

Cabrillo College FOUNDATION

MEMORANDUM

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Eileen Hill

DATE: March 17, 2021

TO: Owen Brown, Marshall Delk, David Heald, Michael Machado, Kelly Nesheim, Gun Ruder, Steve Snodgrass, Trevor Strudley

FROM: Pegi Ard, Chief Financial Officer

STAFF: Eileen Hill, Nancy Machado

GUESTS: Brian Sharpes and Dan Tichenor, Graystone Consulting

SUBJECT: **Finance and Investment Committee Meeting**
Thursday, March 25, 2021
9:00 am – 10:30 am
Zoom Virtual Meeting

Item	Responsibility	Page
A. Regular Open Session		
1. Welcome and Call to Order	P. Ard	
2. Approval of Agenda	P. Ard	
<i>We reserve the right to change the order in which agenda items are discussed and/or acted upon at this meeting. Subject to further action, the agenda for this meeting is to be approved as presented. Items may be added to this agenda for discussion or action only as permitted by the Brown Act.</i>		
B. Public Comment		
1. Public Comment Opportunity	P. Ard	

Item	Responsibility	Page
C. Reports		
1. Cabrillo College Report	E. Hill	4 – 6
2. Executive Director Report		7
2.1 2020-21 Fundraising Targets		8
2.2 Fundraising Totals and Goal		9
July 1, 2020 to March 12, 2021		
Outright Gifts:	\$4,971,556	
Unbooked Revocable Planned Gifts:	\$ 0	
Total:	\$4,971,556	
2.3 2020-21 Disbursements as of 12.31.20		10
2.4 Total Net Assets, Endowed Net Assets and		Provided at
Historical Gifts Chart as of February 28, 2021		meeting
3. Graystone Report	B. Sharpes	
3.1 Review of CCF Investments as of		11 – 35
February 28, 2021		
3.2 Conflict of Interest		Emailed
3.3 NACUBO as of 6/30/20 Peer Comparison		separately
Performance		
3.4 Fee Analysis		
D. Action Items		
1. Updated Statement of Investment Policy	B. Sharpes	36 – 53
2. Investment Consultant Contract	B. Sharpes	54 – 67
3. February 11, 2021 Meeting Minutes	P. Ard	68 – 69
4. January 31, 2021 Financial Statements	P. Ard	
4.1 Balance Sheet		70 – 73
4.2 Income Statement by Fund		74 – 76
4.3 Income Statement Budget-to-Actual		77 – 78
5. February 28, 2021 Financial Statements	P. Ard	Provided at
5.1 February 28, 2021 Condensed Narrative		meeting
5.2 Balance Sheet		
5.3 Income Statement by Fund		
5.4 Income Statement Budget-to-Actual		

Item	Responsibility	Page
D. Action Items (cont.)		
6. Operating Budget July 1, 2021 – June 30, 2022	E. Hill	
6.1 Overview of 2021-22 Operating Budget		79
6.2 Budget Planning Parameters		80 – 82
6.3 Draft of 2021-22 Budget		83 - 84

E. Information Items

1. Committee Calendar and Roster	P. Ard	85 – 86
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F. Adjournment

1. Adjournment	P. Ard
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UPCOMING FINANCE MEETINGS:

August 19, 2021
 9:00 – 10:00 am

October 14, 2021
 9:00 – 10:00 am

January 13, 2022
 9:00 – 10:00 am

March 31, 2022
 9:00 – 10:30 am

Finance & Investment Committee 2020-21 Attendance Chart

Finance and Investment Committee Members	8/19/20	10/8/20	11/16/20	12/14/20	1/15/21	2/11/21	3/25/21
Pegi Ard	P	P	P	P	P	P	
Owen Brown	P	P	P	P	P	P	
Marshall Delk	P	A	P	P	P	P	
David Heald	P	P	A	P	P	P	
Michael Machado	A	P	A	A	P	P	
Kelly Nesheim	P	P	A	P	P	P	
Gun Ruder	P	A	P	P	A	P	
Stephen Snodgrass	P	A	P	P	P	A	
Trevor Strudley	P	A	A	A	P	P	

P=Present, A=Absent, N/A=Not Applicable

Attendance is based on the Finance & Investment Committee meeting minutes. Please call the Cabrillo College Foundation office if you believe this chart is in error.



Board of Trustees Report, March 1, 2021

Matt Wetstein

Vaccination of County Educators

Thanks to the work of County Superintendent of Schools Faris Sabbah and his staff, and an outstanding partnership with Dominican Hospital/Dignity Health, this month we started participating in a program to get all county educators appointments to receive vaccinations for COVID-19. Scott Johnson, Director of Community Education, has been our main point of contact for this effort, which includes planning for Cabrillo to serve as a back-up site if Harbor High School returns to in-person instruction. So far, about 200 Cabrillo staff, faculty, and managers have been contacted to receive appointments for the vaccine. The selection process uses several dimensions, including identifying individuals who are working on campus regularly, faculty and staff who are involved in face-to-face instruction, individuals who might have health care conditions or care giver needs, and age criteria. Over time, the hope is that most of our employees will agree to participate in the program and receive a vaccination.

Early Budget Action for CCC's

Last week the Legislature and Governor reached a deal to pass early action funding measures to provide relief to Californians. Included in that package is an allocation of \$200 million to provide emergency grants to deserving CCC students through the financial aid system. The bill also includes one-time funding to engage in retention and outreach strategies to stem the tide of enrollment declines. I estimate that Cabrillo College's share of those funds will be somewhere around \$150,000 if the allocation is based on FTES and/or head count enrollment.

Housing Affordability Presentation for CCC CEO's

The board workshop tonight features some slides from work that I have been compiling related to housing affordability crisis and its impact on students in our system. I presented the same material at the CEO Conference last Thursday. The CCLC/CEO Task Force has produced a white paper with some policy recommendations for the legislature, and chief among them is an effort to propose some one-time funding to finance housing projects. Additionally, the task force is advocating for funds to pay for one-time housing feasibility studies and other kinds of technical work associated with the construction of student residence halls in the CCC system. Two weeks ago, Assembly Member Kevin McCarty (D-Sacramento) introduced a bill (**AB 1377**) to establish the California Student Housing Revolving Loan Fund. Included in that bill is a proposal for a competitive grant program within the CCC system to finance feasibility studies and other technical studies related to student housing projects. There are 10 pieces of legislation related to student housing in this year's legislative calendar. I am hopeful that AB 1377 becomes a vehicle for securing some one-time funds for housing projects in our system.

Planning for Name Exploration Events

The efforts to pull together come community education events related to the Cabrillo College Name Exploration Committee have provided some terrific events. I want to thank Victoria Bañales for her role in helping to pull together the speakers for the panel on Native American tribes, and Skye Gentile for agreeing to present some of the work of Cabrillo communication studies students. The speaker series is slated to feature the following events:

- **March 18** – Dr. Iris Engstrand, Emeritus Professor of History, University of San Diego, "Juan Rodriguez Cabrillo – The Explorer"

- **April 8** – Stan Rushworth, Retired Cabrillo College Professor of Native American Studies and English, and Dr. Cutcha Risling Baldy, Assistant Professor of Native American Studies, Humboldt State University, “The Impact of California Colonization on Indigenous Tribes”
- **April 15** – Sandy Lydon, Retired Cabrillo College History Professor, “How and Why Cabrillo College Got its Name”
- **April 22** – Student Debate, “Should Cabrillo College Change its Name?”
- **April 29** – President’s Essay & Art Competition Entry Awards (PEACE Awards), highlighting meritorious student work associated with the Cabrillo College name controversy

Planting Daffodils to Signal Re-birth in Bonny Doon

I spent time a few Saturdays ago with Trustees Donna Ziel and Rachael Spencer planting daffodil bulbs at the College’s Bonny Doon property. This was part of a fundraiser with Bonny Doon Elementary School to bring some natural life back to areas that were hit by the CZU Wildfires last August. We planted a half bushel of bulbs, and the hope is that they will reveal themselves sometime in late April or early May. Here’s a photo of the three of us after we completed the work on February 6.



Here is a listing of activities and events attended since the last Board of Trustees meeting on February 1, 2021.

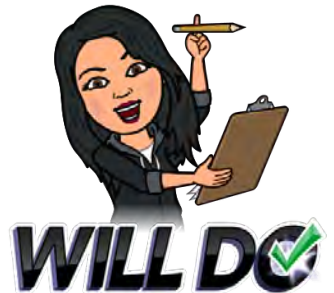
College Events, Meetings and Visits	Community Events and Visits
Poco Marshall and John Gaulty, 2/2	Iris Engstrand, U of San Diego, 2/2
Scott Johnson re: Vaccine Planning, 2/2	KSQD Interview re: Career Path, 2/2
Faculty Senate Meeting, 2/2	CCRC Webinar on Costs of Guided Pathways, 2/3

Ray Kaupp phone call, 2/3	California Guided Pathways Webinar, 2/4
All College Zoom Meeting, 2/3	UCSC Long Range Development Plan Forum, 2/4
Equity Certificate Program, 2/5	Rebekah Cearley, re: Housing Study, 2/5
Name Exploration Committee, 2/5	WIOA Audit Meeting with SC County, 2/5
EOC Meeting, 2/5	Cabrillo Foundation Board, 2/9
Daffodil Planting with R. Spencer & D. Ziel, 2/6	IEPI PRT Prep Call with Victor Valley College, 2/9
Hispanic Serving Inst. Meeting, 2/8	County Housing Assistance Meeting, 2/9
Guided Pathways Meeting, 2/8	SC Business Council Committee, 2/10
Karen Reyes zoom meeting, 2/10	SC Chamber Meeting with Casey Beyer, 2/10
EOC Meeting, 2/10	CEO Housing Affordability Check-in, 2/11
Name Exploration Task Force, 2/11	SC Criminal Justice Council, 2/11
Legislative Advocacy Committee, 2/16	Dave Whiting & Dave Dias, the Farm, 2/17
Faculty Senate Meeting, 2/16	SC Business Council Meeting, 2/18
College Planning Committee, 2/17	CCC Courageous Leadership Webinar, 2/18
President's Roundtable, 2/17	Aptos/Capitola Rotary, 2/18
Title V Meeting, 2/18	JLL Housing Feasibility Discussion, 2/22
EOC Meeting, 2/18	CCLC CEO Conference, 2/25 – 2/26
Office Hours, 2/19	Housing Policy Presentation CEO Conf., 2/25
Marcelo Noguiera zoom meeting, 2/19	Housing Santa Cruz Kick-Off, 2/25
June Ponce zoom meeting, 2/19	
Name Exploration Committee, 2/19	
Umoja Mtg., K. Akinjide, N. Chaney, E. Hill, 2/22	
Rachael Spencer, 2/22	
VPI Search Committee Kick-Off Mtg., 2/22	
Strategic Enrollment Mgmt. Committee, 2/22	
Umoja Mtg., K. Akinjide, N. Chaney, E. Hill, 2/24	
EOC Meeting, 2/24	
Trustee Phone Calls, 3/1	

Executive Director Report: March 2021

Administration

- 2021-22 Budget work, Form 990
- PPP Loan forgiveness!
- Nominating Committee
- Governing Documents 3 year review: Bylaws, Articles of Incorporation and Master Agreement



Fundraising

- \$4.9M raised so far this year!!!!
- President's Circle: over \$426k raised; celebrating smashing goal
- Women's Educational Success: launching this year's campaign
- Fire/Evacuation relief and Emergency grant support to students and Cabrillo employees
 - \$132,150 disbursed to 118 students and 9 faculty/staff
- 96 DACA students received \$750 in Emergency Grants
- New Scholarships: alternative high school students, local government scholarship and internship, engineering, and \$60,000 in federal matching funds for STEM scholarships.
- Working on the following proposals: Foundation for CA Comm Colleges Nursing \$400,000, CFSCC \$30,000 for Emergency Grants and \$100,000 for Single Mom Scholarships, Foster Youth funding
- Legacy Giving: working with four new donors, MOCIs for two existing donors



Upcoming Events

- President's Circle (\$1,500+) Picnic Drive Through
April 17th 10:30 – 12:30
- President's Circle (\$2,500+) Interactive culinary "class"
April 30th 5:30 – 6:30
- Cabrillo Foundation Board Meeting
May 11th, 12:00 pm – 2:00 pm
- President's Circle (\$1,000+) Sandy Lydon Historical North Coast Experience (virtual)
May 20th 5:30 – 6:30



DATE: March 17, 2021
TO: Finance Committee
FROM: Eileen Hill

July 1, 2020 to March 12, 2021
2020-21 Outright Gifts Fundraising Total \$ 4,971,556
2020-21 Unbooked Revocable Planned Gifts \$ 0
Total \$ 4,971,556

2020-21 Fundraising Goal for Outright and Unbooked Revocable Planned Gifts	\$ 3,000,000
Recorded Gifts 07-01-20 to 03-12-21:	
Anonymous (Tutoring)	\$ 2,600,000
SD Trombetta Foundation (Early Childhood Education)	\$ 300,000
The Barbara Samper Foundation (CAP)	\$ 125,000
The Grove Foundation (Scholarship)	\$ 110,000
Richard & Theresa Crocker (Fire Relief, President's Circle)	\$ 101,500
Davidson Family Foundation (Scholarship)	\$ 100,000
Monterey Peninsula Foundation (Grant)	\$ 90,000
Estate of Hal Hyde (President's Circle, CAP)	\$ 82,000
LAM Research Foundation (NetLab)	\$ 76,000
Joan Griffiths (Tutoring, WES, Nursing, Stroke Center, President's Circle, Scholarship)	\$ 53,157
California College Pathways Fund (Guardian Scholars)	\$ 40,000
The Peggy & Jack Baskin Foundation (Fire Relief, WES & Girls in Engineering)	\$ 38,000
Peter Weber & Victor Ruder (Fire Relief, Scholarship)	\$ 30,500
Gitta Ryle (Scholarship)	\$ 30,013
Anonymous (Emergency Grants)	\$ 25,000
Rachel Wedeen (Fire Relief, WES, President's Circle, Scholarships)	\$ 20,800
Anonymous (Scholarship)	\$ 20,410
Leestma Family Foundation/Little Flower Fund (Scholarship)	\$ 20,000
Craig Rowell & Corinda Ray (WES, President's Circle, Scholarship)	\$ 20,000
Sutter Health Palo Alto Medical Foundation (Allied Health)	\$ 20,000
Foundation for California Community Colleges (Scholarship)	\$ 19,100
Estate of Richard Lynde (Scholarship)	\$ 17,421
George & Diane Koenig (CAP, Scholarship)	\$ 15,168
Edward Newman & Leslie Christie (President's Circle)	\$ 15,000
Diane Trombetta & Tom Davis (Fire Relief, WES)	\$ 15,000
Rick & Ruth Moe (Fire Relief, President's Circle)	\$ 14,600
Brian & Patti Herman (Fire Relief, President's Circle)	\$ 13,000
Estate of Roberta Bristol (Scholarship)	\$ 12,902
Estate of Anne Mitchell (Scholarship)	\$ 11,370
Dan Rothwell & Marcy Wieland (Scholarships)	\$ 10,600
Claire Biancalana & William Kelsay (Fire Relief, President's Circle)	\$ 10,326
Gifts under \$10,325 (1,269 of 1,300 total donors)	\$ 914,689
Total Secured Gifts	\$ 4,056,867
Total Unbooked Revocable Planned Gifts	\$ <u>0</u>
TOTAL	\$ 4,971,556

Notes: 1. The cumulative unbooked revocable planned gifts total is \$25,795,000.

MEMORANDUM

DATE: March 17, 2021

TO: Finance and Investments Committee

FROM: Eileen Hill

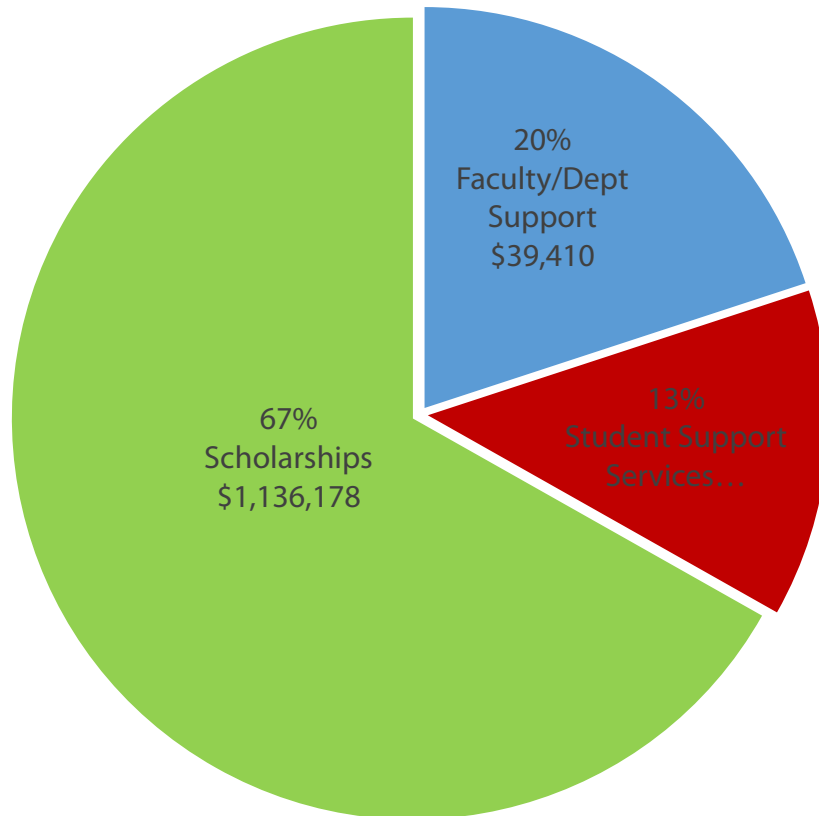
SUBJECT: 2020-21 Fundraising Targets

The Board approved a \$3M fundraising goal in outright and unbooked planned gifts. The following is an outline of the specific fundraising targets for the year to reach \$3M. The \$3M goal includes a target of \$760,000 in endowed gifts and \$500,000 in unbooked planned gifts. Focusing some effort on legacy giving will help ensure the long-term health and sustainability of the Foundation.

Amount Raised 7/1/20 – 3/12/21	2020-21 Target	
\$426,552	\$398,000	President's Circle
\$0	\$50,000	Annual Fund
\$169,618	\$175,000	Women's Educational Success
\$225,960	\$150,000	Cabrillo Advancement Program (Endowed)
\$315,051	\$500,000	Scholarships (Endowed)
\$501,032	\$250,000	Scholarships (Nonendowed)
\$486,418	\$477,000	Faculty/Department Support (Faculty Grants, Allied Health, Athletics, VAPA, etc.)
\$2,770,925	\$250,000	Student Support Services (veterans, foster youth, tutoring, etc.)
\$76,000	\$250,000	Donor directed interests
\$0	\$500,000	Unbooked Planned Gifts
\$4,971,556	\$3,000,000	TOTAL

Cabrillo College FOUNDATION

Disbursements to Cabrillo College and Students
July 1, 2020 to December 31, 2020
Total: \$1,700,388



Faculty/Department Support (Nursing, Stroke Center, Athletics, NetLab)	20%	\$339,410
Student Support Services (Foster Youth, CAP, Children's Center, Peace Library)	13%	\$224,800
Scholarships	67%	\$1,136,178
	TOTAL	\$1,700,388



Cabrillo College Foundation

Performance Report

February 28, 2021

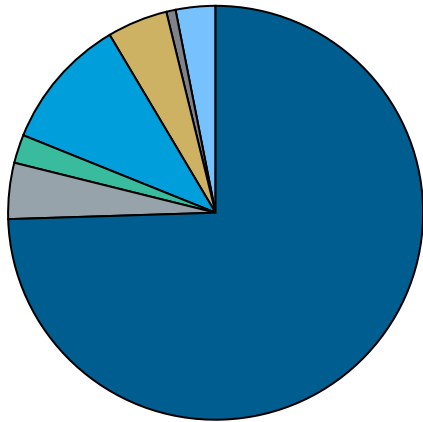
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Total Fund

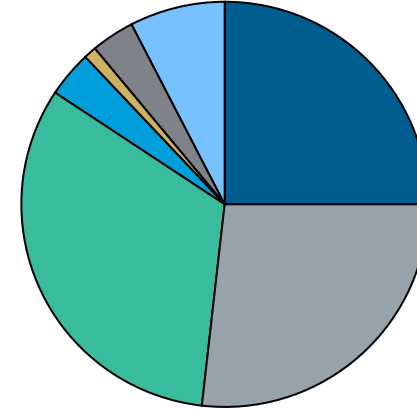
Cabrillo College Foundation
As of February 28, 2021

Asset Allocation by Composite



	Market Value (\$)	Allocation (%)
Long-Term Portfolio	29,732,858	74.5
ESG Long-Term Portfolio	1,745,345	4.4
Intermediate-Term Portfolio	889,775	2.2
Short-Term Portfolio	4,134,630	10.4
ESG Cash Management	1,878,435	4.7
Title III Endowment Portfolio	288,266	0.7
Title V Endowment Portfolio	1,235,512	3.1

Asset Allocation by Segment



Segments	Market Value (\$)	Allocation (%)
Domestic Equity	9,974,775	25.0
International Equity	10,694,647	26.8
Domestic Fixed Income	12,969,366	32.5
Alternative Investment	1,467,724	3.7
Private Equity	400,000	1.0
Global Other	1,373,769	3.4
Cash Equivalent	3,024,540	7.6

	Total Fund	Domestic Equity	International Equity	Domestic Fixed Income	Alternative Investment	Private Equity	Global Other	Cash Equivalent
Cabrillo College Foundation	39,904,821	9,974,775	10,694,647	12,969,366	1,467,724	400,000	1,373,769	3,024,540
Long-Term Portfolio	29,732,858	9,125,596	9,907,237	5,772,525	1,446,987	400,000	1,373,769	1,706,743
ESG Long-Term Portfolio	1,745,345	592,083	542,827	524,647	20,737	-	-	65,052
Intermediate-Term Pool	889,775	-	-	882,138	-	-	-	7,637
Short-Term Portfolio	4,134,630	-	-	2,962,231	-	-	-	1,172,399
ESG Cash Management	1,878,435	-	-	1,878,434	-	-	-	-
Title III Endowment Portfolio	288,266	41,284	44,135	156,261	-	-	-	46,586
Title V Endowment Portfolio	1,235,512	215,811	200,449	793,130	-	-	-	26,123

Cabrillo College Foundation
Annualized Performance Summary
As of February 28, 2021

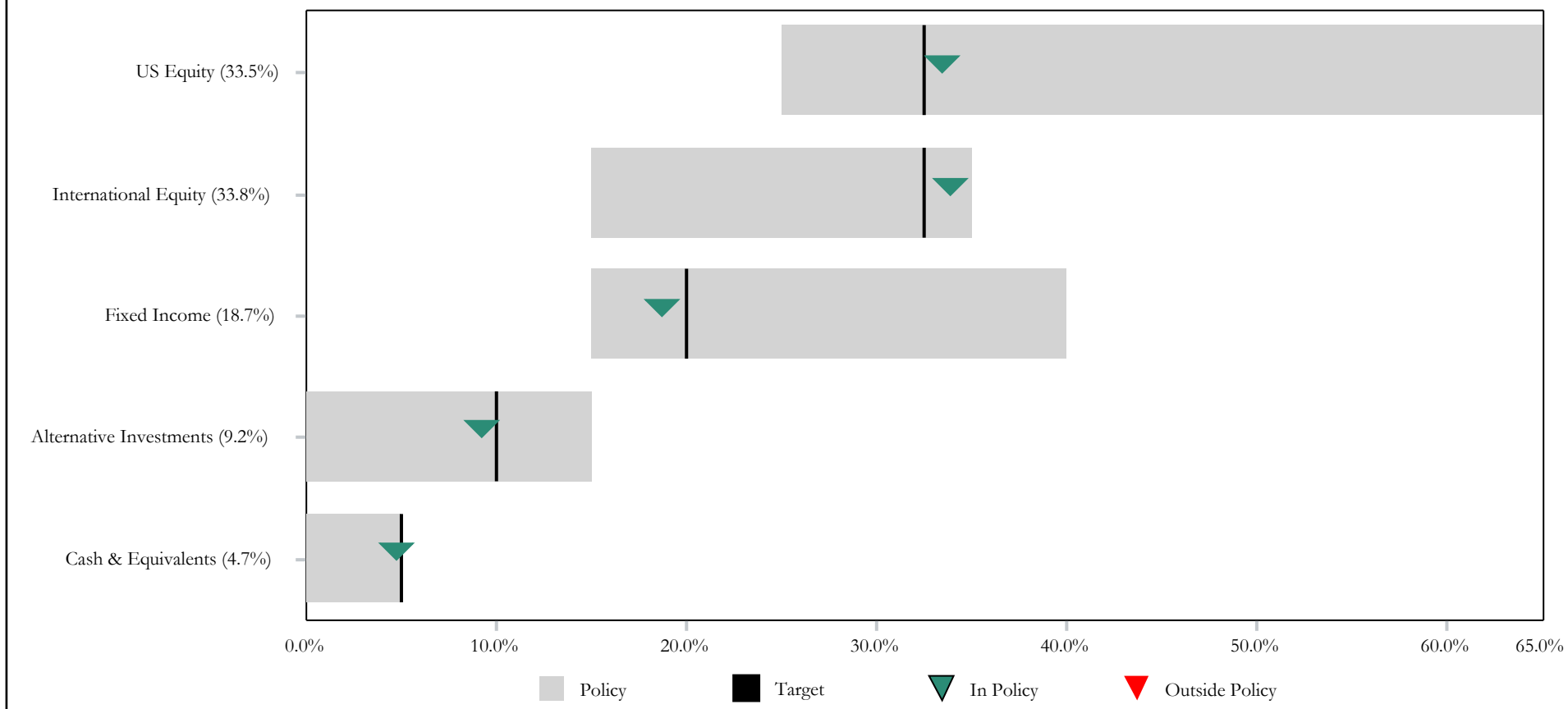
	Allocation		Performance(%)							
	Market Value (\$)	%	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Cabrillo College Foundation	39,904,821	100.0								
Long-Term Portfolio - Gross	29,732,858	74.5	2.3	19.4	22.6	7.3	10.7	7.6	6.6	05/01/1999
Long-Term Portfolio - Net			2.2	19.0	22.1	6.8	10.2	7.0	6.0	
Composite Benchmark			2.2	19.3	21.3	7.6	10.9	7.6	6.2	
ESG Long-Term Portfolio - Gross	1,745,345	4.4	1.3	18.3	21.6	9.2	-	-	8.9	06/01/2016
ESG Long-Term Portfolio - Net			1.2	17.9	21.0	8.7	-	-	8.4	
Composite Benchmark			1.4	18.8	22.0	8.9	-	-	9.2	
Intermediate Portfolio - Gross	889,775	2.2	0.0	0.5	2.3	-	-	-	3.6	01/01/2019
Intermediate Portfolio - Net			-0.1	0.1	1.9	-	-	-	3.2	
BC Gov/Cr 1-3 Yr			0.0	0.4	1.9	-	-	-	3.4	
CPI			0.5	2.3	1.5	-	-	-	1.9	
Short-Term Portfolio - Gross	4,134,630	10.4	0.1	0.3	0.4	1.3	-	-	1.3	01/01/2018
Short-Term Portfolio - Net			0.1	0.3	0.4	1.3	-	-	1.3	
Cash Management Composite*			0.0	0.0	0.1	0.7	-	-	0.7	
Title III Portfolio - Gross	288,266	0.7	0.5	7.4	8.0	4.8	7.2	-	5.9	11/01/2012
Title III Portfolio - Net			0.5	7.2	7.7	4.5	6.9	-	5.6	
Composite Benchmark			0.9	7.5	8.2	4.3	6.7	-	5.6	
Title V Portfolio - Gross	1,235,512	3.1	0.8	9.2	10.0	5.6	7.7	5.5	5.7	02/01/2011
Title V Portfolio - Net			0.7	9.0	9.6	5.3	7.4	5.2	5.4	
Composite Benchmark			1.0	8.5	9.5	4.8	7.0	5.5	5.6	

*Cash Management Composite is 50/50 FTSE T-Bills 30 Day and Cash

Long-Term Portfolio

Cabrillo College Foundation
Asset Allocation Compliance - Long-Term Portfolio
As of February 28, 2021

Executive Summary



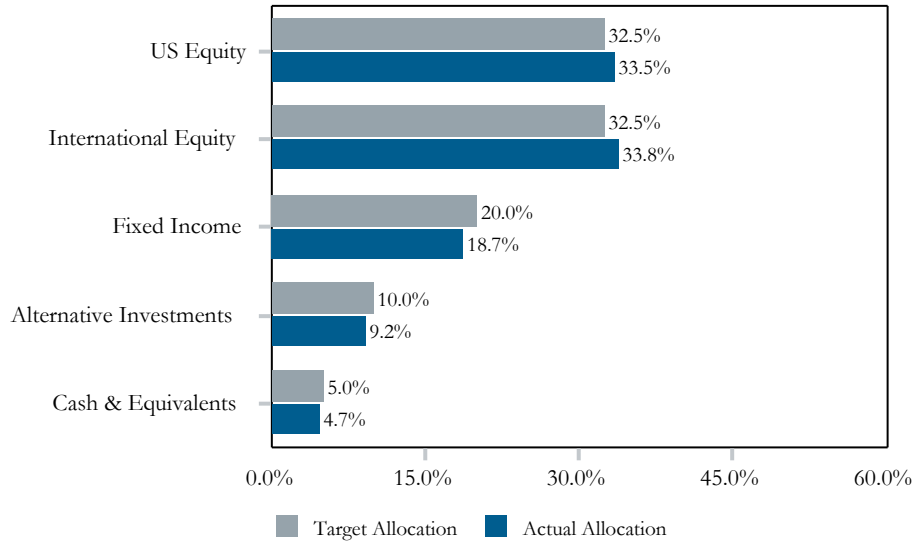
	Asset Allocation (\$000)	Asset Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Differences (%)	Target Rebalance (\$000)
Long-Term Portfolio	29,732.86	100.00	-	100.00	-	0.00	-
US Equity	9,954.45	33.48	25.00	32.50	65.00	0.98	-291.27
International Equity	10,061.98	33.84	15.00	32.50	35.00	1.34	-398.80
Fixed Income	5,567.32	18.72	15.00	20.00	40.00	-1.28	379.25
Alternative Investments	2,745.85	9.24	0.00	10.00	15.00	-0.76	227.44
Cash & Equivalents	1,403.27	4.72	0.00	5.00	5.00	-0.28	83.38

Cabrillo College Foundation

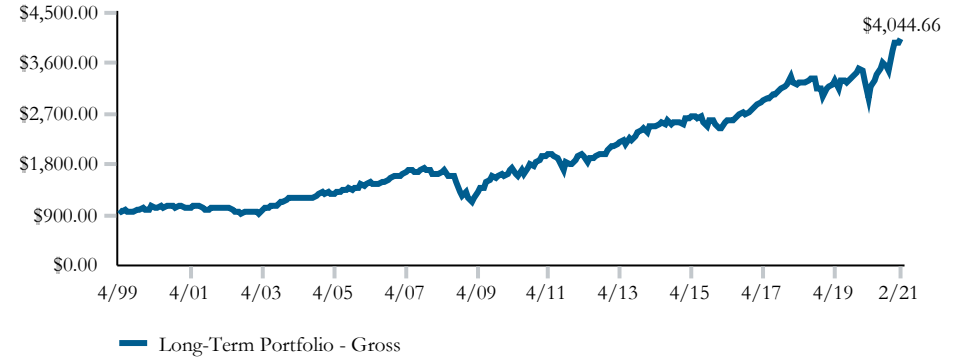
Long-Term Portfolio Summary

As of February 28, 2021

Asset Allocation Analysis

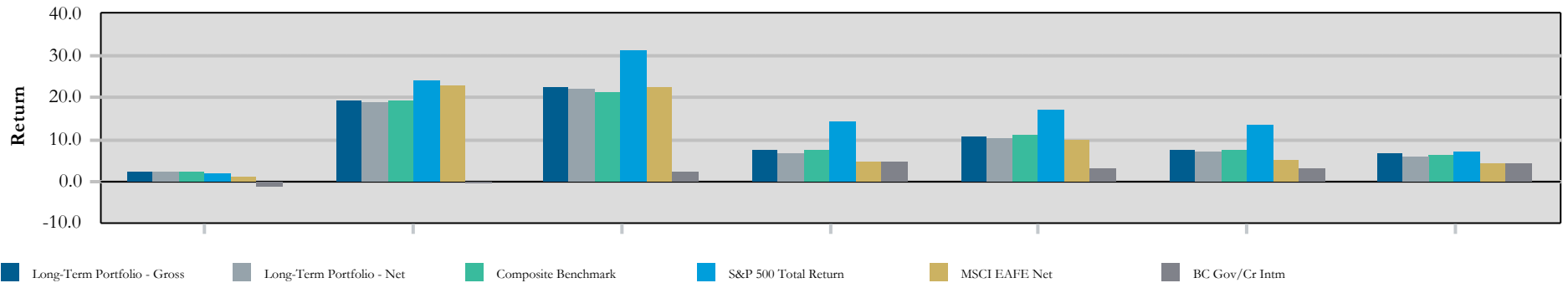


Growth of a Thousand Dollars



	Quarter To Date	Since Inception	Inception Date
Long-Term Portfolio - Gross			05/01/99
Beginning Market Value	29,097,419	5,808,118	
Net Deposits/Withdrawals	-500	3,227,045	
Gain/Loss	635,938	20,697,694	
Ending Market Value	29,732,858	29,732,858	

Performance



	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Long-Term Portfolio - Gross	2.28	19.38	22.60	7.34	10.75	7.64	6.61	05/01/1999
Long-Term Portfolio - Net	2.19	19.01	22.07	6.84	10.19	6.99	5.98	05/01/1999
Composite Benchmark	2.17	19.30	21.26	7.60	10.90	7.55	6.19	05/01/1999
S&P 500 Total Return	1.72	24.26	31.29	14.14	16.83	13.43	6.94	05/01/1999
MSCI EAFE Net	1.15	23.02	22.46	4.59	9.73	5.04	4.32	05/01/1999
BC Gov/Cr Intm	-1.09	0.00	2.36	4.76	3.06	2.96	4.35	05/01/1999

Cabrillo College Foundation
Long-Term Portfolio - Annualized Performance Summary
As of February 28, 2021

	Allocation		Performance(%)							
	Market Value (\$)	%	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Long-Term Portfolio - Gross	29,732,858	100.0	2.3	19.4	22.6	7.3	10.7	7.6	6.6	05/01/1999
<i>Long-Term Portfolio - Net</i>			2.2	19.0	22.1	6.8	10.2	7.0	6.0	
<i>Composite Benchmark</i>			2.2	19.3	21.3	7.6	10.9	7.6	6.2	
US Equity	9,954,449	33.5								
Fuller & Thaler Small Cap Value	889,420	3.0	15.9	-	-	-	-	-	64.2	08/01/2020
<i>Russell 2000 VL</i>			15.2	-	-	-	-	-	54.3	
Salient MLP & Energy Infrastructure	623,279	2.1	8.8	20.0	-	-	-	-	55.0	04/01/2020
<i>Alerian Midstream Energy</i>			12.1	22.0	-	-	-	-	61.8	
SPDR S&P 1500 Composite Stock Market	8,441,749	28.4	2.5	25.6	31.4	13.8	16.6	13.0	7.4	04/01/1999
<i>S&P Composite 1500</i>			2.4	25.9	32.2	14.0	16.7	13.3	7.5	
International Equity	10,061,980	33.8								
Brandes International Equity	2,446,435	8.2	3.2	26.1	16.7	-0.3	6.1	3.8	5.8	04/01/1999
<i>MSCI EAFE VL Net</i>			3.9	25.4	16.0	-0.1	7.2	3.0	4.3	
China Portfolio	772,321	2.6	5.2	35.2	-	-	-	-	62.7	04/01/2020
<i>MSCI China Net</i>			6.3	32.9	-	-	-	-	53.2	
Hansberger International Growth	1,667,440	5.6	4.4	32.4	37.7	-	-	-	11.8	05/01/2018
<i>MSCI AC World ex US Net</i>			2.2	27.1	26.2	-	-	-	5.8	
International Small Cap	1,558,598	5.2	3.4	32.6	26.5	1.7	-	-	7.0	11/01/2016
<i>MSCI EAFE Small Cap Value</i>			4.0	33.8	22.6	2.5	-	-	8.7	
iShares Core MSCI Emerging Markets	927,951	3.1	4.3	37.0	35.1	-	-	-	18.5	01/01/2019
<i>MSCI EM IMI Net</i>			4.1	37.1	36.6	-	-	-	18.8	
iShares Core MSCI EAFE	2,689,235	9.0	1.8	23.9	-	-	-	-	43.7	04/01/2020
<i>MSCI EAFE Net</i>			1.2	23.0	-	-	-	-	41.3	

*Cash Management Composite is 50/50 FTSE T-Bills 30 Day and Cash. Euro STOXX 50 is cash in Aug-2020.

Cabrillo College Foundation
Long-Term Portfolio - Annualized Performance Summary
As of February 28, 2021

	Allocation		Performance(%)							
	Market Value (\$)	%	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Fixed Income	5,567,317	18.7								
Breckinridge Intm Govt/Credit <i>BC Gov/Cr Intm</i>	4,734,283	15.9	-1.2 <i>-1.1</i>	-0.3 <i>0.0</i>	3.2 <i>2.4</i>	5.1 <i>4.8</i>	3.3 <i>3.1</i>	3.4 <i>3.0</i>	5.0 <i>3.9</i>	05/01/2006
Community Capital <i>BC Agg Intm Tr</i>	833,034	2.8	-0.7 <i>-0.9</i>	-0.1 <i>0.0</i>	1.1 <i>2.1</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	4.1 <i>4.8</i>	05/01/2019
Alternative Investments	2,745,846	9.2								
Boyd Watterson GSA Fund <i>FTSE Treasury Bill 3 Month</i>	400,000	1.3	0.0 <i>0.0</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	0.0 <i>0.0</i>	12/31/2020
Liquid Alternatives <i>Wilshire Liquid Alternatives TR</i>	1,035,777	3.5	0.8 <i>1.5</i>	7.0 <i>8.4</i>	4.6 <i>7.2</i>	2.3 <i>2.5</i>	4.2 <i>3.2</i>	- <i>-</i>	2.2 <i>1.8</i>	05/01/2013
Structured International <i>Euro STOXX 50*</i>	1,310,070	4.4	1.6 <i>2.4</i>	6.4 <i>9.1</i>	2.5 <i>5.9</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	3.5 <i>4.2</i>	06/01/2019
Cash & Equivalents	1,403,266	4.7								
Cash Management <i>Cash Management Composite*</i>	1,403,266	4.7	0.0 <i>0.0</i>	0.0 <i>0.0</i>	-0.5 <i>0.1</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	1.4 <i>0.7</i>	05/01/2018

*Cash Management Composite is 50/50 FTSE T-Bills 30 Day and Cash. Euro STOXX 50 is cash in Aug-2020.

**Cabrillo College Foundation
Boyd Watterson GSA Fund
As of February 28, 2021**

Fund Information

Strategy Type: Core Real Estate

Geographic Focus: United States

Industry Focus: Real Estate

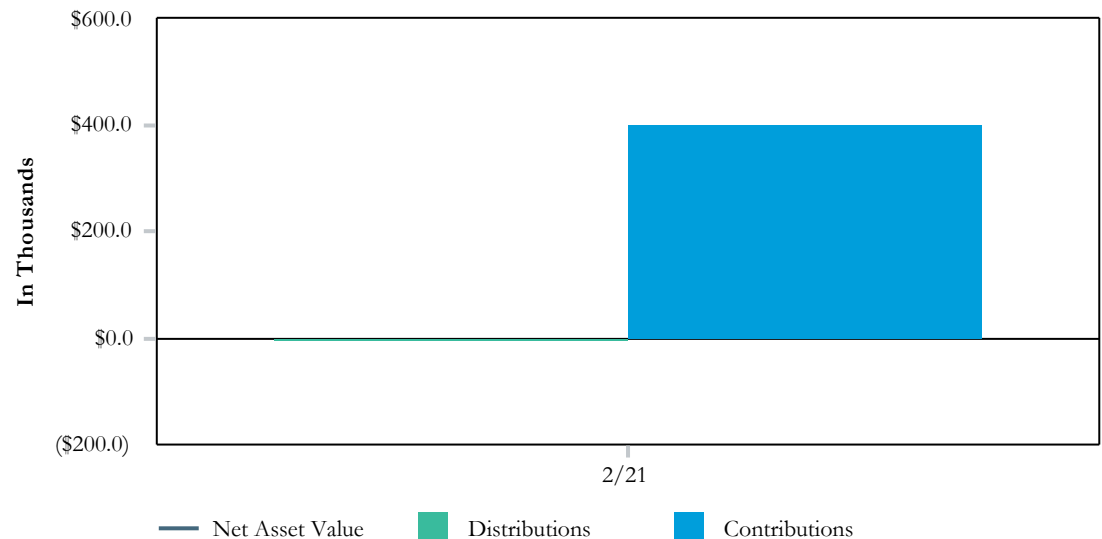
Investment Strategy: The Fund objective is to generate a stable stream of investment-grade current income by investing in properties leased to the US General Services Administration (GSA). GSA leases are considered to be backed by the full faith and credit of the US government. GSA oversees approximately 9,600 properties, including FBI, DoD, DEA, and Department of Homeland Security buildings. Government leases tend to be longer and more stable than typical real estate, with high renewal rates. The manager believes this to be a more inefficient market with few institutional buyers devoted to the GSA space. The Fund targets single-tenant properties with customized building requirements: mission-critical properties that are essential to each agency.

Cash Flow Summary

Capital Committed:	\$1,000,000
Total Contributions:	\$400,000
Remaining Capital Commitment:	\$600,000
Total Distributions:	-
Market Value:	\$400,000

Inception IRR:	0.00
TVPI:	1.00
DPI:	0.00
RVPI:	1.00
PIC:	0.40

Cash Flow Analysis

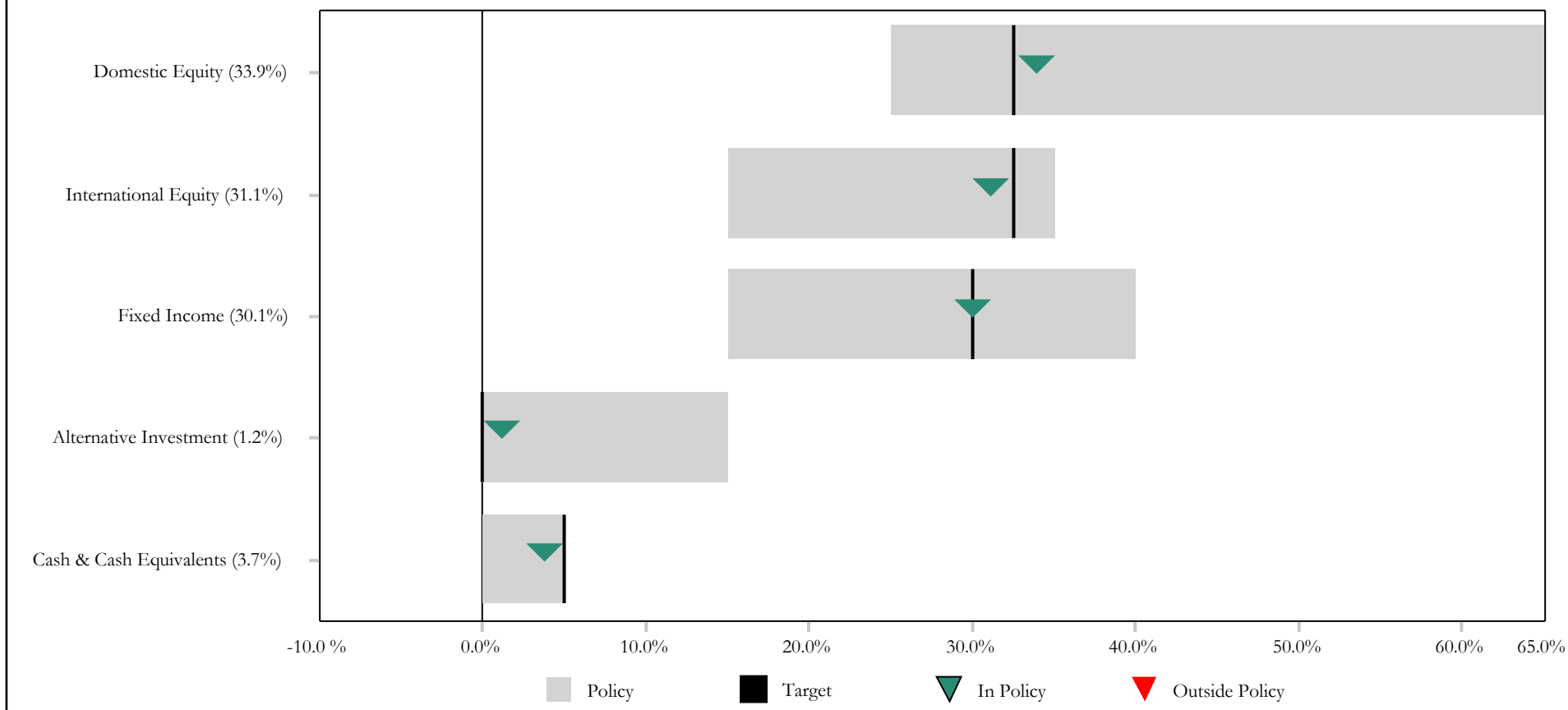


Source: Boyd Watterson

ESG Long-Term Portfolio

Cabrillo College Foundation
Asset Allocation Compliance - ESG Long-Term Portfolio
As of February 28, 2021

Executive Summary



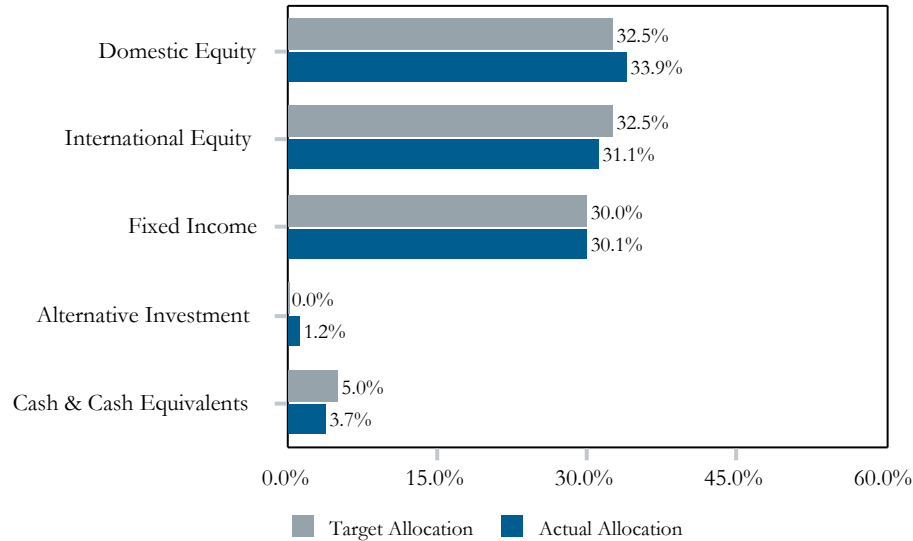
	Asset Allocation (\$000)	Asset Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Differences (%)	Target Rebalance (\$000)
Domestic Equity	592.08	33.92	25.00	32.50	65.00	1.42	-24.85
International Equity	542.83	31.10	15.00	32.50	35.00	-1.40	24.41
Fixed Income	524.65	30.06	15.00	30.00	40.00	0.06	-1.04
Alternative Investment	20.74	1.19	0.00	0.00	15.00	1.19	-20.74
Cash & Cash Equivalents	65.05	3.73	0.00	5.00	5.00	-1.27	22.22
Total Fund	1,745.35	100.00	-	100.00	-	0.00	-

Cabrillo College Foundation

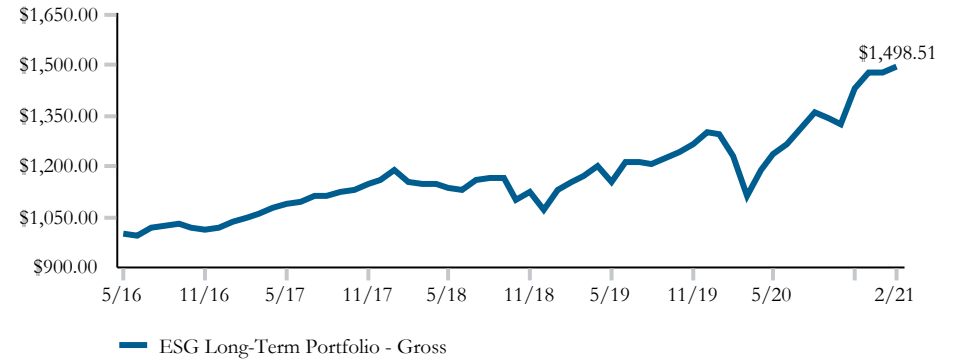
ESG Long-Term Portfolio Summary

As of February 28, 2021

Asset Allocation Analysis

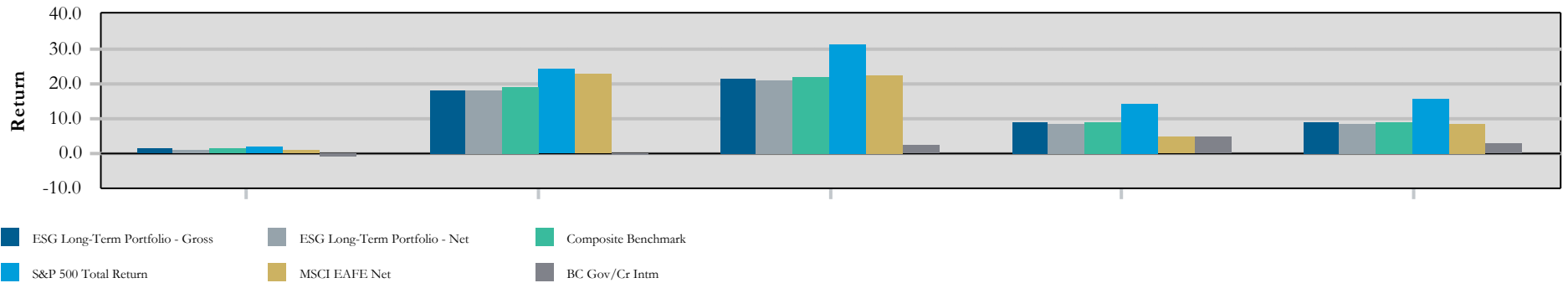


Growth of a Thousand Dollars



	Quarter To Date	Since Inception	Inception Date
ESG Long-Term Portfolio - Gross			06/01/16
Beginning Market Value	1,724,920	572,092	
Net Deposits/Withdrawals	500	837,152	
Gain/Loss	19,926	336,101	
Ending Market Value	1,745,345	1,745,345	

Performance



	YTD	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
ESG Long-Term Portfolio - Gross	1.27	18.33	21.57	9.15	8.89	06/01/2016
ESG Long-Term Portfolio - Net	1.15	17.90	20.98	8.65	8.40	06/01/2016
Composite Benchmark	1.43	18.83	22.04	8.89	9.23	06/01/2016
S&P 500 Total Return	1.72	24.26	31.29	14.14	15.66	06/01/2016
MSCI EAFE Net	1.15	23.02	22.46	4.59	8.38	06/01/2016
BC Gov/Cr Intm	-1.09	0.00	2.36	4.76	3.04	06/01/2016

Cabrillo College Foundation
ESG Long-Term Portfolio - Annualized Performance Summary
As of February 28, 2021

	Allocation		Performance(%)					
	Market Value (\$)	%	YTD	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
ESG Long-Term Portfolio - Gross	1,745,345	100.0	1.3	18.3	21.6	9.2	8.9	06/01/2016
<i>ESG Long-Term Portfolio - Net</i>			<i>1.2</i>	<i>17.9</i>	<i>21.0</i>	<i>8.7</i>	<i>8.4</i>	
<i>Composite Benchmark</i>			<i>1.4</i>	<i>18.8</i>	<i>22.0</i>	<i>8.9</i>	<i>9.2</i>	
Equity								
Trillium Large Cap Core	185,163	10.6	2.1	26.1	34.7	17.0	16.2	06/01/2016
<i>S&P 500 Total Return</i>			<i>1.7</i>	<i>24.3</i>	<i>31.3</i>	<i>14.1</i>	<i>15.7</i>	
Nuveen ESG Large-Cap Value	93,231	5.3	2.3	-	-	-	18.6	08/01/2020
<i>Russell 1000 Value</i>			<i>5.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>24.1</i>	
Pax Small Cap ESG	53,390	3.1	11.4	-	-	-	41.4	08/01/2020
<i>Russell 2000</i>			<i>11.6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>49.7</i>	
Parametric ACWI ESG	563,090	32.3	2.5	25.3	28.8	-	12.8	06/01/2018
<i>MSCI AC World Net</i>			<i>1.9</i>	<i>26.3</i>	<i>30.3</i>	<i>-</i>	<i>11.7</i>	
International Funds	318,322	18.2	0.9	28.6	31.0	9.5	11.6	06/01/2016
<i>MSCI ACWI Ex-US*</i>			<i>2.2</i>	<i>27.1</i>	<i>26.2</i>	<i>5.4</i>	<i>9.6</i>	
Fixed Income								
Breckinridge Intm. Sustainable Govt/Credit	443,355	25.4	-1.2	-0.3	2.8	5.0	3.3	06/01/2016
<i>BC Gov/Cr Intm</i>			<i>-1.1</i>	<i>0.0</i>	<i>2.4</i>	<i>4.8</i>	<i>3.0</i>	
Community Capital	88,793	5.1	-0.7	-0.1	1.1	-	4.1	05/01/2019
<i>BC Agg Intm Tr</i>			<i>-0.9</i>	<i>0.0</i>	<i>2.1</i>	<i>-</i>	<i>4.8</i>	

*International Funds benchmark transitioned from MSCI ACWI on 1/2018 to reflect allocation change

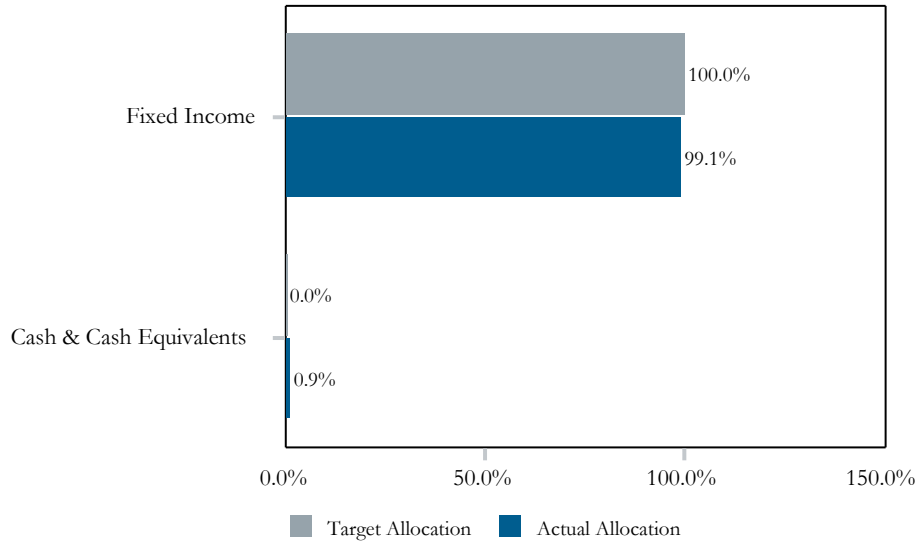
Intermediate Portfolio

Cabrillo College Foundation

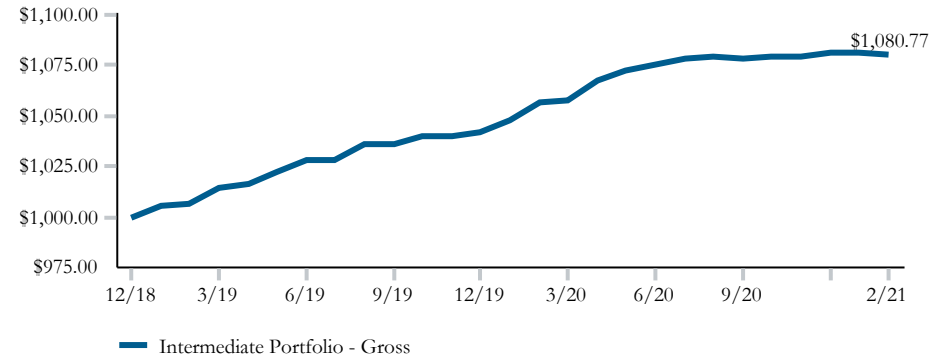
Intermediate Portfolio Summary

As of February 28, 2021

Asset Allocation Analysis

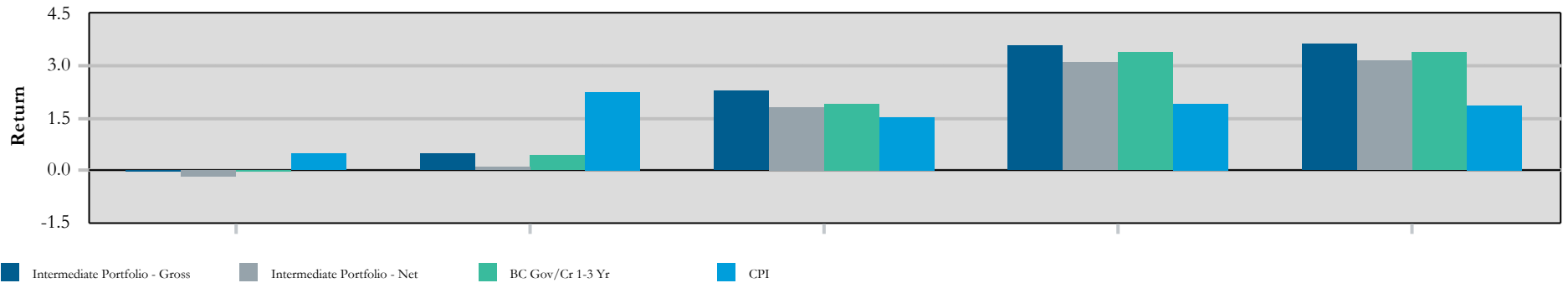


Growth of a Thousand Dollars



	Quarter To Date	Since Inception	Inception Date
Intermediate Portfolio - Gross			01/01/19
Beginning Market Value	891,099	305,006	
Net Deposits/Withdrawals	-	540,021	
Gain/Loss	-1,323	44,748	
Ending Market Value	889,775	889,775	

Performance



	YTD	Fiscal YTD	1 Year	2 Years	Since Inception	Inception Date
Intermediate Portfolio - Gross	-0.03	0.48	2.33	3.60	3.65	01/01/2019
Intermediate Portfolio - Net	-0.15	0.13	1.85	3.12	3.16	01/01/2019
BC Gov/Cr 1-3 Yr	0.00	0.44	1.94	3.40	3.41	01/01/2019
CPI	0.49	2.27	1.55	1.95	1.89	01/01/2019

Short-Term Portfolio

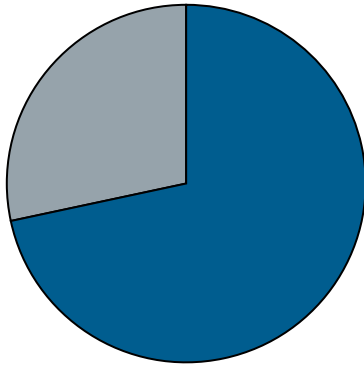
Cabrillo College Foundation

Short-Term Portfolio Summary

As of February 28, 2021

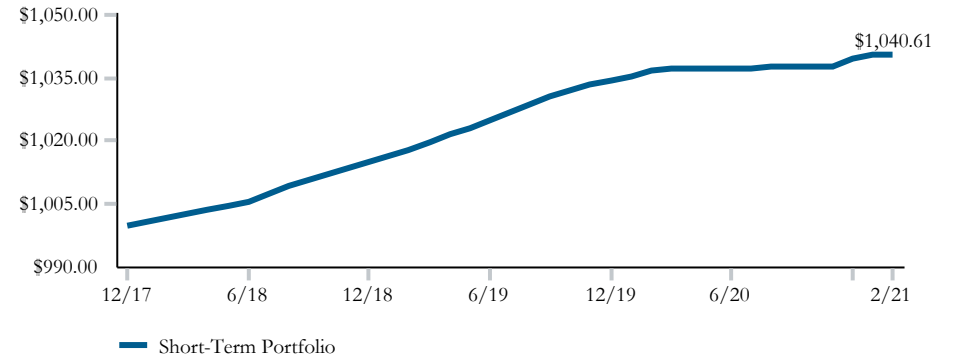
Asset Allocation Analysis

February 28, 2021 : \$4,135



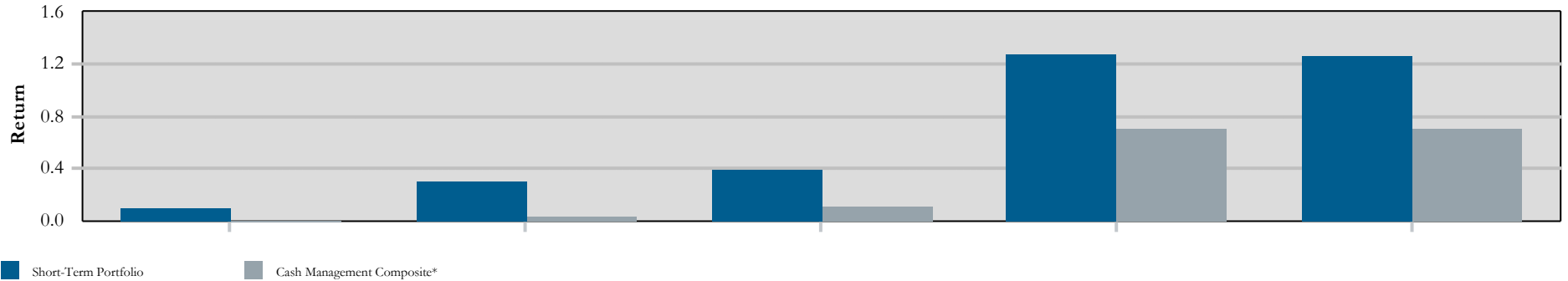
Segments	Market Value (\$000)	Allocation (%)
Domestic Fixed Income	2,962.23	71.64
Cash Equivalent	1,172.40	28.36

Growth of a Thousand Dollars



	Quarter To Date	Since Inception	Inception Date
Short-Term Portfolio			01/01/18
Beginning Market Value	3,508,823	2,847,882	
Net Deposits/Withdrawals	621,542	1,144,501	
Gain/Loss	4,265	142,248	
Ending Market Value	4,134,630	4,134,630	

Performance



	YTD	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
Short-Term Portfolio	0.11	0.31	0.39	1.28	1.27	01/01/2018
Cash Management Composite*	0.01	0.03	0.11	0.71	0.71	01/01/2018

*Cash Management Composite is 50/50 FTSE T-Bills 30 Day and Cash

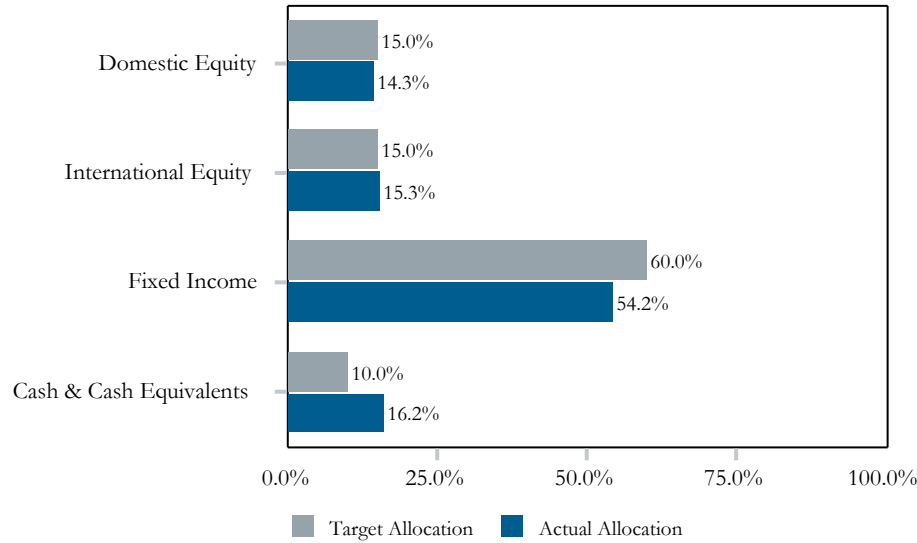
Title III Portfolio

Cabrillo College Foundation

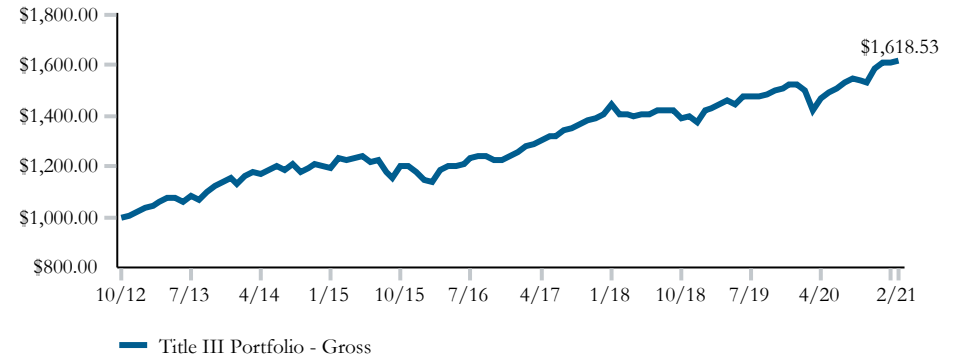
Title III Portfolio Summary

As of February 28, 2021

Asset Allocation Analysis

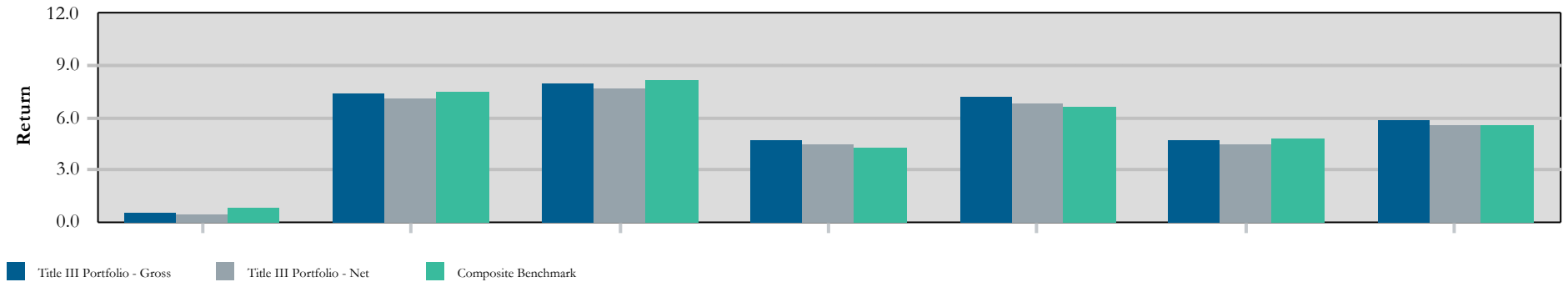


Growth of a Thousand Dollars



	Quarter To Date	Since Inception	Inception Date
Title III Portfolio - Gross			11/01/12
Beginning Market Value	286,874	129,011	
Net Deposits/Withdrawals	-	75,697	
Gain/Loss	1,392	83,558	
Ending Market Value	288,266	288,266	

Performance



	YTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
Title III Portfolio - Gross	0.53	7.38	7.98	4.79	7.23	4.81	5.95	11/01/2012
Title III Portfolio - Net	0.48	7.19	7.69	4.50	6.90	4.46	5.59	11/01/2012
Composite Benchmark	0.88	7.50	8.23	4.27	6.68	4.84	5.63	11/01/2012

Cabrillo College Foundation
Title III Portfolio - Annualized Performance Summary
As of February 28, 2021

	Allocation		Performance(%)							
	Market Value (\$)	%	YTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Incep	Inception Date
Title III Portfolio - Gross	288,266	100.0	0.5	7.4	8.0	4.8	7.2	4.8	5.9	11/01/2012
<i>Title III Portfolio - Net</i>			<i>0.5</i>	<i>7.2</i>	<i>7.7</i>	<i>4.5</i>	<i>6.9</i>	<i>4.5</i>	<i>5.6</i>	
<i>Composite Benchmark</i>			<i>0.9</i>	<i>7.5</i>	<i>8.2</i>	<i>4.3</i>	<i>6.7</i>	<i>4.8</i>	<i>5.6</i>	
Global Core Equity	89,357	31.0	2.9	26.0	25.8	-	-	-	8.9	05/01/2018
<i>Global Core Equity Benchmark*</i>			<i>3.5</i>	<i>28.6</i>	<i>26.6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>8.6</i>	
US Core Fixed Income	157,819	54.7	-0.6	1.6	2.9	-	-	-	4.9	05/01/2018
<i>BC Gov/Cr 1-5 yr</i>			<i>-0.3</i>	<i>0.4</i>	<i>2.3</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>4.1</i>	
Cash Management	41,090	14.3	0.0	0.0	-0.2	-	-	-	1.0	05/01/2018
<i>Cash Management Composite*</i>			<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.7</i>	

*Global Core Equity Benchmark is 25% Russell 3000, 25% Russell 3000 Value, 35% MSCI ACWI Ex-US IMI, and 15% MSCI ACWI Ex-US Value. Cash Management Composite is 50/50 FTSE T-Bills 30 Day and Cash.

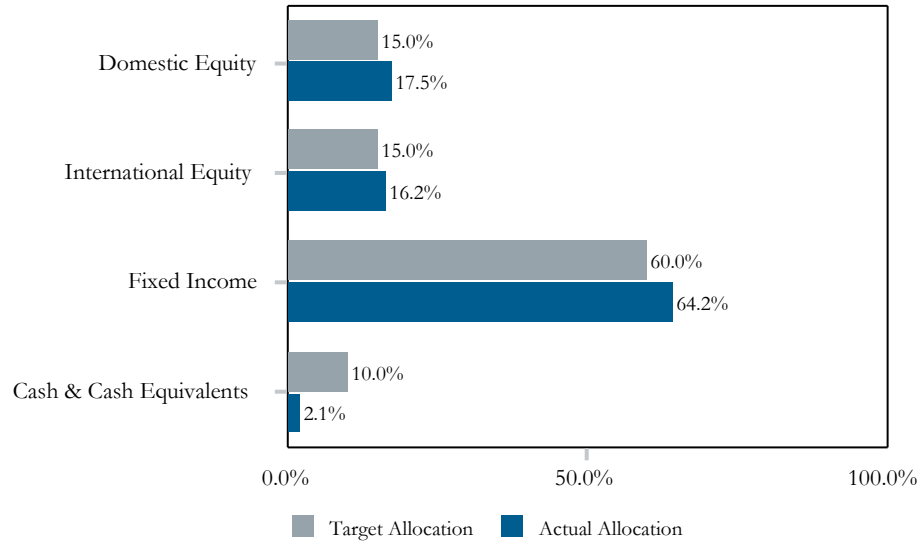
Title V Portfolio

Cabrillo College Foundation

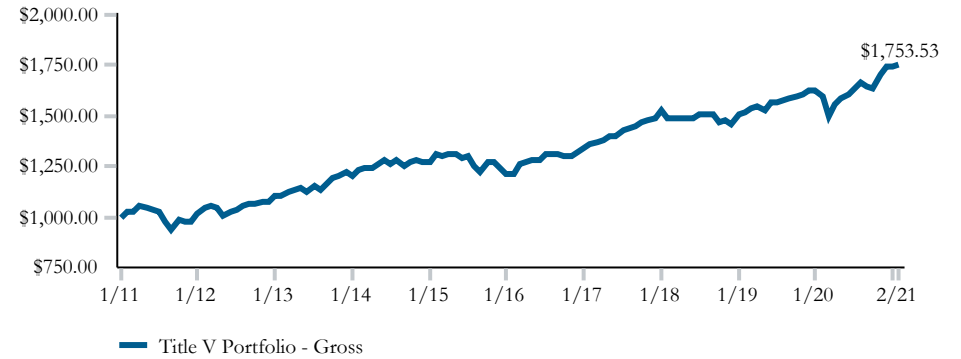
Title V Portfolio Summary

As of February 28, 2021

Asset Allocation Analysis

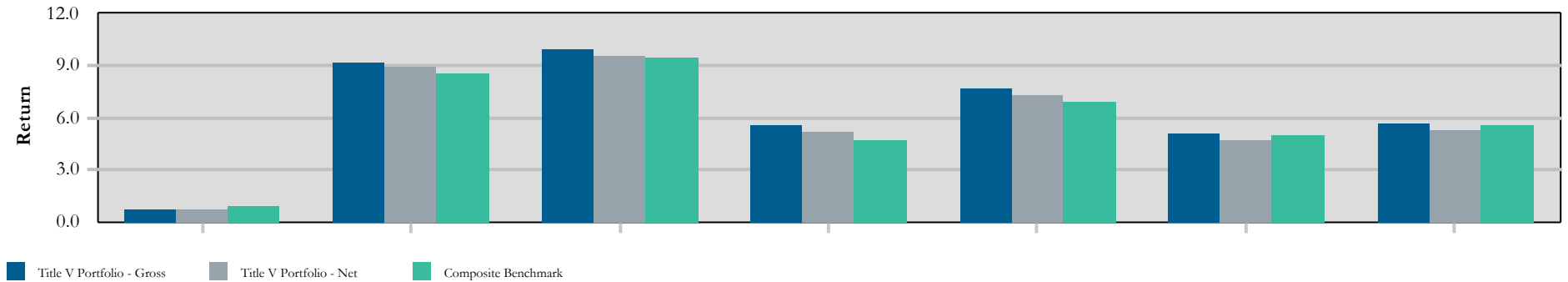


Growth of a Thousand Dollars



	Quarter To Date	Since Inception	Inception Date
Title V Portfolio - Gross			02/01/11
Beginning Market Value	1,226,495	99,321	
Net Deposits/Withdrawals	-	723,766	
Gain/Loss	9,017	412,425	
Ending Market Value	1,235,512	1,235,512	

Performance



	YTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
Title V Portfolio - Gross	0.79	9.22	10.00	5.58	7.71	5.11	5.73	02/01/2011
Title V Portfolio - Net	0.74	8.99	9.64	5.26	7.36	4.75	5.35	02/01/2011
Composite Benchmark	0.97	8.53	9.48	4.77	6.99	5.06	5.59	02/01/2011

Cabrillo College Foundation
Title V Portfolio - Annualized Performance Summary
As of February 28, 2021

	Allocation		Performance(%)							
	Market Value (\$)	%	YTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Incep	Inception Date
Title V Portfolio - Gross	1,235,512	100.0	0.8	9.2	10.0	5.6	7.7	5.1	5.7	02/01/2011
<i>Title V Portfolio - Net</i>			<i>0.7</i>	<i>9.0</i>	<i>9.6</i>	<i>5.3</i>	<i>7.4</i>	<i>4.7</i>	<i>5.4</i>	
<i>Composite Benchmark</i>			<i>1.0</i>	<i>8.5</i>	<i>9.5</i>	<i>4.8</i>	<i>7.0</i>	<i>5.1</i>	<i>5.6</i>	
Global Core Equity	427,022	34.6	3.4	28.1	27.9	-	-	-	9.4	05/01/2018
<i>Global Core Equity Benchmark*</i>			<i>3.5</i>	<i>28.6</i>	<i>26.6</i>	-	-	-	<i>8.6</i>	
US Core Fixed Income	756,514	61.2	-0.6	1.6	2.8	-	-	-	4.9	05/01/2018
<i>BC Gov/Cr 1-5 yr</i>			<i>-0.3</i>	<i>0.4</i>	<i>2.3</i>	-	-	-	<i>4.1</i>	
Cash Management	51,976	4.2	0.1	0.3	-0.3	-	-	-	1.5	05/01/2018
<i>Cash Management Composite*</i>			<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	-	-	-	<i>0.7</i>	

*Global Core Equity Benchmark is 25% Russell 3000, 25% Russell 3000 Value, 35% MSCI ACWI Ex-US IMI, and 15% MSCI ACWI Ex-US Value. Cash Management Composite is 50/50 FTSE T-Bills 30 Day and Cash.



STATEMENT OF INVESTMENT POLICY

OBJECTIVES & GUIDELINES

Board of Directors
Approved May 8, 2018

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GENERAL INFORMATION

Background Information

The Cabrillo College Foundation (“Foundation”) was established in 1965. The Foundation is crucial to the continuing development of Cabrillo College and the surrounding community.

Mission Statement

The Foundation’s mission is to operate for the advancement of education; to solicit and raise money for scholarship, facilities, equipment, research and education projects; to improve faculty-teaching competence; to provide departmental support; and to otherwise provide aid supplementary to public tax dollars for the support and benefit of Cabrillo College.

Scope of This Investment Policy

This statement of investment policy reflects the investment policy, objectives, and constraints of the Cabrillo College Foundation.

Purpose of This Investment Policy Statement

This statement of investment policy is set forth by the Board of the Cabrillo College Foundation in order to:

1. Outline the philosophy and policies which will guide the investment of Foundation assets toward desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.
2. Define and assign the responsibilities of all involved parties.
3. Establish the relevant investment horizon for which Foundation assets will be managed.
4. Establish a clear statement of the investment goals and objectives of Foundation assets.
5. Set forth guidelines for managing Foundation assets according to prudent standards as established by the Board in accordance with UPMIFA.
6. Offer guidance and limitations to the Investment Consultant regarding the investment of Foundation assets.
7. Establish a basis for evaluating investment results.

DUTIES AND RESPONSIBILITIES

Members of the Board of Directors of the Cabrillo College Foundation are fiduciaries, and are responsible for directing and monitoring the investment of Foundation assets. Additionally, they are responsible for establishing policies used to administer the Foundation’s investment activities. As such, the Board is authorized to delegate certain responsibilities and may employ or arrange for the services of such other persons, agents, or assistants as, in its opinion, are deemed necessary or desirable for the proper administration of the Foundation’s investments, and to pay reasonable compensation for their services and expenses. The Board expects that any such parties associated with the Foundation will discharge their respective responsibilities in accordance with normal fiduciary standard. These parties may include, but are not limited to:

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1. Finance and Investment Committee. The Finance and Investment Committee is established pursuant to Article 7b(3) of the Foundation's Bylaws. Subject to the general supervision and ratification of the Board, the Finance and Investment Committee shall exercise control over the funds of the Foundation. Specific responsibilities of the Finance and Investment Committee include:
 - a. Carrying out all current policies set forth in the Foundation's Investment Policy;
 - b. Advising the Board on the selection of an Investment Consultant;
 - c. Overseeing and monitoring the status of the Foundation's assets;
 - d. Advising the Board on spending (SEE APPENDIX A), investment, and cash management policies, including asset allocation and prohibited transactions;
 - e. Setting and evaluating the target total return on investments;
 - f. Making recommendations to the Board on other fiscal policies and procedures;
 - g. Carrying out a performance review of the Investment Consultant every 5 years, or earlier if conditions warrant;
 - h. Carrying out an annual review of the Investment Policy Statement.
2. Investment Consultant. Specific responsibilities of the Investment Consultant include:
 - a. Assisting the Finance and Investment Committee in establishing investment policy, objectives, and guidelines
 - b. Directing asset allocation and selecting Investment Managers on a discretionary basis, subject to the guidelines and limits of this policy, and reviewing such managers quarterly;
 - c. Measuring and evaluating investment performance; and
 - d. Other tasks as deemed appropriate.
3. Investment Manager. Investment Managers have discretion to purchase, sell, or hold the specific securities that will be used to meet the Foundation's investment objectives.
4. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Foundation, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Foundation accounts.
5. Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the Finance and Investment Committee to assist the Board in meeting its responsibilities and obligations to administer Foundation assets prudently.

GENERAL INVESTMENT PRINCIPLES

1. Investments shall be made solely in the interest of the Foundation.
2. The Foundation shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a Foundation of like character and with like aims.
3. Pursuant to UPMIFA, the Foundation will consider the following factors, if relevant, in managing and investing each donor fund, except as otherwise provided by a fund

agreement:

- a. The purposes of the Foundation;
 - b. The purposes of the donor fund;
 - c. General economic conditions;
 - d. The possible effect(s) of inflation or deflation;
 - e. The expected tax consequences, if any, of investment decisions or strategies;
 - f. The role that each investment plays within the overall investment portfolio;
 - g. The expected total return;
 - h. Other resources of the Foundation;
 - i. The needs of the Foundation and the donor fund to make distributions and to preserve capital; and an asset's special relationship or value, if any, to the purposes of the Foundation or donor fund.
4. Cash is to be employed productively at all times by investment in short-term cash equivalents to provide safety, liquidity, and return. As soon as it is practical, the Cabrillo College Foundation will invest in institutions within the FDIC insured limits.

Definition of Risk

The Finance and Investment Committee realizes that there are many ways to define risk. It believes that any person or organization involved in the process of managing the Cabrillo College Foundation assets understands how it defines risk so that the assets are managed in a manner consistent with the Foundation's objectives and investment strategy as designed in this statement of investment policy. The Finance and Investment Committee defines risk as:

The probability of not meeting the Foundation's objectives.

Liquidity

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Finance and Investment Committee will periodically provide the Investment Consultant with an estimate of expected net cash flow. The Finance and Investment Committee will notify the Investment Consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

To maintain the ability to deal with unplanned cash requirements that might arise, the Finance and Investment Committee requires that a minimum of 2% of Foundation assets shall be maintained in cash or cash equivalents, including money market Funds or short-term U.S. Treasury bills.

Allowable Investments

1. Cash Equivalents
 - Treasury Bills
 - Money Market Funds



- Short Term Investment Funds
 - Commercial Paper
 - Banker's Acceptances
 - Repurchase Agreements
 - Certificates of Deposit
2. Fixed Income Securities
- U.S. Government and Agency Securities
 - Corporate Notes and Bonds
 - Mortgage Backed Bonds
 - Preferred Stock
 - Fixed Income Securities of Foreign Governments and Corporations
 - Planned Amortization Class Collateralized Mortgage Obligations (PAC CMOs) or other "early tranche" CMOs
3. Equity Securities
- U.S. Common Stocks
 - Convertible Notes and Bonds
 - Convertible Preferred Stocks
 - American Depositary Receipts (ADRs) of Non-U.S. Companies
 - International Common Stocks including Developed & Emerging Markets
 - REITS
4. Mutual Funds
- Mutual Funds which invest in securities as allowed in this statement.
5. Alternative Investments
- Definition
While there is no uniform definition of the term "alternative investments," for the purpose of this policy, the Foundation defines alternative investments as strategies that seek to provide attractive returns and diversification through the ownership of non-traditional assets (those other than public equities, fixed income, or cash), or through the use of innovative and flexible strategies (such as the ability to short, add leverage and/or hedge). Examples could include, but are not limited to private equity, private real estate, other private investments focusing on real assets, commodities, hedge funds, and derivatives-based strategies. These strategies may be structured as illiquid, partially liquid, or fully marketable investments.
 - Liquidity
The Foundation recognizes that certain alternative investments entail a greater degree of illiquidity, such as private equity, real estate, infrastructure, private partnership vehicles, etc. As a long-term investor, the Foundation has the ability to bear some degree of illiquid investments, but consideration should be given to the size that such allocations may comprise in times of market stress to ensure that the overall allocation to such categories does not exceed the intent of policy and negatively impact the Foundation's ability to meet ongoing cash flow needs. Therefore, investment strategies or vehicles that require longer than three (3) months to liquidate

will require Finance and Investment Committee approval.

- **Transparency**
The Foundation shall only invest in alternative investments which provide sufficient transparency into the investment decision-making process and any expenses, and regularly report position-level portfolio holdings.
- **Leverage**
Leverage is a condition where the net potential monetary exposure of an obligation exceeds the value of the underlying assets. Leverage is not permitted at the total portfolio level. Underlying investment managers may use leverage so long as it is used in a manner consistent with the discipline for which the Foundation hired the investment manager and does not introduce material leverage at the total portfolio level. Use of leverage will be controlled by the investment manager's guidelines and will be subject to review by the Investment Consultant and Investment Committee.
- **Derivatives and Derivative Securities**
Certain of the Foundation's managers may be permitted under the terms of their specific investment guidelines to use derivative instruments. Derivatives are contracts or securities whose market value is related to the value of another security, index, or financial instrument. Investments in derivatives include (but are not limited to) futures, forwards, options, options on futures, warrants, and interest-only and principal-only strips. Examples of appropriate applications of derivative strategies include hedging market, interest rate, or currency risk, maintaining exposure to a desired asset class while making asset allocation changes, gaining exposure to an asset class when it is more cost-effective than the cash markets, and adjusting duration within a fixed income portfolio. No derivative positions can be established that have the effect of creating portfolio characteristics outside of portfolio guidelines. Investment managers must ascertain and carefully monitor the creditworthiness of any third parties involved in derivative transactions. Each manager using derivatives shall (1) exhibit expertise and experience in utilizing such products; (2) demonstrate that such usage is strategically integral to their security selection, risk management, or investment processes; and (3) demonstrate acceptable internal controls regarding these investments.

Prohibited Investments

While the Foundation may consider professionally managed strategies that include one or more of the following, direct investment in the following investment or transaction types are prohibited:

1. Private Placements
2. Venture-Capital Investments
3. Derivative Investments (except as described above)
4. Non traded REITs
5. Short Selling (except within alternative investments)
6. Margin Transactions

Volatility of Returns



The Foundation acknowledges that it will experience volatility of returns and fluctuations in the market value of its assets. While the Foundation's primary concern is the achievement of its investment objectives, it is the policy of the Foundation that its Investment Consultant(s) and Investment Managers minimize the probability of losses greater than 15.0% over any one year period.

Diversification for Investment Managers

The Finance and Investment Committee does not believe it is necessary or desirable that securities held in the Foundation represent a cross-section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 5% of the total Foundation assets, and no more than 20% of the total Foundation assets should be invested in any one industry.

INVESTMENT CONSULTANT REVIEW

Every five years, or earlier if conditions warrant, the Finance and Investment Committee will determine if they want to entertain having other Investment Consultants submit proposals to manage the Cabrillo College Foundation investments.

INVESTMENT POLICY REVIEW

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Finance and Investment Committee plans to review the Statement of Investment Policy at least annually.

The original Statement of Investment Policy was adopted on March 10, 1999 by the Finance and Investment Committee of the Cabrillo College Foundation.



APPENDIX A - SPENDING POLICY AND INVESTMENT OBJECTIVES FOR ENDOWED FUNDS

SPENDING POLICY

The Endowment's spending policy requires a target total return of 7.0%. The target distribution rate of 4.0% will be calculated over a trailing 12-quarter period for endowment funds with a current market value that is greater than or equal to 80% of the historical gift balance. *The Spending Policy is 7.0% = 4.0% distribution rate + 1.5% inflation factor + 1.5% management fee.*

INVESTMENT OBJECTIVES

1. Preservation of Capital - Consistent with their respective investment styles and philosophies, Investment Consultants should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, the Finance and Investment Committee recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Foundation's objectives. However, the Investment Consultants are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. Adherence to Investment Discipline - Investment Managers are expected to adhere to the investment management styles for which they were hired. Investment Managers will be evaluated regularly for adherence to investment discipline.
4. In order to meet its needs, the investment strategy of the Cabrillo College Foundation is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

APPENDIX B - SHORT-TERM PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Time Horizon

The Short-Term Portfolio is intended for non-endowed donor funds with short-term (0-1 year) spending plans.

Investment Objective

The objectives of the Short-Term Portfolio are capital preservation and liquidity. The portfolio will be invested in cash or cash equivalents, including money market funds.

Asset Allocation Guidelines

Asset Class	Minimum %	Maximum %
Cash & Cash Equivalents	100	100



APPENDIX C - INTERMEDIATE PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Time Horizon

The Intermediate Portfolio is intended for non-endowed donor funds with intermediate-term (1-5 years) spending plans.

Investment Objective

The objective of the Intermediate Portfolio is preservation of purchasing power. The portfolio may hold cash, but will primarily be invested in a combination of U.S. Government and Corporate bonds with a maximum average duration of four years, and no single security maturity greater than 10 years.

Asset Allocation Guidelines

Asset Class	<u>Board-Approved Minimum and Maximum % (For Committee Use)</u>	<u>Committee- Approved Minimum and Maximum % (For Discretionary Advisor Use)</u>
Fixed Income	<u>50-100</u>	<u>50-100</u>
Cash & Cash Equivalents	<u>0-50</u>	<u>0-50</u>

APPENDIX D - LONG-TERM PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Time Horizon

The Long-Term Portfolio is intended for endowed funds and donor funds with long-term (5+ years) spending plans. Endowed funds must either be invested in the Long-Term Portfolio or the ESG Long-Term Portfolio (See Appendix E).

Investment Objective

The objective of the Long-Term Portfolio is to exceed a total rate of return of 7.0%, net of fees, while making reasonable efforts to minimize volatility and risk.

Asset Allocation Guidelines

Asset Class	<u>Board-Approved Minimum and Maximum % (For Committee Use)</u>	<u>Committee- Approved Minimum and Maximum % (For Discretionary Advisor Use)</u>
U. S. Equities	<u>25-65</u>	<u>25-35</u>
International Equities	<u>15-35</u>	<u>25-35</u>
Fixed Income	<u>15-40</u>	<u>15-25</u>
Alternatives	<u>0-20</u>	<u>5-15</u>
Cash & Cash Equivalents	<u>0-5</u>	<u>0-5</u>

APPENDIX E - ENVIRONMENTAL, SOCIAL & GOVERNANCE (“ESG”) LONG-TERM PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Time Horizon

The ESG Long-Term Portfolio is intended for endowed funds and endowed donor funds with long-term (5+ years) spending plans. Endowed funds must either be invested in the ESG Long-Term Portfolio or the Long-Term Portfolio (See Appendix D).

Investment Objective

The objective of the ESG Long-Term Portfolio is to exceed a total rate of return of 7.0%, net of fees, while making reasonable efforts to minimize volatility and risk. The Cabrillo College Foundation is sensitive to providing an opportunity to donors wishing to take into consideration Environmental, Social, and Corporate Governance (ESG) issues when making investment decisions.

In accordance with this policy, the Environment, Social, and Governance Portfolio will seek to include those companies that promote environmental, social, and corporate governance concerns and will be screened based on the following:

- *Environmental Screens* – Climate Change, Responsible Disposal of Hazardous Waste, Promotion and Use of Alternative Energy, and Sustainability.
- *Social Screens* – Promotion of Diversity, Human rights, Consumer Protection, and Animal Welfare, in addition to the exclusion of companies producing Alcohol, Nuclear Power, Firearms, Tobacco, Military Weapons, Gambling, and Adult Entertainment.
- *Corporate Governance Screens* – Management Structure, Employee Relations, and Executive Compensation.
- *Exclusionary Screen* – Divestment from ownership of companies that are members of the Global Industry Classification Standard (GICS) sub-industry Coal and Consumable Fuels* (*Defined by MSCI and Standard & Poor’s as companies primarily involved in the production and mining of coal, related products and other consumable fuels related to the generation of energy. Excludes companies primarily producing gases classified in the Industrial Gases sub-industry and companies primarily mining for metallurgical [coking] coal used for steel production.)

Asset Allocation Guidelines

Asset Class	<u>Board-Approved Minimum and Maximum % (For Committee Use)</u>	<u>Committee- Approved Minimum and Maximum % (For Discretionary Advisor Use)</u>
U. S. Equities	<u>25-65</u>	<u>25-35</u>
International Equities	<u>15-35</u>	<u>25-35</u>
Fixed Income	<u>15-40</u>	<u>20-35</u>
Alternatives	<u>0-20</u>	<u>0-15</u>
Cash & Cash Equivalents	<u>0-5</u>	<u>0-5</u>



APPENDIX F – TITLE III ENDOWMENT PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Background

The Title III Endowment was established in September 2012 as part of The Foundation’s efforts to meet the challenge of matching available federal funds, which are to be used to provide STEM scholarships for low-income and Latino students. At the end of the 20-year grant term, the endowment will revert to the Cabrillo College Foundation Statement of Investment Policy, and the Board may approve returning a portion of the distributable percentage to the principal to be reinvested.

Time Horizon

The corpus of Title III Endowment is intended to be held in perpetuity.

Investment Objective

The investment objective of the Title III Portfolio is principal preservation and conservative growth.

Allowable Investments

Savings accounts or low-risk securities in which a regulated insurance company may invest under California law, including interest bearing accounts, money market funds, certificates of deposit, mutual funds, stocks, or bonds. The endowment may not be invested in real estate.

Asset Allocation Guidelines

Asset Class	<u>Board-Approved Minimum and Maximum % (For Committee Use)</u>	<u>Committee- Approved Minimum and Maximum % (For Discretionary Advisor Use)</u>
U. S. Equities	<u>5-25</u>	<u>10-20</u>
International Equities	<u>5-25</u>	<u>10-20</u>
Fixed Income	<u>50-80</u>	<u>55-65</u>
Alternatives (Mutual Funds)	<u>0-5</u>	<u>0-5</u>
Cash & Cash Equivalents	<u>5-15</u>	<u>5-15</u>

Spending Policy

Spendable income from the endowment shall be calculated annually as a percentage of the growth of the endowment. The maximum allowable percentage of earnings on the endowment



that may be expended annually must be in compliance with the Cabrillo College Foundation's Title III investment and spending policy and in compliance with Title III Federal guidelines. Of the allowable amount that may be expended annually, fifty percent (50%) shall be returned to the principal and reinvested, and the remaining fifty percent (50%) shall be distributed for the administrative costs and purposes designated by the donor as follows:

- Up to 1.5% Cabrillo College Foundation management fee as funds are available
- Up to 4.0% of 12 trailing quarters as funds are available after assessing the management fee

At the end of the 20-year grant term, the endowment will revert to the Cabrillo College Foundation Statement of Investment Policy. If in the best judgment of the Cabrillo College Foundation Board of Directors it is deemed wise and prudent, a portion of the distributable percentage may be returned to the principal and be reinvested. Endowment funds may be pooled with other invested assets for purposes of determining total annual return.



APPENDIX G – TITLE V ENDOWMENT PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Background

The Title V Endowment was established in October 2009 as part of the Foundation's efforts to meet the challenge of matching available federal funds, which are to be used for scholarships for students. At the end of the 20-year grant term, the endowment will revert to the Cabrillo College Foundation Statement of Investment Policy, and the Board may approve returning a portion of the distributable percentage to the principal to be reinvested.

Time Horizon

The corpus of Title V Endowment is intended to be held in perpetuity.

Investment Objective

The investment objective of the Title V Portfolio is principal preservation and conservative growth.

Allowable Investments

Savings accounts or low-risk securities in which a regulated insurance company may invest under California law, including interest bearing accounts, money market funds, certificates of deposit, mutual funds, stocks, or bonds. The endowment may not be invested in real estate.

Asset Allocation Guidelines

Asset Class	<u>Board-Approved Minimum and Maximum % (For Committee Use)</u>	<u>Committee- Approved Minimum and Maximum % (For Discretionary Advisor Use)</u>
U. S. Equities	<u>5-25</u>	<u>10-20</u>
International Equities	<u>5-25</u>	<u>10-20</u>
Fixed Income	<u>50-80</u>	<u>55-65</u>
Alternatives (Mutual Funds)	<u>0-5</u>	<u>0-5</u>
Cash & Cash Equivalents	<u>5-15</u>	<u>5-15</u>

Spending Policy

Spendable income from the endowment shall be calculated annually as a percentage of the growth of the endowment. The maximum allowable percentage of earnings on the endowment that may be expended annually must be in compliance with the Cabrillo College Foundation's

Title V investment and spending policy and in compliance with Title V Federal guidelines. Of the allowable amount that may be expended annually, fifty percent (50%) shall be returned to the principal and reinvested, and the remaining fifty percent (50%) shall be distributed for the administrative costs and purposes designated by the donor as follows:

- Up to 1.5% Cabrillo College Foundation management fee as funds are available
- Up to 4.0% of 12 trailing quarters as funds are available after assessing the management fee

At the end of the 20-year grant term, the endowment will revert to the Cabrillo College Foundation Statement of Investment Policy. If in the best judgment of the Cabrillo College Foundation Board of Directors it is deemed wise and prudent, a portion of the distributable percentage may be returned to the principal and be reinvested. Endowment funds may be pooled with other invested assets for purposes of determining total annual return.



GRAYSTONE CONSULTING
CUSTOM INVESTMENT OUTSOURCING AGREEMENT

The undersigned on behalf of Cabrillo College Foundation ("Client", "you", or "your"), having opened an Account or Accounts (the "Account") with Morgan Stanley Smith Barney LLC ("MSSB", "we", "us", "our") hereby retains, under the terms and conditions set forth herein, the Graystone Consulting business unit ("Graystone") of MSSB, which shall have discretionary authority within the guidelines of the Client's written investment objectives to perform the services set forth below and in the respective Exhibits attached. Unless specifically noted, references to Graystone shall include services performed by MSSB.

This Agreement includes information required to be disclosed under Section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including the direct compensation that MSSB will receive, as well as the services MSSB will provide, pursuant to the relationship created by this document. In providing services under this Agreement, MSSB reasonably expects to provide services as a fiduciary under ERISA (within the meaning of Section 3(21) and 3(38) of ERISA and the regulations thereunder), if applicable, as well as an investment advisor registered under the Investment Advisers Act of 1940 ("Advisers Act"). The applicable Morgan Stanley ADV brochure includes additional information which will help the Client understand its relationship with MSSB, the services MSSB provides and the compensation MSSB receives. A copy of that document will be delivered in accordance with applicable legal requirements, and is available upon request from the Client's MSSB financial advisor ("Financial Advisor").

1. Consulting Services.

Graystone shall perform any or all of the following consulting services:

A. Graystone shall periodically provide Client with a report containing a statistical analysis of Client's portfolio of each investment manager, mutual fund and exchange traded fund ("ETF's") (collectively the "Investment Products") which may be retained or purchased by Client or Graystone for the Account.

B. Graystone Consulting shall assist the Client in Client's review, evaluation and preparation of investment policies and objectives for the account. As set forth below, Graystone Consulting shall assist the Client in developing benchmarks for the performance of the account. Graystone also will provide the performance of the total account so as to assist the Client with the ability to determine progress toward investment objectives.

C. Graystone shall provide Client with a Performance Reporting (a "Report") of the Account and of the portion of the Account invested in the Investment Product. The Report shall show historical performance and asset allocation of the Account, and of the portion of the Account invested in the Investment Product. Graystone shall provide the Report on a periodic basis.

The report can be customized to include certain portfolio characteristics which may be of particular interest to Client. The report will be based solely on information requested by Graystone and (i) provided by Client, or (ii) provided by the custodian of the assets in the Account, at Client's direction. MSSB may serve as custodian of the Client's assets invested hereunder. In circumstances where MSSB is not the custodian, Graystone shall not be responsible for the accuracy of the information supplied by the custodian or for any reports derived from such information.

D. Graystone shall conduct a periodic review of each current Investment Product. Such review will consider, among other factors, historical investment performance as provided by the Investment Product (as defined below in paragraph E), methodology and personnel.

E. Graystone or an Investment Product retained by it hereunder and/or a separate business unit within MSSB (as described in further detail in paragraph F hereof and exhibit B hereto), shall invest and reinvest the securities, cash and/or other investments held in the Account in accordance with Client's written investment objectives, as communicated by Client to Graystone. Consistent with Client's investment objectives and guidelines ("Investment Policy Statement"), investments may be made in securities of any kind, including, but not limited to, common and preferred stocks, convertible stocks or bonds, open or and closed end investment companies, exchange traded funds, warrants, options, rights, corporate, municipal or government bonds, notes or bills, cash or cash equivalents including securities issued by money market mutual funds, alternative investments for eligible clients, other instruments, or repurchase or reverse repurchase agreements for any of the foregoing (collectively, "Securities" or "Investment Products").

In certain cases Graystone may execute investment agreements (such as subscription agreements) on the Client's behalf.

Client understands and acknowledges that upon the opening of a new Account or upon the communication by Client to Graystone of a change in an Investment Policy Statement or investment policies, that it may not be prudent for Graystone to populate the Account immediately with investment products that are designed to fully implement the Investment Policy Statement or investment policies. During such a transition period, Graystone will select investment products in a prudent and commercially reasonable manner and over a reasonable period of time, with the goal of fully populating the account as soon as is reasonably and efficiently practicable.

Client understands that Graystone may engage unaffiliated Investment Products to invest the assets in the Account. Such Investment Products may be managed by a separately registered unaffiliated manager (the "Manager" or "Sub-Advisor"). Each Manager shall have the same authority which Graystone is granted to invest and reinvest the cash, Securities, and/or other investments held in the Account. Graystone shall not be responsible for the day to day investment management decisions of any unaffiliated Investment Product. Graystone and each Investment Product shall use reasonable efforts to seek to meet or exceed any performance standard that is established for the Account in an investment policy statement or similar document, but Graystone does not guarantee such performance.

Client may reasonably request that the Investment Product for the Account be changed and Graystone will implement that change as soon as is reasonably practicable. Client understands that an Investment Product's past performance is not necessarily indicative of future performance.

Client understands that Graystone has discretion to hire and terminate Managers or Sub-Advisors and purchase or sell Investment Products (as that term is defined above). Client further understands that decisions to purchase or sell Securities shall be made by MSSB or the investment Manager and not by Client.

F. Graystone shall review Account asset allocation and reallocate Client's assets among Investment Products with or in which the Account is invested as provided in this Agreement, from time to time, as deemed appropriate by MSSB.

In the event Client retains a custodian other than MSSB, Client shall advise Graystone of the name and address of the custodian and of

Client's Account number at the custodian. Fees of a custodian other than MSSB shall be paid by Client and are not included in the fees set forth in Exhibit A.

Client (or its designated agent) will be furnished with confirmations of Account transactions and periodic Account statements for all transactions effected by MSSB.

All or a portion of the Account may be held in cash or cash equivalents including securities issued by money market mutual funds.

In connection with the services being provided to Client under this Agreement, Graystone and each Manager shall be entitled to rely on the financial and other information provide by Client to Graystone, in writing from time to time. Client agrees to inform Graystone promptly in writing **of any material change in Client's circumstances which might affect the manner in which Client's assets should be invested** or the services provided by Graystone to Client under this Agreement. Client will provide Graystone with any such information as it shall reasonably request.

If MSSB maintains custody of all cash, securities and other assets in the Account it shall credit interest and dividends on said securities and credit principal paid on called or matured securities in the Account. Graystone shall provide at least each calendar quarter a statement of all assets in the Account in MSSB custody.

G. Portions of the Account may be invested in mutual funds and/or ETFs (collectively, **"Funds"**), **either as an Investment Product** or as portions of the Account's allocation(s) to one or more investment Managers.

Client agrees that if this Agreement is terminated for any reason and if at the time of termination **the Client's** Account includes Funds in share classes that are not available in non-managed Accounts, Graystone may convert any such Funds to a share class that is available in non-managed Accounts (even though the expense ratio for that share class may be higher than the expense ratio for the share class previously in **the Client's** Account).

For non-retirement Accounts, Client may elect that cash balances in the Account be automatically invested or **"swept"** into either a Bank Deposit Program (**"BDP"**) Account or an eligible money market sweep fund (each, a **"Sweep Fund"**). **If Client elects BDP, Client hereby authorizes** without any further direction that all cash balances in the Account in excess of \$1.00 be automatically deposited or swept every business day into an Account at one or more Federal Deposit Insurance Corporation (**"FDIC"**) insured depository institutions affiliated with Morgan Stanley & Co. (**"Morgan Stanley"**) (**"Affiliated Program Banks"**) as more particularly set forth in the BDP Disclosure Statement. Client acknowledges having received and reviewed the BDP Disclosure Statement and agrees to be bound by its contents. Client understands that the list of Affiliated Program Banks may be amended after prior notice and that Client may block Affiliated Banks Two and Three from the current list of banks at any time.

For those Accounts that are subject to ERISA, the Fee, as described in **Section 2 hereunder, will be reduced by the amount of the Sweep Fund's** management fee or any shareholder servicing and/or distribution or other fees we, or our affiliates, may receive in connection with the assets invested in the Sweep Fund. In addition, MSSB will not receive cash compensation or credits in connection with the assets in the Deposit Accounts for Plans (as defined in Section 5 below). Affiliates of MSSB, however, may receive a financial benefit in the form of credit allocations made for financial reporting purposes with respect to Plan Accounts. The amount of this benefit will vary and will be based on the average daily deposit balances in the Deposit Accounts at each Sweep Bank. Generally, these benefits will increase as more funds are deposited

through the Bank Deposit Program. No separate charges, fees or commissions will be imposed on your Account as a result of or otherwise in connection with the Bank Deposit Program.

Client acknowledges that Client (and not Graystone, Morgan Stanley, MSSB or their respective affiliates) is responsible to monitor the total amount of deposits Client has at each Affiliated Program Bank in order to determine the extent of available FDIC insurance coverage available to Client.

Alternatively, if Client elects an eligible money market sweep fund, Client hereby authorizes without any further direction that all cash balances in the Account in excess of \$1.00 be automatically invested or swept every business day into the money market fund that has been made available and that Client has chosen. Client acknowledges that the prospectus for that money market fund has been provided to Client.

In the event Client does not select a Sweep Fund, Client hereby authorizes Graystone to select the Sweep Fund for the Account.

Investment products sold through MSSB and its affiliates are not insured by the FDIC; are not a deposit or other obligation of a depository institution; are not guaranteed by a depository institution; and are subject to investment risks, including the possible loss of the principal amount invested.

2. Fees Charged to Account.

Client shall pay MSSB for its services hereunder a fee as set forth in Exhibit A, which is attached to, and made a part of, this Agreement. In addition, if a mutual fund, hedge fund or ETF is used as an investment product, any such Fund will pay its own separate investment advisory fees and other expenses to the fund manager or other service provider (which service provider may be affiliated with MSSB). These fees and expenses will be in addition to the Fee paid by Client on the Account.

The fee paid to Graystone (the **"Graystone Fee"** or the **"Fee"**) includes all fees or charges of Graystone and MSSB (including brokerage commissions for trades executed at MSSB as clearing broker; for MSSB, compensation paid to any applicable Graystone Consultant or MSSB Financial Advisor or an employee of an MSSB affiliate; and MSSB custodial charges, if applicable). The Graystone Fee does not include (i) charges for services provided by MSSB, an affiliate of MSSB or any third party that are outside of the scope of this Agreement (e.g. retirement plan administration fees, trustee fees, wire transfer fees, etc.); (ii) any taxes or fees imposed by exchanges or regulatory bodies; and (iii) brokerage commissions and other fees and charges imposed because MSSB or a Manager chooses to effect securities transactions for the account with or through a broker-dealer other than MSSB (as clearing broker for MSSB). Each of the additional charges may be separately charged to the Account or reflected in the price paid or received for a given security. If MSSB or its affiliates, including Morgan Stanley, is a member of an underwriting syndicate from which a security is purchased, MSSB or its affiliates may directly or indirectly benefit from such purchase. In addition, if a Client sells mutual fund or unit investment trust shares and invests the proceeds of such sale in his or her Account, the sale may subject the Client to transaction costs (e.g. – deferred sales charges) in addition to the payment of the MSSB Fee. The sale may also result in tax consequences to the Client. Clients participating in the Custom Investment Outsourcing (**"CIO"**) program pay a fee based on the market value of their Account and, accordingly, may pay more or less for such services than if they had purchased such services separately. The same or similar services may be available at a lower fee in programs offered by other investment Managers.

If Graystone Consulting increases the fee, it will do so after Client's written consent or upon written notice to Client. Clients will also be notified of any decreases to their fees. At such time, the new fee will become effective unless Client notifies Graystone in writing to terminate the Agreement. Graystone or MSSB shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of Client. Notwithstanding the foregoing sentence, MSSB may be compensated based upon the total value of the Account as of definite dates.

Fees and commissions charged may be negotiated. Such fees and commissions may differ based upon a number of factors, including, but not limited to, the type of Account, the size of the Account, the historical or projected nature of trading for the Account, and the number and range of advisory and client-related services to be provided by Graystone to the Account.

Client authorizes Graystone to deduct any and all fees (including fees charged by a Manager) when due from the assets contained in the Account, if MSSB has custody of such assets. MSSB will pay the amount shown to be due on the invoice and will not verify the rate, computation or timing of the Advisor's fee or the value of the Account used in this connection. If MSSB does not have custody, all MSSB fees will be billed to Client or (if Client so directs) to the custodian.

A portion of the fee or commissions charged in connection with the Account is paid to Graystone Consultants and other employees of MSSB and its affiliates in connection with the provision of supplemental and client-related services. Such payments are made for the duration of this Agreement.

3. Custody Services and Valuation

A. MSSB Will Act as Custodian.

Unless Client instructs MSSB not to maintain custody, MSSB will maintain custody of all cash, securities and other assets held in the Account. MSSB will credit the Account with dividends and interest paid on securities held in the Account and with the principal paid on called or matured securities in the Account. Client warrants that any securities delivered to MSSB are free of any encumbrances, including constructive liens. MSSB shall provide at least each calendar quarter a statement of all assets in the Account in MSSB custody.

Client authorizes MSSB and Graystone Consulting to deduct any and all fees when due from the assets contained in the Account, including fees charged by an Advisor, and pay them to the Advisor on behalf of Client. If required pursuant to the terms of the investment management agreement entered into between Client and the Advisor, MSSB or Graystone Consulting will debit the Advisor's fee from the Account upon MSSB's or Graystone Consulting's receipt of an invoice from the Advisor. MSSB and Graystone Consulting will pay the amount shown to be due on the invoice and will not verify the rate, computation, or timing of the Advisor's fee or the value of the assets used in this connection.

For accounts where MSSB is the custodian, in computing the fair market value of any security or other investment in the Account, a security listed on a national securities exchange shall be valued, as of the valuation date, at the closing composite price (the consolidated tape price). Generally, the prices of bonds, particularly municipal bonds, are obtained from third-party quotation services, whose prices are based either on closing prices, the most recent trades of round lots of \$1 million, the mean between the bid and asking price of these lots, or a matrix based on interest rates for similar securities. As such, pricing may not reflect round lot/odd lot differentials (Odd lots are anything smaller than \$1 million and can be as small as \$5,000 or \$10,000.) On average, odd lot

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prices are lower than round lot prices. Accounts which are charged an asset-based fee should note that such fees are based upon round lot valuations. Where prices are not available from quotation services, MSSB may use such prices that in MSSB's judgment best reflect the market prices of the securities. In either case, MSSB does not guarantee the accuracy of such prices. These prices should not be considered firm bids or offers, and may be subject to fluctuations due to lot size and market conditions. Any other securities or investments in the Account shall be valued in a manner determined in good faith by MSSB, in its sole discretion, to reflect market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets in the Account.

a. Sweep Investments

All uninvested cash and allocations to cash in your Account will automatically "sweep" into interest-bearing bank deposit accounts ("Deposit Accounts") established under a Bank Deposit Program (the "Bank Deposit Program") or money market mutual funds (to the extent we make such funds available) including but not limited to those managed by Morgan Stanley Investment Management Inc., or another one of our affiliates (each, a "Money Market Fund" and, together with Deposit Accounts, "Sweep Investments"). Allocations to cash that are part of an overall asset allocation will be limited to investments in either Deposit Accounts or an alternative Money Market Fund (if available). Uninvested cash and allocations to cash including assets invested in Sweep Investments are included in the Fee calculation hereunder.

The Bank Deposit Program is the default Sweep Investment for all accounts. As discussed below, uninvested cash balances will sweep into the Bank Deposit Program unless you affirmatively elect an alternative, if available for your Account.

You further acknowledge that MSSB may with 30 days written notice (i) make changes to these sweep terms; (ii) make changes to the terms and conditions of any available sweep investment; (iii) change, add or delete the products available as a sweep option; (iv) transfer your sweep investment from one sweep product to another.

b. The Bank Deposit Program

Through the Bank Deposit Program, Deposit Accounts are established for you at one or more of the following banks (individually and collectively, the "Sweep Banks"): (i) Morgan Stanley Bank, N.A. and/or (ii) Morgan Stanley Private Bank, National Association. The Sweep Banks are affiliated with MSSB. The Sweep Banks pay interest on the Deposit Accounts established under the Bank Deposit Program. Your deposits at the Sweep Banks will be insured by the Federal Deposit Insurance Corporation ("FDIC") up to applicable limits, in accordance with FDIC rules, and subject to aggregation of all the accounts (including, without limitation, certificates of deposit) that you hold at the Sweep Banks in the same capacity. Bank deposits held through the Bank Deposit Program are not covered by SIPC or excess coverage.

If the Bank Deposit Program is your Sweep Investment, you authorize us, as your agent, to establish the Deposit Accounts for you, and to make deposits into, withdrawals from and transfers among the Deposit Accounts.

Terms of the Bank Deposit Program are further described in the Bank Deposit Program Disclosure Statement, which will be provided to you upon your first investment in the Bank Deposit Program. You may also obtain the Bank Deposit Program Disclosure Statement as well as current interest rates applicable to your Account, by contacting your Financial Advisor or through MSSB's web site at

<http://www.morganstanley.com/wealth/services/bankdepositprogram.asp>. You acknowledge and understand that we may amend the list of Sweep Banks at any time with 30 days written notice to you. If you are participating in the Bank Deposit Program, please read the Bank Deposit Program Disclosure Statement carefully.

You acknowledge (i) that you are responsible to monitor the total amount of deposits you have at each Sweep Bank in order to determine the extent of FDIC insurance coverage available to you, and (ii) that MSSB is not responsible for any insured or uninsured portion of your deposits at any of the Sweep Banks.

Unless otherwise specifically disclosed to you in writing, such as in connection with the Bank Deposit Program noted above, investments and services offered through MSSB are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, the Sweep Banks, and involve investment risks, including possible loss of the principal invested.

c. Money Market Funds

We may, in our sole discretion, offer Money Market Funds as Sweep Investments. The Money Market Funds may or may not be affiliated with MSSB. You understand that purchases and redemptions of Money Market Fund shares may be effected only through MSSB and that you may not directly access the Money Market Fund. The applicable Morgan Stanley ADV brochure sets forth the fees and expenses of any MSSB affiliated Money Market Funds in which Plans (an employee benefit plan as defined in Section 3(3) of the Employment Retirement Income Security Act of 1974 ("ERISA"), a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986 (the "Code"), or a plan or other arrangement subject to fiduciary and prohibited transaction requirements of substantially similar state, local or foreign laws (each a "Plan"), may be invested. The advisory fee on any Plan account will be reduced by the amount of the Money Market Fund management fee or any shareholder servicing and/or distribution fees we or our affiliates may receive in connection with the assets invested in the Money Market Fund.

If a Money Market Fund is your Sweep Investment, you authorize us, as your agent, to make investments in, and redemptions from, the Money Market Fund.

Each of these Money Market Funds is a separate investment with different investment objectives. Their fees, expenses, minimum investment requirements, dividend policies and procedures may vary. Before you invest in any Money Market Fund, read its prospectus carefully. Money Market Fund shares are neither insured nor protected by the FDIC. Investment in any money market fund is a purchase of securities issued by the money market fund, not a bank deposit.

Certain of the Money Market Funds described above have minimum investment requirements. In addition, MSSB may require a minimum initial investment to activate some or all of the Sweep Investments. If you do not meet the minimum initial investment, uninvested cash and allocations to cash in eligible Accounts will remain uninvested or be invested in the Bank Deposit Program.

In addition, certain of the Money Market Funds have minimum balance requirements. For eligible Accounts, if your investment falls below the minimum balance requirement, MSSB may redeem and reinvest all of your shares in the Bank Deposit Program. Once your sweep option has been changed, we will not automatically change it back to your previous Sweep Investment even if you meet the minimum initial investment and/or balance requirements. You must contact your Financial Advisor to do so. However, if a pattern develops of falling below the minimum balance requirement, we may preclude you from investing in that Sweep Investment in the future.

We may offer other money market funds as a non-sweep investment choice. You may purchase shares in these money market funds by giving specific orders for each purchase to your Financial Advisor. However, uninvested cash in your Account will not be swept into these money market funds.

d. Alternatives to the Bank Deposit Program

All accounts that are eligible can choose from among certain Sweep Investments as alternatives to the Bank Deposit Program.

Please contact your Financial Advisor for more information about choosing an alternative Sweep Investment. In addition, you may obtain information with respect to the current yields and interest rates on the available Sweep Investments by contacting your Financial Advisor or **through MSSB's website** at <http://www.morganstanley.com/wealth/services/bankdepositprogram.asp>.

The above provisions may not apply if you are not a U.S. resident. If you are not a U.S. resident, please contact your Financial Advisor to determine whether the Bank Deposit Program or a Money Market Fund will be your default Sweep Investment.

e. Miscellaneous

You acknowledge that the rate of return on a default Sweep Investment may be higher or lower than the rate of return available in other Sweep Investments. Neither MSSB nor any affiliate is responsible to you if the default Sweep Investment has a lower rate of return than the other available Sweep Investments or causes any tax consequences resulting from your investment in the default Sweep Investment. We may, in our sole discretion determine and change the Sweep Investments available in your account. We may, at any time, discontinue offering any available Sweep Investment and, upon notice to you, cease offering your Sweep Investment. If we cease offering your Sweep Investment and you do not select a new Sweep Investment, your new Sweep Investment will be the default Sweep Investment as designated by us for such account.

Generally, temporary "sweep" transactions of all uninvested cash balances, allocations to cash and cash equivalents, if any, in the Account will commence, to the extent permitted by applicable law, on the next business day, with dividends credited to the client on the second business day. (If cash is deposited after normal business hours, the deposit may be credited on our recordkeeping system, for purposes of the preceding sentence, as having been received on the following business day.) (For certain accounts — namely accounts established as Basic Security Accounts that have less than \$1,000 in the Sweep Investment — amounts awaiting investment will sweep weekly.)

Neither MSSB nor any affiliate will be responsible for any losses resulting from a delay in the investment of cash balances.

You authorize us to invest your funds in your Sweep Investment and to satisfy debits in your Account by redeeming shares or withdrawing funds, as applicable, from your Sweep Investment. Upon any such sale, gains on your position may be taxable.

You may change your Sweep Investment to another Sweep Investment, if available for your Account, by contacting your Financial Advisor. You agree that upon selection of a new Sweep Investment we may, as applicable, sell your shares in, or withdraw your funds from, your current Sweep Investment and, as applicable, purchase shares or deposit funds in your new Sweep Investment. There may be a delay between the time we sell shares or withdraw funds from your current Sweep Investment and the time we purchase shares or deposit funds in your new Sweep Investment. You may not earn interest or dividends during the time your funds are not invested.

f. Conflicts of Interest Regarding Sweep Investments

If your Sweep Investment is a Money Market Fund, as available, then the Account, as well as other shareholders of the Money Market Fund, will bear a proportionate share of the other expenses of the Money Market Fund in which the Account's assets are invested.

If your Sweep Investment is a Money Market Fund, you understand that Morgan Stanley Investment Management Inc. (or another MSSB affiliate) may receive an investment management fee for managing the Money Market Fund and that Morgan Stanley Distributors Inc., or another one of our affiliates, may receive compensation in connection with the operation and/or sale of shares of the Money Market Fund, which may include a distribution fee pursuant to Rule 12b-1 under the Investment Company Act of 1940, to the extent permitted by applicable law.

You understand that unless you are a Plan, the Fee will not be reduced by the amount of the Money Market Fund management fee or any shareholder servicing and/or distribution or other fees we or our affiliates may receive in connection with the assets invested in the Money Market Fund. For additional information about the Money Market Fund and applicable fees, you should refer to each Money Market Fund's prospectus.

If your Sweep Investment is the Bank Deposit Program, you should be aware that, the Sweep Banks will pay MSSB an annual account-based flat fee for the services performed by MSSB with respect to the Bank Deposit Program. MSSB and the Sweep Banks will review such fee annually and, if applicable, mutually agree upon any changes to the fee to reflect any changes in costs incurred by MSSB. Your Financial Advisor will not receive a portion of the fee. In addition, MSSB will not receive the fee in connection with the Program for assets in the Deposit Accounts for Plans. Affiliates of MSSB, however, may receive a financial benefit in the form of credit allocations made for financial reporting purposes. The amount of this benefit will vary and will be based on the average daily deposit balances in the Deposit Accounts at each Sweep Bank. Generally, these benefits will increase as more funds are deposited through the Bank Deposit Program. No separate charges, fees or commissions will be imposed on your Account as a result of or otherwise in connection with the Bank Deposit Program.

In addition, MSSB, the Sweep Banks and their affiliates receive other financial benefits in connection with the Bank Deposit Program. Through the Bank Deposit Program, each Sweep Bank will receive a stable, cost-effective source of funding. Each Sweep Bank intends to use deposits in the Deposit Accounts at the Sweep Bank to fund current and new businesses, including lending activities and investments. The profitability on such loans and investments is generally measured by the difference, or "spread," between the interest rate paid on the Deposit Accounts at the Sweep Banks and other costs of maintaining the Deposit Accounts, and the interest rate and other income earned by the Sweep Banks on those loans and investments made with the funds in the Deposit Accounts. The income that a Sweep Bank will have the opportunity to earn through its lending and investing activities is expected to be greater than the fees earned by us and our affiliates from managing and distributing the money market funds available to you as a sweep investment.

B. MSSB Will Not Act as Custodian.

In the event Client retains a custodian other than MSSB, Client shall advise Graystone Consulting of the name and address of the custodian and of Client's account number at the custodian. Fees of a custodian other than MSSB shall be paid by Client and are not included in the fees set forth in this Agreement. For Accounts where MSSB is not the custodian, the valuation of securities and other investments shall be

provided by the custodian, and MSSB shall be entitled to rely on such valuations without verification.

MSSB will NOT maintain custody, and the Graystone Consulting Fee will be billed to Client. Please sign below if applicable.

Client's Signature _____

Date _____

MSSB will NOT maintain custody, and the Graystone Consulting Fee will be billed to the outside custodian. Please sign below if applicable.

Client's Signature _____

Date _____

4. Client Authority

If this Agreement is entered into by a Trustee or other fiduciary, such Trustee or other fiduciary represents that the services and investment options provided by Graystone are specifically authorized by the governing instruments of, and/or laws and regulations applicable to Client, and that said Trustee or fiduciary is duly authorized to enter into this Agreement. If Client is a corporation, the signatory on behalf of Client represents that the execution of this Agreement has been duly authorized by all necessary and appropriate corporate action. Client undertakes to advise MSSB of any event which might affect Client's authority to participate in or the propriety of this Agreement. If the Account is subject to the provisions of ERISA, unless Client notifies Graystone otherwise, Client acknowledges that the Account covered by this Agreement is only a part of the plan's assets and that MSSB is not responsible for the plan's overall compliance with the requirements of ERISA or any other governing law or documents.

A. Client represents that neither it nor another person who has an ownership interest in or authority over this Account knowingly owns, operates or is associated with a business that uses, at least in part, the Internet to receive or send information that could be seen as placing, receiving or otherwise knowingly transmitting a bet or wager.

B. The Client understands that, in order to open and continue to provide services to the Account, MSSB is required to obtain certain information about the Client. If this information is not provided by you fully or in a timely manner, MSSB may suspend trading in your account until the information is provided and/or terminate the account. The Client will deliver to MSSB, in writing, all of the information that MSSB or a manager may require or reasonably request to perform their duties hereunder without violating or causing the violation of applicable law.

USA Patriot Act Notice: Important information about our procedures for opening a new account or establishing a new customer relationship.

C. You further understand that to help the government fight the funding of terrorism and money laundering activities, federal law may require all financial institutions to obtain, verify and record information that identifies each individual or institution that opens an account or establishes a client relationship with MSSB. Therefore, before entering into a relationship with you, MSSB will ask for your name, address, date of birth (as

applicable) and other identification information. If all required documentation or information is not provided, MSSB may be unable to open an account or maintain a relationship with you.

D. If you, or any other account owner, or authorized person on your **account(s) is, or has been, a "Politically Exposed Person" ("PEP"), or is a corporation, business or entity that is closely aligned with a PEP such that it is subject to due diligence as a PEP ("PEP Entity"), you confirm that you have disclosed this fact to MSSB and have provided the necessary information required by law to open and/or to service your account(s). You also agree that you will not use your account(s), or permit them to be used, for any transactions (i) with, involving or for the benefit of, any Sanctioned Person (excluding legally permissible transactions in debt or equity issued by an entity designated on OFAC's Sectoral Sanctions Identifications List), or (ii) in any other manner that would cause either you or MSSB to violate any Sanctions.**

5. Further Representations Applicable to Retirement Plans

The provisions of this Section 5 shall apply if you are an employee benefit plan as defined in Section 3(3) of ERISA, a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "IRC") or a plan or other arrangement subject to fiduciary and prohibited transaction requirements of substantially similar state, local or foreign law (each, a "Plan"). **The Account is being opened on behalf of the Plan pursuant to proper authorization from the named fiduciary or other responsible fiduciary or agent of the Plan. The representations, authorizations, certifications and warranties required of you in this Agreement shall be made by the Plan's fiduciary acting solely in its capacity as such.**

A. By managing assets of a Plan subject to ERISA and/or Section 4975 of the IRC hereunder, each Manager or Sub-Adviser will be deemed to acknowledge to MSSB and to you that it will be acting as a **"fiduciary," as that term is defined in Section 3(21)(A) of ERISA and has accepted appointment as an "investment manager" as that term is defined in Section 3(38) of ERISA, with respect to the assets it manages hereunder. MSSB represents to a Client that is a Plan subject to ERISA and/or Section 4975 of the IRC that, with respect to the performance of its duties under this Agreement, MSSB is a "fiduciary" as that term is defined in ERISA and/or Section 4975 of the Code with respect to the Account.**

B. You represent and warrant that: (i) with respect to the control and management of the assets in the Account, you are either (A) the named fiduciary in the case of a Plan defined in Section 3(3) of ERISA (or the person authorized by the named fiduciary to select investment managers) or (B) in the case of any other Plan, either the person for **whose benefit the Plan was established or that person's authorized agent; (ii) the Plan and its governing instruments provide for the appointment of an "investment manager" as that term is defined in Section 3(38) of ERISA and permit the investment by the Plan in Investment Products; (iii) the execution, delivery and performance of this Agreement will not violate any provisions or result in any default under the plan, the trust, the investment policy or other equivalent constituent documents, any contract or other agreement to which you are a party or by which you, the Plan or its assets may be bound or any statute or any rule, regulation or order of any government agency or body; and (iv) you are independent of MSSB, the Investment Products, and their affiliates, are capable of making independent decisions regarding the investment of Plan assets and the selection of Investment Products, are knowledgeable with respect to the Plan in administrative matters and funding matters related thereto, and are able to make an informed**

decision concerning the signing of this Agreement and maintenance of the Account.

C. Unless you inform MSSB otherwise in writing, you represent that any company sponsoring the Plan is not a public company and does not have any affiliates that are public companies. You will notify MSSB, in writing, within twenty-four hours if any of the foregoing representations become inaccurate or if the identity of any of the Plan's named fiduciaries with respect to the Account changes.

D. You have concluded that: (i) the Account Fees and other charges as set forth in Section 2 payable hereunder are reasonable in light of the services to be provided by MSSB under this Agreement, and that paying such amounts to MSSB is in the best interests of the Plan, its participants and beneficiaries; (ii) participation in the services contemplated by this Agreement is prudent; and (iii) each Investment Product selected by you is suitable for the Plan. You also understand that due to regulatory constraints until further notice, your selection of available Investment Products will not include those that are, or are managed by, affiliates of MSSB, except the Money Market Fund. Therefore, as a Plan, your selection of Investment Products may be more limited than for accounts that are not Plans.

E. You understand that with respect to assets invested in the Money Market Fund managed by an affiliate, MSSB will to the extent necessary comply with ERISA Prohibited Transaction Exemption 77-4, ERISA Prohibited Transaction Exemption 84-24, or other applicable exemptions. **You acknowledge that you have received the "Affiliated Money Market Funds Fee Disclosure Statement" in Exhibit A of the applicable Morgan Stanley ADV brochure and, if you are a Plan defined in Section 3(3) of ERISA, the prospectus for the Money Market Fund. Based on these disclosures you have concluded that an investment in the Money Market Fund is appropriate. You also acknowledge that the Money Market Fund may pay a 12b-1 fee to MSSB, which fee will be rebated to your Account as soon as practicable but in no event longer than 30 days, and you acknowledge that any benefit from that use of the 12b-1 fee until the rebate is part of our compensation hereunder. You also understand that the Account may include cash balances uninvested pending investment, pending distribution or as otherwise necessary or appropriate for the Account's administration. You agree that we may retain as compensation for our provision of services your Account's proportionate share of any interest earned on such uninvested cash balances held by us or an affiliate. See the "Float Disclosure Statement" in Exhibit A of the applicable Morgan Stanley ADV brochure for further details.**

F. Further, to the extent that you have investments in Funds other than the Money Market Fund in the Account, you acknowledge that (i) you have determined that the offer of Investment Products as an investment within the Account complies with the terms of the Plan and any of its constituent documents, (ii) as of the effective date of this Agreement, no affiliated Fund other than the Money Market Fund will be available for purchase in the Account unless subsequently agreed to by the parties and (iii) to the extent unaffiliated Investment Products are held in the Account, we will either (a) credit your Account with the amount of any shareholder services/distribution fees, revenue-sharing payments and recordkeeping fees received by MSSB or its affiliates from Investment Products that are not affiliated with MSSB that are retained by MSSB or **such affiliate and that do not constitute "direct expenses" (as defined under regulations issued pursuant to ERISA) or (b) not collect any shareholder services/distribution fees, revenue-sharing payments or recordkeeping fees with respect to such Investment Product.**

G. You represent that signing this Agreement and any instruction you give with regard to the Account is, and will be, consistent with applicable

Plan documents, adopted and pending, including any investment policies, guidelines, or restrictions. You agree to provide MSSB with a copy of all such documents upon the request of MSSB. You represent that except as communicated in writing to MSSB, there are no limitations on securities under the Plan that may be purchased or held as assets in the Account. You will notify MSSB promptly in writing of any **modifications to the Plan's investment policies, guidelines, or restrictions** and of any modifications to any other Plan documents pertaining to investments by the Plan. If the assets in the Account constitute only a part of the assets of the Plan, you will provide MSSB with a written **description of which of the Plan's investment policies** or guidelines are applicable to the Account. Unless otherwise agreed, the compliance of any investment that an Manager or Sub-Adviser makes for the Account with any such investment policies or guidelines shall be determined on the date of purchase only, based upon the price and characteristics of the investment on the date of purchase compared to the value of the Account as of the most recently preceding valuation date. No investment guidelines, policies, or other instructions shall be deemed breached as a result of changes in value or status of an investment occurring after purchase. It will be your responsibility to provide MSSB with prompt written notice if you deem any investments made for the Account to be inconsistent with such guidelines, policies, restrictions, or instructions. You agree promptly to furnish MSSB with such documents as MSSB or any Manager may reasonably request to verify the foregoing and to advise MSSB promptly of any event that may affect this authority or the validity of this Agreement.

H. Unless you notify MSSB otherwise in writing, you acknowledge that **the Account is only a part of the Plan's assets. The services provided** under this Agreement will have no effect on the assets of the Plan that are not in the Account, and neither MSSB nor the Managers or Sub-Advisers will have any responsibility (fiduciary or otherwise) for such other assets. Neither MSSB nor any Advisor are responsible for Plan administration or for performing any duties not expressly set forth in this Agreement and, therefore, we are not responsible for diversifying all of the investments of the Plan and you agree that the only responsibility that we shall have with respect to diversification will be to diversify the assets of the Account, within the provisions of the **Program's guidelines** and restrictions, so as to reduce the risk of large losses without regard to or consideration of any other assets which may be held by the Plan.

I. If you are a Plan subject to ERISA or analogous local or state law, you agree to obtain and maintain for the period of this Agreement any bond required pursuant to the provisions of ERISA or other applicable law and to include within the coverage of such bond MSSB, and any of its officers, directors and employees whose inclusion is required by law, and not otherwise exempt from such bonding requirement, and to provide MSSB with appropriate documentation evidencing such coverage upon request.

J. Generally, securities transactions for the Account are effected for Plans on an agency basis, with no additional transaction-based compensation. In addition, to the degree applicable, you specifically **authorize us to effect "agency cross" securities transactions on behalf of** the Plan with our affiliated broker-dealers, in accordance with the requirements of ERISA Prohibited Transaction Class Exemption 86-128 ("PTCE 86-128") and/or ERISA. **You acknowledge that you can receive a** copy of PTCE 86-128 upon request, and you understand that the authorization to utilize such exemption is terminable by you at will and that you have the right to request such information regarding such agency cross trading (if any) as MSSB is required to provide under the provisions of ERISA or other applicable law. You acknowledge that you specifically authorize us to use ECNs and ATSS (including ECNs and

ATSS that are affiliates of MSSB, or in which MSSB or its affiliates may have an ownership interest) to effect trades on behalf of the Account.

K. The signatory for the Client, **as the "named fiduciary" for the Plan** within the meaning of ERISA (or other responsible fiduciary or agent of the Plan), such party (i) hereby appoints MSSB, any Manager or Sub-Adviser, to serve as investment managers for the Client with respect to **assets in the Account; and (ii) pursuant to such signatory's authorization under the terms of the Client's Plan documents, hereby further appoints MSSB as a "named fiduciary" within the meaning of ERISA to the extent** MSSB has been granted discretion under this Agreement to select or change Managers and Sub-Advisers on behalf of the Plan Client.

L. You also understand that the Account may, from time to time, include cash balances temporarily uninvested pending investment, pending distribution or as otherwise necessary or appropriate for the **Account's administration. You agree that we may retain as compensation for its provision of services your Account's proportionate share of any** interest earned on such uninvested cash balances held in your Account, **otherwise known as "float." This amount is earned by us through** investment in a number of short-term investment products and strategies, with the amount of such earnings retained by us, due to the short-term nature of the investments, being generally at the prevailing Federal Funds interest rate. The timing of sweep with respect to an **Account (and thus the amount of "float" that may be earned by us) may** depend, in part, on the underlying coding of the Account on our brokerage recordkeeping system — in particular, whether or not an Employee Benefit Trust ("EBT") is coded as a "Basic Security Account" ("BSA"), the brokerage platform for new EBT accounts, or on the Active Assets Account ("AAA"), the platform for older EBT accounts. On the AAA platform, with respect to such assets awaiting investment in excess of \$1: (i) where such assets are received for your Account on a day generally on which the New York Stock Exchange and/or the federal reserve banks are open ("Business Day"), **float shall be earned by us through the end of that Business Day (known as the "Sweep Date"),** with the client credited interest/dividends in such funds as of the next Business Day following the Sweep Date; (ii) where such assets are received on a Business Day that is not followed by another Business Day, or on a day which is not a Business Day, float shall be earned by us as broker through the end of the next Business Day. On the BSA platform, the sweep depends on the size of cash balances held in the account. For Accounts on BSA with \$1,000 or more available cash that qualifies as assets awaiting investment: (i) such interest shall be earned by us through the end of that Sweep Date, with the client credited interest/dividends in such funds as of the next Business Day following the Sweep Date; (ii) where such assets are received on a Business Day that is not followed by another Business Day, or on a day which is not a Business Day, such interest shall be earned by us through the next Business Day. For BSA Accounts with less than \$1,000 available cash, generally, if such assets are received for your Account on a Business Day that is a Monday through Friday, float shall be earned by us as broker through the following Monday. If such Monday is not a Business Day, **float will be earned through the next Business Day. See the "Float Disclosure Statement" that you received in or with the applicable Morgan Stanley ADV brochure for further details.**

6. Proxies and Other Legal Notices.

Graystone or MSSB shall not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the Account, nor shall it be obligated to render any advice or take any action on behalf of Client with respect to securities or other investments held in the Account, or the issuers thereof, which become the subject of any legal proceedings, including

bankruptcies. Client hereby expressly retains the right and obligation to vote any proxies or take action relating to securities held in the Account; provided, however, Client may delegate said rights and obligations to an Investment Product or other properly authorized agent.

7. Termination of Agreement.

This Agreement may be terminated at any time upon written notice by either party to the other and termination will become effective upon receipt of such notice. Such termination will not, however, affect the liabilities or obligations of the parties incurred, or arising from transactions initiated, under this Agreement prior to such termination, including the provisions regarding arbitration, which shall be deemed to survive any expiration or termination of the Agreement. Upon the termination of this Agreement, Graystone or MSSB shall not be under any obligation whatsoever to recommend any action with regard to, or to liquidate, the securities or other investments in the Account. MSSB retains the right, however, to complete any transactions open as of the termination date and to retain amounts in the Account sufficient to effect such completion. Upon termination, **it shall be Client's exclusive** responsibility to issue instructions in writing regarding any assets held in the Account. Client is responsible for providing Graystone with the name of another custodian at the time the Agreement is terminated if MSSB is providing custody services and Client chooses not to maintain custody of the Account with MSSB.

Client authorizes MSSB (without notice to Client) to convert shares of any Fund in the Account to a share class of the same Fund which is a load-waived or no-load share class such as an Institutional share or Financial Intermediary share, or to a share class that is available only to **investment advisory clients (collectively, an "Investment Advisory Share")**, to the extent available. Upon termination of this Agreement for any reason or the transfer of Fund shares out of the Account into another account including a MSSB retail brokerage account, Client hereby authorizes MSSB to convert any Investment Advisory shares to the **corresponding Fund's appropriate non-Investment Advisory share class**, or to redeem the Investment Advisory Shares. Client acknowledges that the appropriate non-Investment Advisory Share class generally has higher operating expenses than the corresponding Investment Advisory Share class, which may negatively impact investment performance.

8. Potential Conflicts of Interest.

Client understands that MSSB, each Manager and their affiliates may perform, among other things, investment banking, research, brokerage, and investment advisory services for other clients. Client recognizes that MSSB and each Manager may give advice and take action in the performance of their duties to such clients (including those who may also be participants in the Consulting Group CIO program) which may differ from advice given, or in the timing and nature of action taken, with respect to Client. Moreover, MSSB or any of its affiliates may advise or take action with respect to itself or themselves differently than with respect to Client. Nothing in this Agreement shall be deemed to impose on MSSB, any Investment Product or any of their affiliates any obligation to recommend any investment advisor or to purchase or sell, or recommend for purchase or sale, for Client any securities or the investments which MSSB, any Investment Product or any of the affiliates may recommend, purchase or sell, or recommend for purchase or sale, for its or their own Account, or for the Account of any other client, nor shall anything on this Agreement be deemed to impose upon MSSB, any Investment Product or any of their affiliates any obligation to give Client the same advice as may be given to any other clients.

By reason of its investment banking or other activities, MSSB and its affiliates may from time to time acquire confidential information and information about corporations and other entities and their securities.

Client acknowledges and agrees that MSSB will not be free to divulge to Client or any Manager and Sub-Adviser, or to act upon, such information with respect to its or their activities, including its or their activities with respect to this Agreement.

Certain investment management firms (including managers of mutual funds and/or ETFs) do other business with MSSB and its affiliates.

Client understands that Graystone Consultants and MSSB Financial Advisors may receive a financial benefit from any Manager in the form of compensation for trade executions for the Accounts of the Manager or Accounts that are managed by such Manager, or through referrals of brokerage or investment advisory Accounts to the Financial Advisor by such Manager. Moreover, MSSB may have trading, investment banking or other business relationships with such. These Advisors may include an Advisor recommended to clients by a Graystone Consultant or an MSSB Financial Advisor in any of the Consulting Group programs.

9. Liability of MSSB

Client acknowledges that an investment Manager's **past performance** is not necessarily indicative of future performance. MSSB makes no representations or warranty under this Agreement or any Exhibit attached hereto with respect to the present or future level of risk or volatility in the Account, or any investment Manager's **future performance** or activities. Except as provided for in Exhibit B hereto, Client understands that the Manager is solely responsible for the trading within the **Client's Account**. Accordingly, Client understands that Manager, not MSSB, **is Client's investment** Manager with respect to each transaction.

10. Non-Assignability

This Agreement shall not be assignable by Graystone or MSSB without the prior consent of Client. This Agreement and its terms shall be binding upon **Client's successors**, administrators, heirs, executors, committee and/or conservators.

11. Governing Law

This Agreement, including the arbitration provision contained therein, is made and shall be construed under the laws of the State of New York without reference to the choice of law or conflict of laws provisions thereof. This choice of law clause shall not govern the choice of statutes of limitations applicable to claims and controversies described in the arbitration provision, and the statute of limitations applicable to any such claim or controversy shall be that which would be applied by the federal district court for the district in which Client resides. If Client does not reside in the United States, the statute of limitations shall be that which would be applied by the courts in the state where the MSSB office **serving Client's Account(s)** is located.

12. Entire Agreement

Client may execute a retail client agreement (the "Client Agreement") with MSSB. This Agreement and the Client Agreement (if applicable) represent the entire agreement between the parties with regard to the services described herein and therein. This Agreement (including language on fees and other charges) may be amended by either of the following methods: (a) MSSB unilaterally amending the Agreement by giving you written notice of the amendment, or (b) MSSB signing a written amendment in cases where you request or agree to the change. This Agreement and the Client Agreement (if applicable) supersede all previous agreements and understandings between the parties hereto with respect to the subject matter hereof. Notwithstanding the terms of the Client Agreement, the terms of this Agreement shall govern with respect to the fees and advisory services described herein.

13. Severability

If any provision of this Agreement shall be held or made invalid by a statute, rule, regulation, decision of the tribunal or otherwise, the remainder of the Agreement shall not be affected thereby and, to this extent, the provisions of the Agreement shall be deemed to be severable.

14. Arbitration

This Agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- **Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

You agree that all claims or controversies, whether such claims or controversies arose prior, on or subsequent to the date hereof, between you and MSSB and/or any of its present or former officers, directors, or employees concerning or arising from (i) any account maintained by you with MSSB individually or jointly with others in any capacity; (ii) any transaction involving MSSB or any predecessor or successor firms by merger, acquisition or other business combination and you, whether or not such transaction occurred in such account or accounts; or (iii) the construction, performance or breach of this or any other agreement between you and us, any duty arising from the business of MSSB or otherwise, shall be determined by arbitration before, and only before, any self-regulatory organization or exchange of which MSSB is a member. You may elect which of these arbitration forums shall hear the matter by sending a registered letter or other written communication addressed to Morgan Stanley Smith Barney LLC at 1633 Broadway, 26th Floor, New York, NY 10019, Attn: Legal Department. If you fail to make such election before the expiration of five (5) days after receipt of a written request from MSSB to make such election, MSSB shall have the right to choose the forum.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) the person is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

The statute of limitations applicable to any claim, whether brought in arbitration or in a court of competent jurisdiction shall be that which would be applied by the courts in the state in which you reside or if you do not reside in the United States, the statute of limitations shall be that which would be applied by the courts in the state where the MSSB office servicing your Account is located.

15. Trading Authorization

Client hereby grants Graystone, MSSB or their respective affiliates and each Manager engaged by Graystone or MSSB complete and unlimited discretionary trading authorization with respect to the Account and appoints Graystone, MSSB or their respective affiliates and each Manager as agent and attorney-in-fact with respect to the same. Pursuant to such authorization, MSSB or the Manager may, in their sole discretion **and at Client's risk, purchase, sell, exchange, convert** and otherwise trade the securities and other investments in the Account as well as arrange for delivery and payment in connection with the above and act on behalf of Client in all other matters necessary or incidental to the handling of the Account.

This power of attorney shall not be affected by subsequent disability or incapacity of Client. If, in the event of **Client's death**, MSSB acts in good faith pursuant to this trading authorization without actual knowledge of **Client's death, any action** so taken, unless otherwise invalid or unenforceable, shall be binding on **Client's successors** in interest. In the event of **Client's death**, MSSB is authorized to liquidate any or all property in the Account whenever in MSSB's **discretion** MSSB considers it necessary to do so for MSSB's **protection** or for the protection of the assets in the Account. This trading authorization is a continuing one and shall remain in full force and effect until terminated by Client or MSSB in writing. The termination of this authorization will constitute a termination of this Agreement.

Client hereby agrees to pay MSSB promptly on demand for any and all losses incurred by MSSB as a result of trading pursuant to this authorization, and to cover any debit balance resulting from such trading.

Pursuant to the trading authorization contained in this Agreement, Graystone, MSSB or any Manager may effect, in the absence of written instructions to the contrary from Client, transactions for the purchase and/or sale of Securities and other investments in the Account through or with brokers or dealers, including MSSB, as they in their sole discretion deem appropriate.

As a general matter, each Manager shall be instructed by Client to use the execution services of MSSB and its affiliates to effect transactions for the purchase and/or sale of securities and other investments in the Account. Transactions shall be executed through a broker or dealer other than MSSB or its affiliates, only when the Manager reasonably believes in good faith that such other broker or dealer will provide better execution than would be the case if the transaction were executed through MSSB. In evaluating which broker or dealer will provide the best execution, the Manager will consider the full range and quality of a **broker's or dealer's** services including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness. The Manager may select broker-dealers which provide MSSB, MSSB and/or the Manager with research or other transaction related services and may cause Client to pay such broker-dealers commissions for effecting transactions in excess of the

commission other broker-dealers may have charged. Such research and other services may be used for MSSB's and/or the Manager's own or other client Accounts to the extent permitted by law.

Pursuant to the provisions of Section 11(a) of the Securities Exchange Act of 1934, certain transactions effected by MSSB or MSSB for certain clients on a national or regional securities exchange may be executed with MSSB, MSSB or their respective affiliates only upon receipt of Client consent. Client specifically consents, in the absence of contrary instructions, to MSSB, MSSB or their respective affiliates acting as broker for the Account. Where such transactions are effected through MSSB, MSSB or their respective affiliates, such parties may act, in the absence of instructions to the contrary communicated by Client to MSSB or MSSB, on an agency or principal basis, to the extent permitted by law and subject to the applicable restrictions, and will be entitled to compensation for its or their services.

In connection with transactions effected for the Account, Client authorizes MSSB and each Manager to establish and trade in Accounts in Client's, MSSB's, MSSB's or the Manager's name with members of national or regional securities exchanges and the Financial Industry Regulatory Authority, Inc., including "omnibus" Accounts established for the purpose of combining orders for more than one client.

Client consents that some or all executions for Client's Account may be aggregated with executions effected for other clients of MSSB or an affiliate and be subsequently allocated to Client's Account at an average price, and that MSSB may from time to time and its discretion act as principal (to the extent permitted by law) with respect to aggregated orders that result in allocations to Client's Account at an average price. Client's confirmations will identify when a transaction was effected at an average price, the average price at which it was effected, and if so, whether MSSB acted as principal or agent for the transaction. Client may only rescind this consent by written instruction to MSSB or Graystone.

Client hereby grants MSSB and its affiliates the authorization to effect "agency cross" transactions (i.e., transactions in which MSSB or any person controlling, controlled by or under common control with MSSB, acts as broker for the party or parties on both sides of the transaction) with respect to the Account to the extent permitted by law. Client acknowledges that MSSB or its affiliates may receive compensation from the other party to such transactions (the amount of which may vary) and that, as such, MSSB will have a potentially conflicting division of loyalties and responsibilities. Client understands that its consent to "agency cross" transactions, contained herein, can be revoked at any time by written notice to MSSB.

In no event shall MSSB or its affiliates be obligated to effect any transaction for Client which they believe would be violative of any applicable state or federal law, rule or regulation, or of the rules or regulations of any regulatory or self-regulatory body.

16. Durable Power of Attorney

The Client designates authorized representatives from MSSB or Graystone to act in our place as our discretionary agent and such authorization shall continue until the Client withdraws such authorization in writing or either party terminates this authorization under Section 7 of this Agreement.

MSSB and Graystone shall have the full power and authority to execute any and all investment related documentation within the guidelines of the Clients Investment Policy Statement, including all MSSB, Manager and Sub-Adviser documentation and all partnership agreements deemed necessary by MSSB and Graystone to carry out the services outlined in Section 1 of this Agreement. Such authority includes the ability to journal

funds to and from MSSB and any other banking institution, in an effort to reallocate the investments of the Clients portfolio.

Client acknowledges that should an investment be illiquid, MSSB or Graystone will seek affirmative consent from the Client prior to investing in such product.

Third parties may rely upon the representations of MSSB or Graystone regarding the powers granted under this Agreement.

17. Miscellaneous

Graystone and MSSB reserve the right to refuse to accept or renew this Agreement in its sole discretion and for any reason. Client understands that Graystone and MSSB may choose not to accept this Agreement until such time as Client delivers the securities and other investments that will comprise the Account into MSSB's custody. Client assets will remain in the form delivered prior to the acceptance of the contract by Graystone or MSSB. Collection and processing of the required documentation may delay the acceptance of the contract.

Client may request (verbally or in writing) that Graystone or MSSB "harvest" tax losses or gains in the Client's Account. Client must make such request each time that the Client desires "tax harvesting." Client directs Graystone or MSSB upon receipt of such a "harvesting" request to (a) sell ETFs and equity securities in the Account in order to realize capital losses or gains; (b) reinvest the proceeds from the sale of equity securities or equity ETFs in one or more broad based equity market ETF(s) during any applicable wash sale period; (c) reinvest the proceeds from the sale of fixed income ETFs in cash or cash equivalents during any applicable wash sale period; and (d) after the expiration of any applicable wash sale period, sell the ETF and invest the proceeds in the Account accordance with the applicable Model Portfolio. Client may request tax "harvesting" as outlined above (i) for specified securities, (ii) in a specified total amount, or (iii) in the maximum amount available. Securities in the Account will be sold proportionately to achieve any requested losses/gains. If the ETF utilized increases in value during any applicable wash sale period, this increase will result in ordinary income to the Client. Client agrees that there is no guarantee that "harvesting" requests received late in a calendar year will be completed before year-end, or that "harvesting" will achieve any particular tax result. Tax "harvesting" may adversely impact investment performance. Client acknowledges that neither Graystone, MSSB, nor any affiliate provide tax advice, and that Client will consult with Client's own tax advisor regarding tax "harvesting" or other tax issues.

Client warrants that any securities delivered to MSSB are free of any encumbrances, including constructive liens.

MSSB represents that it is registered as an investment advisor under the Advisers Act of 1940.

If you elect to use a third party custodian, you acknowledge that, notwithstanding anything to the contrary in any agreement between you and such custodian, the authority of MSSB to instruct the custodian with respect to disbursing or transferring funds and securities in your account is limited to instructing the custodian in connection with the purchase and sale of securities in your account and, if applicable, the payment of the MSSB fees.

For the purpose of referring to this Agreement, the date of this Agreement shall be the date of acceptance by Graystone or MSSB.

Client acknowledges that MSSB may withhold any tax to the extent required by law, and may remit such taxes to the appropriate government authority.

All written communication to Graystone or MSSB pursuant to this Agreement shall be sent to MSSB at the address referenced below,

unless MSSB designates otherwise in writing. All written communication to Client shall be sent to the address referenced below, unless Client designates otherwise in writing.

As used herein, reference to persons in the masculine gender shall include persons of the feminine gender. References in the singular shall, as and if appropriate, include the plural.

All paragraph headings are for convenience of reference only, do not form part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

All information, recommendations and advice furnished to Client pursuant to the Custom Investment Outsourcing program shall be treated as confidential by Client.

Client acknowledges receipt of a copy of this Agreement (including all Exhibits indicated below), and of the applicable Morgan Stanley ADV brochure.

VOLCKER RULE ATTESTATION (For Entity Clients Only)

On July 21, 2015, the law and related regulations known as the "Volcker Rule" went into effect. As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Volcker Rule focuses on the relationships between financial institutions, like Morgan Stanley, and entities called "covered funds," which include private equity funds and hedge funds as well as other types of similar investment vehicles.

By signing below on behalf of the entity client listed below, you are confirming that the entity is not a covered fund because:

- (i) The entity is not an issuer of securities;
- (ii) The entity does not hold itself out as an entity that raises funds from investors primarily for the purposes of investing in securities; and
- (iii) You affirm the entity is not
 - a. a hedge fund;
 - b. a private equity fund;
 - c. a venture capital fund;
 - d. a commodity pool that has a commodity pool operator registered with the Commodity Futures Trading Commission; or
 - e. a **similar investment vehicle that would be considered a "covered fund" under the Volcker Rule law and regulations.**

Please note that non-US entities with all non-US owners are exempt from the definition of a **"covered fund."**

If any of these statements is not accurate (or will no longer apply at any time in the future), please contact your Financial Advisor or Private Wealth Advisor at your earliest convenience.

The Client represents that neither it nor another person who has an ownership interest in or authority over the Account knowingly owns, operates or is associated with a business that uses, at least in part, the Internet to receive or send information that could be seen as placing, receiving or otherwise knowingly transmitting a bet or a wager.

The Client understands that in order to open and continue to provide services to the Account, MSSB is required to obtain certain information from the Client. If this information is not provided by you fully or in a timely manner, MSSB may suspend trading in your account until the information is provided and/or terminate the Account. The Client will deliver to MSSB, in writing, all of the information that MSSB or a Manager may require or reasonably request to perform their duties hereunder without violating or causing any violation of applicable law.

PLEASE CHECK THE APPROPRIATE BOXES:

18. Attachments

The following Exhibit(s) are attached to, and made a part of, this Agreement:

- ☐ Exhibit A. Asset Based Fee

Representative Client List. MSSB publishes materials which, in addition to describing the nature of its investment advisory services, may also provide a representative listing of its **institutional clients ("Representative Client List")**. Such a listing will generally provide the name of the Client, but will not provide any specific account information. By signing below, Client consent to the inclusion of its name on the Representative Client List.

Client's Signature _____

YOUR CONSENT TO ELECTRONIC DELIVERY OF ADV BROCHURES, PRIVACY NOTICES AND OTHER DOCUMENTS

- a. *Electronic delivery:* By signing below, you authorize us to deliver any type of document relating to your existing and future investment advisory accounts and relationships with **MSSB (including MSSB's ADV brochures and privacy notices)**, instead of paper copies, either by email to an email address you give us, by giving you a CD-ROM to read on a computer, or by referring you to a website. Your consent to Electronic Delivery in the previous sentence does not apply to delivery of documents such as account statements, trade confirmations and tax documents (such as 1099 forms). If you would like to have these documents delivered electronically, please visit www.morganstanley.com/online/edelivery or contact your Financial Advisor.
- b. *Website address:* **MSSB's ADV brochures and privacy notices, and the Advisors' profiles, for your Account are** available now at www.morganstanley.com/ADV. Please review them.
- c. *Your computer access:* You acknowledge that you have access to a computer which can access these documents **(including PDF software, available free of charge at Adobe's website www.adobe.com, and a CD-ROM drive)**, and that you may incur costs accessing or printing the documents (e.g. online provider fees and printing costs). We are not liable for these costs or any computer problems (including viruses) you incur in accessing the documents.
- d. *How to get paper copies:* This consent remains in place until you give written notice to your Financial Advisor that you are revoking it. You may also, without revoking this consent, ask your Financial Advisor for a paper copy of any document that we deliver electronically under this consent.
- e. *Other document deliveries:* Sometimes we may deliver paper copies of documents relating to an account. Also, some documents that we can deliver electronically are not covered by this consent and have separate procedures for enrollment and unenrollment in electronic delivery and for obtaining paper copies.

Proxy Waiver. Each Manager is responsible for voting proxies with respect to the issuers of securities held in the Account, unless Client expressly retains the right and obligation to vote proxies by providing written notice to MSSB. If Client has not retained proxy-voting rights, Client, by initialing below, designates that each Manager is to receive the proxy soliciting material and Related Material.

Proxy Waiver (Client may initial) _____

This Agreement may be executed in counterparts and shall be binding on the parties hereto as if executed in one document.

Note: This Agreement contains a pre-dispute arbitration clause which is located in Section 14 on page 10 of this Agreement.

BY SIGNING THIS AGREEMENT, THE UNDERSIGNED CLIENT ACKNOWLEDGES: (A) RECEIPT OF A COPY OF THE AGREEMENT; (B) RECEIPT AND REVIEW OF THE APPLICABLE MORGAN STANLEY ADV BROCHURES AND PRIVACY NOTICES; (C) THAT CLIENT CONSENTS TO ELECTRONIC DELIVERY OF ADV BROCHURES, PRIVACY NOTICES AND OTHER DOCUMENTS, AS PROVIDED ABOVE; AND (D) RECEIPT AND UNDERSTANDING OF THE DISCLOSURES IN SECTION 1 OF THIS AGREEMENT, REGARDING INVESTMENTS SOLD THOROUGH MSSB.

AGREED to this _____ day of _____, _____.

Title of Account: Cabrillo College Foundation

By: _____

ACCEPTED as of the _____ day of _____, _____.

Morgan Stanley Smith Barney LLC through its Graystone Consulting business unit

By: _____

Robert J. Mandel, Managing Director
Director of Graystone Consulting
2000 Westchester Avenue
Purchase, New York 10577

Client Initials: _____

Date: _____

Exhibit A
to
Morgan Stanley Smith Barney LLC
Consulting Group
Custom Investment Outsourcing Agreement

Asset Based Fee

Client shall pay MSSB for its services quarterly (on a calendar quarter basis) in advance an annual fee (the “Graystone Fee” or the “Fee”) as a percent of the market value of the Account based on the following schedule (the “Fee”). **The Fee includes all fees** or charges of MSSB (including brokerage commissions, compensation to MSSB Financial Advisors and MSSB custodial charges) except certain costs or charges associated with the Account or certain securities transactions, including dealer mark-ups or mark-downs, auction fees, certain odd-lot differentials, exchange fees, transfer taxes, electronic fund and wire transfer fees; charges imposed by custodians other than MSSB; fees imposed in connection with MSSB Financial Management Accounts; certain fees in connection with custodial, trustee and other services rendered by a MSSB affiliate; SEC fees on securities trades; any other charges mandated by law; and certain fees in connection with the establishment or administration or termination of retirement or profit sharing plans or trust Accounting. In addition, brokerage commissions and other fees and charges imposed because a Manager and Sub-Adviser chooses to effect securities transactions for the Account with or through a broker-dealer other than MSSB will be separately charged to the Account. If an affiliate of MSSB (including MSSB or Morgan Stanley is a member of the underwriting syndicate from which a security is purchased, MSSB or affiliates may indirectly benefit from such purchase.

The initial Fee shall be due in full on the date the Account is opened at MSSB (the “opening date”) and shall be based on the market value of the Account on that date. The initial Fee payment will cover the period from the opening date through the last business day of the next full calendar quarter and shall be pro-rated accordingly. Thereafter, the Fee shall be paid quarterly in advance based on the Account’s **market value** on the last business day of the previous calendar quarter and shall become due the following business day.

Additional assets received into the Account during any period may be charged a pro-rata fee based on the number of days remaining in the billing period as against the total number of days in the billing period. No adjustments will be made to the Fee for appreciation or depreciation in the market value of securities held in the Account, or with respect to partial withdrawals by Client, during any billing period for which such Fee is charged. In the event this Agreement is terminated by either party prior to the end of a billing period, a pro-rata refund of the Fee will be made.

In computing the market value of any securities or other investments in the Account, securities listed on any national securities exchange shall be valued, as of the valuation date, at the composite closing price (at the consolidated trade price). Any other securities or investments in the Account shall be valued in a manner determined in good faith by MSSB, in its sole discretion, to reflect market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets in the Account.

Investment products utilized in the Account have expenses associated with them that are not included in the schedule set forth below.

FEE SCHEDULE

Account Asset Value*	Annual Graystone Fee to Client
On all assets up to \$35MM	0.35%
On all assets between \$35MM - \$50MM	0.30%
On all assets over \$50MM	0.25%

*Brokerage assets are excluded for all calculations

**Cabrillo College Foundation
Finance and Investment Committee Meeting Minutes
February 11, 2021**

Present: Pegi Ard, Owen Brown, Marshall Delk, David Heald, Michael Machado, Kelly Nesheim, Gun Ruder and Trevor Strudley

Absent: Steve Snodgrass

Staff: Eileen Hill and Nancy Machado

Guests: Brian Sharpes and Dan Tichenor, Graystone Consulting, Matt Wetstein

Call to Order – P. Ard called the meeting to order at 9:01 am

Approval of Agenda

Motion: MSC: M.Delk/G.Ruder. The committee voted unanimously to approve the Finance and Investment Committee agenda.

Public Comment Opportunity

There were no public comments.

Executive Director's Report

Eileen informed the group that \$4,490,165 in outright gifts has been raised, exceeding the 2020-21 goal of \$3M.

Net Assets, Endowed Net Assets and Historical Gifts Chart

The ending net assets balance as of December 31, 2020 was \$41,898,631. The endowed net assets balance was \$37,322,780. The endowed historical gifts value was \$29,637,064.

Approve Finance and Investment Committee Minutes

Motion: MSC: O.Brown/M.Machado. Pegi Ard, Owen Brown, Marshall Delk, David Heald, Kelly Nesheim and Trevor Strudley voted to approve the Finance and Investment Committee minutes of January 15, 2021. Gun Ruder abstained and Steve Snodgrass was absent.

Statement of Investment Policy

Brian Sharpes and Dan Tichenor reviewed the proposed changes to the Statement of Investment Policy required due to the new discretionary contract. The Finance & Investment Committee members discussed the changes and suggested wording that will be included in a new draft that will be reviewed at the next meeting March 25, 2021.

Investment Consultant Contract

Brian Sharpes and Dan Tichenor reviewed the proposed Investment Consultant Contract. Brian and Dan were asked to clarify one sentence in the contract and it will be discussed at the next meeting March 25, 2021.

**Cabrillo College Foundation
Finance and Investment Committee Meeting Minutes
February 11, 2021**

Adjournment

The meeting adjourned at 11:00 a.m.

Respectfully submitted,



Nancy Machado
Accounting & Human Resources Manager

**20-21 Meeting Dates and times:
March 25, 2021 9:00 to 10:30**

Finance and Investment Committee Attendance Chart

Finance and Investment Committee Members	8/19/20	10/8/20	11/16/20	12/14/20	1/15/21	2/11/21	3/25/2021
Pegi Ard	P	P	P	P	P	P	
Owen Brown	P	P	P	P	P	P	
Marshall Delk	P	A	P	P	P	P	
David Heald	P	P	A	P	P	P	
Michael Machado	A	P	A	A	P	P	
Kelly Nesheim	P	P	A	P	P	P	
Gun Ruder	P	A	P	P	A	P	
Stephen Snodgrass	P	A	P	P	P	A	
Trevor Strudley	P	P	A	A	P	P	

P=Present, A=Absent, N/A=Not Applicable

Attendance is based on the Finance & Investment Committee meeting minutes.

Please call the Cabrillo College Foundation office if you believe this chart is in error.

Meeting follow-up items:

- Brian and Dan to send the updated Statement of Investment Policy the week of February 16th
- Brian and Dan to get back to us with an explanation for the wording: Client understands that Graystone may engage one or more unaffiliated Investment Products to invest all or a portion of the assets in the Account (wording suggests one account)

Cabrillo College Foundation
Balance Sheet as of January 31, 2021
With Comparative Totals as of January 31, 2020

	Operating 01/31/21 A	Nonendowed 01/31/21 B	Endowed 01/31/21 C	Total 01/31/21 D	Total 01/31/20 E
ASSETS					
CASH AND INVESTMENTS					
CASH					
SANTA CRUZ COUNTY BANK	(\$11,997)	\$71,552	(\$55,148)	\$4,407	\$18,572
SANTA CRUZ COUNTY BANK	\$90,196	\$206,438	\$2,105	\$298,739	\$380,994
PAYPAL	\$1	\$0	\$0	\$1	\$0
BAY FEDERAL CREDIT UNION	\$6,172	\$0	\$1,290	\$7,461	\$7,457
BAY FEDERAL CREDIT UNION	\$176,387	\$0	\$0	\$176,387	\$174,915
MORGAN STANLEY MID TERM POOL	\$410,887	\$479,314	\$0	\$890,201	\$881,107
MORGAN STANLEY NONENDOWED	\$1,257,161	\$2,674,385	\$0	\$3,931,546	\$3,160,456
MORGAN STANLEY GIFT RECEIPT	\$5,676	\$500	\$928	\$7,104	\$44,726
SANTA CRUZ COUNTY BANK	\$0	\$0	\$0	\$0	\$79,248
SUBTOTAL CASH	\$1,934,483	\$3,432,189	(\$50,825)	\$5,315,847	\$4,747,476
INVESTMENTS					
MORGAN STANLEY TITLE III/V HOLDING	\$1	\$0	\$11,195	\$11,196	\$1,513
MORGAN STANLEY LONG TERM POOL	\$0	\$0	\$31,779,991	\$31,779,991	\$29,647,552
MORGAN STANLEY TITLE V	\$0	\$0	\$1,226,626	\$1,226,626	\$1,178,375
MORGAN STANLEY TITLE III	\$0	\$0	\$286,611	\$286,611	\$252,711
MORGAN STANLEY ESG	\$0	\$0	\$3,928,552	\$3,928,552	\$1,141,125
SUBTOTAL INVESTMENTS	\$1	\$0	\$37,232,975	\$37,232,976	\$32,221,277
TOTAL CASH AND INVESTMENTS	\$1,934,484	\$3,432,189	\$37,182,149	\$42,548,822	\$36,968,752
RECEIVABLES					
PLEDGES					
PLEDGES - UNRESTRICTED	\$14,001	\$0	\$0	\$14,001	\$19,660
PLEDGES - ANNUAL FUND	\$100	\$0	\$0	\$100	\$1,005
PLEDGES - RESTRICTED	\$0	\$113,133	\$712,471	\$825,603	\$1,273,501
ALLOWANCE FOR UNCOLLECTIBLE PLEDGES	(\$35)	\$0	\$0	(\$35)	(\$352)
SUBTOTAL PLEDGES	\$14,066	\$113,133	\$712,471	\$839,669	\$1,293,814
ACCOUNTS RECEIVABLE					

Cabrillo College Foundation
Balance Sheet as of January 31, 2021
 With Comparative Totals as of January 31, 2020

	Operating 01/31/21 A	Nonendowed 01/31/21 B	Endowed 01/31/21 C	Total 01/31/21 D	Total 01/31/20 E
ACCOUNTS RECEIVABLE	\$0	\$4,535	\$0	\$4,535	\$219
TOTAL ACCOUNTS RECEIVABLE	\$0	\$4,535	\$0	\$4,535	\$219
OTHER RECEIVABLES					
SPLIT INTEREST AGREEMENTS	\$44,498	\$52,663	\$10,571	\$107,732	\$134,920
SUBTOTAL OTHER RECEIVABLES	\$44,498	\$52,663	\$10,571	\$107,732	\$134,920
TOTAL RECEIVABLES	\$58,564	\$170,331	\$723,042	\$951,937	\$1,428,953
FIXED ASSETS					
OFFICE EQUIPMENT	\$36,303	\$0	\$0	\$36,303	\$36,303
ACCUMULATED DEPRECIATION	(\$34,184)	\$0	\$0	(\$34,184)	(\$32,973)
TOTAL FIXED ASSETS (NET)	\$2,119	\$0	\$0	\$2,119	\$3,330
PREPAID EXPENSES	\$8,367	\$0	\$0	\$8,367	\$8,128
PREPAID RETIREMENT EXPENSE	\$14,230	\$0	\$0	\$14,230	\$18,358
DEFERRED OUTFLOWS - FY PERS EXPENSE	\$34,190	\$0	\$0	\$34,190	\$30,779
DEFERRED OUTFLOWS - PENSION INVESTMENTS	\$55,821	\$0	\$0	\$55,821	\$70,315
DEFERRED OUTFLOWS- OPEB PENSION INVESTMENTS	\$35,486	\$0	\$0	\$35,486	\$0
TOTAL ASSETS	\$2,143,260	\$3,602,520	\$37,905,191	\$43,650,972	\$38,528,615

Cabrillo College Foundation
Balance Sheet as of January 31, 2021
 With Comparative Totals as of January 31, 2020

	Operating 01/31/21 A	Nonendowed 01/31/21 B	Endowed 01/31/21 C	Total 01/31/21 D	Total 01/31/20 E
LIABILITIES AND NET ASSETS					
LIABILITIES					
PAYABLES AND ACCRUED EXPENSES					
ACCOUNTS PAYABLE	\$568	\$648	\$0	\$1,216	\$8,520
ACCRUED PTO	\$65,217	\$0	\$0	\$65,217	\$59,407
ACCRUED HEALTH BENEFITS	\$74,259	\$0	\$0	\$74,259	\$72,151
SECTION 125 WITHHOLDINGS	\$1,799	\$0	\$0	\$1,799	\$1,613
EMPLOYEE PORTION OF BENEFITS	\$0	\$0	\$0	\$0	\$80
ACCRUED RETIREE MEDICAL BENEFITS	\$158,975	\$0	\$0	\$158,975	\$120,755
UNFUNDED PERS PENSION LIABILITY	\$476,536	\$0	\$0	\$476,536	\$446,969
DEFERRED INFLOWS - PERS	\$18,951	\$0	\$0	\$18,951	\$18,324
SUBTOTAL PAYABLES, ACCRUED EXPENSES	<u>\$796,305</u>	<u>\$648</u>	<u>\$0</u>	<u>\$796,953</u>	<u>\$727,819</u>
SCHOLARSHIPS AWARDED					
CAP SCHOLARSHIPS	\$0	\$33,997	\$707,003	\$741,000	\$703,000
ENDOWED SCHOLARSHIPS	\$0	\$0	\$6,000	\$6,000	\$18,500
NONENDOWED SCHOLARSHIPS	\$0	\$102,653	\$0	\$102,653	\$113,986
SUBTOTAL SCHOLARSHIPS AWARDED	<u>\$0</u>	<u>\$136,650</u>	<u>\$713,003</u>	<u>\$849,653</u>	<u>\$835,486</u>
WES GRANTS PAYABLE					
WES GRANTS	\$0	\$100	\$31,020	\$31,120	\$18,948
SUBTOTAL WES GRANTS PAYABLE	<u>\$0</u>	<u>\$100</u>	<u>\$31,020</u>	<u>\$31,120</u>	<u>\$18,948</u>
TOTAL LIABILITIES	<u>\$796,305</u>	<u>\$137,398</u>	<u>\$744,023</u>	<u>\$1,677,726</u>	<u>\$1,582,253</u>
NET ASSETS					
OPERATING NET ASSETS					
DESIGNATED-OPERATING RESERVE	\$509,995	\$0	\$0	\$509,995	\$489,805
DESIGNATED-PRESIDENT'S CIRCLE ENDOWMEN	\$10,000	\$0	\$0	\$10,000	\$10,000
DESIGNATED-EQUIPMENT	\$15,000	\$0	\$0	\$15,000	\$15,000
DESIGNATED-HURD TRIBUTE	\$294,302	\$0	\$0	\$294,302	\$294,302
DESIGNATED-RETIREE MEDICAL BENEFITS	\$67,727	\$0	\$0	\$67,727	\$60,705
UNDESIGNATED	\$449,932	\$0	\$0	\$449,932	\$255,736
SUBTOTAL OPERATING NET ASSETS	<u>\$1,346,955</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,346,955</u>	<u>\$1,125,548</u>

Cabrillo College Foundation
Balance Sheet as of January 31, 2021
With Comparative Totals as of January 31, 2020

	Operating 01/31/21 A	Nonendowed 01/31/21 B	Endowed 01/31/21 C	Total 01/31/21 D	Total 01/31/20 E
NET ASSETS - NONENDOWED	\$0	\$3,465,123	\$0	\$3,465,123	\$3,186,420
NET ASSETS - ENDOWED	\$0	\$0	\$37,161,168	\$37,161,168	\$32,634,394
TOTAL NET ASSETS	\$1,346,955	\$3,465,123	\$37,161,168	\$41,973,246	\$36,946,362
TOTAL LIABILITIES AND NET ASSETS	\$2,143,260	\$3,602,520	\$37,905,191	\$43,650,972	\$38,528,615
 BEGINNING BALANCE WITH CURRENT YEAR ADJUSTMENTS	 \$1,055,678	 \$2,858,117	 \$30,305,343	 \$34,219,137	 \$35,282,065
 NET SURPLUS/(DEFICIT)	 \$291,278	 \$607,005	 \$6,855,825	 \$7,754,109	 \$1,664,297
 ENDING NET ASSETS	 \$1,346,955	 \$3,465,123	 \$37,161,168	 \$41,973,246	 \$36,946,362

Cabrillo College Foundation
Income Statement by Fund as of January 31, 2021
 With Comparative Totals as of January 31, 2020

	Operating 1/31/2021 A	Nonendowed 1/31/2021 B	Endowed 1/31/2021 C	Total 1/31/2021 D	Total 1/31/20 E
REVENUE					
EARNED INCOME					
INTEREST AND DIVIDENDS	\$20,666	\$0	\$335,041	\$355,707	\$540,381
UNREALIZED GAIN/LOSS ON SECURITIES	(\$14,972)	\$0	\$3,531,239	\$3,516,267	\$768,052
REALIZED GAINS/LOSSES	\$10,573	\$0	\$572,746	\$583,320	\$18,910
FEE INCOME	\$46,799	\$0	\$0	\$46,799	\$29,329
OPERATIONAL ENDOWMENT PAYOUT	\$14,359	\$0	\$0	\$14,359	\$14,276
ENDOWMENT MANAGEMENT FEE	\$230,180	\$0	\$0	\$230,180	\$220,669
TOTAL EARNED INCOME	\$307,605	\$0	\$4,439,026	\$4,746,631	\$1,591,617
CONTRIBUTED INCOME					
RESTRICTED CONTRIBUTIONS	\$0	\$962,978	\$3,122,215	\$4,085,193	\$1,451,786
OTHER INCOME	\$358	\$0	\$0	\$358	\$2,075
ANNUAL FUND	\$495	\$0	\$0	\$495	\$1,300
PRESIDENT'S CIRCLE GIFTS	\$382,882	\$0	\$0	\$382,882	\$368,550
UNRESTRICTED GIFTS	\$14,845	\$0	\$0	\$14,845	\$42,590
PPP LOAN FORGIVENESS	\$102,569	\$0	\$0	\$102,569	\$0
INTERFUND CONTRIBUTIONS	\$0	\$528	(\$528)	\$0	\$0
IN KIND REVENUE	\$0	\$12,521	\$0	\$12,521	\$10,034
IN KIND REVENUE-RENT	\$13,835	\$0	\$0	\$13,835	\$13,832
TOTAL CONTRIBUTED INCOME	\$514,984	\$976,027	\$3,121,687	\$4,612,699	\$1,890,167
TOTAL REVENUE	\$822,590	\$976,027	\$7,560,713	\$9,359,330	\$3,481,785
EXPENSES					
SALARIES & WAGES					
SALARIES & WAGES	\$196,837	\$0	\$4,907	\$201,744	\$259,586
PPP LOAN PAYROLL COSTS	\$92,561	\$0	\$0	\$92,561	\$0
TOTAL SALARIES & WAGES	\$289,398	\$0	\$4,907	\$294,305	\$259,586
PAYROLL TAXES, BENEFITS					
PAYROLL TAXES, BENEFITS	\$134,164	\$0	\$531	\$134,695	\$134,337
PPP LOAN BENEFITS & TAXES	\$10,008	\$0	\$0	\$10,008	\$0
TOTAL PAYROLL TAXES, BENEFITS	\$144,172	\$0	\$531	\$144,703	\$134,337

Cabrillo College Foundation
Income Statement by Fund as of January 31, 2021
 With Comparative Totals as of January 31, 2020

	Operating 1/31/2021 A	Nonendowed 1/31/2021 B	Endowed 1/31/2021 C	Total 1/31/2021 D	Total 1/31/20 E
PRINTING	\$10,846	\$0	\$0	\$10,846	\$12,644
PHOTOS	\$0	\$0	\$0	\$0	\$2,350
CONSULTANTS	\$19,825	\$0	\$0	\$19,825	\$25,257
FUNDRAISING/EVENTS/PUBLIC RELATIONS	\$9,386	\$0	\$0	\$9,386	\$28,255
OFFICE EQUIP & MAINTENANCE					
OFFICE EQUIPMENT	\$1,253	\$0	\$0	\$1,253	\$513
DEPRECIATION EXPENSE	\$706	\$0	\$0	\$706	\$706
SOFTWARE MAINTENANCE	\$7,502	\$0	\$0	\$7,502	\$7,317
TOTAL OFFICE EQUIP & MAINTENANCE	\$9,462	\$0	\$0	\$9,462	\$8,536
BOOKS/PUBLICATIONS/MEMBERSHIPS	\$1,630	\$0	\$0	\$1,630	\$1,395
OFFICE SUPPLIES	\$1,354	\$0	\$0	\$1,354	\$4,074
POSTAGE & MAILING SERVICE	\$5,557	\$0	\$0	\$5,557	\$5,078
BOARD EXPENSES	\$0	\$0	\$0	\$0	\$1,789
OTHER EXPENSES					
MISCELLANEOUS	\$182	\$0	\$0	\$182	(\$1,092)
UNCOLLECTIBLE PLEDGES	\$1,811	\$100	\$0	\$1,911	\$6,639
MILEAGE & PARKING	\$380	\$0	\$0	\$380	\$463
INTERNET SERVICE	\$415	\$0	\$0	\$415	\$764
IT HOSTING SERVICE	\$10,314	\$0	\$0	\$10,314	\$9,355
BANK CHARGES	\$5,397	\$0	\$0	\$5,397	\$5,522
INVESTMENT FEES	\$3,138	\$0	\$90,084	\$93,221	\$93,784
MANAGEMENT FEES	\$0	\$0	\$230,180	\$230,180	\$220,669
DIRECTOR/OFFICER LIABILITY INS	\$1,933	\$0	\$0	\$1,933	\$1,784
LIABILITY AND PROPERTY INSURANCE	\$2,278	\$0	\$0	\$2,278	\$2,278
TOTAL OTHER EXPENSES	\$25,848	\$100	\$320,264	\$346,211	\$340,166
IN KIND EXPENSE	\$0	\$12,521	\$0	\$12,521	\$10,034
IN KIND EXPENSE - RENT	\$13,835	\$0	\$0	\$13,835	\$13,832
NONENDOWED PROGRAM EXPENSES	\$0	\$186,336	\$0	\$186,336	\$448,582
ENDOWED PROGRAM EXPENSES	\$0	\$0	\$153,365	\$153,365	\$145,604
SCHOLARSHIPS	\$0	\$170,065	\$225,820	\$395,885	\$375,967

Cabrillo College Foundation
Income Statement by Fund as of January 31, 2021
With Comparative Totals as of January 31, 2020

	Operating 1/31/2021 A	Nonendowed 1/31/2021 B	Endowed 1/31/2021 C	Total 1/31/2021 D	Total 1/31/20 E
TOTAL EXPENSES	\$531,312	\$369,022	\$704,888	\$1,605,221	\$1,817,488
NET SURPLUS/(DEFICIT)	\$291,278	\$607,005	\$6,855,825	\$7,754,109	\$1,664,297

Cabrillo College Foundation
Income Statement - Operating Budget as of 01/31/21
With Comparative Totals as of 1/31/20

	19-20 Actual 7 Months A	20-21 Actual 7 Months B	20-21 Budget 7 Months C	20-21 Actual To 20-21 Budget D	20-21 7 Mos. and 5 Mos. Projected E	20-21 Annual Budget (Approved 5/12/20) F	Variance 20-21 7 Mos. Actual & 5 Mos. Projected to 20-21 Budget G
REVENUE							
EARNED INCOME							
INTEREST AND DIVIDENDS	\$54,084	\$20,666	\$12,250	\$8,416	\$22,650	\$21,000	\$1,650
UNREALIZED GAIN/LOSS ON SECURITIES	(\$9,245)	(\$14,972)	\$0	(\$14,972)	(\$16,208)	\$0	(\$16,208)
REALIZED GAINS/LOSSES	\$4,244	\$10,573	\$0	\$10,573	\$10,573	\$0	\$10,573
FEE INCOME	\$29,329	\$46,799	\$23,690	\$23,109	\$97,895	\$97,448	\$447
OPERATIONAL ENDOWMENT PAYOUT	\$14,276	\$14,359	\$15,700	(\$1,341)	\$14,359	\$15,700	(\$1,341)
ENDOWMENT MANAGEMENT FEE	\$220,669	\$230,180	\$170,954	\$59,226	\$483,237	\$341,908	\$141,329
TOTAL EARNED INCOME	\$313,357	\$307,605	\$222,594	\$85,011	\$612,506	\$476,056	\$136,450
CONTRIBUTED INCOME							
OTHER INCOME	\$2,075	\$358	\$1,000	(\$642)	\$2,000	\$2,000	\$0
ANNUAL FUND	\$1,300	\$495	\$0	\$495	\$495	\$50,000	(\$49,505)
PRESIDENT'S CIRCLE GIFTS	\$368,550	\$382,882	\$325,000	\$57,882	\$425,000	\$390,100	\$34,900
UNRESTRICTED GIFTS	\$42,590	\$14,845	\$11,667	\$3,179	\$15,000	\$20,000	(\$5,000)
PPP LOAN FORGIVENESS	\$0	\$102,569	\$0	\$102,569	\$102,569	\$0	\$102,569
IN KIND REVENUE-RENT	\$13,832	\$13,835	\$13,832	\$3	\$23,712	\$23,712	\$0
TOTAL CONTRIBUTED INCOME	\$428,347	\$514,984	\$351,499	\$163,486	\$568,776	\$485,812	\$82,964
TOTAL REVENUE	\$741,704	\$822,590	\$574,093	\$248,497	\$1,181,282	\$961,868	\$219,414
EXPENSES							
SALARIES & WAGES							
SALARIES & WAGES	\$255,590	\$196,837	\$298,416	\$101,579	\$402,026	\$521,271	\$119,245
PPP LOAN PAYROLL COSTS	\$0	\$92,561	\$0	(\$92,561)	\$92,561	\$0	(\$92,561)
TOTAL SALARIES & WAGES	\$255,590	\$289,398	\$298,416	\$9,018	\$494,587	\$521,271	\$26,684
PAYROLL TAXES, BENEFITS							
PAYROLL TAXES, BENEFITS	\$133,920	\$134,164	\$153,513	\$19,349	\$241,926	\$269,023	\$27,097
PPP LOAN BENEFITS & TAXES	\$0	\$10,008	\$0	(\$10,008)	\$10,008	\$0	(\$10,008)
TOTAL PAYROLL TAXES, BENEFITS	\$133,920	\$144,172	\$153,513	\$9,341	\$251,934	\$269,023	\$17,089
ADVERTISING	\$0	\$0	\$500	\$500	\$1,000	\$1,000	\$0
PRINTING	\$12,644	\$10,846	\$12,250	\$1,404	\$21,000	\$21,000	\$0

Cabrillo College Foundation
Income Statement - Operating Budget as of 01/31/21
 With Comparative Totals as of 1/31/20

	19-20 Actual 7 Months A	20-21 Actual 7 Months B	20-21 Budget 7 Months C	20-21 Actual To 20-21 Budget D	20-21 7 Mos. and 5 Mos. Projected E	20-21 Annual Budget (Approved 5/12/20) F	Variance 20-21 7 Mos. Actual & 5 Mos. Projected to 20-21 Budget G
PHOTOS	\$2,350	\$0	\$2,000	\$2,000	\$4,000	\$4,000	\$0
CONSULTANTS	\$25,257	\$19,825	\$27,250	\$7,425	\$32,450	\$47,450	\$15,000
FUNDRAISING/EVENTS/PUBLIC RELATIONS	\$28,255	\$9,386	\$19,500	\$10,114	\$29,284	\$43,558	\$14,274
OFFICE EQUIP & MAINTENANCE							
OFFICE EQUIPMENT	\$513	\$1,253	\$828	(\$425)	\$1,420	\$1,420	\$0
DEPRECIATION EXPENSE	\$706	\$706	\$706	\$0	\$1,211	\$1,211	\$0
SOFTWARE MAINTENANCE	\$7,317	\$7,502	\$7,721	\$219	\$13,236	\$13,236	\$0
TOTAL OFFICE EQUIP & MAINTENANCE	\$8,536	\$9,462	\$9,256	(\$206)	\$15,867	\$15,867	\$0
BOOKS/PUBLICATIONS/MEMBERSHIPS	\$1,395	\$1,630	\$1,014	(\$616)	\$1,739	\$1,739	\$0
OFFICE SUPPLIES	\$4,074	\$1,354	\$4,295	\$2,941	\$7,362	\$7,362	\$0
POSTAGE & MAILING SERVICE	\$5,078	\$5,557	\$5,162	(\$396)	\$10,323	\$10,323	\$0
BOARD EXPENSES	\$1,789	\$0	\$1,697	\$1,697	\$3,393	\$3,393	\$0
OTHER EXPENSES							
MISCELLANEOUS	(\$1,092)	\$182	\$300	\$118	\$600	\$600	\$0
UNCOLLECTIBLE PLEDGES	\$6,639	\$1,811	\$10,208	\$8,398	\$1,828	\$17,500	\$15,672
MILEAGE & PARKING	\$463	\$380	\$348	(\$32)	\$695	\$695	\$0
INTERNET SERVICE	\$764	\$415	\$910	\$495	\$1,560	\$1,560	\$0
IT HOSTING SERVICE	\$9,355	\$10,314	\$11,226	\$912	\$10,314	\$11,226	\$912
BANK CHARGES	\$5,522	\$5,397	\$4,958	(\$439)	\$8,500	\$8,500	\$0
INVESTMENT FEES	\$2,853	\$3,138	\$1,167	(\$1,971)	\$4,500	\$2,000	(\$2,500)
DIRECTOR/OFFICER LIABILITY INS	\$1,784	\$1,933	\$2,240	\$307	\$3,840	\$3,840	\$0
LIABILITY AND PROPERTY INSURANCE	\$2,278	\$2,278	\$2,549	\$271	\$4,370	\$4,370	\$0
TOTAL OTHER EXPENSES	\$28,565	\$25,848	\$33,906	\$8,058	\$36,207	\$50,291	\$14,084
IN KIND EXPENSE - RENT	\$13,832	\$13,835	\$13,832	(\$3)	\$23,712	\$23,712	\$0
TOTAL EXPENSES	\$521,286	\$531,312	\$582,589	\$51,277	\$932,858	\$1,019,989	\$87,131
NET SURPLUS/(DEFICIT)	\$220,419	\$291,278	(\$8,497)	\$299,774	\$248,424	(\$58,121)	\$306,545

MEMORANDUM

DATE: March 17, 2021

TO: Finance and Investments Committee

FROM: Eileen Hill

SUBJECT: 2021-22 Operating Budget Overview

Overview of 2021-20 Operating Budget Compared to 2020-21 Projected Actual

Revenue:

The 2021-22 operating revenue of \$1,160,541 is projected to be \$20,741 less than the 2020-21 projected actual operating revenue of \$1,181,282. The 2020-21 projected actual includes the forgiven PPP Loan of \$102,569. If the PPP loan is taken out of the equation, the 2021-22 operating revenue of \$1,160,541 is projected to be \$81,828 more than the 2020-21 projected actual.

- Anticipate bringing our Annual Fund phone campaign back next year with the goal of raising \$50,000
- The endowment management fee is projected to increase by \$27,000

Expenses:

The 2021-22 operating expenses of \$1,081,899 are projected to be \$149,042 over the 2020-21 projected actual operating expense of \$932,857.

- \$33,680 increase in salaries, includes standard salary schedule increases and updated salary ranges
- \$26,845 reinstituting Annual Fund Coordinator, Callers, and Development Assistant
- \$17,000 increase in payroll taxes, benefits
- \$35,000 increase in fundraising expenses, anticipating moving back to in person events
- \$17,500 bad debt for Annual Fund

The 2020-21 projected surplus will increase the operating reserve to 8.4 months totaling \$758,420, exceeding the 6 month operating reserve goal. Projections show a surplus of \$78,642 in 2021-22 and a surplus for the following two years.

Recommended Motion

Finance and Investments Committee recommends to the Executive Committee the proposed 2021-22 Operating Budget.

CABRILLO COLLEGE FOUNDATION PLANNING PARAMETERS BUDGET 2021/22 TO 2023/24
Updated 3/17/2021

DESCRIPTION:	PROJECTED 2021-22	PROJECTED 2022-23	PROJECTED 2023-24
REVENUE			
INTEREST AND DIVIDENDS	20-21 Projected Actual	Assume levels return to 20/21 Budget	Assume levels return to 20/21 Budget
FEE INCOME - PROPOSAL INDIRECT	\$5,000	\$5,000	\$5,000
FEE INCOME - OTHER	CAP 6% and WES 2.0% of total employee costs excluding Annual Fund; Grove \$5K; Girls in Engineering \$2,500	CAP 6% and WES 2.0% of total employee costs excluding Annual Fund; Grove \$5K; Girls in Engineering \$2,500	CAP 6% and WES 2.0% of total employee costs excluding Annual Fund; Grove \$5K; Girls in Engineering \$2,500
FEE INCOME - GIFT FACILITATION	20-21 budget plus 5%	21-22 budget plus 5%	22-23 budget plus 5%
OPERATIONAL ENDOWMENT PAYOUT	4% of daily fund balance for previous 12 Trailing Quarters, no increase in fund balance from gifts (GL #8801, #8859,#8322 & 8896)	4% of daily fund balance for previous 12 Trailing Quarters, no increase in fund balance from gifts (GL #8801, #8859,#8322 & 8896)	4% of daily fund balance for previous 12 Trailing Quarters, no increase in fund balance from gifts (GL #8801, #8859,#8322 & 8896)
ENDOWMENT MANAGEMENT FEE	Based on the 10-year rolling average of the management fee growth/decline	Based on the 10-year rolling average of the management fee growth/decline	Based on the 10-year rolling average of the management fee growth/decline
OTHER INCOME	\$2,000	\$2,000	\$2,000
ANNUAL FUND	\$50,000	\$50,000	\$50,000
PRESIDENT'S CIRCLE GIFTS	20-21 Projected Actual + \$3,000	21-22 Budget + 3,000	22-23 Budget + \$3,000
UNRESTRICTED GIFTS	Project \$20,000 per year	Project \$20,000 per year	Project \$20,000 per year
IN KIND REVENUE	In kind rent is provided by Cabrillo College and was valued at \$24,821 as of March 9, 2021 and valuation will be effective July 1, 2021. The next valuation will be in March 2024 as part of the Master Agreement between Cabrillo College Foundation and Cabrillo College. The review is every three years.	In kind rent is provided by Cabrillo College and was valued at \$24,821 as of March 9, 2021 and valuation will be effective July 1, 2021. The next valuation will be in March 2024 as part of the Master Agreement between Cabrillo College Foundation and Cabrillo College. The review is every three years.	In kind rent is provided by Cabrillo College and was valued at \$24,821 as of March 9, 2021 and valuation will be effective July 1, 2021. The next valuation will be in March 2024 as part of the Master Agreement between Cabrillo College Foundation and Cabrillo College. The review is every three years.
EXPENSES			
TOTAL SALARIES	Salary ranges are based on the results of a salary survey (conducted every three years). Salaries follow the CalPERS approved salary schedules.	Salary ranges are based on the results of a salary survey (conducted every three years). Salaries follow the CalPERS approved salary schedules.	Salary ranges are based on the results of a salary survey (conducted every three years). Salaries follow the CalPERS approved salary schedules.
HEALTH BENEFITS-ACCOUNTING & HUMAN RESOURCES MANAGER	20-21 Rates plus 2%. Reflects cost sharing.	\$2,040 - For one mo. Employee becomes eligible for Medicare in July 2022	No longer receives benefit
HEALTH BENEFITS-DEVELOPMENT	20-21 Rates plus 2%. Reflects cost sharing.	21-22 Rates plus 2%. Reflects cost sharing.	22-23 Rates plus 2%. Reflects cost sharing.
HEALTH BENEFITS-OPERATIONS & MARKETING DIRECTOR	20-21 Rates plus 2%. Reflects cost sharing.	21-22 Rates plus 2%. Reflects cost sharing.	22-23 Rates plus 2%. Reflects cost sharing.

CABRILLO COLLEGE FOUNDATION PLANNING PARAMETERS BUDGET 2021/22 TO 2023/24
Updated 3/17/2021

DESCRIPTION:	PROJECTED 2021-22	PROJECTED 2022-23	PROJECTED 2023-24
HEALTH BENEFITS-RETIREE	20-21 Rates plus 2%.	21-22 Rates plus 2%. For 9 mos. Benefit sunsets for retiree on April 1, 2023	Retiree no longer has benefit
WORKERS COMP	Rate based on 20-21 Budget + .05%	Rate based on 21-22 Budget + .05%	Rate based on 22-23 Budget + .05%
LIFE AND DISABILITY INSURANCE	20-21 Projected Actual + 5%	Looked at 21-22 Budget to Actual + 5%	Looked at 22-23 Budget to Actual + 5%
TRAINING/CONFERENCES	Assume \$12,450 for (3) attendees to CASE conference and (3) attendees to AFP Conference. \$2,300 other 1-day conferences and staff training	Assume \$13,800 for (3) attendees to CASE conference and (3) attendees to AFP Conference. \$2,650 for other 1-day conferences and staff training	Assume \$15,150 for (3) attendees to CASE conference and (3) attendees to AFP Conference. \$3,000 for other 1-day conferences and staff training
PAYROLL PROCESS FEES	Based on 20-21 Budget plus 5%	Based on 21-22 Budget plus 5%	Based on 22-23 Budget plus 5%
RETIREMENT PLAN	Based on 21-22 rates: 10.34% for EJH/NAM/GW and 7.59% for KS/CB plus difference between 19-20 and 20-21 unfunded liability figures to project \$33,030 unfunded liability.	Based on difference between 20-21 and 21-22 rates added to projected 21-22: 10.20% for EJH/NAM/GW and 7.45% for KS/CB plus difference between 19-20 and 20-21 unfunded liability figures to project \$38,253 unfunded liability.	Based on difference between 20-21 and 21-22 rates added to projected 21-22: 10.04% for EJH/NAM/GW and 7.31% for KS/CB plus difference between 19-20 and 20-21 unfunded liability figures to project \$43,476 unfunded liability.
ADVERTISING	\$1,000 per year	\$1,000 per year	\$1,000 per year
PRINTING	Based on 20-21 Budget plus \$1,000	Based on 21-22 Budget plus \$1,000	Based on 22-23 Budget plus \$1,000
PHOTOS	Based on 20-21 Budget + \$100	Based on 21-22 Budget + \$100	
CONSULTANTS	Graphic Artist \$3,200; Web Maintenance \$2,400; Proposal Writer \$4,500; Form 5500 \$900; Form 990 \$900; Accounting \$4,650 Audit, \$15,000 Legal \$9,500, CalPERS actuarial \$1,800; Retiree Benefits actuarial \$0	Graphic Artist \$3,400; Web Maintenance \$2,600; Proposal Writer \$5,000; Form 5500 \$1000; Form 990 \$1,000; Accounting \$4,850 Audit, \$15,500, Legal \$10,000, CalPERS actuarial \$1,900; Retiree Benefits actuarial \$3,250	Graphic Artist \$3,600; Web Maintenance \$2,800; Proposal Writer \$5,000; Form 5500 \$1,100; Form 990 \$1,100; Accounting \$5,050 Audit, \$16,000 Legal \$10,500, CalPERS actuarial \$2,000; Retiree Benefits actuarial \$0
FUNDRAISING/EVENTS/PUBLIC RELATIONS	19-20 Budget plus 5% . Does not include postage or printing for invitations to events. President's endowment supplements \$2,000 for Pres. Holiday Party	21-22 Budget plus 5%. Does not include postage or printing for invitations to events. President's endowment supplements \$2,000 for Pres. Holiday Party	22-23 Budget plus 5%. Does not include postage or printing for invitations to events. President's endowment supplements \$2,000 for Pres. Holiday Party
OFFICE EQUIPMENT	Based on 20-21 Budget plus \$80	Based on 21-22 Budget plus \$80	Based on 22-23 Budget plus \$80
DEPRECIATION EXPENSE	Actual \$1,210.92 (12 mos.)	\$302 (equipment fully depreciated)	\$0
SOFTWARE MAINTENANCE	Based on 20-21 Budget + \$750	Based on 21-22 Budget + \$750	Based on 22-23 Budget + \$750
BOOKS/PUBLICATIONS/MEMBERSHIPS	Based on 20-21 Budget + 5%	Based on 21-22 Budget + 5%	Based on 22-23 Budget + 5%
OFFICE SUPPLIES	Based on 20-21 Budget + 5%	Based on 21-22 Budget + 5%	Based on 22-23 Budget + 5%
POSTAGE & MAILING SERVICE	Based on 20-21 Budget + \$100	Based on 21-22 Budget + \$100	Based on 22-23 Budget + \$100

CABRILLO COLLEGE FOUNDATION PLANNING PARAMETERS BUDGET 2021/22 TO 2023/24
Updated 3/17/2021

DESCRIPTION:	PROJECTED 2021-22	PROJECTED 2022-23	PROJECTED 2023-24
BOARD EXPENSES	Based on 20-21 Budget + 5%	Based on 21-22 Budget + 5%	Based on 22-23 Budget + 5%
MISCELLANEOUS	Based on 20-21 Budget plus \$50	Based on 21-22 Budget plus \$50	Based on 22-23 Budget plus \$50
UNCOLLECTIBLE PLEDGES	35% of Annual Fund revenue is \$17,500	35% of Annual Fund revenue is \$17,500	35% of Annual Fund revenue is \$17,500
MILEAGE & PARKING	Based on 20-21 Budget plus \$50	Based on 21-22 Budget plus \$50	Based on 22-23 Budget plus \$50
INTERNET SERVICE	\$140 for 12 months	\$150 for 12 months	\$160 for 12 months
IT HOSTING SERVICE	Based on 20-21 Actual (assume fixed for 3 years ending in 22-23)	Based on 20-21 Actual (assume fixed for 3 years ending in 22-23)	22-23 plus \$810 the difference between 19-20 and 20-21 actual
BANK CHARGES	Based on 20-21 Budget plus \$500	Based on 21-22 Budget plus \$500	Based on 22-23 Budget plus \$500
INVESTMENT MANAGEMENT FEE (Mid Term Pool)	Based on 20-21 Budget +\$200	Based on 21-22 Budget +\$200	Based on 22-23 Budget +\$200
DIRECTOR/OFFICER LIABILITY INS	Based on 20-21 Budget + 4%	Based on 21-22 Budget + 4%	Based on 22-23 Budget + 4%
LIABILITY AND PROPERTY INSURANCE	Based on 20-21 Budget + 4%	Based on 21-22 Budget + 4%	Based on 22-23 Budget + 4%
IN KIND EXPENSE	In kind rent is provided by Cabrillo College and was valued at \$23,712 as of June 30, 2018. The next valuation will be in 2021 as part of the Master Agreement between Cabrillo College Foundation and Cabrillo College. The review is every three years.	In kind rent is provided by Cabrillo College and was valued at \$24,821 as of March 9, 2021 and valuation will be effective July 1, 2021. The next valuation will be in March 2024 as part of the Master Agreement between Cabrillo College Foundation and Cabrillo College. The review is every three years.	In kind rent is provided by Cabrillo College and was valued at \$24,821 as of March 9, 2021 and valuation will be effective July 1, 2021. The next valuation will be in March 2024 as part of the Master Agreement between Cabrillo College Foundation and Cabrillo College. The review is every three years.
SURPLUS/DEFICIT	\$78,642	\$78,565	\$73,542
Beginning Reserve	\$509,995		
Projected Surplus 20-21	\$248,425		
Ending Reserve (8.4 Months of operating reserve)	\$758,420		
2021-22 6 Months operating reserve is \$540,950 (1/2 of 21/22 expenses)			

Cabrillo College Foundation
2021-2024 Draft Budget

	19-20 Actual	20-21 Board Approved Interest .5% EMF 18% ↓ PC 6% ↓	20-21 Projected (7 Months Actual and 5 Months Projected)	21-22 Projected	22-23 Projected	23-24 Projected
REVENUE						
INTEREST AND DIVIDENDS	\$76,653	\$21,000	\$17,015	\$17,015	\$21,000	\$21,000
FEE INCOME - PROPOSAL INDIRECT	\$1,602	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
FEE INCOME - OTHER	\$60,773	\$75,232	\$75,232	\$68,227	\$69,294	\$71,239
FEE INCOME-GIFT FACILITATION	\$21,396	\$17,216	\$17,663	\$18,077	\$18,981	\$19,930
OPERATIONAL ENDOWMENTS PAYOUT	\$14,276	\$15,700	\$14,359	\$18,317	\$18,317	\$18,317
ENDOWMENT MANAGEMENT FEE	\$458,481	\$341,908	\$483,237	\$510,194	\$538,747	\$566,980
PPP FORGIVEN		\$0	\$102,569	\$0	\$0	\$0
OTHER INCOME	\$4,196	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
ANNUAL FUND	\$11,434	\$50,000	\$495	\$50,000	\$50,000	\$50,000
PRESIDENT'S CIRCLE GIFTS	\$422,428	\$390,100	\$425,000	\$428,000	\$431,000	\$434,000
UNRESTRICTED GIFTS	\$46,859	\$20,000	\$15,000	\$20,000	\$20,000	\$20,000
IN KIND REVENUE	\$23,712	\$23,712	\$23,712	\$23,712	\$24,821	\$24,821
TOTAL REVENUE	\$1,141,810	\$961,868	\$1,181,282	\$1,160,541	\$1,199,160	\$1,233,287
EXPENSES						
TOTAL SALARIES	\$462,290	\$521,271	\$494,586	\$555,111	\$585,228	\$605,309
TOTAL PAYROLL TAXES AND BENEFITS	\$293,824	\$269,023	\$251,934	\$268,464	\$270,644	\$277,102
ADVERTISING	\$162	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
PRINTING	\$13,643	\$21,000	\$21,000	\$22,000	\$23,000	\$24,000
PHOTOS	\$2,350	\$4,000	\$4,000	\$4,100	\$4,200	\$4,300
CONSULTANTS	\$31,577	\$47,450	\$32,450	\$49,100	\$48,250	\$53,100
FUNDRAISING/EVENTS/PUBLIC RELATIONS	\$30,930	\$43,558	\$29,284	\$65,046	\$68,148	\$71,406
OFFICE EQUIPMENT	\$2,663	\$1,420	\$1,420	\$1,500	\$1,580	\$1,660
DEPRECIATION EXPENSE	\$1,211	\$1,211	\$1,211	\$1,211	\$302	\$0
SOFTWARE MAINTENANCE	\$12,544	\$13,236	\$13,236	\$13,986	\$14,736	\$15,486
BOOKS/PUBLICATIONS/MEMBERSHIPS	\$1,456	\$1,739	\$1,739	\$1,826	\$1,917	\$2,013
OFFICE SUPPLIES	\$5,482	\$7,362	\$7,362	\$7,730	\$8,117	\$8,522

Cabrillo College Foundation
2021-2024 Draft Budget

	19-20 Actual	20-21 Board Approved Interest .5% EMF 18% ↓ PC 6% ↓	20-21 Projected (7 Months Actual and 5 Months Projected)	21-22 Projected	22-23 Projected	23-24 Projected
POSTAGE & MAILING SERVICE	\$7,090	\$10,323	\$10,323	\$10,423	\$10,523	\$10,623
BOARD EXPENSES	\$3,305	\$3,393	\$3,393	\$3,563	\$3,741	\$3,928
MISCELLANEOUS	\$988	\$600	\$600	\$650	\$700	\$750
UNCOLLECTIBLE PLEDGES - 35%	\$18,067	\$17,500	\$1,828	\$17,500	\$17,500	\$17,500
BOND CAMPAIGN SUPPORT	\$49,999	\$0	\$0	\$0	\$0	\$0
MILEAGE & PARKING	\$463	\$695	\$695	\$745	\$795	\$845
INTERNET SERVICE	\$1,157	\$1,560	\$1,560	\$1,680	\$1,800	\$1,920
IT HOSTING SERVICE	\$9,355	\$11,226	\$10,314	\$10,314	\$10,314	\$11,124
BANK CHARGES	\$7,151	\$8,500	\$8,500	\$9,000	\$9,500	\$10,000
INVESTMENT MANAGEMENT FEES (Mid Term Pool)	\$3,879	\$2,000	\$4,500	\$4,700	\$4,900	\$5,100
DIRECTOR/OFFICER LIABILITY INS	\$3,059	\$3,840	\$3,840	\$3,994	\$4,154	\$4,320
LIABILITY AND PROPERTY INSURANCE	\$3,905	\$4,370	\$4,370	\$4,544	\$4,726	\$4,915
IN KIND EXPENSE	\$23,712	\$23,712	\$23,712	\$23,712	\$24,821	\$24,821
TOTAL EXPENSES	\$990,262	\$1,019,989	\$932,857	\$1,081,899	\$1,120,595	\$1,159,744
SURPLUS/DEFICIT	\$151,548	-\$58,121	\$248,425	\$78,642	\$78,565	\$73,542
LESS PPP LOAN FORGIVEN			-\$102,569			
SURPLUS/DEFICIT WITHOUT PPP LOAN FORGIVEN			\$145,856			
Beginning Reserve		\$509,995				
Projected Surplus 20-21		\$248,425				
Ending Reserve (8.4 Months of operating reserve)		\$758,420				
2021-22 6 Months operating reserve is \$540,950 (1/2 of 21/22 expenses)						

2020-21 Cabrillo College Foundation Committee Meetings and Events

Updated 3/10/2021

BOARD OF DIRECTORS

Tuesdays, 12:00-2:00 pm
Sesnon House or Zoom TBD
New Member Orientation

September 8, 2020
11:00-12:00 pm
(Sesnon House or Zoom TBD)

Meetings:

September 8, 2020
November 10, 2020
February 9, 2021
May 11, 2021
(Watsonville Center)

AUDIT

10:00-11:00 am
Sesnon House or Zoom TBD
October 7, 2020
May, 2021 TBD

EXECUTIVE

Thursdays, 9:00-10:00 am
Sesnon House or Zoom TBD
August 27, 2020
October 22, 2020
January 21, 2021
April 15, 2021

FINANCE AND INVESTMENT

Thursdays, 9:00-10:30 am
Sesnon House or Zoom TBD
August 19, 2020
October 8, 2020
November 16, 2020 (11 am)
December 14, 2020 (11 am)
January 15, 2021 (11 am)
February 11, 2021
March 25, 2021

FACULTY GRANTS

November 20, 2020
1:00 – 3:00 pm

NOMINATING

March 15, 2021
3:00 – 4:00 pm

PRESIDENT'S CIRCLE

September 10, 2020
5:30 – 7:00 pm
(kick-off party)

October 14, 2020
9:00 am – 12:00 pm
(signing pick up)

March 24, 2021
5:30 pm – 6:30 pm
(wrap-up party)

WOMEN'S

EDUCATIONAL SUCCESS (WES)

Sesnon House Room 1824
June 2, 2020
10:00 am – 11:00 am

July 15, 2020
1:00 pm – 5:00 pm
(signing meeting)

September 25, 2020
11:30 am – 1:30 pm
Virtual Event

SCHOLARSHIP

November 12, 2020
3:00 – 4:00 pm

CABRILLO ADVANCEMENT PROGRAM

May 2021

EXCLUSIVE EVENTS FOR PRESIDENT'S CIRCLE MEMBERS

Virtual Happy Hour with CC President
\$5,000 + Members
March 17, 2021

Drive-Thru Event collaboration with Culinary Students
\$1,500+ Members
April 17, 2021

Virtual Activity led by Cabrillo Faculty
\$2,500+ Members
April 30, 2021

Sandy Lydon Virtual History
\$1,000 + Members
May 20, 2021

Virtual Back to School Celebration
\$1,000 + Members
October 2021

Virtual Feasting with Faculty
\$10,000+ Members
Summer 2021

EVENT DATES

Faculty and Staff Grants Awards

January 21, 2021
4:00 pm – 5:00 pm

Heritage Club Lunch
November 2021

President's Holiday Party
December 3, 2021

Colligan Family Scholarship Ceremony
Summer 2021 TBD

2020-21 Cabrillo College Foundation Committee Roster – Updated 3/10/2021

BOARD OF DIRECTORS

Rob Allen
Pegi Ard, CFO
Michele Bassi
Claire Biancalana, President
Owen Brown, Past President
Linda Burroughs
Ceil Cirillo
David Heald
Matt Huffaker
Amy Lehman, CC VP Student Services
Kelly Nesheim
Amy Newell
Ed Newman
Bradley Olin, VP Admin. Services, Asst. Treasurer
Erica Ow
June Padilla Ponce
Patty Quillin, Secretary
Maria Esther Rodriguez
Gun Ruder, Vice President
Karen Semingson
Rachael Spencer, College Trustee
Trevor Strudley
Kate Terrell
Julie Thiebaut
Rachel Wedeen
Kathie Welch, VP of Instruction
Matt Wetstein, Asst. Secretary, CC President
Kristin Wilson, Faculty Representative
Donna Ziel, College Trustee

AUDIT

Chair: Karen Semingson
Carrie Birkhofer
David Heald
Barbara Scherer
Staff: Eileen Hill
Nancy Machado

EXECUTIVE

Pegi Ard, CFO
Claire Biancalana, President
Owen Brown, Past President
Linda Burroughs
David Heald
Gun Ruder, Vice President
Rachael Spencer
Matt Wetstein, CC President
Staff: Eileen Hill
Nancy Machado

FINANCE & INVESTMENTS

CFO: Pegi Ard
Owen Brown
Marshall Delk
David Heald
Michael W. Machado
Kelly Nesheim
Gun Ruder
Steve Snodgrass
Trevor Strudley
Staff: Eileen Hill
Nancy Machado

CABRILLO ADVANCEMENT PROGRAM (CAP)

Chair: Carrie Birkhofer
Rob Allen
Enrique Buelna
Sesario Escoto
Leola Lapides
Rachel Mayo
Amy Newell
June Padilla Ponce
Maria Esther Rodriguez
Eva Acosta
College Advisors:
Liz Dominguez
Michelle Donohue
Staff: Eileen Hill, Caitlin Bonura

FACULTY GRANTS

Cherie Barkey
Owen Brown
Ted Burke
Linda Burroughs
Ceil Cirillo
Les Forster
Matt Huffaker
Francisco Íñiguez
Tobin Keller
Amy Newell
Gun Ruder
David Schwartz
Natalie Vanoli
Staff: Eileen Hill, Caitlin Bonura

NOMINATING

Chair: Owen Brown
Claire Biancalana
Jess Brown
Linda Burroughs
Ceil Cirillo
William Ow
Gun Ruder
Rachael Spencer
Lead Staff: Eileen Hill

PRESIDENT'S CIRCLE

Co-chairs:
Vance Landis-Carey
Duf Fischer
Paula Fischer
Pegi Ard
Jim Baker
Ed Banks
Pat Barton
Michele Bassi
Claire Biancalana

Mary Blanchard
Jess Brown
Owen Brown
Ted Burke
Linda Burroughs
Ceil Cirillo
Karen Cogswell
Wally Dale
Linda Downing
Lee Duffus
Kristin Fabos
Peggy Flynn
Joel-Ann Foote
Mahlon Foote
DeAnne Hart
Rich Hart
Jackie Heald
Kent Imai
Julie Lambert
Marilyn Manning Loneragan
Richard Loneragan
Fred McPherson
Bob Millslagle
Kelly Nesheim
Ed Newman
Erica Ow
William Ow
June Padilla Ponce
Ginny Solari Mazzy
Rachael Spencer
Steve Snodgrass
Julie Thiebaut
Rachel Wedeen
Matt Wetstein
Theo Wierdsma
Bjorg Yonts
Staff: Caitlin Bonura

SCHOLARSHIP

Chair: Rachael Spencer
Claire Biancalana
Jess Brown
Ceil Cirillo
Virginia Coe
Karen Cogswell
Linda Downing
Jan Furman
Rich Hart
Adele Miller
Corinne Miller
Julie Thiebaut
Rachel Wedeen
Jill Wilson
Staff: Caitlin Bonura

WOMEN'S EDUCATIONAL

SUCCESS (WES)

Co-chairs:
Rhonda Bonett
Tonée Picard
Peggy Downes Baskin, cofounder
Sue Broadston
Lynette Cleland
Cathy Conway
Freny Cooper
Mary Culley
Cynthia Druley

Corrine Flanagan
Peggy Flynn
Pam Goodman
Kathleen Jones
Janet Krassow
Angie McClellan
Mara Palandrani
Carolyn Parham
Patty Quillin
Karen Semingson
Rachael Spencer, cofounder
Bunny Tavares
Kate Terrell
Karri White
Kristin Wilson
Donna Ziel

WES Advisors:

Marcy Alancraig
Leti Amezcua
Jenna Becker
Rosemary Brogan
Sue Bruckner
Lauren Cole
Olga Diaz
Mario Garcia
Ofelia Garcia
Irma Gil
Holly Goodman
Gabby Huezo
Jay Jackson
Teresa Kidwiler
Elissa Kurk
Michelle Morton
Shirley Flores-Munoz
Diego Navarro
Christina Ortega
Beth Regardz
Ana Rodriguez
Barbara Schultz-Perez
Nancy Spangler
Tasha Sturm
Laura Thurman
Windy Valdez
Marilyn Zanetti
Staff: Caitlin Bonura