INVESTMENT POLICY

I. INTRODUCTION

The Community Foundation of Greater Fort Wayne Inc. is a publicly supported community foundation whose purpose is to attract charitable contributions, prudently invest and administer funds, and financially assist nonprofit organizations serving the greater Fort Wayne area.

The purposes of this Investment Policy are as follows:

1. Establish an understanding of the philosophy and investment objectives for the Community Foundation's Board of Directors, Investment Committee, donors, grantees, affiliated supporting organizations, and investment advisors

2. Serve as the basis for assessing and monitoring the performance and progress of each investment advisor

The Investment Committee (Committee) is empowered by the Board to direct and monitor the investment management of the Pools defined in this Policy Statement. This statement has been chosen by the Committee and approved by the Board as the most appropriate policy for achieving the financial objectives of the Pools, which are described in the "investment objectives" section of this document.

II. INVESTMENT OBJECTIVES

This Investment Policy Statement provides five distinct and separate investment objectives (Pools) to accommodate the differing time horizons and risk and return requirements needed for endowed and non-endowed funds. Each Pool has a separate asset allocation strategy. The strategy for each Pool is included in Attachment II.

As new gifts are donated to the Foundation, cash gifts will be invested into the appropriate Pool(s) as soon as practical and gifts of liquid securities, real property, and/or real estate will be sold as soon as practical and invested into the appropriate Pool(s).

Endowment Pool

The primary investment objective of the Endowment Pool (Pool) is to provide a relatively stable, inflation adjusted, annual payout to support the Foundation's defined spending rate. There will be some inevitable volatility in principal value in this Pool, but it may offer the potential for a sustainable payout plus inflation protection over the long term. The Foundation has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

To assist the Foundation in gauging the success of the return on investments, the Foundation shall employ as its investment minimum return goal the following formula:

Nominal Net of Fee Time-weighted Return - CPI = Spending Rate + Average Administrative Fee

The target return is measured based on a trailing five year annualized return. This is the time period used to gauge whether or not the portfolio is meeting its objective. The return in any individual period may be more or less than the target. The probability of success of achieving the minimum return goal increases as the length of the evaluation period increases. It is anticipated that there will be periods of time where the five year trailing calculation will be below the minimum return goal. There must be a tolerance for these periods in order to remain with the long term strategy and not change at inopportune times.

Long Term Pool

The primary investment objective of the Long Term Pool (Pool) is long-term capital appreciation. The Pool will invest primarily in aggressive and growth asset classes. There will be some inevitable volatility in principal value in this Pool, but it may offer the potential for higher returns over the long term. This Pool is appropriate for non-endowed funds with a time horizon of more than ten years.

Medium Term Pool

The primary investment objective of the Medium Term Pool (Pool) is to provide a balanced mixture of safety, income, and capital appreciation. This Pool may experience moderate year-to-year volatility. This Pool is generally appropriate for non-endowed funds with an intermediate time horizon of more than five years.

Short Term Pool

The primary investment objective of the Short Term Pool (Pool) is stability of principal. This Pool will invest primarily in short-term income assets, which can be withdrawn, with little or no advance notice. On a weekly basis cash is needed to pay for operating expenses and grant distributions from nonpermanent funds, therefore the disbursement of cash is a regular occurrence and a sufficient level of cash should be kept available to meet these requirements. For performance evaluation purposes, the Committee will track returns as compared to money market funds.

The Investment Advisor is authorized to manage this Pool for enhanced yields consistent with a conservative cash management policy. To manage credit risk, instruments used for cash management will be limited to the following:

- Money Market Mutual Funds or cash alternatives such as bank deposit accounts and "ultrashort bond funds"
- Government issues (known as “Treasuries”)
- Government-Sponsored Enterprise Securities (known as “Agencies”), such as Farm Credit System, Federal Home Loan Bank System, Federal National Mortgage Association, some of which are not explicitly backed by the full faith and credit of the U.S. Government.
- FDIC insured Certificates of Deposit, to be bought in increments up to the maximum insured limit per bank to assure insurance coverage and only at banks rated 165 (“Excellent”) or higher, as rated by the *Bank Financial Quarterly*, issued by IDC Financial Publishing, Inc.

With the possible exception of the "ultra short bond funds", no instrument will have a maturity at issue, or remaining maturity at purchase, of greater than twelve months. Generally, and depending upon the specific liquidity needs of the Foundation, a ladder strategy may be employed to further manage interest rate risk.

Charitable Gift Annuity Pool

The Charitable Gift Annuity Pool (CGA Pool) contains contracts between a donor and the Foundation. The investment objective of this CGA Pool is to provide underlying growth in the portfolio after distributions. There will be some inevitable volatility in principal value in this CGA Pool.

III. SPENDING POLICY

The Endowment Pool shall support the Foundation’s charitable pursuits by annually distributing a defined spend rate. See Attachment I for details on the approved spending policy.

IV. ASSET ALLOCATION

The Committee believes that each Pool’s risk and liquidity posture are, in large part, a function of asset class mix. Considering each Pool’s investment objective, time horizon, risk tolerances, performance expectations, and asset class preferences, an appropriate portfolio allocation was identified (See Attachment II). The targets shown in the charts will not be changed without Committee approval.

After the allocation strategies are implemented, the Investment Advisor is responsible for rebalancing the portfolio, applying the methodology approved by the Investment Advisor’s Investment Committee. Any change in methodology will be communicated to the Foundation in writing contemporaneously.

V. INVESTMENT RESTRICTIONS

When selecting mutual funds and exchange-traded funds (ETFs), the investment advisor will use due diligence criteria prescribed in this Investment Policy (mutual funds and ETFs will be referred to as “managers” unless specifically referenced).

No “illiquid” investments, such as private placements, limited partnerships, and hedge fund vehicles (among others) may be purchased by the investment advisor without the recommendation of the Committee and approval of the Board. Existing illiquid investments are permitted.

Global Equity Investment Guidelines

Unless otherwise noted, restrictions are in reference to each investment advisor's portfolio of individual equity positions and all percentages are measured at market value. Exchange traded funds and mutual funds are exempt from restrictions. The following guidelines apply:

1. Assure that no position of any one company exceeds 10% of an investment advisor's portfolio.
2. As applicable, vote proxies and share tenders in a manner that is in the best interest of the Community Foundation and consistent with this Investment Policy
3. Maintain a minimum of 20 positions in the portfolio to provide adequate diversification.
4. Maintain adequate diversification among economic sectors as defined by the S&P 500 Index by investing no more than 40% of the investment manager's portfolio in any one economic sector. However, should an S&P 500 Index economic sector exceed 40% of the total index, the equity portfolio's assets may equal up to 1.2X that specific S&P 500 Index economic sector allocation. If an advisor selects managers that manage outside of this guideline, the advisor must provide written notice to the Community Foundation explaining the justification. With the exception of a dedicated REIT manager or mutual fund, no investment in REIT securities are permitted – small cap managers are permitted to invest in REIT securities up to the market weight of the Russell 2000 Index
5. With the exception of a dedicated international equity manager, invest no more than 25% of an investment manager's portfolio in American Depositary Receipts (ADR) securities

VI. DELEGATION OF AUTHORITY AND RESPONSIBILITIES

Investment Committee

The Investment Committee is responsible for the development and implementation of the investment policy. This responsibility includes determining investment strategy, selecting the lead investment advisor and other investment advisors, establishing the scope and terms of the delegation of the investment management of the Pools, and monitoring investment advisor performance and compliance with the scope and terms of the delegation.

Board of Directors

The Board shall have final responsibility for ensuring the prudent investment and management of assets comprising the Pools. The Board shall have the authority to approve or reject the Investment Policy developed by the Committee. Once the Investment Policy has been approved by the Board, the Board shall authorize the Committee to implement the Investment Policy. At least annually, the Committee, possibly with the help of the lead investment advisor, shall present to the Board a performance report and review of the Investment Policy.

President & CEO and COO of the Foundation

Sign all appropriate contracts, open accounts, and give any other authorizations needed by investment advisors to affect the terms of this Investment Policy.

Lead Investment Advisor

The Lead Investment Advisor is the primary source of investment education and investment manager information. On an ongoing basis the lead investment advisor will:

1. Provide the Committee with quarterly performance reports. This report will measure performance of the Pools and each manager within the Pools, with comparisons to benchmarks and reference points as described in the Due Diligence Policy Attachment II. Also, this report will illustrate actual asset allocations as compared to the targets set by this Policy Statement;

2. Report to the Committee quarterly, or as requested;

3. Monitor the activities of each investment manager or investment fund;

4. Provide the Committee with an annual review of this Policy Statement, including an assessment of the Foundation's current asset allocation, spending policy, and investment objectives; and

5. Supply the Committee with other reports or information as reasonably requested.

The lead investment advisor shall supervise and direct the investment of the Pools as specified in this Policy Statement. Supervision is continuous, with limited discretion. Limited discretion means that the lead investment advisor is responsible for assessing the appropriateness of asset allocation strategies but does not have discretion to change the strategy without the Committee's approval. The lead investment advisor has discretion and is required to rebalance the Pools to maintain the asset allocation using the methodology approved by the lead advisors' Investment Committee. The lead investment advisor also has discretion to change managers as required by the Due Diligence Policy described in this Policy Statement.

Donor Recommended Investment Advisor

Various investment advisors may be engaged by the Foundation through a donor requested preference. See Attachment III for Guidelines for Donor Retained Investment Advisor Selection, Oversight & Retention. Each investment advisor is responsible for following this Investment Policy, including reporting guidelines as outlined in Attachment II and will be evaluated according to Evaluation Guidelines also contained in Attachment II.

Custodian

Custodians are responsible for the safekeeping of the Foundation's assets. The specific duties and responsibilities of the custodian are:

1. Value the holdings.
2. Collect all income and dividends owed to the portfolio.
3. Settle all transactions (buy sell orders).

CHANGES TO INVESTMENT POLICY

These policies and guidelines have been reviewed and accepted by the Community Foundation of Greater Fort Wayne Investment Committee and ratified by the Community Foundation of Greater Fort Wayne Board of Directors. Any substantive changes to these policies and guidelines must be approved by the investment committee and ratified by the board of directors. Changes to the attached Asset Allocation Guidelines are not considered substantive, and can be made by the Investment Committee, unless such changes violate the overall Asset Allocation Guide contained with the body of this policy.

Investment Committee Last Revised: 07-29-19 (attachment changes)
Board Last Approved: 10-11-18

CONCLUSION

This statement of investment policy shall be reviewed annually. The investment performance will be reviewed on a quarterly basis. Investment advisors are encouraged to provide suggestions regarding appropriate adjustments to this statement or the manner in which investment performance is reviewed.

ATTACHMENT I
SPENDING POLICY

SPENDING POLICY

1. **Endowment Funds** shall be subject to the Spending Policy. Nonpermanent/non-endowed funds are not subject to the Spending Policy.

2. The **primary objectives** of the Spending Policy are as follows:

    a. Preserve the purchasing power of the gift/principal over the long-term, and if possible increase it

    b. Have consistent grantmaking dollars available during good and bad economic times

    c. Balance the community's short-term and long-term needs for grantmaking dollars

3. The **recommended spending percentage rate** shall be recommended by the investment committee to the board of directors annually and be effective January 1 of each year. The Investment Committee shall act in good faith and with the care of a prudent person acting in a like position would use under similar circumstances. Factors to be considered annually by the investment committee in determining when a change is needed in the recommended spending percentage rate shall include the following:

    a. General economic conditions;

    b. The possible effects of inflation or deflation

    c. The expected total return from income and the appreciation of investments

    Annual adjustments to the recommended spending rate may be necessary to ensure that the Community Foundation is not unnecessarily accumulating assets nor experiencing accelerated principal erosion. Long-term investment returns are designed to cover the recommended spending rate, investment expenses, administration fees, and inflation. The Community Foundation's investment portfolio mix will be balanced in such a way as to justify the recommended spending rate

4. Each fund's **available to spend** balance will be calculated annually at December 31 using a rolling average fund balance for each quarter of existence, not to exceed 20 quarters. The amount calculated shall be available for grant distributions on February 1 of each year.

5. The **available to spend** balance is intended to be used for grantmaking purposes approved by the Community Foundation. The fund's investment expenses, administration fees, and miscellaneous expenses will not be applied to the available to spend balance.

6. Any **unused available to spend amount** shall not be allowed, unless approved by the Executive Program Review Committee, to accumulate as available to spend at the end of each year, but will remain as part of the fund balance for the next years' calculation.

7. Each endowment fund balance will have the following three components:

    a. **Historic Gift Value** is the accumulated value of all gifts received since the inception of the fund

    b. **Accumulated Earnings** is the fund's accumulated net appreciation. The accumulated earnings consist of accumulated investment revenue (including interest, dividends, realized gains/losses, and unrealized gains/losses) net of the fund's expenses

c. Available to Spend balance is the amount available from the total fund balance to award for grants

Standard distribution language for endowed funds:

3. DISTRIBUTIONS. The ordinary income, capital appreciation (realized and unrealized), and principal (both historic dollar value and any principal contributions, accumulations, additions, or reinvestments) allocable to the Pool, net of the fees and expenses set forth in this Agreement, may be committed, granted, or expended pursuant to the distribution (or spending) policy of the Community Foundation, as such policy may be amended from time to time by the Community Foundation, solely for purposes described in this Agreement. The Community Foundation's distribution (or spending) policy, as applied to endowments such as the Pool, shall be designed to take into account total return concepts of investment and spending, with the goal of preserving the real spending power of endowments over time while balancing the need for consistent spending to support the charitable and similar exempt purposes of such endowments.

If any gift to the Community Foundation for the Pool is accepted subject to conditions or restrictions as to the use of the gift or income there from, such conditions or restrictions will be honored, subject, however, to the authority of the Board to vary the terms of any gift if continued adherence to any condition or restriction is in the judgment of the Board unnecessary, incapable of fulfillment, or inconsistent with the charitable or other exempt purposes of the Community Foundation or the needs of the community served by the Community Foundation. No distribution shall be made from the Pool that may in the judgment of the Community Foundation jeopardize or be inconsistent with the Community Foundation's Code section 501(c)(3) status or result in the imposition of any excise tax, penalty, or other tax, fine, or assessment under the Code.

ATTACHMENT II

INVESTMENT ADVISOR REPORTING, EVALUATION AND ASSET ALLOCATION GUIDELINES

REPORTING GUIDELINES

Each investment advisor is responsible for assisting the committee in all aspects of managing and overseeing their assigned Community Foundation investment portfolio. On an ongoing basis each advisor shall be responsible for the following as it relates to their assigned investment portfolio:

1. Implement the targeted investment strategy, including the selection/termination of securities and/or investment managers within these investment policy guidelines

2. Monitor the asset mix and allocate each investment strategy within these investment policy guidelines

3. Provide the committee with quarterly performance reports within 20 days following the end of the quarter, as detailed below

4. Meet with the committee as needed

5. Monitor the activities of each investment manager or investment fund

6. Supply the committee with other reports or information as reasonably requested

In an effort to analyze comparable investment reports from each of the Community Foundation's investment advisors, each advisor is required to provide the following information on their assigned portfolio and firm to the investment committee on a quarterly basis unless otherwise noted:

1. Total portfolio return for current year quarters, year to date, as well as each year since inception, net of expenses

2. Portfolio return for each asset class versus the appropriate benchmarks as stated in the Investment Policy for current year's quarters, as well as each year since inception

3. Asset allocation by percent and market value of equity, fixed income, and cash

4. Asset allocation by percent and market value of each sector compared to relevant benchmarks

5. A written review of key investment decisions, investment performance, and portfolio structure, annually

6. An organizational update, including a report on any and all changes in organizational structure, investment personnel and process

7. A review of the advisor's understanding of the investment guidelines and expectations and any suggestions to improve the policy or guidelines, as requested

8. Provide standard deviation and Sharpe ratio for the portfolio. Any other information, from time to time, as requested

EVALUATION GUIDELINES

All investment returns shall be measured net of fees. The Community Foundation invests for the long term. Accordingly, results will be evaluated over a three- to five- year time horizon. Each investment advisor will be reviewed on an ongoing basis and evaluated upon the following criteria:

1. Avoidance of regulatory actions against the firm, its principals, or employees

2. Adherence to the firm's investment philosophy and style, and continuity of its personnel and practices

3. Ability to provide high quality customer service to the Community Foundation

4. Adherence to the guidelines and objectives of this Investment Policy

5. Ability to exceed the return of the appropriate benchmarks

6. Ability to meet or exceed the median performance of a peer group of managers with similar styles of investing (i.e. Council on Foundations)

7. Ability to provide timely reports that are comparable with the other investment managers that measure return in an AIMR consistent fashion

8. In addition to the composite benchmark performance reporting, each Investment Advisor will provide an appropriate target weighted benchmark for their mandate, which will be approved by the Investment Committee and be used in evaluating performance in accordance with the approved guidelines

9. The composite benchmarks for evaluating each portfolio's long term total return shall be as follows:

Endowment/Long Term Pool	
Index	
MSCI ACWI	70%
Barclays U.S. Aggregate Bond Index	30%

Medium Term Pool	
Index	
MSCI ACWI	52%
Barclays U.S. Aggregate Bond Index	48%

CGA Pool	
Index	
MSCI ACWI	65%
Barclays U.S. Aggregate Bond Index	35%

ASSET ALLOCATION GUIDELINES

The following pages contain Asset Allocation Guidelines.

ASSET ALLOCATION POLICY –ENDOWMENT POOL/LONG TERM POOL

RECOMMENDED ASSET ALLOCATION	**Endowment/Long Term Pool Target**	**% Ranges**
CASH		
Cash	1.00%	
Total Cash	**1.00%**	**0.00%-2.00%**
FIXED INCOME		
Taxable Short Term Bond	4.00%	
Taxable Intermediate Term Bond	4.25%	
Taxable Long Term Bond	0.00%	
Inflation Protected Bond	4.00%	
International Bond	5.50%	
Total Fixed Income Assets	**17.75%**	**14.75%-20.75%**
EQUITY		
Large-Cap Value/Blend	21.25%	
Large-Cap Growth	11.00%	
International Large-Cap Value	7.00%	
International Large-Cap Growth	5.00%	
Real Estate (Domestic and/or International)	7.00%	
Small/Mid-Cap Value/Blend	11.00%	
Small/Mid-Cap Growth	5.00%	
International Small/Mid-Cap	6.00%	
Energy/Natural Resources	8.00%	
Total Equity Assets	**81.25%**	**76.25%-86.5%**
Total Portfolio	**100.00%**	**100.00%**

Investment Restrictions*

- Hedge Funds
- Private Equity
- Market Neutral
- Long/Short
- Absolute Return
- Illiquid and Semi-illiquid investments
- Tax-Free Money Market
- CDs held as Bonds
- Municipal Bonds

*Contact Investment Consultant before purchasing an asset class not listed in IPS.

ASSET ALLOCATION POLICY – MEDIUM TERM POOL

RECOMMENDED ASSET ALLOCATION	Medium Term Pool Targets	% Ranges
CASH		
Cash	2.00%	
Total Cash	**2.00%**	**0.00% -4.00%**
FIXED INCOME		
Taxable Short Term Bond	14.00%	
Taxable Intermediate Term Bond	15.00%	
Taxable Long Term Bond	0.00%	
Inflation Protected Bond	7.00%	
International Bond	5.50%	
Total Fixed Income Assets	**41.50%**	**36.5%-46.5%**
EQUITY		
Large-Cap Value/Blend	19.00%	
Large-Cap Growth	7.00%	
International Large-Cap Value	4.00%	
International Large-Cap Growth	3.00%	
Real Estate (Domestic and/or International)	6.50%	
Small/Mid-Cap Value/Blend	5.00%	
Small/Mid-Cap Growth	3.00%	
International Small/Mid-Cap	3.00%	
Energy/Natural Resources	6.00%	
Total Equity Assets	**56.50 %**	**51.50%-61.50%**
Total Portfolio	**100.00%**	**100.00%**

Investment Restrictions*
*See Endowment Pool.

ASSET ALLOCATION POLICY –CGA POOL

RECOMMENDED ASSET ALLOCATION	CGA Pool Targets	% Ranges
SAFETY		
Cash	2.00%	
Total Cash	**2.00%**	**0.00% - 4.00%**
INCOME ASSETS		
Taxable Short Term Bond	7.25%	
Taxable Intermediate Term Bond	10.00%	
Taxable Long Term Bond	0.00%	
Inflation Protected Bond	5.75%	
International Bond	5.00%	
Total Fixed Income Assets	**28.00%**	**23.0% -33.0%**
GROWTH ASSETS		
Large-Cap Value/Blend	18.50%	
Large-Cap Growth	8.00%	
International Large-Cap Value	7.00%	
International Large-Cap Growth	5.00%	
Real Estate (Domestic and/or International)	11.00%	
Small/Mid-Cap Value/Blend	5.00%	
Small/Mid-Cap Growth	3.00%	
International Small/Mid-Cap	4.00%	
Energy/Natural Resources	8.50%	
Total Equity Assets	**70.00%**	**65.0% - 75.0%**
Total Portfolio	**100.00%**	**100.00%**

Investment Restrictions*
*See Endowment Pool.

ATTACHMENT III

GUIDELINES FOR DONOR RETAINED INVESTMENT ADVISOR
SELECTION, OVERSIGHT, AND RETENTION

Outside Investment Advisor Criteria and Guidelines

The Foundation is pleased to provide donors the option of a customized investment approach by recommending a preferred investment advisor of their choice. This approach allows donors and their investment advisors to maintain their professional relationships while furthering the donor's philanthropic goals.

The Foundation recognizes that the pooling of assets in its general pooled investment account reduces administrative and investment-related expenses and thereby allows more money to go toward the charitable good. For this reason, the Foundation has established certain limitations and guidelines for situations when a donor wishes to recommend a specific investment advisor to retain investment advisory services.

Policy

The Foundation may open an account with an individual investment manager or management firm ("Recommended Manager"), subject to the approval of the Foundation's Investment Committee, to manage assets given to the Foundation by a donor provided the following criteria and guidelines are followed.

Recommended Manager Criteria

- The Recommended Manager, at a minimum, must be a registered investment advisor under the Investment Advisors Act of 1940 and comply with any State requirements;

- The Recommended Manager must possess sufficient professional and educational experience managing assets of similar complexity and size as that consistent with the intentions of the investment account being established.

- The Recommended Manager must demonstrate the ability to manage a discretionary portfolio in a manner similar to the mandate of the investment account being established. Both actual and risk-adjusted performances are evaluated relative to a representative benchmark(s) for an appropriate time period determined by the Investment Committee. The Recommended Manager must have sufficient relevant performance history on which to base an opinion on their ability.

Note: Recommended Manager will be asked to provide Request for Information (RFI) documentation to the Foundation's Investment Committee for a fiduciary due diligence review.

Guidelines

- The Recommended Manager has met the minimum threshold of at least $500,000 in aggregate funds donated to the Foundation. Aggregated accounts of $250,000 will be considered with the expectation the account will grow to the $500,000 minimum within three years.

- The donor requests in writing that the gifted assets be held by the Recommended Manager.

- The donor will not personally benefit from the Community Foundation's relationship with the Recommended Manager. The donor does not have a family relationship with the Recommended Manager or with the employees or owners of the Recommended Manager's firm.

- The assets must be managed in an account belonging to the Community Foundation and the donor may not exercise any control over that account. All assets donated to the Foundation are owned solely by the Foundation, which has ultimate authority and control over all investment decisions. The Recommended Manager shall take instructions only from authorized employees of the Foundation, never from the donor who created the fund.

Fees

- The donor acknowledges that the fees and expenses charged by the Recommended Manager will be deducted solely from the total return on the funds held by the Recommended Manager. The Foundation will discuss these fees and expenses with the Recommended Manager to reach an agreement establishing fees and expenses that are reasonable and commensurate with the services the Recommended Manager will provide.

- The donor agrees that the Lead Investment Advisor' fee will be deducted from the total return on the funds.

- The donor agrees that an annual administrative fee will be deducted from the total return on the funds.

Investment Management

- The Recommended Manager agrees to communicate regularly with the Foundation and/or its Lead Investment Advisor and will provide monthly statements and quarterly investment reports to the Foundation, as well as provide inquiry only access to account data to the Foundation and it's Lead Investment Advisor.

- The Recommended Manager understands the Foundation's Lead Investment Advisor will use third party aggregators to establish data capture connections to the Recommended Manager's custodial account.

- The Recommended Manager will play a primary role in applying due diligence standards to the managers held in their respective accounts, including monitoring.

- The Recommended Manager is required to adhere to the Investment Policy set forth by the Foundation, including but not limited to, approved asset classes and investment restrictions (see Attachment II).

- The Recommended Manager is required to mirror one of the approved asset allocations prescribed in the Investment Policy adhering to the overall stock/bond allocation, with a leeway around the overall targets. Please see charts in Attachment II. The portfolio should be a diversified allocation of equity and fixed income consisting of a minimum of two equity classes and two fixed income asset classes.

- The Recommended Manager agrees to pool donors together into a consolidated investment account for each asset allocation rather than opening separate investment accounts for each donor.

- The Recommended manager agrees to use their best efforts to vote proxies for the exclusive benefit of the Foundation.

Note: Any funds with donor-designated investment managers in existence as of 8/1/18 are grandfathered as exceptions to this policy.

Revocation or Termination

- The donor and the Recommended Manager acknowledge that the Board of the Foundation may, at any time, revoke the privilege of the donor recommendation and terminate any contract or agreement with a Recommended Manager. The donor acknowledges that IRS regulations require that the Foundation Board retain the sole discretion to terminate the Foundation's relationship with the Recommended Manager and to Transfer the funds held by the Recommended Manger to other investment managers under any facts or circumstances that the Board in good faith believes warrant such termination and transfer. Such facts and circumstances include, but are not limited to, a determination made in the sole discretion of the Board that the Recommended Manager has failed to meet benchmark requirements, has failed to perform comparably to other managers, has charged fees that are incommensurate with services provided, or has otherwise failed to perform as requested by the Foundation.

- In the case of an agency donor, the board of the agency must pass a resolution directing the agency to request that the Foundation enter into a contract with a specifically named manager. The agency donor must supply that resolution to the Foundation at the time of making its request.

- Each instance of the requests contemplated by this Investment Policy will be evaluated individually. The Board reserves the right to refuse any gift deemed to be against the best interests of the Foundation.

ATTACHMENT IV

DUE DILIGENCE POLICY (APPLIES TO MASON ONLY)

DUE DILIGENCE POLICY (Applies to Mason only)

For an asset allocation strategy to be effective, each asset class must be represented by using a manager (or managers) that will best represent the class objective. Otherwise, the results will most likely be different than anticipated. This is particularly true during times of adversity or crisis.

A qualifying manager must be a registered investment advisor under the Investment Advisors act of 1940. The investment advisor will decide which managers to use based upon their particular contribution to the Pool.

A rigorous research process, composed of both quantitative and qualitative review, is used to identify managers for strategy implementation.

Quantitative Analysis

The quantitative analysis narrows a large universe of qualifying managers into a small group of candidates. Managers who pass this phase of the research process have characteristics which give them a better likelihood of stronger future performance based on criteria outlined below. The goal is not to chase returns, but to select the funds with the best likelihood of success going forward. A *returns based style analysis* and a *holdings based analysis* are performed where helpful in establishing an accurate asset class fit.

Qualitative Analysis

The qualitative analysis involves an in-depth review of the management company and its history. A review of historical portfolios will be used to ascertain the true style and risk posture of the manager over time. Personal interviews and on-site office visits are made, when appropriate. Existing and potential new managers are continuously monitored/ researched in an attempt to identify the best managers for strategy implementation.

The research process involves first an evaluation of fund families to identify superior families, followed by an analysis comparing the individual managers of the approved fund families in each asset class.

Fund Family Analysis

Each of the approved fund families will be reevaluated on a periodic basis. The analysis will include ranking a broad range of fund families as well as major ETF providers based on returns relative to peer universes. This performance ranking will focus on both open and terminated funds to get a full understanding of the success of the fund family as a whole over time, not just of the fund family's current offerings. We will compare performance ranking of each fund within each fund family amongst each particular fund's peer universe. These rankings will be averaged across each fund family's overall individual fund lineup. Only share classes which do not assess 12b-1 fees and only specific management mandates (not broad based fund-of-funds or target date funds) will be included. Fund share classes with 12b-1 fees will be eliminated to ensure comparisons of most competitively priced funds from each fund family being evaluated. Top fund families will then be compared based on factors such as their competitive cost structure, appropriate level of analytical talent, corporate culture, focus on long-term fundamentals, percentage of terminated/merged funds, and other intangibles.

Only when deemed necessary to obtain appropriate exposure to a desired asset class will we then look outside our list of identified superior fund families. For example where funds within superior fund families do not provide the appropriate exposure targeted it may be necessary to utilize the best available fund from another fund family.

Individual Manager Analysis

Individual funds are selected from the approved fund families mainly on the basis of the style of manager(s) which is most appropriate in terms of constructing the target model portfolio. The manager(s) selected within each asset class should provide the appropriate level of diversification and style purity with the best likelihood of providing optimal performance after the hire date. While analysis will vary by asset class, the goal is to utilize funds from the particular superior fund families which provide strengths most relevant to the asset class being evaluated. Managers will be regularly evaluated for style drift and competitive cost structure.

Benchmarks and Reference Points

Several evaluation benchmarks are required to measure both the success of the allocation strategy as well as Managers used to implement the allocation. To measure the success of the allocation strategy, the Committee will use both the Institutional Client Custom Portfolio Blend for each Pool, as well as the Equity Biased Allocation Reference Point for the Endowment/Long Term Pool, Conservative Allocation for the Medium Term Pool and Growth Reference Point for the CGA Pool. These benchmarks are described below.

Institutional Client Custom Portfolio Blends

The Institutional Client Custom Portfolio Blends are a mix of taxable bond and equity asset classes. They are calculated by combining the target allocation of asset classes of a Mason portfolio with market indexes that represent each asset class held. The returns are presented gross of Mason Investment Advisory (MIAS) fees. The returns would be lower if modified for MIAS fees.

The Institutional Client Custom D Portfolio Blend has a target allocation of 23% safety and income assets and 77% growth and aggressive assets. The Institutional Client B Portfolio Blend has a target allocation of 48.5% safety and income assets and 51.5% growth and aggressive assets. The Institutional Client C Portfolio has a target allocation of 35% safety and income assets and 65% growth and aggressive assets. The asset classes are represented by the market indexes in the charts below.

Each Pool may achieve returns that are greater or less than these custom portfolio blends, depending upon the relative performance of the domestic and global investments performance of small versus large cap stocks among other factors.

CUSTOM D PORTFOLIO BLEND – ENDOWMENT/LONG TERM POOL

	Through June 30, 2006	July 1, 2006 Through April 30, 2007	May 1, 2007 Through April 30, 2008	May 1, 2008 through Nov 30, 2008	Dec. 1, 2008 Through August 31, 2017	Sept. 1, 2017 Through Sept. 30, 2018	Oct. 1, 2018 Through Present
Safety Assets:							
Cat: Money Market Taxable	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Income Assets:							
Cat: Short-Term Bond	7.00%	6.50%	6.50%	6.50%	4.00%	4.00%	4.00%
Cat: Intermediate-Term Bond	7.50%	7.00%	7.00%	7.00%	4.26%	8.50%	8.50%
Cat: Long-Term Bond	5.63%	5.25%	5.25%	5.25%	3.19%	0.00%	0.00%
BarCap US Credit A+ Long TR Net Exp	1.88%	1.75%	1.75%	1.75%	1.06%	0.00%	0.00%
Cat: Inflation-Protected Bond	0.00%	0.00%	0.00%	0.00%	4.00%	4.00%	4.00%
BarCap Gbl Agg Ex USD TR Net Exp	3.00%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Citi WGBI NonUSD Net Exp	3.00%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Growth Assets:							
Cat: Large Value	11.00%	11.00%	17.00%	17.00%	17.00%	17.00%	17.00%
Cat: Large Growth	18.00%	17.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Cat: Foreign Large Value	7.50%	7.50%	9.00%	9.00%	9.00%	7.00%	7.00%
Cat: Foreign Large Growth	7.50%	7.50%	6.00%	6.00%	6.00%	5.00%	5.00%
Cat: Real Estate	7.00%	7.00%	7.00%	3.50%	3.50%	3.50%	3.50%
Cat: Global Real Estate	0.00%	0.00%	0.00%	3.50%	3.50%	3.50%	3.50%
Aggressive Assets:							
Cat: Small Value	7.00%	7.00%	7.00%	7.00%	11.00%	11.00%	11.00%
Cat: Small Growth	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
S&P Dvlp Ex US Cap Range < 2 Bil TR Net Exp	3.00%	3.00%	3.00%	3.00%	3.00%	6.00%	6.00%
Cat: Natural Resources	3.33%	2.67%	2.67%	2.67%	2.67%	3.20%	4.00%
Cat: Equity Energy	1.67%	1.33%	1.33%	1.33%	1.33%	4.00%	4.00%
Cat: Equity Precious Metals	0.00%	0.00%	0.00%	0.00%	0.00%	0.80%	0.00%
Bloomberg Commodity TR Index	0.00%	4.00%	4.00%	4.00%	4.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CUSTOM B PORTFOLIO BLEND – MEDIUM TERM POOL

	Through June 30, 2006	July 1, 2006 Through April 30, 2007	May 1, 2007 Through April 30, 2008	May 1, 2008 Through August 31, 2017	Sept. 1, 2017 Through Sept. 30, 2018	Oct. 1, 2018 Through Present
Safety Assets:						
Cat: Money Market Taxable	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Income Assets:						
Cat: Short-Term Bond	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Cat: Intermediate-Term Bond	13.50%	13.50%	13.50%	10.00%	20.00%	20.00%
Cat: Long-Term Bond	10.13%	10.13%	10.13%	7.50%	0.00%	0.00%
BarCap US Credit A+ Long TR Net Exp	3.38%	3.38%	3.38%	2.50%	0.00%	0.00%
Cat: Inflation-Protected Bond	0.00%	0.00%	0.00%	7.00%	7.00%	7.00%
BarCap Gbl Agg Ex USD TR Net Exp	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Citi WGBI NonUSD Net Exp	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Growth Assets:						
Cat: Large Value	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Cat: Large Growth	8.00%	8.00%	8.00%	7.00%	7.00%	7.00%
Cat: Foreign Large Value	5.00%	5.00%	5.00%	6.00%	4.00%	4.00%
Cat: Foreign Large Growth	5.00%	5.00%	5.00%	4.00%	3.00%	3.00%
Cat: Real Estate	6.50%	6.50%	3.25%	3.25%	3.25%	3.25%
Cat: Global Real Estate	0.00%	0.00%	3.25%	3.25%	3.25%	3.25%
Aggressive Assets:						
Cat: Small Value	4.00%	4.00%	4.00%	5.00%	5.00%	5.00%
Cat: Small Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
S&P Dvlp Ex US Cap Range < 2 Bil TR Net Exp	0.00%	0.00%	0.00%	0.00%	3.00%	3.00%
Cat: Natural Resources	2.00%	2.00%	2.00%	2.00%	2.40%	3.00%
Cat: Equity Energy	1.00%	1.00%	1.00%	1.00%	3.00%	3.00%
Cat: Equity Precious Metals	0.00%	0.00%	0.00%	0.00%	0.60%	0.00%
Bloomberg Commodity TR Index	0.00%	3.00%	3.00%	3.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CUSTOM C PORTFOLIO BLEND – CGA POOL

	Through June 30, 2006	July 1, 2006 Through April 30, 2007	May 1, 2007 Through April 30, 2008	May 1, 2008 Through August 31, 2017	Sept. 1, 2017 Through Sept. 30, 2018	Oct. 1, 2018 Through Present
Safety Assets:						
Cat: Money Market Taxable	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Income Assets:						
Cat: Short-Term Bond	8.70%	8.70%	8.70%	7.25%	7.25%	7.25%
Cat: Intermediate-Term Bond	9.60%	9.60%	9.60%	7.50%	15.00%	15.00%
Cat: Long-Term Bond	7.28%	7.28%	7.28%	5.63%	0.00%	0.00%
BarCap US Credit A+ Long TR Net Exp	2.43%	2.43%	2.43%	1.88%	0.00%	0.00%
Cat: Inflation-Protected Bond	0.00%	0.00%	0.00%	5.75%	5.75%	5.75%
BarCap Gbl Agg Ex USD TR Net Exp	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Citi WGBI NonUSD Net Exp	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Growth Assets:						
Cat: Large Value	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%
Cat: Large Growth	9.00%	9.00%	9.00%	8.00%	8.00%	8.00%
Cat: Foreign Large Value	6.75%	6.75%	6.75%	8.00%	7.00%	7.00%
Cat: Foreign Large Growth	6.75%	6.75%	6.75%	5.50%	5.00%	5.00%
Cat: Real Estate	11.00%	11.00%	5.50%	5.50%	5.50%	5.50%
Cat: Global Real Estate	0.00%	0.00%	5.50%	5.50%	5.50%	5.50%
Aggressive Assets:						
Cat: Small Value	3.50%	3.50%	3.50%	5.00%	5.00%	5.00%
Cat: Small Growth	3.50%	3.50%	3.50%	3.00%	3.00%	3.00%
S&P Dvlp Ex US Cap Range < 2 Bil TR Net Exp	2.50%	2.50%	2.50%	2.50%	4.00%	4.00%
Cat: Natural Resources	3.67%	2.83%	2.83%	2.83%	3.40%	4.25%
Cat: Equity Energy	1.83%	1.42%	1.42%	1.42%	4.25%	4.25%
Cat: Equity Precious Metals	0.00%	0.00%	0.00%	0.00%	0.85%	0.00%
Bloomberg Commodity TR Index	0.00%	4.25%	4.25%	4.25%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The Custom Portfolio Blends are not adjusted for any MIAS fees. Custom Portfolio Blend performance would be lower if modified for MIAS fees.

Performance of the Morningstar Categories and the five indices used for Long-Term Bonds, International Bonds, Small-Cap International Equities and Commodities were derived from the Morningstar Direct Attribution. All category average performance is taken net of expenses. Performance of the five indices noted above is taken net of the average expense ratio of their respective Morningstar Category averages.

In an effort to distinguish funds by what they own, as well as by their prospectus objectives and styles, Morningstar developed the Morningstar Categories. While the prospectus objective identifies a fund's investment goals based on the wording in the fund prospectus, the Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio statistics and compositions over the past three years). If the fund is new and has no portfolio, Morningstar estimates where it will fall before assigning a more permanent category. When necessary, Morningstar may change a category assignment based on current information. The following is a description of the Morningstar Categories and indices used in the asset allocation chart above.

Money Market Taxable Category: These portfolios invest in highly liquid, ultra-short securities. The goal is to provide a level of current income that is consistent with the preservation of capital.

Short-Term Bond Category: Short-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and have durations of one to 3.5 years (or, if duration is unavailable, average effective maturities of one to four years). These portfolios are attractive to fairly conservative investors, because they are less sensitive to interest rates than portfolios with longer durations.

Intermediate-Term Bond Category: Intermediate-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and have durations of 3.5 to six years (or, if duration is unavailable, average effective maturities of four to 10 years). These portfolios are less sensitive to interest rates, and therefore less volatile, than portfolios that have longer durations.

Long-Term Bond Category: Long-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and have durations of more than six years (or, if duration is unavailable, average effective maturities greater than 10 years). Due to their long durations, these portfolios are exposed to greater interest rate risk.

The **BarCap US Credit A+ Long TR Index:** The US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals, and local authorities with maturities of 10 years of greater and credit ratings of A+ or better. Performance is taken net of a 0.95% annual expense, the average expense ratio of all funds listed in the Long-term Bond Category.

The **BarCap Global Aggregate Ex USD TR Index** is a market-capitalization weighted benchmark designed to reflect the returns provided by investment in International (Non U.S.) fixed income securities. The **Citi WGBI NonUSD Index** is a market-capitalization weighted benchmark that tracks the performance of fixed-rate sovereign debt issued in the domestic market in the local currency with at least one year maturity. The minimum credit quality required is BBB-/Baa3 (by either S&P or Moody's) for all issuers to ensure that the WBGB remains an investment-grade benchmark. Performance for both indices is taken net of a 1.1% annual expense, the average expense ratio of all funds listed in the World Bond Category.

Large Value: Large-value portfolios invest primarily in big U.S. companies that are less expensive or growing more slowly than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large-cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

Large Growth: Large-growth portfolios invest in big U.S. companies that are projected to grow faster than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large-cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). Most of these portfolios focus on companies in rapidly expanding industries.

Foreign Large Value Category: Foreign large-value portfolios invest mainly in big international stocks that are less expensive or growing more slowly than other large-cap stocks. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

Foreign Large Growth Category: Foreign large-growth portfolios focus on high-priced growth stocks, mainly outside of the United States. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).

Real Estate Category: Real estate portfolios invest primarily in real-estate investment trusts (REITs) of various types. REITs are companies that develop and manage real-estate properties. There are several different types of REITs, including apartment, factory-outlet, health-care, hotel, industrial, mortgage, office, and shopping center REITs.

Global Real Estate Category: Global real estate portfolios invest primarily in non-U.S. real estate securities but may also invest in U.S. real estate securities. Securities that these portfolios purchase include: debt and equity securities, convertible securities, and securities issued by real estate investment trusts (REITs) and REIT-like entities. Portfolios in this category also invest in real-estate operating companies.

Small Value: Small-value portfolios invest in small U.S. companies with valuations and growth rates below other small-cap peers. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small-cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

Small Growth: Small-growth portfolios focus on faster-growing companies whose shares are at the lower end of the market-capitalization range. These portfolios tend to favor companies in up-and-coming industries or young firms in their early growth stages. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small-cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).

The **S&P Developed Ex US Cap Range <$2 billion Index** was used to illustrate the performance of International Small Cap. This index is a market capitalization weighted index that defines and measures the investable universe of publicly traded companies domiciled in developed countries outside the U.S. The index is "float adjusted" meaning that only those shares publicly available to investors are included in the index calculation. Performance is taken net of a 1.48% annual expense, the average expense ratio of all funds listed in the International Small Cap Category.

Natural Resources Category: Natural resources portfolios focus on commodity-based industries such as energy, chemicals, minerals, and forest products in the U.S. or outside of the U.S.

Equity Energy Category: Equity energy portfolios invest primarily in equity securities of U.S. or non-U.S. companies who conduct business primarily in energy-related industries. This includes, but is not limited to companies in alternative energy, coal, exploration, oil and gas services, pipelines, natural gas services, and refineries.

Equity Precious Metals Category: Precious-metals portfolios focus on mining stocks, though some do own small amounts of gold bullion. Most portfolios concentrate on gold-mining stocks, but some have significant exposure to silver-, platinum-, and base-metal-mining stocks as well. Precious-metals companies are typically based in North America, Australia, or South Africa.

The **Bloomberg Commodity TR Index** was used to illustrate the performance of commodities. This index reflects the returns that are potentially available through an unleveraged investment in the futures contracts on physical commodities comprising the index plus the rate of interest that could be earned on cash collateral invested in specified Treasury Bills. This index is composed of futures contracts on 19 physical commodities. Performance is taken net of a 1.39% annual expense, the average expense ratio of all funds listed in the Commodities Broad Basket Category.

Past performance is not an indication of future results.

Investment return and the principal value of an investment will fluctuate. An investment may be worth more or less than the original cost when redeemed. Current performance may be lower or higher than performance shown. The choice of time period illustrated substantially affects the results and, thus, the conclusions to be drawn by the investor.

Equity Biased Growth Reference Point:

This reference point, produced by Morningstar, includes all funds contained within the Morningstar Allocation – 70%-85% Equity. Allocation – 70%-85% equity portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios typically have 70% to 85% of assets in equities and the remainder in fixed income and cash.

Growth Allocation Reference Point:
This reference point, produced by Morningstar as “Moderate Allocation”, invests in both stocks and bonds and maintains a relatively higher position in stocks. These funds typically have 50%-70% of assets in equities and the remainder in fixed income and cash.

Conservative Allocation Reference Point
This reference point, produced by Morningstar as “Conservative Allocation”, invests in both stocks and bonds and maintains a relatively smaller position in stocks. These funds typically have 20%-50% of assets in equities and the remainder in fixed income and cash.

Benchmarks for Managers
To measure the success of the Managers used to implement the allocation, each Manager will be measured against its specific peer group, using a category average of mutual funds with the same asset class focus. Fund families whose performance has, in aggregate, tended to be superior when compared to relative performance of other fund families will be deemed acceptable and thus generally used.

Other Considerations
Although short term underperformance will be tolerated and closely monitored by the Lead Investment Advisor, Managers are normally expected to perform at or above their peer group averages over time. Both qualitative and quantitative measures have been developed to determine when a Manager termination is appropriate.