

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

Meeting of the Board of Directors, Number 365

December 1, 2015 at 2 pm
Kellogg West Conference Center and Hotel-Garden Vista Room

AGENDA

ANNUAL MEETING

Roll Call

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I.	<u>PRESIDENT'S REPORT</u>	Soraya Coley, President	
A.	Election and Appointment of 2015-16 Board Members: (ATTACHMENT 365-I-A)		1
	Dr. Brian Jersky – Dean Director		
II.	<u>ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC</u> <i>who may or may not be commenting on a specific item or making a general comment.</i>		
III.	<u>CONSENSUS ACTION ITEMS</u>		
	<i>Consensus 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. An "A" distinguishes items requiring approval.</i>		
A.	Reading of Minutes 364 (10/01/15) (ATTACHMENT 365-III-A) A	Soraya Coley Board Chair	2 - 4
B.	Investment Report 1 st Quarter 2015-16 (ATTACHMENT 365-III-B)	David Prenovost Senior Manager/CFO	5 - 82
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V.	<u>DISCUSSION ITEMS</u>		
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	<i>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.</i>		
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E. Dining Commons Replacement Project
(ATTACHMENT 365-VI-E)

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F. Executive Director's Report
(ATTACHMENT 365-VI-F)
-Innovation Village Update

G. Paul Storey
Executive Director

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VII. DIRECTORS OPEN FORUM

Appointed Board Members: Dean Director

Dr. Brian Jersky – Dean for the College of Science.

Dr. Jersky was born and raised in South Africa. He completed his undergraduate studies and an honors year at the University of the Witwatersrand, Johannesburg. He received a fellowship to Cornell University, where he obtained his masters and doctoral degrees in statistics.

After completing his doctoral work in 1992, he taught at Sonoma State University and held several positions at the university, including chair of the mathematics department, secretary of the faculty senate, chair of the university RTP committee, and director of academic planning and resources in the School of Science and Technology. Jersky also held a joint appointment as an adjunct full professor at UC San Francisco, where he taught biostatistics to pharmacy doctoral students and incoming clinical faculty.

Jersky has published in the field of statistics education and as a collaborator with medical researchers. He was editor of the newsletter of the Statistics Education Section of the American Statistical Association, and was elected to the Sections Executive Committee. His interest in diagnostic testing for mathematics resulted in an invitation to join the Mathematics Diagnostic Testing Project, a joint UC and CSU venture, in which he is the groups statistician.

CAL POLY POMONA FOUNDATION, INC.
California State Polytechnic University, Pomona

MINUTES OF MEETING NO. 364
OF THE
BOARD OF DIRECTORS
October 1, 2015

Pursuant to a written order by Dr. Soraya M. Coley, delivered to each member of the Board of Directors on August 10, 2015, the Board of Directors of the CAL POLY POMONA FOUNDATION, INC. assembled and held a meeting on the campus of the California State Polytechnic University, Pomona, California, at 2:00 p.m. on October 1, 2015.

Present were; Dr. Sylvia Alva, Dr. Samir Anz, Dr. Soraya Coley, Ms. Sarah De La Parra, Dr. Sepehr Eskandari, Ms. Erica Frausto, Mr. Tom Goff, Mr. Julian Herrera, Mr. Greg Kommel, Mr. John McGuthry, Mr. Lowell Overton, Ms. Rosie Pasos, Mr. James Priest, Dr. Benjamin Quillian, Dr. David Speak, Ms. Kathleen Street, Mr. Jared Tolbert and Ms. Kathy Tully.

WebEx: Ms. Mei Lien Chang and Mr. Oliver Santos

Absent were; Dr. Mahyar Amouzegar and Ms. Rachel Dominguez

Ms. Tina Henton, Mr. Robert Griffin, Ms. Anne McLoughlin, Mr. Dennis Miller, Ms. Debra Poe, Mr. David Prenovost and Mr. G. Paul Storey were invited guests.

Dr. Soraya Coley called the meeting to order at 2:00 at Kellogg West Garden Vista Room.

First order of business was the election and appointment of 2015-16 Board Members; Dr. Sylvia Alva, appointment to Designated Director, Dr. Benjamin Quillian, appointment to Designated Director, Mr. Bedford McIntosh, appointment to Designated Director, Ms. Kathleen Street, appointment to Designated Director, Dr. Sepehr Eskandari, appointment to Designated Director, Mr. Julian Herrera, appointment to Designated Director, Dr. David Speak, election to Faculty Director, Ms. Erica Frausto, election to At Large Director, Ms. Sarah De La Parra, election to Staff Director, Mr. Greg Kommel, election to Student Director, ASI.

A motion was made by Tom Goff to accept the new Board Members, was seconded by Jared Tolbert and unanimously approved.

I. PRESIDENT'S REPORT

No report given

II. ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC

No visitors attended

III. CONSENSUS ITEMS

- A. Reading of Board Meeting Minutes # 363
- B. 2015-16 Board Meeting Schedule
- C. 2015-16 Board Committee Schedule
- D. Investment Report 4th Quarter 2014-15
- E. Financial Highlights-Fiscal Year 2014-15
- F. 2014-15 External Child Care Center Audit

Dr. Coley stated the Consensus Items are approved by consent.

IV. ACTION ITEMS

A. Election of Officer-Vice Chair

Paul Storey explained the Nominating Committee had a special meeting on September 22, 2015 and nominated Dr. David Speak as the Vice Chair to replace the Dr. Steven Garcia who has retired.

A motion was made by Tom Goff to approve the nomination of David Speak as Vice-Chair on the slate of Board Officers presented by the Nominating Committee for the fiscal year 2015-2016. The motion was seconded by Oliver Santos and approved, 21 Ayes, 0-Abstentions, 0-Nays.

B. 2014-15 Financial and Single Audit Reports

Tina Henton with Vicenti Lloyd & Stutzman LLP presented the Financial and Single Audits Reports of Cal Poly Pomona Foundation for the fiscal year ended June 30, 2015. She went over the required communication, their audited opinion, management discussion and analysis, financial statements and footnotes with the members of the Committee.

The Foundation received an unmodified opinion with no management letter comments, no material weaknesses, no reportable conditions and no compliance issues noted, proposed and/or discussed with management.

A motion was made by James Priest to accept the Vicenti Lloyd & Stutzman's unmodified opinion of the Foundation's Financial and Single Audit Reports for the fiscal year ended June 30, 2015. The motion was seconded by Sepehr Eskandari and approved, 21 Ayes, 0-Abstentions, 0-Nays.

C. Endowment Spending Distribution Approval

David Prenovost presented the Endowment Earning Distribution for 2015-16. Based on the performance of the endowment portfolio and the values of the undistributed earnings, Foundation management and the Foundation Investment Committee is proposing an endowment distribution of \$1,304,318 or 3.00% comprised of the lessor of 3% of the endowment value (corpus plus undistributed earnings) or the undistributed earnings value as of June 30, 2015 subject to any endowment terms and conditions that would take precedence as follows; propose a distribution of \$466,461 to 231 scholarship endowment operating accounts; propose a distribution of \$837,857 to 96 program endowment operating accounts; propose a distribution of \$0 (excluding the \$50,000 for administration of the endowment) from the Kellogg Foundation Legacy endowment.

A motion was made by Greg Kommel to approve an endowment distribution proposal of a net distribution of \$1,304,318 to 231 scholarship endowment operating accounts, 96 program endowment operating accounts and \$0 to the Kellogg Foundation Legacy endowment operating account and \$50,000 for administration. The motion was seconded by Samir Anz and approved, 21 Ayes, 0-Abstentions, 0-Nays.

D. General and Endowment Investment Policy Approval

David Prenovost explained the Endowment Investment Policy #130 and the General Investment Policy #131 must be reviewed annually to ensure the policies reflect the current investment objectives of the Foundation's endowment and general funds. Minor changes and updates were reviewed and accepted by the Investment Committee and summarized for the full Board.

A motion was made by James Priest to approve the updates to the Endowment Investment Policy #130. The motion was seconded by Greg Kommel and approved, 21 Ayes, 0-Abstentions, 0-Nays.

A motion was made by Sepehr Eskandari to approve the updates to the General Investment Policy #131. The motion was seconded by Kathy Tully and approved, 21 Ayes, 0-Abstentions, 0-Nays.

V. DISCUSSION ITEMS

None

VI. INFORMATION ITEMS

A. Lanterman Property (CPP South) Update

Paul Storey explained in January 2015, Governor Brown incorporated the proposed transfer of Lantern Development Center to Cal Poly Pomona in the 2015-16 State budget. On July 1, 2015, jurisdiction of the Center was transferred to the California State University and the property is now referred to as the CPP Campus South.

The Foundation's 2015-2016 budget includes \$300,000 in the capital for refurbishment of residences homes at Lanterman and \$500,000 in operating support from the Venture/Real Estate Reserve. A video of the center was presented to the Board.

B. Presentation on Board Member Duties

The Foundation's 2015-2016 budget includes \$300,000 in the capital for refurbishment of residences homes at Lanterman and \$500,000 in operating support from the Venture/Real Estate Reserve. A video of the center was presented to the Board.

B. Presentation on Board Member Duties

The Foundation asked Robert Griffin to present the governance standards of a Board Member and the separate legal and authorized support functions of a CSU auxiliary.

Robert holds a charter AOA Honorary Lifetime Membership Award, having served in every officer position, as a long-time Executive Committee member during his 26 year service with the Cal Poly Foundation (now Cal Poly Corporation), and as a close colleague to John Francis, AOA's legal counsel for many years.

As the Legislative & Compliance Advisor, Robert is an Ex Officio member of the Executive Committee. He identifies, tracks and reports on significant legislative, regulatory and compliance-related issues affecting AOA and its members. He publishes periodic Updates for the Executive Committee and each of the Standing Committees. An Annual Update is given to the membership at the Annual Conference.

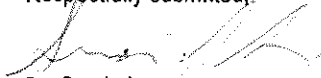
C. Executive Director's Report

1. Innovation Brew Works has received The NACUFS 2015 Loyal E. Horton Dining Awards Grand Prize.
2. The 32nd Annual Hot Dog Caper Event is October 8, 2015 and everyone is invited.
3. Hibachi San Japanese Grill opened in the Bronco Student Center in September and is very popular.

OPEN FORUM

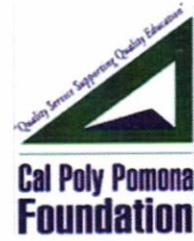
Meeting adjourned at 3:35 p.m.

Respectfully submitted,



Dr. Samir Anz,
Secretary/Treasurer

Memorandum



Date: November 9, 2015

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: *David F. Prenovost*
David F. Prenovost
Senior Managing Director/CFO

Subject: INVESTMENT HIGHLIGHTS – First Quarter 2015-16

The Foundation's Endowment and General Investment Policies 130 and 131 requires a comprehensive quarterly report of the investment portfolio's performance be provided to the members of the Investment Committee and Board of Directors at each regularly scheduled meeting.

ENDOWMENT INVESTMENT PORTFOLIO

The Endowment Investment Portfolio (Portfolio) has a market value of \$83.1 million at September 30, 2015 and is over/under weighted by no more than 1.5%; please see Graystone's reports and capital market overview at September 30, 2015 for further information.

GENERAL INVESTMENT PORTFOLIO

The General Investment Portfolio (Portfolio) has a current market value of \$43 million at September 30, 2015 and is slightly over weighted in equities, fixed income securities and cash equivalents and under weighted in alternative investments. Please see Asset Class ranges and policy target vs portfolio allocation as well as Graystone's and the Common Fund's reports for further information.

Per the Foundation's Policy # 133, only the quarterly yield is distributed; for the 1st quarter the yield was 0.58% or 58 basis points and the scholarship programs received \$21,129 and the Foundation programs received \$175,917; (net of Foundation quarterly fee of 0.125% or twelve and a half basis points).

The Foundation has received capital call notices and has contributed \$220,000 against its commitment of \$250,000 to Capital Partners IV and \$642,000 against its commitment of \$750,000 to Capital Private Equity Partners VII. The value of the Non-Marketable Investments are \$871,424, please see Common Fund Summary Investment and Performance Reports for further details.

The Alternative Investment in Innovation Way infrastructure is \$1.7 million and for the year-to-date fiscal year 2015-16 was charged \$12,544 by the Foundation per the terms of the investment. This alternative investment repaid \$300,000 in the first quarter of fiscal year 2015-16.

Recommended Action: The members of the Board of Directors have reviewed the comprehensive quarterly investment reports and believe the reports are in compliance with the investment policies.

PASSED AND ADOPTED THIS 1st DAY OF DECEMBER 2015.

By: *Samir Anz* 12/1/15

Dr. Samir Anz, Secretary
Board of Directors

Capital Markets Overview

October 6, 2015

Capital Markets Observations: Q3-2015 Recap

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

- A lack of growth momentum, unclear policy statements, and limited visibility weighed on the markets in Q3...
 - Macro factors dominated performance as China growth concerns and US Fed Policy uncertainties persisted throughout the quarter. In fact, poorly-communicated policy decisions were a common theme, adding to market volatility during Q3. A surprise currency devaluation by the PBOC in August raised fears that China growth was worse than expected (and global growth by extension). Then in September, a decision by the Fed to delay rate hikes was *not unexpected*, but the broader message did startle investors and raise questions as the Fed lowered its growth projections for 2016, and pointed to “unstable global financial conditions” (i.e. China, US dollar strength) as policy-setting considerations.
 - Re-pricing risk assets at lower valuations was a rational response to a stream of data signaling slower global growth, but the price declines appeared to be exaggerated and disconnected from fundamentals by quarter-end. At this juncture, time and data points are needed to gain clarity into US and global growth trends as well as policy decisions.
 - Liquidity factors and trading dynamics have been adding to price volatility. In recent years, banks have scaled back their role as *intermediaries* and market-makers due to increased regulations (i.e. Dodd-Frank, Volcker Rule). Thus, banks are less able and willing to take on risk during times of market duress. In addition, non-fundamental and price-insensitive strategies reportedly added to downside volatility in Q3 by de-risking portfolios (i.e. selling equities) in the face of rising volatility and price declines. These include trend-followers (CTAs), risk-parity funds, and volatility strategies.
 - Global risk assets corrected in Q3 as China growth concerns rippled across various sectors and regions. China-sensitive Energy & Materials (global equities) dropped -19% and -20%, respectively, while Emerging Markets were down -18%; commodities declined -14%. Large-cap US equities (SP500) provided a margin of safety, down -6%, but small-caps (R2000) declined -12%. Early on, as de-risking focused on the selling of leveraged equities, US Treasuries were slow to respond, but eventually USTs rallied in a *flight-to-quality* to finish with solid gains for Q3.



The People's Bank of China (PBOC) has been actively working to stimulate the Chinese economy in recent quarters. But a poorly-communicated surprise currency devaluation rattled the markets in August – leading the US Federal Reserve to consider a delay in its policy of normalizing rates.

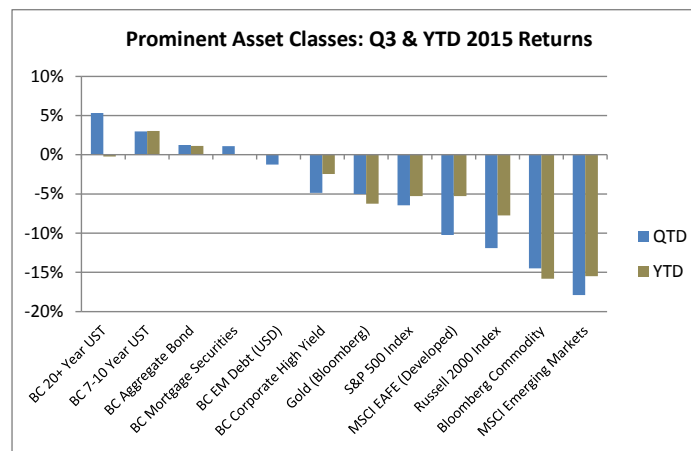
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**Please see important disclosures at the end of the presentation.*

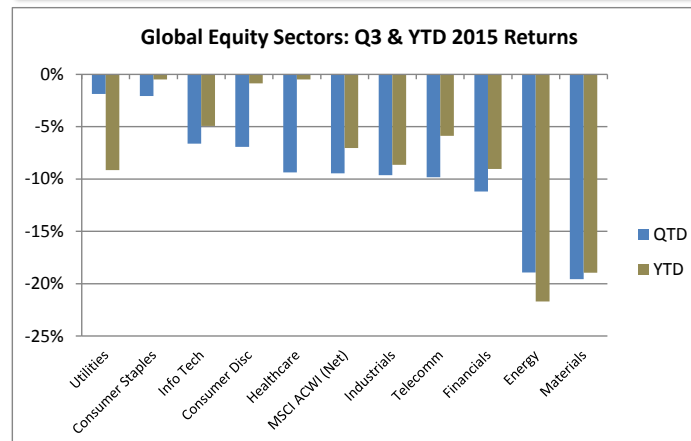
Capital Markets Performance Summary: Q3-2015

A lack of growth momentum, unclear policy statements, and limited visibility weighed on the markets...

Global Asset Class Returns	QTD	YTD	1 Year Return	1 Year Risk
BC 20+ Year UST	5.32%	-0.21%	9.12%	13.76%
BC 7-10 Year UST	2.98%	3.02%	6.24%	5.53%
BC Aggregate Bond	1.23%	1.13%	2.94%	2.93%
BC Mortgage Securities	1.11%	0.08%	0.76%	1.57%
BC EM Debt (USD)	-1.24%	0.10%	-0.59%	3.99%
BC Corporate High Yield	-4.86%	-2.45%	-3.43%	4.85%
Gold (Bloomberg)	-5.02%	-6.24%	0.00%	12.83%
S&P 500 Index	-6.44%	-5.29%	-0.61%	10.54%
MSCI EAFE (Developed)	-10.23%	-5.28%	-8.66%	12.56%
Russell 2000 Index	-11.92%	-7.73%	1.25%	13.30%
Bloomberg Commodity	-14.48%	-15.82%	-26.01%	14.83%
MSCI Emerging Markets	-17.90%	-15.48%	-19.28%	14.93%



Global Equity Sectors (ACWI)	QTD	YTD	1 Year Return	1 Year Risk
Utilities	-1.87%	-9.14%	-6.15%	10.55%
Consumer Staples	-2.07%	-0.50%	2.47%	10.47%
Info Tech	-6.63%	-4.93%	-1.20%	12.02%
Consumer Disc	-6.94%	-0.87%	4.72%	11.94%
Healthcare	-9.36%	-0.50%	2.43%	12.82%
MSCI ACWI (Net)	-9.45%	-7.04%	-6.66%	10.70%
Industrials	-9.63%	-8.65%	-7.74%	10.37%
Telecomm	-9.83%	-5.88%	-8.72%	12.88%
Financials	-11.18%	-9.04%	-7.71%	12.70%
Energy	-18.94%	-21.69%	-33.80%	18.00%
Materials	-19.57%	-18.94%	-23.57%	15.76%



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

Sources: FactSet, Graystone Consulting 9/30/2015

Capital Markets Highlights: Q3-2015

US & Global Equities

- Global equities corrected in Q3 on global growth concerns emanating from China. Energy & Materials declined -19% and -20%, respectively, as China transitions from infrastructure spending. Indeed, China's manufacturing base has been contracting, but services are expanding. Emerging Markets dropped -18% with resources-economies hit the hardest (Brazil -34%).
- As prominent trade partners with China, Europe and Japan declined -8.7% and -12%, respectively. In the US, the S&P 500 *outperformed* with a loss of just -6.4%, but cyclical and growth-oriented small-caps declined -12%.
- Healthcare underperformed in Q3, particularly in the US, due to political rhetoric (price controls) and de-risking.

Global & Specialty Fixed Income

- Defensive fixed income initially showed a muted response during the risk-off deleveraging of equities in August, but US Treasuries eventually rallied in a *flight-to-quality*. Long-duration USTs gained +5.3% as the yield curve flattened and the 10-year closed at a 2.06% yield.
- The BC Aggregate Bond Index gained +1.2% as USTs, MBS and Investment Grade Corporates all gained.
- Spread strategies struggled due to global growth concerns and Fed Policy uncertainties. High yield bonds declined 4.9%; amid outflows, credit spreads widened by 169 bps to +660. Sentiment remains cautious especially related to energy sector bonds. Emerging Markets faced currency pressures and declined -1.2% in USD terms.

Commodities & Real Assets

- Bloomberg Commodity Index declined -14%. Persistently high inventory levels and a weaker global demand outlook caused crude oil to drop -27%. Crude prices have now declined 57% over the last year.
- S&P Global infrastructure declined -7.1% and Alerian MLPs declined -22% on energy losses, fund outflows.
- Real estate securities benefited from defensive income-oriented attributes as long duration interest rates moved lower. FTSE Nareit All REITs gained +0.8%.

Hedge Funds & Alternative Strategies

- The HFRX Global Hedge Fund Index declined -4.3% in Q3. Long-biased equity strategies struggled as Event Driven posted a -7.7% loss. Losses were concentrated in activist funds as well as M&A-related and Biotech positions. Equity Hedge declined -5.4%.
- Relative Value declined 2.6% as credit spreads widened.
- Macro/CTA strategies outpaced with a loss of just -0.2%. Declining commodities were a source of positive returns, offsetting reversals (and losses) in equities and FX.

Sources: Russell Investments, FactSet, MSCI Barra, Barclays Capital, S&P Capital IQ, Bespoke Investment Group, HFRI

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

*Please see important disclosures at the end of the presentation.

Graystone Perspectives, Themes & Positioning

Current market views that shape our portfolio positioning and performance expectations:

➤ **Perspectives & Themes:**

- Risk Assets > Safe-Haven: Favor risk assets (US and global equities) over safe-haven assets for the rest of 2015 and into 2016, but safe-haven (USTs, high-quality fixed) could outperform as long as uncertainty and elevated volatility persist...
- Volatility Persists: Fed Policy could be *lower-for-longer*, time and data points needed for clarity on China/global growth.
- Security Selection: No obvious macro calls/trades. Security selection could be more crucial for both equities, fixed income.
- Active-Passive: Passive index funds can provide baseline beta exposures and a “hedge” to active management (at a low cost). This allows active allocations to be structured with managers/strategies that take a more targeted approach.

➤ **Positioning:**

- In equities, we favor US and Developed Markets over Emerging Markets for at least the balance of 2015. Modestly above target in US and DM equities (primarily Europe and Japan), but neutral or below target and *selective* in Emerging Markets.
- In fixed income, we favor yield advantages and stable/improving credit fundamentals with limited interest rate risk. This spans a mix of sub-sectors/strategies. High-quality fixed income continues to serve as a *defensive diversifier* and valuations no longer seem so over-valued (considering growth expectations have moderated and US inflation measures remain muted). HY credit spreads have widened to above-average levels and default levels remain below average, but sentiment remains cautious as the credit cycle is extended. Modestly below target in fixed, but retaining HQ for defense.
- Allocations to real assets (where applicable) should be balanced across various public or private assets that offer inflation-protected cash flows, and should avoid being overly dependent on cyclical growth betas.
- Across hedge fund strategies, we generally favor (1) event driven equity funds that benefit from activist actions, M&A activity, and other company-specific events, (2) relative value trading strategies focused on inefficient market segments, and (3) active/concentrated FOFs. Conversely, we are cautious on distressed credit strategies as the cycle is extended.

Graystone House Views – October 2015

Macro factors have been dominating due to a lack of growth momentum and policy uncertainties...

“The fundamental landscape still isn’t as gloomy as it’s being made out to be... It still seems like downside risk from present levels is minimal, but the market needs clarity on two big issues (China growth and Fed lift-off timing)...”

- JPMorgan, Trading Desk Commentary, September 23, 2015

“The Fed’s decision to delay raising rates has confused markets already fretting about slowing global growth.”

- BCA Research, The Bank Credit Analyst, October 2015

Topic	Current Outlook	Other Considerations
US Expansion	<ul style="list-style-type: none"> Steady GDP growth matching 5-year average at ~2%; employment and the housing industry remain in uptrends 	<ul style="list-style-type: none"> Fed rate hike(s) delayed; magnitude and pace should be muted, thus <i>lower-for-longer</i>
	<ul style="list-style-type: none"> Single-digit EPS growth and fair valuations make security selection crucial in equities (and fixed income) 	<ul style="list-style-type: none"> Consideration of growth-oriented <i>structural reforms</i> thru election (i.e. lower taxes and regulations)
European Recovery	<ul style="list-style-type: none"> Slow, but improving GDP growth; double-digit profits for 2015 	<ul style="list-style-type: none"> Continued ECB reflationary policies; increase to QE purchases as needed
	<ul style="list-style-type: none"> Q3 equity correction more severe than US; Europe offers relative value 	<ul style="list-style-type: none"> Germany most sensitive to China/EM, but <i>peripherals</i> improving
Japan Recovery	<ul style="list-style-type: none"> Slow, but improving GDP growth; double-digit profits for 2015 	<ul style="list-style-type: none"> BoJ reflationary policies are working; possible increases to QE purchases
	<ul style="list-style-type: none"> Q3 equity correction more severe than US; Japan offers relative value 	<ul style="list-style-type: none"> Shifting to more shareholder-friendly environment (i.e. board governance, dividends, share repurchases, etc.)

Graystone House Views – October 2015

Topic	Current Outlook	Other Considerations
Emerging Markets	<ul style="list-style-type: none"> ▪ Opportunities bifurcated based on growth potential, inflation, currency factors, fiscal/monetary policies ▪ Commodity price declines disruptive; <i>energy consumers</i> are benefiting, but <i>energy producers</i> struggling ▪ Looming Fed Policy shift (rate hikes) and stronger USD adding volatility to EM debt & equities 	<ul style="list-style-type: none"> ▪ EM equities corrected sharply in Q3, so problems are being discounted, but the more attractive growth assets remain closer to fully-valued ▪ India, Mexico, and China among those pursuing growth-oriented structural reforms (long-term benefit) ▪ Passive EM beta less compelling; favor highly-active funds for alpha
High-Quality Fixed Income	<ul style="list-style-type: none"> ▪ Yellen affirmed Fed intentions to <i>normalize</i> US interest rates, but long-term yields lower in Q3 due to growth concerns and risk-off <i>flight-to-quality</i> 	<ul style="list-style-type: none"> ▪ ECB/BoJ QE keeps global rates low ▪ Favor complex and less efficient segments (i.e. MBS, ABS, CLOs)
Credit Spread Strategies	<ul style="list-style-type: none"> ▪ Favor yield-advantaged securities, but security selection more vital for HY and EM as credit cycle ages and Fed is poised to make rate hike(s) 	<ul style="list-style-type: none"> ▪ Wider spreads in Q3, but cautious sentiment due to global growth outlook; favor <i>off-the-run</i> securities, relative value <i>carry</i> trades, & hedges
Event Driven & Other Hedge Fund Strategies	<ul style="list-style-type: none"> ▪ Increased dispersion helped low-net trading strategies in Q1/Q2, but macro factors dominated in Q3 creating headwinds (i.e. China, Fed) ▪ Macro trading strategies leading recently due to pronounced trends in currencies and commodities 	<ul style="list-style-type: none"> ▪ Favor catalyst-oriented Event Driven strategies tied to company-specific actions/ events; also favor Relative Value in inefficient market segments ▪ Continued corporate activity in US (i.e. M&A, spin-offs, activists) could extend to Europe/Japan in 2016

Graystone House Views – October 2015

<i>Topic</i>	<i>Current Outlook</i>	<i>Other Considerations</i>
Market Volatility	<ul style="list-style-type: none"> ▪ Uncertainties related to China and Fed Policy adding to price volatility across virtually all asset classes ▪ Elevated vol in stressed periods (less bank activity, risk-parity funds, etc.) 	<ul style="list-style-type: none"> ▪ Key is to focus on underlying growth drivers and fundamental trends ▪ Mostly <i>stay-the-course</i> and/or capitalize on situations where pricing clearly disconnects from reality
US Dollar & Foreign Currencies	<ul style="list-style-type: none"> ▪ USD favored for fundamental factors and divergent central bank policies, but probably <i>range-bound</i> versus Euro & Yen after double-digit gains ▪ USD expected to gain vs. China/EMs 	<ul style="list-style-type: none"> ▪ USTs offer sizable yield advantages vs. Europe & Japan gov't bonds ▪ After a pronounced USD move over last 18-24 months, any need for FX hedging is gradually fading
Energy, Materials & Commodities	<ul style="list-style-type: none"> ▪ Global supply/demand imbalances will take time to normalize, but lower prices tend to cure lower prices ▪ After rebounding in Q2, energy prices faded in Q3 on China/EM growth concerns ▪ Despite rig shutdowns, oil production has been slow to adjust and crude inventories remain ~35-40% above average levels since the 1980s 	<ul style="list-style-type: none"> ▪ Secular growth trends are shifting in China and other Emerging Markets, leading to less demand for infrastructure-related assets ▪ Hedges have helped over last year, but sustained crude prices < 50 could bring cash flow pressures and increased defaults to energy-related HY bonds in 2016

Capital Markets Scorecard & Indicators: 9/30/2015

Global Economic Metrics	GDP RQ	As of Date	GDP T12	CPI	UE Rate
USA	3.9%	6/30	2.7%	0.2%	5.1%
Europe (EMU)	1.4%	6/30	1.5%	-0.1%	11.0%
United Kingdom	2.6%	6/30	2.4%	0.0%	5.5%
Japan	-1.2%	6/30	0.8%	0.2%	3.3%
Australia	0.7%	6/30	2.0%	1.5%	6.2%
Canada	-0.5%	6/30	1.0%	1.3%	7.0%
China	7.0%	6/30	7.0%	2.0%	4.0%
India	7.0%	6/30	7.0%	3.7%	4.9%
Russia	N/A	6/30	-4.6%	15.8%	5.3%
Brazil	-7.2%	6/30	-2.6%	9.5%	7.6%
Mexico	2.0%	6/30	2.2%	2.6%	4.3%

Notes: GDP RQ is the most recent quarter data at an annualized rate. GDP T12 is the growth rate for the trailing 12 months. CPI is the inflation rate (1-year) and UE Rate is the unemployment rate (most recent).

Monetary Policy, Rates,	Int. Rates	1Yr Ago	10-Year Yld	1Yr Ago
USA FRB/USTs	0.25%	0.25%	2.04%	2.49%
ECB/German Bunds	0.05%	0.05%	0.59%	0.90%
BoE/UK Gilts	0.50%	0.50%	1.66%	2.43%
BoJ/JGBs	0.01%	0.10%	0.35%	0.52%

Notes: Int. Rates refer to targeted short-term lending rates set by the FRB (Fed Funds) and other central banks. 10-Year Yld refers to the yield-to-maturity for each market's current 10-year government bond issue.

Currencies	Spot PX	3Mo	3Mo Δ	12Mo	12Mo Δ
USD Trade-Weighted Index	97.90	95.67	2.34%	87.63	11.72%
Euro (Euro/USD)	1.12	1.11	0.30%	1.26	-11.55%
Yen (USD/JPY)	119.93	122.40	2.06%	109.63	-8.58%
Pound (GBP/USD)	1.51	1.57	-3.68%	1.62	-6.73%

Notes: Spot PX is the most recently quoted price. 3Mo Δ and 12 Mo Δ are percentage price changes for the stated period.

Key Economic Indicators	Latest	As of Date	3Mo Avg	12Mo Avg	36Mo Avg
USA - Non-Farm Payrolls	142,000	9/30	167,000	199,000	N/A
USA - Jobless Claims 4-Wk	270,750	9/18	273,000	284,170	320,945
USA - ISM Manufacturing	50.2	9/30	51.3	53.4	53.7
USA - ISM Services	56.0	6/30	56.5	56.3	N/A
USA - C&I Loans (\$ trillions)	97,178	9/30	97,178	97,103	92,250
USA - Citi Economic Surprise	(20.5)	9/30	(16.7)	(18.8)	1.4
German ZEW Sentiment	12.1	9/30	22.3	32.7	33.9
China PMI Index	49.8	9/30	49.8	50.1	50.5

Notes: Latest is the most recently available monthly data. 3Mo Avg, 6Mo Avg and 12Mo Avg are the averages for the respective periods. These are referenced to assess the direction of recent trends.

Global Bond Metrics	Yield	3Mo Ago	6Mo Ago	1Yr Ago	Duration
BC Aggregate Bond	2.31%	2.39%	2.10%	2.36%	5.5
BC UST 7-10 Year	1.95%	2.25%	1.88%	2.40%	7.8
BC UST 20+ Year	2.83%	3.08%	2.52%	3.16%	18.5
BC MBS Index	2.61%	2.78%	2.44%	2.88%	4.1
BC Municipal Bond	2.18%	2.33%	2.00%	2.19%	6.5
BofAML High Yield Master II	8.08%	6.65%	6.11%	6.14%	4.7
Citigroup WGBI USD	1.06%	1.21%	0.96%	1.25%	7.2
Citigroup WGBI USD (Hedge)	0.92%	1.09%	0.80%	1.15%	8.0
BC Emerging Markets USD	5.97%	5.27%	5.32%	5.02%	5.5
BC Emerging Markets Local	12.73%	12.32%	11.50%	13.79%	5.6

Notes: Yield represents yield-to-worst. 3Mo Ago, 6Mo Ago and 12Mo Ago are historical yields. These are referenced to assess the direction of recent trends. Duration is a measure of interest rate sensitivity.

Sources: FactSet, Graystone Consulting 9/30/2015

Capital Markets Scorecard & Indicators: 9/30/2015

Global Equity Metrics	PE T12	1Yr Ago	10Yr Avg	PE F12	1Yr Ago
S&P 500 (USA)	17.0	16.6	15.7	15.1	15.3
Russell 2000 (USA)	31.7	33.5	31.0	23.2	19.8
MSCI EAFE (Developed)	15.8	15.5	13.6	14.0	13.9
Germany	12.8	14.5	13.1	11.9	12.5
United Kingdom	16.4	14.1	12.5	14.2	13.1
Japan	14.5	15.4	N/A	13.0	14.1
MSCI Emerging Markets	11.0	11.6	13.0	10.7	10.8
China	7.8	8.3	10.6	8.7	8.6
India	21.2	18.5	19.4	17.5	16.7
Russia	7.5	4.3	8.4	4.9	4.2
Brazil	14.0	14.5	13.2	10.4	10.6
Mexico	22.4	18.0	13.6	18.0	19.3

Notes: PE T12 is the PE ratio for the trailing 12 months; PE F12 is the forward PE based on earnings estimates (next 12 months). 1Yr Ago references PE data from a year ago. 10Yr Avg is the average of the trailing PE data.

Global Equity Sectors	PE T12	1Yr Ago	10Yr Avg	PE F12	1Yr Ago
Consumer Staples	18.6	17.4	16.0	18.8	17.6
Consumer Discretionary	17.5	16.8	17.7	15.5	15.6
Energy	19.9	14.2	12.4	20.5	13.1
Financials	12.6	14.2	21.0	11.5	12.4
Health Care	21.6	21.9	17.4	16.2	17.2
Industrials	16.9	16.4	16.2	14.5	15.1
Information Technology	17.2	19.3	19.6	15.1	16.0
Materials	14.7	14.1	13.8	13.7	14.5
Telecommunications	19.4	12.6	17.2	14.2	15.3
Utilities	15.8	14.2	15.4	14.8	15.4

Notes: Please reference notes on the table to the left (Global Equity Metrics). All data above is based on the MSCI All-Country World Index (ACWI).

Other Key Indicators I	Latest	As of Date	3Mo Avg	12Mo Avg	10Yr Avg
Consumer Confidence (UM)	87.20	9/30	90.73	92.56	77.27
AAll Bullish Sentiment	33.10	9/30	29.73	36.09	38.29
AAll Bearish Sentiment	31.13	9/30	33.85	26.14	34.58
CBOE Volatility Index (VIX)	24.50	9/30	21.68	16.27	20.42
CBOE Put/Call Ratio	0.84	9/30	1.13	1.00	0.95

Notes: Latest is the most recently available monthly data. 3Mo Avg, 12Mo Avg and 10Yr Avg represent the averages scores for the respective trailing periods.

Other Key Indicators II	Latest	3Mo Ago	3Mo Δ	12Mo Ago	12Mo Δ
Corporate HY Credit Spreads	579	442	31.00%	400	44.75%
New Home Sales (USA)	552	522	5.75%	472	16.95%
S&P/Case-Shiller Index (20)	181.9	180.74	0.64%	173.46	4.87%
PCE Price Index (2% Target)	109.77	109.42	0.32%	109.40	0.33%

Notes: Latest is the most recently available data (daily or monthly). 3Mo Ago and 12Mo Ago are historical levels, while 3Mo Δ and 12Mo Δ are percentage price changes for the stated period.

Commodities & Currencies	Spot PX	3Mo Ago	3Mo Δ	12Mo Ago	12Mo Δ
Crude Oil (Brent)	48.37	63.59	-23.93%	94.67	-48.91%
Crude Oil (WTI)	45.15	59.48	-24.09%	91.16	-50.47%
Natural Gas	2.52	2.83	-10.88%	4.12	-38.75%
Gold	1,114.00	1,171.00	-4.87%	1,216.50	-8.43%
Silver	14.65	15.70	-6.69%	17.11	-14.38%
Copper	5,093.00	5,721.00	-10.98%	6,736.00	-24.39%
Aluminum	1,685.00	1,785.00	-5.60%	2,090.00	-19.38%
Soybeans	8.91	10.75	-17.08%	8.93	-0.25%
Corn	3.80	4.16	-8.59%	2.96	28.57%
Livestock	N/A	N/A	N/A	N/A	N/A

Notes: Spot PX is the most recently quoted price. 3Mo Ago and 12Mo Ago are historical prices, while 3Mo Δ and 12Mo Δ are percentage price changes for the stated period.

Sources: FactSet, Graystone Consulting 9/30/2015

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.

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.

The views expressed herein are those of the authors (Graystone Austin, Graystone Columbus/Grand Rapids, Graystone Santa Rosa) and do not necessarily reflect the views of Morgan Stanley Wealth Management or its affiliates. All opinions are subject to change without notice. Neither the information provided nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Past performance is no guarantee of future results.

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Client Conversations

GLOBAL INVESTMENT COMMITTEE

Global Diversification

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2015: The Revival of Global Diversification

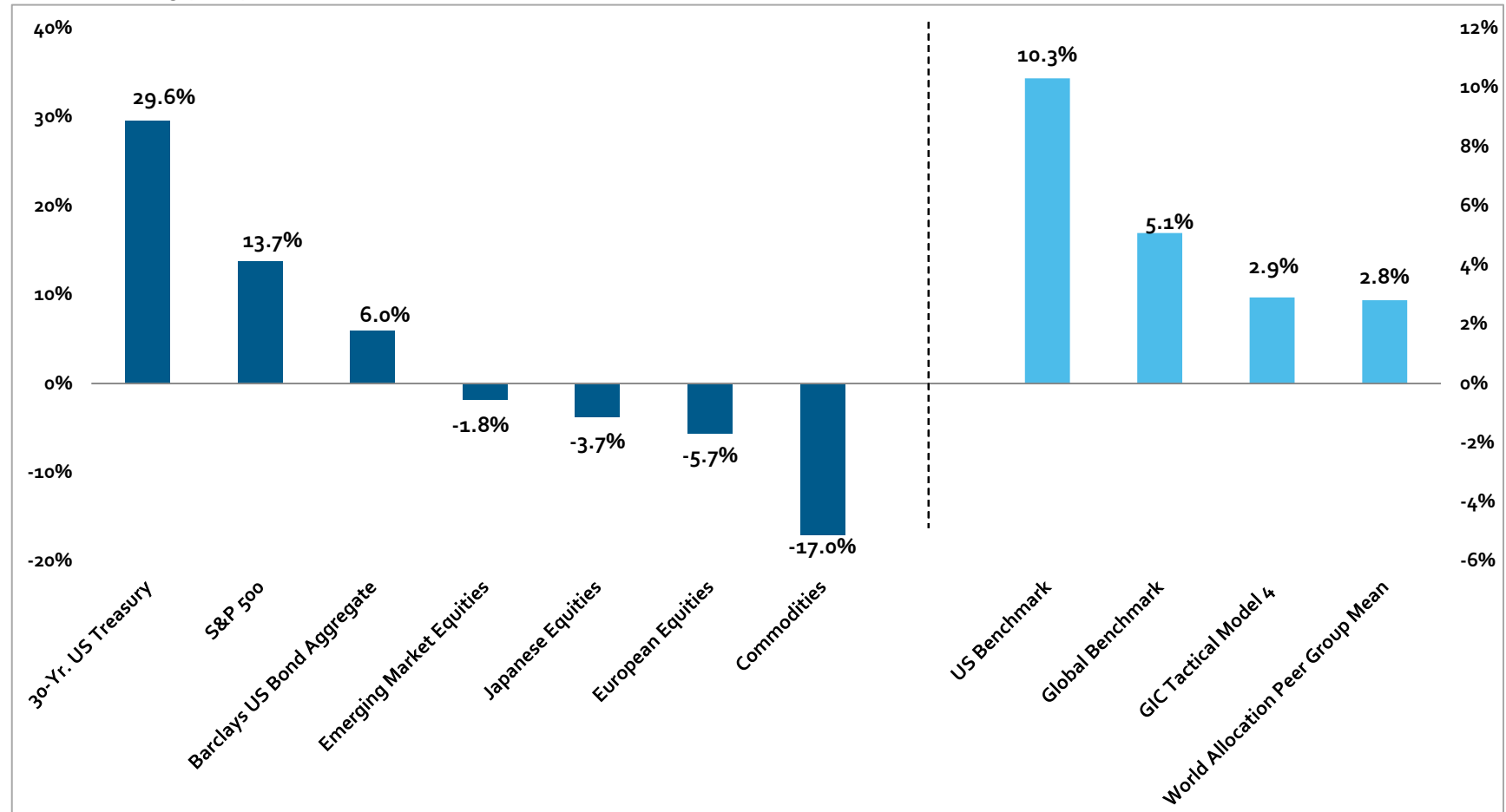
- The GIC believes that now is exactly the wrong time to be abandoning globally diversified portfolios.
- Quantitative Easing (QE) has had a profound impact and created a skewed environment in which the risk-adjusted returns of US stocks and US bonds have been extraordinary.
- We believe the extreme momentum of US equities will slow, and that the additional anomalies of 2014 should also reverse via a “Great Rebalancing” caused by:
 - Liquidity provisions from the European Central Bank (ECB) and Bank of Japan (BOJ)
 - Strong US dollar and economic deflation
 - Shifting wealth dynamics from low oil prices
 - Normalization in market volatility
- The “lost decade” (the 2000s) shows that over time, markets have reverted to the mean. In the long run, diversified portfolios have provided the most consistent and stable investment results over time.

Source: Morgan Stanley Wealth Management GIC

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

Global Asset Allocation Failed in 2014's Highly Skewed Markets

Total Returns in 2014
As of December 31, 2014



Source: Bloomberg, Morningstar, Morgan Stanley Wealth Management GIC

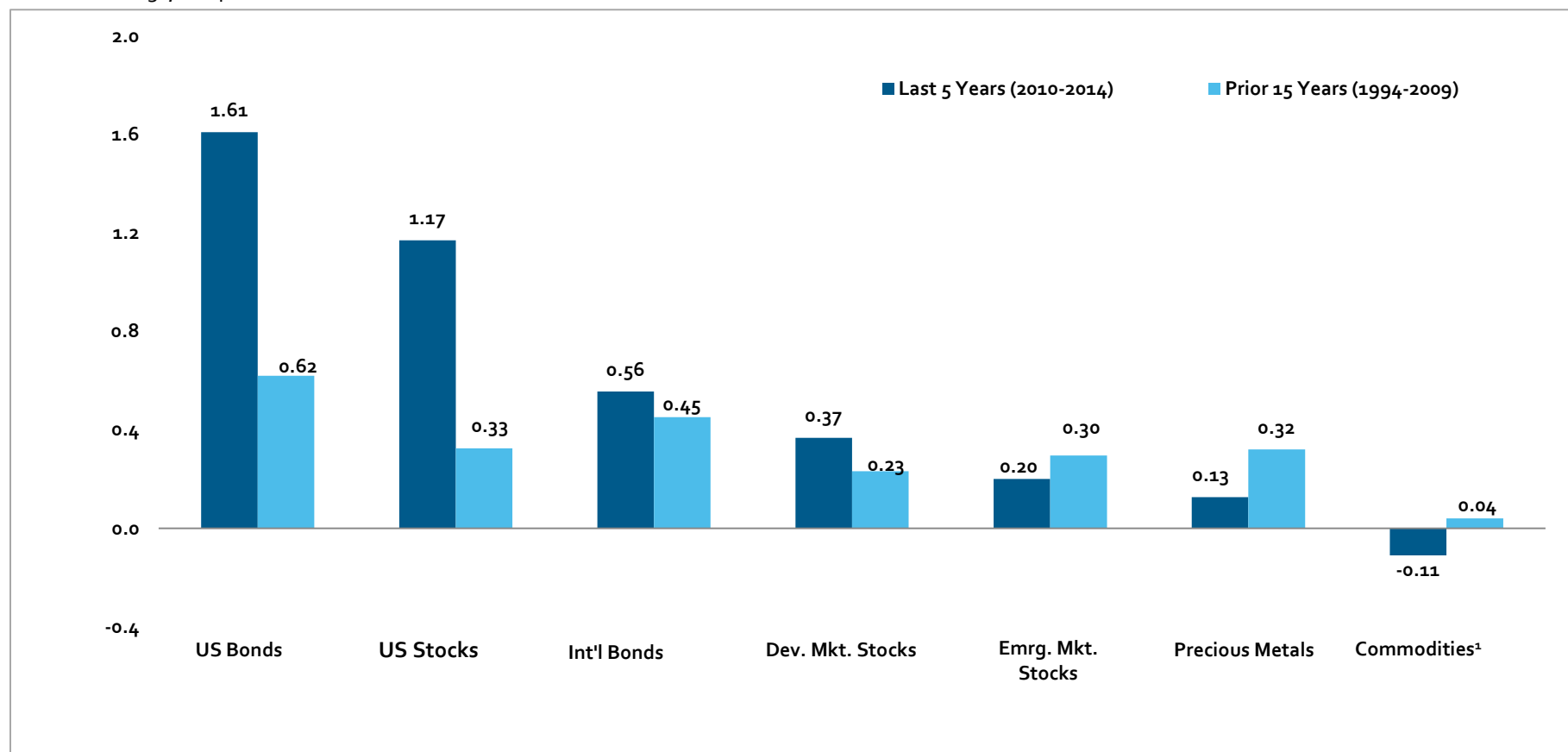
Note: For emerging market equities, returns based on MSCI EM Index; for Japanese equities, MSCI Japan Index; for Europe, MSCI Europe Index; and for commodities, Bloomberg Commodity Total Return Index; US benchmark portfolio is 60% S&P 500, 35% Barclays US Aggregate Bond Index and 5% Ryan Labs 3-Mo. US Treasury Index; Global benchmark is 50% MSCI All Country World Index, 45% Barclays US Aggregate Bond Index and 5% Ryan Labs 3-Mo. US Treasury Index. GIC Tactical Model 4 is a portfolio comprising 4% cash, 20% US equity, 22% international equity, 21% investment grade fixed income, 5% high yield, 8% emerging market debt, 3% real estate investment trusts, 3% commodities, 3% master limited partnerships, 9% hedged strategies and 2% managed futures; world allocation peer group mean is calculated by Morningstar. © 2015 Morningstar, Inc. All rights reserved. Used with permission. This information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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Risk-Adjusted US Equity and Bond Returns Were Extraordinary Due to Profound Quantitative Easing

Sharpe Ratios: 2010-2014 versus 1994-2009

As December 31, 2014



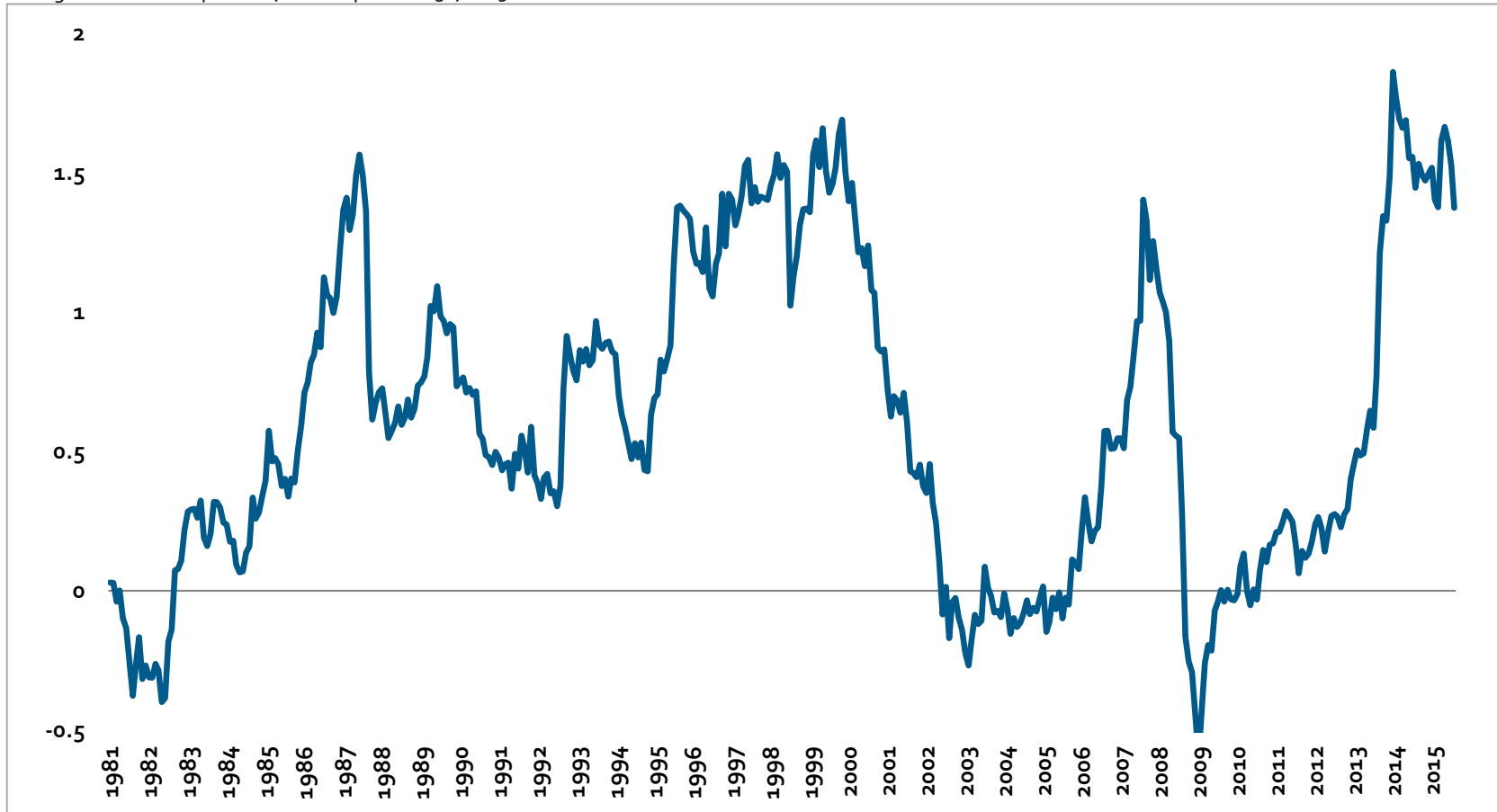
Source: FactSet; Morgan Stanley Wealth Management GIC. (1) Ex precious metals. Sharpe ratio is calculated by subtracting the risk-free rate—such as that of the 3-month US Treasury bill—from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. Standard deviation (volatility) is a measure of the dispersion of a set of data from its mean.

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US-Focused Portfolios Achieved Historically Strong Risk-Adjusted Returns

Sharpe Ratio of a 60% S&P 500 / 40% Barclays US Aggregate Portfolio

Rolling 60 Month Sharpe Ratio, as of September 30, 2015



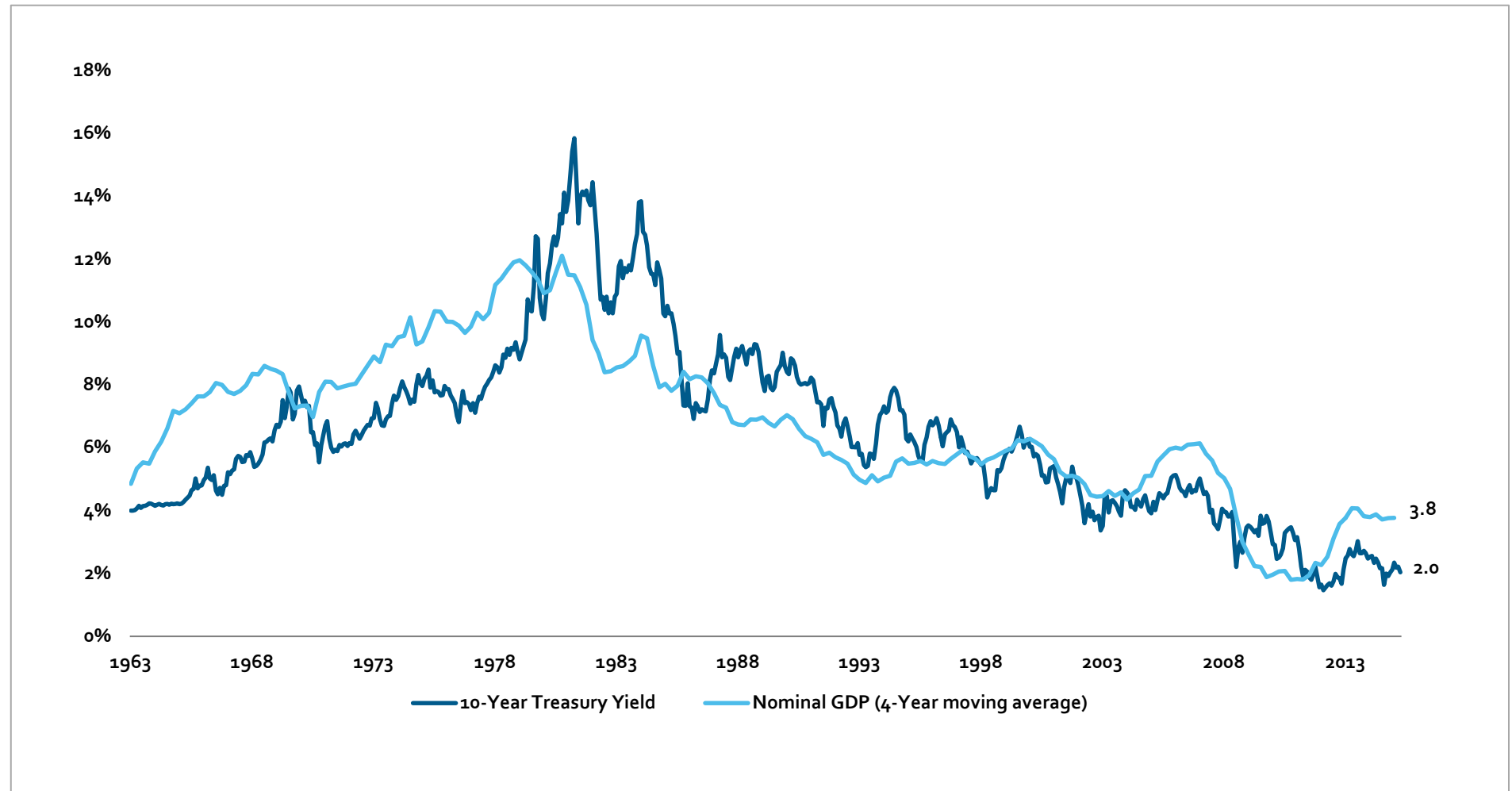
Source: Bloomberg, Ibbotson Associates Morgan Stanley Wealth Management GIC. Calculated by Morgan Stanley Wealth Management using data provided by Morningstar. © 2015 Morningstar, Inc. All rights reserved. Used with permission. This information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Sharpe ratio is calculated by subtracting the risk-free rate—such as that of the 3-month US Treasury bill—from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. Standard deviation (volatility) is a measure of the dispersion of a set of data from its mean. For illustrative purposes only.

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Unusually Low Yields Contributed to US Bond Outperformance

10-Year Treasury Yields (nominal) versus Nominal GDP¹

As of September 30, 2015



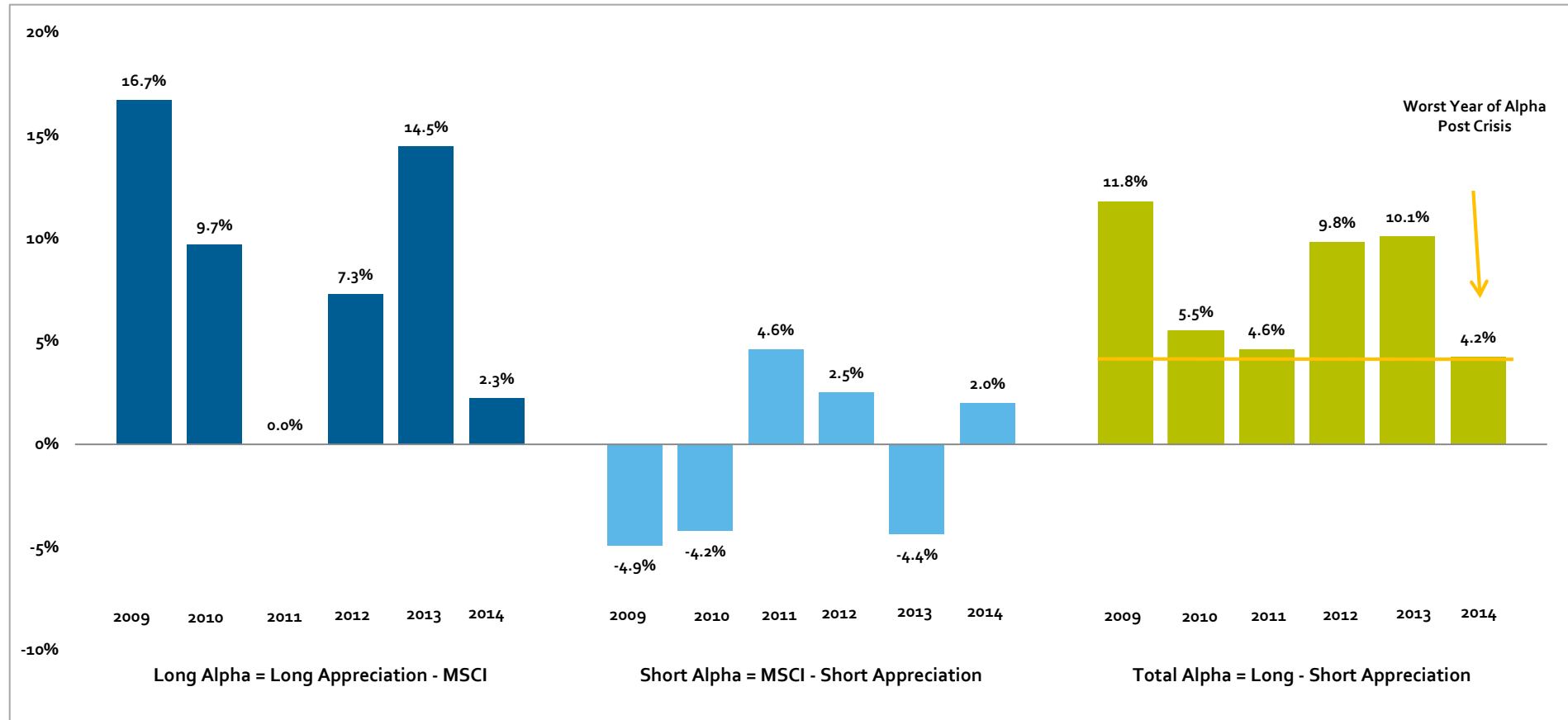
Source: Bloomberg, Morgan Stanley Wealth Management GIC. (1) Nominal GDP does not account for the effects of inflation.

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Hedge Fund Managers Largely Underperformed in 2014

Hedge Fund Manager Performance¹

As of December 31, 2014



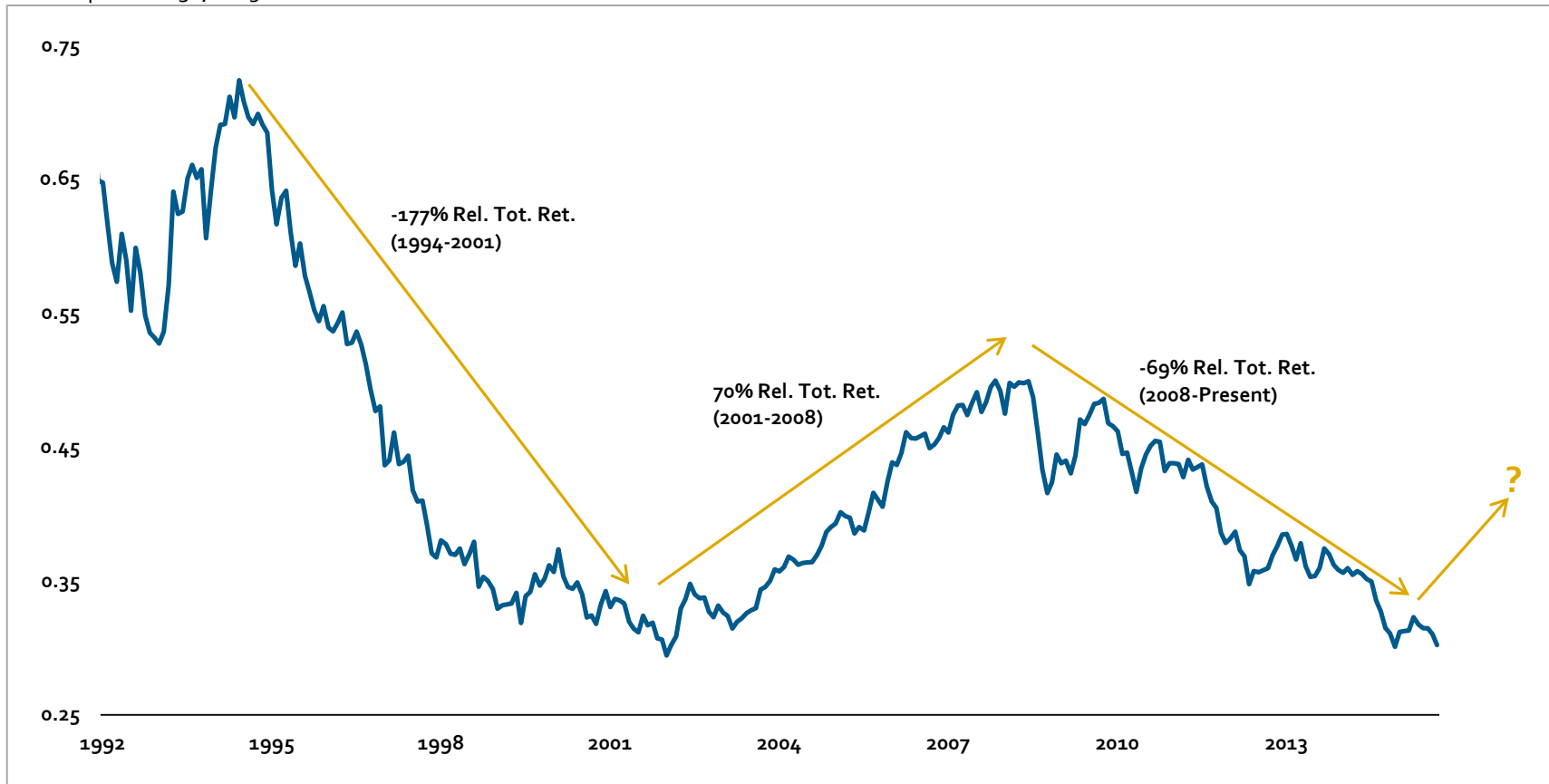
Source: Morgan Stanley Prime Brokerage, Bloomberg, FactSet, Morgan Stanley Wealth Management GIC. (1) Long, Short and Total Alpha, based on Equity Long/Short Global Positions vs. MSCI All Country World Index returns. Low Long/Short spread signifies difficulty for stock pickers. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance with a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

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Relative Performance of US vs. International Stocks Could Be Turning

MSCI EAFE Vs. S&P 500

As of September 30, 2015

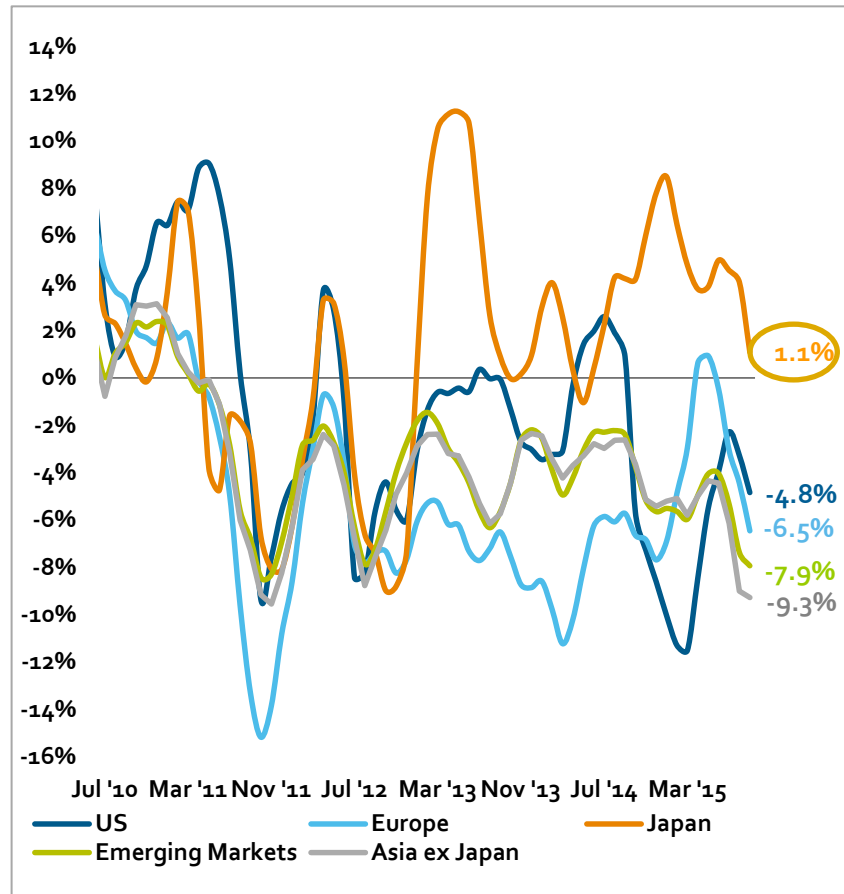


Source: FactSet, Morgan Stanley Wealth Management GIC

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Earnings Growth and Revisions

Global Earnings Revisions Breadth¹
3-Month Average as of September 30, 2015



Expected EPS Growth
As of September 30, 2015

Regional Index	12-month Forward EPS Growth
MSCI Japan	11.9%
MSCI Emerging Markets	10.1%
MSCI All Country World	8.0%
MSCI USA	7.7%
MSCI Europe	7.4%
MSCI Asia ex Japan	6.0%

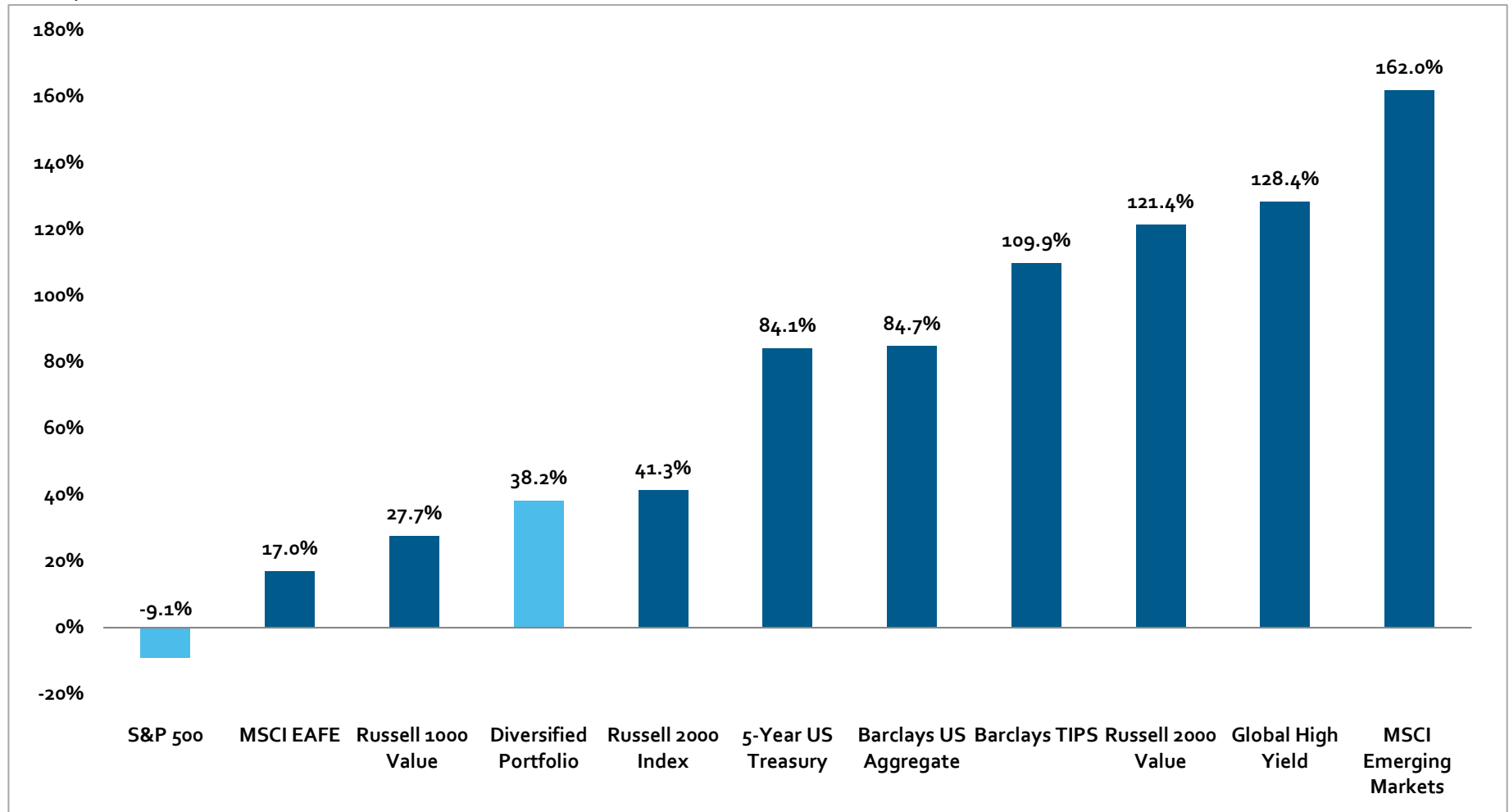
Source: FactSet, Morgan Stanley Wealth Management GIC. Indices used: MSCI USA for US, MSCI Europe for Europe, MSCI Japan for Japan, MSCI Emerging Markets for Emerging Markets, MSCI Asia ex Japan for Asia ex Japan. (1) Earnings revisions breadth is defined as the number of positive analyst revisions minus the number of negative analyst revisions divided by the total number of revisions.

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“Lost Decade” (2000-2010) Demonstrates the Importance of Asset Allocation

Total Returns

January 2000-December 2009



Note: Diversified Portfolio is comprised of 50% MSCI All Country World Index/45% Barclays US Aggregate Bond Index/5% Citigroup 3-Month T-Bill Index

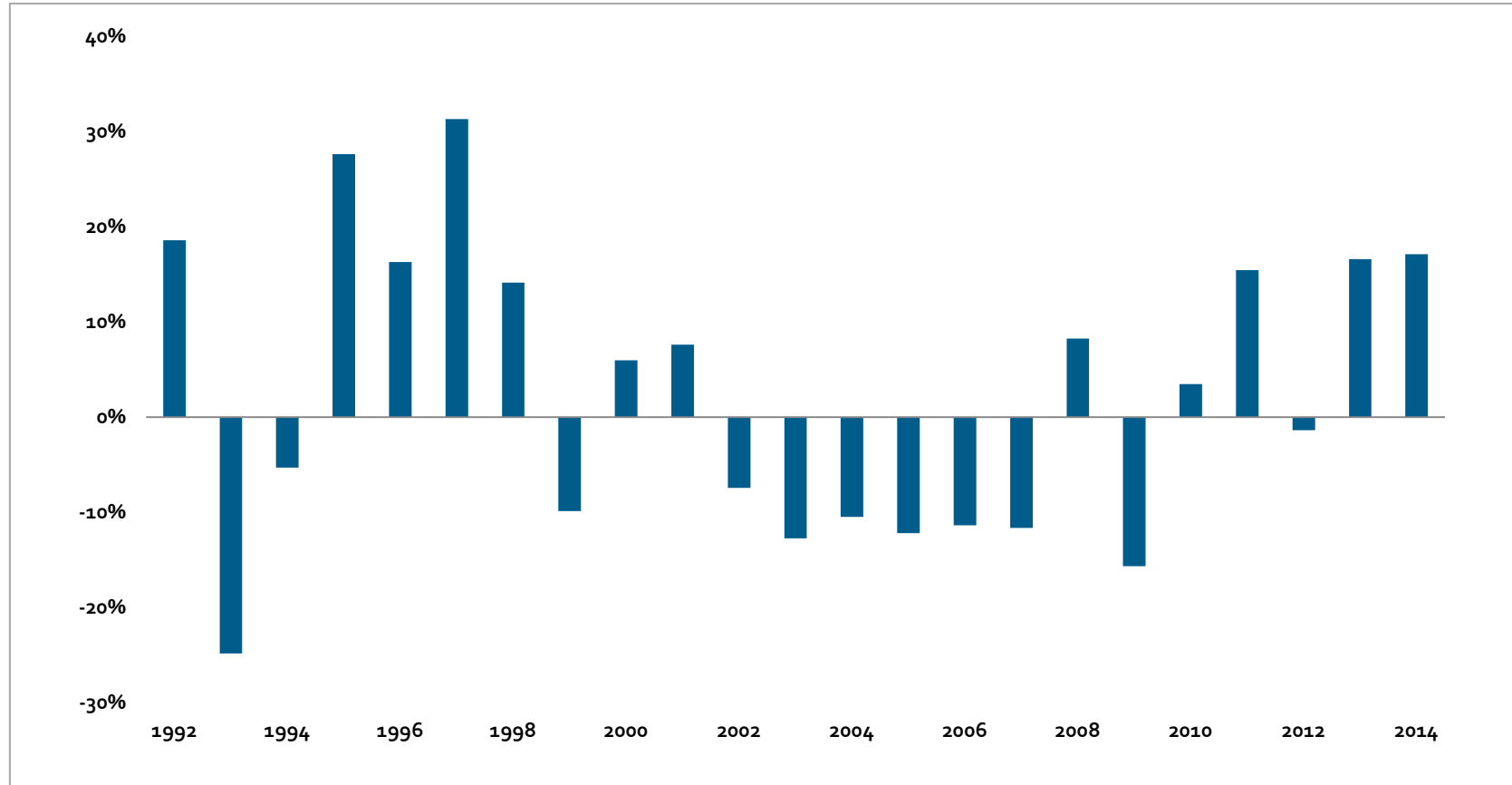
Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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US Outperformance of Non-US Markets Near Historic Highs

US vs. Rest of World Relative Performance¹

As of December 31, 2014 (Annual Data)



Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC. (1) Difference between total returns of the S&P 500 and the MSCI All Country World Index ex US.

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Equity Returns: Global Diversification Matters

As of September 30, 2015

Global Diversification Supports a Stable Portfolio

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 YTD	10-Years ('05-'14) Ann.
EM 34.0%	Europe 36.1%	EM 40.2%	Japan -28.0%	EM 82.9%	US Small Cap 26.9%	US Large Cap 2.1%	Pacific ex Japan 24.1%	US Small Cap 38.8%	US Large Cap 13.7%	Japan 1.4%	EM 8.9%
Japan 27.2%	Pacific ex Japan 34.6%	Pacific ex Japan 31.7%	US Small Cap -33.8%	Pacific ex Japan 76.5%	EM 20.2%	US Mid Cap 1.5%	Europe 20.9%	US Mid Cap 33.1%	US Mid Cap 13.2%	Europe -3.6%	Pacific ex Japan 8.7%
Pacific ex Japan 14.8%	EM 32.1%	Europe 13.6%	US Large Cap -37.0%	Europe 39.1%	Pacific ex Japan 18.5%	US Small Cap -4.2%	EM 19.1%	US Large Cap 32.4%	US Small Cap 4.9%	US Mid Cap -5.2%	US Mid Cap 8.0%
Global 12.1%	Global 21.5%	Global 11.7%	US Mid Cap -37.6%	Global 37.2%	Japan 16.2%	Global -7.4%	Global 17.0%	Europe 27.4%	Global 4.4%	US Large Cap -5.3%	US Small Cap 7.8%
Europe 10.8%	US Small Cap 18.4%	US Mid Cap 5.8%	Global -42.0%	US Mid Cap 28.4%	US Mid Cap 16.1%	Europe -11.5%	US Mid Cap 16.4%	Japan 27.2%	Pacific ex Japan -1.2%	Global -6.4%	US Large Cap 7.7%
US Mid Cap 6.3%	US Large Cap 15.8%	US Large Cap 5.5%	Europe -46.8%	US Small Cap 27.2%	US Large Cap 15.1%	Japan -12.7%	US Small Cap 16.3%	Global 24.2%	EM -1.4%	US Small Cap -7.7%	Global 6.9%
US Large Cap 4.9%	US Mid Cap 15.5%	US Small Cap -1.6%	Pacific ex Japan -51.5%	US Large Cap 26.5%	Global 14.9%	Pacific ex Japan -13.7%	US Large Cap 16.0%	Pacific ex Japan 4.8%	Japan -3.2%	EM -14.5%	Europe 5.6%
US Small Cap 4.6%	Japan 3.0%	Japan -4.8%	EM -53.6%	Japan 6.3%	Europe 6.2%	EM -19.2%	Japan 7.7%	EM -1.9%	Europe -5.7%	Pacific ex Japan -15.5%	Japan 2.5%

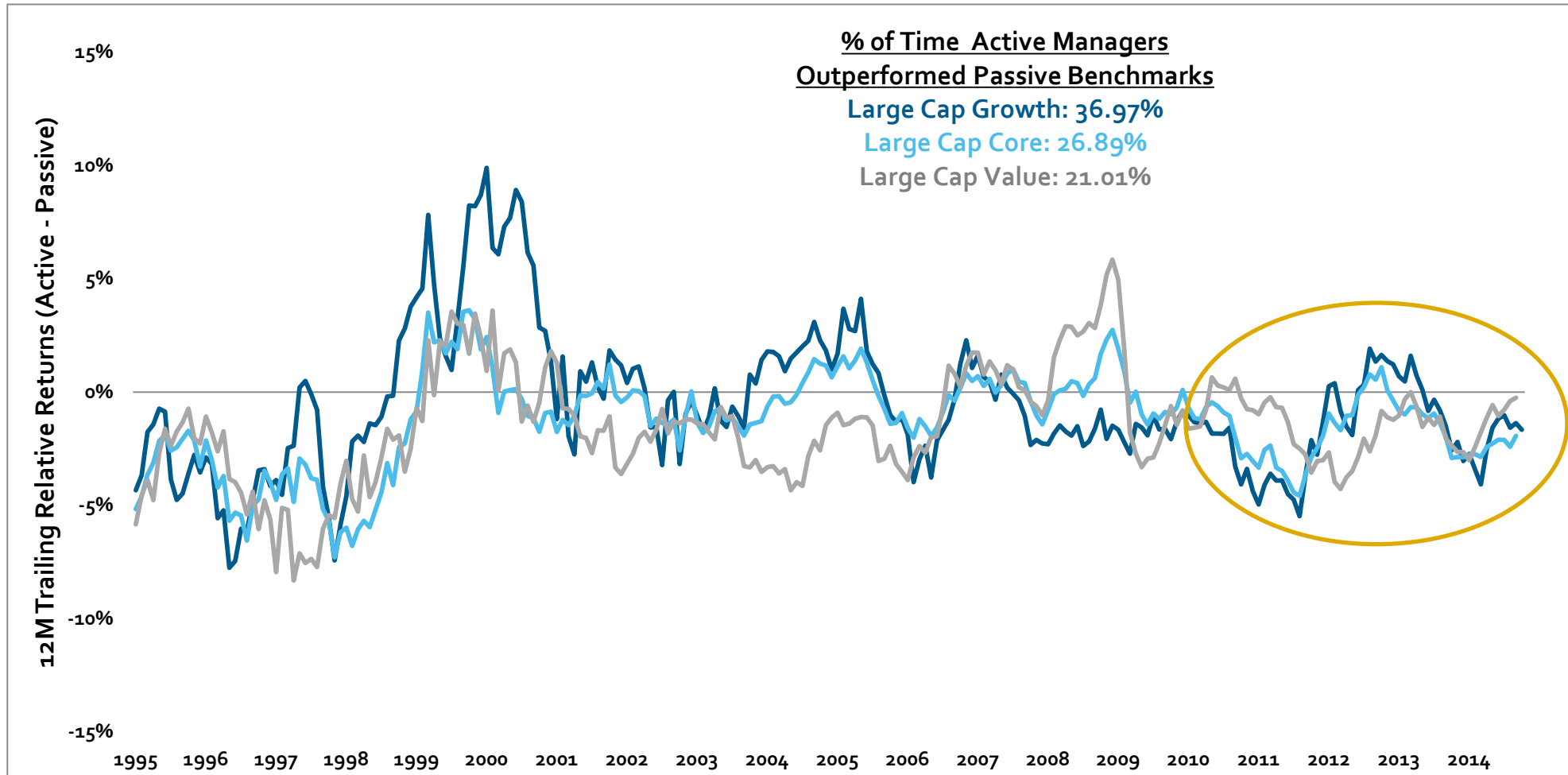
Source: FactSet, Morgan Stanley Wealth Management GIC. Indices used for this analysis include: S&P 500 for US Large Cap, Russell 1000 for US Mid Cap, Russell 2000 for US Small Cap, MSCI All Country World IMI for Global equities, MSCI Europe IMI for European equities, MSCI Japan IMI for Japanese equities, MSCI Pacific ex Japan IMI for Pacific ex Japan equities, and MSCI EM IMI for Emerging Market equities; returns in USD.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

Active Management Has Disappointed Over the Past 5 Years

Relative Active Manager Performance Under Differing Mutual Fund Strategies¹

As of September 30, 2015



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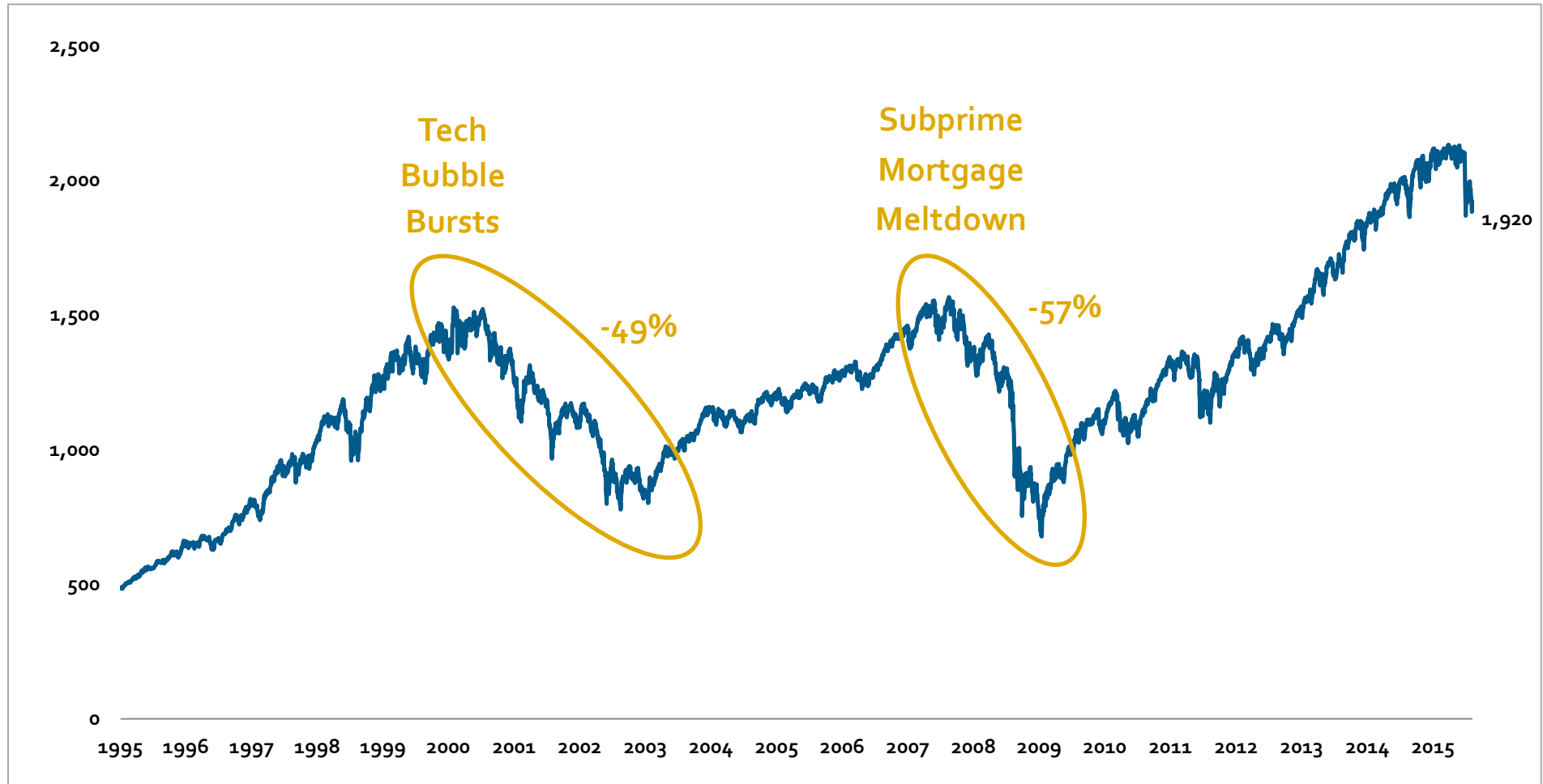
Source: Calculated by Morgan Stanley Wealth Management GIC using data provided by Morningstar. (c) 2015 Morningstar, Inc. All rights reserved. Used with permission. This information contained herein: (i) is proprietary to Morningstar and/or its content providers; (ii) may not be copied or distributed; and (iii) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. (1) Active strategies are comprised of mutual funds, and passive strategies are based on ETFs. Performance figures are net of fees.

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An All-Passive Approach Has Not Been Good for Managing Drawdown Risk¹

S&P 500 Index Price

As of September 30, 2015



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Source: Bloomberg. Active strategies are comprised of mutual funds, and passive strategies are based on ETFs. (1) A peak-to-trough decline during a specific period of an investment. Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

When Active Managers Outperform, It Has Been Material

Annualized Active Vs. Passive Performance Differential

Periods in Which Active Manager Outperformance Probability is High¹

December 31, 1994 – September 30, 2015

Market Capitalization Category	Investment Style		
	Growth	Core	Value
Large	3.38%	2.60%	2.42%
Mid	3.84%	2.29%	3.61%
Small	8.31%	3.80%	2.02%

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Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

Asset Allocation Models & Insurance Products Disclosures

GLOBAL INVESTMENT COMMITTEE (GIC) ASSET ALLOCATION MODELS

The Asset Allocation Models are created by Morgan Stanley Wealth Management's GIC.

CLIENTS TO CONSIDER THEIR OWN INVESTMENT NEEDS

The GIC Asset Allocation Models are formulated based on general client characteristics such as investable assets and risk tolerance. This report is not intended to be a client-specific suitability analysis or recommendation, or offer to participate in any investment. Therefore, do not use this report as the sole basis for investment decisions.

Clients should consider all relevant information, including their existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. Such a suitability determination may lead to asset allocation(s) results that are materially different from the asset allocation shown in this report. Clients should talk to their Financial Advisor about what would be a suitable asset allocation for them.

HYPOTHETICAL MODEL PERFORMANCE (GROSS)

Hypothetical model performance results do not reflect the investment or performance of an actual portfolio following a GIC Strategy, but simply reflect actual historical performance of selected indices on a real-time basis over the specified period of time representing the GIC's strategic and tactical allocations as of the date of this report. The past performance shown here is simulated performance based on benchmark indices, not investment results from an actual portfolio or actual trading. There can be large differences between hypothetical and actual performance results achieved by a particular asset allocation or trading strategy. Hypothetical performance results do not represent actual trading and are generally designed with the benefit of hindsight.

Actual performance results of accounts vary due to, for example, market factors (such as liquidity) and client-specific factors (such as investment vehicle selection, timing of contributions and withdrawals, restrictions and rebalancing schedules). Clients would not necessarily have obtained the performance results shown here if they had invested in accordance with any GIC Asset Allocation Model for the periods indicated.

Despite the limitations of hypothetical performance, these hypothetical performance results allow clients and Financial Advisors to obtain a sense of the risk/return trade-off of different asset allocation constructs. The hypothetical performance results in this report are calculated using the returns of benchmark indices for the asset classes, and not the returns of securities, fund or other investment products.

Performance of indices may be more or less volatile than any investment product. The risk of loss in value of a specific investment is not the same as the risk of loss in a broad market index. Therefore, the historical returns of an index will not be the same as the historical returns of a particular investment a client selects.

Models may contain allocations to Hedge Funds, Private Equity and Private Real Estate. The benchmark indices for these asset classes are not issued on a daily basis. When calculating model performance on a day for which no benchmark index data is issued, we have assumed straight line growth between the index levels issued before and after that date.

Fees reduce the performance of actual accounts None of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, fees) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models. The GIC Asset Allocation Models and any model performance included in this presentation are intended as educational materials. Were a client to use these models in connection with investing, any investment decisions made would be subject to transaction and other costs which, when compounded over a period of years, would decrease returns. Information regarding Morgan Stanley's standard advisory fees is available in the Form ADV Part 2, which is available at www.morganstanley.com/adv. The following hypothetical illustrates the compound effect fees have on investment returns: For example, if a portfolio's annual rate of return is 15% for 5 years and the account pays 50 basis points in fees per annum, the gross cumulative five-year return would be 101.1% and the five-year return net of fees would be 96.8%. Fees and/or expenses would apply to clients who invest in investments in an account based on these asset allocations, and would reduce clients' returns. The impact of fees and/or expenses can be material.

INSURANCE PRODUCTS AND ETF DISCLOSURES

Morgan Stanley Smith Barney LLC offers **insurance products** in conjunction with its licensed insurance agency affiliates.

An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices.

Variable annuities, mutual funds and ETFs are sold by prospectus only. The prospectus contains the investment objectives, risks, fees, charges and expenses, and other information regarding the variable annuity contract and the underlying investments, or the ETF, which should be considered carefully before investing. Prospectuses for both the variable annuity contract and the underlying investments, or the ETF, are available from your Financial Advisor. Please read the prospectus carefully before you invest.

Variable annuities are long-term investments designed for retirement purposes and may be subject to market fluctuations, investment risk, and possible loss of principal. All guarantees, including optional benefits, are based on the financial strength and claims-paying ability of the issuing insurance company and do not apply to the underlying investment options.

Optional riders may not be able to be purchased in combination and are available at an additional cost. Some optional riders must be elected at time of purchase. Optional riders may be subject to specific limitations, restrictions, holding periods, costs, and expenses as specified by the insurance company in the annuity contract.

If you are investing in a **variable annuity** through a tax-advantaged retirement plan such as an IRA, you will get no additional tax advantage from the variable annuity. Under these circumstances, you should only consider buying a variable annuity because of its other features, such as lifetime income payments and death benefits protection.

Taxable distributions (and certain deemed distributions) are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal income tax penalty. Early withdrawals will reduce the death benefit and cash surrender value.

Asset Class Risk Considerations

For index definitions to the indices referenced in this report please visit the following: <http://www.morganstanleyfa.com/public/projectfiles/id.pdf>

Equity securities may fluctuate in response to news on companies, industries, market conditions and general economic environment.

Investing in foreign markets entails risks not typically associated with domestic markets, such as currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, and the potential for political instability. These risks may be magnified in countries with **emerging markets and frontier markets**, since these countries may have relatively unstable governments and less established markets and economies.

Investing in small- to medium-sized companies entails special risks, such as limited product lines, markets and financial resources, and greater volatility than securities of larger, more established companies.

The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer.

High yield bonds (bonds rated below investment grade) may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk, price volatility, and limited liquidity in the secondary market. High yield bonds should comprise only a limited portion of a balanced portfolio.

Interest on **municipal bonds** is generally exempt from federal income tax; however, some bonds may be subject to the alternative minimum tax (AMT). Typically, state tax-exemption applies if securities are issued within one's state of residence and, if applicable, local tax-exemption applies if securities are issued within one's city of residence.

Treasury Inflation Protection Securities' (TIPS) coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation.

Ultrashort-term fixed income asset class is comprised of fixed income securities with high quality, very short maturities. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

Alternative investments may be either traditional alternative investment vehicles, such as hedge funds, fund of hedge funds, private equity, private real estate and managed futures or, non-traditional products such as mutual funds and exchange-traded funds that also seek alternative-like exposure but have significant differences from traditional alternative investments. The risks of traditional alternative investments may include: can be highly illiquid, speculative and not suitable for all investors, loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized, absence of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than open-end mutual funds, and risks associated with the operations, personnel and processes of the manager. Non-traditional alternative strategy products may employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. **Master Limited Partnerships (MLPs)** Individual MLPs are publicly traded partnerships that have unique risks related to their structure. These include, but are not limited to, their reliance on the capital markets to fund growth, adverse ruling on the current tax treatment of distributions (typically mostly tax deferred), and commodity volume risk. The potential tax benefits from investing in MLPs depend on their being treated as partnerships for federal income tax purposes and, if the MLP is deemed to be a corporation, then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. MLPs carry interest rate risk and may underperform in a rising interest rate environment. **Investing in commodities** entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. **Physical precious metals** are non-regulated products. Precious metals are speculative investments, which may experience short-term and long term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be suitable for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor. **REITs** investing risks are similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions.

Risks of **private real estate** include: illiquidity; a long-term investment horizon with a limited or nonexistent secondary market; lack of transparency; volatility (risk of loss); and leverage.

Principal is returned on a monthly basis over the life of a **mortgage-backed security**. Principal prepayment can significantly affect the monthly income stream and the maturity of any type of MBS, including standard MBS, CMOs and Lottery Bonds.

Asset-backed securities generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.

Asset Class Risk Considerations (cont'd)

Floating-rate securities The initial interest rate on a floating-rate security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk.

Yields are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision.

Credit ratings are subject to change.

Companies paying **dividends** can reduce or cut payouts at any time.

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets.

The **indices** are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only and do not represent the performance of any specific investment.

The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time.

Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies.

Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations.

Value investing does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected.

Rebalancing does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy. Investors should consult with their tax advisor before implementing such a strategy.

Any type of **continuous or periodic investment plan** does not assure a profit and does not protect against loss in declining markets. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, the investor should consider his financial ability to continue his purchases through periods of low price levels.

Duration, the most commonly used measure of bond risk, quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates.

Besides the general risk of holding securities that may decline in value, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance, and potential leverage. Some funds also invest in foreign securities, which may involve currency risk.

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Cal Poly Pomona Foundation

Investment Results as of September 30, 2015

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Cal Poly Pomona Foundation

Executive Summary

Type of Fund	Endowment
Time Horizon	Perpetuity
Investment Horizon	Over 10 Years
Target Return	Greater Los Angeles Area CPI + 5%
Normal Policy Allocation	40% Russell 3000/ 25% All Cap World X US/ 30% BC Aggregate/ 5% Real Assets

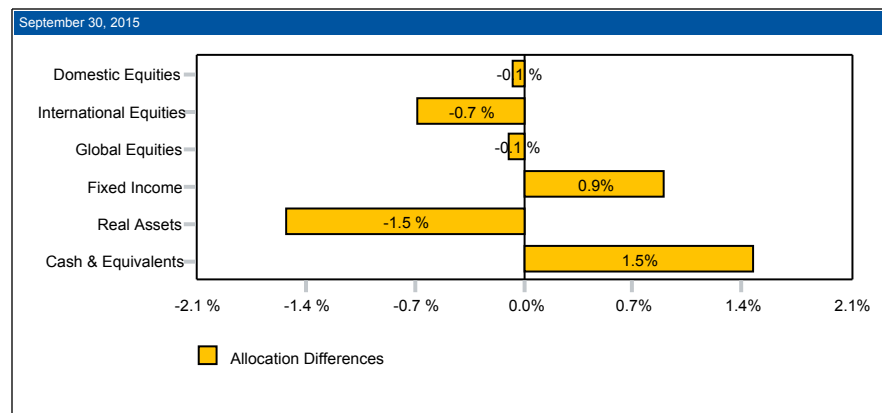
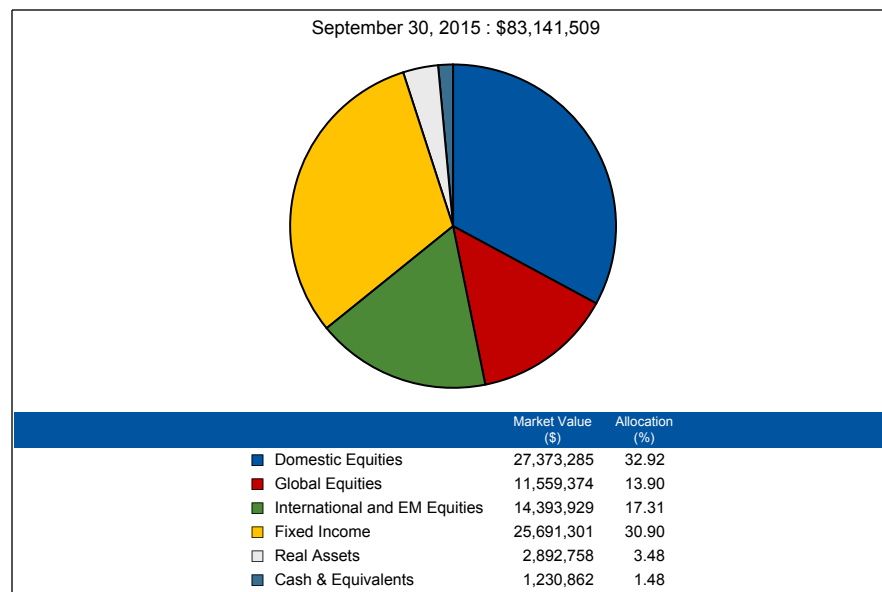
Asset Allocation Guidelines

Asset Class	Target Allocation
Total Equities	65.0%
Domestic Equity	40.0%
International Equity	25.0%
Fixed Income includes MBS	30.0%
Domestic and International	30.0%
Real Assets	5.0%
Cash Equivalents	0.0%

**Cal Poly Pomona Foundation
Balances and Asset Allocation
September 30, 2015**



	Total Fund	
	(\$)	%
All/Large Cap Equities	21,680,271	26.08
Touchstone All Cap Growth	10,620,045	12.77
Aristotle Large Cap Value	11,060,226	13.30
Small/Mid Cap Equities	5,693,014	6.85
Keeley SMID Value	2,765,376	3.33
Apex SMID Cap Growth	2,927,638	3.52
International and EM Equities	14,393,929	17.31
William Blair International Growth	5,419,085	6.52
Harbor International Equity	5,312,398	6.39
iShares MSCI Emerging Markets Index	3,662,445	4.41
Global Equities	11,559,374	13.90
First Eagle	5,814,975	6.99
Delaware Focus Global Growth	5,744,399	6.91
Total Public Equities	53,326,588	64.14
Domestic Fixed Income	19,572,794	23.54
Met West Total Return	7,939,554	9.55
JP Morgan Strategic Income	7,419,051	8.92
Nuveen Symphony Credit Opportunities	4,214,189	5.07
Global Fixed Income	6,118,507	7.36
Brandywine Global Fixed Income	3,024,577	3.64
Templeton Global Bond Fund	3,093,930	3.72
Total Fixed Income	25,691,301	30.90
Real Assets	2,892,758	3.48
RS Global Natural Resources	2,892,758	3.48
Cash & Equivalents	1,230,862	1.48
Cash Holding Account	1,230,862	1.48
Cal Poly Pomona Foundation Total Fund	83,141,509	100.00



September 30, 2015

	Market Value (\$)	Allocation (%)	Target (%)
Domestic Equities	27,373,285	32.92	33.00
International Equities	14,393,929	17.31	18.00
Global Equities	11,559,374	13.90	14.00
Fixed Income	25,691,301	30.90	30.00
Real Assets	2,892,758	3.48	5.00
Cash & Equivalents	1,230,862	1.48	0.00
Total Fund	83,141,509	100.00	100.00

*Please see important disclosures at the end of the materials.

**Cal Poly Pomona Foundation
Asset Allocation & Performance
As of September 30, 2015**

	Allocation		Performance(%)										
	Market Value (\$)	%	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Inception Date
Cal Poly Pomona Foundation Total Fund	83,141,509	100.00	-8.80	-6.75	-7.62	3.05	4.99	5.43	10.95	-1.38	23.96	15.63	10/01/2008
Cal Poly Pomona Blended Policy Benchmark*			-6.33	-4.60	-3.63	5.37	6.47	6.25	11.20	-0.30	22.68	12.38	
70% ACWI / 30% BC Aggregate			-6.30	-4.52	-3.73	5.47	5.90	6.04	11.17	-1.99	21.96	11.44	
Public Equities	53,326,588	64.14	-10.07	-6.62	-5.99	6.15	7.02	6.27	15.49	-5.35	33.64	14.65	10/01/2008
MSCI AC Wld Nt			-9.45	-7.03	-6.65	6.96	6.83	6.03	16.58	-6.49	30.13	11.77	
Domestic Equities	27,373,285	32.92	-9.06	-5.07	-0.41	12.47	12.52	9.43	20.83	-0.09	34.77	13.27	10/01/2008
Russell 3000			-7.25	-5.45	-0.50	12.53	13.29	9.91	21.49	3.84	32.37	15.72	
Touchstone Westfield All Cap Growth	10,620,045	12.77	-9.29	-6.45	0.08	13.91	N/A	11.73	24.92	N/A	N/A	N/A	08/01/2011
Russell 3000 Gr			-5.93	-1.86	3.21	13.54	N/A	12.78	17.58	N/A	N/A	N/A	
Aristotle Large Cap Value	11,060,226	13.30	-7.44	-2.60	1.00	N/A	N/A	9.76	N/A	N/A	N/A	N/A	06/01/2013
Russell 1000 VI			-8.40	-8.97	-4.43	N/A	N/A	6.99	N/A	N/A	N/A	N/A	
Keeley SMID Value	2,765,376	3.33	-11.56	-9.35	-6.11	10.54	N/A	9.85	36.08	N/A	N/A	N/A	08/01/2011
Russell 2500 VI			-9.59	-8.05	-2.45	11.00	N/A	9.89	26.87	N/A	N/A	N/A	
Apex SMID Cap Growth	2,927,638	3.52	-11.73	-4.95	-2.49	13.87	N/A	12.35	25.33	N/A	N/A	N/A	08/01/2011
Russell 2500 Gr			-11.06	-3.87	3.33	13.78	N/A	11.28	24.02	N/A	N/A	N/A	
Global Equities	11,559,374	13.90	-8.56	-6.89	-5.26	4.40	N/A	4.34	12.09	N/A	N/A	N/A	08/01/2011
MSCI AC Wld Nt			-9.45	-7.03	-6.65	6.96	N/A	5.35	16.58	N/A	N/A	N/A	
First Eagle	5,814,975	6.99	-6.81	-5.23	-5.11	5.01	N/A	4.79	12.08	N/A	N/A	N/A	08/01/2011
MSCI AC Wld Nt			-9.45	-7.03	-6.65	6.96	N/A	5.35	16.58	N/A	N/A	N/A	
Delaware Focus Global Growth	5,744,399	6.91	-10.28	-8.51	-5.43	N/A	N/A	0.34	N/A	N/A	N/A	N/A	10/01/2013
MSCI AC Wld Nt			-9.45	-7.03	-6.65	N/A	N/A	1.94	N/A	N/A	N/A	N/A	
International and EM Equities	14,393,929	17.31	-13.05	-8.84	-12.97	0.13	0.62	3.14	10.83	-13.73	30.71	17.59	10/01/2008
MSCI AC Wld xUS Nt			-12.17	-8.63	-12.17	2.34	1.82	3.20	13.65	-14.56	29.73	10.42	
William Blair International Growth	5,419,085	6.52	-10.09	-4.80	-6.38	5.39	4.65	5.79	17.33	-9.26	27.92	16.64	10/01/2008
MSCI AC Wld xUS Nt			-12.17	-8.63	-12.17	2.34	1.82	3.20	13.65	-14.56	29.73	10.42	
Harbor International	5,312,398	6.39	-12.99	-6.94	-10.78	2.91	3.37	4.02	14.10	-11.69	35.68	13.50	10/01/2008
MSCI AC Wld xUS Nt			-12.17	-8.63	-12.17	2.34	1.82	3.20	13.65	-14.56	29.73	10.42	

*Blended Policy Benchmark Description: 40% Russell 3000, 25% MSCI AC World ex-US, 30% BC Aggregate, 5% Bloomberg Commodity Index

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation
Asset Allocation & Performance
As of September 30, 2015

	Allocation		Performance(%)										
	Market Value (\$)	%	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Inception Date
iShares MSCI Emerging Markets Index	3,662,445	4.41	-17.16	-16.64	N/A	N/A	N/A	-16.64	N/A	N/A	N/A	N/A	01/01/2015
MSCI EM Net			-17.89	-15.46	N/A	N/A	N/A	-15.46	N/A	N/A	N/A	N/A	
Fixed Income	25,691,301	30.90	-2.59	-2.49	-2.80	0.61	2.58	5.63	3.43	5.60	5.49	14.98	10/01/2008
BC Aggregate			1.23	1.13	2.93	1.71	3.09	4.84	-0.69	7.47	3.90	9.50	
Met West Total Return	7,939,554	9.55	0.65	0.60	2.26	2.85	N/A	4.61	4.76	N/A	N/A	N/A	08/01/2011
BC Aggregate			1.23	1.13	2.93	1.71	N/A	2.99	-0.69	N/A	N/A	N/A	
JP Morgan Strategic Income	7,419,051	8.92	-1.95	-1.15	-1.54	1.22	N/A	2.01	5.68	N/A	N/A	N/A	08/01/2011
BC Aggregate			1.23	1.13	2.93	1.71	N/A	2.99	-0.69	N/A	N/A	N/A	
Brandywine Global Fixed Income	3,024,577	3.64	-3.75	-8.18	-8.32	-1.44	N/A	1.41	3.80	N/A	N/A	N/A	08/01/2011
Citi WGBI UnH			1.71	-2.74	-4.19	-2.97	N/A	-1.37	-4.50	N/A	N/A	N/A	
Templeton Global Bond Fund	3,093,930	3.72	-6.13	-6.23	-7.79	0.36	N/A	1.07	7.84	N/A	N/A	N/A	08/01/2011
Citi WGBI UnH			1.71	-2.74	-4.19	-2.97	N/A	-1.37	-4.50	N/A	N/A	N/A	
Nuveen Symphony Credit Opportunities	4,214,189	5.07	-5.97	-3.29	-5.43	N/A	N/A	-0.16	N/A	N/A	N/A	N/A	10/01/2013
BC Corp HY			-4.86	-2.45	-3.43	N/A	N/A	1.75	N/A	N/A	N/A	N/A	
Real Assets	2,892,758	3.48	-32.22	-34.97	-43.19	-18.74	N/A	-11.77	3.29	N/A	N/A	N/A	08/01/2011
RS Global Natural Resources	2,892,758	3.48	-32.22	-34.46	-48.14	N/A	N/A	-29.78	N/A	N/A	N/A	N/A	10/01/2013
S&P NAM Natural Resources			-19.55	-22.88	-33.57	N/A	N/A	-14.41	N/A	N/A	N/A	N/A	

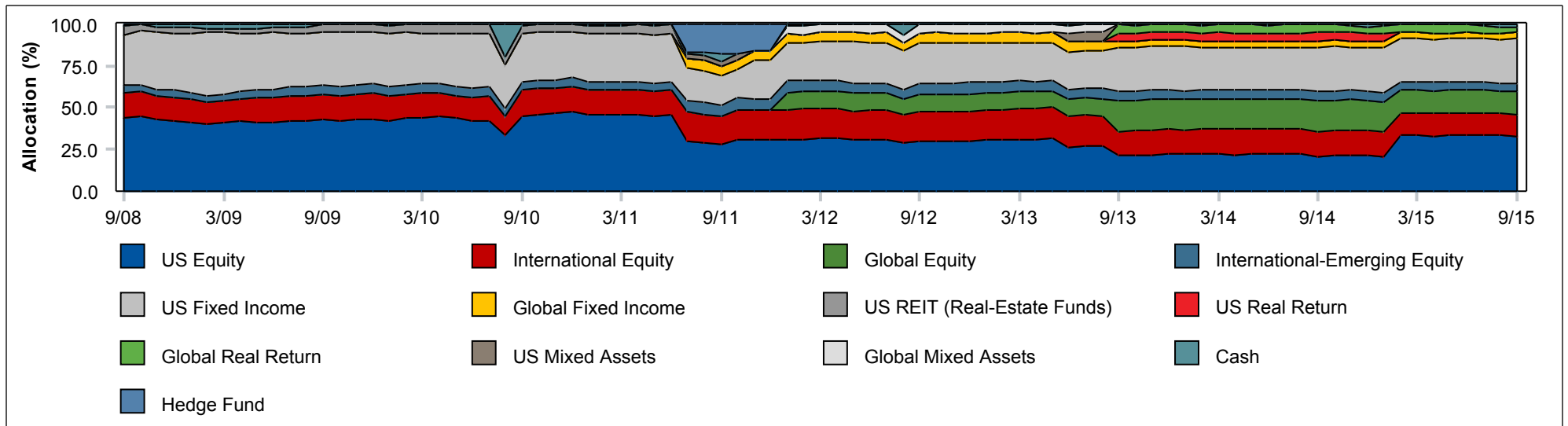
*Blended Policy Benchmark Description: 40% Russell 3000, 25% MSCI AC World ex-US, 30% BC Aggregate, 5% Bloomberg Commodity Index
*Please see important disclosures at the end of the materials.

**Cal Poly Pomona Foundation
Performance and Asset Allocation History
September 30, 2015**

	Current Quarter	Fiscal YTD	Fiscal Year 2014	Fiscal Year 2013	Oct 2008 To Dec 2008	Since Inception	Inception Date
Cal Poly Pomona Foundation Total Fund							10/01/2008
Beginning Market Value	90,234,110	90,234,110	69,290,107	55,579,506	31,161,294	31,161,294	
Net Contributions	935,695	935,695	5,871,633	7,024,252	-475,941	33,888,935	
Fees/Expenses	-40,930	-40,930	-146,319	-119,298	-51,340	-961,849	
Income	310,677	310,677	2,576,070	2,423,285	630,728	13,156,433	
Gain/Loss	-8,298,044	-8,298,044	9,066,020	4,382,362	-5,921,902	5,896,695	
Ending Market Value	83,141,509	83,141,509	86,657,511	69,290,107	25,342,839	83,141,509	

	Current Quarter	Fiscal YTD	Fiscal Year 2014	Fiscal Year 2013	Oct 2008 To Dec 2008	Since Inception	Inception Date
Cal Poly Pomona Foundation Total Fund	-8.80	-8.80	15.80	10.95	-17.44	5.43	10/01/2008
40% Russell 3000/30% BC Agg/25% MSCI AC Wld/5% Real Assets	-6.15	-6.15	18.08	13.42	-13.59	6.77	10/01/2008
70% ACWI / 30% WGBI	-6.16	-6.16	18.00	9.90	-13.62	6.92	01/01/1988

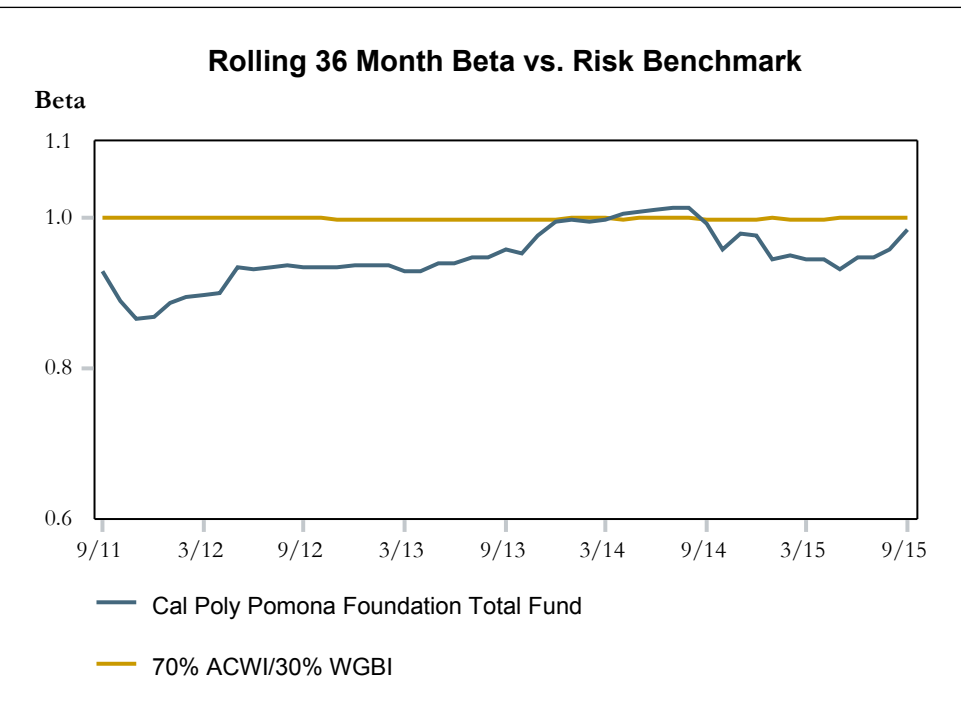
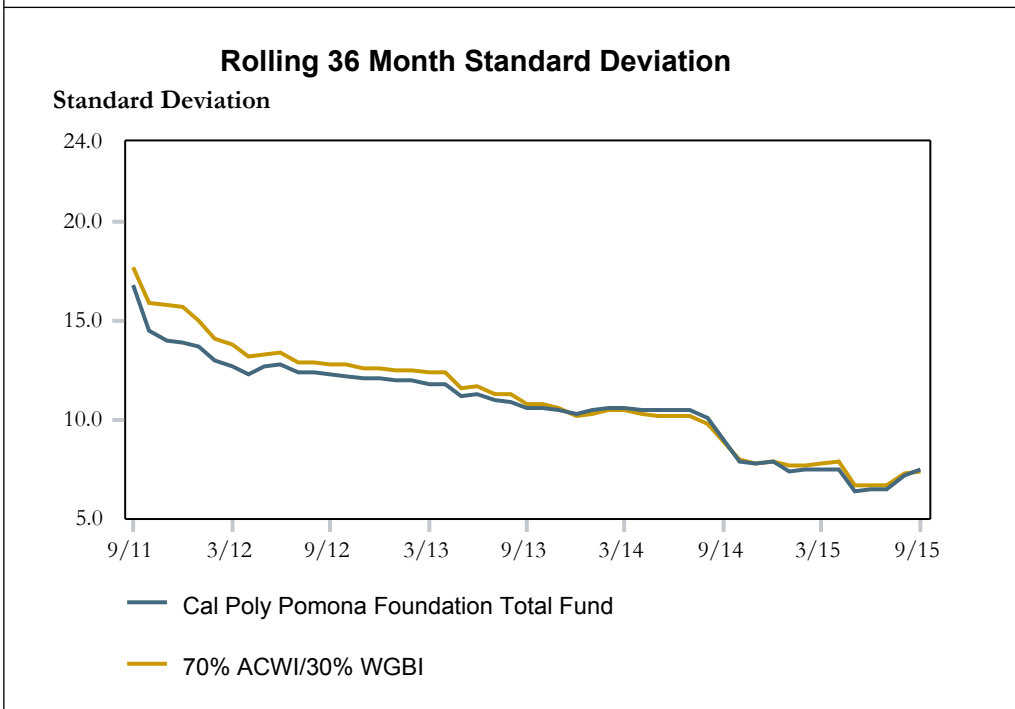
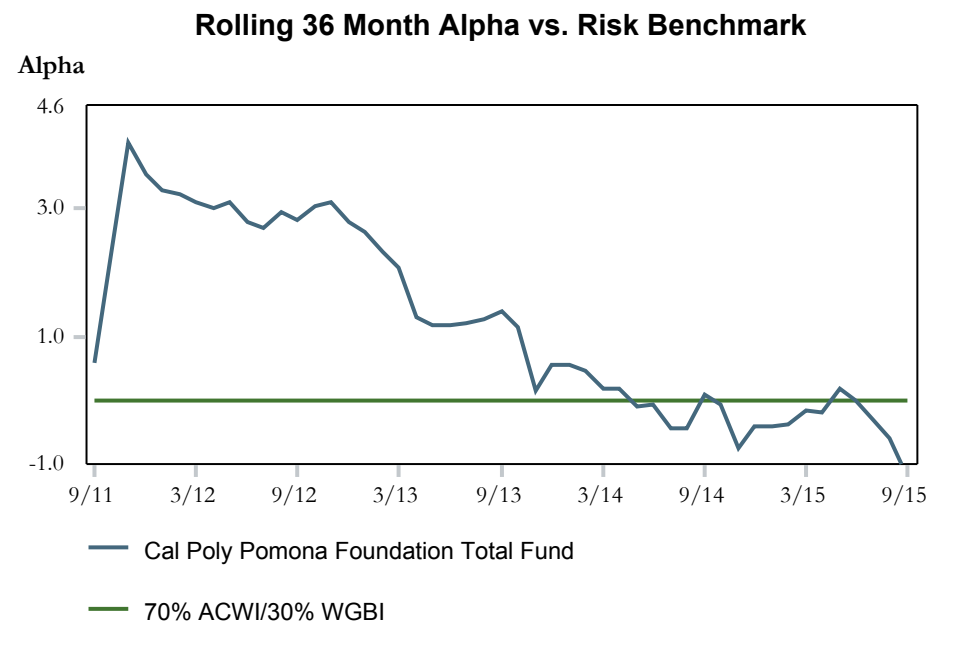
Asset Allocation Over Time



*Please see important disclosures at the end of the materials.

**Cal Poly Pomona Foundation Total Fund
Risk Analytics
As of September 30, 2015**

	3 Years	5 Years	Since Inception	Inception Date
Return	3.05	4.99	5.43	10/01/2008
Standard Deviation	7.47	9.62	13.00	
vs. 70% ACWI/30% WGBI				
Alpha	-1.20	-0.06	0.10	
Beta	0.98	0.97	0.95	
R-Squared	0.94	0.95	0.95	



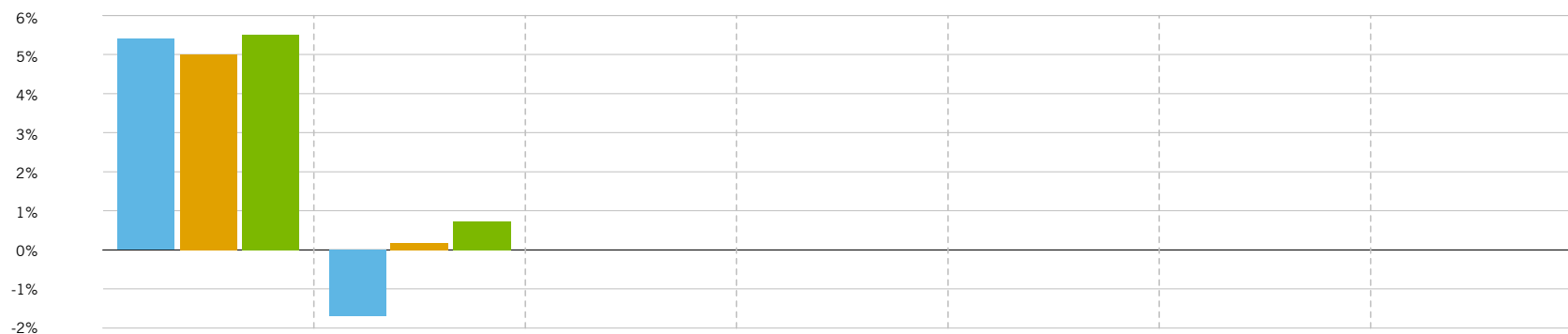
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TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

Cal Poly Pomona Foundation - Endowment Investment Portfolio

As of October 31, 2015 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Quarter to Date 09/30/15 - 10/31/15	Year to Date 12/31/14 - 10/31/15
Beginning Total Value	\$83,175,534.14	\$88,228,176.92
Net Contributions/Withdrawals	-1,414,983.43	-444,454.08
Investment Earnings	4,438,040.67	-1,585,131.46
Ending Total Value	\$86,198,591.38	\$86,198,591.38
Return % (Net of Fees)	5.40	-1.69
<i>Blended Policy Benchmark</i>	<i>5.01</i>	<i>0.18</i>
<i>70% MSCI ACWI / 30% BC Agg</i>	<i>5.50</i>	<i>0.73</i>

The Blended Policy Benchmark consists of 40% Russell 3000; 25% MSCI ACWI x US; 30% Barclays Aggregate; and 5% Bloomberg Commodities Index.

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Disclosures

Important Disclosures

Index Definitions

Lehman Aggregate Bond Index

Lehman Aggregate Bond Index is an index comprised of approximately 6,000 publicly traded bonds including U.S. Government, mortgage-backed, corporate, and Yankee bonds with an approximate average maturity of 10 years. An investment cannot be made directly in a market index.

MSCI EAFE® Index (Europe, Australasia, Far East)

The MSCI EAFE® Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. As of May 2005 the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. An investment cannot be made directly in a market index.

Russell 1000® Index

Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. An investment cannot be made directly in a market index.

Russell 1000® Growth Index

Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. An investment cannot be made directly in a market index.

Russell 1000® Value Index

Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. An investment cannot be made directly in a market index.

Russell 2000® Index

Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. An investment cannot be made directly in a market index.

Russell 2000® Growth Index

Russell 2000® Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. An investment cannot be made directly in a market index.

Russell 2000® Value Index

Russell 2000® Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. An investment cannot be made directly in a market index.

Russell 2500™ Index

Russell 2500™ Index measures the performance of the 2,500 smallest companies in the Russell 3000 Index, which represents approximately 16% of the total market capitalization of the Russell 3000 Index. An investment cannot be made directly in a market index.

Russell 2500™ Growth Index

Russell 2500™ Growth Index measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. An investment cannot be made directly in a market index.

Russell 2500™ Value Index

Russell 2500™ Value Index measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. An investment cannot be made directly in a market index.

Russell 3000® Index

Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. An investment cannot be made directly in a market index.

Russell Midcap® Index

Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index. An investment cannot be made directly in a market index.

Russell Midcap® Growth Index

Russell Midcap® Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index. An investment cannot be made directly in a market index.

Russell Midcap® Value Index

Russell Midcap® Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index. An investment cannot be made directly in a market index.

Standard & Poor's 500 Index

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.

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.

An investment in alternative investments can be highly illiquid, is speculative and not suitable for all investors. Investing in alternative investments is only intended for experienced and sophisticated investors who are willing to bear the high economic risks associated with such an investment. Investors should carefully review and consider potential risks before investing. Some of these risks may 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 when a single advisor is utilized;
- absence of information regarding valuations and pricing;
- complex tax structures and delays in tax reporting;
- less regulation and higher fees than mutual funds; and
- manager risk.

Individual funds will have specific risks related to their investment programs that will vary from fund to fund.

Although the statements of fact 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 Firm's 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.

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.

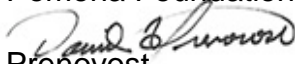
Mutual fund investments are subject to market risk, including the possible loss of principal. They are sold by prospectus only. The prospectus contains the investment objectives, risks, fees, charges and expenses, and other information regarding the mutual fund and variable annuity contract and its underlying investments, which should be carefully considered before investing. Prospectuses are available through your Financial Advisor or at www.smithbarney.com. Read the prospectus carefully before you invest.

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Memorandum

Date: November 9, 2015

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: 
David F. Prenovost
Senior Managing Director/CFO



Subject: Preliminary Data NACUBO Report

The following was issued in a November 3, 2015 email from Allison Parker, Program & Research Manager for Common Fund Institute:

Preliminary data gathered from 384 U.S. colleges and universities for the 2015 NACUBO-Commonfund Study of Endowments® (NCSE) indicate that these institutions' endowments returned an average of 2.4 percent (net of fees) for the 2015 fiscal year (July 1, 2014 – June 30, 2015). The preliminary return data are significantly lower than the average 15.5 percent return reported by Study participants for FY2014.

The data are broken down into six categories according to size of endowment, ranging from institutions with endowment assets under \$25 million to those with assets in excess of \$1 billion. Larger endowments posted the highest returns for the 2015 fiscal year, as institutions with assets over \$1 billion reported an average return of 4.2 percent and those with assets between \$501 million and \$1 billion reported an average return of 2.9 percent. Institutions in the remaining four size categories reported returns averaging between 1.7 and 2.1 percent, with the lower return figure coming from institutions with assets between \$25 and \$50 million. (All returns are reported net of fees.)

Eight hundred thirty-two colleges and universities participated in last year's Study; it is anticipated that the FY2015 Study will be about the same size by the time all data are gathered, analyzed and published in early 2016.

Additional findings based on preliminary data—drawn from a smaller sample of 100 institutions—show that domestic equities provided the highest return in FY2015, at 7.0 percent. Returns for the other long-term asset classes and strategies were slightly negative: fixed income, -0.1 percent; international equities, -2.1 percent; and alternative strategies, -0.8 percent. Short-term securities/cash/other generated a slightly positive return of 0.3 percent.

Within the broad category of alternative strategies, the highest returns came from private equity real estate (non-campus) at 12.2 percent and private equity (LBOs, mezzanine, M&A funds and international private equity) at 11.0 percent. The lowest returns came from commodities and managed futures at -14.5 percent and energy and natural resources at -13.6 percent. Among other alternative strategies, venture capital returned 7.1 percent; distressed debt, 5.8 percent; and marketable alternative strategies (hedge funds, absolute return, market neutral, long/short, 130/30, event-driven and derivatives), 2.8 percent.

Turning to asset allocation, 99 institutions reported the following dollar-weighted allocation for FY2015 (FY2014 allocations are shown in parentheses for comparison):

- Domestic equities: 12% (17%)
- Fixed income: 8% (9%)
- International equities: 17% (19%)
- Alternative strategies: 59% (51%)
- Short-term securities/cash/other: 4% (4%)

Among the 78 institutions that provided a breakdown of their alternative strategies asset mix, the largest allocation, at 33 percent of the total alternatives allocation, was to marketable alternative strategies. Other allocations were: private equity, 20 percent; venture capital, 18 percent; private equity real estate (non-campus), 16 percent; energy and natural resources, 11 percent; and distressed debt, 2 percent.

In other areas of inquiry, the average number of full-time equivalent (FTE) employees staffing the investment function at 100 reporting institutions was 1.3, a preliminary figure which will represent a reduction from last year's average of 1.6 FTEs if it is confirmed in the final data. Eighty-five percent of the same subset of institutions reported using a consultant for various investment services in FY2015, up moderately from 82 percent for all institutions participating in the 2014 Study. Forty-nine percent of the same subset reported that they had substantially outsourced the investment function in FY2015, up from 43 percent for all participating institutions in FY2014. If these data are confirmed in the final Study, they would represent a continuation of a trend toward increased use of outsourcing, from 40 percent in FY2013 and 38 percent in FY2012.

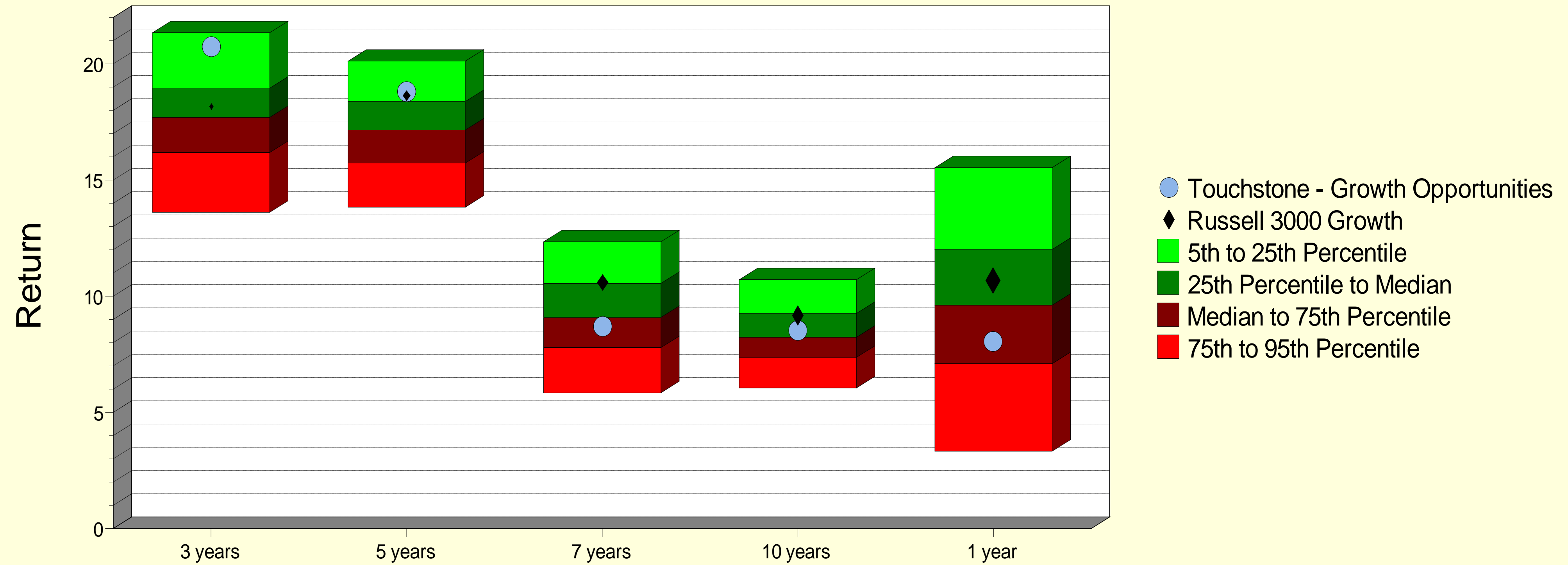
	NACUBO Study	CPPF
Return for: (see Note)		
Domestic equity	7.00%	6.31%
Fixed income	-0.10%	-0.97%
International equities	-2.10%	-3.76%
Alternative Strategies	-0.80%	-22.73% *
Short term securities/cash/other	0.30%	0.00%
 Asset Allocation:		
Domestic equity	12%	40.36%
Fixed income	8%	29.22%
International equities	17%	25.34%
Alternative Strategies	59%	4.73%
Short term securities/cash/other	4%	0.35%

Note: Total average return (loss) for institutions with assets less than \$500 million was 1.7% to 2.1% vs the CPPF loss of (-1.64%)

* CPPF's Alternative Strategies - RS Global Natural Resources Fund invests in commodities, concentrated around positions in companies that own geologically advantaged assets.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Large Growth Universe



Annualized Returns
 (not annualized if less than 1 year)

	1 year	3 years	5 years	7 years	10 years
	1739 mng	1705 mng	1536 mng	1469 mng	1318 mng
Touchstone - Growth Opportunities	8.05%	20.74%	18.80%	8.71%	8.51%
Russell 3000 Growth	10.69%	18.15%	18.64%	10.58%	9.17%

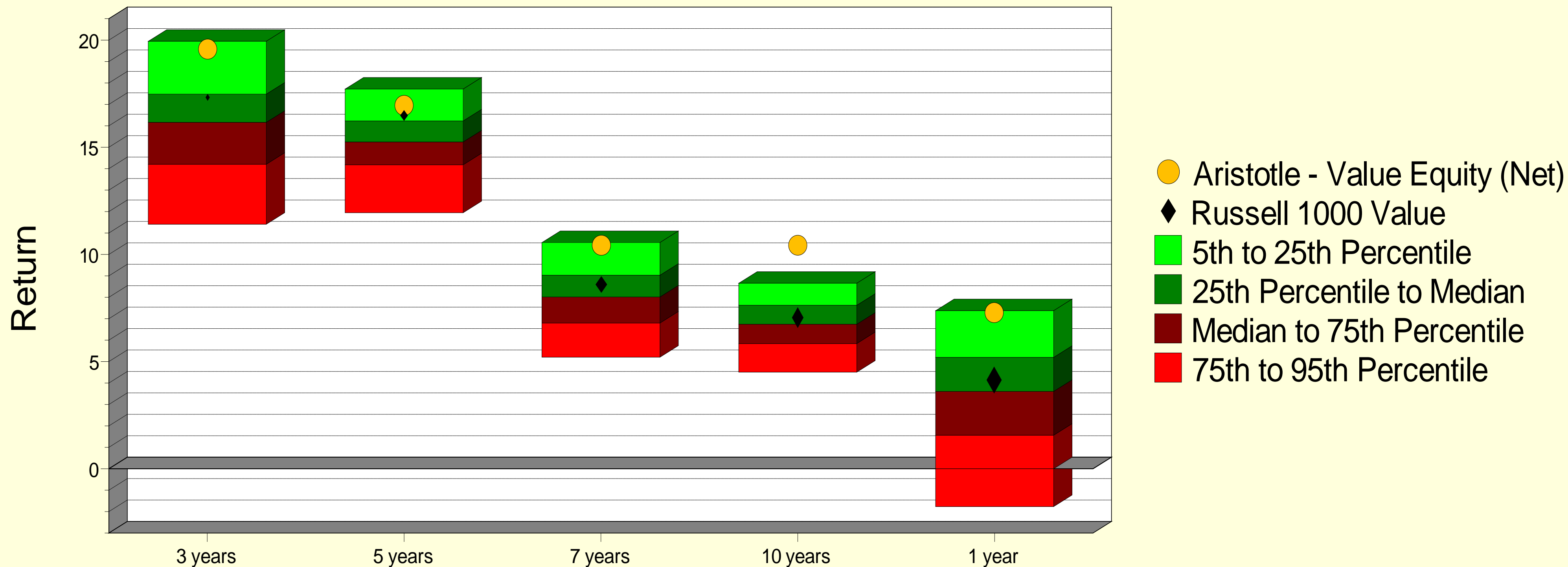
Peer Group Rankings
 (not annualized if less than 1 year)

	3 years	5 years	7 years	10 years
	1705 mng	1536 mng	1469 mng	1318 mng
Touchstone - Growth Opportunities	7.34%	16.68%	57.49%	41.76%
Russell 3000 Growth	39.92%	20.24%	24.77%	27.06%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Large Value Universe



Annualized Returns
 (not annualized if less than 1 year)

Peer Group Rankings
 (not annualized if less than 1 year)

	1 year 1442 mng	3 years 1323 mng	5 years 1236 mng	7 years 1195 mng	10 years 1071 mng
Aristotle - Value Equity (Net)	7.29%	19.58%	16.95%	10.43%	10.41%
Russell 1000 Value	4.13%	17.34%	16.50%	8.59%	7.05%

	3 years 1323 mng	5 years 1236 mng	7 years 1195 mng	10 years 1071 mng
Aristotle - Value Equity (Net)	6.13%	12.53%	6.64%	0.51%
Russell 1000 Value	27.27%	18.84%	36.66%	40.00%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Small-Mid Cap Value Universe



Annualized Returns
 (not annualized if less than 1 year)

Peer Group Rankings
 (not annualized if less than 1 year)

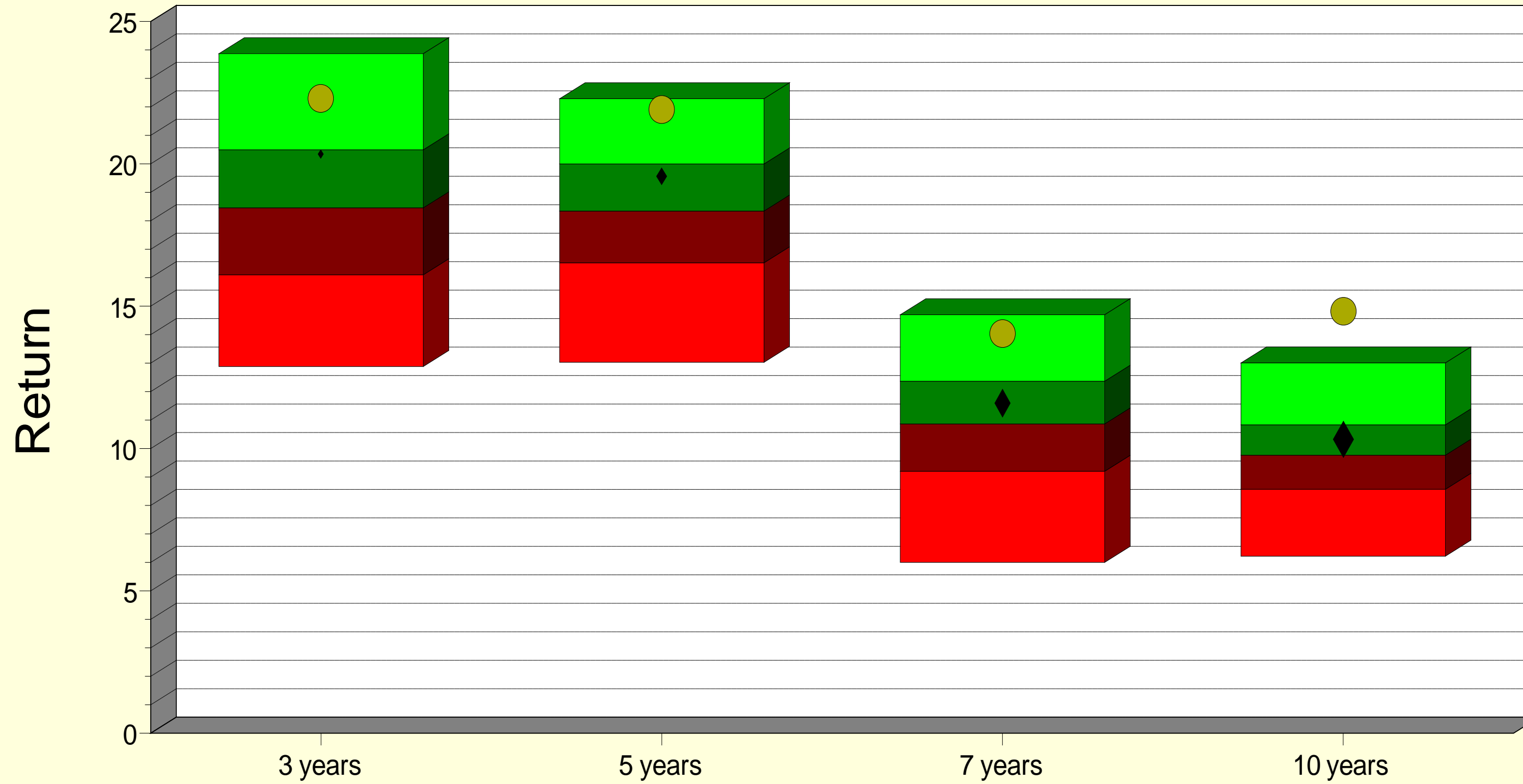
	1 year	3 years	5 years	7 years	10 years
	736 mng	736 mng	656 mng	624 mng	542 mng
Keeley - SMID Value	-1.57%	18.33%	18.51%	7.39%	10.77%
Russell 2500 Value	0.99%	16.99%	16.24%	10.25%	7.76%

	3 years	5 years	7 years	10 years
	736 mng	656 mng	624 mng	542 mng
Keeley - SMID Value	31.07%	6.30%	90.27%	1.70%
Russell 2500 Value	55.08%	42.87%	45.69%	61.46%

*Please see important disclosures at the end of the materials

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Small-Mid Cap Growth Universe



- Apex - Small-Mid Growth (gross)
- ◆ Russell 2500 Growth
- 5th to 25th Percentile
- 25th Percentile to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Annualized Returns
 (not annualized if less than 1 year)

	1 year 751 mng	3 years 750 mng	5 years 736 mng	7 years 700 mng	10 years 615 mng
Apex - Small-Mid Growth (gross)	10.65%	22.29%	21.88%	14.03%	14.84%
Russell 2500 Growth	11.30%	20.35%	19.55%	11.60%	10.32%

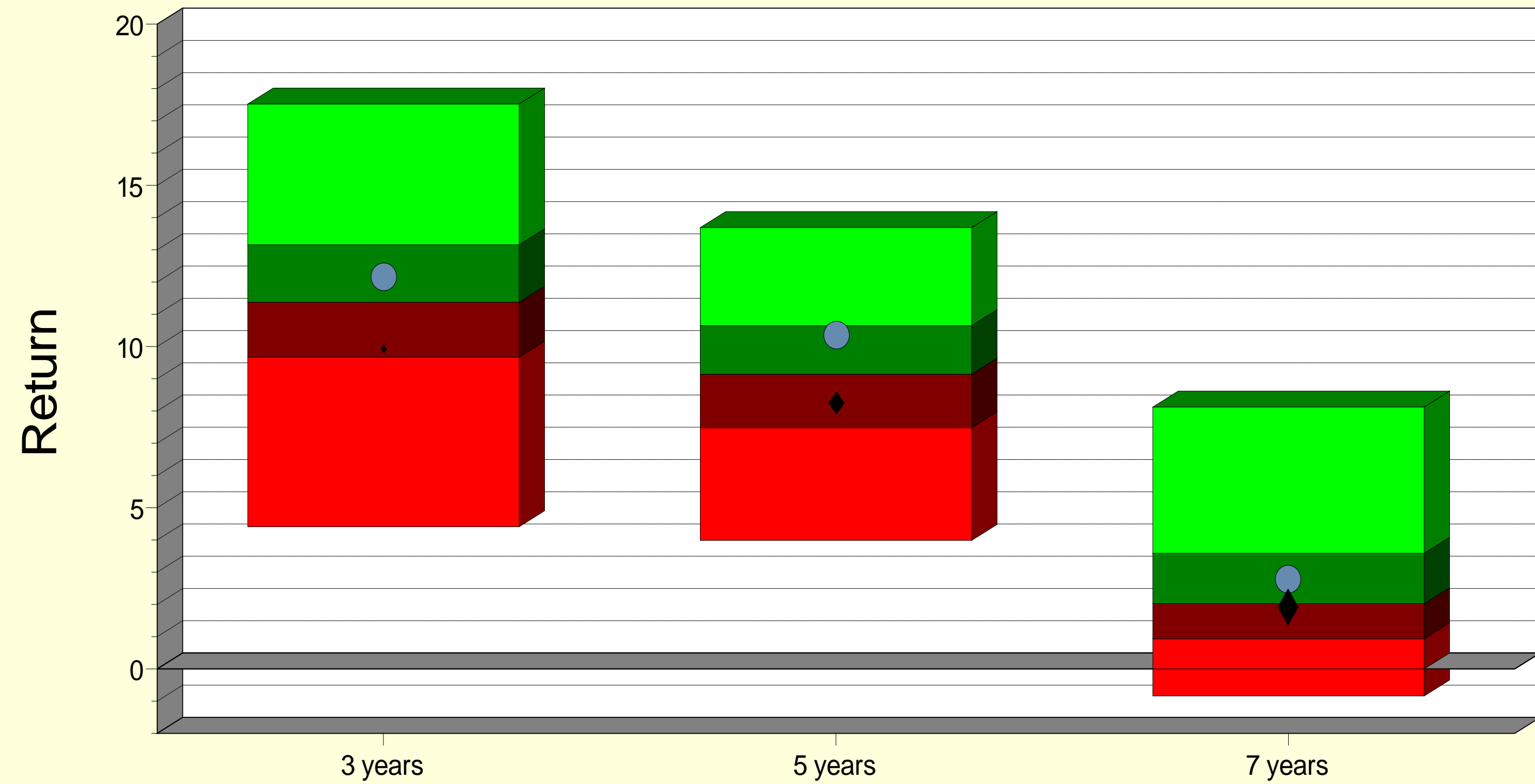
Peer Group Rankings
 (not annualized if less than 1 year)

	3 years 750 mng	5 years 736 mng	7 years 700 mng	10 years 615 mng
Apex - Small-Mid Growth (gross)	10.88%	6.71%	7.91%	0.78%
Russell 2500 Growth	26.30%	31.06%	36.61%	34.99%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 International Equity Universe



- William Blair - Int'l Equity
- ◆ MSCI ACWI ex USA
- 5th to 25th Percentile
- 25th Percentile to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Annualized Returns (not annualized if less than 1 year)

	1 year 614 mng	3 years 614 mng	5 years 600 mng	7 years 560 mng
William Blair - Int'l Equity	-0.04%	12.15%	10.36%	2.77%
MSCI ACWI ex USA	-4.85%	9.92%	8.23%	1.94%

Peer Group Rankings (not annualized if less than 1 year)

	3 years 614 mng	5 years 600 mng	7 years 560 mng
William Blair - Int'l Equity	36.52%	27.79%	38.55%
MSCI ACWI ex USA	72.46%	65.68%	51.83%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 International Equity Universe



Annualized Returns (not annualized if less than 1 year)

Peer Group Rankings (not annualized if less than 1 year)

	1 year 614 mng	3 years 614 mng	5 years 600 mng	7 years 560 mng
Harbor - Int'l Equity	-4.13%	10.01%	9.78%	2.72%
MSCI ACWI ex USA	-4.85%	9.92%	8.23%	1.94%

	3 years 614 mng	5 years 600 mng	7 years 560 mng
Harbor - Int'l Equity	70.56%	37.11%	39.42%
MSCI ACWI ex USA	72.46%	65.68%	51.83%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Global Equity Universe



- First Eagle - Global Equity
- ◆ MSCI ACWI (Net)
- 5th to 25th Percentile
- 25th Percentile to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Annualized Returns (not annualized if less than 1 year)

	1 year 850 mng	3 years 850 mng	5 years 685 mng	7 years 611 mng
First Eagle - Global Equity	-1.16%	9.36%	10.41%	7.22%
MSCI ACWI (Net)	0.71%	13.01%	11.93%	4.79%

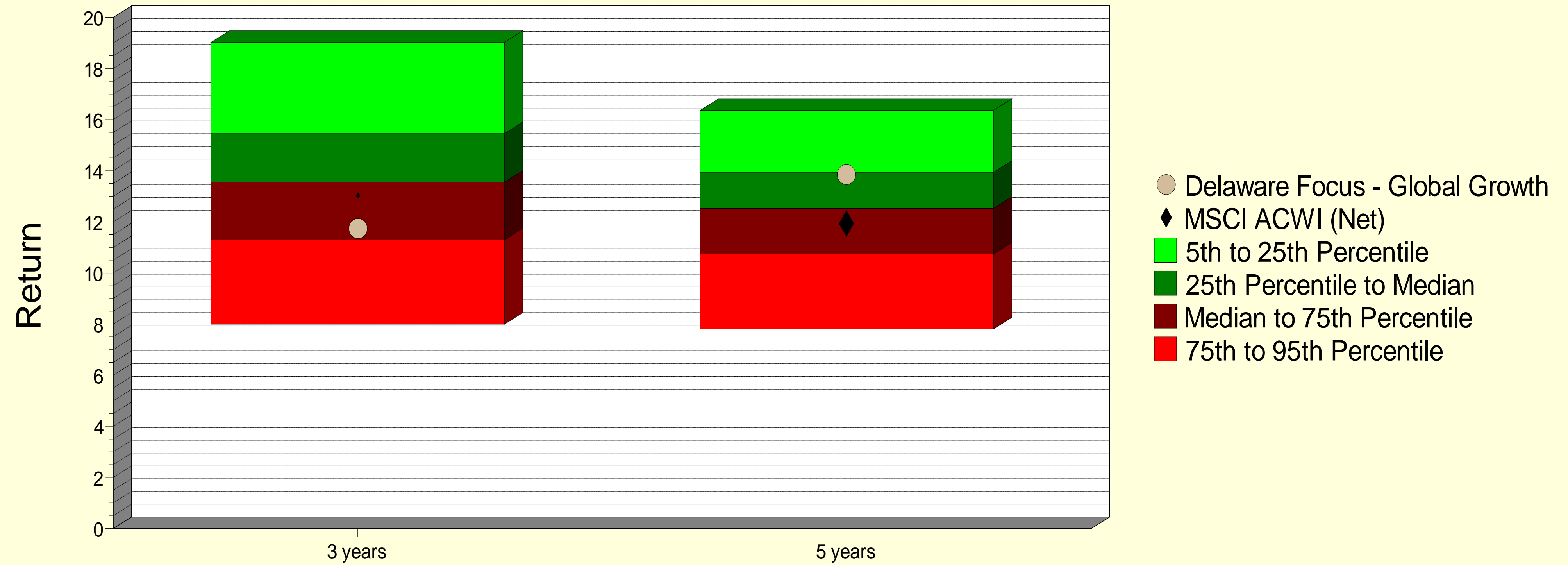
Peer Group Rankings (not annualized if less than 1 year)

	3 years 850 mng	5 years 685 mng	7 years 611 mng
First Eagle - Global Equity	91.46%	81.15%	20.50%
MSCI ACWI (Net)	58.49%	59.84%	65.95%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Global Equity Universe



Annualized Returns (not annualized if less than 1 year)

	1 year 850 mng	3 years 850 mng	5 years 685 mng
Delaware Focus - Global Growth	1.57%	11.75%	13.83
MSCI ACWI (Net)	0.71%	13.01%	11.93

Peer Group Rankings (not annualized if less than 1 year)

	3 years 850 mng	5 years 685 mng
Delaware Focus - Global Growth	70.67%	27.05%
MSCI ACWI (Net)	58.49%	59.84%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Fixed Income Universe



Annualized Returns
 (not annualized if less than 1 year)

Peer Group Rankings
 (not annualized if less than 1 year)

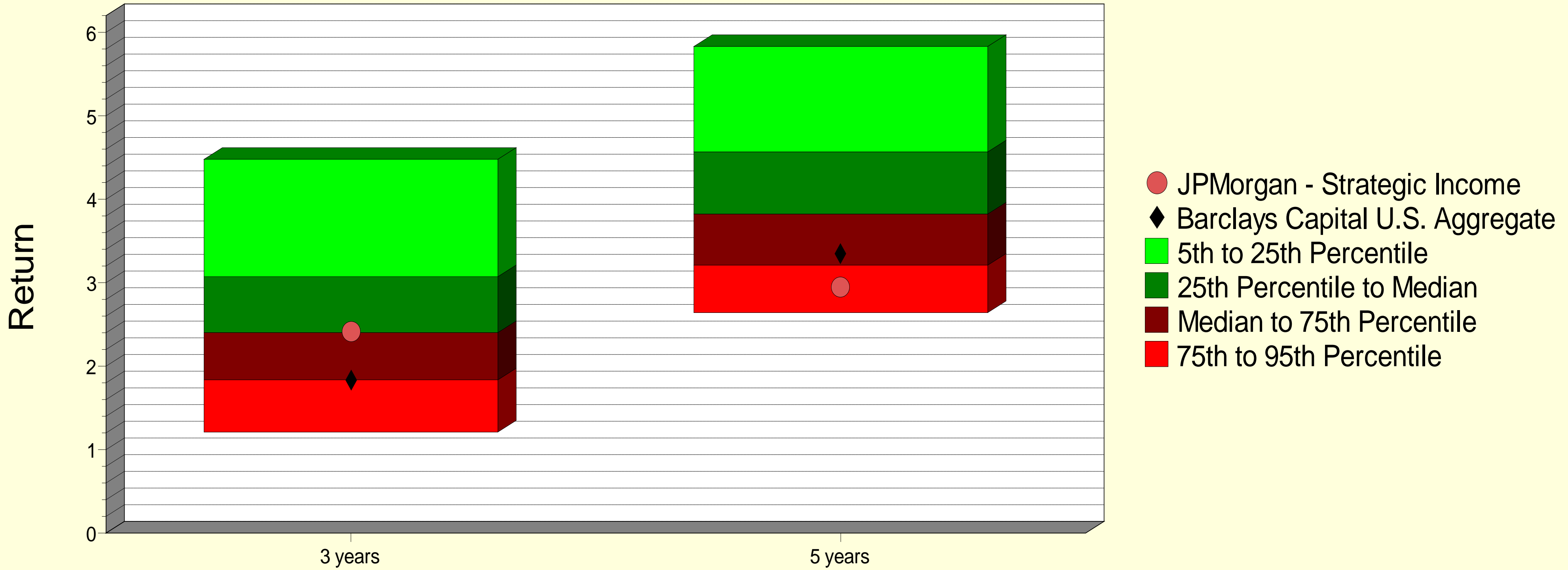
	1 year 257 mng	3 years 256 mng	5 years 256 mng	7 years 252 mng
Met West - Total Return	1.93%	4.18%	5.42%	7.29%
BC U.S. Aggregate	1.86%	1.83%	3.35%	4.59%

	3 years 256 mng	5 years 256 mng	7 years 252 mng
Met West - Total Return	6.27%	9.41%	4.78%
BC U.S. Aggregate	75.50%	70.05%	73.26%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Fixed Income Universe



Annualized Returns
 (not annualized if less than 1 year)

	1 year 257 mng	3 years 256 mng	5 years 256 mng
JPMorgan - Strategic Income	-0.13%	2.41%	2.94%
BC U.S. Aggregate	1.86%	1.83%	3.35

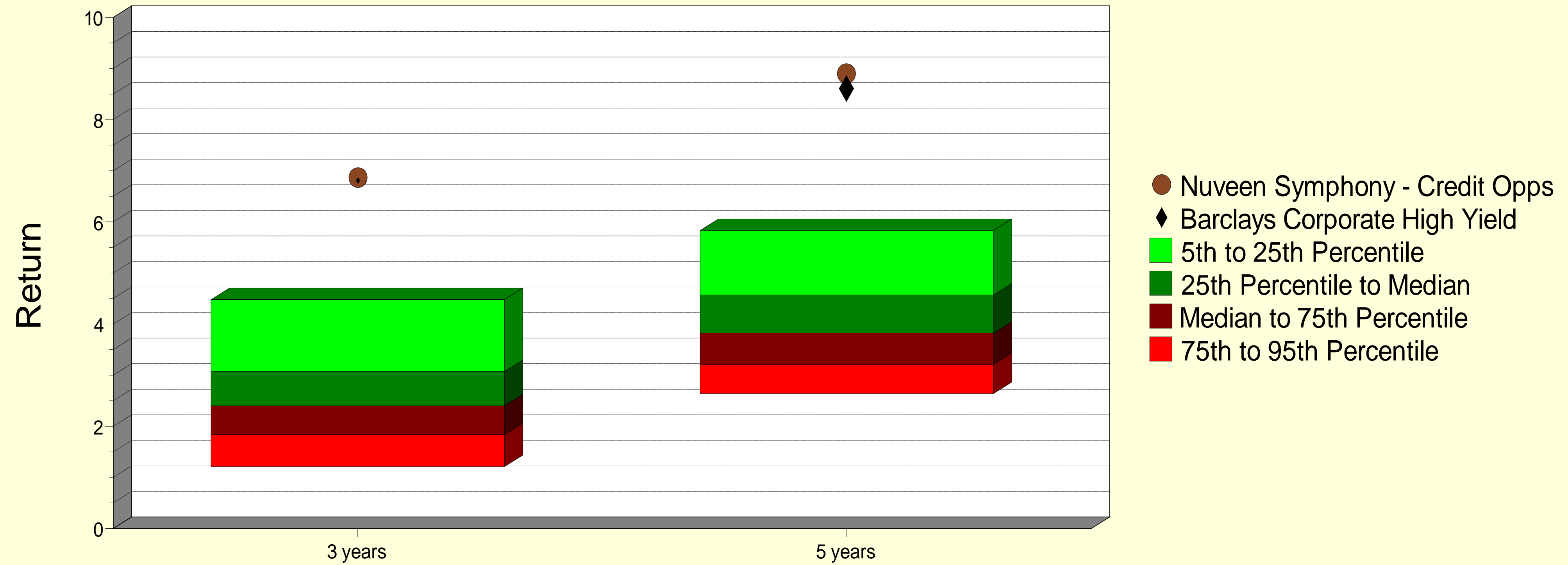
Peer Group Rankings
 (not annualized if less than 1 year)

	3 years 256 mng	5 years 256 mng
JPMorgan - Strategic Income	49.87%	87.10%
BC U.S. Aggregate	75.50%	70.05%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Fixed Income Universe



Annualized Returns
 (not annualized if less than 1 year)

	1 year 257 mng	3 years 256 mng	5 years 256 mng
Nuveen Symphony - Credit Opps	-1.60%	6.87%	8.91%
Barclays Corporate High Yield	-0.40%	6.81%	8.61%

Peer Group Rankings
 (not annualized if less than 1 year)

	3 years 256 mng	5 years 256 mng
	0.00%	0.00%
	0.00%	0.00%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Global Fixed Income Universe



Annualized Returns (not annualized if less than 1 year)

Peer Group Rankings (not annualized if less than 1 year)

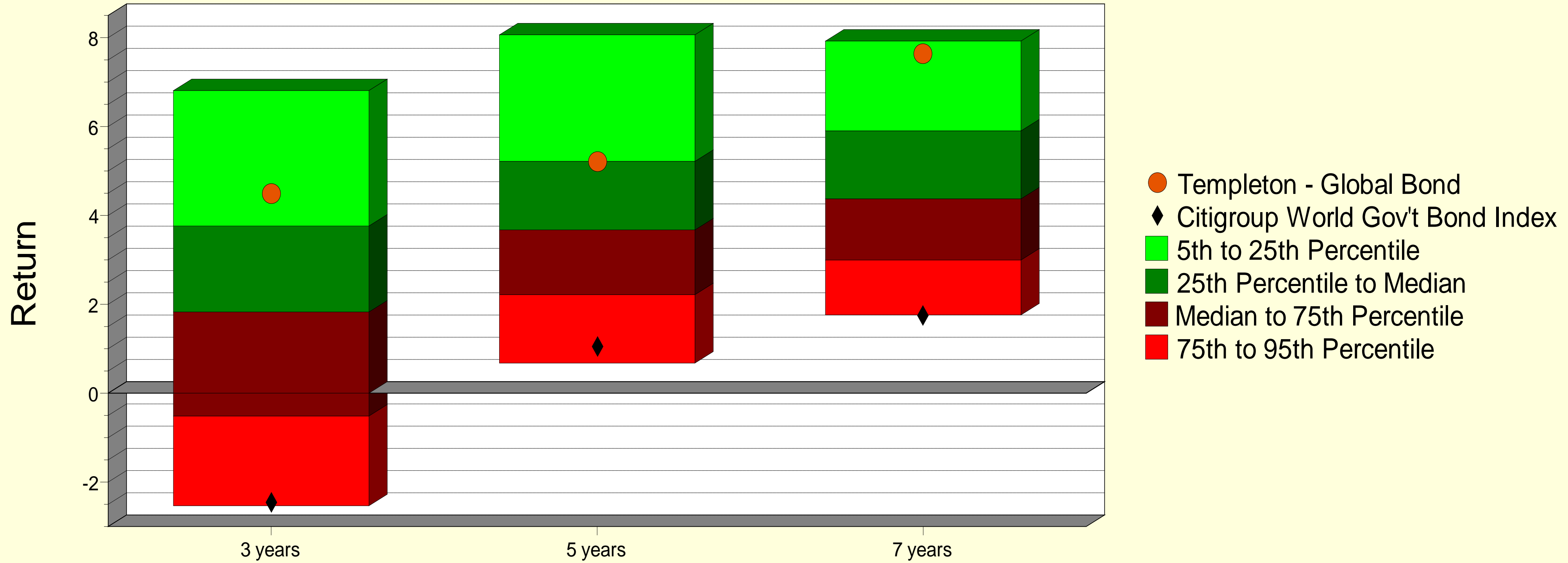
	1 year 414 mng	3 years 414 mng	5 years 352 mng	7 years 309 mng
Brandywine - Global Fixed Income	-5.90%	1.81%	5.43%	5.59%
Citigroup World Gov't Bond Index	-9.02%	-2.45%	1.05%	1.75%

	3 years 414 mng	5 years 352 mng	7 years 309 mng
Brandywine - Global Fixed Income	50.36%	21.37%	28.25%
Citigroup World Gov't Bond Index	94.44%	91.46%	95.35%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Global Fixed Income Universe



Annualized Returns (not annualized if less than 1 year)

Peer Group Rankings (not annualized if less than 1 year)

	1 year 414 mng	3 years 414 mng	5 years 352 mng	7 years 309 mng
Templeton - Global Bond	-1.62%	4.49%	5.21%	7.64%
Citigroup World Gov't Bond Index	-9.02%	-2.45%	1.05%	1.75%

	3 years 414 mng	5 years 352 mng	7 years 309 mng
Templeton - Global Bond	17.19%	25.36%	7.79%
Citigroup World Gov't Bond Index	94.44%	91.46%	95.35%

*Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - Peer Group Analysis

Manager vs Universe: Return through June 2015
 (not annualized if less than 1 year)
 Natural Resources Universe



Annualized Returns (not annualized if less than 1 year)

Peer Group Rankings (not annualized if less than 1 year)

	1 year 153 mng	3 years 141 mng	5 years 121 mng	7 years 109 mng
RS Global Natural Resources	-32.05%	-7.73%	-0.71%	-6.22%
S&P NAM Natural Resources	-25.71%	3.05%	5.44%	-2.90%

	3 years 141 mng	5 years 121 mng	7 years 109 mng
RS Global Natural Resources	91.79%	84.58%	56.94%
S&P NAM Natural Resources	25.53%	28.60%	24.45%

*Please see important disclosures at the end of the materials.

Important Disclosures

Index Definitions

Lehman Aggregate Bond Index

Lehman Aggregate Bond Index is an index comprised of approximately 6,000 publicly traded bonds including U.S. Government, mortgage-backed, corporate, and Yankee bonds with an approximate average maturity of 10 years. An investment cannot be made directly in a market index.

MSCI EAFE® Index (Europe, Australasia, Far East)

The MSCI EAFE® Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. As of May 2005 the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. An investment cannot be made directly in a market index.

Russell 1000® Index

Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. An investment cannot be made directly in a market index.

Russell 1000® Growth Index

Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. An investment cannot be made directly in a market index.

Russell 1000® Value Index

Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. An investment cannot be made directly in a market index.

Russell 2000® Index

Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. An investment cannot be made directly in a market index.

Russell 2000® Growth Index

Russell 2000® Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. An investment cannot be made directly in a market index.

Russell 2000® Value Index

Russell 2000® Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. An investment cannot be made directly in a market index.

Russell 2500™ Index

Russell 2500™ Index measures the performance of the 2,500 smallest companies in the Russell 3000 Index, which represents approximately 16% of the total market capitalization of the Russell 3000 Index. An investment cannot be made directly in a market index.

Russell 2500™ Growth Index

Russell 2500™ Growth Index measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. An investment cannot be made directly in a market index.

Russell 2500™ Value Index

Russell 2500™ Value Index measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. An investment cannot be made directly in a market index.

Russell 3000® Index

Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. An investment cannot be made directly in a market index.

Russell Midcap® Index

Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index. An investment cannot be made directly in a market index.

Russell Midcap® Growth Index

Russell Midcap® Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index. An investment cannot be made directly in a market index.

Russell Midcap® Value Index

Russell Midcap® Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index. An investment cannot be made directly in a market index.

Standard & Poor's 500 Index

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.

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.

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 of fact 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 Firm's 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.

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.

Mutual fund investments are subject to market risk, including the possible loss of principal. They are sold by prospectus only. The prospectus contains the investment objectives, risks, fees, charges and expenses, and other information regarding the mutual fund and variable annuity contract and its underlying investments, which should be carefully considered before investing. Prospectuses are available through your Financial Advisor or at www.smithbarney.com. Read the prospectus carefully before you invest.

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Analysis Disclosure

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: Effron 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.

**CAL POLY POMONA FOUNDATION, INC.
INVESTMENT SUMMARY AS OF SEPTEMBER 30, 2015**

Asset Class	Policy Range Minimum	Policy Range Maximum	Policy Target	Portfolio Allocation	Total Portfolio Amount	Graystone Portfolio Amount	Common Fund Portfolio Amount	Foundation Portfolio Amount
Equities								
Domestic & Int'l (Dev & Emerging)	10%	65%	23%	24%	10,432,248	10,432,248		
Fixed Income	40%	85%	65%	67%	28,751,848	28,751,848		
Cash Equivalents	0%	20%	0%	1%	215,487	215,487		
Real Assets	0%	10%	2%	2%	760,132	760,132		
Real Estate	0%	10%	0%	0%	-			
Alternative Investments	0%	25%	10%	6%				
Private Equity & Capital Partners					871,424		871,424	
Innovation Way Infrastructure					1,689,088			1,689,088
			100%	100%	42,720,227	40,159,715	871,424	1,689,088

Cal Poly Pomona Foundation General Investment Portfolio

Investment Results
as of September 30, 2015

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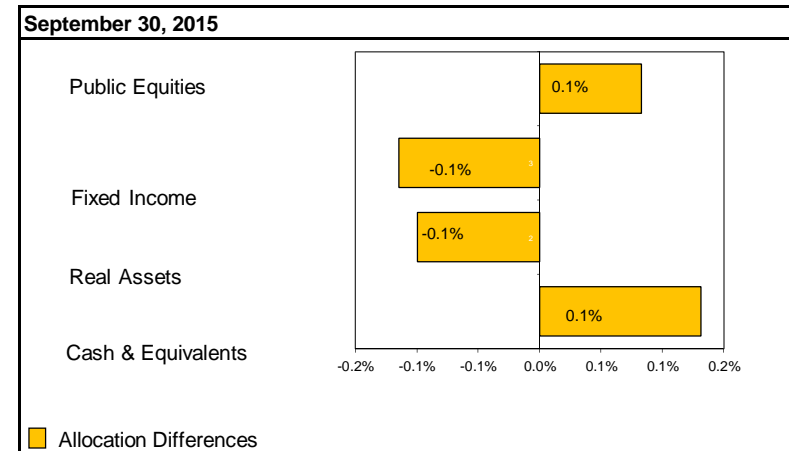
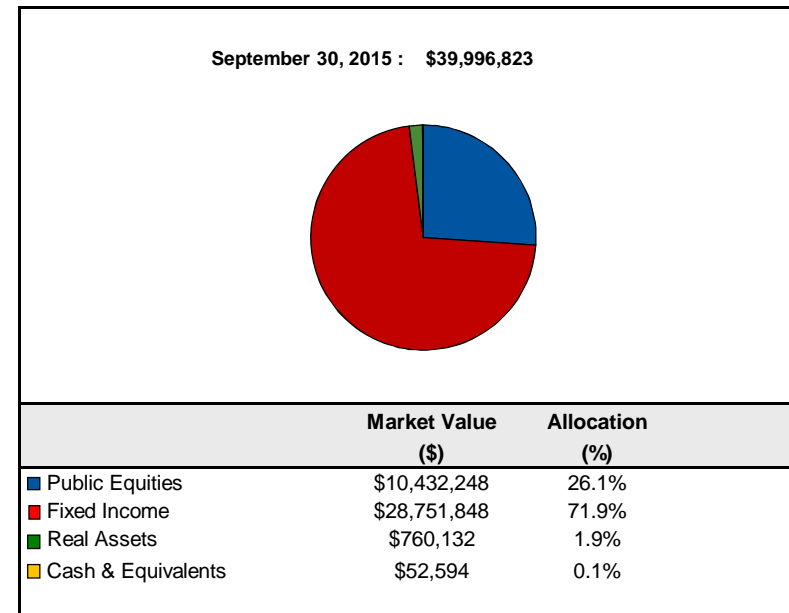
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**Cal Poly Pomona Foundation - General Investment Portfolio
Balances and Asset Allocation
as of September 30, 2015**

	Total Fund (\$)	(%)
Domestic Equities	\$5,268,984	13.2%
Touchstone Westfield All Cap Growth	\$2,075,148	5.2%
Aristotle Large Cap Value	\$2,159,987	5.4%
Apex SMID Cap Growth	\$530,078	1.3%
Keeley SMID Cap Value	\$503,771	1.3%
International and EM Equities	\$2,814,442	7.0%
Harbor International Value	\$1,037,169	2.6%
William Blair International Growth	\$1,065,662	2.7%
iShares MSCI Emerging Markets Index	\$711,611	1.8%
Global Equities	\$2,348,822	5.9%
First Eagle Global	\$1,184,377	3.0%
Delaware Focused Global Growth	\$1,164,445	2.9%
Public Equities	\$10,432,248	26.1%
Fixed Income	\$28,751,848	71.9%
Doubleline Total Return	\$2,512,302	6.3%
Guggenheim Limited Duration	\$8,633,498	21.6%
JP Morgan Strategic Income	\$1,824,750	4.6%
Brandywine Global Opportunistic	\$1,130,205	2.8%
Nuveen Symphony Credit Opportunity	\$586,621	1.5%
PIMCO Low Duration	\$6,976,304	17.4%
MetWest Low Duration	\$7,088,169	17.7%
Real Assets	\$760,132	1.9%
Powershares DB Comm Index ETF	\$116,867	0.3%
REMS Real Estate Value Opportunity	\$159,327	0.4%
Nuveen Symphony Credit Opportunity	\$234,748	0.6%
PIMCO All Asset All Authority	\$156,839	0.4%
RS Natural Global Resources	\$92,352	0.2%
Cash and Equivalents	\$52,594	0.1%
Cash and Equivalents	\$52,594	0.1%
General Investment Portfolio	\$39,996,823	100.0%



September 30, 2015

	Market Value (\$)	Allocation (%)	Target (%)
Public Equities	\$10,432,248	26.1%	26.0%
Fixed Income	\$28,751,848	71.9%	72.0%
Real Assets	\$760,132	1.9%	2.0%
Cash & Equivalents	\$52,594	0.1%	0.0%

Cal Poly Pomona Foundation - General Investment Portfolio
Asset Allocation & Performance
As of September 30, 2015

	Allocation		Performance(%)					
	Market Value (\$)	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
General Investment Portfolio	40,001,112	-3.26	-2.00	-1.92	N/A	N/A	-0.11	03/01/2013
Cal Poly Pomona Blended Benchmark*		-1.93	-0.61	0.13	N/A	N/A	0.75	
Public Equities	10,436,538	-10.11	-6.64	-6.12	N/A	N/A	-4.04	04/01/2014
MSCI AC Wld Nt		-9.45	-7.03	-6.65	N/A	N/A	-2.82	
Domestic Equities	5,273,274	-9.15	-5.52	-1.21	N/A	N/A	0.89	04/01/2014
Russell 3000		-7.25	-5.45	-0.50	N/A	N/A	2.89	
Touchstone Westfield All Cap Growth	2,075,148	-9.31	-7.11	-0.77	N/A	N/A	1.78	04/01/2014
Russell 3000 Gr		-5.93	-1.86	3.21	N/A	N/A	6.03	
Aristotle Large Cap Value	2,164,196	-7.72	-2.68	0.19	N/A	N/A	1.98	04/01/2014
Russell 1000 VI		-8.40	-8.97	-4.43	N/A	N/A	0.17	
Apex SMID Cap Growth	530,159	-11.77	-5.23	-2.83	N/A	N/A	0.35	04/01/2014
Russell 2500 Gr		-11.06	-3.87	3.33	N/A	N/A	1.22	
Keeley SMID Cap Value	503,771	-11.59	-10.20	-7.06	N/A	N/A	-6.91	04/01/2014
Russell 2500 VI		-9.59	-8.05	-2.45	N/A	N/A	-3.26	
International and EM Equities	2,814,442	-13.06	-8.63	-12.12	N/A	N/A	-9.54	04/01/2014
MSCI AC Wld xUS Nt		-12.17	-8.63	-12.17	N/A	N/A	-8.60	
Harbor International Value	1,037,169	-13.02	-7.15	-10.96	N/A	N/A	-9.91	04/01/2014
MSCI AC Wld xUS Nt		-12.17	-8.63	-12.17	N/A	N/A	-8.60	
William Blair International Growth	1,065,662	-10.12	-5.05	-6.64	N/A	N/A	-4.86	04/01/2014
MSCI AC Wld xUS Nt		-12.17	-8.63	-12.17	N/A	N/A	-8.60	
iShares MSCI Emerging Markets Index	711,611	-17.18	-16.18	N/A	N/A	N/A	-16.18	01/01/2015
MSCI EM Net		-17.89	-15.46	N/A	N/A	N/A	-15.46	

*Inception to 3/31/2014 100% Barclays Int. Gov't Credit. 4/1/2014 to Present 72% Barclays Int. Gov't Credit, 26% MSCI ACWI, 2% Real Assets Benchmark

**Please see important disclosures at the end of the materials.

Cal Poly Pomona Foundation - General Investment Portfolio
Asset Allocation & Performance
As of September 30, 2015

	Allocation		Performance(%)					
	Market Value (\$)	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
Global Equities	2,348,822	-8.58	-6.75	-5.31	N/A	N/A	-3.51	04/01/2014
MSCI AC Wld Nt		-9.45	-7.03	-6.65	N/A	N/A	-2.82	
First Eagle Global	1,184,377	-6.83	-5.14	-5.27	N/A	N/A	-3.53	04/01/2014
MSCI AC Wld Nt		-9.45	-7.03	-6.65	N/A	N/A	-2.82	
Delaware Focused Global Growth	1,164,445	-10.30	-8.34	-5.34	N/A	N/A	-3.49	04/01/2014
MSCI AC Wld Nt		-9.45	-7.03	-6.65	N/A	N/A	-2.82	
Fixed Income	28,769,948	-0.45	0.16	0.10	N/A	N/A	0.72	03/01/2013
BC Gov/Cr Intm		0.95	1.77	2.67	N/A	N/A	1.50	
Short-Term Portfolio Strategy	28,769,948	-0.45	0.16	0.10	N/A	N/A	0.72	03/01/2013
BC Gov/Cr Intm		0.95	1.77	2.67	N/A	N/A	1.50	
Real Assets	794,627	-11.65	-12.57	-17.57	N/A	N/A	-13.35	04/01/2014
S&P NAM Natural Resources		-19.55	-22.88	-33.57	N/A	N/A	-22.86	
Real Assets Portfolio	794,627	-11.65	-12.57	-17.57	N/A	N/A	-13.35	04/01/2014
S&P NAM Natural Resources		-19.55	-22.88	-33.57	N/A	N/A	-22.86	

*Inception to 3/31/2014 100% Barclays Int. Gov't Credit. 4/1/2014 to Present 72% Barclays Int. Gov't Credit, 26% MSCI ACWI, 2% Real Assets Benchmark

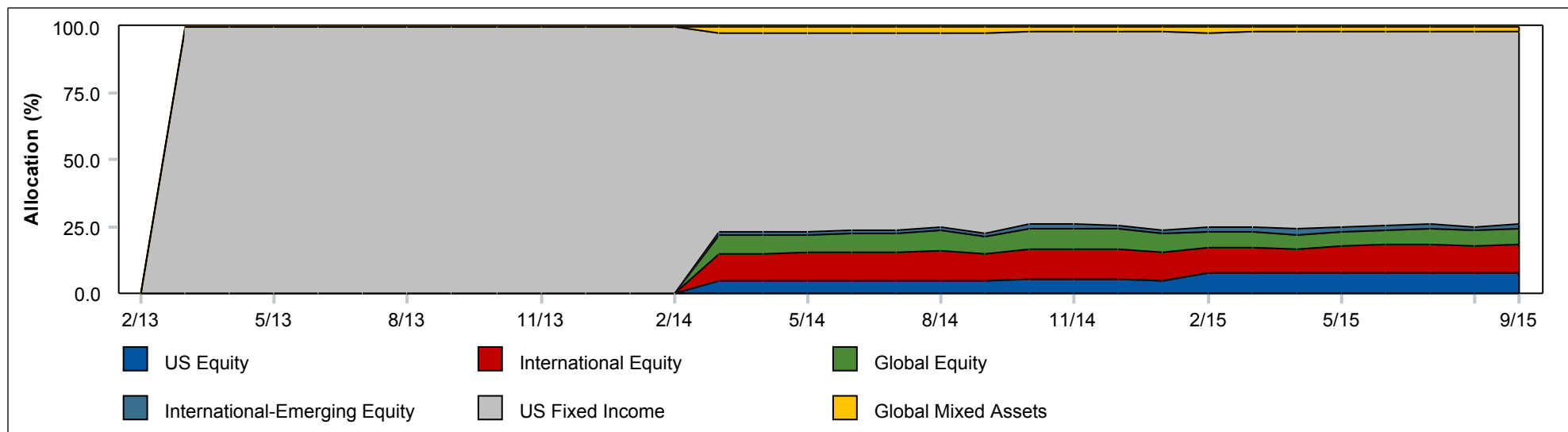
**Please see important disclosures at the end of the materials.

**Cal Poly Pomona Foundation - General Investment Portfolio
Performance and Asset Allocation History
September 30, 2015**

	Current Quarter	Fiscal YTD	Since Inception	Inception Date
General Investment Portfolio				03/01/2013
Beginning Market Value	45,138,316	45,138,316	24,301,287	
Net Contributions	-3,725,439	-3,725,439	16,081,235	
Fees/Expenses	-25,636	-25,636	-198,446	
Income	243,505	243,505	2,369,882	
Gain/Loss	-1,629,634	-1,629,634	-2,552,845	
Ending Market Value	40,001,112	40,001,112	40,001,112	

	Current Quarter	Fiscal YTD	Since Inception	Inception Date
General Investment Portfolio	-3.26	-3.26	-0.11	03/01/2013
Cal Poly Pomona Blended Benchmark	-1.93	-1.93	0.75	03/01/2013

Asset Allocation Over Time



*Inception to 3/31/2015 100% Barclays Int. Gov't Credit. 3/31/2014 to Present 72% Barclays Int. Gov't Credit, 26% MSCI ACWI, 2% Real Assets Benchmark

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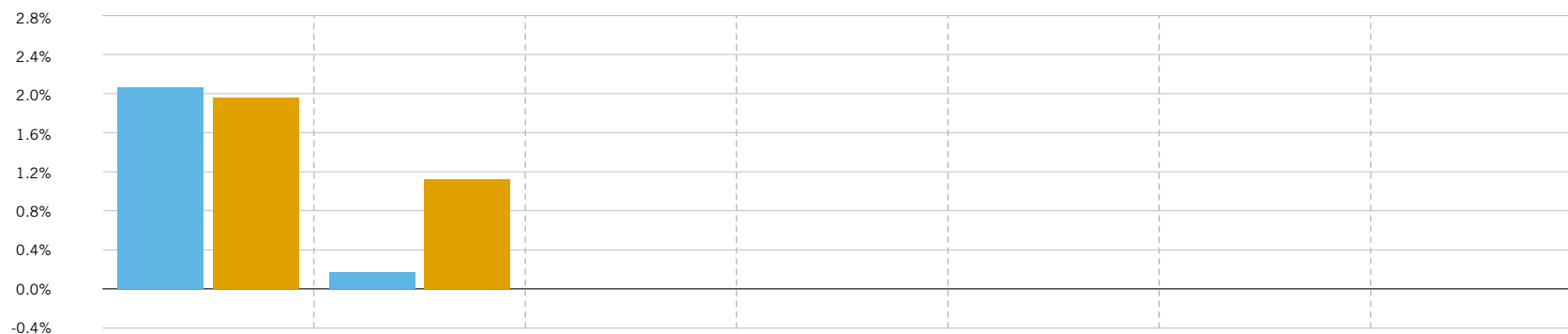
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TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

Cal Poly Pomona Foundation - General Investment Portfolio

As of October 31, 2015 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Quarter to Date 09/30/15 - 10/31/15	Year to Date 12/31/14 - 10/31/15
Beginning Total Value	\$40,056,082.67	\$41,079,610.15
Net Contributions/Withdrawals	2,872,110.14	2,630,422.96
Investment Earnings	861,076.64	79,236.33
Ending Total Value	\$43,789,269.44	\$43,789,269.44
Return % (Net of Fees)	2.06	0.17
Cal Poly Pomona Blended Benchmark	1.96	1.12

The Cal Poly Pomona Blended Benchmark consists of 72% Barclays Int. Gov't Credit; 26% MSCI ACWI; and 2% Bloomberg Commodity Index.

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Disclosures

Important Disclosures

Index Definitions

Lehman Aggregate Bond Index

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MSCI EAFE® Index (Europe, Australasia, Far East)

The MSCI EAFE® Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. As of May 2005 the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. An investment cannot be made directly in a market index.

Russell 1000® Index

Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. An investment cannot be made directly in a market index.

Russell 1000® Growth Index

Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. An investment cannot be made directly in a market index.

Russell 1000® Value Index

Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. An investment cannot be made directly in a market index.

Russell 2000® Index

Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. An investment cannot be made directly in a market index.

Russell 2000® Growth Index

Russell 2000® Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. An investment cannot be made directly in a market index.

Russell 2000® Value Index

Russell 2000® Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. An investment cannot be made directly in a market index.

Russell 2500™ Index

Russell 2500™ Index measures the performance of the 2,500 smallest companies in the Russell 3000 Index, which represents approximately 16% of the total market capitalization of the Russell 3000 Index. An investment cannot be made directly in a market index.

Russell 2500™ Growth Index

Russell 2500™ Growth Index measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. An investment cannot be made directly in a market index.

Russell 2500™ Value Index

Russell 2500™ Value Index measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. An investment cannot be made directly in a market index.

Russell 3000® Index

Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. An investment cannot be made directly in a market index.

Russell Midcap® Index

Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index. An investment cannot be made directly in a market index.

Russell Midcap® Growth Index

Russell Midcap® Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index. An investment cannot be made directly in a market index.

Russell Midcap® Value Index

Russell Midcap® Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index. An investment cannot be made directly in a market index.

Standard & Poor's 500 Index

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.

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.

An investment in alternative investments can be highly illiquid, is speculative and not suitable for all investors. Investing in alternative investments is only intended for experienced and sophisticated investors who are willing to bear the high economic risks associated with such an investment. Investors should carefully review and consider potential risks before investing. Some of these risks may 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 when a single advisor is utilized;
- absence of information regarding valuations and pricing;
- complex tax structures and delays in tax reporting;
- less regulation and higher fees than mutual funds; and
- manager risk.

Individual funds will have specific risks related to their investment programs that will vary from fund to fund.

Although the statements of fact 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 Firm's 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.

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.

Mutual fund investments are subject to market risk, including the possible loss of principal. They are sold by prospectus only. The prospectus contains the investment objectives, risks, fees, charges and expenses, and other information regarding the mutual fund and variable annuity contract and its underlying investments, which should be carefully considered before investing. Prospectuses are available through your Financial Advisor or at www.smithbarney.com. Read the prospectus carefully before you invest.

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Cal Poly Pomona Foundation - All Accounts

Performance As of 9/30/2015

Performance Item	MTD	QTD	CYTD	1 Year	3 Years	5 Years	10 Years
Private Equity Partners VII	0.00	6.63	16.16	19.19	18.25	15.39	
US Private Equity	0.00	6.63	16.16	19.19	18.25	15.39	
Capital Partners IV	0.00	6.65	9.86	9.09	15.04	14.22	
Multi-Asset	0.00	6.65	9.86	9.09	15.04	14.22	
Total Non-Marketable	0.00	6.64	14.46	16.37	17.38	15.12	-4.18
Total Portfolio	0.00	6.64	14.46	16.37	22.19	15.85	0.23

Cal Poly Pomona Foundation - All Accounts

Account Summary As of 10/31/2015

	Vintage Year	Capital Committed	Capital Called	Remaining Capital to be Called	Capital Distributions	Capital Balance	Multiple	IRR	Value Date
General Fund - 06									
Commonfund Real Estate									
Realty Investors 2004-12 (Tranche)	2005	\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.19	-26.23%	
Total Commonfund Real Estate		\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.19	-26.23%	
US Private Equity									
Private Equity Partners VII	2007	\$750,000	\$642,000	\$108,000	(\$326,261)	\$648,132	1.52	12.67%	6/30/2015
Total US Private Equity		\$750,000	\$642,000	\$108,000	(\$326,261)	\$648,132	1.52	12.67%	6/30/2015
Multi-Asset									
Capital Partners IV	2007	\$250,000	\$220,000	\$30,000	(\$116,615)	\$223,292	1.51	10.08%	6/30/2015
Total Multi-Asset		\$250,000	\$220,000	\$30,000	(\$116,615)	\$223,292	1.51	10.08%	6/30/2015
Total General Fund - 06		\$2,500,000	\$2,362,000	\$138,000	(\$725,972)	\$871,424	0.67	-6.28%	6/30/2015
Grand Total		\$2,500,000	\$2,362,000	\$138,000	(\$725,972)	\$871,424	0.67	-6.28%	6/30/2015

Table 3.1 Commonfund Higher Education Price Index®, 2002-2015.

Compiled by Regression Analysis of Components, FY 1961-2001

Reported data through September 25, 2015

Fiscal year	Regression HEPI	Faculty salaries (H1.1)	Admin salaries (H1.6)	Clerical (H2.3)	Service employees (H2.5)	Fringe benefits (H3.0)	Misc services (H4.5)	Supplies & mat'l (H5.0)	Utilities (H8.0)
2002	212.7	222.7	236.4	205.4	189.6	277.1	205.8	128.2	118.1
2003	223.5	229.4	255.7	211.1	193.9	292.3	209.5	132.2	157.6
2004	231.7	234.2	263.3	217.1	197.6	312.8	216.4	135.6	176.4
2005	240.8	240.7	274.0	223.4	201.4	327.2	222.7	145.5	200.2
2006	253.1	248.2	287.7	229.5	205.5	343.7	228.8	158.1	255.7
2007	260.3	257.6	299.2	237.7	213.6	360.8	238.3	165.3	220.6
2008	273.2	268.1	314.0	245.0	220.4	380.7	246.5	180.0	252.0
2009	279.3	277.3	330.9	251.6	226.7	394.4	253.1	181.6	213.8
2010	281.8	280.6	337.6	255.2	230.0	402.8	255.8	179.3	193.6
2011	288.4	284.5	343.2	260.2	233.2	417.6	260.3	193.9	201.5
2012	293.2	289.6	352.3	264.8	235.7	425.3	264.6	203.9	191.7
2013	297.8	294.6	362.4	269.8	239.4	437.5	269.4	180.0	195.6
2014	306.7	301.0	366.4	274.8	242.0	458.3	274.2	200.2	211.4
2015 Preliminary Forecast **	313.3	307.7	381.9	280.4	248.4	484.0	279.8	190.5	183.7
2002	1.9%	3.8%	3.1%	3.9%	3.8%	5.9%	3.0%	-2.7%	-30.0%
2003	5.1%	3.0%	8.2%	2.8%	2.3%	5.5%	1.8%	3.1%	33.5%
2004	3.7%	2.1%	3.0%	2.8%	1.9%	7.0%	3.3%	2.6%	11.9%
2005	3.9%	2.8%	4.1%	2.9%	1.9%	4.6%	2.9%	7.3%	13.5%
2006	5.1%	3.1%	5.0%	2.7%	2.0%	5.0%	2.7%	8.7%	27.7%
2007	2.8%	3.8%	4.0%	3.6%	4.0%	5.0%	4.2%	4.5%	-13.7%
2008	5.0%	4.1%	5.0%	3.1%	3.2%	5.5%	3.4%	8.9%	14.2%
2009	2.3%	3.4%	5.4%	2.7%	2.9%	3.6%	2.7%	0.9%	-15.1%
2010	0.9%	1.2%	2.0%	1.4%	1.4%	2.1%	1.1%	-1.3%	-9.5%
2011	2.3%	1.4%	1.7%	2.0%	1.4%	3.7%	1.8%	8.2%	4.1%
2012	1.7%	1.8%	2.7%	1.7%	1.1%	1.8%	1.7%	5.2%	-4.9%
2013	1.6%	1.7%	2.9%	1.9%	1.6%	2.9%	1.8%	-11.7%	2.0%
2014	3.0%	2.2%	1.1%	1.9%	1.1%	4.8%	1.8%	11.2%	8.1%
2015 Preliminary Forecast **	2.1%	2.2%	4.2%	2.1%	2.6%	5.6%	2.1%	-4.8%	-13.1%

<i>Coefficients</i>	-0.286286907	0.3537417	0.104289477	0.18408585	0.082314791	0.131020859	0.022899544	0.055138426	0.068247106
	Intercept	Faculty	Admin	Clerical	Service	Fringe	Services	Supplies	Utilities

SUMMARY OUTPUT

Regression Statistics

Multiple R	0.999998904
R Square	0.999997809
Adjusted R Square	0.999997261
Standard Error	0.096391663
Observations	41

** 2015 Preliminary Forecast: This estimate of HEPI is calculated by inserting into the model a combination of actual new data points, where they have become available, and forecasts of the remaining data points based upon historical information. Numbers in bold are updated monthly.

WHAT IS THE HIGHER EDUCATION PRICE INDEX (HEPI)?

The Higher Education Price Index (HEPI) is an inflation index, released each July, that is designed specifically for higher education and is a more accurate indicator for colleges and universities than the Consumer Price Index (CPI).

From its inception in 1961, HEPI was produced by Research Associates of Washington, D.C. In 2005, Commonfund Institute assumed management of the Index. The Institute manages the database, publishes the Index, and makes available analytical and descriptive materials using HEPI data.

HEPI forecasts are provided monthly from January through June of each year. The HEPI report is published using the July HEPI figure, which may be subject to a further small adjustment when the last of the underlying data items are finalized in November.

WHY IS HEPI A BETTER PRICE INFLATION MEASURE THAN THE CPI FOR COLLEGES AND UNIVERSITIES?

Compiled from data reported by governmental and industry sources, HEPI measures the average relative level in the prices of a fixed basket of goods and services purchased by colleges and

universities each year through current fund educational and general expenditures, excluding research. HEPI includes eight categories that cover most of the current operational costs of colleges and universities and is an essential tool enabling schools to determine increases in funding necessary to maintain purchasing power and investment. The CPI, on the other hand, measures goods and services that consumers buy for day-to-day living.

WHAT ARE THE HEPI CATEGORIES?

HEPI categories are based on price data for 45 budget components that all schools can report, organized in eight component sub-indexes: faculty salaries; administrative salaries; clerical salaries; service employee salaries; fringe benefits; miscellaneous services; supplies and materials; and utilities.

HOW DO HEPI AND THE CPI DIFFER?

The bulk of educational costs are related to personnel, mainly college faculty, whose salary increases are usually different from those measured in the CPI, which includes salaries of city wage earners and salaried clerical workers. As a case in point, from 1980 to 2000 the price of goods and services purchased by colleges and universities increased by

154 percent, while inflation measured by the CPI increased by 118 percent. Using HEPI, colleges and universities would have received 16.5 percent more support per student.

While HEPI is composed of the eight categories previously mentioned, the CPI includes: food and beverage; housing; apparel; transportation; medical care; recreation; education and communication; and other goods and services. All taxes directly associated with the purchase and use of the items are included in the index.

Another difference between the two indices is the treatment of changes in quality. HEPI is a straightforward measure of costs, whereas the CPI is a measure of “quality-adjusted prices.” For example, assume that it costs \$2,000 to replace an older computer that originally cost \$1,500. The new computer, however, is twice as fast as the old one. HEPI would report that as a \$500 price increase, while the CPI would report the new computer as a \$500 price decrease due to the “quality adjustment.”

WHY IS THE CPI PROVIDED IN THE HEPI REPORT DIFFERENT FROM THE ONE(S) PUBLISHED BY THE BUREAU OF LABOR STATISTICS (BLS)?

The BLS updates CPI statistics monthly. They also provide a six- and 12-month average change; January-June, July-December and January-December. The CPI values reported on Commonfund's Web site HEPI are based on fiscal year (July 1 through June 30) 12-month averages rather than the monthly (or point-to-point) CPI values usually reported by the BLS.

WHAT IS INCLUDED IN THE ANNUAL HEPI UPDATE?

The HEPI Update contains a comprehensive analysis of the HEPI and its components for a given year, together with a sensitivity analysis and an overview of the effects of inflation on institutional funding and faculty salaries.

THE BLS PUBLISHES MONTHLY CPI UPDATES—CAN COMMONFUND DO THE SAME FOR HEPI?

In January 2006, Commonfund began publishing monthly HEPI forecasts in the last week of each month. These forecasts use data as they become available.

DOES HEPI APPLY TO ALL OPERATIONAL EXPENSES?

No, but it covers a substantial portion of standard budget expenses.

HOW IS HEPI USED?

HEPI is used primarily to project future budget increases required to preserve purchasing power. It is a measure of inflation for current operations, for budget hearings to justify the minimum funding requirements to maintain purchasing power, and a guideline for trends in other expense areas such as faculty salaries. Additional indicators include:

- ▼ Index values, which may be projected into the future to estimate the degree of change in expenditures that will be necessitated by anticipated price changes;
- ▼ Past expenditures, which may be compared with movements in a price index to ascertain whether spending has kept pace with price level changes;
- ▼ Dollar incomes, which may be deflated by a price index to identify trends in the level of real purchasing power of funding by various sources; and
- ▼ Price indexes, which may be used to provide automatic "inflation adjustment" of various administrative and contractual transactions.

WHY IS HEPI VALUABLE?

HEPI has been widely recognized as the only benchmark to effectively monitor changes in the purchasing power of higher educational institutions. Further, as many institutions have found HEPI to be a practical tool in the successful establishment of important policies, Commonfund wishes to ensure that it continues to be produced accurately and widely disseminated within the higher education community.

By reporting only price increases, without quality or quantity changes, the series documents the additional revenues required for continuation of "business as usual." To achieve this purpose, the price index attempts to hold constant all other factors, keeping constant the mix of purchases, and implicitly, the mix of their general use by a single type of consumer.

Memorandum



Date: November 13, 2015

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: *David F. Prenovost*
David F. Prenovost,
Senior Managing Director/CFO

Subject: FINANCIAL HIGHLIGHTS – SEPTEMBER 2015

Following are the year-to-date financial statement Surplus/(Deficit) amounts that have been reviewed in detail by the Finance Committee:

	Budget	Actual	Variance
General Activities	\$ 263,689	\$ (1,148,774)	\$ (1,412,463)
Enterprise Activities	(1,421,229)	(1,449,001)	(27,772)
Use of Designated Funds	(288,184)	(83,397)	204,787
Other Activities	(57,419)	581,580	638,999
Restricted Activities & Transfer of Assets	2,120,807	(9,135,518)	(11,256,325)
Total Surplus (Deficit)	\$ 617,664	\$ (11,235,110)	\$ (11,852,774)

For the fiscal quarter ended September 2015 revenues of \$7.6 million are 39% or \$12.0 million short of budget mainly due to investment losses. If we ignore investment losses and budgeted investment gains, revenues of \$16.8 million are 96% or \$665,000 short of budget. Expenditures of \$18.8 million exceed budget by \$99,300 or 0.53% (53 basis points). The variances are explained in the following analysis of each activity.

GENERAL ACTIVITIES

	Budget	Actual	Variance
Administration	\$ (331,395)	\$ (105,498)	\$ 225,897
Real Estate Development	215,041	309,567	94,526
Investments	362,008	(1,385,600)	(1,747,608)
Building Rental	18,035	32,757	14,722
Total General Fund	\$ 263,689	\$ (1,148,774)	\$ (1,412,463)

General activities generated a deficit versus a budgeted surplus mainly due to the unrealized losses in equities of the general investment portfolio. Administration generated less of a deficit due to deferred inflows of resources mainly comprised of actual earnings greater than projected earnings on pension plan investments that is amortized over several years.

ENTERPRISES ACTIVITIES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (1,421,229)	\$ (1,449,001)	\$ (27,772)

Enterprise revenues of \$6.1 million are 95% or \$294,111 short of budget mainly due to bookstore activities; expenditures of \$7.5 million are 96% or \$266,339 short of budget resulting in a deficit slightly greater than budget. Following is the summary of each Enterprise Activities:

BOOKSTORES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 114,687	\$ 171,662	\$ 56,975

Bookstore revenues are 42% of Enterprise Activities and are 92% or \$228,003 short of budget mainly due to new and used textbook sales and hardware and software sales. Cost of goods is 70% versus 72%; expenditures are 22% versus 23% of budget generating a surplus of 6% versus 4% budgeted. We continue to focus on used and rental books as well as digital textbook options to reduce the increasing costs for textbooks. The Presidential Order also continues to support the sales in the bookstore.

DINING SERVICES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (439,606)	\$ (716,390)	\$ (276,784)

Dining Service revenues are 38% of Enterprise Activities and are 95% or \$108,030 short of budget, cost of goods is 34% versus 29% of budget and payroll and expenditures are 96% versus 89% of budget.

Retail Operations - This reporting unit includes the retail units at Campus Center Marketplace and Bronco Student Center, convenient stores, vending, Kellogg West Catering/Conference Foods and commission vending. Revenues are 98% or \$26,143 short of budget and exceed prior year by 7% or 103,111; cost of goods is 31% versus 30% of budget and payroll and expenditures are 93% versus 86% of budget generating a deficit of \$381,910 versus a budgeted deficit of \$264,697 and prior year deficit of \$246,568.

Board Operations - This reporting unit includes the Board Operations at Los Olivos, Denny's Diner and Vista Cafe. Revenues are 90% or \$81,887 short of budget and 92% or \$63,315 short of prior year; costs goods are 42% versus 28% of budget, payroll and expenditures are 104% versus 93% of budget generating a deficit of \$334,186 versus \$173,993 budgeted and prior year deficit of \$318,764. As we begin the new academic year, we do have some concerns with meal plans which are 85.4% or \$26,528 short of prior year due to the decrease in freshman and increase in transfer students this year.

KELLOGG WEST

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (20,275)	\$ 51,497	\$ 71,772

Kellogg West Conference Center & Hotel This unit includes room and conference center activities. Kellogg West revenues are 7% of Enterprise Activities and exceed budget by 37% or \$118,222 and prior year by 44% or \$135,078; payroll and expenditures are 88% versus 106% of budget generating a surplus greater than budgeted.

UNIVERSITY VILLAGE

	Budget	Actual	Variance
Surplus/(Deficit)	\$(1,076,035)	\$ (955,770)	\$ 120,265

University Village - Revenues are 13% of Enterprise Activities and are 91% or \$76,300 short of budget. As we begin the academic year occupancy is at 98% versus 98% budgeted. We continue to increase our outreach to area colleges and universities as well. Payroll and expenditures are 221% versus 224% budgeted resulting in a deficit greater than budget.

DESIGNATED FUND

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (288,184)	\$ (83,397)	\$ 204,787

Designated fund expenditures include development, alumni affairs, public relations, publications, athletics and other and generated a deficit less with budgeted.

OTHER ACTIVITIES

	Budget	Actual	Variance
Sponsored Research	11,250	26,288	15,038
Agriculture-Aid-to-Instruction	(144,552)	(180,442)	(35,890)
Continuing Education	75,880	733,438	657,558
Campus Programs-Unrestricted	3	2,296	2,293
Total Other Activities	\$ (57,419)	\$ 581,580	\$ 638,999

Sponsored Research has generated a year to date surplus greater than budget due to year to date indirect revenues exceeding budget by 40.75% or \$135,445 and direct grant expenditures exceed budget by 36.3% or \$1.1 million generating an effective rate of 11.32% versus the budgeted rate of 11.5%.

Agriculture-Aid-to-Instruction year to date revenues are 95% or \$31,426 short of budget, costs of goods are 17% versus 20% of budget and payroll and expenditures are 113% versus 103% of budget generating a year to date deficit greater than budgeted due to Agronomy Farm, Beef Program, Ornamental Horticulture, Vet Clinic, Pumpkin Festival.

Continuing Education year to date revenues exceed budget by 44% or \$783,343; payroll and expenditures are 52% versus 96% of budget mainly due to additional revenues and savings in rent/commissions, services, supplies, salaries and benefits generating a year to date surplus greater than budgeted.

Foundation Programs-Unrestricted includes the activities that are not third party donor imposed stipulations. Year to date revenues are 8% or \$27,566 short of budget due transfers of prior fiscal year indirect cost recoveries allocation between unrestricted and restricted programs; expenditures (excluding Transfers to the University # 7344) are 79% or \$29,896 short of budget generating a year to date surplus of \$2,296 versus a zero budget.

Endowment/Investment - unrealized investment losses are \$8.4 million; expenditures are in line with budget.

Foundation Programs-Restricted - revenues are 28% or \$2.3 million short of budget, expenditures are 80% or \$448,696 short of budget.



CAL POLY POMONA FOUNDATION, INC.
Statement of Activities
 For period ending September 30,2015 and 2014

Description	REVENUES			EXPENSES			SURPLUS/(DEFICIT)			FY 14-15 Actual	FY 15-16 Budget	YTD Budget (Not) Realized
	FY 14-15 YTD Actual	FY 15-16 YTD		FY 14-15 YTD Actual	FY 15-16 YTD		FY 14-15 YTD Actual	FY 15-16 YTD				
		Budget	Actual		Budget	Actual		Budget	Actual			
General Activities:												
Administration	876,781	974,040	995,158	1,364,559	1,305,435	1,100,656	(487,778)	(331,395)	(105,498)	(902,074)	(1,012,316)	906,818
Real Estate	841,160	794,918	848,624	525,398	579,877	539,057	315,762	215,041	309,567	518,937	(57,314)	366,881
Investments	(429,101)	385,258	(1,359,948)	21,365	23,250	25,652	(450,466)	362,008	(1,385,600)	(490,997)	1,084,583	(2,470,183)
Building Rentals	196,767	199,524	199,526	180,583	181,489	166,769	16,184	18,035	32,757	73,667	78,033	(45,276)
TOTAL GENERAL	1,485,607	2,353,740	683,360	2,091,905	2,090,051	1,832,134	(606,298)	263,689	(1,148,774)	(800,467)	92,986	(1,241,760)
Enterprise Activities:												
Bookstores	2,633,738	2,785,200	2,557,197	2,555,284	2,670,513	2,385,535	78,454	114,687	171,662	583,469	317,399	(145,737)
Carl's/ Salad Bar/Taco Bell	30,563	40,795	36,010	52,090	65,830	69,246	(21,527)	(25,035)	(33,236)	166,821	142,735	(175,971)
Panda Express	(1,813)	3,056	4,919	(26)	292	2,034	(1,787)	2,764	2,885	124,416	110,367	(107,482)
C-Store's(incl. Starbucks,sce,Einstein,c	362,302	450,617	477,372	466,332	545,555	622,410	(104,030)	(94,938)	(145,038)	457,490	580,568	(725,606)
Vending & Carts	20,189	22,324	20,735	17,539	21,091	17,027	2,650	1,233	3,708	20,536	21,149	(17,441)
Los Olivos	699,670	726,851	615,495	897,761	823,764	861,838	(198,091)	(96,913)	(246,343)	981,852	698,760	(945,103)
Vista Café	49,573	54,805	86,633	100,249	79,288	134,010	(50,676)	(24,483)	(47,377)	41,998	52,878	(100,255)
Denny's	36,535	22,693	20,334	106,530	75,290	60,799	(69,995)	(52,597)	(40,465)	(52,032)	(66,953)	26,488
Bronco Student Center	388,451	395,380	413,313	363,574	355,919	398,514	24,877	39,461	14,799	327,445	377,058	(362,259)
FS Mgt/Overhead				262,664	302,925	308,895	(262,664)	(302,925)	(308,895)	(1,034,073)	(1,051,993)	743,098
<i>Total Dining Services</i>	<i>1,585,470</i>	<i>1,716,521</i>	<i>1,674,811</i>	<i>2,266,713</i>	<i>2,269,954</i>	<i>2,474,773</i>	<i>(681,243)</i>	<i>(553,433)</i>	<i>(799,962)</i>	<i>1,034,453</i>	<i>864,569</i>	<i>(1,664,531)</i>
Catering/Conference Foods	694,294	711,067	644,747	578,530	597,240	561,175	115,764	113,827	83,572	386,276	147,332	(63,760)
K.W Conference Cntr.	475,938	321,195	439,417	433,048	341,470	387,920	42,890	(20,275)	51,497	113,589	12,349	39,148
University Village	693,551	865,336	789,036	1,849,381	1,941,371	1,744,806	(1,155,830)	(1,076,035)	(955,770)	1,482,737	1,331,210	(2,286,980)
TOTAL ENTERPRISE	6,082,991	6,399,319	6,105,208	7,682,956	7,820,548	7,554,209	(1,599,965)	(1,421,229)	(1,449,001)	3,600,524	2,672,859	(4,121,860)
TOTAL GEN & ENTERPRISE	7,568,598	8,753,059	6,788,568	9,774,861	9,910,599	9,386,343	(2,206,263)	(1,157,540)	(2,597,775)	2,800,057	2,765,845	(5,363,620)
Uses of Designated Funds:												
Development				21,013	23,373	9,392	(21,013)	(23,373)	(9,392)	(81,343)		
Alumni Affairs				13,258	12,498	1,508	(13,258)	(12,498)	(1,508)	(45,791)		
Public Relations	4,425		1,191	248,726	185,445	96,620	(244,301)	(185,445)	(95,429)	(916,154)		
Publications				(3,410)	47,448	(12,871)	3,410	(47,448)	12,871	(130,393)		
Athletics				2,086	18,750	2,095	(2,086)	(18,750)	(2,095)	(75,336)		
Other	2,922	-	800	(27,535)	670	(11,356)	30,457	(670)	12,156	(263,002)		
TOTAL DESIGNATED USES	7,347	-	1,991	254,138	288,184	85,388	(246,791)	(288,184)	(83,397)	(1,512,019)	(1,339,650)	1,256,253
Other Activities:												
Research Office	332,365	332,366	467,811	316,077	321,116	441,523	16,288	11,250	26,288	36,656	45,454	(19,166)
Agriculture	653,354	624,545	593,119	790,558	769,097	773,561	(137,204)	(144,552)	(180,442)	(117,217)	42,676	(223,118)
Continuing Education	1,237,559	1,796,572	2,076,440	966,394	1,720,692	1,343,002	271,165	75,880	733,438	296,551	245,943	487,495
FDN Program-Unrestricted	149,873	143,751	116,185	115,196	143,748	113,889	34,677	3	2,296	(191,702)	12	2,284
TOTAL OTHER	2,373,151	2,897,234	3,253,555	2,188,225	2,954,653	2,671,975	184,926	(57,419)	581,580	24,288	334,085	247,495
TOTAL SURPLUS (DEFICIT)	9,949,096	11,650,293	10,044,114	12,217,224	13,153,436	12,143,706	(2,268,128)	(1,503,143)	(2,099,592)	1,312,326	1,760,280	(3,859,872)
LO-Housing Distribution										(58,679)		0
TOTAL UNRESTRICTED FOUNDATION Net	9,949,096	11,650,293	10,044,114	12,217,224	13,153,436	12,143,706	(2,268,128)	(1,503,143)	(2,099,592)	1,253,647	1,760,280	(3,859,872)



CAL POLY POMONA FOUNDATION, INC.
Statement of Activities
 For period ending September 30, 2015 and 2014

Description	REVENUES			EXPENSES			SURPLUS/(DEFICIT)			FY 14-15 Actual	FY 15-16 Budget	YTD Budget (Not) Realized
	FY 14-15	FY 15-16 YTD		FY 14-15	FY 15-16 YTD		FY 14-15	FY 15-16 YTD				
	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual			
Restricted:												
Endowments/Investments	4,788,165	1,460,995	(7,893,717)	4,456,632	239,952	248,979	331,533	1,221,043	(8,142,696)	3,022,558	4,046,154	(12,188,850)
Foundation Programs	5,293,954	3,188,956	896,845	2,439,143	2,289,192	1,818,182	2,854,811	899,764	(921,337)	6,927,046	2,417,452	(3,338,789)
TOTAL RESTRICTED	10,082,119	4,649,951	(6,996,872)	6,895,775	2,529,144	2,067,161	3,186,344	2,120,807	(9,064,033)	9,949,604	6,463,606	(15,527,639)
Grants and Contracts	3,340,000	3,033,155	4,510,372	3,340,000	3,033,155	4,510,372	0	0	0	110,507	0	0
Transfers to the University	-	-	-	187,317	0	71,485	(187,317)	0	(71,485)	(2,314,625)	0	0
TOTAL FOUNDATION NET	23,371,215	19,333,399	7,557,614	22,640,316	18,715,735	18,792,724	730,899	617,664	(11,235,110)	8,999,133	8,223,886	(19,387,511)



CAL POLY POMONA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

for period ended September 30, 2015

	Unrestricted					Restricted				Current Year Total	June 30, 2015 Total
	General Fund	Designated Fund	Foundation Programs Fund	Auxiliary Activities Fund	Total Unrestricted	Sponsored Programs Fund	Foundation Programs Fund	Endowment Fund	Total Restricted		
CURRENT ASSETS:											
Cash:											
On hand and in commercial accounts	(509,232)	1,400	1,300	54,954	(451,578)	0	8,500	0	8,500	(443,078)	(1,337,102)
Due to/(from)	(85,207,019)	21,025,002	2,630,854	28,098,531	(33,452,632)	1,953,387	31,503,687	(4,443)	33,452,631	(1)	0
Investments	36,061,327	182,062	0	0	36,243,389	0	367,115	1,515,149	1,882,264	38,125,653	45,381,198
Marketable securities	11,145,432	0	0	0	11,145,432	0	1,208,143	81,603,832	82,811,975	93,957,407	102,497,628
Total cash and cash equivalent	(38,509,492)	21,208,464	2,632,154	28,153,485	13,484,611	1,953,387	33,087,445	83,114,538	118,155,370	131,639,981	146,541,724
Receivables:											
Accounts and notes receivable	2,722,254	378	43,227	2,042,193	4,808,052	659,791	5,249,365	0	5,909,156	10,717,208	11,322,054
Interfund loans (net)	1,707,952	0	0	0	1,707,952	0	50,000	0	50,000	1,757,952	2,064,240
	4,430,206	378	43,227	2,042,193	6,516,004	659,791	5,299,365	0	5,959,156	12,475,160	13,386,294
Less-Allowance for doubtful accounts	0	0	0	(91,643)	(91,643)	0	(52,894)	0	(52,894)	(144,537)	(139,513)
Total receivables	4,430,206	378	43,227	1,950,550	6,424,361	659,791	5,246,471	0	5,906,262	12,330,623	13,246,781
Inventories	858,684	0	0	2,690,391	3,549,075	0	21,549	0	21,549	3,570,624	2,211,684
Prepaid expenses and deferred charges	313,374	19,986	192	98,220	431,772	500	0	0	500	432,272	172,566
Total current assets	(32,907,228)	21,228,828	2,675,573	32,892,646	23,889,819	2,613,678	38,355,465	83,114,538	124,083,681	147,973,500	162,172,755
FIXED ASSETS											
Land	14,530,168	1,700	0	212,000	14,743,868	0	1,642,219	0	1,642,219	16,386,087	16,386,087
Buildings and improvements	15,769,758	0	532,412	52,197,012	68,499,182	0	1,613,426	0	1,613,426	70,112,608	70,004,818
Equipment, furniture and fixtures	2,389,710	0	27,408	12,444,252	14,861,370	0	606,324	0	606,324	15,467,694	15,346,167
Orchards	0	0	0	131,863	131,863	0	0	0	0	131,863	131,863
Construction in progress	393,113	0	0	991,596	1,384,709	110,507	3,836,004	0	3,946,511	5,331,220	2,409,017
	33,082,749	1,700	559,820	65,976,723	99,620,992	110,507	7,697,973	0	7,808,480	107,429,472	104,277,952
Less-Accumulated depreciation	(11,673,749)	0	(411,189)	(38,385,797)	(50,470,735)	0	(644,727)	0	(644,727)	(51,115,462)	(50,078,250)
Total fixed assets	21,409,000	1,700	148,631	27,590,926	49,150,257	110,507	7,053,246	0	7,163,753	56,314,010	54,199,702
Restricted Funds	0	0	0	0	0	138,550	502,514	0	641,064	641,064	640,504
Total assets	(11,498,228)	21,230,528	2,824,204	60,483,572	73,040,076	2,862,735	45,911,225	83,114,538	131,888,498	204,928,574	217,012,961
DEFERRED OUTFLOWS OF RESOURCES:											
Unamortized loss on debt refunding				457,065	457,065					457,065	466,759
Net pension obligations - contributions	886,069				886,069					886,069	886,069



CAL POLY POMONA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

for period ended September 30, 2015

	Unrestricted					Restricted				Current Year Total	June 30, 2015 Total
	General Fund	Designated Fund	Foundation Programs Fund	Auxiliary Activities Fund	Total Unrestricted	Sponsored Programs Fund	Foundation Programs Fund	Endowment Fund	Total Restricted		
LIABILITIES:											
Accounts payable	343,188	1,815	60,939	778,692	1,184,634	240,040	596,316	0	836,356	2,020,990	2,406,168
Accrued liabilities	1,442,578	(1,474,433)	700	750,189	719,034	119,929	9,856	49,362	179,147	898,181	1,148,128
Receipts in excess of expenditures on specific sponsored programs	0	0	0	0	0	2,392,260	0	0	2,392,260	2,392,260	2,568,121
Deferred income	1,278,277	0	5,000	1,579,106	2,862,383	0	16,006	0	16,006	2,878,389	1,474,493
Deposits held in custody for others	0	0	0	0	0	0	687,255	0	687,255	687,255	697,895
Inter-fund loans	1,707,952	0	0	0	1,707,952	0	50,000	0	50,000	1,757,952	2,064,240
Total current liabilities	4,771,995	(1,472,618)	66,639	3,107,987	6,474,003	2,752,229	1,359,433	49,362	4,161,024	10,635,027	10,359,045
Long-term liabilities:											
Notes and contracts payable	0	0	0	0	0	0	300,902	0	300,902	300,902	397,466
Unitrust liability	0	0	0	0	0	0	790,944	0	790,944	790,944	790,944
Lease obligations	2,511,407	0	0	24,575,024	27,086,431	0	0	0	0	27,086,431	27,970,614
Pension liability	4,998,351	0	0	4,998,351	4,998,351	0	0	0	0	4,998,351	4,998,351
Total long-term liabilities	7,509,758	0	0	24,575,024	32,084,782	0	1,091,846	0	1,091,846	33,176,628	34,157,375
Total liabilities	12,281,753	(1,472,618)	66,639	27,683,011	38,558,785	2,752,229	2,451,279	49,362	5,252,870	43,811,655	44,516,420
DEFERRED INFLOWS OF RESOURCES:											
Net pension obligation	3,056,592				3,056,592				0	3,056,592	3,210,794
Net Assets Beginning	(23,446,813)	21,368,457	2,755,269	34,190,515	34,867,428	110,507	45,444,855	90,215,784	135,771,146	170,638,574	162,261,501
<i>change in net Assets</i>	(2,503,692)	1,334,690	2,296	(932,886)	(2,099,592)	0	(1,984,912)	(7,150,606)	(9,135,518)	(11,235,110)	8,377,074
Total liabilities and Net Assets	(10,612,160)	21,230,529	2,824,204	60,940,640	74,383,213	2,862,736	45,911,222	83,114,540	131,888,498	206,271,711	218,365,789

**REAL ESTATE
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY
FOR THE FISCAL YEAR**

DESCRIPTION	2013-14 Actual	2013-14 Forecast	2013-14 Approved Budget	2014-15 Actual	2014-15 Forecast	2014-15 Approved Budget	2015-16 YTD Actual 9/30/15	2015-16 YTD Approved Budget
REAL ESTATE DEVELOPMENT								
220080 Center for Training Technology & Incubation	(117,114)	(188,284)	(112,799)	(110,213)	(121,425)	(121,170)	178,664	167,601
220010 Innovation Village - see Note 1	378,650	388,246	454,211	531,785	257,262	442,702	144,834	130,673
220050 Innovation Village/American Red Cross	(3,926)	-	-	(3,132)	-	-	12,142	-
220052 Innovation Village/Tramel Crow	(769)	-	-	(604)	-	-	2,452	-
220070 Innovation Village Common Areas	-	-	4	-	-	4	(23,846)	(43,299)
220250 Trammel Crow/I.V. Phase IV	9,723	-	-	(490)	-	-	1,397	-
459540 Spadra Solar Farm	(65,291)	-	-	65,291	-	15,300	-	-
460760 Real Estate Campus Improvement	-	-	-	-	-	-	-	-
461890 Innovation Village Phase V	-	-	-	(101,245)	-	-	87,632	-
461900 Innovation Village Phase VI	-	-	-	-	-	-	-	-
462140 Support for Lanterman Operations	-	-	-	(30,022)	-	-	(110,891)	(125,000)
Total Real Estate Development	201,273	199,962	341,416	351,370	135,837	336,836	292,384	129,975
RENTAL Buildings								
200660 Building # 66 - Classrooms & Offices	121,124	107,804	108,356	98,689	102,904	97,368	33,653	22,442
190970 Building # 97 - Offices	128,034	127,718	121,002	121,792	116,623	127,986	31,911	29,868
200220 CTTi Building # 220A - College of ENV Studio	(112,592)	(109,510)	(102,476)	(146,815)	(146,376)	(117,676)	(32,807)	(34,275)
190330 Downtown Pomona Building	-	-	-	-	-	-	-	-
Total Rental Buildings	136,566	126,012	126,882	73,666	73,151	107,678	32,757	18,035
FACULTY/STAFF HOUSING								
Fund 11 Faculty/Staff Housing	63,351	(8,030)	(77,085)	167,569	179,934	(10,523)	17,180	85,066
Total Faculty/Staff Housing	63,351	(8,030)	(77,085)	167,569	179,934	(10,523)	17,180	85,066
GRAND TOTAL REAL ESTATE	401,190	317,944	391,213	592,605	388,922	433,991	342,321	233,076

**AGRICULTURE FUNDS
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY
FOR THE FISCAL YEAR**

DESCRIPTION	2013-14			2014-15			2015-16	2015-16
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	YTD Actual 9/30/15	YTD Approved Budget
016200 Agronomy Farms	2,230	70,148	27,706	(93,798)	149,919	16,038	(144,184)	(28,382)
260200 Arabian Horse Show	(125,415)	(2,930)	7,742	(48,409)	(5,930)	(3,538)	(83,918)	(88,762)
020010 Beef Unit	16,007	13,155	6,692	(41,031)	18	10,095	(9,721)	2,445
022500 Beef Show Sale Project	-	-	-	-	-	-	-	-
027190 Consignment Sales	-	-	-	-	-	-	-	-
340010 Fruit Industry	18,563	1,244	1,800	1,353	1,244	3,284	10,150	(2,797)
300010 Meat Lab	(1,027)	(500)	2,722	(804)	(500)	9,305	-	153
320300 Ornamental Horticulture	15,770	3,406	2,212	3,467	3,406	2,274	(15,929)	(2,728)
193040 Pine Tree Ranch	85,138	33,504	19,214	101,676	33,504	1,996	102,680	(7,643)
420010 Sheep Unit	(4,631)	8,598	(3,024)	(56,356)	542	8,005	(13,023)	(12,163)
430010 Swine Unit	(6,147)	(4,185)	(5,324)	(15,421)	2,334	5,089	3,833	2,655
260220 Farm Store at Kellogg Ranch	27,669	11,426	15,081	1,234	59,301	5,195	(16,123)	(9,463)
460360 Danny's Farm	(2,825)	-	-	(6,819)	-	-	(580)	-
350810 Truck and Trailer	(3,000)	-	-	-	-	-	-	-
428460 Vet Clinic	2,218	7,068	727	(3,061)	1,088	4,249	(5,363)	2,863
350820 Pomona Organics St Project	-	-	-	-	-	-	-	-
462300 Pumpkin Festival	-	-	-	-	-	-	(8,262)	(730)
Total	24,550	140,934	75,548	(157,969)	244,926	61,992	(180,440)	(144,552)

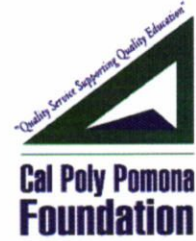
**CONTINUING EDUCATION PROGRAMS
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY
FOR THE FISCAL YEAR**

DESCRIPTION	2013-14	2013-14	2013-14	2014-15	2014-15	2014-15	2015-16	2015-16
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	YTD Actual 9/30/15	YTD Approved Budget
COLLEGE OF EXTENDED UNIVERSITY - Programs								
283500 Administration	582,097	120,093	327,553	399,877	259,045	225,790	(159,450)	(36,207)
283071 Computer Programs	-	-	-	-	-	-	-	-
283072 Certificate Programs	(3,801)	-	-	-	-	-	-	-
283080 English Language Inst.	48	-	-	-	-	-	-	-
283600 CEU International Training	-	-	-	-	-	-	-	-
283610 Int'l Workshop and Training	-	-	-	-	-	-	-	-
283620 Six Sigma Program	3,616	(179)	35,886	10,600	5,435	5,161	13,552	(1,815)
283630 Professional Project Management Program	5,318	10,776	10,836	4,726	8,515	9,916	5,946	10,065
283790 On Site Training Programs	12,607	5,331	8,480	3,808	10,055	2,016	240	(5)
283060 Start-Up Programs	-	-	-	-	-	-	-	-
283076 Technical Programs	9,991	23,971	9,228	9,173	20,800	22,760	3,548	15,565
283073 Test Prep Programs	18,012	21,572	3,646	8,032	21,888	13,680	20,062	1,751
460280 SUMMER SUPPORT @ CEU	(1,604)	(2,514)	-	(243)	(602)	(525.00)	-	(13,068)
460920 Business Comm & Grant Writing	(278)	-	286	-	-	-	-	-
460930 Accounting & Finance	-	-	223	(612)	5,036.00	555	(1,022)	8,181
460940 Math & Science	3,536	(2,976)	1,685	155	(6,269)	2,444	(886)	(3,536)
460950 Hospitality & Service Industry	5,904	9,513	2,480	5,431	4,257	6,211	19,899	810
460960 Supply Chain Management	157	1,197	612	(1,350)	(4,475)	10,900	(110)	1,160
460970 Human Resources Management	8,760	(4,834)	3,540	6,642	4,589	1,800	7,517	2,717
460980 Building & Construction Management	14,667	(1,522)	9,216	13,857	10,446	17,152	22,271	14,799
460990 Ed2Go	(26,691)	(244,108)	(90,440)	(12,396)	(10,770)	(245,808)	(9,869)	(6,065)
461000 Art, Media, & Design	-	-	2,236	(1,003)	1,642	-	(461)	-
461010 Global Ed Programs Standard	(122,777)	(54,460)	11,783	7,257	(35,437)	13,898	223,034	217,731
461020 Global Ed Programs Camps	14,791	-	-	-	-	-	97,589	-
461030 CPELI Camps	98,815	84,798	119,503	28,471	1	81,931	44,652	(17,091)
461040 CPELI Standard	905,194	487,834	436,292	47,151	131,082	303,815	413,033	(207,009)
461820 Program Development	(212,112)	-	-	(201,843)	(281,455)	-	(68,363)	(96,867)
461840 Summer Camps	-	-	-	(3,666)	-	-	(2,365)	-
461950 IT, Web & Social Media	-	-	-	-	-	-	2,506	-
462120 CEU CPP Aviation Hospitality	-	-	-	-	-	-	87,394	188,333
Total College of Extended Univ Programs	1,316,250	454,492	893,045	324,067	143,783	471,696	718,717	79,449

**CONTINUING EDUCATION PROGRAMS
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY
FOR THE FISCAL YEAR**

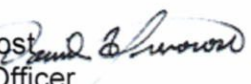
DESCRIPTION	2013-14	2013-14	2013-14	2014-15	2014-15	2014-15	2015-16	2015-16
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	YTD Actual 9/30/15	YTD Approved Budget
COLLEGE OF ENGINEERING								
381500 Non-Credit Learning Admin	1,182	30	48	(8,927)	49	30	-	-
381675 Civil Engineering Review	5,088	4,446	4,333	(10,156)	5,632	4,446	14,718	-
Total College of Engineering	6,270	4,476	4,381	(19,083)	5,681	4,476	14,718	-
COLLEGE OF SCIENCE								
406440 Chemistry Agilent Project	(2,032)	4,624	16,333	(1,807)	4,623	2,383	-	(4,567)
Total College of Science	(2,032)	4,624	16,333	(1,807)	4,623	2,383	-	(4,567)
COLLEGE OF LETTERS, ARTS, AND SOCIAL SCIENCES								
362030 GIS Certificate Program	10,841	-	-	(9,728)	-	-	-	-
Total College of Letters, Arts, and Social Sciences	10,841	-	-	(9,728)	-	-	-	-
COLLEGE OF ENVIRONMENTAL DESIGN								
460200 CCLAWS CERTIFICATE L+RS	(4,077)	-	-	(3,472)	-	-	-	-
Total College of Environmental Design	(4,077)	-	-	(3,472)	-	-	-	-
GRAND TOTAL CONTINUING EDUCATION	1,327,252	463,592	913,759	289,977	154,087	478,555	733,435	74,882

Memorandum



Date: November 10, 2015

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: David F. Prenovost 
Chief Financial Officer

Subject: INCOME TAX RETURN FORM 990 & 990-T Review

The Foundation is required to annually file the following Federal returns:

- Form 990 Return of Organization Exempt from Income Tax
- Form 990-T Exempt Organization Business Income Tax Return

In addition, the Foundation must also file the corresponding State returns (Form 199 and Form 109) as well as the Form RRF-1 Annual Registration Renewal Fee Report to Attorney General of California.

The Federal Form 990 Part VI Governance, Management and Disclosure is requesting the following information under Section B Policies question 11a and 11b:

11a. Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?


11b. Describe in Schedule O the process, if any, used by the organization to review this Form 990.

Accordingly we have provided all members of the governing body a complete copy of Form 990 and all supporting schedules along with the Foundation's Form 990 Review Policy # 124 for your review before finalizing and filing the Federal and State returns.

Recommended Action: The members of the Board of Directors have been provided with a complete copy of the Foundation's Form 990 Tax return and all supporting schedules, and request the following resolution be approved:

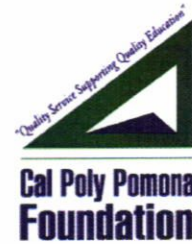
Now therefore be it resolved that the Foundation's Form 990 Tax return and all supporting schedules have been provided to all members of the Board of Directors before the return is filed.

PASSED AND ADOPTED THIS 1st DAY OF DECEMBER 2015.

By:  12/1/15

Dr. Samir Anz, Secretary
Board of Directors

Memorandum



Date: November 16, 2015
To: Board of Directors
Cal Poly Pomona Foundation, Inc.
From: G. Paul Storey
Executive Director

Subject: 2016 ANNUAL EMPLOYEE BENEFITS RENEWAL

Foundation management recommends its monthly contribution toward the 2016 health plan premiums for each employee or annuitant based on the below table. These contributions are based on the 5% annual increase cap previously approved by the Board of Directors.

For the 2016 we have reverted back to the three Tier model for the premium structure.

Employee (or Annuitant)	\$419
Employee (or Annuitant) + 1	\$794
Employee (or Annuitant) + 2 or more Dependents	\$1,014

PROPOSED ACTION:

The following resolution is recommended for approval:

RESOLVED, that the Board of Directors approves the Foundation's monthly contribution to the 2016 health plan premiums up to \$419 for employee or annuitant, up to \$794 for an employee or annuitant with one dependent, and up to \$1,014 for an employee or annuitant enrolled for self and 2 or more dependents.

BE IT FURTHER RESOLVED that upon approval of this resolution by the Board of Directors, the Executive Director of the Cal Poly Pomona Foundation is authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 1st DAY OF DECEMBER 2015.

 12/1/15
Dr. Samir Anz, Secretary
Board of Directors

**HEALTH PREMIUM RATES
January 1, 2015 - December 31, 2015**

**HEALTH PREMIUM RATES
January 1, 2016 - December 31, 2016**

HEALTH PREMIUM RATES January 1, 2015 - December 31, 2015								HEALTH PREMIUM RATES January 1, 2016 - December 31, 2016							
Medical Plans	Coverage Code	Enrollment (See Note)	Monthly Premium	Foundation's Contribution	Employee's Cost	CalPERS for LA	CalPERS for Other	Medical Plans	Coverage Code	Monthly Premium	Foundation's Contribution	Employee's Cost	CalPERS for LA	CalPERS for Other	
		EE / ER													
Foundation EPO	(1)	37 / 5	\$530.00	\$399.00	\$131.00	\$ 585.18	\$ 594.40	Foundation EPO	(1)	\$567.00	\$419.00	\$148.00	\$ 598.75	\$ 683.71	
	(2)	13 / 1	\$1,076.00	\$756.00	\$320.00	\$ 1,170.36	\$ 1,188.80		(2)	\$1,131.00	\$794.00	\$337.00	\$ 1,197.50	\$ 1,367.42	
	(3)	3 / 0	\$1,035.00	\$756.00	\$279.00			Eliminated Tier							
	(4)	12 / 2	\$1,490.00	\$966.00	\$524.00	\$ 1,521.47	\$ 1,545.44		(3)	\$1,555.00	\$1,014.00	\$541.00	\$ 1,556.75	\$ 1,777.65	
Kaiser - HMO 227585	(1)	49 / 8	\$503.94	\$399.00	\$104.94	\$ 521.18	\$ 579.80	Kaiser - HMO	(1)	\$485.46	\$419.00	\$66.46	\$ 543.83	\$ 605.05	
	(2)	18 / 3	\$1,017.96	\$756.00	\$261.96	\$ 1,042.36	\$ 1,159.60	227585	(2)	\$970.92	\$794.00	\$176.92	\$ 1,087.66	\$ 1,210.10	
	(3)	12 / 2	\$972.60	\$756.00	\$216.60			Eliminated Tier							
	(4)	13 / 1	\$1,411.03	\$966.00	\$445.03	\$ 1,355.07	\$ 1,507.48		(3)	\$1,373.85	\$1,014.00	\$359.85	\$ 1,413.96	\$ 1,573.13	
Kaiser - Deductible 6125	(1)	14/0	\$449.96	\$399.00	\$50.96			Kaiser - Deductible	(1)	\$438.32	\$419.00	\$19.32			
	(2)	3/0	\$908.92	\$756.00	\$152.92			6125	(2)	\$876.64	\$794.00	\$82.64			
	(3)	0/0	\$868.42	\$756.00	\$112.42			Eliminated Tier							
	(4)	1/0	\$1,259.88	\$966.00	\$293.88				(3)	\$1,240.45	\$1,014.00	\$226.45			
Dental Plans								Dental Plans							
Foundation PPO	(1)		\$50.00	\$50.00				Foundation PPO	(1)	\$50.00	\$50.00				
	(2)		\$100.00	\$100.00					(2)	\$100.00	\$100.00				
	(3)		\$150.00	\$150.00					(3)	\$150.00	\$150.00				
Cigna DMHO	(1)		\$21.13	\$21.13				Cigna DMHO	(1)	\$21.55	\$21.55				
	(2)		\$34.30	\$34.30					(2)	\$34.99	\$34.99				
	(3)		\$47.56	\$47.56					(3)	\$48.51	\$48.51				
Vision								Vision							
	(1)		\$4.00	\$4.00					(1)	\$10.00	\$10.00				
	(2)		\$8.00	\$8.00					(2)	\$18.00	\$18.00				
	(3)		\$12.00	\$12.00					(3)	\$28.00	\$28.00				

Note: The enrollment numbers include both active employees and early retirees.

Medicare Rates

HEALTH PREMIUM RATES						HEALTH PREMIUM RATES					
January 1, 2015 - December 31, 2015						January 1, 2016 - December 31, 2016					
Medical Plans	Coverage Code	Members	Monthly Premium	Foundation's Contribution	Retiree's Cost	Medical Plans	Coverage Code	Monthly Premium	Foundation's Contribution	Retiree's Cost	
Kaiser Sr. Advantage	(1)	16	\$260.34	\$399.00	\$0.00	Kaiser Sr. Advantage	(1)	\$267.29	\$419.00	\$0.00	
-	(2)	12	\$520.68	\$756.00	\$0.00	-	(2)	\$534.62	\$794.00	\$0.00	
-	(3)	0	\$781.02	\$920.00	\$0.00	-	(3)	\$801.91	\$1,014.00	\$0.00	
Out of State Family	(4)	1	\$1,167.19	\$920.00	\$247.19	Estimated Rate	(4)	\$1,202.21	\$1,014.00	\$188.21	
UHC MAPD	(1)	19	\$308.52	\$399.00	\$0.00	UHC MAPD	(1)	\$365.89	\$419.00	\$0.00	
-	(2)	5	\$617.04	\$756.00	\$0.00	-	(2)	\$731.78	\$794.00	\$0.00	
-	(3)	0	\$925.56	\$920.00	\$0.00	-	(3)	\$1,097.67	\$1,014.00	\$83.67	
UHC Supplemental	(1)	11	\$392.01	\$399.00	\$0.00	UHC Supplemental	(1)	\$452.76	\$419.00	\$33.76	
-	(2)	10	\$784.02	\$756.00	\$28.02	-	(2)	\$905.52	\$794.00	\$111.52	
-	(3)	0	\$1,176.03	\$920.00	\$256.03	-	(3)	\$1,358.28	\$1,014.00	\$344.28	

Memorandum



Date: November 16, 2015

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: Dennis Miller, Chief Employment Officer
Cal Poly Pomona Foundation, Inc.

Subject: **AMENDMENT TO “FLEX DOLLARS PROGRAM”**

In February 2013, the Foundation received approval from the Board of Directors to implement a “Flex Dollars Program”. The Flex Dollars Program was designed to be a quasi-replacement program to the Cash for Benefits Program.

The Cash for Benefits Program was a program designed to provide an incentive for employees to “opt out” of Foundation healthcare benefits, and employees were paid up to \$195 per month as an incentive to avoid enrolling in our benefits programs.

The phasing out of the Cash for Benefits Program commenced in 2013 and continues, while the Flex Dollars Program was adopted to offer a less expensive and more flexible incentive for employees to use. Existing participants in the Cash for Benefit Program continue to receive the incentives for opting out of health insurance although newly hired employees are not eligible for that incentive.

In 2012 there were about 45 employees in the Cash for Benefits Program and currently there are 19. Conversely, all full time benefited employees participate in the Flex Dollars Program.

The Flex Dollars Program provides eligible employees (full time benefited employees) a \$62.50 credit per month to be applied against the expense of any of the three available options: healthcare premiums, parking fees, or to tuition reimbursement. The Flex Dollar funds can only be used in the year awarded and cannot be cashed in or rolled over from year to year. If an employee does not use funds in a given year they are not carried forward to future years.

About 80% of employees use Flex Dollars to offset their monthly healthcare premiums, 18% apply their dollars to parking, and 2% apply Flex Dollars toward enhancing their tuition reimbursement amounts.

We are requesting to increase the monthly Flex Dollars amount from \$62.50 to \$70, which is an increase of \$90 per year for each eligible employee. This increase will help

offset increases in healthcare premiums and increases to parking fees for those employees who apply their flex dollars to one of those options.

The total maximum annual cost of the Flex Dollars Program for 2015 will be approximately \$128,000. Increasing the monthly amount from \$62.50 to \$70 will increase the annual expense by about \$15,000, to a maximum annual amount of approximately \$143,000.

In 2012, the annual expense for the Cash for Benefits Program was approximately \$120,000 although in 2015 it will be about \$45,000 due to employees leaving that program. The \$75,000 saved from the Cash for Benefit Program essentially helps to fund the Flex Dollars Program, which benefits virtually all full time benefited employees and not just a small percentage.

PROPOSED ACTION:

The following resolution is recommended for approval:

RESOLVED, that the Board of Directors approves an increase in the Flex Dollars Program from a \$62.50 credit per month per eligible employee to a \$70 credit per month per eligible employee.

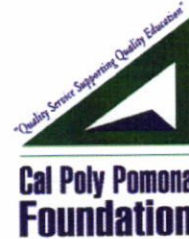
BE IT FURTHER RESOLVED that upon approval of this resolution by the Board of Directors, the Executive Director of the Cal Poly Pomona Foundation is authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 1st DAY OF DECEMBER 2015.

 12/11/15

Dr. Samir Anz, Secretary
Board of Directors

Memorandum



Date: November 16, 2015
To: Board of Directors
Cal Poly Pomona Foundation, Inc.
From: Dennis Miller, Chief Employment Officer *D Miller*
Cal Poly Pomona Foundation, Inc.

Subject: **Holiday Schedule for 2015 Year End**

Each year between Christmas Day and New Year's Day the University and Foundation are scheduled to be closed for business. Often, the governor will issue a notice directing state employees to take 4 hours of paid time off the day before Christmas Day, December 24th.

While Foundation is not a "state" employer strictly speaking, Foundation follows the time off schedule. The cost to Foundation when the governor adds those 4 hours of paid time off is approximately \$12,000 (2015 cost), and an additional 4 hours is an additional \$12,000, for a total cost of approximately \$24,000 for the additional paid holiday for 2015.

This year the University will be closed starting on Friday, December 25th and return to work Monday, January 4th and Foundation plans to mirror that schedule this year with the exception of December 24th, which will be a company paid holiday.

PROPOSED ACTION:

The following resolution is recommended for approval:

RESOLVED, that the Board of Directors approves the time off plan above, which includes adding one paid Foundation Holiday on December 24, 2015.

BE IT FURTHER RESOLVED that upon approval of this resolution by the Board of Directors, the Executive Director of the Cal Poly Pomona Foundation is authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 1st DAY OF DECEMBER 2015.

Samir Anz 12/1/15

Dr. Samir Anz, Secretary
Board of Directors

Memorandum



Date: November 12, 2015

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: Randall Townsend, PMP, SPL
Director of Information Technology

Subject: **PCI/EMV Compliance Update**

Payment Card Industry (PCI) standards were originally begun in 2004 by the **Payment Card Industry Security Standards Council (PCI SSC)**, a consolidated group comprised of **Visa, MasterCard, American Express, Discover** and the **JCB (Japan Credit Bureau)**. Each company's intentions were roughly similar: to create an additional level of protection for card issuers by ensuring that merchants meet minimum levels of security when they store, process and transmit cardholder data.

The standard the council maintains, called the **Payment Card Industry Data Security Standard (PCI DSS)** protects major debit, credit, prepaid, mobile payment, ATM, and POS cards, by increasing controls around cardholder data to reduce credit card fraud via its exposure. Foundation validation of compliance is done yearly via self-assessment, and is based on a total transaction volume of over 1.2 million transactions annually.

This year three major payment card projects coalesced over the summer; 1) an acquirer conversion from Bank of America to Wells Fargo to reduce transaction costs and improve card processing services, 2) the advent of new PCI standards (v3.1), 3) the implementation of Chip & Pin (EMV) to improve fraud prevention.

Starting in July new card readers were installed at over 90% of the Foundation retail operations to provide full transaction encryption, Chip & Pin, and mobile payment (ApplePay, etc.) capabilities. To validate our PCI solutions, we once again enlisted the consulting services of an external Qualified Security Assessor (QSA), from 403 Labs. The consulting group performed independent penetration testing (now an annual PCI requirement costing \$14,000), checking for internal and external vulnerabilities. In addition, 403 Labs performed a PCI gap assessment to determine where policies and procedures relating to the new PCI DSS v3.1 standards needed to be updated. This tri-yearly assessment cost \$14,000.

As an outcome of these assessments the Foundation is actively working with the University and vendors in the following areas to meet the new requirements:

1. Updating Foundation PCI security policies to align with the new industry standards and integrate with CO/campus information security policies.
2. Building and maintaining a more secure network through partnership with the university by sequestering PCI network traffic into private virtual LANs.
3. Protecting cardholder data through updated logged staff card handler training, including tamper and substitution recognition.
4. Improved documentation of card data flow, device inventory and transaction monitoring.
5. Acquiring confirmation from third-party vendors, e-commerce providers, and franchise partners that they meet PCI compliance on our behalf.
6. Separation and automation of SAQ (Self-Assessment Questionnaire) preparation to ease compliance management and reduce risk between operations. To meet this need cloud-based SAQ services were initiated through Coalfire, a leading CSU provider of PCI security services.


Jano Kray, QSA, from 403 Labs will provide a summary of the scope of their work at an upcoming Board Meeting once their report has been finalized.

Memorandum



Date: November 1, 2015

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: G. Paul Storey 
Executive Director

Subject: Overview of the Technology Transfer and Industry Clinic

As part of the 2012-13 Budget – The President’s Public Relations/Designated Gifts request included a \$150,000 award for the startup of the Center for Technology Transfer and Industry Clinic (TT/IC) to fund a director position. The Cal Poly Pomona Foundation Board of Directors has continued to approve an equal amount in the 2013-14 and 2014-15 budget years as part of the President’s request.

In June of 2013 the TT/IC was established and Dr. Marie Talnack was hired as the Director. No funding to date has been required of the Foundation as the TT/IC has received a startup and operating donation from the City of Industry.

Dr. Talnack will provide an overview of the TT/IC to the Board.

An Overview of the Technology Transfer and Industry Clinic

www.cpp.edu/~research/tto

CPP_TTIC

Mission Statement:

In June, 2013 CalPoly, Pomona established a Technology Transfer Office/Industry Clinic as part of its mission to develop new research and innovation capabilities at the University. The Office will identify, protect, and manage intellectual property (IP) and market the University's technologies to industry via licensing and new business development opportunities.

Objectives:

The role of the Technology Transfer Office is to support researcher's innovative works by identifying funding resources, managing the protection and commercialization of any resulting technological advances and intellectual property, and developing a network of industry partners to assist in commercializing the research. The establishment of such an Office is to not only provide this type of support but to lay a foundation for continued future research. Specifically, it will strive to meet the following goals:

- Establish the Technology Transfer Office to provide technology commercialization support and identify resources for new and on-going research programs in collaboration with the Office of Research.
- Educate faculty, staff and students as to the benefits and requirements (e.g. compliance with the Bayh-Dole Act and other legislation) of technology transfer.
- Develop and manage an Industry Clinic to help train Cal Poly Pomona (CPP) students to work on industry problem-solving projects through an internship program. Funding for the TTO is provided out of a donation from the City of Industry.
- Build technology transfer capabilities in protecting technologies, identifying licensing, grant funding, and industrial partnering opportunities, while building a positive image of the TT/IC program in collaboration with other Cal State University (CSU) system TTO offices.
- Develop a national industry network supportive of our research efforts and capable of commercializing technologies with us.
- Create a "community outreach" program to inform local and national businesses and organizations of our research capabilities and technology transfer activities.

To date the following are some of the Accomplishments of the Technology Transfer Office and Industry Clinic:

Establish the Technology Transfer Office/Industry Clinic to support the University's mission.

2015 Cal Poly Pomona Technology Transfer and Industry Clinic Activities

-The TTO in coordination with the Office of Sponsored Research and Projects now includes intellectual property issues on the Office's pre-submission checklist for grant proposals. The TTO also reviews grant awards as the contract with other research institutions or industry partners is finalized. Standard intellectual property clauses covering patents, copyrights, and mutual invention disclosure between the contracting parties is now included in all contracts.

This review process provides an opportunity for the faculty member to meet with the TTO Director to discuss filing an Invention Disclosure, patentability, copyright protection, etc. These meetings allow for one-on-one education with faculty regarding intellectual property in the context of their own research. During these sessions, a patent search is conducted for the faculty member to show what is already patented in their field, by whom, and research sponsors. Faculty find this process very valuable as a snapshot of what is happening in their respective fields of research. The software search on patented research is also useful to faculty in compiling a bibliography for their grant applications. 40 such patent searches for faculty and student inventors have been conducted since acquiring the software in November, 2013.

-From 2013-2015 the TTO has built a University patent portfolio through the following:

- No. and type of grant proposals reviewed: 120
- No. Invention Disclosures: 20
- No. provisional patent applications: 18
- No. full patents: 3
- No. of Collaborative Research Memos of Understanding with Industry: 7
- No. of Cooperative Research Agreements: 2 STTR's (Cornerstone, Irvine Sensors)

-The TTO works with various Colleges within the University to not only protect any intellectual property but to encourage outreach to industry collaboration. Below are some of the activities of the TTO to support the different Colleges:

College of Engineering:

Water Research Center (underway)-research project with Metropolitan Water District and potential projects for the 2015 CSU5 collaborative research initiative.

Advanced Coatings Lab, worked with faculty and their industry partner to file three Invention Disclosures and subsequently 2 Provisional Patent applications, TTO provided the team with additional \$5k to complete testing needed for the patent filings. Coordinated with faculty on their successful grant funding to purchase a Scanning Electron Microscope.

-UAV Lab and application for a Center, Invention Disclosure pending. Worked with faculty to apply for a Dept. of Labor/Dept. of Education TAACCT grant with the AMPSoCal. MOU with Metropolitan Water District and use of their land as a test site. Application for a FAA COA designation as a license for industry collaborative research and testing. Coordination with NASA Armstrong and MWD for additional test site at their facilities.

College of Business:

CyberSecurity/Information Systems Center included in a TAACCT grant with the AMPSoCal. Also worked with CyberSecurity program regarding their successful grant from National Science Foundation for CyberSecurity scholarships, UAV/CyberSecurity Conference, and County of Los Angeles job fair and recruitment strategy/website to fill 300+ IT positions for the County.

Served on the Planning Committee/Business Plan Reviewer for the 2014 Bronco Challenge along with the School of Business Administration and the student-lead PolyFounders.

Judge for the first annual student-led Cal Poly Pomona Hackathon, January 2014.

College of Science:

Invention Disclosure and Provisional Patent filing January 15, 2014 for Treatment of Huntington's Disease, Dr. Andrew Voss and Dr. Robert Talmadge. Converted provisional patent to a full patent application on January 15, 2015.

Invention Disclosure and patent search for Dr. Tim Cochran regarding three advanced microscope inventions.

Invention Disclosure and patent search for Dr. Olive Li for Method of Extruding and Treating Olive Pomace for Human and Animal Food Production.

Invention Disclosure and patent search for Dr. Shelton Murinda for Shiga Toxin-producing *E. coli* Detection Using Recombinase Polymerase Amplification.

Apparel Merchandising Program:

Assistance with formation of a regional apparel manufacturing partnership. 2014-2015 launched the new Apparel and Lifestyle Industry Council jointly with the Los Angeles Economic Development Council (LAEDC). As follow-up to the Industry Council, presently coordinating with the LAEDC and Mayor Garcetti's Office to coordinate the apparel merchandising programs from the LA-based CSU's and community colleges for application to the announced Obama Administration NMMI Center for Revolutionary Textiles.

College of ENV:

Coordinated and assisted legal counsel within the Chancellor's Office on the license agreement for the student design "Wedge" cabin project.

Educate faculty, staff and students as to the benefits of technology transfer.

The TTO from September-November, 2013 made presentations to the following: College of Engineering, College of Agriculture, College of Science, College of Business, and Apparel Merchandising. In addition, the TTO Director has made presentations to two College of Business classes on intellectual property to educate the students on this topic. Each Fall it makes presentations at New Faculty Orientation. The TTO also has developed materials for posting onto the TTO website that describe the discovery process in research, filing an invention

disclosure (along with a downloadable and electronic filing process from the website), and how to work with industry/industry how to work with us. New materials are posted periodically and updated.

Develop and manage an Industry Clinic for Cal Poly Pomona students.

The TTO developed an Industry Clinic form to have faculty, students, and companies complete a brief description of the types of technical assistance projects they would want to work on. This is posted on the TTO website. It has also been discussed in the newspaper articles, City of Industry newsletter, class presentations, and when meeting with faculty one-on-one. This is supported by the City of Industry's Manufacturing Council under the direction of Mr. Don Sachs. In 2014 the TTO worked with Mr. Sachs to create a marketing survey that went out to 60 companies in the Manufacturing Councils' database. This provided leads for Industry Clinic projects conducted during the Fall Quarter, 2014 and Winter Quarter, 2015. These projects included two market research projects, one with the Bolt Products Company, President James Stone, with 245 survey participants and the other for Battery Tech, President Nick Chu, with 180 survey participants. Student teams are enrolled into credit hour classes where they collect survey data and learn data analysis techniques. These projects have been under the direction of a professor of marketing within the College of Business Administration.

The TTO has also worked with the Director for the University's Co-op and Internship program. The TTO provided standard intellectual property language in the updated Co-op Agreement with industry. Besides the existing agreements with such partners as Northrop Grumman and NASA/JPL, the TTO and the Co-op program is working on new agreements with Metropolitan Water District and the County of Los Angeles.

The TTO began building an Advisory Board for the Office in 2013 and held its first Advisory Board meeting in December, 2013. It has held semi-annual meetings of the Board in May, 2014, January, 2015 and May, 2015. Currently, the TTO Advisory Board includes the following:

-University Provost, Associate VP of Research and Deans of the College of Engineering, College of Science and College of Business. Also from our campus, Executive Director of the Cal Poly Pomona Foundation.

-From the Non-Profit Sector: City of Industry Manufacturers Council, the Milken Institute, the Small Business Administration, the TTO at Caltech/JPL, Children's Hospital of LA, and others.

-From the Private Sector: Lubka and White LLC, SpaceX, and Irvine Sensors,

-From the Venture Capital and Entrepreneurial Support Sector: Maverick Angeles, Greycroft Venture Capital, Pasadena Angeles.

The Board is currently assisting the TTO with mentoring student entrepreneurs, support for the recent Advanced Manufacturing initiative, models for incubators and accelerators, economic development and technology transfer expertise.

Build technology transfer capabilities in protecting technologies, identifying licensing and industrial partnering opportunities, and effectively transferring technology.

The TTO website provides a listing of Available Technologies and there are six listed at present. The website provides a means for industry inquiry into our licensable technologies. However, website postings are passive forms of marketing University technologies. At present, the TTO is marketing University capabilities to industry while continuing to identify patentable research results from on-going faculty research. In this manner, industry is involved from the beginning of the research process and a license agreement is the result of a successful research program with industry. Also, attending conferences such as the IP100 held in February, 2014 and presentations through membership in the Licensing Executives Society (October, 2014) provides exclusive and relevant licensing leads.

Develop a national industry network supportive of our research efforts and capable of commercializing University technologies.

Currently, the TTO is working with the Bureau of Reclamation and Metropolitan Water District providing assistance with their needs for UAV's and trained operators of the craft. Both of these agencies have vast land and water assets that they must continuously monitor and secure. They also have an interest in our water research laboratory to address issues with water conservation, water quality, and sediment. This is an example of relationships with non-profit and federal agencies. An example of relationship building with small business is Irvine Sensors, a 30 year old company in Irvine, CA. that is very research oriented and has consistently won SBIR and STTR awards from DARPA, DoD, and NASA. They have been on-campus to meet with our faculty in both the College of Engineering and College of Science for collaborative research in optics, sensors, and materials research. They also are a vendor to the federal agencies that have provided research funding to develop specific products for the military and have a line of commercial products.

Create a "community outreach" program to promote the University's research capabilities and technology transfer activities.

In April of 2014 the five campuses of the CSU system located in LA County formed the CSU5 (C5 Guides) to collaborate on research opportunities, policy, articulation and economic development. Our first meeting was held in May, 2014 with monthly follow-on meetings since then. We are establishing a website and blog to communicate and post information as well as e-mail distribution list for correspondence: here is the link:
<http://list.csulb.edu/scripts/wa.exe?SUBED1=CSU5&A=1>

Other economic development and University research commercialization activities include the following:

-Represent California State Polytechnic University, Pomona in the Advanced Manufacturing Partnership Southern California, AMP SoCal, a regional aerospace and advanced manufacturing regional partnership. Member of the AMP SoCal Executive Committee and Chairman of the Infrastructure and Site Development Pillar Committee.

-Work with the Los Angeles Economic Development Council to promote the University's capabilities and interests in economic development. Serve on the LAEDC's Jobs Defense Council and Workforce Development Committee and newly formed Fashion and Lifestyle.

-Coordinated in October of 2014 a panel presentation on the AMP SoCal federal IMCP designation along with the CSU5 initiative before the University Economic Development Association. Followed-up by submitting a winning proposal to have the CSU5 host the 2017 national conference for the UEDA in Long Beach, CA.

-Develop the Cybersecurity and Unmanned Aerial Vehicles conference co-sponsored with the LAEDC. It was held December 12, 2014 at Kellogg West and is planned for October, 2015.

Regional Partnerships Points of Contact:

- 1.) For AMPSoCal regional aerospace and defense manufacturing partnership/IMCP:
Dion Jackson, MBA, MRED, MPI Associate
USC Center for Economic Development
Adjunct Associate Professor, Price School of Public Policy
(310) 704-3679
- 2.) JoAnne Golden-Stewart | Senior Director, Strategic Initiatives & Cluster Development
Los Angeles County Economic Development Corporation
444 S. Flower Street, 37th Floor, Los Angeles CA 90071
T: 213.236.4837 F: 213.622.7100 | www.laedc.org
- 3.) Glyn Milburn, Office of Economic Development
LA Mayor Eric Garcetti
200 N. Spring St., Suite 1300 (13th floor)
Los Angeles, CA 90012
glyn.milburn@lacity.org
(213) 978-0781
- 4.) Mr. Don Sachs,
City of Industry, Manufacturer's Council
dsachs@cityofindustry.org
- 5.) CSU5 Guides:

Marie Talnack

California State Polytechnic University, Pomona

J. Kim McNutt

California State University, Dominguez Hills

Ömer S. Benli

California State University, Long Beach

Ashish Vaidya

California State University, Los Angeles

Julia Potter

California State University, Northridge

NEXT STEPS AND NEW INITIATIVES:

City of Industry: The Industry Clinic mentioned above has completed two extensive marketing projects for companies located within the City of Industry. This was an objective of the donation to fund the Technology Transfer Office by the City of Industry. In addition, the TTO has participated in the regional IMCP partnership which is known as the AMP for SoCal. As part of the AMPSoCal regional partnership, the IMCP designation has contributed to the City of Industry's recent TIGER grant from the Dept. of Transportation to fund re-configuration of the congested interchange of the 57/60 freeways. The TTO has also contributed to the City of Industry by supporting the location of a light manufacturing and assembly plant for all-electric Proterra buses within the City of Industry. The University provided a letter of support to Proterra as part of their successful application to the California Energy Commission. Award of the grant from the CEC has helped the company with the establishment of the plant in the City of Industry.

AERO Institute/NASA Armstrong Flight Research Center: TTO has assisted the College of Engineering's UAV (Unmanned Aerial Vehicles) program in obtaining a Center of Excellence MOA agreement to use their test facility to fly University UAV's.

Metropolitan Water District: MWD has several areas of opportunity and collaboration with Cal Poly Pomona including the following: they were a co-sponsor for the December, 2014 UAV/CyberSecurity conference and as follow-up will be hosting a TechFest here on our campus inviting not only industry but our students and faculty. They have provided booths to CPP. In addition, they are renewing and expanding the Co-op Agreement with Cal Poly Pomona to include hiring up to 8 students to assist with the MWD's new UAV program. We are working on a joint agreement whereby MWD would provide access to their sites for our UAV flights in exchange for advisement on how to build a fleet of UAV's for their use.

Regional Partnerships

Apparel Merchandising: The Technology Transfer Office has supported and been active players in the formation of a new Apparel and Lifestyle Industry Council with the Los Angeles Economic Development Corporation. This newest of LAEDC's six industry councils was officially launched in January, 2015 and represents a regional collaboration to attract, retain and expand apparel manufacturing efforts locally. The council, with support by the City of Los Angeles Mayor's Office and the LAEDC is comprised of industry leaders and academic

institutions, which include the California Fashion Association, Fashion Business Inc., The Reef (formerly known as The LA Mart) and Cal Poly Pomona.

The main goals of the Apparel and Lifestyle Council are to strengthen and to maintain the growth of the fashion industry cluster. Cluster data reveals that the fashion cluster, ranks #2 in Los Angeles County in terms of regional concentration and employed 68,500 in 2010. See: www.laedc.org/industries/fashion.

There are two federal grant initiatives we here at Cal Poly Pomona are poised to lead and/or participate in, one with the EDA (Economic Development Agency) and the other through the Dept. of Defense:

EDA: Cluster Grant Funding opportunity due June, 2015: This will be a grant opportunity that requests federal funding from the EDA to provide technical assistance to the fashion industry including incubators, educational programs, and companies in the Los Angeles Promise Zone service region. This proposal will most likely be led by Cal Poly Pomona in conjunction with other partners including but not limited to the LAEDC and Mayor Garcetti's Office.

DOD: Recently, the Obama Administration announced competition for a New Textiles-Focused Manufacturing Innovation Institute in the amount of \$150 million. Through the Department of Defense the competition is open to leading manufacturers, universities, and non-profits to form new manufacturing hubs focused on "Revolutionary Fibers and textiles technologies". We are coordinating all of the apparel manufacturing programs in the CSU5 and regional community colleges to participate in this federal funding program along with Mayor Garcetti's office, LAEDC and others in the area.

Program Development and Certifications:

The TTO assists in programs development and certification programs as part of the Cal Poly Pomona commitment to the regional partnerships. This would include certifications in workforce development, training, apprenticeships, etc. For example, the Extended University is creating a certificate program in UAV (unmanned aerial vehicles) Pilot Training. This certification program was a direct result of the UAV/CyberSecurity conference held here on campus when participants listed this as one of the needs in their industry. Cal Poly Pomona is capable of teaching the required pilot training as an extension of our on-going UAV curriculum in the College of Engineering.

We are also assisting Extended University with developing an aerospace manufacturing inspection apprenticeship program with support from the Department of Labor, a private software company and a non-profit workforce training organization. This program will focus on mathematics, blueprint reading and digital metrology software training for Veterans.

Technology Transfer Office and Industry Clinic at Cal Poly Pomona

Dr. Marie Talnack,
Director, Technology Transfer Office and
Industry Clinic

Establishing the CPP TTO

- ▶ The role of the Technology Transfer Office is to support researcher's innovative works by identifying funding resources, managing the protection and commercialization of technological advances and intellectual property, and developing a network of industry partners to assist in collaborative commercialization of the research, creating regional economic impact.

TTO and the Industry Clinic

- ▶ The Tech Transfer and Industry Clinic Office at the University was established in June, 2013 through a donation by the City of Industry's Manufacturer's Council. The donation allowed the formation of the University's TTO as well as an Industry Clinic to assist local manufacturers to collaborate with the University to solve industry problems.

Update on the Industry Clinic

- ▶ To date the Industry Clinic has accomplished the following:
- ▶ Developed criteria and application process for identifying university–industry projects.
- ▶ Marketed the Industry Clinic to 60 companies within the City of Industry.
- ▶ Completed two market research projects for companies that surveyed 425 participants.
- ▶ Supported the location of Proterra Bus to the City of Industry creating 65 jobs in 2015.

Role of the TTO at the University

- ▶ Inform faculty and students as to the benefits and requirements of technology transfer.
- ▶ Build technology transfer capabilities in protecting technologies, identifying research, and industrial partnering opportunities.
- ▶ Create a “community outreach” program to inform local and national businesses and organizations of our research capabilities and technology transfer activities.

Accomplishments: 2013–2015

- ▶ No. of grant proposals reviewed: 120
- ▶ No. Invention Disclosures: 20
- ▶ No. provisional patent applications: 18
- ▶ No. full patents: 3
- ▶ No. of Collaborative Research Memos of Understanding with Industry: 7
- ▶ No. of Cooperative Research Agreements: 2

Support to University Colleges

- ▶ **College of Engineering:** Water Research Center and collaboration with Metropolitan Water District, Advanced Coatings Lab–filed 3 Invention Disclosures and 2 patents, UAV Lab application for a FAA COA designation and coordination with NASA Armstrong and MWD for additional test sites at their facilities.
- ▶ **College of ENV:** Coordinated and assisted on the license agreement for the student design “Wedge” cabin project.

Support to University Colleges:

- ▶ **College of Science:** Filing invention disclosures and patents for faculty.
- ▶ **College of Business:** Support of CyberSecurity program in their award of an NSF scholarship program, coordinated with the LAEDC to hold the first UAV/CyberSecurity conference.
- ▶ **College of Agriculture:** Filing patents as well as assisting with the formation of a regional apparel manufacturing partnership with the LAEDC and Mayor Garcetti's Office.

Regional Partnerships

- ▶ CPP partnership in the federally–designated AMPSoCal, a four county aerospace and defense partnership with 88 partners.
- ▶ CPP participation in the CSU5 collaboration among five LA–based CSU campuses.
- ▶ Los Angeles Economic Development Council partnership on the Jobs Defense Council and the new Fashion and Lifestyle council.
- ▶ University Industry Economic Development Assn.–national summit in S. California 2017.

TTO's Commercialization Partners

- ▶ TTO Advisory Board formed in 2013–16 members including JPL, SBA, CMTC, etc.
- ▶ CSU5 Guides for collaborative research such as Advanced Materials, Revolutionary Textiles, Clean Energy NMMI grants.
- ▶ AMPSoCal in Aerospace and Defense initiatives–Executive Council, Infrastructure and Site Development Pillar Committee, etc.
- ▶ LAEDC–A/D conferences, Red Carpet Service, UAV/CyberSecurity Conference, Eddy Awards.

Next Steps:

- ▶ Research collaborations in the region: Proterra, Irvine Sensors, MWD, NASA, etc.
- ▶ San Gabriel Valley Economic Development Partnership collaborations for the area.
- ▶ Public–Private partnerships to expand research facilities: Lanterman, prototyping labs and incubator/makerspaces.
- ▶ Follow–on and new research conferences, seminars, and webcasts to inform and collaborate in building core capabilities.

Contact Information

Dr. Marie Talnack, Director,
Technology Transfer Office/Industry Clinic
Research Building 1, Room 222
(909) 869-3771 / ext. #3771

gmtalnack@cpp.edu


- ▶ *TTO Twitter: CPP_TTIC*
- ▶ *TTO website: www.cpp.edu/~research/tto*

Memorandum



Date: November 12, 2015

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: 
David F. Prenovost,
Senior Managing Director/Chief Financial Officer

Subject: **2015-16 Insurance Coverage**

As you may know, the Foundation participates in the Auxiliary Organization Risk Management Alliance (AORMA) offered through Alliant Insurance Services, a Committee of the California State University Risk Management Authority (CSURMA), a joint powers authority. The Foundation's schedule of insurance premiums, coverage, limits and deductibles for the fiscal year 2015-16 is provided in the following document.

This coverage excludes earth quake insurance that was not economically feasible to purchase this year.

In addition to the insurance coverage the Foundation established an Insurance Reserve policy # 174 in February 2006, attached for your reference. The insurance reserve currently has a balance of \$100,000. The Insurance Reserve was established to pay the deductible amounts greater than \$10,000.

CAL POLY POMONA FOUNDATION, INC.

POLICIES AND PROCEDURES

Subject:	Insurance Reserve	Policy No.	174
		Date:	02/16/2006
Reference:	324-III-D	Revision:	

PURPOSE

The purpose of the Insurance Reserve policy is to provide adequate insurance reserves to pay for the deductible amount greater than \$10,000 versus the actual deductible on the Foundation's Policies. This Reserve policy excludes flood and earthquake insurance policies.

BACKGROUND

The Foundation Administration continually reviews its insurance coverage, limits and deductibles to establish a framework within which the Foundation's services, programs and activities, can be effectively managed. On July 1, 2002, the Foundation joined California State University Risk Management Authority (CSURMA).

PROCEDURE

The reserve will initially be funded from the general fund for \$100,000 and every year thereafter any insurance dividends from CSURMA, and the premium saving as a result the higher deductibles will be added to replenish the reserve fund. In effect, the project will be self insured for any losses between \$10,000 up to the deductible amount (for 05-06 the deductible is \$25,000). This procedure excludes grants and contracts as those projects are not allowed to be charged a deductible.

For example, if a project incurs a loss of \$35,000, the project will be responsible for the first \$10,000 and any remaining loss up to the deductible amount (currently \$25,000) will be charged to the reserve:

The first \$10,000 loss = the Project is responsible to pay
\$10,000-\$25,000 (\$15,000) = the loss will be covered from the insurance reserve fund
\$25,000-\$35,000 = \$10,000 is covered by the insurance policy



“Quality Service Supporting Quality Education”



Cal Poly Pomona Foundation 2015/2016 CSURMA AORMA Renewal Report



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

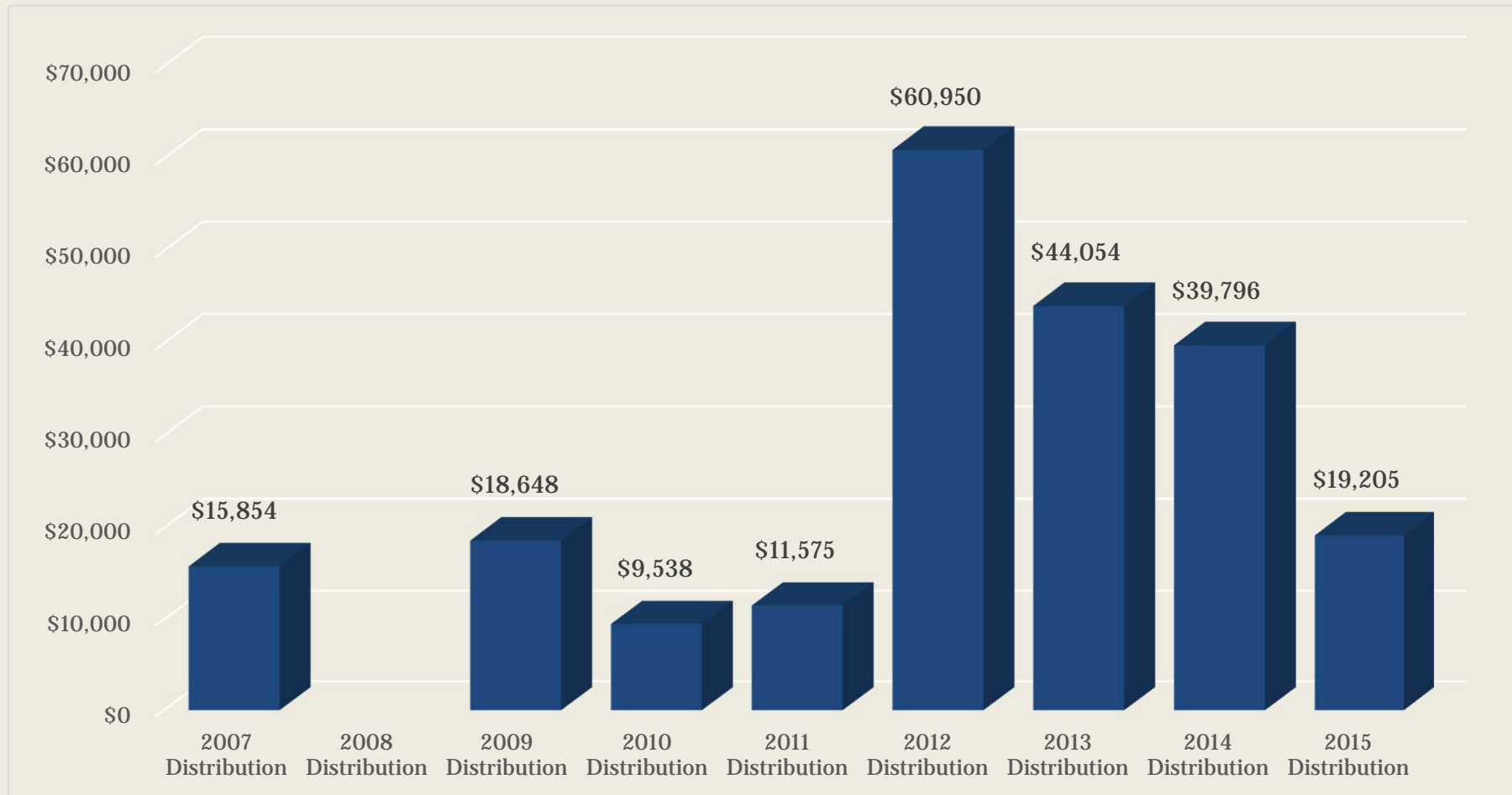
Cal Poly Pomona Foundation Dividend History



For Policy Yr.	Liability	Workers' Compensation
2006-2007	\$15,854	\$52,623
2007-2008	N/A	\$97,380
2008-2009	\$18,648	\$136,882
2009-2010	\$9,538	\$73,840
2010-2011	\$11,575	\$87,385
2011-2012	\$60,950	\$52,889
2012-2013	\$44,054	\$37,759
2013-2014	\$39,796	\$44,792
2014-2015	\$19,205	\$38,077
Total	\$203,766	\$621,627

Total of \$825,393 returned as Dividends to Cal Poly Pomona Foundation in last 9 years.

Cal Poly Pomona Foundation Liability Dividends



Cal Poly Pomona Foundation Workers' Compensation Dividends



2015/2016 Insurance Cost



AORMA Insurance Program	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Liability	\$151,062	\$135,157	\$142,332	\$154,060	\$168,783
Workers' Compensation	\$221,460	\$200,972	\$273,920	\$310,658	\$326,760
Property	\$148,548	\$175,094	\$149,167	\$110,334	\$102,918
Crime	\$4,338	\$5,195	\$7,410	\$6,659	\$8,834
Cyber Risk Liability	\$622	\$666	\$711	\$812	\$923
Identity Fraud Expense Reimbursement	\$511	\$1,191	\$1,164	\$1,230	\$1,093
Foreign Travel	N/A	N/A	N/A	N/A	N/A
TOTAL	\$526,541	\$518,275	\$574,704	\$583,753	\$609,311

2015/2016 Insurance Cost



AORMA Individual Purchase Programs	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Public Entity Physical Damage	\$1,086	\$1,948	\$4,455	\$5,095	\$6,565
Participant Accident Insurance	N/A	N/A	N/A	\$848	N/A
Fiduciary Liability Insurance*	*	*	*	*	*
Inland Marine Floater	N/A	N/A	N/A	N/A	N/A
Total	\$1,086	\$1,948	\$4,455	\$5,943	\$6,565

* *Fiduciary liability coverage is included within the AORMA Liability Program.*

Loss information – Total Incurred



AORMA Insurance Program	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Liability	\$3,361	\$375,573	\$0	\$5,261	\$30,772
Workers' Compensation	\$97,548	\$349,759	\$137,062	\$86,205	\$87,209
Property <i>(excess of deductible)</i>	\$0	\$0	\$0	\$0	\$0

Workers' Compensation Experience Modification Loss Comparison



Losses Used by the Actuary in Calculating the Experience Modification Factor

Loss Valuation	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	Total	Exp Mod
@ 6/30/11	\$16,775	\$27,931	\$77,817					\$122,523	.79 for FY 12/13
@ 6/30/12		\$24,246	\$92,301	\$160,952				\$277,499	.97 for FY 13/14
@ 6/30/13			\$97,726	\$243,571	\$74,867			\$416,164	1.07 for FY 14/15
@ 6/30/14				\$296,690	\$122,168	\$85,844		\$504,702	1.37 for FY 15/16
@ 6/30/15					\$137,062	\$86,205	\$87,209	\$310,476	1.19 for FY 16/17

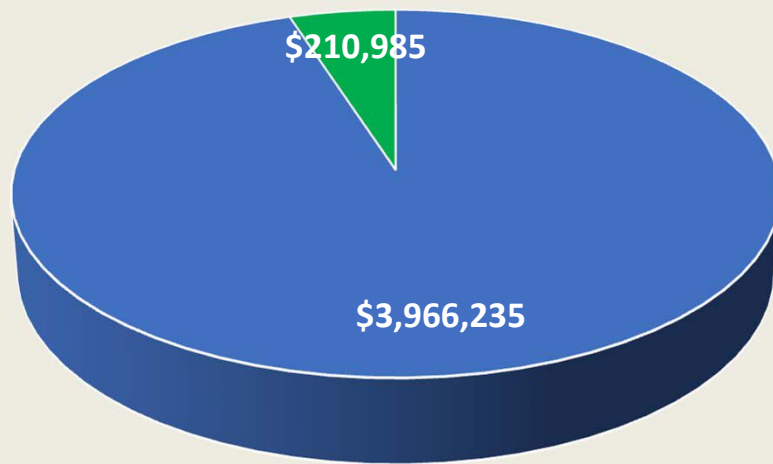
Future Financial Benefits of CSURMA AORMA Membership



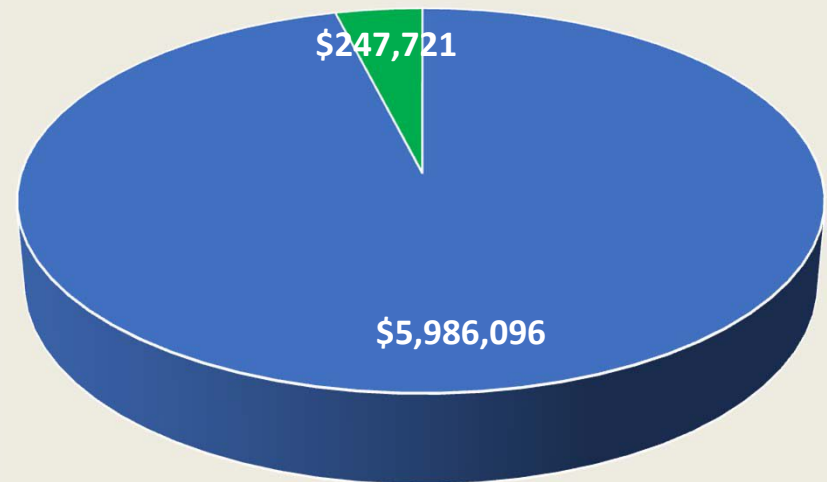
Cal Poly Pomona Foundation Potential Share of Program Equity

AORMA Workers' Compensation Program

AORMA Liability Program



- Total Program WC Surplus Reserves at 6/30/15
- Pomona Foundation



- Total Program Liability Surplus Reserves at 6/30/15
- Pomona Foundation

Questions?

Contact your CSURMA AORMA Program
Administrators

Mimi Long

mlong@alliant.com

(415) 403-1423

Van Rin

vrin@alliant.com

(415) 403-1408

Hsan Htein

hhtein@alliant.com

(415) 403-1452



INSURER:
Auxiliary Organization
Risk Management
Alliance (AORMA)

POLICY TERM:
July 1, 2015 to
July 1, 2016



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

Hsan Htein
(415) 403-1452
hhtein@alliant.com

COVERAGE:

The AORMA Liability Program will pay on behalf of the Member those sums the Member shall be obligated to pay by reason of liability imposed by law because of bodily injury, property damage, errors or omissions, unfair employment practices liability, personal injury or media wrongful acts.

THE PARTIES COVERED:

1. All of the CSU Auxiliary Organizations who have joined the CSURMA Joint Powers Authority (the Members)
2. When acting solely within the scope of their duties, office or employment for the Member, the governing board, officers, employees and authorized individuals acting as volunteers
3. Any person using an auto with permission of the Member.
4. Additional covered parties to whom the Member is obligated by virtue of any written contract to provide coverage
5. Any employee pension benefits or employee welfare benefits trust formed under U.S. Internal Revenue Code Section 501(c)(9), including the Board of Trustees of the trust when acting solely within the scope of the duties, office or employment for the trust
6. Auxiliaries Multiple Employer VEBA
7. Auxiliary Organizations Association

LIMITS:

\$5,000,000	Ultimate Net Loss for Each Member During the Policy Period; including Bodily Injury, Property Damage and Personal Injury
\$20,000,000	General Aggregate – Annual Aggregate for Each Member
\$5,000,000	Completed Operations Hazard – Each Occurrence
\$5,000,000	Unfair Employment Practices Liability – Each Occurrence
\$5,000,000	Errors & Omissions, including Directors & Officers Liability, and Media Wrongful Acts – Each Occurrence
\$5,000	Medical Payments – Per Any One Person
\$5,000,000	Non-Salaried Employees (of the California State University) Auto Liability – Each Occurrence
\$5,000,000	Automobile Liability – Each Accident
\$250,000	California Uninsured or Underinsured Motorist (Bodily Injury Only) – Each Accident
\$50,000	Domestic Hired Automobile Physical Damage – Each Accident
\$350,000	Fiduciary Liability, including Employee Benefits Liability Coverage (Claims Made Coverage Basis) – Each Occurrence
\$250,000	Funds, Grants or Appropriations (Defense Only) – Each Occurrence
\$250,000	Land Use (Defense Only) – Per Ultimate Net Loss
\$250,000	Nuclear Materials (Limited Coverage) – Each Occurrence
\$600,000	Mold – Each Occurrence for Each Member
\$850,000	Mold – Aggregate for Each Member

Note: AORMA's pooled layer limit is \$350,000 per claim. General Reinsurance Corporation reinsures AORMA's limit - \$4,650,000 excess of \$350,000.

DEDUCTIBLE:

\$0	Bodily Injury, Property Damage and Personal Injury
\$25,000	Unfair Employment Practices Liability (all Members except as noted below)
\$50,000	Unfair Employment Practices Liability (CSU East Bay Foundation, Cal State L.A. University Auxiliary Services, Inc., Cal Poly Corporation, University Enterprises, Inc., CSU Sacramento)
\$75,000	Unfair Employment Practices Liability (California State University, Fresno Foundation, The California State University, Long Beach Research Foundation, San Jose State University Research Foundation)
\$100,000	Unfair Employment Practices Liability (Cal Poly Pomona Foundation, Inc., San Diego State University Research Foundation)
\$0	Errors and Omissions, including Directors & Officers Liability, and Media Wrongful Acts
\$0	Employee Benefits Liability Coverage
\$0	Medical Payments
\$1,000,000	Non-Salaried Employees (of the California State University) Auto Liability – Each Occurrence
\$0	California Uninsured or Underinsured Motorists (Bodily Injury Only)
\$1,000	Domestic Hired Automobile Physical Damage – Comprehensive and Collision
\$5,000	Domestic Hired Automobile Physical Damage – Comprehensive and Collision when the use of the hired vehicle on a non-paved road violates the rental car agreement
\$0	Fiduciary Liability

RETROACTIVE DATES:

Fiduciary Liability, including Employee Benefits Liability Coverage

7/01/05	Associated Students of CSU Chico
7/01/08	CSU Long Beach Research Foundation
7/01/07	Associated Students Inc. CSU Los Angeles
10/01/91	The University Corporation, CSU Northridge
10/01/99	University Student Union, CSU Northridge
4/15/10	Capital Public Radio, CSU Sacramento
7/01/02	San Jose University Research Foundation
2/01/98	Spartan Shops, Inc.
7/01/10	Auxiliaries Multiple Employer VEBA
7/01/10	All other insureds

WHAT'S COVERED:

1. General Liability
2. Automobile Liability (Owned, Non-owned, and Hired)
3. Errors & Omissions, including Directors & Officers Liability, and Media Wrongful Acts
4. Employment Practices Liability
5. Domestic Hired Automobile Physical Damage
6. Liquor Liability
7. Watercraft Liability, under 50 feet, or while on shore
8. Employee Benefits Liability
9. Fiduciary Liability

EXCLUSIONS:

1. Aircraft (the exclusion does not apply to Unmanned Aerial Vehicles)
2. Asbestos
3. Assault and Battery
4. Aviation Activities
5. Contractual Obligation; except for liability assumed in a contract or agreement
6. Cyber Liability
7. Electronic Communication; if known to be false
8. Employment Benefits (workers' compensation, disability benefits, etc.)
9. Employment Liability (bodily injury to any employee)
10. ERISA; except as provided under Fiduciary Liability Endorsement
11. Fiduciary Liability; except as provided under Fiduciary Liability Endorsement
12. Fines, Penalties, Sanctions, Taxes or Fees
13. Funds, Grants, or Appropriations; but defense is provided up to \$250,000
14. Intentional Conduct
15. Lack of Occurrence
16. Land Use; but defense is provided up to \$250,000
17. Lead
18. Medical Malpractice; limited coverage is added back for your employees who are nurses, paramedics, EMTs, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, phlebotomists or physical therapists
19. Mold; limited coverage up to \$600,000 per occurrence and \$850,000 aggregate, per member (*additional Mold Coverage is included in the AORMA Property Program*)
20. Nuclear, except materials for instructional or research activities up to \$250,000
21. Limited Time Element Pollution (*additional Pollution Coverage is included in the AORMA Property Program*)
22. Silica
23. Subsidence
24. War
25. Watercraft, over 50 feet, or not on shore

Errors and Omissions (Exclusions):

1. Bodily Injury, Property Damage, Employment Practices Liability or Personal Injury
2. Refund of Taxes, Fees or Assessments
3. Illegal remuneration or willful violation of a penal statute; etc.
4. Faulty bid specifications or plans, failure to award a contract; failure to perform or breach of a contractual obligation
5. Destruction or disappearance of tangible property
6. Breach of contractual obligation

Media Wrongful Acts (Exclusions):

1. Infringement of any patent
2. Violation of any law or regulation regarding communication including telephone calls, facsimiles and electronic mail
3. Illegal remuneration or willful violation of a penal statute; etc.

Fiduciary Liability (Exclusions):

1. Fines, Penalties or Taxes
2. Payments due under a benefit plan or trust, unless recovery is based on a covered wrongful act
3. Personal injury or bodily injury, contractual obligation, illegal remuneration or discrimination in violation of any law
Any wrongful act which was reported to a prior insurer, any wrongful act known to the insured prior to inception of this policy or any deliberately fraudulent or dishonest act; willful violation of a statute or regulation

PUBLIC ENTITY EXCESS LIABILITY:

Carrier: **Ironshore Specialty Insurance Company**
Limits: \$5,000,000 Excess of \$5,000,000

Carrier: **Allied World Assurance Company**
Limits: \$10,000,000 Excess of \$10,000,000

EXCESS FIDUCIARY LIABILITY:

Carrier: **Lloyd's of London**
Limits: \$4,650,000 Excess of \$350,000

HOW TO REPORT A CLAIM:

Carl Warren & Co.
Mauri McGuire
(805) 650-7020 x1003
mmcquire@carlwarren.com

INSURER:
Alliant Property
Insurance Program
(APIP) – Various
Insurers

POLICY TERM:
July 1, 2015 to
July 1, 2016



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

Hsan Htein
(415) 403-1452
hhtein@alliant.com

COVERED ENTITY:

California State University Risk Management Authority –
Auxiliary Organizations Risk Management Alliance Members

COVERAGE:

The AORMA Property Program insures all property of every description both real and personal (including improvements, betterment and remodeling), of the Member, or property of others in the care, custody or control of the Member, for which the Member is liable, or under obligation to insure – subject to all terms, conditions and exclusions.

PERILS COVERED:

All risk of direct physical loss or damage occurred during the policy period, subject to the policy exclusions.

MEMBER DEDUCTIBLE:

- \$5,000 Per Occurrence (Personal Property & Business Interruption/Rents) – All Members
- 1% of the Real Property Value Per Occurrence (Real Property) – Subject to minimum of \$5,000 and maximum of \$50,000 If two or more deductible amounts provided in this Declarations Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.
- \$25,000 Cyber Liability
- Public Entity Pollution Liability
- \$50,000 Per Pollution Condition – Auxiliary Organizations (for the first \$5,000,000 of the loss)
- \$75,000 Per Pollution Condition – Auxiliary Organizations (for losses in excess of \$5,000,000 up to \$7,000,000)
- 3 Days Per Pollution Condition - Business Interruption
- \$100,000 Per Pollution Condition - Catastrophe Management Expense

The deductibles below apply separately and are not combined with other deductibles when calculating the largest per occurrence deductible:

- \$250,000 Flood - Zones A & V
- \$100,000 Flood - All Other Zones
- \$50,000 Earthquake - Fine Arts
- \$10,000 Earthquake – Vehicles and Contractors Equipment – Per Vehicle / Item
- \$100,000 Earthquake – Vehicles and Contractors Equipment – Maximum
- \$50,000 Flood – Fine Arts
- \$10,000 Flood – Vehicles and Contractors Equipment – Per Vehicle / Item
- \$100,000 Flood – Vehicles and Contractors Equipment – Maximum

LIMITS:

- \$1,000,000,000 Per Occurrence
- \$50,000,000 Flood Limit **(Combined with Campus)**
- \$100,000,000 Boiler and Machinery Limit
- \$2,000,000 Cyber Liability – Annual Aggregate, Each Insured
- \$20,000,000 Cyber Liability – Annual Aggregate, Per Policy

SUB-LIMITS:

\$100,000,000	Combined Business Interruption, Rental Income, Tax Interruption (<i>for scheduled locations – for unscheduled locations - \$500,000 per member, \$2,500,000 per occurrence, \$5,000,000 per occurrence for Tax Interruption</i>) Combined Business Interruption, Rental Income, Tax Interruption (<i>for unscheduled locations</i>)
180 Days	<i>Extended Period of Indemnity</i>
\$50,000,000	Extra Expense
\$25,000,000	Miscellaneous Unnamed Location
\$25,000,000	Automatic Acquisition – subject to policy limitations
\$1,000,000	Unscheduled Landscaping
\$5,000,000	Scheduled Landscaping
\$50,000,000	Errors & Omissions
\$25,000,000	Course of Construction and Additions
\$2,500,000	Money & Securities
\$2,500,000	Unscheduled Fine Arts
\$250,000	Accidental Contamination
\$500,000	Tunnels, Bridges, Streets
\$25,000,000	Increased Cost of Construction
\$25,000,000	Transit
\$2,500,000	Unscheduled Animals; \$50,000 per Animal
\$2,500,000	Unscheduled Watercraft; up to 27 feet
\$25,000,000	Off Premises Services Interruption including Extra Expense (<i>\$10,000,000 for Boiler and Machinery</i>)
\$3,000,000	Contingent Business Interruption, Contingent Rental Values
\$5,000,000	Earthquake for Licensed Vehicles, Unlicensed Vehicles, Contractors Equipment and Fine Arts
\$5,000,000	Flood for Licensed Vehicles, Unlicensed Vehicles, Contractors Equipment and Fine Arts
\$1,000,000	Claim Preparation Expenses
\$50,000,000	Expediting Expenses
\$500,000	Furs, Jewelry, Precious Metals and Precious Stones
\$800,000,000	Terrorism Annual Aggregate (shared by all members)
\$1,000,000	Personal Property Outside the U.S.A.
	<u>Public Entity Pollution Liability</u>
\$7,000,000	Per Pollution Condition (Covered under two separate policies)
\$7,000,000	Per Pool Aggregate
\$7,000,000	Business Income & Extra Expense
\$500,000	Catastrophe Management Expense
\$4,500,000	Fungi and Legionella
	<u>Cyber Liability</u>
\$2,000,000	Information Security & Privacy Liability - Aggregate
\$500,000	Privacy Notification Costs - Aggregate
\$2,000,000	Penalties for Regulatory Defense and Penalties - Aggregate
\$100,000	PCI Fines and Penalties
\$2,000,000	Website Media Content Liability – Aggregate
\$2,000,000	Cyber Extortion Loss – Aggregate

MAJOR PERILS EXCLUDED:

Consult the policy for a complete list of peril excluded.

1. Moths, vermin, termites, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear and tear
2. Normal settling, shrinkage or expansion
3. Delay or loss of market

4. Inventory shortage, dishonest acts of employees
5. Damage to personal property from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture or flavor, unless caused by named perils
6. Damage to personal property in the open caused by rain, sleet or snow
7. War
8. Earthquake

LOSS VALUATION BASIS:

Repair or Replacement Cost

Actual Loss Sustained for Time Element Coverages

Contractor's Equipment / either Replacement Cost or Actual Cash Value (ACV) as declared by each member. If not declared, valuation will default to Actual Cash Value (ACV).

PUBLIC ENTITY POLLUTION LIABILITY SUMMARY – ATTACHED

CYBER LIABILITY SUMMARY – ATTACHED

BOILER AND MACHINERY SUMMARY - ATTACHED

HOW TO REPORT A CLAIM:

Notify Alliant:

Michelle Maffei
(415) 403-1418
mmaffei@alliant.com

Martin Fox-Foster
(415) 403-1417
martin.fox-foster@alliant.com

Elaine Kim
(415) 403-1458
ekim@alliant.com

After Hours Reporting:

Robert Frey
(415) 403-1445
(415) 518-8490 (Cell)
rfrey@alliant.com

cc McLaren's Young:

Cathryn O'Meara
(949) 757-1413
(949) 757-1692 (Fax)
cathryn.omeara@mclarensyoung.com

INSURER:

Alliant Property Insurance Program (APIP) – Various Insurers

POLICY TERM:

July 1, 2015 to July 1, 2016



QUESTIONS:

Mimi Long

(415) 403-1423

mlong@alliant.com

Van Rin

(415) 403-1408

vrin@alliant.com

Hsan Htein

(415) 403-1452

hhtein@alliant.com

COVERED ENTITY:

California State University Risk Management Authority – Auxiliary Organizations Risk Management Alliance Members

COVERAGE:

The AORMA Boiler & Machinery Program insures all property of every description both real and personal (including improvements, betterment and remodeling), of the Member, or property of others in the care, custody or control of the Member, for which the Member is liable, or under obligation to insure – subject to all terms, conditions and exclusions.

PERILS COVERED:

Boiler explosion and machinery breakdown

LIMITS:

\$100,000,000 Ultimate Net Loss for Each Member During the Policy Period; including Boiler Explosion and Machinery Breakdown as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:

- \$10,000,000 Service/Utility/Off Premises Power Interruption
- Included Consequential Damage/Perishable Goods/Spoilage
- \$10,000,000 Electronic Data Processing Media and Data Restoration
- \$10,000,000 Hazardous Substances/ Pollutants/Decontamination
- Included Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes

SUB-LIMITS:

- \$10,000,000 Service/Utility/Off Premises Power Interruption
- Included Consequential Damage/Perishable Goods/Spoilage
- \$10,000,000 Electronic Data Processing Media and Data Restoration
- \$10,000,000 Hazardous Substances/ Pollutants/Decontamination
- Included Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes

NEWLY ACQUIRED LOCATIONS:

\$25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 90 days and must have prior underwriting approval prior to binding

VALUATIONS:

Repair or Replacement except Actual Loss sustained for all Time Element coverages

MEMBER DEDUCTIBLE:

- \$5,000 Per Occurrence (Personal Property & Business Interruption/Rents) – All Members
- 1% of the Real Property Value Per Occurrence (Real Property) – Subject to minimum of \$5,000 and maximum of \$50,000 If two or more deductible amounts provided in this Declarations Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

EXCLUSIONS *(Including but not limited to):*

1. Testing
2. Explosion, except for steam or centrifugal explosion
3. Explosion of gas or unconsumed fuel from furnace of the boiler

OBJECTS EXCLUDED *(Including but not limited to):*

1. Insulating or refractory material
2. Buried Vessels or Piping
3. Furnace, Oven, Stove, Incinerator, Pot Kiln

HOW TO REPORT A CLAIM:

Notify Alliant:

Michelle Maffei
(415) 403-1418
mmaffei@alliant.com

Martin Fox-Foster
(415) 403-1417
martin.fox-foster@alliant.com

Elaine Kim
(415) 403-1458
ekim@alliant.com

After Hours Reporting:

Robert Frey
(415) 403-1445
(415) 518-8490 (Cell)
rfrey@alliant.com

cc McLaren's Young:

Cathryn O'Meara
(949) 757-1413
(949) 757-1692 (Fax)
cathryn.omeara@mclarensyoung.com

INSURER:

Alliant Property
Insurance Program
(APIP) – Lloyd’s of
London

POLICY TERM:

July 1, 2015 to
July 1, 2016

TERRITORY:

Worldwide

RETROACTIVE DATE:

July 1, 2008



QUESTIONS:

Mimi Long

(415) 403-1423

mlong@alliant.com

Van Rin

(415) 403-1408

vrin@alliant.com

Hsan Htein

(415) 403-1452

hhtein@alliant.com

COVERAGE:

Information Security & Privacy Insurance with Electronic Media Liability Coverage

NAMED COVER ENTITY:

California State University Risk Management Authority – Campuses

LIMITS:

Third Party Liability

- \$2,000,000 Information Security & Privacy Liability - Aggregate
- \$500,000 Privacy Notification Costs - Aggregate
- \$2,000,000 Penalties for Regulatory Defense and Penalties - Aggregate
- \$100,000 PCI Fines and Penalties
- \$2,000,000 Website Media Content Liability – Aggregate
- \$2,000,000 Cyber Extortion Loss – Aggregate

First Party Computer Security

- \$2,000,000 Cyber Extortion Loss – Aggregate
- \$2,000,000 Data Protection Loss and Business Interruption Loss - Aggregate
- First Party Business Interruption Sub-Limits of Liability
 - \$50,000 1) Hourly Sublimit
 - \$50,000 2) Forensic Expense Sublimit
 - \$150,000 3) Dependent Business Interruption Sublimit.

RETENTION:

- \$25,000 CSU Auxiliary Organizations
- Eight hour waiting period for first party claims

COINSURANCE:

- 10% For Public Relations Consultancy

OTHER SERVICES:

Unlimited Access to e-Place Solutions as per attached brochure

SPECIFIC COVERAGE PROVISIONS:

Information Security and Privacy Liability – Violation of a privacy law for:

1. Theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Member
2. Failure of computer security to prevent a security breach including
 - a. Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
 - b. Failure to prevent transmission of malicious code from computer systems to third party computer systems
 - c. Participation in a denial of service attack directed against a third party computer system
3. The failure to timely disclose any of the above in violation of any breach notice law
4. The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
5. The failure to administer an identity theft prevention program

Privacy Notification Costs – Necessary costs to comply with a breach notice laws, including:

1. To hire security experts;
2. Notification provisions,
3. Public relations mitigation up to \$50,000 subject to Nil coinsurance
4. Credit monitoring for the purpose of mitigating potential damages and are subject to Nil coinsurance
 - a. Credit file monitoring,
 - b. Mailing and third party administrative costs

To provide notification to:

1. Individuals who are required to be notified under the applicable Breach Notice Law; and
2. In the Underwriters' discretion, to individuals affected by an incident in which their Personally Identifiable Non-Public Information has been subject to theft, loss, or Unauthorized Disclosure in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.

Regulatory Defense and Penalties - Regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.

Website Media Content Liability - The following acts committed in the course of media activities:

1. Defamation, libel, slander, trade libel
2. Privacy violation
3. Invasion or interference with publicity
4. Plagiarism, piracy, misappropriation of ideas under implied contract
5. Infringement of copyright
6. Infringement of domain name, trademark
7. Improper deep-linking or framing within electronic content

Cyber Extortion - Extortion threat by a person other than employees, directors, officers, principals, trustees, governors, managers, members, etc.

First Party Data Protection - Data protection loss as a result of alteration, corruption, destruction, deletion, damage or inability to access data assets.

First Party Network Business Interruption - Interruption or suspension of computer systems and is directly caused by a failure of computer security to prevent a security breach.

EXCLUSIONS (including but not limited to):

Coverage does not apply to any claim or loss from

1. Bodily Injury or Property Damage
2. Any employer-employee relations, policies, practices
3. Contractual Liability or Obligation
4. Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
5. Anti-Trust violations
6. Unfair trade practices
7. Unlawful collection or acquisition of Personally Identifiable Non-Public Information
8. Distribution of unsolicited e-mails, facsimile, audio or video recording
9. Prior knowledge or previously reported incidents
10. Incidents occurring prior to retroactive date/continuity date
11. Any act, error, omission, of computer security if occurred prior to policy inception
12. Collusion
13. Securities Act Violations
14. Fair Labor Act Violations
15. Discrimination
16. Intentional Acts with regard to Privacy and Security Breach
17. Infringement - Patent and Copyright
18. Federal Trade Commission and related state, federal, local and foreign governmental activities
19. Insured vs. Insured
20. Money/Securities/Funds Transfer
21. Broadcasting, Publications and Advertising
22. War and Terrorism
23. Radioactive Contamination
24. Pollution
25. Nuclear Incident

HOW TO REPORT A CLAIM:

IMMEDIATE NOTICE should be made to Beazley Group NY:

Beazley Group NY

Beth Diamond
(646) 943-5900

tmbclaims@beazley.com

Alliant:

Michelle Maffei
(415) 403-1418
mmaffei@alliant.com

Martin Fox-Foster
(415) 403-1417
martin.fox-foster@alliant.com

Elaine Kim
(415) 403-1458
ekim@alliant.com

After Hours Reporting:

Robert Frey
(415) 403-1445 / (415) 518-8490 (Cell)
rfrey@alliant.com

POLICYHOLDER SERVICES

NEW SERVICES INCLUDE

- Training and Awareness Programs
- Animated Staff Training Programs
- Expanded HIPAA Compliance Tools

DATA SECURITY RISK MANAGEMENT

NoDataBreach.com provides risk management policies, procedures, training, and other tools to help insureds prevent a breach of confidential data.

As a Beazley Breach Response® policyholder, you have unlimited access to:

ON-LINE COMPLIANCE MATERIALS

Federal and state compliance materials regarding data security, data breaches, and data privacy, including:

- Quick Tips on many subjects; Summaries of federal/state laws
- Links to statutes & regulations; Sample policies & procedures
- Continuing updates and electronic notification of significant changes to the on-line materials

QUARTERLY NEWSLETTER & "INSTANT ALERTS"

Sent by email, learn about changes in federal and state laws regarding data security, data breach, and data privacy issues; Instant Alerts sent by email for events require immediate attention.

EXPERT SUPPORT ON-LINE

Experts support from consultants/attorneys on data security issues; including:

- Health care & HIPAA compliance issues
- Data breach prevention issues
- Data Security best practices
- Computer forensic issues

STEP-BY-STEP PROCEDURES TO LOWER RISK

Procedures and on-line forms help you:

- Understand the scope of "personal information" ("PI")
- Determine where PI is stored
- Collect and/or retain the minimum amount of PI as required for business needs
- Properly destroy PI that is no longer needed
- Implement an Incident Response Plan

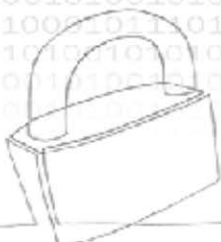
TRAINING MODULES

- Comic Strip training
- Online training programs; Employee training bulletins
- Webinars for privacy compliance and IT staff
- Audio and PodCast training for managers and/or employees

HANDLING DATA BREACHES

Guidance provided to:

- Help prevent data security incidents
- Respond to a data breach



NoDataBreach.com

Powered by ePlace Solutions, Inc.

INSURER:
Alliant Property
Insurance Program
(APIP) – Lloyd's of
London

POLICY TERM:
July 1, 2015 to
July 1, 2016

RETROACTIVE DATE:
July 1, 2011



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

Hsan Htein
(415) 403-1452
hhtein@alliant.com

COVERED LOCATION:

1. All locations included on the Member's Property Schedule
2. Any non-owned disposal site – *for third-party claims only*

COVERED OPERATIONS:

Covered operations means transportation and any operations that are identified in the application and any supporting documentation provided prior to the inception date, which are performed by or on behalf of a named insured outside the physical boundaries of a covered location. Includes spraying operations, street construction and repair, utility construction and repair, and refuse collection.

COVERAGE:

This policy provides coverage for:

1. Third party bodily injury or property damage, remediation costs and associated legal defense expense arising out of a pollution condition on, at, under, or migrating from a covered location, provided that the pollution condition commences on or after the retroactive date
2. Third party bodily injury, property damage, remediation costs and associated legal defense expense resulting from a covered operation, provided that the pollution condition commences on or after the retroactive date.
3. An actual business interruption loss resulting from the discovery of a covered pollution condition
4. Catastrophe management costs
5. Emergency response costs

LIMITS:

\$7,000,000	Per Pollution Condition (Covered under two separate policies)
\$7,000,000	Per Pool Aggregate
\$7,000,000	Business Income & Extra Expense
\$500,000	Catastrophe Management Expense
\$4,500,000	Fungi and Legionella

SELF-INSURED RETENTION:

\$50,000	Per Pollution Condition – Auxiliary Organizations (for the first \$5,000,000 of the loss)
\$75,000	Per Pollution Condition – Auxiliary Organizations (for losses in excess of \$5,000,000 up to \$7,000,000)
3 Days	Business Interruption (plus 4 additional days if the loss is in excess of \$5,000,000)
\$100,000	Catastrophe Management Expense
\$750,000	Underground Storage Tanks

EXCLUSIONS:

1. Asbestos
2. Contractual Liability
3. Divested Property
4. Employer's Liability
5. Failure to Follow Asbestos and/or LBP Management Plan
6. Fines and Penalties
7. First Party Property Damage – *Does not apply to remediation costs*
8. Fraud or Misrepresentation
9. Insured's Internal Expenses
10. Insured vs. Insured
11. Intentional Non-Compliance
12. Landfills and Recycling Facilities – *leased, owned or operated*
13. Lead-Based Paint
14. Material Change in Risk
15. Naturally Occurring Materials
16. Pre-Existing Conditions
17. Products Liability
18. Professional Liability
19. Regulatory Compliance
20. Underground Storage Tanks
21. Vehicles
22. War or Terrorism
23. Work Product

HOW TO REPORT A CLAIM:

IMMEDIATE NOTICE should be made to ACE Environmental Risk:

To: ACE Environmental Risk Claims Manager
ACE USA Claims
P.O. Box 5103
Scranton, PA 18505-0510
(888) 310-9553

casualtyriskenvironmentalfirstnotice@acegroup.com

cc: Alliant

Michelle Maffei
(415) 403-1418
mmaffei@alliant.com

Martin Fox-Foster
(415) 403-1417
martin.fox-foster@alliant.com

Elaine Kim
(415) 403-1458
ekim@alliant.com

After Hours Reporting:

Robert Frey
(415) 403-1445
(415) 518-8490 (Cell)
rfrey@alliant.com

INSURER:
Travelers Excess and
Surplus Lines Company

POLICY TERM:
July 1, 2015 to
July 1, 2016

POLICY NO:
105960479



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

Hsan Htein
(415) 403-1452
hhtein@alliant.com

COVERAGE:

1. Lost wages as a result of time taken off from work to deal with the fraud, including wrongful incarceration – up to \$500 per week for four weeks
2. Notary and certified mail charges for completing and delivering fraud affidavits
3. Fees to re-apply for loans that were denied as a result of erroneous credit information due to the identity theft
4. Long distance telephone charges for calling merchants, law enforcement agencies or credit grantors to discuss an actual identity theft
5. Attorney fees incurred, with Travelers Bond's prior consent, for:
 - a. Defending suits brought incorrectly by merchants or their collection agencies
 - b. Removing criminal or civil judgments wrongly entered against the victim
 - c. Challenging information in a credit report

**THIS BENEFIT APPLIES TO ANY INSURED PERSON -
INSURED PERSON MEANS:**

1. Any full-time or part-time employee of the Auxiliary Organization
2. The spouse, domestic partner, child under 25 years of age or parent of the employee (residing in the same household)

LIMITS:

\$10,000 Any one loss

DEDUCTIBLE:

None

EXCLUSIONS:

1. Fraud, dishonest or criminal act of any person acting in concert with the Insured Person;
2. Loss other than expenses;
3. Loss that occurred prior to or after being an employee of the covered CSURMA AORMA Member

HOW TO REPORT A CLAIM:

Travelers Bond & Financial Products
Claim Department
(800) 842-8496
bondclaimidfraud@travelers.com

INSURER:
Lloyd's of London

POLICY TERM:
July 1, 2015 to
July 1, 2016



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

Hsan Htein
(415) 403-1452
hhtein@alliant.com

THE PARTIES COVERED:

All of the CSU Auxiliary Organizations who have joined the CSURMA Joint Powers Authority (the Members)

WHAT HAS GONE WRONG:

You have suffered a loss because of:

1. Employee dishonesty
2. Theft
3. Computer crime
4. Counterfeiting
5. Forgery
6. Faithful performance of duty for government employees

WHAT DOES THE POLICY PAY:

You have suffered a loss because of:

1. Direct financial loss sustained by you anywhere in the world
2. Direct financial loss sustained by another person or organization where you have responsibility for the care, custody and control of their money, securities or other property
3. Auditor's fees in order to quantify the covered loss

LIMITS:

\$2,000,000

DEDUCTIBLE:

\$5,000

EXCLUSIONS:

1. Fines or Penalties
2. Errors and omissions committed by you or your employees
3. Loss you discovered before the commencement of the policy period
4. Loss caused by anyone owing 10% or more of issued share capital
5. Loss caused by an employee after you are aware they have committed acts of fraud, dishonesty or criminal damages (unless the person who discovers is in collusion with employee)
6. Costs to establish value of a loss (except auditor's fees)
7. Indirect or consequential loss
8. Income or profit
9. Loss resulting from trading in securities, commodities, etc.
10. Extortion, unless caused by Employee Dishonesty or Computer Crime

MAJOR CONDITIONS:

1. All checks for amounts in excess of \$15,000 must include dual check signatures
2. You must provide written notice of a loss within 45 days of discovery

HOW TO REPORT A CLAIM:

Notify Alliant:

Michelle Maffei
(415) 403-1418
mmaffei@alliant.com

Martin Fox-Foster
(415) 403-1417
martin.fox-foster@alliant.com

Elaine Kim
(415) 403-1458
ekim@alliant.com

After Hours Reporting:

Robert Frey
(415) 403-1445
(415) 518-8490 (Cell)
rfrey@alliant.com

INSURER:
AGCS Marine Insurance
Company

POLICY TERM:
July 1, 2015 to
July 1, 2016



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

Van Rin
(415) 403-1408
vrin@alliant.com

Hsan Htein
(415) 403-1452
hhtein@alliant.com

COVERAGE:

All Risk equipment floater including earthquake and flood for equipment on the scheduled of equipment on file with the company

LIMITS:

As per individual member schedule as part of the policy

DEDUCTIBLE:

\$1,000

PERILS INSURED:

All Risk of direct physical loss or damage, except as excluded

PERILS EXCLUDED:

1. Loss of use
2. Loss or damage to equipment while waterborne
3. Wear and tear, insects/vermin, mechanical breakdown
4. Infidelity of insured's employees
5. Equipment which the insured has loaned
6. Unexplained or mysterious disappearance
7. Nuclear reaction or nuclear radiation
8. Hostile or warlike actions
9. Terrorism

HOW TO REPORT A CLAIM:

Notify Alliant:

Michelle Maffei
(415) 403-1418
mmaffei@alliant.com

Martin Fox-Foster
(415) 403-1417
martin.fox-foster@alliant.com

Elaine Kim
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ekim@alliant.com

After Hours Reporting:

Robert Frey
(415) 403-1445
(415) 518-8490 (Cell)
rfrey@alliant.com

INSURER:
Auxiliary Organization
Risk Management
Alliance (AORMA)

POLICY TERM:
July 1, 2015 to
July 1, 2016



QUESTIONS:

Mimi Long
(415) 403-1423
mlong@alliant.com

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(415) 403-1408
vrin@alliant.com

Hsan Htein
(415) 403-1452
hhtein@alliant.com

COVERAGE

Worker's Compensation and Employers' Liability

LIMITS:

Primary - AORMA

\$500,000	Workers' Compensation - each accident
\$500,000	Employer's Liability - each accident
\$500,000	Employer's Liability – each employee for disease

Excess

Statutory	Workers' Compensation - each accident
\$5,000,000	Employer's Liability - each accident
\$5,000,000	Employer's Liability – each employee for disease

EXTENSION(S):

1. Allocable Loss Adjustment Expense ("defense costs") included as loss to satisfy the retention
2. All States Coverage
3. USL&H (Incidental Only)
4. Maritime Coverage (Incidental Only)

HOW TO REPORT A CLAIM:

In the event of a Workers' Compensation claim, please forward the Workers' Compensation Claim Form (DWC1) and the Employer's Report of Occupational Injury or Illness (Form 5020) to:

Sedgwick CMS
Brian Montagnese
(916) 851-4441
Brian.montagnese@sedgwickcms.com

Memorandum



Date: November 13, 2015

To: Board of Directors
Cal Poly Pomona Foundation

From: David F. Prenovost 
Senior Managing Director/CFO

Subject: Status of Property & Liability Risk Management Issues

Below is a status of risk management issues regarding property and liability.

1. Property Losses – There were no property losses in fiscal year 2014-15
2. General Liability Losses (excluding employment practices) – There were ten losses in fiscal year 2014-15: 1 claim for Slip and fall; 7 claims for vehicle damage; 1 claim for Personal injury; and 1 claim for property stolen;

We will continue to keep you apprised in these areas of risk management at the next regularly scheduled meetings.

Memorandum

Date: November 16, 2015
To: Board of Directors
Cal Poly Pomona Foundation, Inc.
D Miller
From: Dennis Miller, Chief Employment Officer



Subject: **STATUS OF WORKERS COMPENSATION & EMPLOYMENT RISK MANAGEMENT ISSUES**

Foundation takes an active role toward reducing the risk of injury and illness in the workplace. The key program in place to facilitate positive outcomes regarding safety is the Injury & Illness Prevention Program. The Safety Committee is the committee which initiates ideas and action steps toward reducing the risk of workplace injuries and illnesses. The Safety Committee has representatives from all major workplace units and meets at least once per quarter to review and discuss historical safety events within Foundation, and also receives updates from external resources on various techniques they can apply in their respective units to enhance safety and reduce workplace injuries.

Below is the status of employment based claims for Calendar Years 2013, 2014, 2015.

Annual Overview of Workers Compensation Insurance:

Fiscal Year	Premium	Claims Opened	Closed	Pending
2013/14	\$273,920	24	20	1
2014/15	\$310,660	20	17	1
2015/16	\$326,760	23	16	0

Annual Overview of Employment Practices Liability:

Fiscal Year	Premium	Claims Opened	Closed	Pending
2013/14	\$27,000 (estimate)	0	0	0
2014/15	\$28,400 (estimate)	0	0	0
2015/16	\$32,400 (estimate)	0	0	0

Memorandum



Date: November 16, 2015
To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: Dennis Miller, Chief Employment Officer
Cal Poly Pomona Foundation, Inc.

Subject: **W-2 Corrections**

In February 2015, Foundation received questions from an employee about the information on their W-2 from 2014. After spending adequate time reviewing and researching the questions, it became evident there was a configuration issue within the payroll system which rendered inaccurate information on some W-2's regarding FICA Wages.

With the assistance of Kronos, the configuration problem was identified and then corrected during the 1st quarter of 2015. This configuration issue impacted all employees both current and former, who are (or were) members in the CalPERS Retirement Plan Tiers 2 and 3 (the 2%@60 Plan and the 2%@62 Plan).

Essentially, this system problem caused the W-2 Social Security and Medicare Wages to be under-reported (Box 3 and 5 on the W-2), which caused the Social Security and Medicare Taxes to be under-withheld (Box 4 and 6 on the W-2), for all employees / former employees who are (or were) enrolled in one of those two CALPERS plans.

Kronos worked on a project for several months to verify the issue at the system level, and to correct the issue, and to ensure no other material issues existed. There was no cost to Foundation for the work performed by Kronos.

As a result of this issue, it was necessary for Foundation to correct W-2's for tax years 2012, 2013, and 2014, covering about 120 employees, and it was also necessary to correct the applicable 941 quarterly tax returns for the same periods. Further, it was necessary to pay the IRS the unpaid FICA contributions for both Foundation and the impacted employees.

Employees were not required to amend their individual tax returns.

The amount paid to the IRS for FICA contributions was approximately \$64,000 in total, which was approximately \$32,000 for the underpaid amount from Foundation, and approximately \$32,000 for the underpaid amount for all employees impacted.

Memorandum



Date: November 16, 2015

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: 
G. Paul Storey
Executive Director

Subject: Los Olivos Dining Commons Replacement Project

For several years, Foundation has been involved in varied discussions regarding the potential replacement of the Los Olivos Dining Commons. Currently, the campus plans to construct a new 680 seat, 35,000 GSF resident dining facility in conjunction with a new residence community consisting of 980 beds. This project is planned to be located adjacent to both the new residence community and the current Suites. Completion of the project would occur during the summer of 2019; operations at this new location would commence fall of the same year.

In order to financially support the new dining facility, and to address the service adjacencies, Envision Strategies suggests a mandatory "meal swipe" component be implemented at the suites.

The Foundation is considering an investment of \$23 million to construct the dining portion of this \$170 million project. We continue to work with Envision Strategies, who assisted with our 2006 Dining Master Plan (updated spring 2012), to evaluate occupancy, meal plans, offerings and other considerations as they arise.



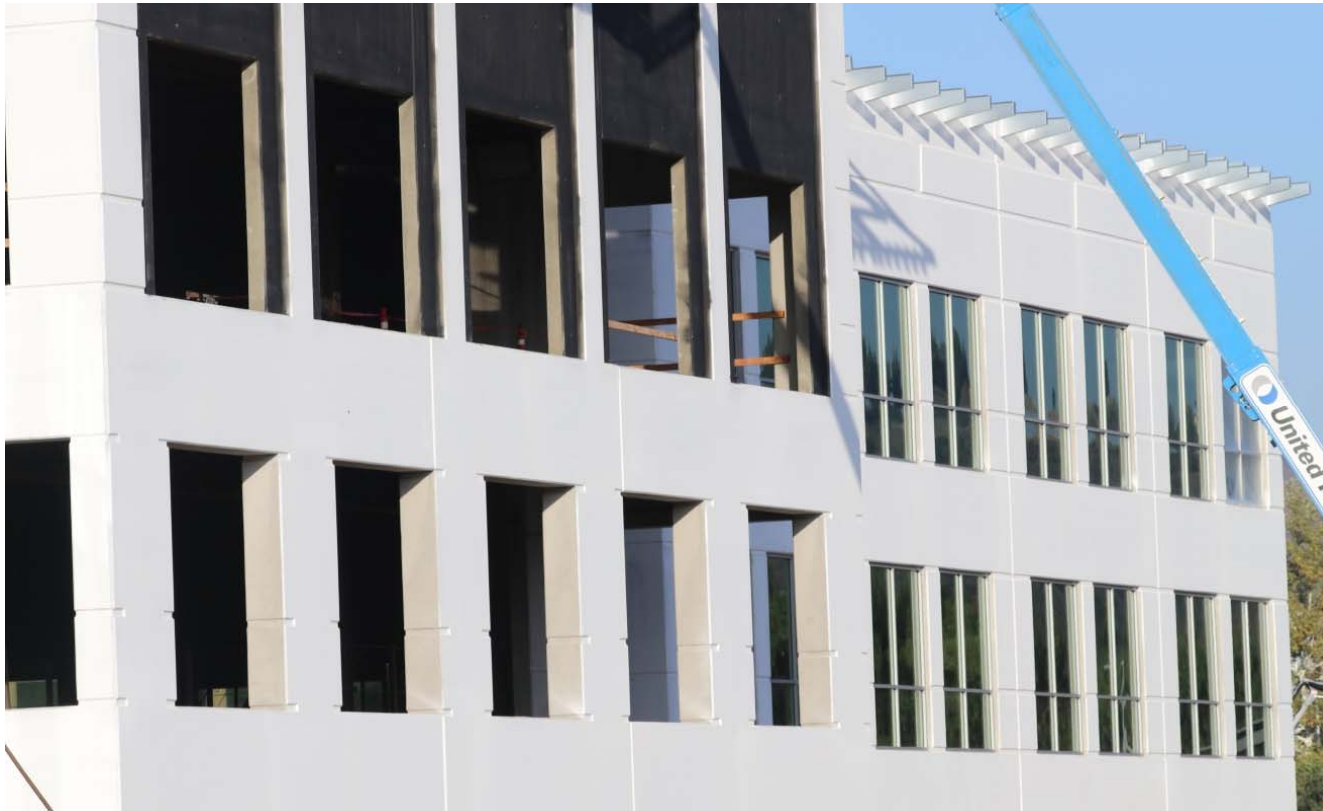
Innovation Village Update

G. Paul Storey

Fall 2015

PROJECT SUMMARY TO DATE

- Project has reached 63% leased with 504,379 square feet of buildings in place and occupied and an additional 123,000 sq. ft. under construction as Phase V
- Total entitlement is approximately 1 million square feet
- Total Private Investment as of 12/31/14 \$92 million
- Center for Training, Technology and Incubation reached 100% occupancy



Phase V under construction

123,000 square foot building which is essentially the same as Phases III and IV in terms of size, finishes and architectural style.



ECONOMIC IMPACT

Projected recurring surplus of **\$274,455** to the City General Fund

Projected recurring surplus of **\$466,178** to City General Fund at full build-out

Total annual personal income of **\$460.51 million** from jobs at full build-out

Economic output of **\$701.28 million** for existing build-out and **\$1.16 billion** at full build-out.

JOB

Approximately 3,748 existing jobs, including direct on-site and associated indirect and induced jobs.

Direct jobs estimated to be 1,601 with an additional 400+ upon completion of Phase V (Spring 2016)

Total projected jobs at full build-out are estimated to be 6,820, with 3,170 of these estimated to be direct jobs.

IMPACT ON CAL POLY POMONA FOUNDATION AND UNIVERSITY

Revenue generation from rentals

Internships created for student “hands on” education

Jobs created for graduates

Continued relationships with alumni who now work at Innovation Village

Capital improvements to land otherwise left unimproved (also benefits the surrounding community)

Collaboration between private enterprise and the university to:

- ❖ Improve curriculum
- ❖ Create opportunities for joint research
- ❖ Advance the mission of both the University and private enterprise
- ❖ Maximize value of campus amenities such as Kellogg West Conference Center & Hotel, the Career Center and Campus Catering