Cash and Investment Policy

Mission

The Colorado Mountain College Foundation builds sustainable community support for the needs and strategic priorities of Colorado Mountain College and its students.

Purpose of the Policy

The Colorado Mountain College Foundation, Inc. (Foundation) is a non-profit corporation organized under Section 501(c) (3) of the Internal Revenue Code (Code) and incorporated under Article 40, Title 7 of the Colorado Revised Statutes of 1973. The Foundation adopted, amended, and restated Articles of Incorporation May 23, 2006. The Foundation was established primarily to promote the welfare, development, growth, and being of Colorado Mountain Junior College District (College) but also to support affairs of its community. The Foundation's fiscal year runs from July 1 through June 30.

In carrying out its mission, the Foundation raises funds which it must administer, manage, and invest. Such funds may be contributed without restriction (unrestricted), with temporary restriction(s) (temporarily restricted) or with permanent restriction(s) (permanently restricted). The purpose of the Cash and Investment Policy Statement is to establish a clear understanding of 1) the nature of the Foundation's financial assets and scope, 2) applicable laws, regulations, and principles, 3) the identity of the Foundation's fiduciaries, delegation authority, responsibilities, 4) standards of conduct of fiduciaries, 5) investment objectives, philosophy, strategy, asset allocation, and tolerable risk, 6) investment vehicles, 7) spending policy, 8) rebalancing policy, 9) coordination of fiduciary responsibilities, 10) monitoring process, 11) policy review process, and 12) approval and effective date.

I. Nature of Financial Assets and Scope

The Foundation has unrestricted financial assets which may be used as its fiduciaries deem necessary including for operational costs; such funds are accumulated from administrative fees on contributions per the Foundation's *Administrative Fee Policy* as amended February 18, 2021 and undesignated donor contributions. The Foundation also has temporarily restricted financial assets which it will utilize according to donor restrictions generally over a period of one – five years. The Foundation also has temporarily restricted assets generated from the net investment and distribution activity on its permanently restricted endowments; such funds may be used at any time in accordance with applicable law or controlling gift agreement. Finally, the Foundation has permanently restricted financial assets, or endowments, which are permanently invested and will not be used barring revision to the pertinent gift agreement by the donor and the Foundation, the expiration of a period of time, or the occurrence of a certain event per the applicable gift agreement in the case of a term-endowment or action by the Foundation Board of Directors in the case of a quasi-endowment. Administration of endowment funds are also governed by the Foundation's separate Endowment Policy.

This policy is intended to apply to all financial assets of the Foundation.

II. Applicable Laws and Principles

This policy is intended to comply with all pertinent local, state, and federal laws and regulations, and financial accounting standards including, but not limited to: the Internal Revenue Code; Sarbanes-Oxley; Colorado Revised Statutes, in general; Colorado Revised Statute 15-1-11 “Uniform Prudent Management of Institutional Funds Act” (UPMIFA), specifically; Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

Should the terms of a gift agreement conflict with established policy, the gift agreement will control presuming such gift agreement is legal; where the terms of a gift agreement are or become illegal, the applicable law will control.

In the future, should laws, regulations, or Foundation policies be enacted or amended which apply to this policy, this policy will be deemed to be amended to comply with such laws or regulations until such time as this policy can be formally amended or restated.

III. Fiduciaries, Delegation Authority, and Responsibilities

The following are fiduciaries with respect to the Foundation’s financial assets and possess delegation, authority, and responsibilities as described below. All fiduciaries are required to complete the Foundation’s annual *Conflict of Interest Disclosure Statement* (Exhibit A).

A. **<u>Board of Directors</u>**: The Foundation Board of Directors (Board), including the Foundation Chief Executive Officer (CEO) as an ex-officio member, has the ultimate fiduciary responsibility for the Foundation’s financial assets and management and investment thereof. The Board is responsible for ensuring that appropriate policies governing the management of the financial assets are in place, implemented, and operating effectively. The Foundation CEO appoints the members of the Finance & Investment Committee, and the Board has the authority to delegate the responsibilities to the Finance & Investment Committee for drafting, implementing, and overseeing the execution of this Cash and Investment Policy. However, the Board retains the responsibility for approving this policy.

B. **<u>Finance & Investment Committee</u>**: The Finance & Investment Committee (Committee), including the Board Chair and CEO as ex-officio members, is responsible for drafting, implementing, and overseeing the execution of this Cash and Investment Policy, but may delegate the responsibility for drafting this policy as it deems necessary; however, the Committee must approve the draft policy and recommend it to the Board for its approval. The Committee may also delegate its responsibilities to the Committee Chair as it deems necessary for the expeditious execution and operation of this policy. The Committee is also responsible for approving investment strategy; hiring investment managers and investment consultants, if any; and monitoring portfolio performance of Investment Managers on a regular basis (quarterly at a minimum) to ensure compliance with this policy. The Committee will meet a minimum of two times per year with the Investment Manager(s) and Investment Consultant to review relevant quarterly investment performance, economic outlook, and other items as necessary. The Committee will report to the Board the status of and outlook for the Foundation’s financial assets at the Board meetings.

C. **<u>Investment Manager</u>**: The Investment Manager (Manager) implements the strategy for which it is retained by purchasing, selling, or holding the specific investments to achieve the Foundation’s investment objectives, and has full discretion to make all investment decisions for the assets placed under its domain while operating within the policies, guidelines, and constraints outlined in this statement. Managers may utilize active and passive investment management. The Manager will meet with the Finance & Investment Committee a minimum of two times per year or more often as the Committee deems necessary.

D. <u>Foundation Accountant</u>: The Foundation Accountant (Accountant) is generally responsible for the coordination of the other fiduciaries with respect to the management and investment of the Foundation's financial assets. The Accountant records gifts to the Foundation in the Foundation's accounting software according to the terms of the respective gift agreement and/or the terms of the Foundation's *Gift Acceptance Policy* as amended April 25, 2013. Additionally, the Accountant reviews, manages, and reconciles cash and investments on a daily, monthly or annual basis, as appropriate, and requests/suggests transfers between cash and investment accounts as necessary; monitors investment between/among Managers and investment sector on a monthly basis; attends any meetings between the Committee and Manager and/or Custodian; and performs other cash and investment duties as assigned by the Committee.

E. <u>Other Foundation Staff</u>: Due to proper segregation of duties, the Accountant is not responsible for handling directly contributions to the Foundation. Various other Foundation "staff" including the Foundation's Regional Development Officers (who are College employees and/or independent contractors as of the date of this policy) receive funds for the Foundation, log such contributions, deposit funds into the Foundation's accounts and/or authorize/transfer funds between/among the Foundation's accounts.

F. <u>Custodian</u>: The Custodian safeguards the assets of the portfolio and is responsible for the settlement of securities bought and sold, collecting dividends and interest payments from the securities in the portfolio, and administering corporate actions on securities held, such as stock splits and dividends. The Custodian also provides monthly and annual accounting reports and disburses funds.

IV. Standards of Conduct of Fiduciaries

In carrying out their duties, the fiduciaries will adhere to the following standards of conduct in managing and investing the Foundation's financial assets:

A. <u>Purpose</u>: Subject to the intent of a donor expressed in a gift instrument, consider the charitable purposes of the Foundation and the purpose of the funds.

B. <u>Prudence, Loyalty, Obedience</u>: Manage and invest the funds in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in addition to complying with the duties of 1) loyalty which requires a fiduciary to always act in the best interest of the Foundation putting personal or private interest aside and avoiding any conflicts of interest or reporting such conflicts on the Foundation's annual *Conflict of Interest Disclosure Statement* (Exhibit A) and 2) obedience which requires a fiduciary to comply with applicable fiduciary law while keeping the Foundation true to its mission.

C. <u>Costs</u>: Incur only costs that are appropriate and reasonable in relation to the assets, the purposes of the Foundation, and the skills available to the Foundation including, but not limited to, management and custodial fees, consulting fees, and transactions costs.

D. <u>Fact Verification</u>: Make a reasonable effort to verify facts relevant to the management and investment of the funds.

E. <u>Pooling</u>: Pool funds for purposes of management and investment if advantageous to the Foundation.

F. <u>Considerations</u>: Except where otherwise provided by a gift instrument, consider the following: general economic conditions; the possible effect 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 of the Foundation; the expected total return from income and the appreciation of investments; other resources of the Foundation; the needs of the Foundation to make distributions and preserve capital; an asset's special relationship or special value, if any, to the charitable purposes of the institution.

G. <u>Entire Portfolio</u>: Except as otherwise provided by a gift instrument, 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 an overall investment strategy having risk and return objectives reasonably suited to the investment type and to the Foundation.

H. <u>Permitted Investments</u>: Except as otherwise provided by a gift instrument, invest in any kind of property or type of investment consistent with this policy.

I. <u>Diversification</u>: Except as otherwise provided by a gift instrument, diversify Foundation investments unless, because of special circumstances, the purposes of the Foundation are better served without diversification.

J. <u>Portfolio Rebalancing</u>: If necessary, rebalance the portfolio to bring the funds into compliance with the purposes, terms, and distribution requirements of the Foundation.

K. <u>Special Skills</u>: Except as otherwise provided by a gift instrument, use special relevant skills or expertise that the fiduciary possesses in managing and investing the Foundation's financial assets.

V. Investment Philosophy, Objectives, Strategy, Asset Allocation, and Tolerable Risk

The Foundation recognizes that a strategic asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the Foundation's success in managing its financial assets. While preservation of capital is important, the Foundation also believes that varying degrees of investment risk are generally rewarded with compensating returns and that it is not a breach of fiduciary responsibility to pursue riskier investment strategies if such strategies are in the Foundation's best interest on a risk-adjusted basis and is consistent with sufficient liquidity and investment risks that are prudent and reasonable given prevailing capital market conditions. The Committee may waive or modify any of the restrictions in these guidelines in appropriate circumstances and as allowed by law. Any such waiver or modification will be made only after a thorough review of the Manager and investment strategy involved; an addendum supporting such investment strategy will be maintained as a permanent record of the Committee. All waivers and modifications will be reported to the Board at the meeting immediately following the granting of the waiver or modification.

Risk management is focused on understanding both the investment and operational risks to which the Foundation is exposed; the objective is to minimize operational risks and require appropriate compensation for investment risks which the Foundation is willing to accept.

New funds sent to a Manager for investment will be designated as Short-term, Intermediate-term or Long-term funds, as appropriate, if necessary.

A. <u>Short-term Investments</u>: The Foundation has estimated the amount of funds to be disbursed in the next fiscal year for operations and the programs of its mission, and reviews/revises this estimate annually or more often as required. Additionally, the Foundation has established and reviews annually the target cash balance as an average of its typical disbursements. Given the Short-term investment period for such disbursements, the equivalent 1) the estimated funds to be disbursed in the next fiscal year; and 2) the target cash balance will be deposited or invested 100% in cash and equivalents with the objective of preserving principal with minimal risk (Exhibit B). Acceptable investments include checking and savings accounts, money market funds, certificates of deposit, commercial paper, United States (US) Treasury Bills and notes, US Government mortgage-backed securities, and

Certificate of Deposit Account Registry Service (CDARS); maturities, if applicable, should be staggered in 30-, 60- and 90- day investments.

Foundation funds in deposit accounts to take advantage of Federal Deposit Insurance through the Federal Deposit Insurance Corporation (FDIC) must not materially exceed the deposit limit (currently $250,000 per depositor per institution), and such accounts' structure must comply with other applicable terms per the FDIC insurance program.

The Foundation recognizes that such an amount is necessary to ensure funds available for agreements, such as scholarships, being paid in the current fiscal year as well as those to be paid in the following fiscal year as a result of the spring scholarship award process.

Net investment earnings from Short-term investments will remain in the Short-term investments until disbursed.

See additional parameters and guidance regarding Short-term investments at *VI. – A. Investment Vehicles – Cash & Equivalents*.

B. Intermediate-term Investments: The Foundation has estimated the amount of funds to be disbursed in two – five years in connection with the programs of its mission, and reviews/revises this estimate annually or more often as required. Given the Intermediate-term investment period for such disbursements, the lesser of 1) the estimated funds to be disbursed in the next 2 – 5 fiscal years and 2) the total cash and investments balance less the Long-term Investments balance and Short-term Investments balance will be invested with the object of consistently providing a stable stream of spendable interest and dividends that increases over time at least as fast as the general rate of inflation as measured by the All Items Consumer Price Index for All Urban Consumers (CPI-U) to preserve relative purchasing power with a moderate level of risk (Exhibit B). Asset allocation guidelines are as follows with the actual allocations addressing the concurrent goals of income and safety of principal:

Asset	Allocation Range
Cash & Equivalents	0% – 10%
Fixed	40% – 60%
Equity	40% – 60%

Net investment earnings from Intermediate-term investments will remain in the Intermediate-term investments until transferred to the Short-term investments for disbursement.

C. Long-term Investments: The Foundation has a Long-term investment period for permanently restricted funds, or endowment corpus, and for funds to be disbursed in excess of five years as estimated and reviewed/revised by the Foundation annually or more often as required. Long-term investment shall be invested with the goal of generating annual income that may be spent according to donor restrictions for the purpose of awarding named scholarships, faculty support, and/or other designation per the donor. Therefore, such amounts will be invested pursuing a growth strategy with the objective of achieving a total return that meets the spending rate of 4% plus the rate of inflation as measured by the All Items Consumer Price Index for All Urban Consumers (CPI-U) while maintaining a moderate level of risk (Exhibit B). Asset allocation guidelines are as follows with the actual allocations addressing the concurrent goals of total return and minimizing risk:

Asset	Allocation Range
Cash & Equivalents	0% – 10%
Fixed	40% – 60%
Equity	40% – 60%

Net investment earnings from Long-term investments classified as temporarily restricted will remain in the Long-term investments until transferred to the Intermediate- or Short-term investments. Net investment earnings from Long-term investments classified as permanently restricted under a Foundation "hybrid endowment" agreement will remain in the Long-term investments as corpus.

See additional parameters and guidance regarding Investment Vehicles in section *VI. Investment Vehicles*.

VI. Investment Vehicles

The Investment Manager has complete discretion over the timing and selection of securities for the assets under its management so Long as the following guidelines and restrictions are followed. Note that, should a Manager utilize mutual funds to implement any of the aforementioned investment strategies and asset allocations, only funds with no initial, or front-end load should be purchased.

A. Cash and Equivalents: The Foundation will exercise sufficient due diligence to minimize investing in cash and cash equivalents that will become illiquid. A Manager may invest in the highest quality commercial paper, repurchase agreements, US Treasury Bills, certificates of deposit, and money market funds to provide income, liquidity for disbursements, and preservation of principal. Commercial paper assets must be rated at least A1 by Standard & Poor's (S&P) or P-1 by Moody's Investor Service (Moody's). No more than 5% of the assets under the management of a Manager may be invested in the obligations of a single issuer with the exception of the United States Government and its agencies.

Un-invested cash reserves shall be kept to a minimum; Short-term, cash-equivalent securities are not usually considered an appropriate investment vehicle for investment. However, such vehicles are appropriate as depository for income distributions from longer-term investments, or as needed for temporary placement of funds directed for future investment in the longer-term capital markets. Also, such investments are the standard for contributions to the current fund or for current operating cash.

B. Fixed Income Securities: The purpose of fixed income investments, both domestic and international, is to provide diversification and a predictable and dependable source of current income. It is expected that fixed income investments will not be totally dedicated to the Long-term bond market, but will be flexibly allocated among maturities of different lengths according to interest rate prospects. Fixed income instruments should reduce the overall volatility of the portfolio and provide a deflation hedge. This component includes both the domestic fixed income market and the markets of the world's other developed economies. It includes, but is not limited to, US Treasury and government agency bonds, foreign government and supranational debt, public and private corporate debt, mortgages and asset-backed securities, and non-investment grade debt. Fixed income also includes money market instruments including, but not limited to, commercial paper, certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, and US Treasury and agency obligations.

The total fixed income portfolio is further delineated into two types: *Investment Grade* and *High Yield*. The *Investment Grade* portfolio will be invested in domestic issues and is expected to provide cash flow and relatively less volatility than the equity asset classes. The *High Yield* portfolio will be invested in below-investment grade securities that have been issued by going concerns; such securities display a lower correlation to many asset classes with the objective of reducing overall portfolio volatility and exhibit higher yields to maturity than investment grade bonds thereby improving the Foundation's net cash flow. The High Yield portfolio will be less than or equal to 15% of total fixed income securities.

Investments in fixed income securities should be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums. Investments of a single issuer, with the exceptions of the US Government and its agencies (including Government National Mortgage Association, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation) may not exceed 5% of the total market value of assets under a Manager's direction.

C. Equity Securities: The purpose of equity investments, both domestic and international, in the Foundation is to provide capital appreciation, growth of income, and current income with the recognition that this asset class carries with it the assumption of greater market volatility and increased risk of loss. This component includes domestic and international common stocks traded on the world's stock exchanges or over-the-counter markets.

Public equity securities shall generally be restricted to high quality, readily marketable securities of corporations that are traded on the major stock exchanges, including NASDAQ. Equity holdings must generally represent companies meeting a minimum market capitalization requirement of $200 million, with reasonable market liquidity. Decisions as to individual security selection, number of industries and holdings, current income levels and turnover are left to broad Manager discretion subject to the standards of fiduciary prudence. However, no single major industry shall represent more than 20% of the portfolio's total market value under the Manager's direction, and no single security shall represent more than 5% of the portfolio's total market value under the Manager's direction.

D. Derivatives: The Manager must seek permission from the Committee to include derivative investments in the Foundation's portfolio. The Manager will report to the Committee on an annual basis or as requested by the Committee the approximate percentage of holdings of derivatives in their investments and provide examples of the current types of derivatives being used. To minimize risk and volatility, each manager using derivatives shall 1) exhibit expertise and experience in utilizing such products, 2) demonstrate that such usage is strategically integral to their security selection, risk management or investment processes, 3) demonstrate acceptable internal controls regarding these investments, and 4) maintain the asset value in derivatives in the range of 0 to 5% of asset value under the Manager's control.

E. Hedge Funds: The Manager must seek permission from the Committee to include hedge fund investments in the Foundation's portfolio. The object of hedge funds is to diversify Foundation assets and provide returns with low correlation to the public equity and fixed income markets via structural advantages, including controlling market exposure through hedging and increased exposure to manager skill through unconstrained investment management and opportunistic investing. Equity-oriented or market-neutral hedge funds (i.e.: Long/Short, Macro Even Driven, Convertible Arbitrage, and Fixed Income strategies) can be both domestic and international market-oriented. These components may be viewed as equity-like or fixed income-like strategies as defined by their structures and exposures.

F. Other Alternatives: Unless a specific type of alternative investment is allowed in this document, the Manager must seek permission from the Committee to include alternative investments in the Foundation's portfolio. Alternative investments may be favored because their returns generally have a low correlation with those of standard asset classes. Alternative investments other than stocks, bonds, and cash may include the following addition to those alternatives previously discussed.

1) Commodities, or any homogenous good traded in bulk on an exchange such as, but not limited to, precious metals and grain. To be considered a commodity, an item must satisfy three conditions: a) it must be standardized, b) it must be usable, and c) its price must vary enough to justify creating a market for the item.

2) Equity real estate held in the form of professionally-managed, income-producing commercial and residential property. If approved by the Committee, such investment may be made only through professionally managed pooled real estate investment funds, as offered by leading real estate managers with proven track records.

G. Prohibited Investments and Transactions: In addition to those restrictions outlined above, a Manager is prohibited from borrowing money, pledging assets, and trading uncovered options, currencies, or exchange traded funds (ETF's) that employ leverage or other strategies prohibited in this policy, without the advance approval of the Committee. The Manager is also restricted from investing in private placements and restricted stock unless otherwise permitted by the Committee. Managers may not invest in securities whose issuers are or are reasonably expected to become insolvent or who otherwise have filed a petition under any state or federal bankruptcy or similar statute.

VII. Spending Policy

A. Short-term Investment: The entire Short-term investment balance at any point in time is expected to be expended within one year from the measurement date. The Short-term investment is funded by transfers from the Intermediate-term or Long-term investments.

B. Intermediate-term Investment: The entire Intermediate-term investment balance at any point in time is expected to be expended within two to five years from the measurement date. The Intermediate-term investment is funded by transfers of net investment income from the Long-term investment as stipulated below or of funds in excess of the target Short-term investment balance.

C. Long-term Investment: For those funds invested Long-term as endowment corpus or possibly net investment earnings thereon, the maximum allowable spending amount is 4.5% ~~5%~~ of the average fair market value for such funds ~~for the~~ calculated over a rolling twelve ~~four~~ quarter~~s~~ period ending the December 31st immediately preceding the fiscal year end of June 30th subject to the following.

1) Subject to the intent of a donor expressed in a gift agreement, the Foundation may appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. Unless stated otherwise in the gift agreement, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the Foundation. In making a determination to appropriate or accumulate, the Foundation shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, a) the duration and preservation of the endowment fund, b) the purposes of the Foundation and the endowment fund, c) general economic conditions, d) the possible effect of inflation or deflation, e) the expected total return from income and the appreciation of investments, f) other resources of the Foundation, and g) this policy.

2) To limit the authority to appropriate for expenditure or accumulate under subsection 1) of this section, a gift agreement must specifically state the limitation.

3) Terms in a gift agreement designating a gift as an endowment or a direction or authorization in the gift agreement to use only "income", "interest", "dividends" or "rents, issues, or profits", or "to preserve the principal intact", or words of similar import a) create an endowment fund of permanent duration unless other language in the gift agreement limits the duration or purpose of the endowment fund, and b) do not otherwise limit the authority to appropriate for expenditure or accumulate under subsection 1) of this section.

For those funds invested Long-term as non-endowment-related temporarily restricted funds or the net investment earnings thereon, the entire balance may be spent according to donor stipulations, if any.

Funds may be transferred from the Long-term Investment to either the Intermediate- or Short-term Investments as necessary to facilitate disbursement.

The maximum allowable spending amount does not necessarily need to be spent within the year and can continue to remain in the account for Long-term growth.

VIII. Rebalancing Policy

The Foundation expects the Manager to rebalance the portfolio within the targeted ranges stated in section V. above on a quarterly basis so as not to cause undue expense to be allocated to the portfolio or more frequently at the direction of the Committee. The purpose of rebalancing is to control portfolio risk and maintain the policy asset allocation within the targeted ranges. When the assets are out of their stated ranges, they are rebalanced back to the target weight unless extreme market conditions require implementation of prudent alternatives. Tactical rebalancing which represents portfolio positioning to opportunistically capture Short-term market anomalies is also permissible as long as the trades do not violate the stated ranges for each asset class and do not cause undue expense to the portfolio.

IX. Coordination of Fiduciary Responsibilities

From the Foundation's position, the implementation of this policy for daily operations, communications with fiduciaries, and reporting is delegated to the Foundation's Chief Executive Officer who may further delegate to the Foundation Accountant and Staff as deemed necessary. Board and Committee members retain the right to communicate directly with the Investment Manager and Custodian. The Investment Managers and Custodian may only delegate their responsibilities as outlined previously or as agreed to in applicable contracts/agreements with the Foundation.

X. Monitoring Process

Performance reports shall be compiled at least quarterly and presented to the Committee for its review at least quarterly. The portfolio's investment performance and asset class components will be measured against commonly accepted benchmarks. Consideration shall be given to the extent that investment results are consistent with the investment objectives, goals and guidelines as set forth in this statement. The Committee intends to evaluate the portfolio over a typical market cycle, usually a five year period, but reserves the right to terminate a Manager for any reason including 1) investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, 2) failure to adhere to any aspect of this Cash Investment Policy including timely communication and reporting requirements, 3) significant qualitative changes to the Investment Manager's organization, 4) unacceptable justification of poor results.

The Investment Manager will be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters and other qualitative factors that may impact their ability to achieve the desired investment results.

The goals of each Investment Manager are 1) to meet or exceed the market index or blended market index selected and agreed upon by the Committee that corresponds to the style of investment management and 2) to achieve investment returns net of fees that meet or exceed the distribution rate as outlined in *VII. Spending Policy* above plus CPI-U, 3) to maintain a level of risk in the portfolio that is consistent with the risk associated with the index.

XI. Policy Review Process

At a minimum, this Cash and Investment Policy will be reviewed by the Committee on an annual basis during the Committee meeting to review the investment performance for the investment year ended December 31 and updated if necessary. Additionally, should the Committee deem it necessary to amend or update this policy at any other time, the Committee may do so.

XII. Approval and Effective Date

This Cash and Investment Policy and any changes to it will be recommended by the Committee to the Board and approved by that Board.

Changes to the policy

This policy has been reviewed and approved by the Foundation Board of Directors. The Board must approve any changes to or deviations from this policy.

Approved on the 18th day of February, 2021