AKRON COMMUNITY FOUNDATION

INVESTMENT POLICY STATEMENT

Contents

ORGANIZATION AND AUTHORITY

A. Organizational Overview

In 1955, Edwin Shaw's bequest established Akron Community Trusts, now Akron Community Foundation (the Foundation), a place where charitable people from all walks of life join together to improve their community forever. It was incorporated in Ohio that same year and according to Shaw's will, the Community Foundation would "meet the changes in the community needs brought about by the passage of time and the variance of circumstances." This included grants for the health, educational, cultural and welfare needs primarily, but not exclusively, of Summit County, Ohio.

MISSION STATEMENT: The Foundation's mission is to improve the quality of life in greater Akron by building permanent endowments and providing philanthropic leadership that enables charitable individuals to make a lasting investment in the community.

To fulfill this mission, the Foundation is committed to:

- Serving Akron and surrounding areas with creative, visionary and sensitive grants that address the evolving needs of an area experiencing rapid economic and social change.
- Devoting special emphasis to programs that enrich the community in the following distinct areas: arts and culture, education, health and human services and civic affairs.
- Advising fund holders in areas of charitable concern and helping them in achieving the highest likelihood of beneficial results.
- Demonstrating community leadership by designing innovative programs and acting as a catalyst in identifying problems and sharing information with other funders.

The Foundation's Board of Directors (Board) and staff have adopted the following vision statement to summarize their role in greater Akron Community philanthropy: ***"We embrace and enhance the work of charitable people who make a permanent commitment for the good of the community."***

B. Statement of Purpose

The purpose of the investment policy statement is to: (i) memorialize the investment objectives of the Foundation for its financial assets which the Board has determined are investable ("Foundation Funds"); (ii) establish the respective responsibilities and duties of the Board, the Finance and Investment Committee of the Board ("Finance Committee"), the staff, the investment consultants and institutional custodial firms in the management and investment of the Foundation Funds; and (iii) to set out the governance and administrative control procedures to be followed with respect to the investment of the Foundation Funds.

The objective of the investment policy statement is to establish disciplined investment objectives and consistent management strategies for the Foundation Funds which are clearly understood by all parties involved in the investment of those Funds.

The provisions of this investment policy will comply with the provisions of UPMIFA (Uniform Prudent Management of Institutional Funds Act) (the "Act") which has been adopted in Ohio to the extent applicable to the Foundation Funds.

C. Operating and Control Procedures

The Foundation is governed and overseen by the Board. Only those individuals who have been properly appointed by the Board and delegated investment authority by the Board may act on behalf of the Foundation with respect to the investment and management of the Foundation Funds. All appointed individuals and retained service providers should refer to this Investment Policy Statement when making decisions regarding the Foundation Funds.

A portion of the Foundation Funds may be transferred during each fiscal year to the operating account of the Foundation to carry out the charitable purposes of the Foundation. Funds will be granted by the Board quarterly for community purposes and also as recommended by Donor Advised Fund holders subject to Board review and ratification and to the variance power of the Board.

The Board may in its discretion determine how much of the Foundation Funds and of any particular fund to expend for the operating costs of the Foundation and for charitable grantmaking provided, however, that the Board will comply with the expenditure restrictions in the Act with respect to any endowment fund which under the terms of the gift instrument for the fund is not wholly expendable by the Foundation on a current basis.

D. Standard of Conduct

The Board and Finance Committee wish to maintain the highest standard of conduct in managing the Foundation Funds and to act in compliance with the Act. As such, in managing and investing the Foundation Funds, and any particular fund, the Board, the Finance Committee, Administration and all professional service providers shall:

1. Act in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances.
2. Incur only costs that are appropriate and reasonable in relation to the assets, the charitable purposes of the Foundation and the services provided.
3. Make a reasonable effort to verify facts relevant to the management and investment of a fund.
4. Make management and investment decisions about an individual asset not in isolation, but rather in the context of the Foundation's portfolio of investments as a whole and as a part of the overall investment strategy including risk and return parameters reasonably suited to the Foundation and to the Foundation Funds as set forth in this Investment Policy Statement.
5. Consider the following factors if relevant:
    - General economic conditions
    - The possible impact of inflation or deflation
    - The expected tax consequences, if any, of investment decisions or strategies
    - The role that each investment or course of action plays within the overall investment portfolio or fund
    - The expected total return from income and appreciation of investments
    - Other resources of the Foundation
    - The needs of the Foundation to make distributions and to preserve capital
    - An asset's special relationship or special value, if any, to the Foundation or charitable mission of the Foundation.
6. Consider the charitable purposes of the Foundation.

E. Investment Policy Review

The Finance Committee will review the Investment Policy Statement, asset allocation and corresponding objectives annually. The current Policy shall remain in effect until such time as it is formally modified by majority approval of the Board.

F. Investment Authority

The Foundation's Code of Regulations provides that the Finance Committee has the responsibility for the oversight and monitoring of the investment of the Foundation's assets. The Finance Committee will carry out this responsibility according to the following procedures:

Investment Authority

	Administration	Finance Committee	Board
Policies and Authorities	Recommend	Recommend	Approve
Investments/ Managers, Consultant, Custodial Selection	Provide Input, Then Implement if within parameters approved by Finance Committee	Approve	Be Formally Informed
Asset Allocation Within Parameters	Provide Input, Then Implement if within parameters approved by Finance Committee	Approve	Be Formally Informed

G. Certified Resolution

Through a formal Resolution adopted on an annual basis by the Board, the following Foundation officers are authorized to have signature rights and authority to endorse, sell, and transfer any of the securities, stocks, bonds, or other investments owned or acquired by the Foundation:

- Board Chair
- Board Treasurer
- President and CEO
- Vice President and CFO

H. Delegation

At the delegation of the Board, the Finance Committee may select and engage investment managers, an institutional custodian and an investment consultant to help manage and domicile the Foundation Funds.

Subject to any specific limitation set forth in a gift instrument, the Finance Committee may delegate to an external agent the management and investment of all or part of the Foundation Funds. The Finance Committee shall act in good faith, with the care that an ordinary, prudent person in a like position would exercise under similar circumstances in:

1. Selecting a service provider
2. Establishing the scope and terms of the delegation, consistent with the scope and purposes of the Foundation Funds
3. Periodically reviewing the service provider's actions in order to monitor performance and compliance with the scope and terms of the delegation

In this regard, the Finance Committee shall engage professional service providers that have demonstrated competence in their respective areas of expertise. These service providers have discretion and authority for determining investment strategy, security selection and timing of purchases and sales of assets subject to the guidelines specific to their mandate and due process approval of the Finance Committee.

I. Duties of the Finance Committee

Finance Committee members, acting in a manner consistent with the Standards of Conduct, are responsible for:

1. Recommending to the Board the policies set forth in the Investment Policy Statement
2. Reviewing and approving the asset allocation policy, performance measurement benchmarks, and all institutional custodians, investment consultants, investments/managers, and non-pooled investment advisors.

The Finance Committee may delegate for study and evaluation one or more of its responsibilities to a duly-constituted ad-hoc subcommittee provided that the findings and conclusions of any ad-hoc subcommittee are reviewed and adopted only by action approved by a quorum of current Finance Committee members. As such, an ad-hoc committee shall not have authority to establish or adopt policy, approve contracts, make decisions, or take action on behalf of the Finance Committee.

J. Duties of the Administration

The President and CEO, Chief Financial Officer as well as administrative staff (Administration) of the Foundation, acting in a manner consistent with the Standards of Conduct, are responsible for recommending and implementing appropriate management procedures and controls to ensure the Foundation Funds–are secure from misappropriation. Additionally, the Administration shall be expected to participate and support the Finance Committee in the oversight of the Foundation Funds.

K. Duties of the Consultant

The Finance Committee may retain an Investment Consultant. The Investment Consultant shall be selected through an open, objective, and competitive request for proposal process. The Finance Committee may conduct the request for proposal process every five to seven years or more frequently as it deems necessary in its discretion to insure that the Investment Consultant is providing the highest level of consulting services, in compliance with current legislation and financial industry processes and procedures and that its fee structures are competitive.

To assure an Investment Consultant is independent and objective, an Investment Consultant candidate will provide Administration and the Finance Committee with a written disclosure of all affiliations, cross-ownership arrangements, referral arrangements, discounts, compensation arrangements, and any other business relationships then existing or then being negotiated between the Investment Consultant candidate and any current or potential Investment Manager or non-pooled Investment Advisor of any part of the Foundation Funds.

To assure an Investment Consultant remains independent and objective, the written disclosure shall be updated annually by the Investment Consultant and reviewed by the Finance Committee and Board.

The Investment Consultant is responsible for providing the following services to the Finance Committee:

- <u>Investment Policy</u>: assist with all aspects of development, review, and implementation of the Investment Policy.
- <u>Foundation Funds Review</u>: meet quarterly with the Finance Committee (or more often if requested by the Finance Committee) to review the investment objective, investment performance measurements, investment risk, investment restrictions, investment expenses, the asset allocation policy, and to present, as necessary, recommendations to rebalance the Foundation Funds.

- Investment Manager, Non-pooled Investment Advisor, and Bank Community Investment Fund Review: review the compliance of all Investment Managers, non-pooled Investment Advisors, and Bank Community Investment Funds in respect to their compliance with the Investment Policy in general and investment restrictions in particular, and present watch or termination recommendations directly to the Finance Committee.
- Educational Opportunities: provide educational opportunities for the Finance Committee and Board.
- Conduct Investment Manager searches.
- Conduct asset allocation studies.
- Conduct on an annual basis a review of disclosure letters, Investment Manager fees, non-pooled Investment Advisor fees, Institutional Custodian fees, trading commissions, and other investment expenses of the Foundation Funds.
- Assist the Administration in identifying and reducing operating expenses.
- Undertake specific projects for the Finance Committee or Administration as requested by them.
- Attend meetings with current and/or potential agency endowment fund holders.

L. Duties of the Institutional Custodian

The Foundation shall retain, subject to approval by the Finance Committee, an independent and objective Institutional Custodian to be custodian of the Foundation Funds (the "Institutional Custodian") and to safeguard and assist in processing investment of the Foundation Funds.

The Institutional Custodian shall be selected through an open, objective, and competitive request for proposal process. The Finance Committee may conduct a request for proposal process every five to seven years or more frequently as it deems necessary in its discretion, to insure that the Institutional Custodian is providing the highest level of custodial services, is in compliance with current legislation, and financial industry processes and procedures, and that the fees charged for its custodial services are competitive.

The following are specific guidelines to be used by the Finance Committee, active separate investment account managers and the Institutional Custodian:

1. The Institutional Custodian will provide a monthly transaction journal and investment position for each investment manager.
2. All investment management fees will be paid directly by the Institutional Custodian after being reviewed and approved by the Finance Committee and President and CEO or his/her designate. Transaction costs will be invoiced as part of the purchase/confirmation process of the Institutional Custodian, who will handle all payments/receipts of investment portfolios.
3. The Institutional Custodian will sweep daily, all cash in the sub accounts of the Foundation. The cash should be invested at competitive rates in a money market or bank deposit account for future investment.

INVESTMENT OBJECTIVES AND GUIDELINES

M. Foundation Funds Investment Objectives

The primary objective for the investments of the Foundation is the preservation of capital while providing for the long-term growth of principal without undue exposure to risk. Specifically, the Foundation Funds objectives are as follows:

- Maintain the real purchasing power of the Foundation Funds after inflation, costs and spending
- Provide a stable source of liquidity and financial support for the mission of the Foundation

While acknowledging the importance of preserving capital, the Board and Finance Committee also recognize the necessity of accepting a reasonable degree of risk if the Foundation Funds are to achieve its long-term goals of the Foundation. It is the view of the Finance Committee that choices made with respect to asset allocation will be the major determinants of investment performance. The Finance Committee shall seek to ensure that the risks taken are appropriate and commensurate with the Foundation Funds' goals. The Foundation Funds have a long-term investment horizon.

The objectives shall be accomplished by utilizing a strategy of equities, fixed income, alternative investments and cash equivalents in an allocation which is conducive to participation in a rising market while allowing for adequate protection in a falling market. However, contributions to the Foundation that are restricted for pass through charitable purposes may be invested according to an appropriate short-term investment strategy in an effort to maintain the original contribution value. The Foundation may also utilize an appropriate short-term investment strategy for a portion of the Foundation's Funds to provide a source of liquidity to fund its operating needs.

Due to the inevitability of short-term market fluctuations, which may cause variations in the investment performance, investment objectives are expected to be achieved over rolling three and five year periods or full market cycles.

N. Risk Expectations/Guidelines

It is recognized by the Finance Committee and Board that a certain amount of volatility will be incurred in order to meet the objective of long term growth of capital. However, the annualized standard deviation of the total portfolio shall not be significantly higher than the appropriate benchmark(s). Additionally, each underlying investment will be reviewed for its individual risk profile as measured by Modern Portfolio Theory risk statistics.

O. Asset Allocation Guidelines

The total portfolio shall be diversified both by asset class (e.g., equities, fixed income, alternative investments and cash equivalents), and by economic sector, industry, quality, size, investment style, geographic location, etc. The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the total portfolio.

The asset allocation shall be implemented using a policy portfolio with neutral allocations and ranges for each investment strategy. The asset allocation may be implemented using both active and passive investment vehicles. Due to the need for diversification and the longer funding periods for certain investment strategies, the Finance Committee recognizes that an extended period of time may be required to fully implement the asset allocation plan. It is expected that market value fluctuations will cause deviations from the neutral allocations and may need to be periodically rebalanced. The Finance Committee will review the asset allocation quarterly and will, within a reasonable period of time, re-allocate within the guidelines below when significant differences occur:

	Minimum	Neutral	Maximum	Benchmark
Equity Strategies	**52%**	**57%**	**62%**	**MSCI All Country**
Domestic Equities	**30%**	**35%**	**40%**	**Russell 3000**
Large Growth	*8%*	*11%*	*14%*	*Russell 1000 Growth*
Large Value	*8%*	*11%*	*14%*	*Russell 1000 Value*
Small/Mid Growth	*4%*	*6.5%*	*9%*	*Russell 2500 Growth*
Small/ Mid Value	*4%*	*6.5%*	*9%*	*Russell 2500 Value*
International Equities	**18%**	**22%**	**26%**	**MSCI All Country ex US**
International Growth	*7%*	*10%*	*13%*	*MSCI EAFA Growth*
International Value	*7%*	*10%*	*13%*	*MSCI EAFA Value*
Emerging Markets	*0%*	*2%*	*4%*	*MSCI Emerging Markets*
Core Fixed Income /Cash	**13%**	**16%**	**23%**	**Barclays U.S. Aggregate**
Cash & Equivalents	**0%**	**3%**	**5%**	**3 Month T-Bill**
Core Bonds	**10%**	**13%**	**20%**	**Barclays U.S. Aggregate**
Non-Core Fixed Income	**5%**	**7%**	**10%**	**Strategy Dependent**
Global Bonds	**0%**	**2%**	**4%**	**World Gov't Bond Index**
High Yield Bonds	**0%**	**2%**	**4%**	**Merrill Lynch High Yield**
Broad Mandate	**0%**	**3%**	**5%**	**Barclays U.S. Aggregate**
Multi-Class/Alternative Investments	**10%**	**20%**	**25%**	**CPI + 4%**
Global Tactical	**0%**	**6%**	**8%**	**Various**
Hedge Funds/Multi-Strategy/Long-Short Equity	**0%**	**8%**	**10%**	**HFRI FOF**
Real Estate/Real Assets	**0%**	**3%**	**5%**	**NCREIF/REIT**
Private Equity	**0%**	**3%**	**5%**	**Strategy Dependent**

P. Rebalancing Guidelines

The purpose of rebalancing is to maintain the Foundation Funds' policy asset allocation within the Investment Policy's ranges, thereby ensuring that the Foundation Funds do not incur additional risks as a result of having deviated from the policy portfolio. Rebalancing of asset classes within their ranges will also be permitted in order to take advantage of shorter-term market conditions, as long as such changes or allocations do not, in the opinion of the Finance Committee and/or professional service providers, cause undue risk or expense to the Foundation Funds. Such rebalancing might be the result of an extreme market condition. Should market conditions warrant intra-quarter rebalancing, the Foundation Funds' investment consultants would initiate a recommendation for rebalancing at which time an electronic review and corresponding vote would be conducted with the members of the Finance Committee to review and approve the rebalancing recommendations. Recommendations for rebalancing will only be implemented upon an electronic review and vote whereby a quorum has been established by the members of the Finance Committee.

The President and CEO, or Vice President and CFO of the Foundation, upon a motion duly made and approved by the Finance Committee, shall by written instruction make the transfers necessary to rebalance the portfolio when called upon to do so.

Q. Equity Guidelines

The purpose of the Equity Portion is to provide a total return that will simultaneously provide for growth in principal and current income sufficient to support the Foundation's charitable grantmaking activities, while at the same time preserve the purchasing power of the Portfolio's assets. It is recognized that the Equity Portfolio entails the assumption of greater market variability and risk.

Specific Equity guidelines are as follows:

1. The objective for the Domestic Equity Portfolio is to outperform the broad market as represented by the Russell 3000 Stock Index over a full market cycle. The objective of the International Equity Portfolio is to outperform the ACWI-XUS. Performance will be monitored on a quarterly basis and evaluated over rolling three and five year periods.
2. The Equity Portfolio will be broadly diversified according to economic sector, industry, number of holdings, style and other investment characteristics. However, it is recognized that in order to achieve its investment objective, the components of the Equity Portfolio must be actively monitored. Several complementary investment styles will be used to reduce portfolio risk.
3. When considering active management, equity investment style is expected to be a criterion for manager selection within the context of a diversified manager structure. Decisions as to individual security selection, security size and quality, number of industries and holdings, turnover and other tools employed by active managers and mutual funds are to be defined as individual manager standards and applied subject to the usual standards of fiduciary prudence. However, managers are expected to invest consistently in the style for which they were hired.
4. Unless otherwise instructed, an equity manager may, at its discretion, hold investment reserves of cash equivalents, but with the understanding that performance will be measured against stock indexes described in its investment guidelines.
5. In an actively managed portfolio, no single issue/holding should exceed 5% of the manager's total market value at the time of purchase without the prior permission of the Finance Committee. Furthermore, if any single issue/holding exceeds 6% of an actively managed portfolio due to market appreciation, it is the manager's responsibility to communicate this to the Finance Committee or retained Investment Consultant.
6. Each Equity Investment Manager shall vote proxies for those securities under management absent any specific directive to the contrary by the Finance Committee.

R. Fixed Income/Cash Equivalent Guidelines

The purpose of the Fixed Income Portfolio (bonds and cash equivalents) is to provide a deflation hedge, to reduce the overall volatility of the Portfolio, and to produce current income in support of the needs of the Foundation.

Specific Fixed Income guidelines are as follows:

1. The objective of the Fixed Income Portfolio is to outperform the Barclays Capital Aggregate Bond Index. Performance will be monitored on a quarterly basis and evaluated over rolling three and five year periods.
2. A portion of the Fixed Income Portfolio may be allocated to Non-Core Fixed Income strategies with the prior consent of the Finance Committee. These strategies may include, but are not limited to, International Fixed Income, Emerging Market Fixed Income, High Yield Fixed Income, Global Currencies, and Preferred Securities. The purpose of including Non-Core Fixed Income in the portfolio is to enhance the overall risk-return characteristics of the Portfolio. Non-Core fixed income may range from 30-50% of the total fixed income portion of the portfolio.
3. Fixed Income Account Managers are expected to employ active management techniques, but changes in average maturity should be moderate and incremental. Significant changes in overall average maturity should be communicated to the Finance Committee unless an index fund or mutual fund is used.
4. In general, the portfolio shall be well diversified with respect to type, industry and issuer in order to minimize risk exposure. However, obligations carrying the full faith and credit of the U.S. Government or Government Agency may be held without limitation. Generally, other than investments in the U.S. Government or Government Agency, no single debt issue will be allowed to exceed 5% market value of the debt portfolio.

S. Alternative Investment Guidelines

Alternative investments may provide an investment portfolio improved risk-return characteristics. They may also increase diversification and provide for additional return while maintaining or reducing portfolio volatility. As such, the Finance Committee may use alternative investments as a tool to improve portfolio positioning.

Specific Alternative Investment guidelines are as follows:

1. The Finance Committee recognizes that alternative investments often have low correlation to more traditional investments.
2. The Finance Committee recognizes that alternative investments may be used for their offensive and defensive characteristics, and the Alternative Investment Portfolio will be well-diversified among a number of strategies at all times.
3. The Finance Committee accepts, by their nature and structure, alternative investments may have risks above and beyond those associated with traditional investments. Risks may include limited liquidity, less transparency and higher fees.
4. The Finance Committee may consider, but is not limited to, the following alternative investment asset classes:
   - Private Equity
   - Real Estate
   - Managed Futures
   - Commodities
   - Hedge Portfolios
   - Other categories outside of traditional investments.

T. Socially Responsible Investing

The Finance Committee retains the right to require an investment manager divest of any securities deemed unsuitable. Any socially responsible restrictions do not apply to mutual funds or pooled investment vehicles.

U. Allocation of New Capital

Foundation gifts will be commingled for the purpose of investing with the exception of restricted gifts or gifts accepted with special instruction. Additions to principal shall be allocated by the Finance Committee in accordance to the guidelines established in this Investment Policy Statement.

PORTFOLIO AND MANAGER REVIEW

V. Selection of Investment Managers

When considering hiring a new investment manager, the Finance Committee will utilize a documented manager search process by which a manager's investment strategy, performance history, risk posture, fee structure, and similar attributes can be carefully evaluated. The Finance Committee may consider a combination of statistical/quantitative factors (standard deviation, market correlation, etc.) and material/qualitative factors (firm size and culture, buy/sell discipline, etc.) when considering an investment manager for hire as recommended by the Investment Consultant.

W. Watch/Termination of Investment Managers

The Investment Consultant is responsible for monitoring Investment Managers and-non-pooled Investment Advisors on a quarterly basis for consistency and compliance with respect to investment objective, asset allocation policy, investment risk, investment restrictions, investment expenses, and investment performance measurement.

Managers may be placed on watch or may be terminated by the Finance Committee, upon a motion duly made and approved, for any of the following reasons:

1. Lack of compliance with the Investment Policy including, but not limited to, Investment Manager restrictions,
2. If a Manager trails their respective index by 200 basis points over 3 years and the manager is in the 50% percentile ranking or below of a comparable manager universe then the Manager may be placed on "watch" for under-performance,
3. If there are changes deemed to be substantive by the Finance Committee in a Manager's philosophy, process, people, fees, commissions, or other expenses.

The general procedure for placing an Investment Manager or non-pooled investment advisor on watch shall include a written notice from the Investment Consultant on behalf of the Finance Committee detailing the reasons for placing the Manager on watch, setting forth a time frame for compliance, and providing notice that a watch status may result in termination of the Manager.

As a general rule, a Manager must be terminated after eight consecutive quarters after being placed on watch status. However, if deemed appropriate by the Finance Committee, the watch period may be extended another four additional quarters. After eight consecutive quarters, or twelve consecutive quarters if the watch period is extended, the Manager should either be terminated or removed from watch status by the Finance Committee.

The Finance Committee may decide to not place a Manager on watch or to terminate the Manager if, in the judgment of the Finance Committee, it can be demonstrated the Manager is adding value and limiting risk in the Foundation Funds. For example, if the Manager trails its respective index, but does so with substantially less Beta, Standard Deviation, or Downside Capture the Finance Committee may conclude the Manager is adding value in a given market cycle and decide not to place the Manager on watch or to terminate the Manager.

X. Investment Manager Restrictions

The following investment manager restrictions will remain in force unless otherwise deemed permissible by prior approval of the Finance Committee. The Finance Committee recognizes these restrictions will not apply to mutual funds, pooled investment vehicles, or alternative assets. The Finance Committee will monitor use of these types of investments for compliance with the manager's original investment mandate. If an investment manager believes that one or more of these restrictions will inhibit its performance, it is its responsibility to communicate their views to the Finance Committee.

- There shall be no short selling, securities lending, financial futures, margins, options or other specialized investments without the prior approval of the Finance Committee.
- There shall be no investments in non-marketable securities, commodities or speculative real estate without the prior approval of the Finance Committee.
- No equity manager shall purchase any security when that manager's overall current position exceeds 6% of the total shares outstanding in any security without prior permission of the Finance Committee.
- If any major management or personnel changes occur within the investment manager's firm, the Finance Committee is to be immediately notified.
- There shall be no investments in private placements or restricted stock.
- These restricted transactions will not apply to mutual funds, pooled investment vehicles, or alternative assets.
- The Finance Committee retains the right to require an investment manager divest itself of any securities that the Committee deems unsuitable.
- Any socially responsible restrictions do not apply to mutual funds or pooled investment vehicles.

Y. Performance Measurement

The Foundation's portfolio will be monitored by the Finance Committee and the Board on a continual basis for consistency in investment philosophy; return relative to objectives; and investment risk as measured by asset concentrations, exposure to extreme economic conditions and market volatility. Investment Manager portfolios will be reviewed by the Finance Committee on a quarterly basis, but results will be evaluated over rolling three and five year periods. The Finance Committee will regularly review each manager and non-pooled investment advisor to confirm that factors underlying performance expectations remain in place. At a minimum, the following performance and risk characteristics should be reviewed quarterly:

- Aggregated portfolio performance measured against the overall market performance represented in a custom Policy Index.
- Individual asset class performance
- Individual manager/investment performance
- Overall risk posture
- Individual manager/investment risk posture

The Policy Index is constructed to match the neutral allocation percentages for each of the investment strategies identified in the asset allocation table presented in Section O. The components of the Policy Index shall be the corresponding benchmarks assigned to each of the individual investment strategies in the asset allocation table. The Policy Index should be adjusted at the same time any changes in the neutral allocation percentages are approved by the Finance Committee so that at all times, the allocation percentages in the Policy Index match the neutral allocation percentages identified in the asset allocation table.

The Foundation's asset allocation should be measured against a like universe to determine overall performance compared to similar allocations. Additionally, each manager should be individually compared to their appropriate index as well as corresponding manager universe to determine performance. Individual managers/investments should be measured against, but not limited to, the appropriate indexes as defined by the asset allocation table established in this Investment Policy Statement.

Revised:
November 2015 – Add Operational and Control Procedures; Expand Asset Allocation Guidelines
January 2011 – Changes in Guidelines for Fixed Income Fund
January 2010 – Addition of Alternative Investments; Changed money market stipulations and FDIC insured parameters
February 2008 – Added Manager Evaluation section