

CAL POLY POMONA FOUNDATION, INC.
FINANCE & INVESTMENT COMMITTEE
Wednesday, September 3, 2025
9:00 a.m.-10:30 a.m.



Join Zoom Meeting
<https://cpp.zoom.us/j/81742459202>
Meeting ID: 817 4245 9202

AGENDA

Committee Chair: Michelle Cardona
Members: Dr. Alison Baski, Carol Lee, Cynthia Nelson, Ruby Suchecki, Frances Teves
Staff: Naomi Aguilar, Claudia Burciaga-Ramos, Jared Ceja, Lisa Coats, Juan Hernandez, Tariq Marji
Guests: Kris Zoleta, Andrew Price – Graystone, Karin Longhurst – Graystone

I. ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC

Who may or may not be commenting on a specific item or making a general comment.

II. CONSENT ACTION ITEMS

Items in this section are routine and acted on 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.

A. Approval of Minutes Finance & Investment Committee Meeting – May 9, 2025	Michelle Cardona, Chair	Pg. 2 - 5
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III. GENERAL UPDATES

B. Welcome New and Returning Members	Michelle Cardona	
C. CEO's Report	Jared Ceja, CEO	6 – 7

IV. ACTION ITEMS

D. Investment Portfolio Report Q4 24/25 (time certain 9:15) (Attachment) A	Juan Hernandez, CFO; Karin Longhurst & Andrew Price – Graystone	8 – 22
E. Policy Update - #157 Purchasing and Capitalization (Attachment) A	Jared Ceja Juan Hernandez	

V. INFORMATION & DISCUSSION ITEMS

F. CPPE Reserve Analysis (Attachment) I	Juan Hernandez	
G. Tentative Committee Meeting Schedule (Attachment) I	Juan Hernandez	
H. The Current Updated 30 Year Proforma (Attachment) I	Juan Hernandez	

VI. OPEN FORUM

Michelle Cardona

VII. ADJOURNMENT

Michelle Cardona

**CAL POLY POMONA FOUNDATION, INC.
FINANCE & INVESTMENT COMMITTEE**

Friday, May 9, 2025

9:00 a.m.-11:00 a.m.

Join Zoom Meeting

<https://cpp.zoom.us/j/87953548240>

Meeting ID: 879 5354 8240

MINUTES

Notice is hereby given that a regular meeting of the Finance/Investment Committee was held by video conference/teleconference on Friday, May 9, 2025, at 9:00 a.m. to discuss matters on the posted agenda. The meeting notice in its entirety was posted on the internet at: <https://cppenterprises.org/wp-content/uploads/Finance-Investment-Committee-Meeting-05.09.2025.pdf>

Present Members: Dr. Alison Baski, Dr. Rita Kumar, Carol Lee, Cynthia Nelson, Phyllis Nelson, Anissa Patel, Ruby Suchecki, Kris Zoleta

Present Staff: Naomi Aguilar, Claudia Burciaga-Ramos, Jared Ceja, Lisa Coats, Juan Hernandez, Tariq Marji, Thomas Sekayan

Guests: Alison Johnson – CohnReznick, Andrew Price – Graystone, Karin Longhurst – Graystone, Kyle James – CohnReznick

Absent: Michelle Cardona, Chair

I. CALL TO ORDER

Due to unforeseen circumstances, the Committee Chair, Michelle Cardona, was unable to attend this meeting. Dr. Alison Baski volunteered to serve as Acting Chair, received agreement from the committee members present, and called the meeting to order at 9:03 a.m.

II. CONSENT ACTION ITEMS

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A. Minutes

*Dr. Alison Baski moved to approve the minutes of the Finance and Investment Committee held on February 18, 2025. The motion was seconded by Dr. Rita Kumar. There were no abstentions. **Motion carried.***

III. GENERAL UPDATES

B. CEO's Report

Jared Ceja presented an overview of recent events, activities, and developments impacting Enterprises, including both revenue-generating events and organizational challenges.

Revenue Opportunities & Partnerships:

Bronco Bound (Enterprise-Land), and the 10th Anniversary of Innovation Brew Works created meaningful engagement and revenue opportunities.

Grants Cancellations:

The recent cancellation or suspension of several federal grants has significantly affected Enterprises operations. Seven grants, primarily NSF and the Department of Ag, have been impacted. Approximately \$2.3 million in unspent funding is at risk. Enterprises is actively pursuing appeals in collaboration with ORSP and the CO.

CPPE TeachingHorse Pilots:

The TeachingHorse program continues to gain momentum, receiving considerable interest from external parties. Enterprises is in the process of finalizing the business plan while putting staff through pilots.

Grad Fair 2025:

This year's Grad Fair was a success, with revenue increasing by 7% compared to 2024, despite a smaller graduating class.

Instant Access Complete (IAC):

Student participation in the IAC program has continued to increase, with overwhelmingly positive feedback. The program has saved students over \$3.6 million in textbook costs.

Dining Services Update:

Dining services saw a rise in overall transactions during Quarter 3. *BRIC Break*, *The Patio*, and *Pony Express* ranked among the fastest growing retail dining locations. In contrast, *Fresh Escapes*, *Poly Trolley Express*, and *Vista Market* experienced declines in sales.

IV. INFORMATION & DISCUSSION ITEMS

Juan Hernandez presented the financial statements as of March 31, 2025, focusing on Profit and Loss activity. Year-to-date revenue exceeded budgeted expenses, resulting in a positive variance of \$1.9M. He summarized the Statement of Activities, covering key operating areas including:

- Commercial Services (Dining Services, Bookstore, Kellogg West, University Village, Real Estate/Rentals)
- Other Activities (Investments and Administration)
- Designated Annual Funding
- Support Activities (Bronco One Card, Research Office, College of Agriculture, College of Environmental Design and GE, and other Support Programs)
- Grants and Contracts

Juan concluded his presentation with a brief overview of cash flow, financial ratios, and overall liquidity. *A roundtable discussion was held.*

V. ACTION ITEMS**D. Investment Portfolio Q3 2024-2025**

Juan Hernandez provided a brief overview of the Enterprises General Investment Portfolio before turning the presentation over to Graystone Consulting for a detailed report.

As of March 31, 2025, the General Investment Portfolio had a total market value of \$53.4M. The majority, managed by Graystone Consulting, totaled \$44.78M with allocations within policy limits. FYTD return was 3.67%. Management contributed \$705K to Private Equity Partners VII and \$236.25K to Capital Partners IV. The current value of non-marketable investments is \$136.6K. Enterprises also maintained a short-term savings account with a balance of \$8.4M and a 3.89% yield as of 3/31/25.

Graystone provided an update on the economic and market outlook and reviewed the performance of the Enterprises portfolio in comparison. They reported that the portfolio held a total value of approximately

\$44.7M. They concluded with a fiscal year-to-date performance overview and confirmed that the portfolio is well-positioned within long-term strategic targets.

*Dr. Phyllis Nelson moved to recommend to the Board of Directors the approval of the Q3 2024–2025 Investment Portfolio Report, as presented and reviewed by the Finance & Investment Committee. The report is believed to be in compliance with the Investment Policy. The motion was seconded by Ruby Suchecki. There were no abstentions. **Motion carried.***

E. 990 Tax Return Review

CohnReznick presented the IRS Form 990, providing an overview of the annual informational return required to be filed with the IRS. They reviewed key sections of the form and confirmed its accuracy and compliance.

*Dr. Alison Baski moved to recommend to the Board of Directors the review and approval of the 990, 990-T, and all supporting schedules. Motion was seconded by Kris Zoleta. There were no abstentions. **Motion carried.***

F. Proposed Operating & Capital Budget 2025-2026 & Proforma

Jared Ceja presented the budget assumptions for FY 2025–2026, highlighting occupancy trends and the plan for the upcoming housing purchase. He also reviewed proposed general and merit increases, along with anticipated campus and employee engagement events. Juan Hernandez provided a unit-by-unit summary of the proposed and forecasted budget, covering revenues, expenses, and projected surpluses or deficits across Commercial Services, including Dining, Bookstore, Kellogg West, Student Housing, Real Estate & Facilities, and administrative functions. Key considerations include the acquisition of *The Current* and anticipated redevelopment activity at Kellogg West. Also reviewed was the strategic use of funds to support operations and maintain a positive financial trajectory. Juan concluded that the proposed budget reflects a favorable outlook and has been developed with a prudent and conservative approach.

*Dr. Alison Baski moved to recommend to the Board of Directors the review and consideration of the Proposed Operating and Capital Budget for FY 2025-2026 for Commercial Services, Supplemental Programs, Designated Gifts, and Reserves as presented. Motion was seconded by Ruby Suchecki. There were no abstentions. **Motion carried.***

VI. OPEN FORUM

Dr. Alison Baski opened the floor for questions or comments.
No additional comments.

The meeting was adjourned by acclamation at 10:55 a.m.



Cal Poly Pomona

ENTERPRISES

CEO's Report

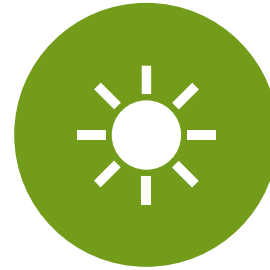
September 3, 2025

F&I Committee

Agenda



24/25 P&L refresher



Summer conference results



Early fall performance indicators



Fall housing occupancy



Memorandum

Date: September 3, 2025

To: Finance & Investment Committee

From: Juan Hernandez, Chief Financial Officer
Andrew Price & Karin Longhurst, Graystone

Attached: Graystone Capital Market Commentary
Graystone Portfolio Review
Commonfund Investment Report

Subject: INVESTMENT HIGHLIGHTS – Fourth Quarter 2024-2025

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

GENERAL INVESTMENT PORTFOLIO

The General Investment Portfolio ("Portfolio") has a current total market value of \$51.0M as of June 30, 2025. The majority portion managed by Graystone Consulting has a current market value of \$48.1M with 20.5% Fixed Income, 63% Equities, 16% Alternatives, and less than .5% Cash. All allocations are within current policy ranges. The return over the last quarter was 7.56% (gross), and 11.52% for fiscal year-to-date (7/1/24-6/30/25). Additional information is included in the report provided by Graystone.

For Commonfund private programs, Management received capital call notices and has contributed \$707,625 against its commitment of \$750,000 to Private Equity Partners VII and \$236,250 against its commitment of \$250,000 to Capital Partners IV. The value of the non-marketable investments is \$124,182. The Commonfund Summary Investment and Performance Reports are available for further details.

During the fourth quarter of FY2024-2025, the Foundation actively utilized a short-term saving account. The balance and yield as of 6/30/25 are \$2.8M and 4.26%, respectively.

BE IT RESOLVED, that the members of the Finance & Investment Committee have reviewed the comprehensive quarterly investment report, believe the report is in compliance with the investment policy, and recommends the quarterly investment report be presented to the Board of Directors for approval at their next regularly scheduled meeting.

PASSED AND ADOPTED THIS 3rd DAY OF SEPTEMBER 2025.

By: _____
Michelle Cardona, Chair
Finance & Investment Committee

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Q2 2025

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Where We Are

July 2025

- **Entering 2H2025, both the S&P 500 and the NASDAQ are at new all-time highs, up ~5% YTD as markets appear to have completely moved on from policy uncertainty linked to tariffs, immigration, inflation risks and geo-politics; having staged one of the most stunning rallies from a technical bear market that hit on April 8 (up more than 25%).**
 - The rally has been characterized by significant re-positioning, growth over value leadership, with Mag 7 once again showing multiple expansion; Momentum has been the leading factor; breadth is suffering with equal-weighted index relative to cap-weighted again at lows.
 - Market volatility as measured by the VIX has sharply decreased, with readings now below its five-year average, disconnected from uncertainty metrics.
 - Credit spreads have also responded to the apparent removal of tariff risks by retracing to pre-April 2 levels.
- **The new “bull case” is emerging and seems to be premised on:**
 - Tariffs appear a non-event, manageable unknown; inflation risks may be overestimated; low oil prices a tailwind.
 - 2025 earnings may not matter, earnings revisions for 2026 turning less negative; earnings revisions breadth almost positive; weak US dollar a positive.
 - 2026 S&P 500 earnings are expected to show accelerating growth from 2025’s 7-8% to 13-14% - gains come from margin expansion, tax benefits.
 - “Bad news is good news”; Fed will commence rate cutting potentially as soon as July; 2026 new Fed chair will likely be dovish.
 - Corporate tax cuts from One Big Beautiful Bill (1BBB) driving a capex and productivity boom; Gen AI is in the very early innings.
- **The US economy is slowing, cooling interest rates.**
 - Long rates have fallen in the month paced by lower real rates and lower inflation expectations; 10-year at ~4.30%, 30-year at 4.85%.
 - Retail sales, housing, and labor markets are showing strains.
- **The recovery of equity valuations to 2021 peaks once again raises the issue of passive index valuation and concentration.**
 - The price-to-forward earnings ratio is once again above 22.1x; the equity risk premium sits at a paltry 29bps.
 - Scope for upside surprise in 2026 is narrowing based on currently priced optimism; Fed Funds Futures see December 2026 rates at 3%.
- **Global yield curves are steepening, and the US budget deficits are widening from 1BBBA, adding \$3.3 trillion to Treasury’s 10-year debt, but higher real rates and term premiums are not seen as a headwind to American Exceptionalism — we think this is a risk.**
- **Shifting cross-asset correlations continues to pose challenges.**
 - Stocks and bonds are once again positively correlated.
 - Rest of world (RoW) stocks have outperformed US by thousands of bps YTD.
 - The US dollar remains weak, off more than 12% YTD while oil is also down 8%.
 - Gold is up 27% YTD, off 2.5% from all-time highs of \$3432/oz.
 - Private equity fund distributions remain at 25-50% of historical levels.

GIC continues to recommend maximum portfolio diversification and risk management; it’s a trader’s market, not an investor’s market.

Source: Morgan Stanley Wealth Management GIO. 1BBBA = One Big Beautiful Bill. Equity risk premium is the excess return that an individual stock or the overall stock market provides over a risk-free rate. The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time.

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.

What We Forecast

July 2025

- **GDP:** The probability of our **base case US soft-landing has risen to 75% with the halving of assumed effective tariff rates.**
 - Distortions around pre-tariff pull-forwards and 90-day pause related front loading could create lumpiness in results and a technical “recession” around import numbers; real GDP growth probably averages ~1%.
 - Consumer and small business sentiment continues to suggest risk to consumption and capex in 2H2025.
- **Inflation:** We believe **inflation will remain higher for longer and above the Fed’s 2% target;** tariffs pose a risk, but lower oil prices are a welcome offset.
 - MS & Co. sees core PCE at 3.4% in 2025 and 3.9% in 2026.
 - MS & Co. sees CPI peaking in 3Q 2025 at close to 5%.
- **Unemployment:** Rises from current 4.2% to 4.9%.
- **Fed Policy:** MS & Co. is no longer expecting any cuts in 2025, with the first cut of the cycle in March 2026.
 - Market consensus is now for two cuts starting in September.
 - We see cycle-neutral rate at ~3.625%. We believe we are in a new secular rates regime driven by structural changes and structurally higher debts/deficits.
 - End of 2026 may see Fed Funds terminate easing cycle at ~2.75% under the MS & Co. base case. This is non-consensus but bullish bonds.
- **Rates:** US Treasury rates appear near fair value. **MS & Co. year-end base case for 10-year yields is still ~4%.**
 - **USD weakness persists.**
- **Earnings:** MS & Co.’s Mike Wilson sees 2025 and 2026 S&P 500 earnings per share as **\$257 and \$281 per share, respectively.**
 - Earnings growth implies material acceleration for the “493”; **6% this year and 9% next.**
- **MS & Co’s target prices: 6-12-month horizon S&P 500 should reach 6,500.**
- **Valuation:** Multiples above 21.5x remain very hard to justify. Note: 22x at \$300/share earnings in 2026 = 6,600, ~5-6% potential upside.
- **Global:** Growth ex-US is in recovery and rebound mode. Central banks are more aggressive in easing and fiscal policy expansionary. RoW currencies strengthen and benefit from lower global oil prices and lower inflation.

S&P 500 trades toward 6,500 annual target price.

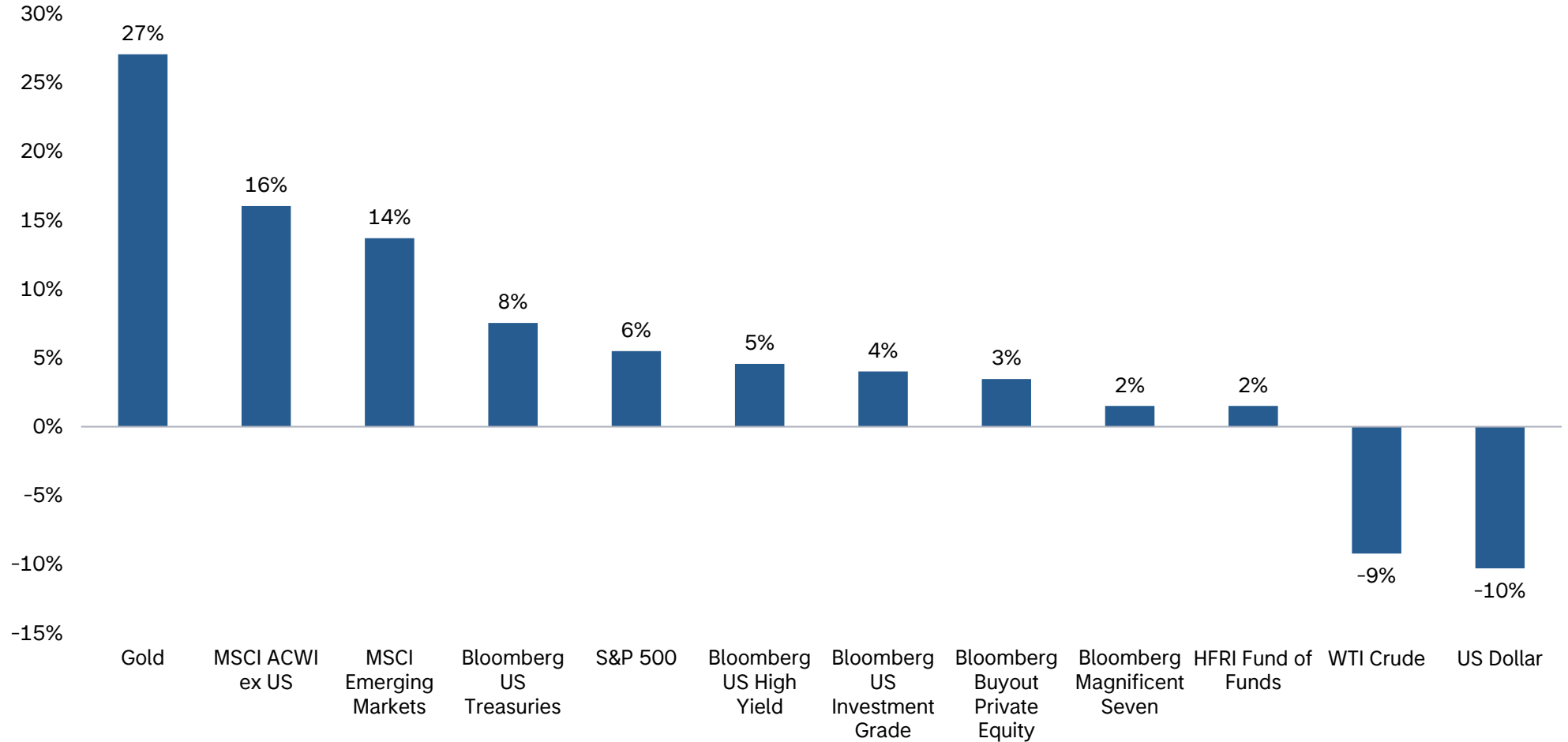
Source: Morgan Stanley Wealth Management GIO.

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A Wild First Half of 2025

FIRST HALF OF 2025 YEAR-TO-DATE PERFORMANCE BY ASSET CLASS

AS OF JUNE 30, 2025



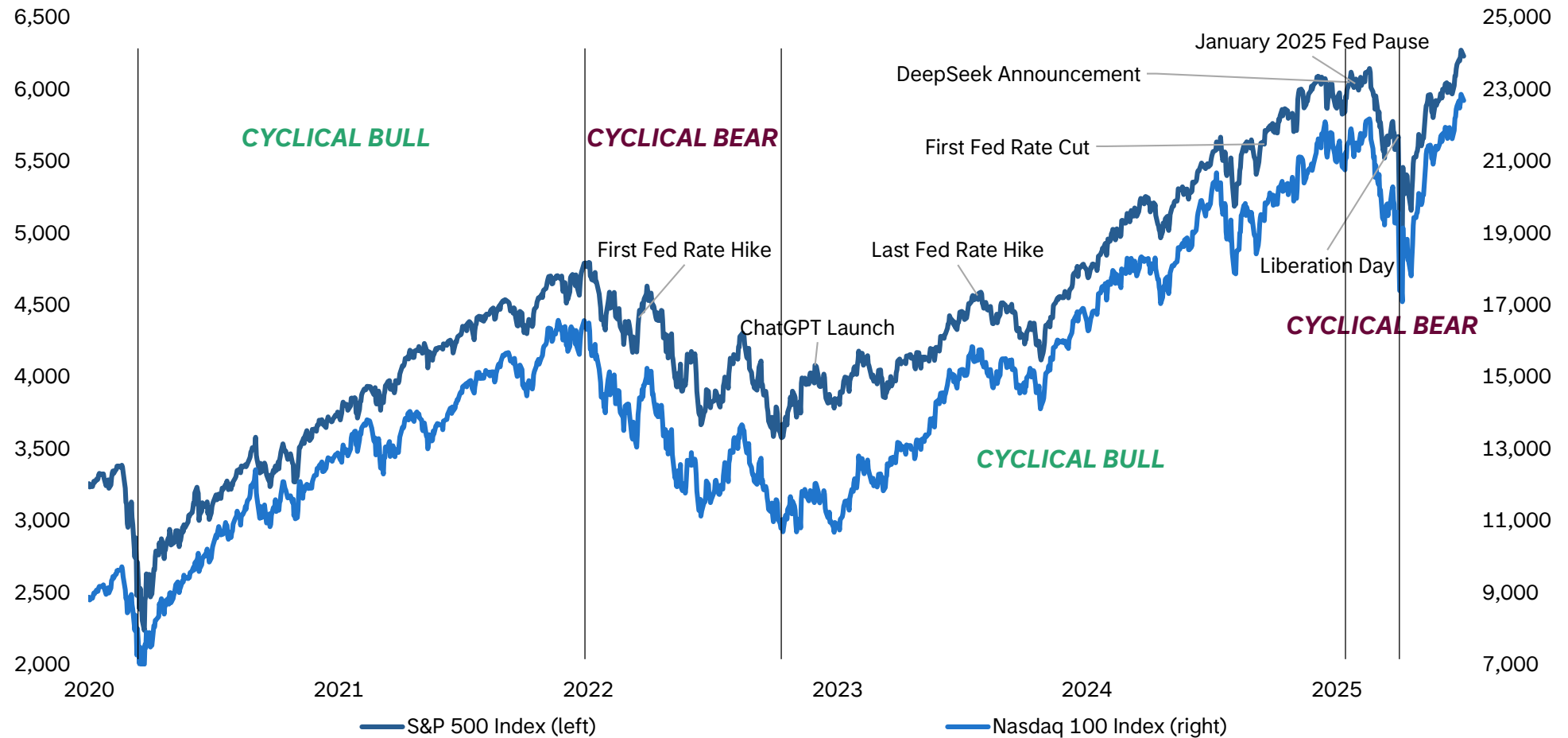
Source: Morgan Stanley Wealth Management GIO, Bloomberg.

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The Post “Liberation Day” Bear Market Was Short-Lived: Round-Trip Has Been Extreme; New Bull?

S&P 500 INDEX VS. NASDAQ 100 INDEX

AS OF JULY 7, 2025



Source: Morgan Stanley Wealth Management GIO, Bloomberg.

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New Bull Market Thesis: Inflation Risk Overblown

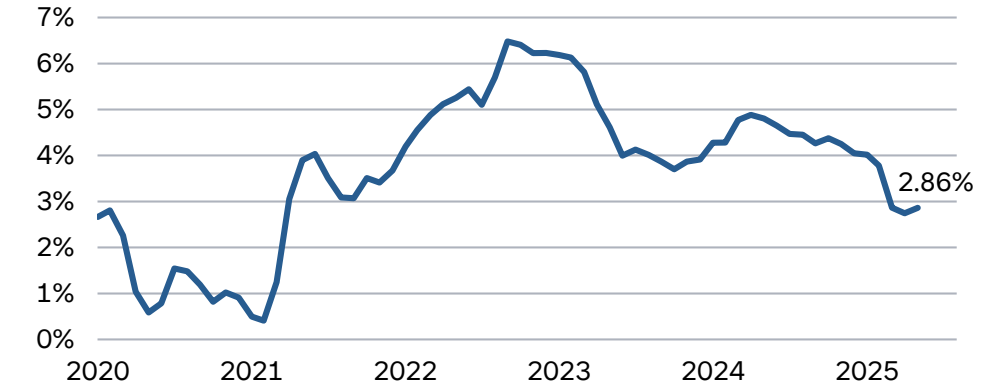
WTI CRUDE OIL FUTURES, AUGUST 2025 EXPIRY

AS OF JULY 7, 2025



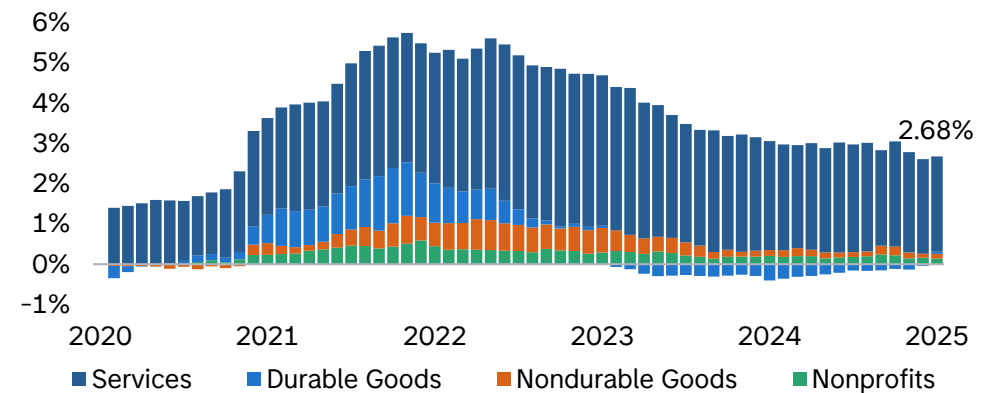
SUPERCORE CPI, YEAR-OVER-YEAR CHANGE

AS OF MAY 31, 2025



CONTRIBUTIONS TO US CORE PCE, YEAR-OVER-YEAR CHANGE

AS OF MAY 31, 2025



Source: Morgan Stanley Wealth Management GIO, Bloomberg.

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New Bull Market Thesis: July Cut Back in Play?

Fed Funds Futures Back to Two and Half Cuts

RATE CUTS PRICED THROUGH DECEMBER 2025

AS OF JULY 7, 2025



Source: Morgan Stanley Wealth Management GIO, Bloomberg.

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A business of Morgan Stanley

Cal Poly Pomona Foundation



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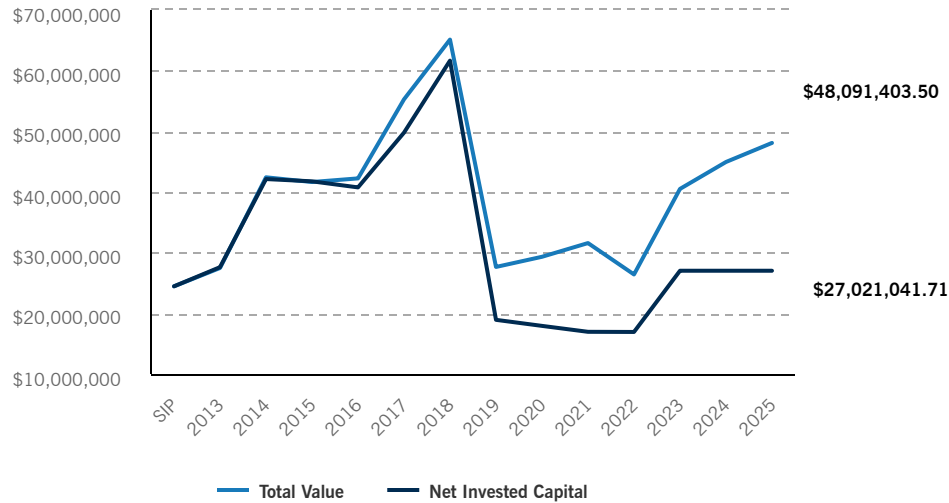
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Portfolio Review As of June 30, 2025

1999 Avenue of the Stars, Suite 2400
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Investment Summary Dollar Weighted Returns

TOTAL VALUE VS. NET INVESTED CAPITAL

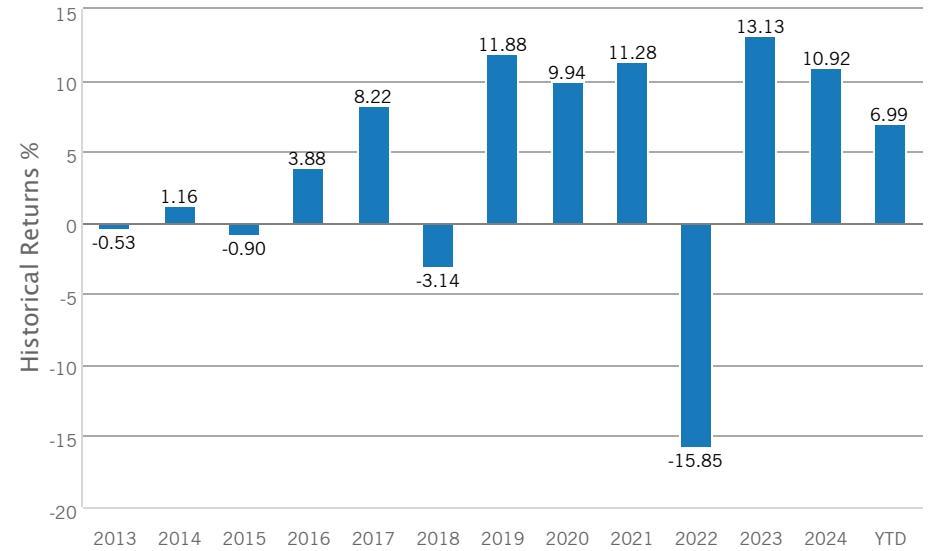


Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED RETURN % (NET OF FEES)

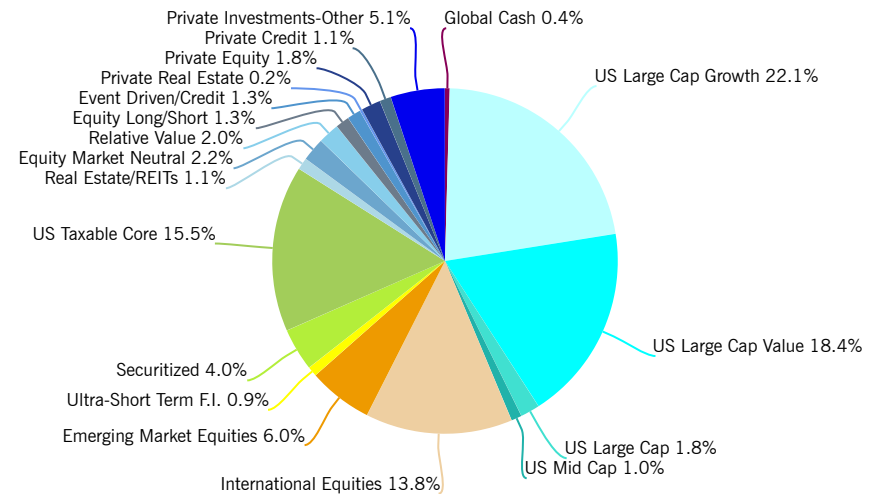
	Quarter to Date (\$) 03/31/25-06/30/25	Year to Date (\$) 12/31/24-06/30/25	Performance Inception Month End (\$) 03/31/13-06/30/25
Beginning Total Value	44,734,118	44,947,193	24,506,769
Net Contributions/Withdrawals	7	7	2,569,172
Investment Earnings	3,357,279	3,144,203	21,015,463
Ending Total Value	48,091,404	48,091,404	48,091,404
DOLLAR WEIGHTED RATE OF RETURN (%) (Annualized for periods over 12 months)			
Return % (Net of Fees)	7.51	6.99	4.01

DOLLAR-WEIGHTED PERIOD RETURN % (NET OF FEES)



Does not include Performance Ineligible Assets.

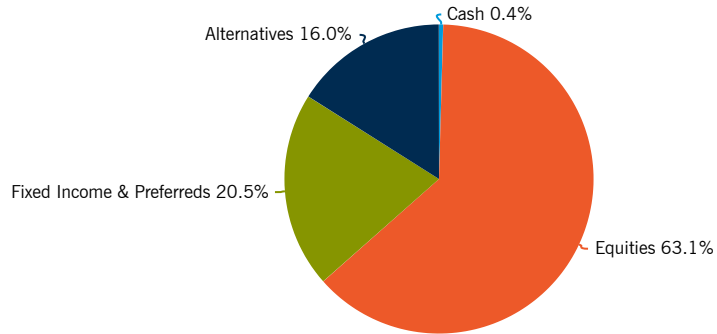
ASSET ALLOCATION



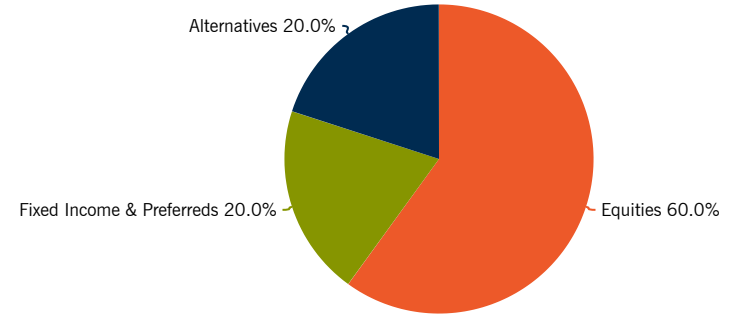
Asset Allocation: Actual vs. Target

ACTUAL VS. TARGET

Actual



Target



ASSET ALLOCATION: ACTUAL VS. TARGET WITH MIN-MAX RANGE

Asset Class	Actual 06/30/2025		Target		Difference		Min-Max Range (%)
	(\$)	(%)	(\$)	(%)	(\$)	(%)	
Cash	210,468.19	0.44	0.00	0.00	210,468.19	0.44	-
Equities	30,254,000.73	63.05	28,788,775.71	60.00	1,465,225.03	3.05	35 - 65
Fixed Income & Preferreds	9,825,125.78	20.48	9,596,258.57	20.00	228,867.21	0.48	15 - 45
Alternatives	7,691,698.14	16.03	9,596,258.57	20.00	-1,904,560.43	-3.97	10 - 30
Total Assets	47,981,292.84	100.00	47,981,292.84	100.00			

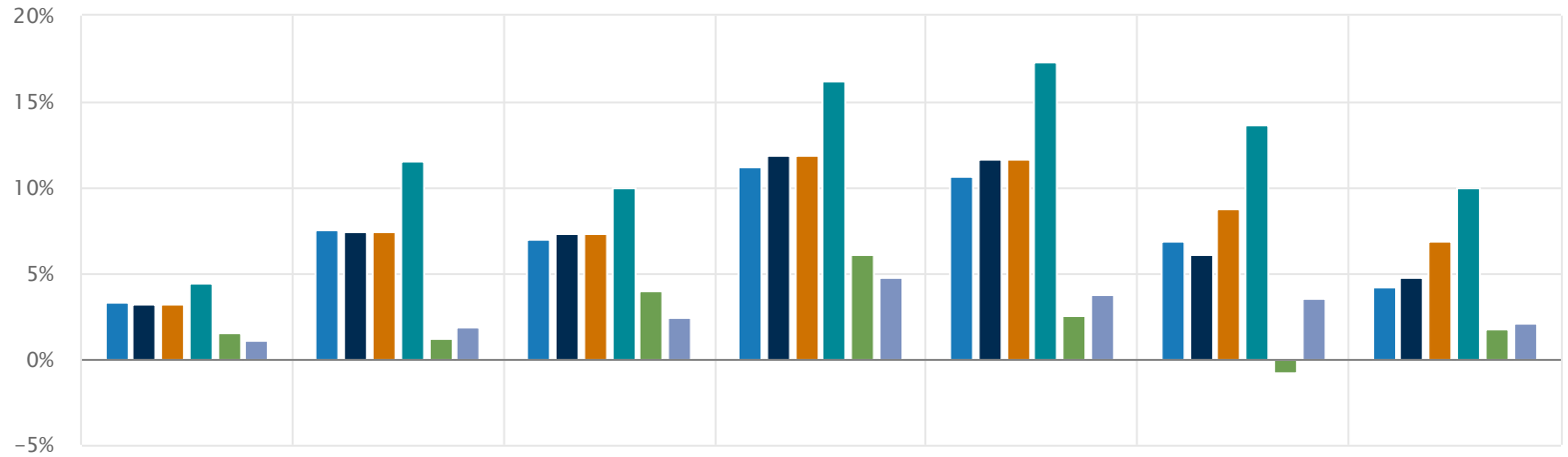
Target Allocation as determined by you and your Financial Advisor for this account only. Total Value and % of Portfolio are based on US Dollar values.

Time Weighted Performance Summary

OCIO - Cal Poly Pomona Foundation

Data as of June 30, 2025

RETURN % (GROSS AND NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Month to Date 05/31/25 - 06/30/25	Quarter to Date 03/31/25 - 06/30/25	Year to Date 12/31/24 - 06/30/25	Last 12 Months 06/30/24 - 06/30/25	Last 3 Years 06/30/22 - 06/30/25	Last 5 Years 06/30/20 - 06/30/25	Performance Inception Month End 03/31/13 - 06/30/25
Beginning Total Value (\$)	46,517,151.50	44,734,117.86	44,947,193.46	43,220,561.67	26,257,759.35	26,276,486.55	24,506,768.54
Net Contributions/Withdrawals (\$)	652.22	6.92	6.92	6.93	10,067,390.95	9,092,606.80	2,569,172.05
Investment Earnings (\$)	1,573,599.78	3,357,278.71	3,144,203.12	4,870,834.90	11,766,253.20	12,722,310.15	21,015,462.91
Ending Total Value (\$)	48,091,403.50	48,091,403.50	48,091,403.50	48,091,403.50	48,091,403.50	48,091,403.50	48,091,403.50
Return % (Gross of Fees)	3.39	7.56	7.11	11.52	10.88	7.18	4.48
Return % (Net of Fees)	3.38	7.51	7.00	11.27	10.62	6.91	4.23
Cal Poly Pomona - Blended Benchmark (%)	3.22	7.47	7.34	11.85	11.67	6.10	4.80
Cal Poly Pomona Policy BM (%)	3.22	7.47	7.34	11.85	11.67	8.79	6.85
MSCI AC World Net (%)	4.49	11.53	10.05	16.17	17.35	13.65	9.95
Bloomberg US Aggregate (%)	1.54	1.21	4.02	6.08	2.55	-0.73	1.75
HFRX Global Hedge Fund (%)	1.10	1.85	2.39	4.75	3.81	3.52	2.06

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.

Private Programs Investment Report

Cal Poly Pomona Foundation

All Accounts

April 1, 2025 - June 30, 2025



commonfund

All Accounts

April 1, 2025 - June 30, 2025

ACCOUNT SUMMARY AS OF 6/30/2025

	Vintage Year	Capital Committed	Capital Called	Remaining Capital to be Called	Capital Distributions	Capital Balance	Multiple	IRR	Value Date
General Fund - 06									
US Private Equity									
Private Equity Partners VII	2007	\$750,000	\$707,625	\$42,375	(\$1,477,735)	\$99,352	2.2	13.7%	3/31/2025
Total US Private Equity		\$750,000	\$707,625	\$42,375	(\$1,477,735)	\$99,352	2.2	13.7%	3/31/2025
Commonfund Real Estate									
Realty Investors 2004-12 (Tranche)	2005	\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.2	-26.2%	
Total Commonfund Real Estate		\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.2	-26.2%	
Multi-Asset									
Capital Partners IV	2007	\$250,000	\$236,250	\$13,750	(\$418,340)	\$31,983	1.9	9.8%	3/31/2025
Total Multi-Asset		\$250,000	\$236,250	\$13,750	(\$418,340)	\$31,983	1.9	9.8%	3/31/2025
Total General Fund - 06		\$2,500,000	\$2,443,875	\$56,125	(\$2,179,171)	\$131,335	0.9	-0.6%	3/31/2025
Grand Total		\$2,500,000	\$2,443,875	\$56,125	(\$2,179,171)	\$131,335	0.9	-0.6%	3/31/2025

Explanatory Notes:

- Performance data is net of all fees and carried interest. Transaction flows and capital for these funds are included in the appropriate totals.

All Accounts

April 1, 2025 - June 30, 2025

- Multiple, also referred to as TVPI, total value to invested capital net of the general partners and special limited partners (Capital Distributions + Capital Balance/Capital Distributions).
- Each partnership's net IRR (Internal Rate of Return) should be evaluated in light of information on such partnership's investment program, the risks associated therewith, and partnership performance as disclosed in the respective Offering Memorandum and Annual and Quarterly Reports. Return information calculated on a dollar-weighted (e.g., internal rate of return), since inception basis, which is standard for the private capital industry, rather than the time-weighted (e.g., annual or other period rate of return) basis. Comparison of returns calculated on a net IRR basis with returns on a time-weighted basis is not appropriate. There can be no assurance that unrealized investments ultimately will be realized at the valuations used in calculating net IRRs or Net Multiples or that the calculated net IRRs will be obtained. Actual realized returns will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale.
- Capital Called and Capital Distributions are since inception through the report End Date.

NON-MARKETABLE INVESTMENTS ROLL FORWARD FROM VALUE DATE TO 6/30/2025

Non-Marketable Fund	Incep. Date	Commitment	Valuation Date	Most Recent Valuation	Capital Calls since Valuation Date	Distributions since Valuation Date	Adjusted Market Value
Private Equity Partners VII	9/30/2007	\$750,000.00	3/31/2025	\$99,352.00	\$2,625.00	(\$9,467.00)	\$92,510.00
Total Private Equity (buyouts & growth equity)		\$750,000.00	3/31/2025	\$99,352.00	\$2,625.00	(\$9,467.00)	\$92,510.00
Capital Partners IV	9/30/2007	\$250,000.00	12/31/2024	\$40,415.00	\$0.00	(\$8,743.00)	\$31,672.00
Total Multi-Strategy		\$250,000.00	12/31/2024	\$40,415.00	\$0.00	(\$8,743.00)	\$31,672.00
Non-Marketable Total		\$1,000,000.00		\$139,767.00	\$2,625.00	(\$18,210.00)	\$124,182.00

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is not indicative of future performance.



Memorandum

Date: September 3, 2025
To: Finance & Investment Committee
From: Jared Ceja, Chief Executive Officer
Juan Hernandez, Chief Financial Officer
Attached: Policy 157 with tracked changes

Subject: Policy Update – Purchasing and Capitalization - 157

Management is recommending updates to the Purchasing and Capitalization Policy – 157. Substantive changes are proposed in the following sections:

- Section B – Policy, Regulations and Guidelines:
 - Increasing the threshold for informal solicitation process raised from \$25K to \$50K
 - Increasing the threshold for formal solicitation process raised from \$50K to \$100K
- Section F – Capital Purchases Not from Board Approved Budgets:
 - Increasing CFO capital approval limit from \$25k to \$40k
 - Increasing CEO capital approval limit from \$50k to \$70K
- Section H – Capitalization:
 - Increasing capitalization threshold raised from \$5k to \$10k (CFR 200 update made by OMB on 4/22/24, effective after 10/1/24)

These proposed updates were informed by current university thresholds, CPI changes since the last update of the impacted thresholds, US Office of Management & Budget guidance, and operational efficiency. Additional minor wording clarifications and editorial adjustments were also made to the policy, including position titles and Enterprises branding.

RECOMMENDED ACTION:

Management is requesting that the Finance & Investment Committee approve the proposed updates to Purchasing and Capitalization Policy 157 as presented.

BE IT RESOLVED, that the members of the Finance & Investment Committee have reviewed and approved the proposed changes to the Purchasing and Capitalization Policy 157, as presented, and forward this resolution for consideration by the Board of Directors at the next scheduled meeting.

PASSED AND ADOPTED THIS 3rd DAY OF SEPTEMBER 2025.

By: _____
Michelle Cardona, Chair
Finance & Investment Committee

CORPORATE POLICY

Subject: Purchasing and Capitalization

Policy No.: 157

Date: 05/22/2018

Last Revision Date: ~~11/30/2022~~09/17/2025

Revision: ~~43~~

- A. Policy
 - B. Policy, Regulations and Guidelines
 - C. Insurance Requirements
 - D. Exceptions to Bidding Requirements and Purchase Orders
 - E. Capital Purchases from Board Approved Budgets
 - F. Capital Purchases Not from Board Approved Budgets
 - G. Purchases from Sponsored Programs, Grants or Contracts
 - H. Capitalization
-

A. Policy

This policy applies to purchase of ~~materials, equipment, supplies, goods~~ and services paid from ~~Enterprises ("CPPE")~~Foundation administered funding sources. All project purchases must be in compliance with ~~the Foundation~~CPPE's purchasing policy. The Foundation has implemented purchasing procedures which meet project purchasing needs and which satisfy the requirements of federal, state and independent auditors. Travel and the retention of artists, entertainers, lecturers, catering and speakers for services are not subject to the provisions of this policy.

B. Policy, Regulations and Guidelines

All purchase orders must be approved by ~~the Foundation~~CPPE prior to order commitment, accordingly; a Purchase Order Request Form must be submitted to the Foundation prior to making purchases within the guidelines of this policy and procedure.

1. Policy Provisions

- a. Purchases shall be made in a manner that supports and facilitates the competitive bidding process and at the ~~lowest cost~~best value consistent with quality, specifications, cost, service and product availability.

- ~~a.b.~~ Purchases shall follow what is customary in the market place for a particular commodity or product and be consummated in such a manner so as to constitute a reasonably prudent documented business transaction.
 - ~~c.~~ Fitness and quality being equal, recycled products shall be considered for procurement in place of non-recycled products whenever such products are available at no more than the total cost of their non-recycled counterparts.
 - ~~b.d.~~ Grant and Contract account purchases must also comply with the requirements set forth in the agency agreement and/or Uniform Guidance compliance requirements 2 CFR 200.
 - ~~e.~~ Volume or pool purchases, annual purchase agreements and State-purchasing contracts shall be utilized when deemed to be advantageous to the [FoundationCPPE](#).
 - ~~e.f.~~ Purchases may not be split to circumvent this policy. (a split purchase is defined as one item, or items sold as a set, that has been invoiced separately to look like two separate purchases).
 - ~~d.g.~~ Purchases from [FoundationCPPE](#) employees, CSU staff or faculty of items for resale shall be certified as to their competitive value by the appropriate department head and be approved by the appropriate dean or [FoundationCPPE](#) management. The purchase of "services" from faculty or staff shall be conducted in a manner that constitutes "an arm's length transaction."
 - ~~e.h.~~ Sole source purchases on a non-competitive basis will require written justification and approval. The sole source written justification should include:
 - i. Unique performance factors of the products specified.
 - ii. Why these factors are required
 - iii. What other products have been evaluated and rejected, and why.
 - iv. Special circumstances requiring immediate action.
 - ~~f.i.~~
 - ~~g.~~ No [FoundationCPPE](#) Board member, employee, or CSU employee by virtue of their position, will personally derive any benefit, gain or receive preferential treatment from the purchase of materials, equipment, supplies or services.
 - ~~h.i.~~ Authorized signers failing to follow the [FoundationCPPE](#)'s purchasing policy and procedures may incur personal liability or financial obligation with the vendor.
 - ~~k.~~ Standing purchase orders may be used for routine, repetitive purchases from the same vendor. Standing purchase orders may not be used to purchase equipment or to circumvent this policy statement.
 - ~~i.~~
2. Regulations & guidelines for purchase of goods and services materials, equipment and supplies:
- ~~a.~~ Purchases under \$10,000: [FoundationCPPE](#) does not require a Purchase Order. If a vendor requires a purchase order, the [FoundationCPPE](#) will prepare a purchase order based on the purchase order request and price quotation obtained in writing from the vendor.
 - ~~a.~~
 - ~~b.~~ Purchases in excess of \$10,000 and less than to ~~\$50,000~~ 25,000: Authorized signer is required to submit a purchase order and a price quotation must be attached from the vendor.
 - ~~b.~~

c. Purchases at or over \$50,000~~25,000 and less than to \$100,000~~50,000 for goods or services: Materials, Equipment, and Supplies: Authorized signer is required to submit a purchase order request and conduct an informal solicitation process. The informal solicitation must be based on a written project scope documenting the response requirements. Responses based on the project scope must be obtained from at least three vendors. If less than three responses are received, CPPE must document that sufficient outreach and diligence was undertaken before waiving the requirement for three responses.
~~with a minimum of three price quotations attached from the vendor.~~

d. Purchases of over ~~\$50,000~~100,000 for goods or services Materials, Equipment, and Supplies: Authorized signer is required to submit a request for a purchase order and attach a minimum of three ~~formal~~ bids from a formal solicitation process. Bids should be providers based on written specifications, which recognize competitive pricing, responsiveness to specifications and reputation of vendors.

e. Volume purchase and annual purchase agreements that will result in an advantage to ~~the Foundation~~CPPE will be utilized whenever possible. ~~The Foundation~~CPPE will utilize State Purchasing contracts whenever possible to ~~the Foundation~~CPPE's advantage.

~~3. Regulations & guidelines for purchase of services:~~

~~a. Purchases over \$50,000 for services: Authorized signer is required to submit a request for purchase order and attach a minimum of three formal bids from providers based on written specifications, which recognize competitive pricing, responsiveness to specifications and reputation of vendors.~~

C. Insurance Requirements

For insurance coverage, limits and endorsements, refer to ~~the Foundation~~CPPE's Risk Management Policy and Procedure. (Policy No. 190)

D. Exceptions to Bidding Requirements and Purchase Orders

Purchases of items as listed below will require authorization per the approvals listed in Policy #122, and will adhere to the limits started in the division/unit purchase order policies.

a. Food stuffs and seasonal commodities. The purchase of food stuffs and seasonal commodities shall be made upon the basis of quotations from several reliable and convenient sources of supply. Awards shall be made on terms most advantageous to ~~the Foundation~~CPPE based on quality, price, service, and delivery.

~~a. Purchases made through a Master Enabling Agreement (MEA) or similar agreement available through the CSU, CPP, or other related organizations.~~

b. Bookstore supplies and textbooks. The purchase of textbooks, certain technical material and resale merchandise shall be made upon the basis of several reliable and convenient

sources of supply. Awards shall be on terms most advantageous to ~~the Foundation~~CPPE based on quality, price, reliability, and delivery.

- c. Agricultural feed, supplies, livestock. Purchases shall be made on the basis of quotations from several reliable sources and awards made on the basis of price, quality, reliability, and delivery.
- d. Grant/Contract purchases governed by the terms and conditions of the executed agreement and/or Uniform Guidance compliance requirements 2 CFR 200.
- e. Retention of service contractors on an hourly time and material basis. Authorized signer's approval must be obtained prior to retention of service contractors.

E. Capital Purchases from Board Approved Budgets

- a. All purchases from ~~Foundation~~CPPE Board approved budgets must be approved by the authorized signer having approval authority for the accounts charged. Quotation and bid requirements as outlined above should be followed. Purchases, with the exception of those items listed under Section D, having a value equal to or greater than \$15,000 require the additional approval of ~~Foundation~~CPPE's Chief Financial Officer (~~CFO~~) or designee.

- ~~i. Purchase of food stuffs and commodities, Bookstore merchandise, Agriculture and Sponsored Programs shall be approved by the authorized signer within the parameters of their respective operating guideline budgets.~~
- ~~ii. Standing purchase orders may be used for routine, repetitive purchases from the same vendor. Standing purchase orders may not be used to purchase equipment or to circumvent this policy statement.~~
- ~~iii. The purchase of "services" from faculty or staff shall be conducted in a manner that constitutes "an arm's length transaction."~~

F. Capital Purchases Not from Board Approved Budgets

- a. This applies to ~~Foundation~~CPPE's unrestricted funds including Fund 1 (General Fund), Fund 3 (Designated Fund), Fund 4 (~~Commercial Enterprise Auxiliary~~ Fund), Fund 5 (Agriculture Fund) and Fund 10 (~~Foundation~~College of Professional and ~~Global Education~~ Program Funds). ~~Capital purchases not approved by the Foundation~~CPPE's Board must be indicated as such on the purchase order request.

All purchases not previously approved by ~~the Foundation~~CPPE Board are subject to the availability of funding within the applicable account and the following approvals:

Purchases \$~~25,000~~ 40,000 or less - The authorized signers have approval authority for the charged account and ~~Foundation~~CPPE's Chief Financial Officer or designee must approve.

Purchases over \$~~25,000~~40,000 - Require the approval of the administrator having authority for the charged account, Foundation~~CPPE~~'s Chief Financial Officer or designee and the ~~Executive Director~~Chief Executive Officer (CEO) of ~~the Foundation~~CPPE or designee.

The ~~Executive Director of the Foundation~~CEO is authorized to expend beyond the budget an accumulative total of \$~~50,000~~70,000 per quarter. If the purchase exceeds \$~~70,000~~50,000, the ~~Executive Director~~CEO and CFO will request the purchase be approved by the Board.

Quotation and bid requirements as outlined above should be followed for all purchases.

G. Purchases from Sponsored Programs, Grants or Contracts

a. Purchases made from Grants or Contracts funds may be made only during the term of the grant or contract or during an approved extension or renewal. The authorized signer should anticipate purchase requirements far enough in advance so that the purchasing process can be completed, the service rendered, and goods received prior to expiration of the award.

H. Capitalization

~~a.~~ Capital purchases with a cost greater than \$~~5,000~~10,000 and a normal useful life of ~~more than~~at least one year will be capitalized and depreciated over the economic life of the asset for all accounts except Grants and Contracts. A capital purchase is defined as a tangible piece of property with an acquisition cost greater than \$10,000 ~~5,000 or less, depending on the sponsored agency's guidelines~~, and a useful life of one year or greater.



**Cal Poly Pomona Foundation, Inc.
Net Fund Balance Allocation to Reserves
Cal Poly Pomona Enterprises**

	2023-24	2024-25			2025-26		
	FY24 Balance	Contributions (based on FY24 Actuals)	FY 25 Uses (Current Acquisition)	FY 25 Other Uses	FY25 Ending Balance	FY 26 Projected Contributions (based on FY25 actuals)	FY26 Ending Reserve Balance
List of Reserves							
Capital/Deferred Maintenance	7,206,659	1,328,926	-	-	8,535,585	1,445,718	9,981,303
Residential Board Meal Program Surplus	5,555,104	128,515	-	(44,305)	5,639,313	141,015	5,780,329
Dining Reserve	10,520	76,417	-	-	86,937	7,659	94,595
Real Estate/Development	3,668,175	82,815	(3,182,643)	-	568,347	95,388	663,735
University Village Development	1,321,735	1,303,957	(2,625,692)	-	-	1,613,251	1,613,251
AG State Share Reserve	485,336	-	-	(960)	484,376	0	484,376
Residence Student Program Trust Fund	630,009	1,598	-	(38,976)	592,631	1,730	594,361
Operating/Working Capital Reserve	620,037	230,886	-	-	850,923	267,155	1,118,078
Insurance Reserve	286,496	50,000	-	-	336,496	50,000	386,496
Demo Reserve	158,845	29,221	-	-	188,066	31,145	219,211
Pine Tree Reserve	75,000	-	-	-	75,000	0	75,000
OFF OF RES & SPONS PRGM RESERV	120,217	50,000	-	-	170,217	0	170,217
Total Reserves	20,138,132	3,282,335	(5,808,335)	(84,242)	17,527,891	3,653,061	21,180,952

2025-2026

FINANCE & INVESTMENT COMMITTEE

SCHEDULE

Board Committee Members:

1. Michelle Cardona, Chair
2. Dr. Alison Baski
3. Frances Teves
4. Cynthia Nelson
5. Ruby Suchecki
6. Carol Lee
7. Kris Zoleta

Occurrence: Quarterly (4xs/year) Duration: 1 hour and 30 minutes Liaison: Juan Hernandez
Wednesday, September 3, 2025 9:00 am – 10:30 am
Tuesday, November 25, 2025 1:30 pm - 3:00 pm
Tuesday, February 3, 2026 1:00 pm – 2:30 pm
Tuesday, April 21, 2026 10:00 am – 11:30 am

The Current Updated Proforma (rate change)

	Original	Revised Rate		
	Years 1-30	Years 1-30	Var: Fav/(Unfav)	Notes
Cash Inflow (Income)				
Rental Income	\$562,374,603	\$562,374,603	\$0	
Other Income (parking fees)	\$13,865,655	\$13,865,655	\$0	
Residential Vacancy/Credit loss	(22,342,800)	(22,342,800)	\$0	
Effective Gross Income	\$553,897,457	\$553,897,458	\$0	
Cash Outflow (Expenses)				
Repairs & maintenance	\$20,437,766	\$20,437,766	\$0	
Contract Services /Turnover Expenses	\$17,637,198	\$17,637,198	\$0	
Administrative and Marketing	\$19,184,230	\$19,184,230	\$0	
Payroll & Benefits	\$56,615,090	\$56,615,090	\$0	
Utilities (Club house, grounds)	\$18,440,121	\$18,440,121	\$0	
Cable, Telephone, Internet	\$10,513,365	\$10,513,365	\$0	
Insurance	\$18,067,937	\$18,067,937	\$0	
Depreciation	\$102,514,401	\$113,520,860	(\$11,006,459)	Higher Capitalized Value (appraisal)
Interest	\$134,130,841	\$119,468,084	\$14,662,757	4.62% Rate vs 5.7% Planning Rate
Total Operating Expenses	397,540,949	393,884,651	3,656,297	
Net Operating Income (Accrual Basis) rounded	\$156,356,509	\$160,012,806	\$3,656,297	