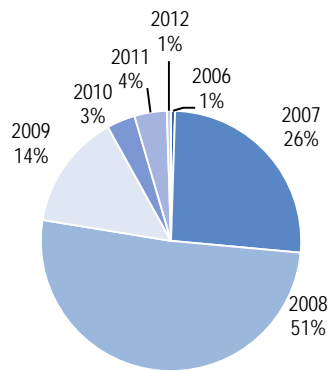
Manager Metrics	
Number of Managers	15
Number of Funds	19
Commitments to Managers Since Inception (mm)	\$39.9
Percentage of Fund Committed	100%
# of Portfolio Investments Since Inception	3,021
# of Remaining Portfolio Investments	2,585
Public Securities Value Held by Managers as a Percentage of Remaining Portfolio Value	9.2%

Performance	
Net IRR since Inception	6.0% <sup>1</sup>
Thomson Reuters Median Benchmark	9.0% <sup>2</sup>
Net Multiple Since Inception	1.2x <sup>3</sup>
Distributions/Paid in Capital	0.1x <sup>4</sup>

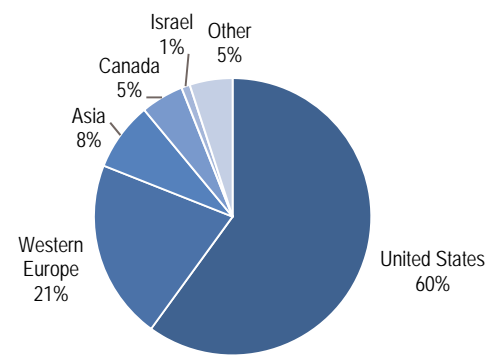
Net IRR History<sup>5</sup> | March 31, 2013



Vintage Year Diversification of Manager Commitments<sup>6</sup>



Current Portfolio Value by Geographic Diversification

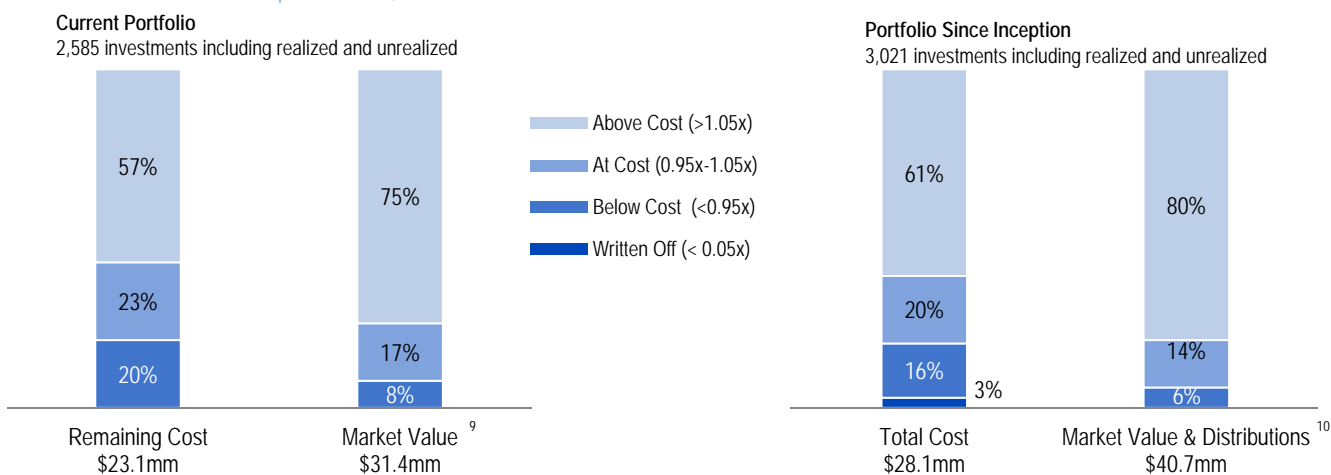


Source: Commonfund Capital Internal Database

Actual and Estimated Cap Calls per Quarter<sup>7</sup> | March 31, 2013

Fund	First Drawdown	Actual				Total Called	Estimate			
		2Q2012	3Q2012	4Q2012	1Q2013		2Q2013	3Q2013	4Q2013	1Q2014
CCP IV	8/13/2007	0.0%	2.0%	6.8%	1.0%	74.3%	4.0%	4.0%	3.0%	3.0%

Industry Breakout	Remaining Portfolio Value
Computer Related	24%
Consumer Related	16%
Energy	16%
Medical/Health	9%
Services	8%
Finance	7%
Industrial Products	6%
Communications	3%
Construction & Bldg. Products	2%
Electronics	2%
Transportation	2%
Real Estate	1%
Other	4%
<b>Total</b>	<b>100%</b>

Portfolio Cost and Value<sup>8</sup> | March 31, 2013

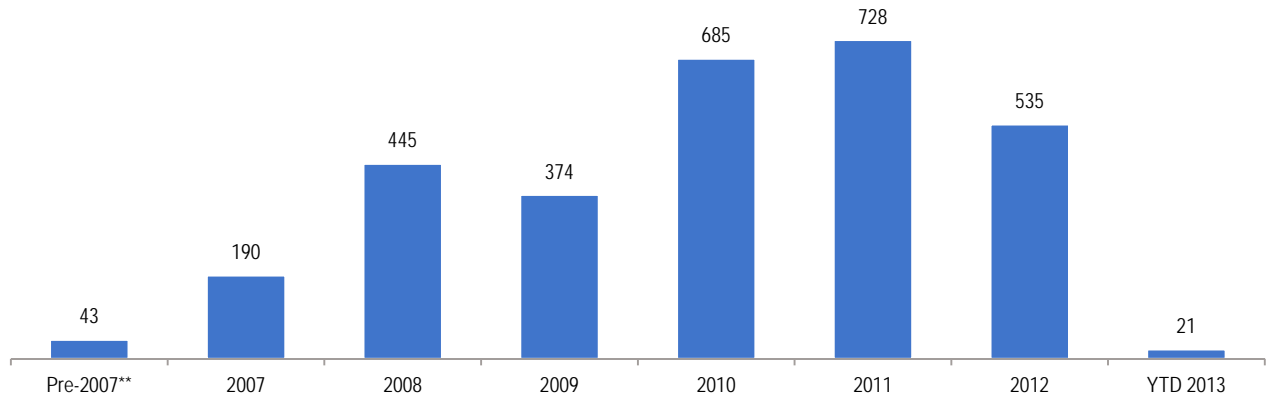
Current Portfolio <sup>11</sup>	Years
Dollar Weighted Average Age	2.7
Company Life Average Age	2.5
Company Life Median Age	2.3

Source: Commonfund Capital Internal Database



Investment Activity | March 31, 2013

Number of Investments\* | 3,021 Investments

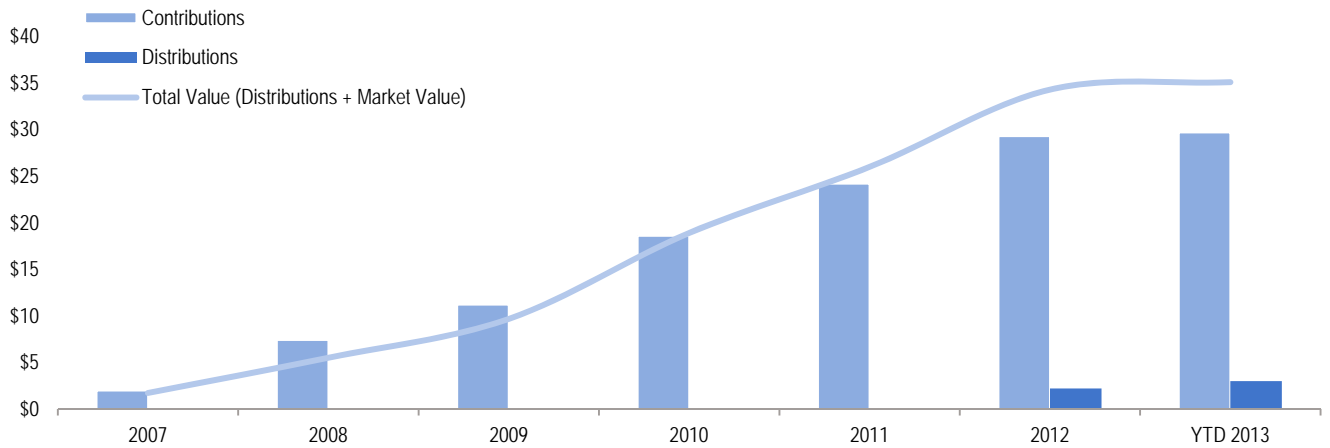


\* Follow-on investments in the same company are not included, so investments are only counted at the time of the initial purchase.

\*\* Pre-2007 companies in CCP IV (2007) are a result of secondary partnership interests acquired by CCP IV.

Historical Cash Flow and Market Value<sup>12</sup> | March 31, 2013

Fund Size \$40.0 Million | Dollars in Millions



Source: Commonfund Capital Internal Database

## Commonfund Capital Partners IV, L.P.

March 31, 2013

(Unaudited)

## Balance Sheet

Assets	
Investments, at value	\$31,920,346
Cash and cash equivalents	463,894
Other assets	60,452
<b>Total Assets</b>	<b>32,444,692</b>
Liabilities and Partners' Capital	
Total liabilities	137,646
Total partners' capital	32,307,046
<b>Total Liabilities and Partners' Capital</b>	<b>\$32,444,692</b>

## Statement of Operations

Current Quarter  
March 31, 2013

Investment Gain/(Loss)	
Net realized gain/(loss) on investments	\$458,230
Net change in unrealized appreciation/(depreciation) of investments and foreign currency translations	197,071
Equity in net operating gains/(losses) of investments in limited partnerships	(56,112)
<b>Net Gain/(Loss) on Investments</b>	<b>599,189</b>
Expenses	
Management fees	63,917
Professional fees	64,651
General and administrative expenses	1,884
Total Operating Expenses	130,452
Net Operating Gain/(Loss)	(130,452)
<b>Net Increase/(Decrease) in Partners' Capital from Operations</b>	<b>\$468,737</b>

Statement of Changes in Partners' Capital	General Partner	Limited Partner	Total Partners' Capital
Partners' Capital as of January 1, 2013	\$160,905	\$32,108,458	\$32,269,363
Cash contributions	0	400,300	400,300
Cash distributions	0	(831,354)	(831,354)
Net gain/(loss)	13,266	455,471	468,737
<b>Partners' Capital</b>	<b>\$174,171</b>	<b>\$32,132,875</b>	<b>\$32,307,046</b>

## Commonfund Capital Partners IV, L.P.

March 31, 2013

(Unaudited)

## Statement of Limited Partnership Investments | Current Quarter

Partnership	Fair Value as of December 31, 2012	Total Contributions For Quarter	Total Distributions For Quarter	Total Net Oper Inc/(Loss) & Realized Gains/(Losses) For Quarter	Unrealized Appreciation/ (Depreciation) For Quarter	Fair Value as of March 31, 2013
Apax Europe VII-A (Feeder), LP	\$1,188,843	(\$32)	(\$65)	\$12,910	\$12,781	\$1,214,437
Bain Capital Fund X, LP	841,442	30,000	0	(4,165)	48,255	915,532
Bridgepoint Europe IV, LP	1,021,971	141,735	0	(8,670)	(34,326)	1,120,710
Cadent Energy Partners II, LP	1,037,768	30,276	(190,032)	141,042	(131,282)	887,772
Clayton, Dubilier & Rice Fund VIII, LP	851,096	38,265	(118,835)	71,708	24,140	866,374
Commonfund Capital International Partners VI, LP	4,835,514	165,000	(97,109)	87,627	(113,060)	4,877,972
Commonfund Capital Natural Resources Partners VII, LP	3,755,405	50,000	(186,002)	30,930	65,657	3,715,990
Commonfund Capital Private Equity Partners VII, LP	4,476,466	245,000	(26,938)	26,878	104,532	4,825,938
Commonfund Capital Venture Partners VIII, LP <sup>6</sup>	7,220,604	192,500	(97,040)	30,947	180,245	7,527,256
CVC European Equity Partners V, LP	874,116	35,763	(56,904)	22,682	(46,261)	829,396
Flexpoint Fund II, LP	218,586	0	(6,600)	(3,700)	0	208,286
Ford Financial Fund, LP	0	0	0	0	0	0
Friedman Fleischer & Lowe Capital Partners III, LP	668,939	1,178	0	10,325	18,135	698,577
Great Hill Equity Partners IV, LP	447,375	14,000	0	(5,511)	26,524	482,388
Madison Dearborn Capital Partners VI-A & VI-B, LP	316,722	(5,213)	2,878	(2,549)	6,202	318,040
Natural Gas Partners IX, LP	979,209	0	0	(2,993)	55,742	1,031,958
Nordic Capital VII, LP	1,238,964	70	0	(4,425)	(20,213)	1,214,396
Roark Capital Partners II, LP	1,184,732	1,510	0	(918)	0	1,185,324
<b>Total<sup>1</sup></b>	<b>\$31,157,752</b>	<b>\$940,052</b>	<b>(\$776,647)</b>	<b>\$402,118</b>	<b>\$197,071</b>	<b>\$31,920,346</b>

See following page for footnotes.

## Commonfund Capital Partners IV, L.P.

March 31, 2013

(Unaudited)

## Statement of Limited Partnership Investments | Since Inception

Partnership	Vintage Year	Total Commitment <sup>5</sup>	Total Contributions To Date	Total Distributions To Date	Total Net Oper Inc/(Loss) & Realized Gains/(Losses) To Date	Unrealized Appreciation/ (Depreciation)	Fair Value	Total Value <sup>2</sup>	Multiple <sup>3</sup>	IRR <sup>4</sup>
Apax Europe VII-A (Feeder), LP	2007	\$1,426,700	\$1,321,079	(\$216,096)	(\$26,909)	\$136,363	\$1,214,437	\$1,430,533	1.1x	2.4%
Bain Capital Fund X, LP	2008	1,000,000	907,500	(89,164)	(41,728)	138,924	915,532	1,004,696	1.1x	4.3%
Bridgepoint Europe IV, LP	2008	1,475,000	1,006,566	0	(103,627)	217,771	1,120,710	1,120,710	1.1x	5.7%
Cadent Energy Partners II, LP	2007	1,000,000	807,415	(274,444)	73,292	281,509	887,772	1,162,216	1.4x	12.6%
Clayton, Dubilier & Rice Fund VIII, LP	2009	1,000,000	783,406	(279,578)	162,856	199,690	866,374	1,145,952	1.5x	20.7%
Commonfund Capital International Partners VI, LP	2007	6,000,000	4,425,000	(403,319)	36,782	819,509	4,877,972	5,281,291	1.2x	6.7%
Commonfund Capital Natural Resources Partners VII, LP	2007	4,000,000	3,356,000	(796,032)	178,012	978,010	3,715,990	4,512,022	1.3x	9.9%
Commonfund Capital Private Equity Partners VII, LP	2007	7,000,000	4,627,000	(943,604)	355,496	787,046	4,825,938	5,769,542	1.2x	9.8%
Commonfund Capital Venture Partners VIII, LP <sup>6</sup>	2007	8,000,000	6,372,500	(405,429)	(400,066)	1,960,251	7,527,256	7,932,685	1.2x	8.5%
CVC European Equity Partners V, LP	2008	1,579,600	858,686	(222,884)	88,436	105,158	829,396	1,052,280	1.2x	7.8%
Flexpoint Fund II, LP	2009	625,000	244,737	(6,600)	(59,802)	29,951	208,286	214,886	0.9x	-11.8%
Ford Financial Fund, LP	2009	375,000	369,552	(727,963)	358,411	0	0	727,963	2.0x	34.9%
Friedman Fleischer & Lowe Capital Partners III, LP	2008	1,000,000	556,072	0	(25,990)	168,495	698,577	698,577	1.3x	9.8%
Great Hill Equity Partners IV, LP	2008	1,000,000	765,000	(570,500)	198,004	89,884	482,388	1,052,888	1.4x	20.2%
Madison Dearborn Capital Partners VI-A & VI-B, LP	2008	1,000,000	451,612	(238,606)	74,660	30,374	318,040	556,646	1.2x	10.8%
Natural Gas Partners IX, LP	2007	1,000,000	901,763	(172,606)	25,749	277,052	1,031,958	1,204,564	1.3x	11.5%
Nordic Capital VII, LP	2008	1,441,300	1,131,487	0	(117,109)	200,018	1,214,396	1,214,396	1.1x	2.5%
Roark Capital Partners II, LP	2008	1,000,000	845,397	(222,491)	(4,529)	566,947	1,185,324	1,407,815	1.7x	22.1%
<b>Total<sup>1</sup></b>		<b>\$39,922,600</b>	<b>\$29,730,772</b>	<b>(\$5,569,316)</b>	<b>\$771,938</b>	<b>\$6,986,952</b>	<b>\$31,920,346</b>	<b>\$37,489,662</b>		

1) The investment performance of the partnerships listed above have not been verified or approved by those managers.

2) Total value is distributions plus the fair value capital balance.

3) Multiple is equal to total value/contributions. Multiple is net of manager fees and carried interest.

4) The IRR (Internal Rates of Return) is computed based on the actual dates of the cash inflows (capital contributions), cash outflows (cash and stock distributions), and the ending fair value at the end of the period. This IRR is from inception and is net of manager fees and carried interest. The IRR from inception is the most commonly used calculation methodology for presentation of performance in the private capital business.

5) Please note that on the commitments that were originally made in foreign denominations, the commitment reported here in USD is at the historical rate at the point of commitment (unless the commitment has been fully called in which case the commitment is adjusted to the actual amount paid). Actual US dollar exposure to a foreign currency denominated fund at the end of the quarter is different from the amounts above. Actual exposure is equal to the sum of the capital drawn down at the exchange rate at the dates of the draw downs and undrawn capital at a spot rate at the end of the quarter.

6) Figures represent the core fund plus a manager that CCI is not able to report on due to confidentiality provisions adopted at the manager level.

## Valuation of Investments

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Partnership discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The guidance establishes three levels of fair value hierarchy as follows:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date;
- Level 2 – Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active and investments in investees which may permit redemption at net asset value (or equivalent) at the measurement date;
- Level 3 – Inputs that are unobservable and investments in investees which may not permit redemption at net asset value (or equivalent) at the measurement date.

Inputs are used in applying the valuation techniques and broadly refer to the assumptions that the General Partner uses to make valuation decisions, including assumptions about risk. Inputs may include recent transactions, earnings forecasts, market multiples, future cash flows, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the General Partner's perceived risk of that investment.

The Partnership invests primarily in other limited partnerships formed for the purpose of making investments in Focused Programs managed by CCI as well as in venture capital, domestic private equity, natural resource related investments and international private capital. A Focused Program is an investment fund that makes investments in one of the asset classes in which the affiliated partnerships may invest (i.e. venture capital, domestic private equity, natural resource related investments and international private capital). Generally, the Partnership may not transfer, or withdraw, its investments in limited partnerships prior to their termination. Most investment partnerships have an original term of ten years, with the right to extend the term of the investment partnership up to two to four years.

Since the investments in limited partnerships are valued utilizing unobservable inputs, and do not permit redemption at the measurement date, such investments are classified within Level 3. The limited partnership investments are presented in the accompanying financial statements at fair value, as determined by the General Partner. The General Partner's determination of fair value is based upon the best

available information provided by the limited partnerships and may incorporate management assumptions and best estimates after considering a variety of internal and external factors. Such value generally represents the Partnership's proportionate share of the partner's capital of the investment partnerships as reported by their general partners. Accordingly, the value of the investment in the underlying partnerships is generally increased by additional contributions to the underlying partnerships and the Partnership's share of net earnings from the underlying partnership investments and decreased by distributions from the underlying partnerships and the Partnership's share of net losses from the underlying partnership investments. The Partnership's proportionate share of net operating income or loss from underlying partnership investments is reflected in the Statement of Operations as equity in net operating gains/losses of limited partnerships, while the Partnership's proportionate share of realized and change in unrealized gains/losses on investments in the underlying partnership is included in net realized gains/losses on investments, and net change in unrealized appreciation/depreciation of investments, respectively.

The general partners of the underlying investment partnerships generally value their investments at fair value. Securities with no readily available market are generally valued according to the market approach, which attempts to apply a fair value standard by referring to meaningful third-party transactions, comparable public market valuations and/or the income approach. Consideration is also given to the financial condition and operating results of the issuer, the amount that the investment partnerships can reasonably expect to realize upon the sale of the securities, and any other factors deemed relevant. A security can be carried at acquisition price (cost) if little has changed since the initial investment of the company and is most representative of fair value. Securities with a readily available market (listed on a securities exchange or traded in the over-the-counter market) are valued at quoted market prices, or at an appropriate discount from such price if marketability of the securities is restricted.

Investments may be classified as Level 2 when market information becomes available, yet the investment is not traded in an active market and/or the investment is subject to transfer restrictions, or the valuation is adjusted to reflect illiquidity and/or non-transferability. The Partnership did not hold investments that are classified as level 2 at March 31, 2013.

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, generally include active listed equities. Such marketable securities held by the Partnership are distributed from the underlying limited partnerships. Certain distributed securities may be restricted as to sale or transfer. The cost recorded by the Partnership for these securities equals the fair market value of these securities at the date of the distribution. Such securities are carried at value, which has been determined by reference to quoted market prices. The General Partner does not adjust the quoted price for such instruments. Upon the sale of marketable securities, the Partnership records realized gains and losses using the specific identification method.

Please see Important Notes at the end of this document.

The following table presents the investments carried on Balance Sheet by level within the valuation hierarchy as of March 31, 2013.

#### Assets at Fair Value | March 31, 2013

	Level 1	Level 2	Level 3	Total
Investments	\$0	0	31,920,346	\$31,920,346

The following table includes a rollforward of the amounts for the year-to-date at March 31, 2013 for investments classified within Level 3.

#### Level 3 Investments

Balance at December 31, 2012	\$31,157,752
Contributions	940,052
Distributions	(776,647)
Net realized gains/(losses)	402,118
Net change in unrealized appreciation/(depreciation)	197,071
<b>Balance at March 31, 2013</b>	<b>\$31,920,346</b>

All net realized gains/(losses) and net change in unrealized appreciation/(depreciation) in the table above are reflected in the accompanying Statement of Operations. Net change in unrealized appreciation/(depreciation) of investments included in the Statement of Operations for Level 3 investments still held at March 31, 2013 is \$197,071.

Although the General Partner uses its best judgment in estimating the fair value of investments, there are inherent limitations in any estimation technique. Therefore, the values presented herein are not necessarily indicative of the amount that the Partnership could realize in a current transaction. Future confirming events could affect the estimates of fair value and could be material to the financial statements. These events could also affect the amount realized upon liquidation of the investments.

#### Cash and Cash Equivalents

Cash and Cash Equivalents are held on deposit with Wells Fargo Bank, NA ("Wells Fargo") and its affiliates. Cash equivalents include highly liquid short-term investments including a money market investment that invests in short-term US Treasury securities and US Treasury Bills maturing within three months of the date of acquisition.

At March 31, 2013, the Partnership held a money market investment, fair valued at \$457,322 that is included in cash and cash equivalents on the Balance Sheet.

## Administration

### *Partner's Capital Account*

The most expedient method for obtaining investor capital account information is via "Portfolio Access" on Commonfund's web site at [www.commonfund.org](http://www.commonfund.org).

Portfolio Access has several reports that you can run, view, print and download into a spreadsheet. These reports include:

- Account Summary (Performance Report for Non-Marketable Investments)
- Income Summary
- Capital Call and Distribution Activity (and history)
- Detailed Statement of Changes (Capital Accounts – Non-Marketable Investments)
- Transaction Detail by Account (or fund)

Other information that is available via the web include:

- Audited Financial Report
- Quarterly Report
- Schedule K-1

If you do not have a password for "Portfolio Access" please contact our Account Services Department at 888-823-3863.

Due to the lag in reporting by the underlying managers, all of the Quarterly Reports are not completed in the same time frame, therefore, the web site is the best way to obtain updated information on each of the funds. You will receive e-mail notification when a fund has been posted to the web.

If you have any questions or comments on this report, please contact Mark Hoeing at +44 (0)20 7887 1542 or send an e-mail to [mhoeing@cfund.org](mailto:mhoeing@cfund.org). You may also contact Linda Costa at (203) 563-5103 or send an e-mail to [lcosta@cfund.org](mailto:lcosta@cfund.org).

### Important Notes

1. All performance data set forth herein is net of all fees and carried interest. Internal Rates of Return (IRR) should be evaluated in light of information on the investment program of the partnership, the risks associated therewith, and performance of the partnership as disclosed in the Offering Memorandum for the partnership, the Annual Reports of Commonfund Capital, Inc. and the partnership and the Quarterly Reports of the partnership. Commonfund Capital, Inc. presents return information for its partnerships on a dollar-weighted (e.g., internal rate of return) basis, which is standard for the private capital industry, rather than the time-weighted (e.g., annual or other period rate of return) basis, which is used principally to report performance of publicly-traded securities. The IRR since inception is the most commonly used calculation methodology for presentation of performance in the private capital business. Comparison of returns calculated on an IRR basis with returns on a time-weighted basis is not appropriate.
2. Benchmarks calculated from Thomson Reuters, Private Equity Benchmark for the period ended December 31, 2012. The benchmark represents a 50%/50% blend of the median returns of Venture Capital and Private Equity benchmarks for vintage years 2007, 2008, and 2009 as calculated by Thomson Reuters. This is the latest benchmark data available.
3. Also referred to as Net Multiple, total value to invested capital net of the general partner's carried interest = (Distribution + Ending Capital Balance)/Capital Drawdown).
4. Multiple = distributions to investors/capital contributions by investors.
5. The fund's inception date was August 2007, the first three years are not shown as the performance is not yet meaningful due to the youth of the fund. IRR is net of managers and fund fees and expenses.
6. Manager commitments are made in U.S. dollars and foreign currency. The commitments made in foreign currency are converted to U.S. dollars when the commitments are paid. The unfunded foreign commitments are converted to U.S. dollars as of March 31, 2013.
7. Total called is cumulative percent of capital called since the program's inception through March 31, 2013. Estimated capital calls are dependent on manager activity and are subject to change.
8. Chart represents the most current portfolio company data reported by managers to Commonfund Capital for the period indicated. If portfolio company data for the current period is not available the most recent data provided by the manager is used.
9. Market value does not include distributions associated with the current portfolio.
10. Total value includes all investments and distributions on a gross manager level. Total value does not account for cash, expenses, fees or carry.
11. Represents the dollar weighted average age, average age and median age of remaining companies in the portfolio.
12. The fund's total value equals the limited partners' total distributions plus their net asset value (NAV). The NAV is net of fees and general partner carry to-date. The total value contains unrealized investments and there can be no assurance that unrealized investments ultimately will be realized at the valuations used in the calculation. In addition, the total value does not include future fees.

### Market Outlook

Statements in this report concerning Commonfund Capital's views of possible future outcomes in any investment strategy or market, or of possible future economic developments, are not intended, and should not be construed, as forecasts or predictions of the future investment performance of any Commonfund Capital fund. Such statements are also not intended as recommendations by any Commonfund Group entity or employee to the recipient of the presentation. It is Commonfund Capital's policy that investment recommendations to investors must be based on the investment objectives and risk tolerances of each investor. All market outlook and similar statements are based upon information reasonably available as of the date of this publication (unless an earlier date is stated with regard to particular information), and reasonably believed to be accurate by Commonfund Capital, Inc. Commonfund Capital disclaims any responsibility to provide the recipient of this report with updated or corrected information.

Past performance is not indicative of future results. All investments have the potential for profit and the possibility of loss.

Additional information regarding Commonfund and its affiliates' policies and procedures for calculating and reporting performance is available upon request.

# Cal Poly Pomona Foundation

## Investment Results as of June 30, 2013

### Graystone Consulting

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Executive Director  
Institutional Consulting Director

Todd Au, CIMA®  
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Senior Investment Management Consultant

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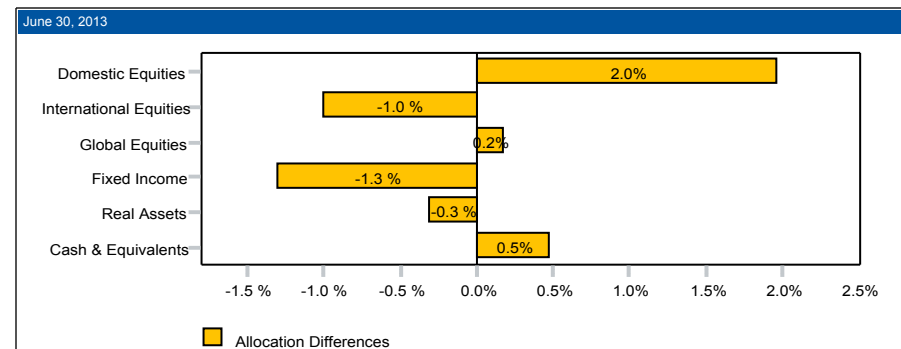
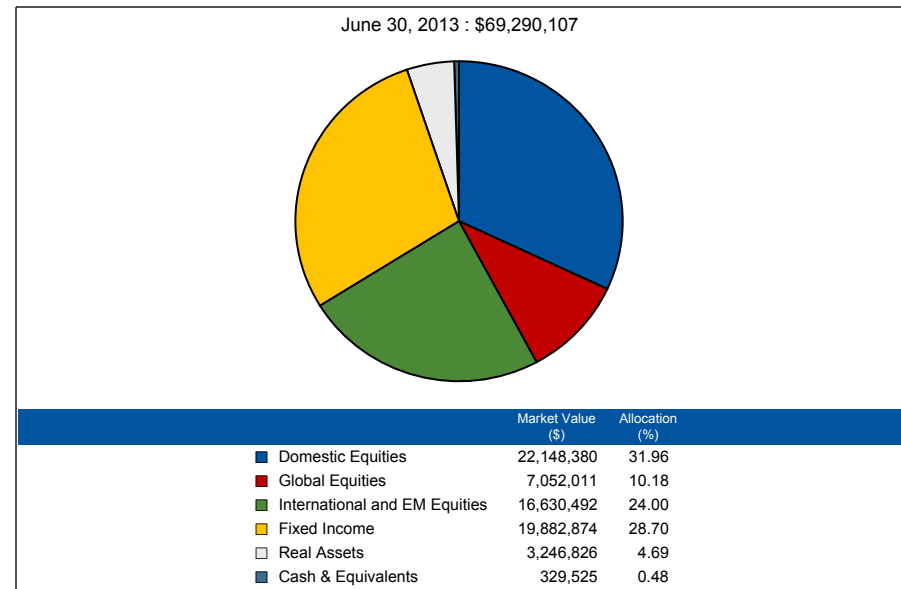
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**Cal Poly Pomona Foundation  
Balances and Asset Allocation  
June 30, 2013**

	<b>Total Fund</b>	
	(\$)	%
<b>All/Large Cap Equities</b>	<b>16,531,461</b>	<b>23.86</b>
Granite Large Cap Growth*	4,229,414	6.10
BlackRock Equity Dividend*	4,289,347	6.19
Touchstone Westfield All Cap Growth	4,177,052	6.03
Aristotle Large Cap Value	3,835,648	5.54
<b>Small/Mid Cap Equities</b>	<b>5,616,919</b>	<b>8.11</b>
Keeley SMID Value*	2,925,892	4.22
Apex SMID Cap Growth*	2,691,027	3.88
<b>International and EM Equities</b>	<b>16,630,492</b>	<b>24.00</b>
William Blair International Growth	6,326,841	9.13
Harbor International Equity	6,215,654	8.97
Dupont Emerging Markets	4,087,997	5.90
<b>Global Equities</b>	<b>7,052,011</b>	<b>10.18</b>
First Eagle	7,052,011	10.18
<b>Total Public Equities</b>	<b>45,830,882</b>	<b>66.14</b>
<b>Domestic Fixed Income</b>	<b>15,927,766</b>	<b>22.99</b>
PIMCO Total Return*	4,945,751	7.14
Met West Total Return	5,019,817	7.24
JP Morgan Strategic Income	3,352,117	4.84
Doubleline Total Return	2,610,080	3.77
<b>Global Fixed Income</b>	<b>3,955,108</b>	<b>5.71</b>
Brandywine Global Fixed Income	1,943,494	2.80
Templeton Global Bond Fund	2,011,614	2.90
<b>Total Fixed Income</b>	<b>19,882,874</b>	<b>28.70</b>
<b>Real Assets</b>	<b>3,246,826</b>	<b>4.69</b>
PIMCO AAAA	3,246,826	4.69
<b>Cash &amp; Equivalents</b>	<b>329,525</b>	<b>0.48</b>
Cash Holding Account	329,525	0.48
<b>Cal Poly Pomona Foundation Total Fund</b>	<b>69,290,107</b>	<b>100.00</b>



June 30, 2013

	Market Value (\$)	Allocation (%)	Target (%)
Domestic Equities	22,148,380	31.96	30.00
International Equities	16,630,492	24.00	25.00
Global Equities	7,052,011	10.18	10.00
Fixed Income	19,882,874	28.70	30.00
Real Assets	3,246,826	4.69	5.00
Cash & Equivalents	329,525	0.48	0.00
<b>Total Fund</b>	<b>69,290,107</b>	<b>100.00</b>	<b>100.00</b>

\*Value includes dividend accruals not shown on statement

**Cal Poly Pomona Foundation  
Asset Allocation & Performance  
As of June 30, 2013**

	Allocation		Performance(%)											
	Market Value (\$)	%	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	2012	2011	2010	2009	2008	Inception Date
<b>Cal Poly Pomona Foundation Total Fund</b>	<b>69,290,107</b>	<b>100.00</b>	<b>-1.51</b>	<b>2.37</b>	<b>10.95</b>	<b>10.70</b>	<b>N/A</b>	<b>7.24</b>	<b>14.26</b>	<b>-1.69</b>	<b>15.82</b>	<b>26.76</b>	<b>N/A</b>	<b>10/01/2008</b>
Cal Poly Pomona Blended Benchmark			0.18	5.93	13.43	11.57	N/A	7.30	13.01	-0.51	11.58	21.70	N/A	
Difference			-1.69	-3.56	-2.48	-0.87	N/A	-0.06	1.25	-1.18	4.24	5.06	N/A	
<b>70% S&amp;P 500 / 30% BC Aggregate</b>			<b>1.34</b>	<b>8.83</b>	<b>13.96</b>	<b>14.15</b>	<b>N/A</b>	<b>8.85</b>	<b>12.54</b>	<b>4.33</b>	<b>12.98</b>	<b>20.49</b>	<b>N/A</b>	<b>10/01/2008</b>
<b>Public Equities</b>	<b>45,830,882</b>	<b>66.14</b>	<b>-0.83</b>	<b>4.78</b>	<b>15.49</b>	<b>13.46</b>	<b>N/A</b>	<b>7.17</b>	<b>16.40</b>	<b>-5.39</b>	<b>18.50</b>	<b>33.87</b>	<b>N/A</b>	<b>10/01/2008</b>
MSCI AC World Net			-0.41	6.06	16.58	12.36	2.30	6.42	16.13	-7.36	12.67	34.63	-42.21	
Difference			-0.42	-1.28	-1.09	1.10	N/A	0.75	0.27	1.97	5.83	-0.76	N/A	
<b>Domestic Equities</b>	<b>22,148,380</b>	<b>31.96</b>	<b>1.47</b>	<b>11.36</b>	<b>20.83</b>	<b>17.61</b>	<b>N/A</b>	<b>8.87</b>	<b>15.78</b>	<b>-0.32</b>	<b>18.78</b>	<b>28.56</b>	<b>N/A</b>	<b>10/01/2008</b>
Russ 3000 Index			2.69	14.07	21.49	18.64	7.25	9.74	16.43	1.02	16.93	28.34	-37.31	
Difference			-1.22	-2.71	-0.66	-1.03	N/A	-0.87	-0.65	-1.34	1.85	0.22	N/A	
<b>Granite Large Cap Growth</b>	<b>4,229,414</b>	<b>6.10</b>	<b>0.45</b>	<b>7.95</b>	<b>12.73</b>	<b>15.34</b>	<b>N/A</b>	<b>7.56</b>	<b>16.78</b>	<b>-5.81</b>	<b>19.84</b>	<b>29.01</b>	<b>N/A</b>	<b>10/01/2008</b>
Russ 1000 Growth			2.06	11.80	17.05	18.67	7.47	10.91	15.25	2.64	16.71	37.21	-38.44	
Difference			-1.61	-3.85	-4.32	-3.33	N/A	-3.35	1.53	-8.45	3.13	-8.20	N/A	
<b>BlackRock Equity Dividend</b>	<b>4,289,347</b>	<b>6.19</b>	<b>1.21</b>	<b>9.93</b>	<b>15.76</b>	<b>N/A</b>	<b>N/A</b>	<b>9.55</b>	<b>12.31</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>04/01/2011</b>
Russ 1000 Value			3.20	15.91	25.32	18.51	6.67	11.76	17.50	0.39	15.51	19.69	-36.85	
Difference			-1.99	-5.98	-9.56	N/A	N/A	-2.21	-5.19	N/A	N/A	N/A	N/A	
<b>Touchstone Westfield All Cap Growth</b>	<b>4,177,052</b>	<b>6.03</b>	<b>1.32</b>	<b>12.55</b>	<b>24.92</b>	<b>N/A</b>	<b>N/A</b>	<b>11.29</b>	<b>21.47</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
Russ 3000 Growth			2.20	12.24	17.58	18.78	7.59	12.38	15.22	2.18	17.64	37.01	-38.44	
Difference			-0.88	0.31	7.34	N/A	N/A	-1.09	6.25	N/A	N/A	N/A	N/A	
<b>Aristotle Large Cap Value</b>	<b>3,835,648</b>	<b>5.54</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-2.13</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>06/01/2013</b>
S&P 500 Index			2.92	13.84	20.60	18.45	7.01	-1.34	16.00	2.11	15.06	26.46	-37.00	
Difference			N/A	N/A	N/A	N/A	N/A	-0.79	N/A	N/A	N/A	N/A	N/A	
<b>Keeley SMID Value</b>	<b>2,925,892</b>	<b>4.22</b>	<b>0.31</b>	<b>17.29</b>	<b>36.08</b>	<b>N/A</b>	<b>N/A</b>	<b>17.46</b>	<b>28.37</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
Russ 2500 Value			1.54	15.09	26.87	18.91	9.42	14.59	19.22	-3.36	24.82	27.68	-31.99	
Difference			-1.23	2.20	9.21	N/A	N/A	2.87	9.15	N/A	N/A	N/A	N/A	

\*Cal Poly Pomona Blended Benchmark consists of 40% S&P 500/30% EAFE/30% BC Aggregate

**Cal Poly Pomona Foundation**  
**Asset Allocation & Performance**  
**As of June 30, 2013**

	Allocation		Performance(%)											
	Market Value (\$)	%	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	2012	2011	2010	2009	2008	Inception Date
<b>Apex SMID Cap Growth</b>	<b>2,691,027</b>	<b>3.88</b>	<b>3.09</b>	<b>13.64</b>	<b>25.33</b>	<b>N/A</b>	<b>N/A</b>	<b>13.87</b>	<b>22.21</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
Russ 2500 Growth			3.22	15.81	24.02	20.22	8.94	12.31	16.13	-1.57	28.86	41.65	-41.50	
Difference			-0.13	-2.17	1.31	N/A	N/A	1.56	6.08	N/A	N/A	N/A	N/A	
<b>Global Equities</b>	<b>7,052,011</b>	<b>10.18</b>	<b>-0.65</b>	<b>4.44</b>	<b>12.09</b>	<b>N/A</b>	<b>N/A</b>	<b>6.23</b>	<b>12.76</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
MSCI AC World Net			-0.41	6.06	16.58	12.36	2.30	5.51	16.13	-7.36	12.67	34.63	-42.21	
Difference			-0.24	-1.62	-4.49	N/A	N/A	0.72	-3.37	N/A	N/A	N/A	N/A	
<b>First Eagle</b>	<b>7,052,011</b>	<b>10.18</b>	<b>-0.65</b>	<b>4.44</b>	<b>12.08</b>	<b>N/A</b>	<b>N/A</b>	<b>6.23</b>	<b>12.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
MSCI AC World Net			-0.41	6.06	16.58	12.36	2.30	5.51	16.13	-7.36	12.67	34.63	-42.21	
Difference			-0.24	-1.62	-4.50	N/A	N/A	0.72	-3.36	N/A	N/A	N/A	N/A	
<b>International and EM Equities</b>	<b>16,630,492</b>	<b>24.00</b>	<b>-3.84</b>	<b>-2.76</b>	<b>10.83</b>	<b>7.71</b>	<b>N/A</b>	<b>5.28</b>	<b>19.00</b>	<b>-14.52</b>	<b>17.70</b>	<b>46.11</b>	<b>N/A</b>	<b>10/01/2008</b>
MSCI AC Wd xUS (Net)			-3.11	-0.04	13.65	8.00	-0.80	4.46	16.84	-13.71	11.15	41.45	-45.53	
Difference			-0.73	-2.72	-2.82	-0.29	N/A	0.82	2.16	-0.81	6.55	4.66	N/A	
<b>William Blair International Growth</b>	<b>6,326,841</b>	<b>9.13</b>	<b>-1.99</b>	<b>2.09</b>	<b>17.33</b>	<b>10.84</b>	<b>N/A</b>	<b>7.01</b>	<b>24.33</b>	<b>-14.32</b>	<b>20.14</b>	<b>40.23</b>	<b>N/A</b>	<b>10/01/2008</b>
MSCI EAFE (net)			-0.97	4.10	18.63	10.04	-0.63	4.27	17.32	-12.14	7.75	31.78	-43.38	
Difference			-1.02	-2.01	-1.30	0.80	N/A	2.74	7.01	-2.18	12.39	8.45	N/A	
<b>Harbor International Equity</b>	<b>6,215,654</b>	<b>8.97</b>	<b>-1.71</b>	<b>0.32</b>	<b>14.10</b>	<b>10.99</b>	<b>N/A</b>	<b>5.80</b>	<b>21.16</b>	<b>-11.14</b>	<b>11.64</b>	<b>38.44</b>	<b>N/A</b>	<b>10/01/2008</b>
MSCI EAFE (net)			-0.97	4.10	18.63	10.04	-0.63	4.27	17.32	-12.14	7.75	31.78	-43.38	
Difference			-0.74	-3.78	-4.53	0.95	N/A	1.53	3.84	1.00	3.89	6.66	N/A	
<b>Dupont Emerging Markets</b>	<b>4,087,997</b>	<b>5.90</b>	<b>-9.46</b>	<b>-15.24</b>	<b>-3.37</b>	<b>N/A</b>	<b>N/A</b>	<b>-8.23</b>	<b>20.03</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
MSCI EM (net)			-8.09	-9.58	2.85	3.38	-0.43	-7.10	18.22	-18.42	18.88	78.51	-53.33	
Difference			-1.37	-5.66	-6.22	N/A	N/A	-1.13	1.81	N/A	N/A	N/A	N/A	
<b>Fixed Income</b>	<b>19,882,874</b>	<b>28.70</b>	<b>-2.33</b>	<b>-1.52</b>	<b>3.43</b>	<b>4.84</b>	<b>N/A</b>	<b>7.99</b>	<b>9.98</b>	<b>4.07</b>	<b>9.44</b>	<b>14.88</b>	<b>N/A</b>	<b>10/01/2008</b>
BC Agg Bond Index			-2.32	-2.44	-0.69	3.51	5.19	5.58	4.22	7.84	6.54	5.93	5.24	
Difference			-0.01	0.92	4.12	1.33	N/A	2.41	5.76	-3.77	2.90	8.95	N/A	

\*Cal Poly Pomona Blended Benchmark consists of 40% S&P 500/30% EAFE/30% BC Aggregate

**Cal Poly Pomona Foundation**  
**Asset Allocation & Performance**  
**As of June 30, 2013**

	Allocation		Performance(%)											
	Market Value (\$)	%	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	2012	2011	2010	2009	2008	Inception Date
<b>PIMCO Total Return</b>	<b>4,945,751</b>	<b>7.14</b>	<b>-3.77</b>	<b>-3.64</b>	<b>-1.19</b>	<b>3.36</b>	<b>N/A</b>	<b>6.95</b>	<b>7.15</b>	<b>4.74</b>	<b>7.66</b>	<b>14.38</b>	<b>N/A</b>	<b>10/01/2008</b>
BC Agg Bond Index			-2.32	-2.44	-0.69	3.51	5.19	5.58	4.22	7.84	6.54	5.93	5.24	
Difference			-1.45	-1.20	-0.50	-0.15	N/A	1.37	2.93	-3.10	1.12	8.45	N/A	
<b>Met West Total Return</b>	<b>5,019,817</b>	<b>7.24</b>	<b>-2.29</b>	<b>-1.27</b>	<b>4.76</b>	<b>N/A</b>	<b>N/A</b>	<b>5.64</b>	<b>11.17</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
BC Agg Bond Index			-2.32	-2.44	-0.69	3.51	5.19	2.61	4.22	7.84	6.54	5.93	5.24	
Difference			0.03	1.17	5.45	N/A	N/A	3.03	6.95	N/A	N/A	N/A	N/A	
<b>JP Morgan Strategic Income</b>	<b>3,352,117</b>	<b>4.84</b>	<b>0.01</b>	<b>1.62</b>	<b>5.68</b>	<b>N/A</b>	<b>N/A</b>	<b>4.20</b>	<b>7.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
BC Agg Bond Index			-2.32	-2.44	-0.69	3.51	5.19	2.61	4.22	7.84	6.54	5.93	5.24	
Difference			2.33	4.06	6.37	N/A	N/A	1.59	3.55	N/A	N/A	N/A	N/A	
<b>Doubleline Total Return</b>	<b>2,610,080</b>	<b>3.77</b>	<b>-1.63</b>	<b>-0.30</b>	<b>3.96</b>	<b>N/A</b>	<b>N/A</b>	<b>6.61</b>	<b>9.39</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
BC Agg Bond Index			-2.32	-2.44	-0.69	3.51	5.19	2.61	4.22	7.84	6.54	5.93	5.24	
Difference			0.69	2.14	4.65	N/A	N/A	4.00	5.17	N/A	N/A	N/A	N/A	
<b>Brandywine Global Fixed Income</b>	<b>1,943,494</b>	<b>2.80</b>	<b>-3.18</b>	<b>-3.59</b>	<b>3.80</b>	<b>N/A</b>	<b>N/A</b>	<b>4.94</b>	<b>13.11</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
Citigrp WI Govt Bd UH			-2.97	-5.66	-4.50	2.72	3.04	-2.19	1.65	6.35	5.17	2.55	10.89	
Difference			-0.21	2.07	8.30	N/A	N/A	7.13	11.46	N/A	N/A	N/A	N/A	
<b>Templeton Global Bond Fund</b>	<b>2,011,614</b>	<b>2.90</b>	<b>-2.75</b>	<b>-1.40</b>	<b>7.84</b>	<b>N/A</b>	<b>N/A</b>	<b>3.01</b>	<b>16.48</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
Citigrp WI Govt Bd UH			-2.97	-5.66	-4.50	2.72	3.04	-2.19	1.65	6.35	5.17	2.55	10.89	
Difference			0.22	4.26	12.34	N/A	N/A	5.20	14.83	N/A	N/A	N/A	N/A	
<b>Real Assets</b>	<b>3,246,826</b>	<b>4.69</b>	<b>-5.79</b>	<b>-5.60</b>	<b>3.29</b>	<b>N/A</b>	<b>N/A</b>	<b>3.51</b>	<b>16.92</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
<b>PIMCO AAAA</b>	<b>3,246,826</b>	<b>4.69</b>	<b>-5.79</b>	<b>-5.60</b>	<b>3.29</b>	<b>N/A</b>	<b>N/A</b>	<b>3.66</b>	<b>16.94</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>08/01/2011</b>
<b>S&amp;P 500 Index</b>			<b>2.92</b>	<b>13.84</b>	<b>20.60</b>	<b>18.45</b>	<b>7.01</b>	<b>N/A</b>	<b>16.00</b>	<b>2.11</b>	<b>15.06</b>	<b>26.46</b>	<b>-37.00</b>	<b>01/01/1961</b>
<b>BC Agg Bond Index</b>			<b>-2.32</b>	<b>-2.44</b>	<b>-0.69</b>	<b>3.51</b>	<b>5.19</b>	<b>8.01</b>	<b>4.22</b>	<b>7.84</b>	<b>6.54</b>	<b>5.93</b>	<b>5.24</b>	<b>01/01/1976</b>
<b>HFRI Fund of Funds</b>			<b>-0.04</b>	<b>3.28</b>	<b>7.17</b>	<b>2.97</b>	<b>-0.63</b>	<b>7.27</b>	<b>4.77</b>	<b>-5.72</b>	<b>5.70</b>	<b>11.47</b>	<b>-21.37</b>	<b>01/01/1990</b>

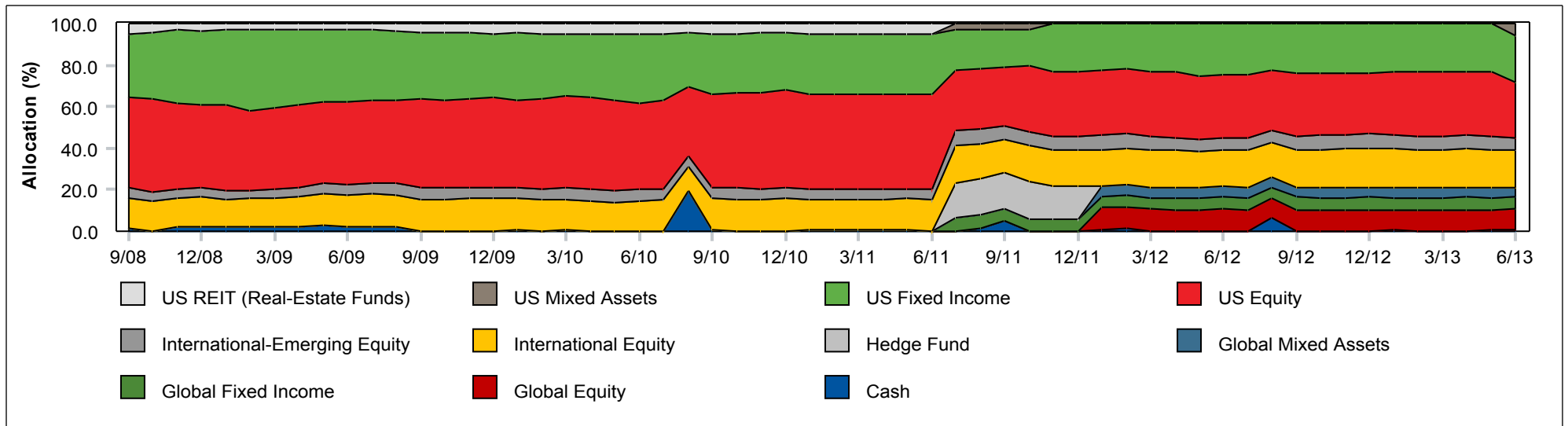
\*Cal Poly Pomona Blended Benchmark consists of 40% S&P 500/30% EAFE/30% BC Aggregate

**Cal Poly Pomona Foundation  
Performance and Asset Allocation History  
June 30, 2013**

	Current Quarter	YTD	2012	2011	Oct 2008 To Dec 2008	Since Inception	Inception Date
Cal Poly Pomona Foundation Total Fund							10/01/2008
Beginning Market Value	70,046,419	66,795,296	44,214,515	47,238,634	31,161,294	31,161,294	
Net Contributions	311,635	925,282	14,860,807	-2,158,972	-475,941	21,951,380	
Fees/Expenses	-28,260	-64,464	-108,831	-161,649	-51,340	-627,595	
Income	261,008	556,156	2,126,251	1,393,140	630,728	6,847,359	
Gain/Loss	-1,300,696	1,077,836	5,702,554	-2,096,636	-5,921,902	9,957,669	
<b>Ending Market Value</b>	<b>69,290,107</b>	<b>69,290,107</b>	<b>66,795,296</b>	<b>44,214,515</b>	<b>25,342,839</b>	<b>69,290,107</b>	

	Current Quarter	YTD	2012	2011	Oct 2008 To Dec 2008	Since Inception	Inception Date
Cal Poly Pomona Foundation Total Fund	-1.51	2.37	14.26	-1.69	-17.44	7.24	10/01/2008
Cal Poly Pomona Blended Benchmark	0.18	5.93	13.01	-0.51	-13.59	7.30	10/01/2008
70% S&P 500 / 30% BC Aggregate	1.34	8.83	12.54	4.33	-13.99	8.85	10/01/2008

**Asset Allocation Over Time**



\*Cal Poly Pomona Blended Benchmark consists of 40% S&P/30% EAFE/30% BC Aggregate

# Disclosures

## Information Disclosures

Please notify your Financial Advisor if there have been any changes in your financial situation, investment objectives, requested restrictions or other instructions which might affect the services to be provided to you or the manner in which your assets should be invested. We have available at no cost an investment advisory services disclosure document which describes our investment advisory services and those of any investment advisors managing your account. If you would like a copy, please contact your Financial Advisor.

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This investment evaluation is directed only to the client for whom the evaluation was performed. The underlying data has been obtained from sources the Firm believes to be reliable but we do not guarantee their accuracy, and any such information may be incomplete or condensed. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security or a recommendation of the services supplied by any money management organization. Past performance is not a guarantee of future results. Performance for periods greater than one year is annualized. The information contained herein was prepared by your Financial Advisor and does not represent an official statement of your account at the Firm (or other outside custodians, if applicable.) Please refer to your monthly statement for a complete record of your transactions, holdings and balances.

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### Alternative Investments

At your request, private investment fund performance data is provided for informational purposes only, in many instances based on estimated values. Valuations shown are as of the date indicated and do not include a value for any additional investments in the private investment fund that may have been made following the noted valuation date. These investments are generally illiquid and may not be currently priced, and the assigned values may not be realized upon the sale or ultimate disposition of the securities.

The performance data presented has been prepared by the fund or its sponsor. Graystone Consulting has not independently verified such information and is not responsible or liable for any mistake or miscalculation made by the fund or its sponsor, or for any loss, liability, claim, damage or expense arising out of such mistake or miscalculation.

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**Rates of Return**

The investment results depicted herein may represent a combination of historical Gross performance before the deduction of investment management fees and historical Net performance after the deduction of investment management fees. Valuation for periods prior to July 2004 is calculated based on settlement date accounting methods. As of July 1, 2004, trade date accounting methods are used. Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. The client is referred to the Consulting Group Descriptive Brochure or Part II of the Firm's Form ADV. For historical Gross performance before the deduction of investment management fees, actual returns will be reduced by expenses that may include management fees and cost of transactions. As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, on an account with a 2% fee, if the gross performance is 10%, the compounding effect of the fees will result in a net performance of approximately 7.81%. This Report is for one-on-one client presentations only.

**Bond Average**

Please note that all averages calculated are weighted averages meaning that the calculation takes into account the par value of each position. CMO's and Asset Backed securities are excluded from the calculation. Any bonds that are non-rated by both Moody's and S&P are excluded from the average rating calculation.

**International History:**

Until 4th quarter 1997, International equities were included within the Domestic equity category for performance presentation. For asset allocation purposes, they are reflected beginning Jan.1, 1998.

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# Cal Poly Pomona Foundation

## Capital Markets Commentary

### June 30<sup>th</sup>, 2013

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# Capital Markets Commentary

# Capital Markets Observations: Q2-2013 Recap

*Factors driving the capital markets and influencing asset values in the recent quarter...*

- Perhaps it was not The Great Rotation, but Q2 witnessed a meaningful shift as investors reassessed the global policy landscape and re-priced asset classes based on expectations for higher interest rates.
  - In early April, global risk assets sold off due to (1) a weaker-than-expected jobs report in the US, (2) rumors the Federal Reserve would *taper* its stimulus-oriented bond-buying program, and (3) soft economic data from China. However, the Bank of Japan (BoJ) initiated its own *quantitative easing* program aimed at stimulating growth. This policy injection triggered a weakening of the Yen and a rippling effect across the global capital markets with most risk assets rebounding to close the month.
  - In the US, the April jobs report was an aberration as employment data for May and June showed continued improvement. Fears of a Fed Policy shift intensified. In June, Bernanke affirmed the pending strategy change: Investors concluded the Fed could begin curtailing bond purchases by late Q3.
  - As the quarter proceeded, global investors pondered a world with a less accommodative Fed. US interest rates began to *normalize* at higher levels. After dipping as low as 1.60%, the yield on the US Treasury 10-year note closed Q2 at 2.52%.
  - Bonds and other assets with interest rate – or Fed Policy – sensitivity declined in Q2. Losses were most pronounced for gold and Emerging Markets (bonds and equities). Defensive/ yield-oriented equities also dropped (i.e. utilities).
  - US equities again were an oasis of stability, posting gains in Q2. In Developed Markets: Japan was up, Europe was mixed and resource economies declined (i.e. Canada, Australia).



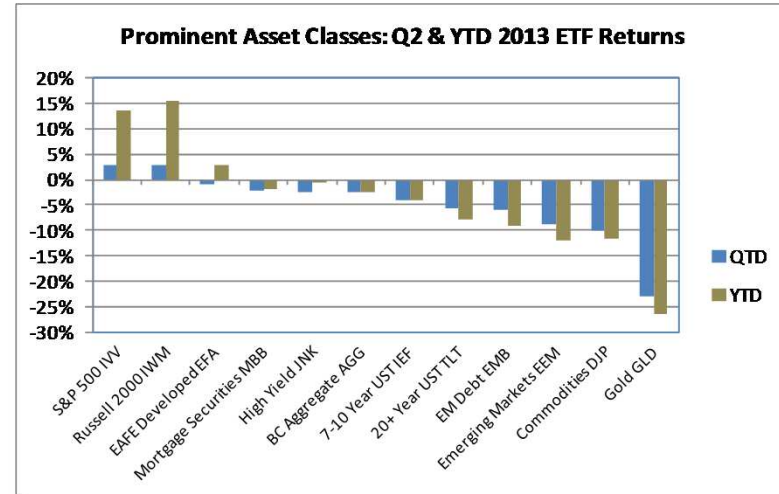
*BoJ Governor Kuroda has been working to emulate the reflationary policies of the US Federal Reserve, but by late June, Bernanke affirmed the Fed's plans to taper its bond-buying program.*

*The information contained herein has been taken from sources deemed reliable, but there is no guarantee of its complete accuracy.*

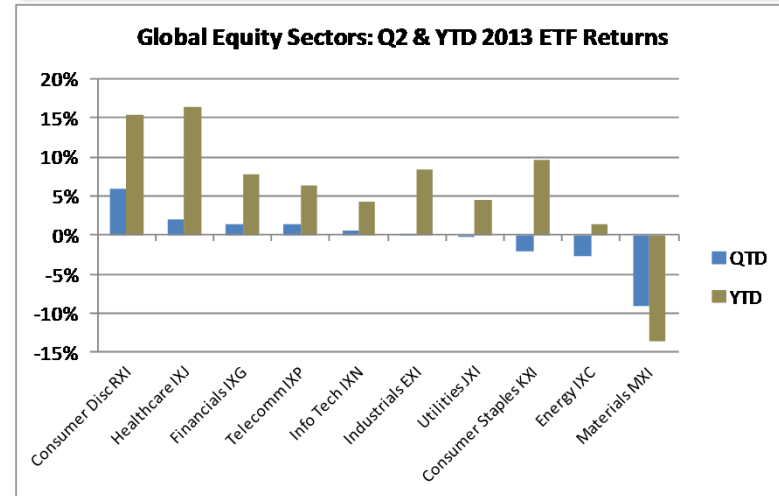
# Capital Markets Performance Summary: Q2-2013

Assets with sensitivity to interest rates or Fed Policy declined in Q2 as US rates moved higher...

Global Assets - ETFs	QTD	YTD	1 Year Return	1 Year Risk
S&P 500 IVV	2.75%	13.50%	20.23%	6.57
Russell 2000 IWM	2.72%	15.36%	23.80%	9.02
EAFE Developed EFA	-0.90%	2.80%	18.26%	8.92
Mortgage Securities MBB	-2.15%	-2.02%	-1.48%	2.27
High Yield JNK	-2.47%	-0.48%	6.77%	4.62
BC Aggregate AGG	-2.60%	-2.54%	-0.97%	3.18
7-10 Year UST IEF	-4.13%	-4.03%	-3.49%	4.96
20+ Year UST TLT	-5.59%	-7.85%	-9.48%	10.68
EM Debt EMB	-5.91%	-9.21%	-0.43%	9.32
Emerging Markets EEM	-8.83%	-12.07%	0.28%	11.66
Commodities DJP	-10.17%	-11.75%	-9.18%	11.64
Gold GLD	-22.89%	-26.48%	-23.25%	15.98



Global Equity Sectors - ETFs	QTD	YTD	1 Year Return	1 Year Risk
Consumer Disc RXI	5.94%	15.43%	30.04%	6.72
Healthcare IXJ	1.93%	16.47%	26.02%	8.54
Financials IXG	1.46%	7.77%	28.54%	9.53
Telecomm IXP	1.39%	6.28%	7.62%	11.74
Info Tech IXN	0.60%	4.28%	9.21%	8.22
Industrials EXI	0.22%	8.29%	20.22%	5.98
Utilities JXI	-0.17%	4.53%	4.34%	11.57
Consumer Staples KXI	-2.16%	9.64%	16.47%	8.69
Energy IXC	-2.80%	1.47%	8.32%	8.61
Materials MXI	-9.09%	-13.49%	-2.41%	12.46



Note: 1-year risk reflects standard deviation of monthly returns.

Sources: FactSet, Graystone Consulting 6/28/2013

# Capital Markets Highlights: Q2-2013

## **US & Global Equities**

- US equities continued to show leadership on a global basis due to relative stability. The Russell Top 200 and the Russell 2000 gained 2.85% and 3.08%, respectively.
- Within the US, rotation was evident as defensive sectors (i.e. Utilities, Staples) lagged, in part due to higher interest rates and shifting sentiment.
- Japan paced the Developed Markets with a gain of 4.42% USD (10.32% in local currency) as a weaker Yen supported export-oriented equities. European markets were mixed, while resource-dominated markets declined due to softening China economic data.
- Emerging Markets declined 7.95% – BRICs down 9.75% – due to weaker growth metrics and the US policy shift.

## **Commodities & Real Assets**

- Commodities declined due to economic weakness in China and a shift away from reflationary policies by the Fed. The DJ-UBS Commodity Index declined 9.45%.
- Gold continued to slide, dropping 23% in Q2. The policy-driven case for precious metals has been fading.
- REITs, MLPs and other yield-oriented assets declined as US interest rates moved higher. Inflation-protected securities dropped sharply with US Treasury TIPS down 7.05% in Q2.

## **Global & Specialty Fixed Income**

- High-quality bonds declined as interest rates began to *normalize* at higher levels. Long duration assets suffered the most with the UST 20+ Year Index down 5.81% in Q2. The BC Aggregate Bond Index declined 2.32%.
- Higher interest rates caused an unwinding of so-called *carry trades*, leading to a reduction in leverage which may have exaggerated losses in some cases.
- Spread strategies – high yield bonds/loans, mortgages and Emerging Markets debt – declined due to a combination of duration and spread widening. Emerging Markets debt dropped 6.42% due to currency weakness and investor redemptions. High yield corporates outperformed on a relative basis, declining 1.44%.

## **Hedge Funds & Alternative Strategies**

- Hedge fund strategies offered mixed results in Q2. The HFRX Global Hedge Fund Index gained 0.03%.
- Event driven strategies continued to post the strongest returns in Q2 due to opportunities in both equities and credit with strong contributions from activist strategies. HFRX Event Driven gained 1.94% in Q2.
- Global macro trading and managed futures strategies struggled in Q2 due to policy shifts and trend reversals. HFRX Global Macro/CTA declined 1.11% in Q2.

# Current Capital Markets Viewpoints

*Current market views that drive our near-term and tactical allocation decisions:*

- Global GDP outlook has softened a bit, but a widespread global recession seems unlikely:
  - US private sector GDP growth has been steady. Housing remains an enduring growth source, driving gains in related industries. Fiscal challenges remain and Federal mandates are a source of uncertainty, but the tide could be turning in terms of government policy – a potential positive for risk assets.
  - Europe's recession has been ongoing, but various indicators suggest a gradual recovery is unfolding. The risk of serious deterioration appears to have lessened due to credible policy support from the ECB. Meanwhile, Japan's monetary policy and other reforms are expected to support improved growth.
  - Emerging Markets have underperformed due to growth deterioration, policy uncertainty and political upheaval. *Valuations appear more attractive, but the EM landscape is evolving and strategies for capitalizing on long-term growth opportunities could be quite different going forward.*
- Corporate balance sheets & profitability remain strong, especially for global franchises based in the US and Europe. Equity valuations are reasonable, but are no longer a compelling catalyst. *In our view, risk assets in the US and Developed Markets appear to offer favorable risk/reward compared to safe-haven segments.*
- Interest rates have begun to normalize at higher levels as the Fed announced it will curtail its bond-buying program. Meanwhile, other central banks remain in easing mode. *We continue to underweight interest-rate sensitive bonds, holding them primarily for their defensive attributes. High-quality bonds could be vulnerable to improving market sentiment, which could drive redemptions after years of massive inflows.*
- Specialty fixed income strategies continue to offer cash flow advantages with less interest rate risk (duration), but the market for spread products is becoming more selective. *We cautiously favor high-yield corporates, and non-agency mortgages, while preferring hedged strategies and opportunistic event driven situations.*

# Portfolio Positioning Insights

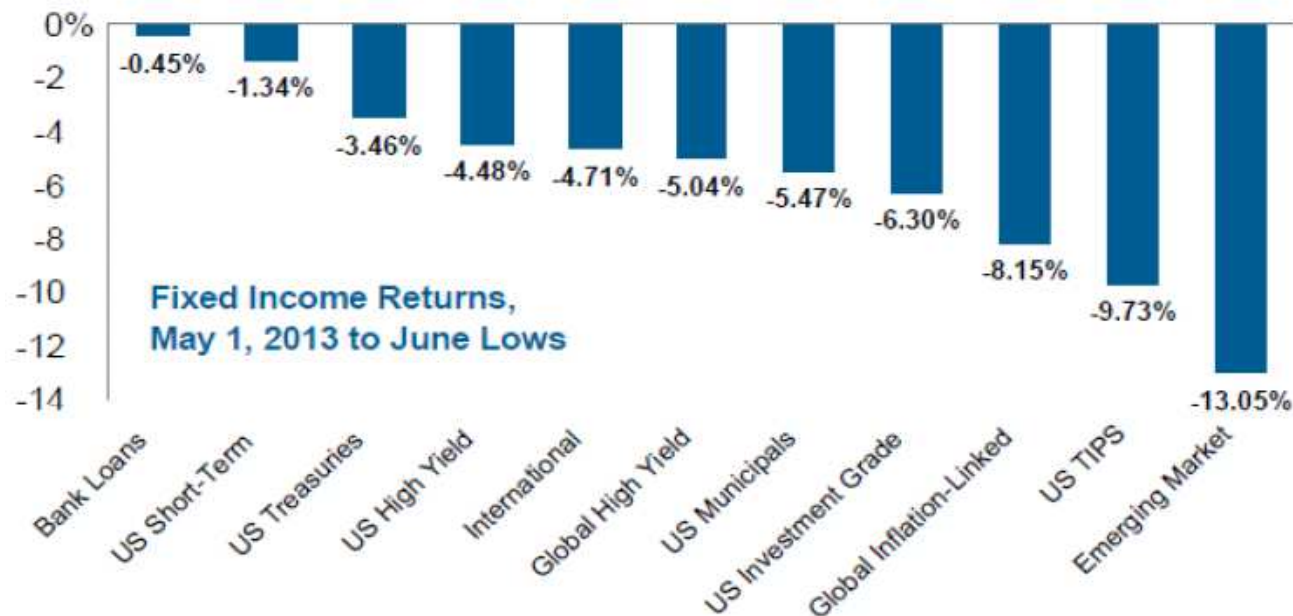
*Compelling opportunities are currently limited, but this could change as data points emerge...*

- Q2 was a period of transition as policy shifts from the Fed and the Bank of Japan sparked volatility. Asset prices recalibrated. Looking ahead, we believe the underlying capital markets environment is stable.
- Selectively, we continue to favor *risk-based* assets over *safe-haven* assets. Current considerations:
  - In the US, we favor equities over bonds. In equities, we favor more growth-oriented and broadly-defined cyclical assets over defensive yield-oriented sectors.
  - Globally, the relative stability and growth of the US presents a compelling risk/reward alternative compared to non-US assets. US market leadership could continue. However, despite risks and uncertainties, we are increasingly targeting overlooked and undervalued European assets.
  - Emerging Markets continue to offer long-term growth potential, but capturing such growth requires a selective approach. We have been reducing exposure to large-cap BRIC-dominated index exposures in favor of smaller-cap, privately-run businesses offering potentially greater ROI.
  - High-yield corporate debt remains attractive – assuming the US avoids recession – especially after credit spreads widened in Q2. Meanwhile, long/short & event-driven credit strategies may provide tactical trading opportunities due to recent volatility and indiscriminate selling (i.e. redemptions).
  - Specialty US mortgage securities may offer continued yield and capital appreciation potential as the US housing recovery unfolds and home prices rebound. Caution: Opportunities have narrowed.
  - Real assets – commodities, real estate, infrastructure & natural resources – may continue to provide a strategic source of diversification and inflation protection, but near-term inflation remains muted.

## After the Storm

- Tapering talk by the Fed re-introduced two-way risk to markets and it was especially harsh on fixed income investments.
- Positioning mattered with short duration outperforming.

### Short Duration Was the Best Place to Be



Source: FactSet as of June 28, 2013



## Is it Time to BUY Duration? No.

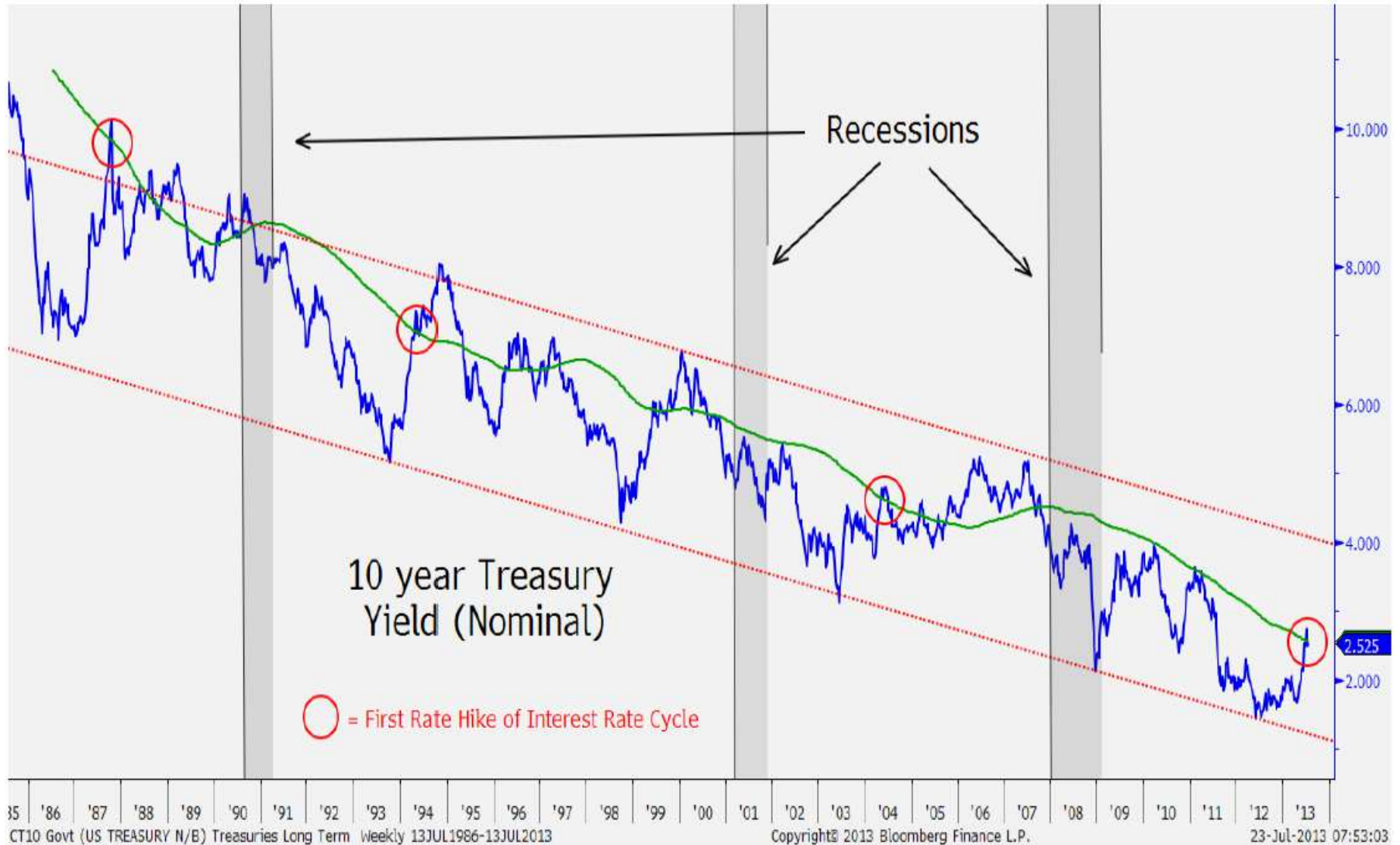
- We believe markets have quickly priced in tapering, but they have not priced in a sustainable economic recovery.
- “Normal” rates imply 4% Fed Funds and 6% 10-year Treasuries.

### 12-Month Total Return for a Given Parallel Shift in the Yield Curve

	<u>0bps</u>	<u>50bps</u>	<u>100bps</u>
<b>US Treasury</b>			
1-5 Years	1.10	0.31	(0.48)
10+ Years	4.28	(3.71)	(10.85)
<b>Govt Sponsored</b>			
1-5 Years	1.22	0.44	(0.34)
10+ Years	4.38	(1.05)	(6.08)
<b>Credit</b>			
1-5 Years	2.24	1.29	0.35
10+ Years	5.61	(0.51)	(6.09)
<b>High Yield</b>			
1-7 Years	6.24	5.27	4.38
10+ Years	7.61	3.32	(0.72)

Source: Morgan Stanley Wealth Management Fixed Income Strategy, The Yield Book as of July 15, 2013. © 2013 Citigroup Index LLC. All rights reserved.

# Context: Short Term is Up While Long Term is Down



Source: Bloomberg as of July 23, 2013

## Our Thesis Remains “Mid-Cycle” Correction

- **We think this period is very similar to 2004, 1994, 1987, 1983 and 1980.**
  - Given the extraordinary monetary policy of this cycle, tapering appears akin to the first rate hike in a “normal” cycle.
  - Therefore, we believe this should be a “mid-cycle” correction rather than end of the economic recovery.
  - Rates have adjusted rapidly and should settle into a more gradual increase.
  - Equities typically “correct” and in the past we have gotten rotation toward more cyclical sectors, especially if the adjustment were happening to “real” rates.

# Markets Support Our “Mid-Cycle” Thesis

“Growth” Assets Have Rallied and Rates Have Not

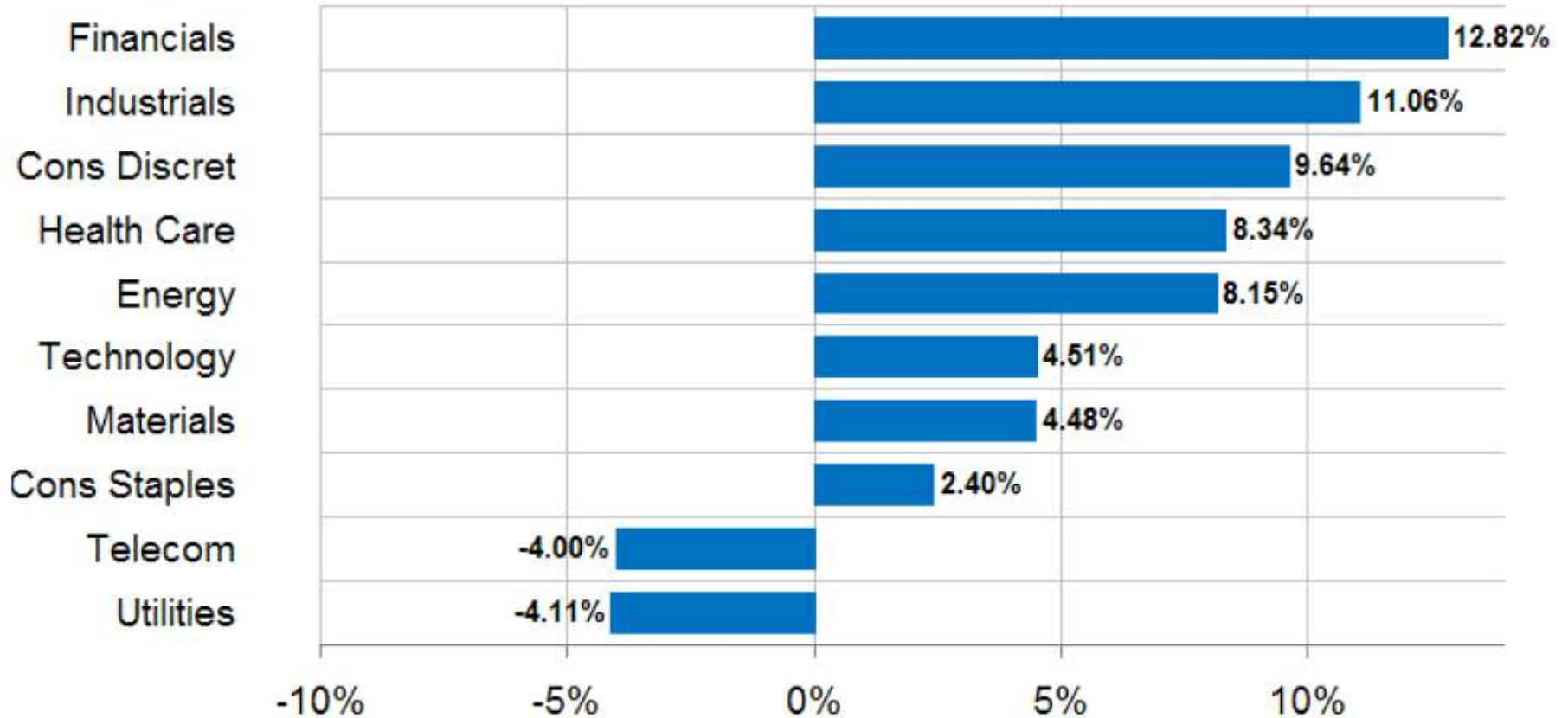


Source: Bloomberg as of July 24, 2013

# New Equity Leadership Also Supports “Mid-Cycle” View

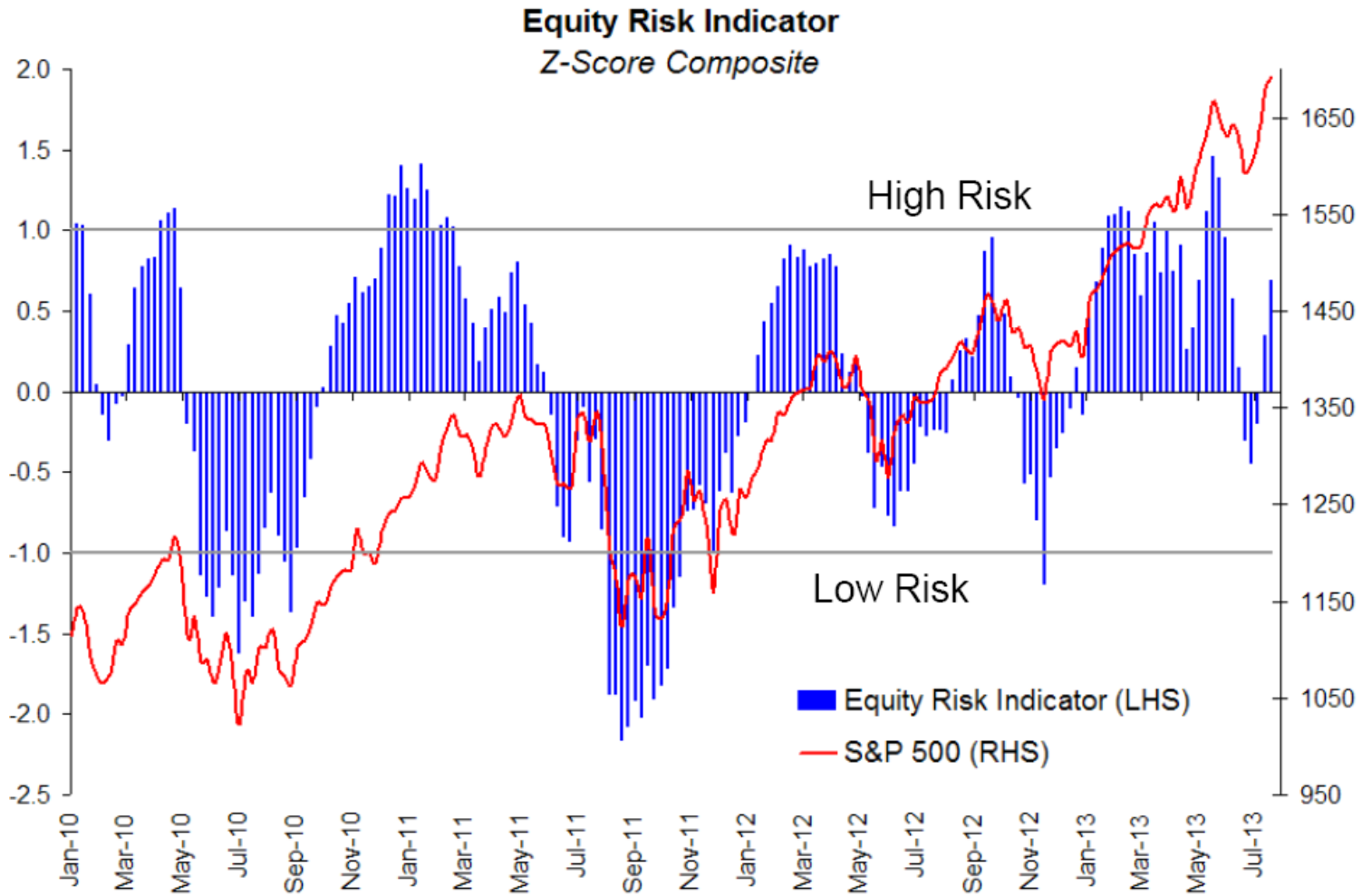
## Ranked Returns: S&P 500 Index Groups

Period: May 1, 2013 - July 22, 2013



Source: Bloomberg as of July 22, 2013

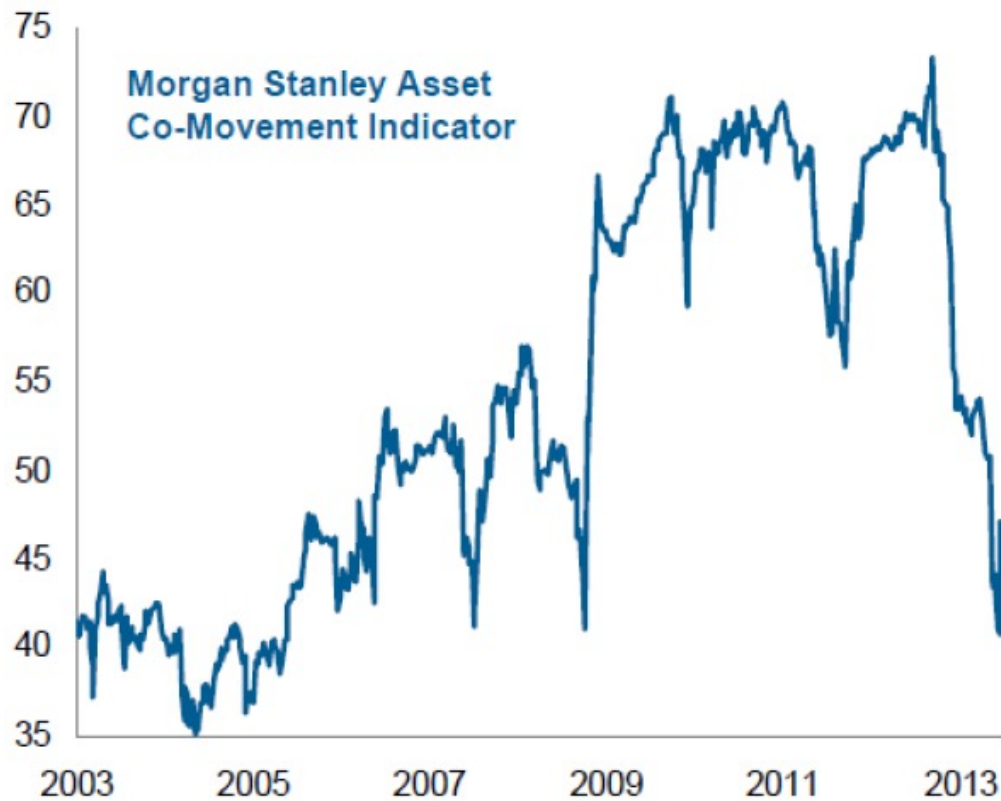
# US Equity Risk Indicator Back Above Normal



Source: Morgan Stanley & Co. Data as of July 22, 2013.

Equity Risk Indicator is a standardized measure of investor sentiment and positioning and earnings revision factors. A Z-Score is a statistical measurement of a score's relationship to the mean in a group of scores. A Z-score of 0 means the score is the same as the mean. A Z-score can also be positive or negative, indicating whether it is above or below the mean and by how many standard deviations.

## Focus on Alpha, Which is Now More Available



Source: Morgan Stanley & Co. Research as of June 28, 2013.

# Japan Remains a GROWTH Story

## Global Equity Valuations

Consensus as of 7/23/2013

*We believe Japan offers the best earnings growth at a reasonable price*

Index	Consensus EPS Growth*		Price/Earnings Ratio*		Price/Book Ratio**		Price/Earnings to Growth	
	2013	2014	2013	2014	2013	2014	2013	2014
MSCI Japan	63%	10%	15.3	13.9	1.3	1.2	0.2	1.3
MSCI US	7%	11%	15.5	14.0	2.4	2.2	2.1	1.3
MSCI Europe	1%	12%	13.0	11.6	1.6	1.5	10.4	1.0
MSCI Emerging Markets	10%	12%	10.6	9.5	1.4	1.3	1.0	0.8

\* Updated Monthly in Middle of Month

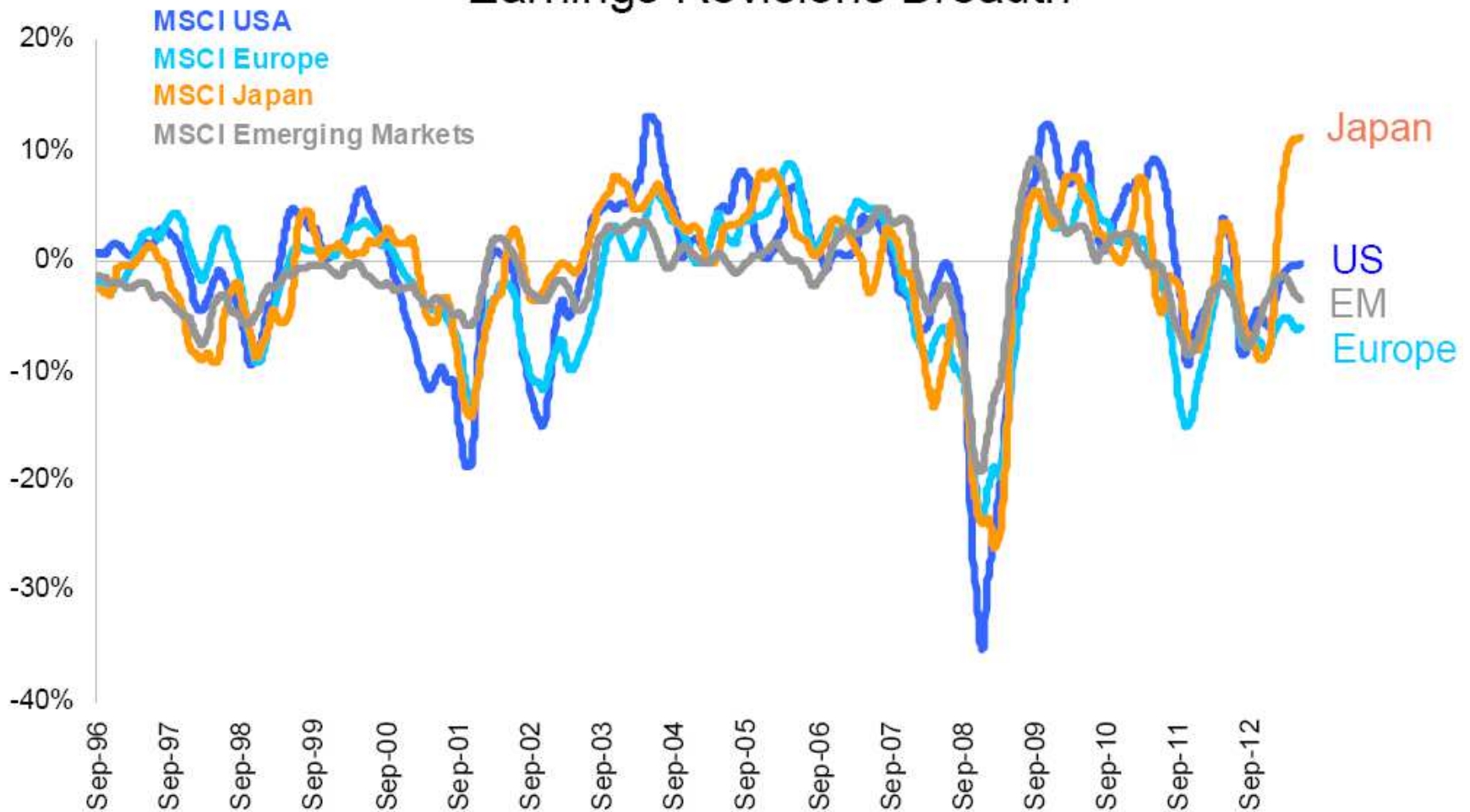
\*\* Updated Daily

Source: FactSet estimates as of July 23, 2013



# Japan Earnings Revision Breadth is Impressive

## Earnings Revisions Breadth



Source: FactSet and Morgan Stanley Wealth Management Research as of June 14, 2013

# Europe is a Low-Expectation Story

Europe valuation premium / discount versus US %

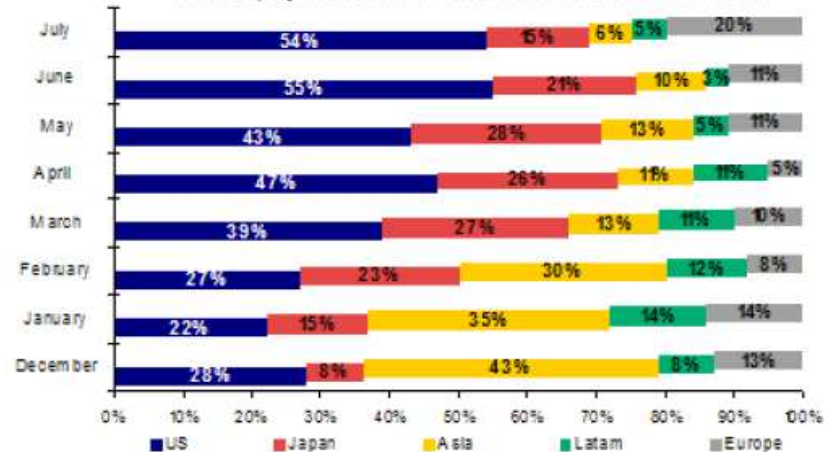


Source: MSCI, Morgan Stanley Research Note: Average relative valuation across PB, PD, PCE. Sector neutral valuation assumes that sector weights are in line with MSCI World Index.

Sentiment toward Europe is starting to improve, which could be a good leading indicator for stocks

Europe should trade at a discount to the US given weaker EPS growth and structural issues. However, these concerns now appear priced in. Negative EPS revisions have also made European earnings expectations more achievable

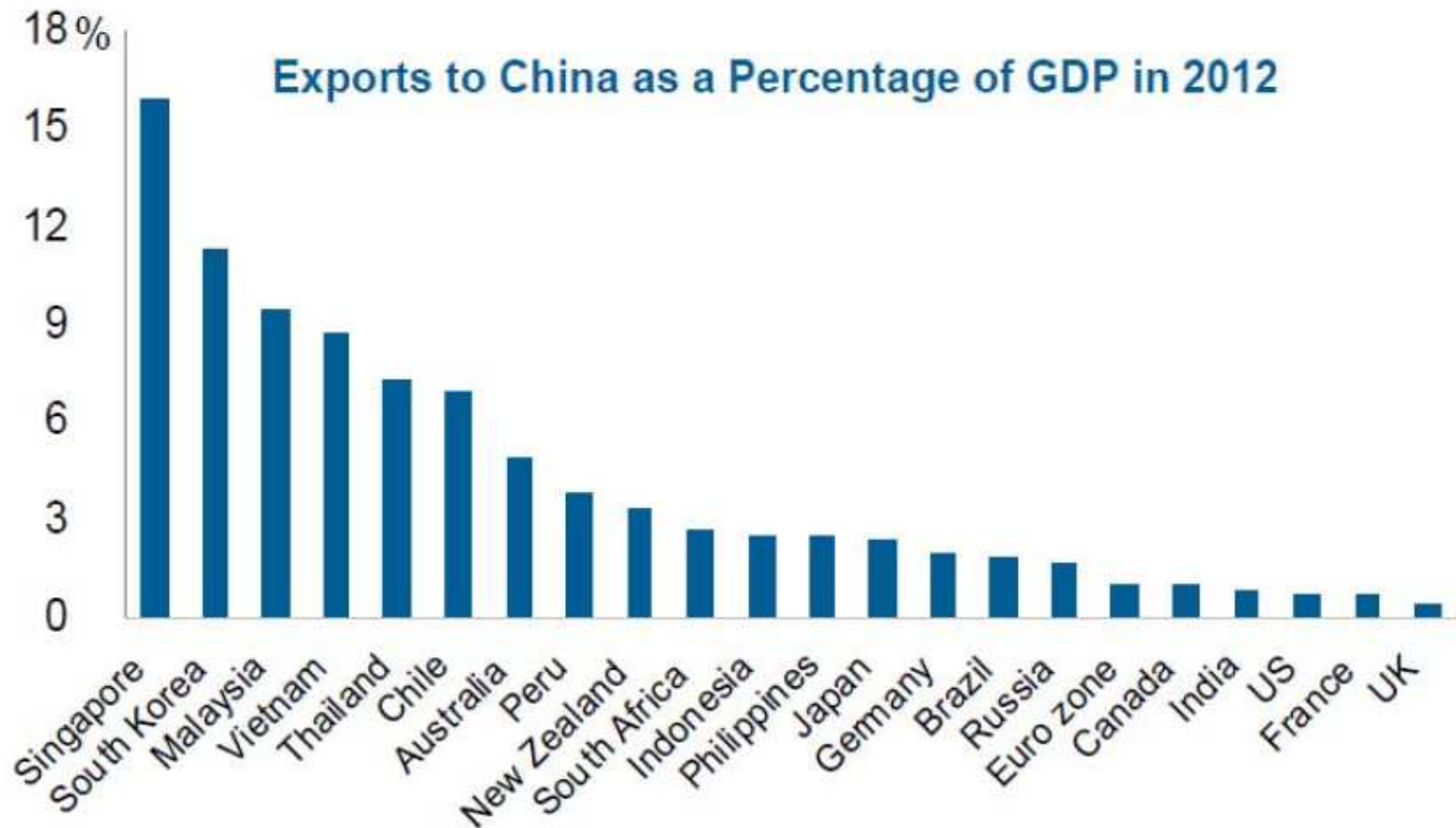
US Remains Favorite Region, Growing Interest in Europe  
What Equity Market Will Perform Best in the Year Ahead?



Source: Morgan Stanley Institutional Equities as of July, 19 2013

## Emerging Markets are Rebounding, but Watch China

Emerging Markets are extremely levered to China growth, making it perhaps the most important driver of emerging markets performance.



Source: Haver Analytics, FactSet, Morgan Stanley Wealth Management as of July 11, 2013

# Important Disclosures

To the extent the investments depicted herein represent international securities, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in emerging markets. International investing may not be for everyone. Small capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Bonds are subject to interest rate risk. When interest rates rise bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Bonds rated below investment grade may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk and price volatility in the secondary market. Investors should be careful to consider these risks alongside their individual circumstances, objectives and risk tolerance before investing in high yield bonds. High yield bonds should comprise only a limited position of a balanced portfolio.

Investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

- loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices;
- lack of liquidity in that there may be no secondary market for the fund and none expected to develop;
- volatility of returns;
- restrictions on transferring interests in the fund;
- potential lack of diversification and resulting higher risk due to concentration of trading authority with a single advisor;
- absence of information regarding valuations and pricing;
- delays in tax reporting;
- less regulation and higher fees than mutual funds; and
- advisor risk.

Although the statements and data in this report have been obtained from, and are based upon, sources that the Firm believes to be reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions included in this report constitute the presenters judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Past performance is not a guarantee of future results.

Actual returns would be reduced by expenses that may include management fees and costs of transactions. Expected return and risk (standard deviation) calculations are based on historical data for periods indicated.

# Important Disclosures

Asset Allocation and Diversification do not guarantee a profit or protect against a loss.

Real Assets may include precious metals, commodities, oil and gas interests and timber interests. The prices of real assets tend to fluctuate widely and in an unpredictable manner. Real assets may be affected by several factors, including global supply and demand, investors' expectations with respect to the rate of inflation, currency exchange rates, interest rates, investment and trading activities of hedge funds and commodity funds, and global or regional political, economic or financial events and situations.

This report contains forward looking statements and there can be no guarantees they will come to pass. Historical data shown represents past performance and does not guarantee comparable future results. There is no guarantee that the investments mentioned will be in each client's portfolio.

Private equity interests may be highly illiquid, involve a high degree of risk and be subject to transfer restrictions.

This material does not provide individually tailored investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The strategies and/or investments discussed in this material may not be suitable for all investors. Morgan Stanley Smith Barney LLC recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a Financial Advisor. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives.

S&P 500 Index is an unmanaged, market value-weighted index of 500 stocks generally representative of the broad stock market. An investment cannot be made directly in a market index.

Russell 2000 © Index measures performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 11% of the total market capitalization of the Russell 3000 Index. S&P Small-Cap 600 Index is an unmanaged index representing the aggregate market value of the common equity of 600 small-company stocks. Investing in smaller companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of May 30 2011, the MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

International investing may not be suitable for every investor and is subject to additional risks, including currency fluctuations, political factors, withholding, lack of liquidity, the absence of adequate financial information, and exchange control restrictions impacting foreign issuers. These risks may be magnified in emerging markets.

# Memorandum



Date: July 29, 2013

To: Investment Committee  
Cal Poly Pomona Foundation, Inc.

From: *G. Paul Storey*  
G. Paul Storey  
Executive Director

**Subject: ENDOWMENT EARNINGS DISTRIBUTION 2013-14**

On an annual basis, the performance of the endowment portfolio and the values of the undistributed earnings are reviewed to determine if there are funds available for an endowment distribution per the Administration of Program, Scholarship and Endowment Funds Policy # 133, please see attached for further details. Please keep in mind, some endowments may have terms and conditions that take precedence over this policy and accordingly the following recommendation will include such terms and conditions.

Upon review of the performance of the endowment portfolio and the values of the undistributed earnings, Foundation management is proposing an endowment distribution of \$3,387,912 or 4.89% comprised of the lesser of 5% of the endowment value (corpus plus undistributed earnings) or the undistributed earnings value as of June 30, 2013 subject to any endowment terms and conditions that would take precedence as follows:

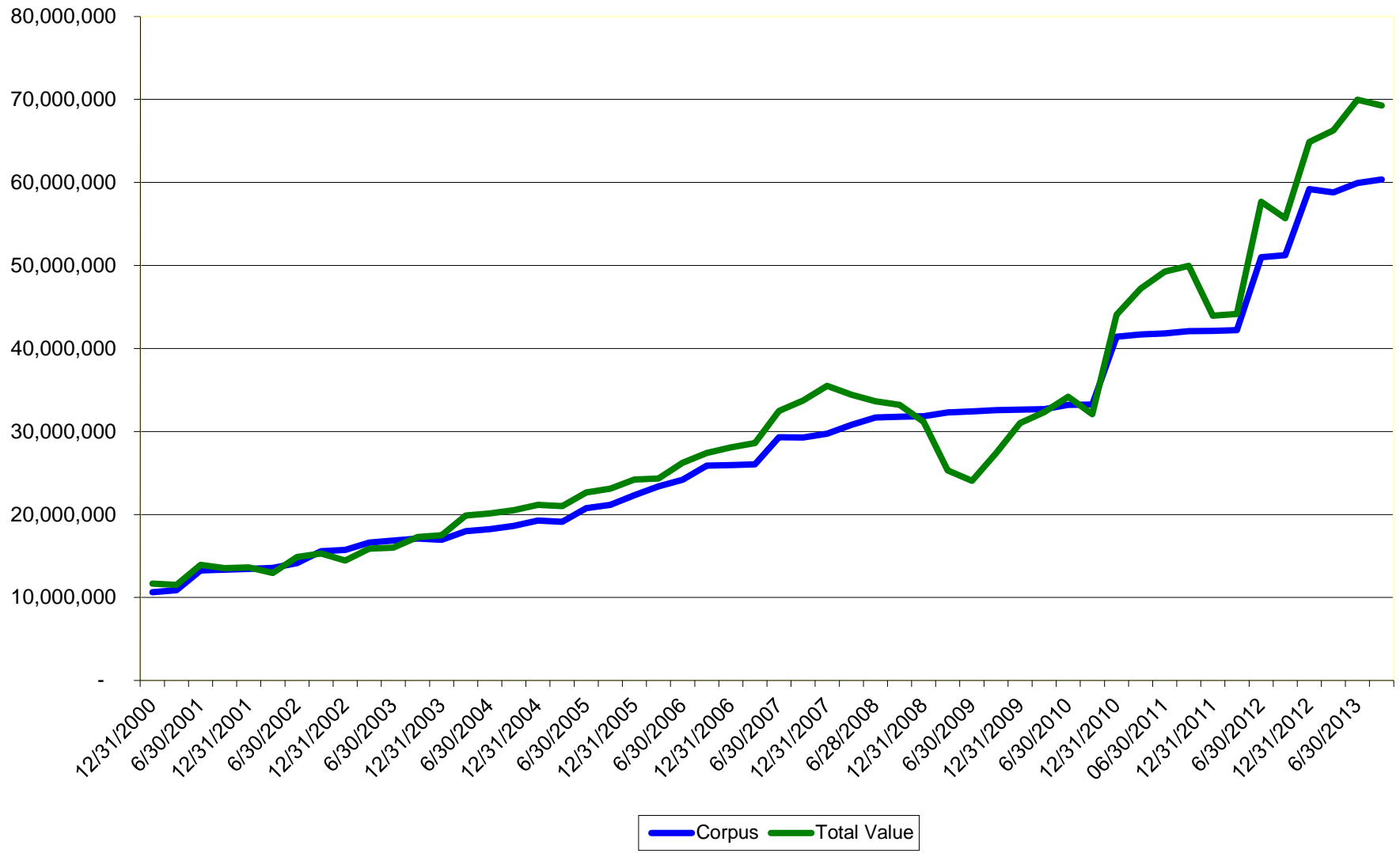
- Propose a distribution of \$707,412 to 227 scholarship endowment operating accounts.
- Propose a distribution of \$1,345,709 to 91 program endowment operating accounts.
- Propose a distribution of \$1,334,791 from the Kellogg Foundation Legacy endowment per the terms and conditions of the grant.

**Now therefore be it resolved** that the Investment Committee approves an endowment distribution proposal by Foundation management of \$3,387,912 to 227 scholarship endowment operating accounts, 91 program endowment operating accounts and the Kellogg Foundation Legacy endowment operating account be presented to the Board of Directors at their next regularly scheduled meeting for review and consideration for approval.

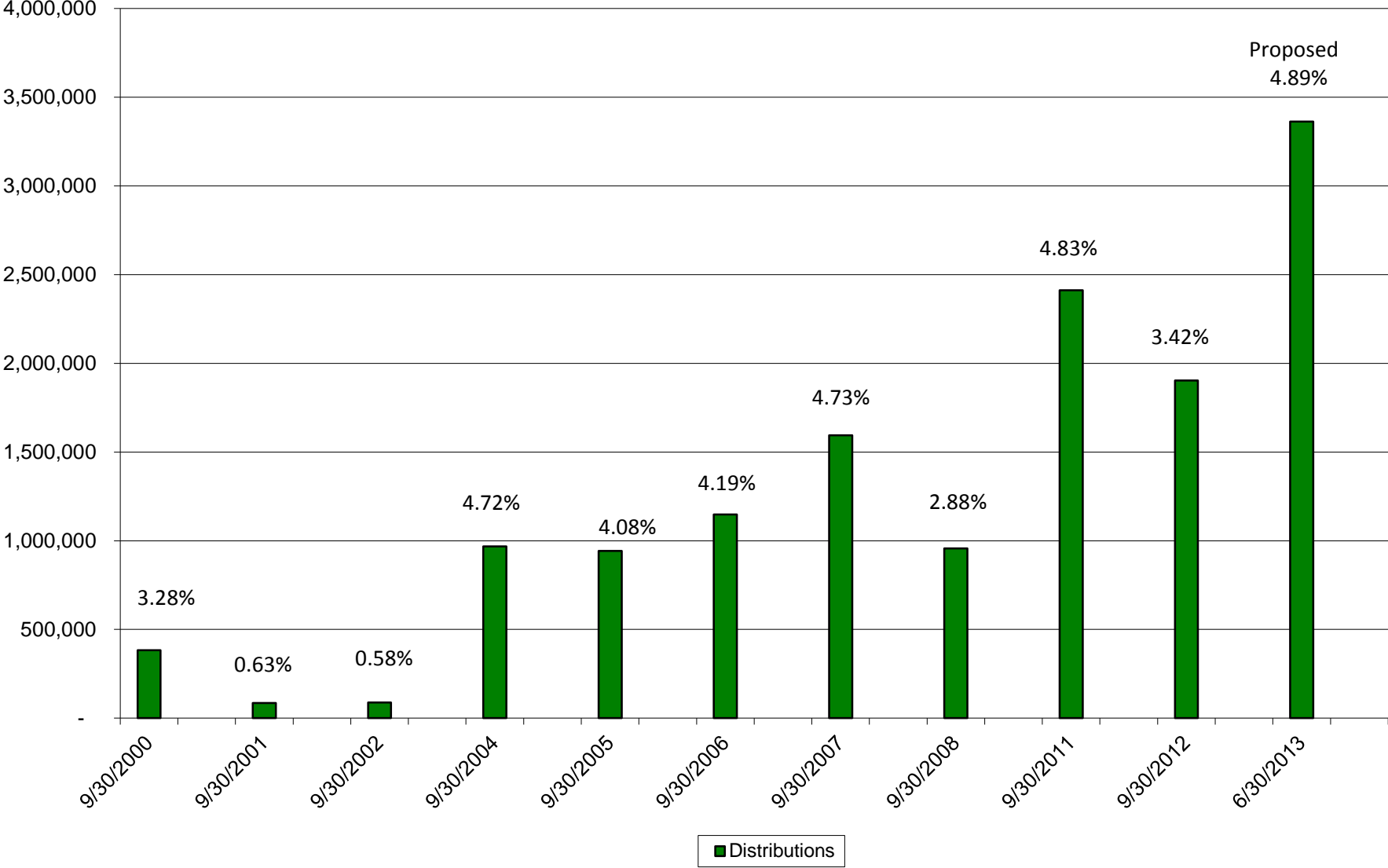
**PASSED AND ADOPTED THIS 11th DAY OF SEPTEMBER 2013**

By: *Thomas M. Goff*  
\_\_\_\_\_  
Thomas M. Goff, Chair  
Investment Committee  
Cal Poly Pomona Foundation, Inc.

### Endowment Corpus and Total Value



### Endowment Distributions





**CAL POLY POMONA FOUNDATION, INC.**

**POLICIES AND PROCEDURES**

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<b>Subject:</b>	<b>Administration of Program, Scholarship and Endowment Funds</b>	<b>Policy No.</b>	<b>133</b>
		<b>Old No.</b>	<b>1996-3</b>
<b>Reference:</b>	<b>283-II-C, 301-II-D, 320-III-A, 333-III-B 350-III-B</b>	<b>Date:</b>	<b>10/01/97</b>
<b>Replaces:</b>	<b>1973-4, 1992-1</b>	<b>Revision:</b>	<b>02/27/01, 02/17/05, 11/15/07 02/13/12</b>

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**PURPOSE**

To provide guidance for the administration of Program, Scholarship and Endowment Funds. The recovery of administrative costs represented by this policy include a Foundation "gift of support" equivalent to 25% of the Foundation's estimated administrative cost for maintaining Foundation program, scholarship, endowment/endowment operating accounts.

**POLICY**

The yield, mark-to-market and fees assessed will be determined by the type of funds. It is understood that donated funds may contain terms and conditions that take precedence over this policy.

Foundation Program Funds - represent funds invested by the Foundation per the General Investment Policy # 131 in support of University activities.

1. Yield will be allocated quarterly on the average daily balance of the respective account.
2. The yield is the weighted average yield (coupon rate of the security plus or minus the amortization or accretion of any premium or discount) of the interest bearing securities and cash equivalents in the General Investment Portfolio less an annual investment administrative fee of 0.50% basis points to provide support to the general fund of the Foundation.
3. An administrative fee of **2.55%** will be assessed on all expenditures processed, including transfer of funds, payroll and accounts payable disbursements to provide support to the general fund of the Foundation. The maximum administrative fee per transaction is \$2,550.
4. All donations will be assessed a fee of 5%.

Scholarships Funds - represent funds invested by the Foundation per the General Investment Policy # 131 that are restricted only for the distribution of scholarships.

1. Yield will be allocated quarterly on the average daily balance of the respective account.
2. The yield is the weighted average yield (coupon rate plus or minus the amortization or accretion of any premium or discount) of the interest bearing securities and cash equivalents in the

General Investment Portfolio less an annual investment administrative fee of 0.50% basis points to provide support to the general fund of the Foundation.

3. An administrative fee of **0.0%** will be assessed on all expenditures processed, including transfer of funds, payroll and accounts payable disbursements.
4. All donations will be assessed a fee of 5%.

Endowment Funds - represent funds invested per the Foundation Endowment Investment Policy 130.

1. It is the Foundation's goal to distribute annually a minimum net return of 5% of endowment value as established on June 30th. Earnings for the fiscal year in excess of the Consumer Price Index (CPI) for the Los Angeles area, as reported in July for the prior 12 months, and in excess of 5% endowment value, may also be distributed. Endowment earnings shall generally be available for distribution from those endowments invested for no less than three (3) consecutive months. Exceptions may be authorized per approval by the Executive Director or his/her designee and the Board of Directors. Endowment earning distribution will occur in the first quarter of each fiscal year based upon the percentage of the endowment value and or an amount as approved by the Board.
2. Endowment scholarship funds with little or no earnings are eligible for an interest free loan up to 5% of the endowment value at June 30th upon approval by the Board. Loans are to be repaid within 3 years to the General Fund from future scholarship endowment earning distributions.
3. The endowment funds will be assessed an annual administrative fee of seventy-five basis points (0.75%). If the annual earnings are less than 0.75%, fees will first be recovered from prior undistributed earnings and if no available prior year earnings, then from corpus.
4. All donations will be assessed a fee of 5%.

Endowment Operating Funds - represent funds invested by the Foundation per the General Investment Policy 131.

1. Yield will be paid quarterly on the average daily balance of the respective account.
2. The yield is the weighted average yield (coupon rate of the security plus or minus the amortization or accretion of any premium or discount) of the interest bearing securities and cash equivalents in the General Investment Portfolio less an annual investment administrative fee of 0.50% basis points to provide support to the general fund of the Foundation.
3. An administrative fee of **2.55%** will be assessed on all expenditures processed, including transfer of funds, payroll and accounts payable disbursements to provide support the general fund of the Foundation. The maximum administrative fee per transaction is \$2,550.
4. All donations will be assessed a fee of 5%.

## Students press schools to drop fossil fuel stocks

August 26, 2013

Los Angeles Times

By Larry Gordon

*San Francisco State moved this summer to divest. But the UC system and others express concern about the financial impact.*

In the 1980s, student protests against apartheid led universities to sell off stocks in companies doing business in South Africa. More recently, concerns about genocide in Darfur, the health effects of tobacco and handgun violence led to more college divestments.

Now another issue — the effect of fossil fuels on global temperatures — is rousing a new generation of student activists to press their schools to drop coal, petroleum and natural gas investments from campus endowments. Student campaigns, such as “Fossil Free UC,” are underway at about 300 colleges and universities nationwide, organizers estimate.

“We look at our schools as a representation of ourselves,” said Raven Rutledge, a San Francisco State environmental studies major who was a leader in her campus’ successful movement for divestment. “I would like to know my school is putting its money in companies that are looking out for the best welfare of people.”

In what is seen as a pioneering step by a large public university, San Francisco State’s fundraising foundation voted in June to sell some stocks and bonds of companies with significant coal and tar sands holdings from its overall \$51-million portfolio. The school also plans to more widely divest from fossil fuel in the future.

Five liberal arts colleges in the Northeast, including Unity and Hampshire, have committed in various ways to divest. But some larger universities, including Harvard and the 10-campus UC system, say they are concerned about the financial effect of dropping, over the next five years, the 200 companies with the world’s largest oil, natural gas and coal reserves, as activists want.

Many of the campus divestment efforts are guided by the environmental group 350.org, founded by writer Bill McKibben, whose 1989 book “The End of Nature” warned about global warming. (“350” comes from scientists’ calls for carbon dioxide to be reduced to 350 parts

per million in the atmosphere — it's nearly 400 parts now — to avoid severe climate effects.)

Colleges face a “fundamental tension” between maximizing investments that fund scholarships and research and “on the other hand, being responsible to larger public policy initiatives like the environment,” said Robert J. Nava, San Francisco State’s vice president for university advancement and its foundation president.

While selling off those stocks, San Francisco State expects to keep its endowment earnings at least steady with alternative investments, including some in clean energy, Nava said.

Many more colleges will face similar decisions in the next year or so, predicted Kenneth E. Redd, director of research and policy analysis for the National Assn. of College and University Business Officers. But he warned that such change could be harder than aiming at apartheid and tobacco, since fossil fuel industries loom so much larger.

His group estimates that the endowments of all American colleges total about \$406 billion, of which \$24 billion is directly invested in fossil fuel companies, not including mutual funds. If all \$24 billion was sold off, he said, that would equal only about 6% of Exxon Mobil’s market value.

“Divestment might be important from a symbolic standpoint for students and others, but its effect on global warming or other issues would likely be minimal at best,” Redd said.

The oil and coal industries contend that many jobs are at stake and tout their own investments in cleaner fuels and solar energy. Revenues from oil and natural gas “help fund higher education,” said Sabrina Fang, a spokeswoman for the American Petroleum Institute. “This is allowing colleges to provide aid to students who may not otherwise have an opportunity to attend college.”

Student activists, however, insist that colleges need to take the moral stance. They say it is hypocritical to teach about global warming and ecological protection while investing in firms the students contend are hastening climate change by mining and drilling for fuels to be burned in massive amounts.

They also argue that gradual divestments over the next five years makes good business sense, saying that regulatory and societal changes will hurt the earnings and value of oil and coal companies.

While similar moves by some cities and churches have been important, universities' actions have special significance, said Ophir Bruck, a UC Berkeley senior who is among the activists urging the UC regents to vote for divestment this fall.

"College campuses have served as wellsprings for social changes. So when those institutions take a stand on something, folks pay attention," Bruck said.

The target is the UC system's \$7.1-billion general endowment fund. A UC analysis shows that about \$39 million of the central UC endowment is invested in stocks of 67 of the 200 largest fossil fuel reserve firms; it has additional holdings in bonds, mutual funds and commodity contracts that are still being tallied. (Activists decided not to target UC's \$45.5-billion retirement fund because of opposition it might engender from those receiving pensions.)

Some UC officials say, however, that divestment is unlikely even though some regents are sympathetic and UC in the past dropped stocks in South Africa, tobacco and guns. In today's tight financial climate, energy companies' earnings are too important, said administrators who requested anonymity because the regents have not yet formally considered the matter.

The officials point to a report that shows UC lost about \$500 million in potential income between 2001 and 2012 as a result of dropping tobacco-related investments, and they suggest fossil fuel divestment would result in a much greater loss.

Harvard University's \$30-billion endowment, the nation's largest, is unlikely to divest, officials said. But facing student protests, Harvard recently hired an expert to analyze environmental and social issues in its investments, and is creating a fund with environmentally friendly goals.

At San Francisco State, the foundation recently sold about \$195,000 in stocks and bonds in firms including the Australia-based BHP Billiton, and might sell off another \$4 million in energy-related investments by 2018.

That recent action may be tiny compared with the expanse of energy industries, said San Francisco State student Rutledge, who had a paid summer internship at 350.org.

“Even if it is small, things have to start somewhere,” she said. “Taking a small amount may someday turn into a big amount. We shouldn’t wait until the climate gets worse.”

### **Most Common Arguments in Favor of a Fossil Fuel Divestment Strategy:**

1. Companies like Chevron, Exxon, and Peabody Coal are polluting our land, air, and water, putting our communities and children at risk
2. Divestment can have a major political impact by taking away the social license of the fossil fuel industry, turning Big Oil into Big Tobacco, an industry that no politician wants to be seen with.
3. Divestment campaigns have made a big impact before, including in the fight against apartheid in South Africa.
4. Divestment opens the door for more sustainable investments that not only get a good return but also help our communities and the planet.
5. Investing in the fossil fuel industry is increasingly risky: financial analysts are now warning us about a “carbon bubble” that could result when government’s decide to regulate greenhouse gas emission and fossil fuel companies are forced to leave their coal, oil and gas reserves underground, tanking their share price.
6. Proxy voting has proven to be ineffective.
7. College and University investments are a reflection of their institutional values. Universities are leaders in the investment space. As universities move their money, other investors will begin to follow, amplifying the impacts of divestment.

### **Some Possible Considerations for Not Implementing a Divestment Strategy:**

1. Energy is 11% of the S&P 500 Index. Fossil fuel companies currently comprise the largest percentage of the energy sector. Choosing to reduce holdings in this sector could have an adverse portfolio performance effect.
2. Similarly, many alternative energy companies are unproven and an increased weighting to these stocks on philosophical grounds could add to performance but also could detract.
3. Fossil fuels are still the primary fuel for transportation and electricity. If there is significant institutional withdrawal of financial sponsorship of fossil fuel energy companies, could higher fuel and energy costs be a consequence? Higher energy costs disproportionately hurt lower income families, and one could envision a public relations problem for institutions deemed to have contributed to such a scenario.
4. A divestment strategy can be viewed by some as “activist,” which while desirable in some eyes may be viewed adversely by others, including potential donors to the endowment.