

Directives of the Board of Regents Meeting
December 16, 2014
University of Guam
Mangilao, Guam

The following directives approved by the College of Micronesia (COM) Board of Regents (BOR) are hereby issued for implementation as appropriate:

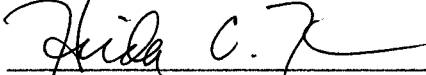
1. The Board, hereby, approves the Fiscal Year 2015 Budget with the funding level to remain the same as FY14 budget levels. Budget details shall be finalized including any new funding authorization from USDA and other sources and presented to the Board at its next meeting.
2. The Board, hereby, approves the proposed updates, amendments and revisions to the College of Micronesia's IPS as recommended by the Board's Investment Advisors in connection with the Board's proposal to "grow" the COM Endowment Fund to \$7 million in the next couple of years. More specifically, the Board approves the following actions which will be reflected in the IPS:
 - a. Replace Cambiar Investors LLC with Aristotle Capital Management as U.S. large cap value equity manager.
 - b. Replace Madison Investment Advisors (Madison) with Garcia Hamilton & Associates (Garcia) as intermediate U.S. fixed income manager.
 - c. Include a strategic allocation of 5% to non-U.S. fixed income with the addition of Templeton Global Bond Fund.
 - d. Include an allocation of 5% to Master Limited Partnerships (MLPs) with the addition of Miller Howard Investments.
 - e. Include a strategic allocation of 5% to Real Estate Investment Trusts (REITs) with the addition of Voya Clarion.
3. The IPS's spending policy provision is also amended to reflect a new spending policy as follows:

"IV. SPENDING POLICY


It is the policy of the Board of Regents to spend up to 2% of the moving average of the market value of the Fund for the trailing three years, ending each September. To the extent that the total of this annual calculation is not required for the Program, such excess shall be added to the corpus of the Endowment. The spending policy of the Regents is subject to the demands imposed by the annual budget process, and may be adjusted accordingly."
4. The Board, hereby, directs the Executive Director to work with the Investment Advisors in compiling a "fiduciary file" to contain all the documents and policies relative to the management of the COM Endowment Fund. A hard copy of the "fiduciary file" will be filed at the COM Central Office with the electronic copies to be provided to the Regents.
5. The Board, hereby, approves a new 4-year employment contract for COM Executive Director.

6. The next Board meeting is the annual meeting as mandated by the COM Treaty; and shall be held in Majuro, Republic of the Marshall Islands on February 3-4, 2015.

Adopted this 16th day, Dec. 16, 2014 in Mangilao, Guam.



Chairperson, Board of Regents, College of Micronesia



Vice Chair, Board of Regents



Secretary/Treasurer, Board of Regents