

Texas Tech University System

INVESTMENT POLICY STATEMENT

Mission Driven Investment Fund(s)

Date adopted: 08-15-25

Section 1 Introduction.

This policy statement shall guide the investment of donor and/or institutional funds known as the Mission Driven Investment Funds (“MDIFs”). As a pooled fund, or series of independent pooled funds, for the collective investment of any donor gifted and institutional funds, quasi-endowments will be established by the respective component institution. The MDIFs consists of investments that are focused on advancing the overall mission of the institution as the primary objective with returns being a secondary consideration.

Section 2 Roles and Responsibilities.

- 2.1 **Board of Regents (the “Board”).** The Board, through the Finance and Investment Committee (“FI Committee”) will approve the investment policy, contribution limits and monitor performance. The Board grants the authority to manage the MDIF in accordance with this policy to the Vice Chancellor and Chief Financial Officer of the Texas Tech University System (“TTUS”).
- 2.2 **Vice Chancellor and Chief Financial Officer of TTUS (“TTUS CFO”).** The TTUS CFO shall manage the MDIFs in accordance with this policy under the oversight of the FI Committee of the Board. The TTUS CFO may delegate investment and transaction responsibilities.
- 2.3 **MDIF Advisory Committee.** The TTUS CFO will establish a MDIFs Advisory Committee, comprised of the Chancellor, TTUS CFO, respective component institution CFO(s), TTUS Chief Investment Officer and TTUS Director of Investment Operations. The committee will meet as needed to approve and provide guidance on MDIF investment proposals.

Section 3 Investment Objectives.

The investment of funds for the MDIFs is focused on advancing the overall mission of the institution as the primary objective, with returns being a secondary consideration.

Section 4 Sources of Capital and Limitations

MDIF assets will be approved by the MDIF advisory committee using the following limitations:

- 4.1 **Institutional Capital.** Investments of institutional funds may be made into the Mission Driven Investment Fund with approval from the MDIF advisory committee.
 - Hub Fuel Fund Limit up to a maximum of \$150,000 per year per institution or .015% of the Institutions' operating budget. With a maximum cumulative commitment of \$1 million in aggregate per institution.
 - School of Financial Planning: Student Managed Fund – No limitation on contributions.
- 4.2 **Donor Directed Capital.** Donor capital may be invested into the Mission Driven Investment Fund with approval from the MDIF advisory committee.
 - Hub Fuel Fund Limit of \$150,000 per donor.
 - School of Financial Planning: Student Managed Fund – No limitation on contributions.

Section 5 Approval Process.

MDIF Advisory Committee will review and approve all proposed MDIF investments utilizing the following guidelines:

- 5.1 **Institution proposal.** The respective institution will sponsor and present a proposal containing:
 - How the investment advances the mission of the institution
 - Details related to proposed investment strategy firm/fund and Investment Policy, if applicable
 - Source of Capital
- 5.2 **Investment firm/fund review.** Evaluation of the investment firm/fund based on:
 - Market level terms, assets under management and track record for similar investment firms.
 - Operational policies and procedures align with standard practice.
 - Legal agreements comply with applicable laws and regulations ensuring TTUS is protected from legal risks.
- 5.3 **Proposal Review.** The proposal will be reviewed and approved by:
 - Chancellor
 - MDIF Advisory Committee

Section 6 Reporting.

- 6.1 **Annual Endowment Reports.** MDIF balances will be included in total endowment reports prepared annually.

- 6.2 **Board of Regents Reporting.** MDIF shall be reported as an Information Item at each November Board of Regents meeting, to include the following items:
- Prior fiscal year and cumulative MDIF institutional capital contributions; and
 - Prior fiscal year and cumulative donor capital investment.

Section 7 Cash Deposits.

- 7.1 The MDIF cash deposits will be invested in the Comprehensive Cash & Investments Pool (“CCIP”) cash segment until the capital is called by the investment firm.

Section 8 Spending Policy.

- 8.1 Mission Driven Investment Funds are not subject to a spending policy, unless specifically stated by the Investment Policy for the fund.

Section 9 Distributions.

- 9.1 All realized gains and distributions from the underlying MDIF investment are distributed according to the donor or institutions’ direction.

Section 10 Management Fee.

- 10.1 The MDIF is exempt from any management fee.

Section 11 Conflicts of Interest on Investments.

- 11.1 It is the policy of TTUS that members of the Board and TTUS employees having authority over or input into the selection of investments or investment firms, shall act in a manner consistent with their responsibilities to TTUS and avoid circumstances in which their financial or other ties to outside persons or entities could present an actual, potential, or apparent conflict of interest or impair the reputation of TTUS.
- 11.2 Board members and TTUS employees should avoid any actions or situations that might result in or create the appearance of using their association with TTUS for private gain, according unwarranted preferential treatment to any outside individual or organization, losing independence or impartiality, or adversely affecting the reputation of or public confidence in the integrity of TTUS. Toward this end, it is the responsibility of each Board member and TTUS employee to ensure that the system is made aware of situations that involve personal, familial, or business relationships that could jeopardize the reputation of or public confidence in TTUS by complying with this policy and making all disclosures and certifications as set forth herein.

Dates Approved or Amended:

-- *Initial adoption of policy statement*..... 11-17-22

-- *Amendments throughout to:* 08-15-25

- *add language that the MDIF policy statement would be managed and monitored through the Finance and Investment Committee;*
- *emphasize that MDIF investments are “focused on advancing the overall mission of the institution as the primary objective;”*
- *clarify that the Hub Fuel Fund, specifically, is limited to \$150,000 per year per institution or 0.015% of the institution’s operating budget, with a maximum cumulative commitment of \$1 million per institution;*
- *add clarification that the School of Financial Planning – Student Managed Fund has no limitation on contribution;*
- *reflect that the Hub Fuel Fund has a \$150,000 limit per donor, while the School of Financial Planning – Student Managed Fund has no limit on contributions;*
- *corrected the name of the cash investment vehicle from “CCP” to “CCIP” (Comprehensive Cash & Investments Pool); and*
- *adjustments and deletions of redundant or outdated text for clarity and consistency throughout.*