

CALIFORNIA ASSOCIATION FOR BILINGUAL EDUCATION
DRAFT INVESTMENT POLICY STATEMENT

STATEMENT OF PURPOSE:

Define CABE: The California Association for Bilingual Education (CABE) is a non-profit organization incorporated in 1976 to promote bilingual education and quality educational experiences for all students in California.

Mission Statement: To support this central vision of bi-literacy, educational equity, and 21 century success for all students, we will implement priorities, initiatives, and services targeted to teachers, administrators, parents, and others designed to dramatically increase California's capacity to create culturally diverse and competent 21st century learning environments of high intellectual performance for all English Learners and other language learners and to graduate all English Learners college, career, and 21st century ready and prepared to live their lives to their full potential.

As the premier organization focused on the education of California's English Learners, we will judge ourselves as successful to the degree that we assist our districts, schools, and communities in achieving this 21st century vision of student success for every group of English Learners they serve.

Investment Objectives:

- Establish a high quality investment management process that is streamlined, transparent and viable long-term.
- Create financial safety and security for the organization.
- Grow assets to support cash-flow needs, philanthropic goals and key operational goals.
- Earn a reasonable return while minimizing investment risk.

STATEMENT OF RESPONSIBILITY:

- Parties Responsible for Monitoring Investments:
 - Managing Accounting Consultant (Yvette Chong-Coontz)
 - Financial Advisor (Sean Peake @ Morgan Stanley Wealth Management)
- Authorized Persons:
 - CEO (Jan Gustafson Corea)
 - Admin Systems Manager (Elizabeth Jimenez)
 - Board President (Karling Aguilera-Fort)
 - Director of Financial Affairs (Raul Maldonado)

GENERAL INVESTMENT PRINCIPALS & GUIDELINES:

- Preservation of capital
- Liquidity
- Income
- World-class asset management (distinguished from individual asset management)
- Investment restrictions
 - Fixed Income Investments
 - The minimum credit rating required for fixed income investments is BBB-, with a strong bias towards higher credit quality.
 - An investment grade is a rating that indicates that a municipal or corporate bond has a relatively low risk of default. Bond rating firms use different designations consisting of upper- and lower-case letters 'A' and 'B' to identify a bond's credit quality rating. 'AAA' and 'AA' (high credit quality) and 'A' and 'BBB' (medium credit quality) are considered investment grade. Credit ratings for bonds below these designations ('BB', 'B', 'CCC', etc.) are considered low credit quality.
 - Equity Investments may make up no more than 5% of total investable assets.

REVIEW AND EVALUATION:

- Quarterly investment performance reviews required.
- Financial Advisor will deliver quarterly performance reports to Managing Accounting Consultant.
- Performance benchmarks for each investment will be established in order to evaluate investment performance.