INVESTMENT POLICY STATEMENT

THE COMMUNITY FOUNDATION OF UTAH

1 INTRODUCTION

Purpose

The Community Foundation of Utah (the “Foundation”) is a publicly supported nonprofit corporation organized exclusively for charitable purposes and qualifying as a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Foundation is dedicated to strengthening Utah’s non-profit sector by working with individuals, businesses, government entities, and nonprofit organizations to create positive change in our state. To achieve this mission, the Foundation accepts charitable contributions, prudently invests and administers funds, and provides financial resources to nonprofit organizations serving the state of Utah and the broader United States.

The Foundation's Board of Directors (the "Board") has authorized the Finance and Compliance Committee (the “Committee”) to develop and implement, subject to final Board approval, an Investment Policy Statement that provides for the prudent investment of assets taking into account the Foundation's spending objectives.

Scope

This Investment Policy Statement applies to all short-term pass-through funds, operating reserve funds, and also all mid-term and long-term endowed and non-endowed funds.

2 INVESTMENT OBJECTIVES

This Investment Policy Statement provides for four distinct and separate investment objectives (Funds) to accommodate the differing time horizons and risk and return requirements needed for short-term pass-through and operating reserve funds, and for mid-term and long-term quasi-endowed and non-endowed funds. Each Fund has a separate asset allocation strategy. The strategies for each Fund are prescribed in Attachment I "Asset Allocation".

As new gifts are donated to the Foundation, cash gifts will be invested into the appropriate Fund(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 Fund(s).

Short-Term Fund

The primary investment objective of this Fund is stability of principal. This Fund is appropriate for pass-through and operating reserve funds or other situations where funds can be withdrawn with little or no advance notice, and/or in situations where only minimal fluctuations to principal can be tolerated. Agencies and donors with time horizons zero to three years should consider this strategy. For performance evaluation purposes, the Committee will track returns as compared to money marketfunds.

Mid-Term Fund

The primary investment objective of this Fund is to provide preservation of principal. This Fund may experience some reduction of purchasing power over time due to inflation. This Fund is appropriate for quasi-endowed funds that require minimal, or no, real growth after payouts, or non-endowed funds that have a time horizon that is more than three years. This Fund will most likely experience moderate fluctuations to market value. For performance evaluation purposes, the Committee will track the trailing returns compared to the Mid-Term Fund Strategic Benchmark found in Attachment I.

Long-Term Fund

The primary investment objective of this Fund is to provide a relatively stable, inflation-adjusted, annual payout to support the defined spending rate or other objectives of the Foundation. This Fund is appropriate for quasiendowed, non-endowed, and all other funds with time horizons beyond seven years. There will be some inevitable volatility in market value in this Fund, but it may offer the potential for a sustainable payout plus inflation protection over the long term.

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 = Spending Rate (4%) + Average Administrative Fee + CPI (Consumer Price Index)

The target return is based on a rolling five-year annualized time period. This is the time period used to gauge whether 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 consistent with the long-term strategy and not change at inopportune times.

Social Responsibility Fund

The Social Responsibility Fund is designed for individuals who seek to track the performance of the FTSE4Good US Select Index in their Donor Advised Fund. The emphasis is to earn high long-term rates of return while investing in equity investments that are screened for certain social and environmental criteria.

“Mission-related Investments”

In addition to the foregoing, donors may, from time to time, recommend that the Foundation make an investment that is deemed “mission-related” because the investment is intended, in significant part, to advance a charitable exempt purpose. The Foundation may accept or reject such recommendations in whole or in part. The Foundation shall conduct such due diligence as it may determine to ensure that such investment would further exempt purposes, in addition to promising an investment return. Mission-related investments must be approved by a majority of the Board, and such investments, when approved by the Board, fall outside the standard parameters of this Policy.

3 SPENDING POLICY

For quasi-endowed funds within the Long-Term Fund, each year the Foundation shall distribute 4% of the fund's average market value over the prior 12 quarters. The calculations for the distributions will be annual, with 4% payable based on the 12 quarters as of December 31 each year. If a quasi-endowed fund has been established for less than twelve quarters, then the actual number of quarters that the fund has existed, with a minimum of four quarters shall be substituted for the twelve-quarter period in establishing the rolling average. No distributions shall be made during the first four quarters following the funding of a quasi-endowed fund. In consideration of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), historic gift value is not a constraint on payout policy.

For significant contributions to established quasi-endowed funds, the Foundation shall distribute 4% of the average quarterly market value calculated as of the annual distribution date one year after the date of the contribution and reset the rolling quarter average to start with the first four quarters after the new contribution. This revised calculation will be used when a significant contribution meets one of the following conditions:

- The contribution is greater than or equal to $500,000;
- The established fund balance was between $100,000 and $250,000 and the new contribution totals more than 75% of the fund balance; or
- The established fund balance was $250,000 or more and the new contribution totals more than 50% of the fund balance, or $500,000, whichever is less.

The Board may set a new spending rate above or below the 4% rate set forth above on an annual basis, upon the recommendation of the Committee, in accordance with reasonable and prudent standards for the administration of endowed funds and based on the performance of the Foundation's funds.

4 ASSET ALLOCATION

The Committee believes that each Fund's risk and return opportunities are, in large part, a function of asset class mix. The Lead Investment Advisor will present, to the Committee, summary information about the long-term performance of various asset classes, focusing on balancing the risk and rewards of market behavior Asset classes will be selected, as listed in the Asset Allocation Targets chart in this Investment Policy Statement. Considering each fund's investment objective, time horizon, risk tolerances, performance expectations, and asset class preferences, an appropriate range of asset classes was identified. The Investment Advisor Reporting, Evaluation, and Asset Allocation Guidelines (Attachment I) shall serve as an overall guide for the Committee with specific asset allocation ranges and/or targets for each investment fund located in

Attachment I. The Committee will monitor the portfolios on a quarterly basis. (Note: ranges for the sub-classes apply to the overall portfolio, not the asset classes.)

After the allocation strategy is implemented, each investment advisor is responsible for rebalancing the portfolio, applying the methodology approved by the Committee. Any change in methodology will be communicated to the Foundation in writing contemporaneously.

5 INVESTMENT RESCTRICTIONS

When selecting mutual funds and exchange-traded funds ("ETFs"), the investment advisor will use due diligence criteria prescribed in this Investment Policy Statement (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(s) without the recommendation of the Committee and approval of the Board. Existing illiquid investments are permitted.

6 FIDUCIARY DUTY

All assets shall be managed consistent with prudent fiduciary practices. In seeking to attain the investment objectives set forth in this policy, the Committee shall manage and invest the assets in good faith and prudence in accordance with the Uniform Prudent Management of Institutional Funds Act as enacted by the state of Utah. All investment actions and decisions must be based solely in the interest of the Foundation. Fiduciaries must provide full and fair disclosure of all material facts regarding any potential conflicts of interest.

7 DELEGATION OF AUTHORITY AND RESPONSIBILITIES

Finance and Compliance Committee

The Committee is responsible for the development and implementation of the Investment Policy Statement. This responsibility includes determining investment strategy, selecting investment advisor(s), establishing the scope and terms of the delegation regarding the investment management of the funds, and monitoring investment advisor(s) 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 funds. The Board shall select members of the Committee. The Board shall have the authority to approve or reject the Investment Policy Statement developed by the Committee. Once the Investment Policy Statement has been approved by the Board, the Board shall authorize the Committee to implement the Investment Policy Statement. 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 Statement.

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Chief Executive Officer of the Foundation
The Chief Executive Officer of the Foundation shall have the authority to sign all appropriate contracts, open accounts, and give any other authorizations needed by investment advisors to affect the terms of this Investment Policy Statement.

Lead Investment Advisor
The Committee shall engage a Lead Investment Advisor to assist with the development and implementation of the Investment Policy Statement. 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. Report to the Committee quarterly, or as requested; providing the Committee with performance reports within 45 days following the end of the quarter. This report will measure performance of the overall investment portfolio and each manager within the investment portfolio, with comparisons to benchmarks and applicable reference points. Also, this report will illustrate actual asset allocations as compared to the targets set by this Investment Policy Statement;

2. Monitor the activities of each investment manager or investment fund including a review of investment strategy and regulatory compliance;

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

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

The Lead Investment Advisor shall supervise and direct the investment of funds identified by the Board, as specified in this Investment Policy Statement. Supervision is continuous, with limited discretion. Limited discretion means 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 funds under their direct supervision to maintain the asset allocation using the methodology approved by the Lead Investment Advisors' committee. The Lead Investment Advisor also has discretion to change managers as required.

Donor Recommended Investment Advisor

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

Custodian

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

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 Committee and ratified by the Board. Any substantive changes to these policies and guidelines must be approved by the Committee and ratified by the Board. Changes to the Asset Allocation Guidelines found in Attachment I, "Reporting Guidelines and Evaluation," are not considered substantive, and therefore can be made by the Committee, unless such changes violate the overall Asset Allocation Guide contained with the body of this Investment Policy Statement.

Board Originally Adopted on 04-03-2019
Board Last Revised on 11-10-2021

Finance and Compliance Committee Originally Recommended on 03-20-2019
Finance and Compliance Committee Last Revised Recommendations on 11-01-2021

CONCLUSION

This Investment Policy Statement 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 way investment performance is reviewed.

ATTACHMENT I

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 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 45 days following the end of the quarter, as detailed below
4. Meet with the Committee quarterly or as requested
5. Monitor the activities of each investment manager or investment fund
6. Supply the Committee with other reports or information as requested

To analyze comparable investment reports from each of the Foundation's investment advisors, each advisor is required to provide the following information on their assigned portfolio and firm to the 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
2. Portfolio return for each asset class versus the appropriate benchmarks as stated in the Investment Policy Statement 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. An organizational update, including a report on any and all changes in organizational structure, investment personnel and process, and a list of new relationships or clients that have terminated their services, as requested
6. A review of the investment advisor's understanding of the investment guidelines and expectations and any suggestions to improve the policy or guidelines, as requested
7. Any other information as requested

EVALUATION GUIDELINES

All investment returns shall be measured net of fees. The Foundation invests for the long-term. Accordingly, results will be evaluated over a 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 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)

ASSET ALLOCATION GUIDELINES

The following pages contain Asset Allocation Guidelines specific to each investment fund.

ASSET ALLOCATION POLICY - SHORT-TERM FUND

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 issued treasuries
- Government-Sponsored Enterprise Securities 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

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.

ASSET ALLOCATION POLICY - MID-TERM FUND

ASSET ALLOCATION	MID-TERM FUND		
	LOWER RANGE	TARGET	UPPER RANGE
SAFETY		2.00%	
INCOME ASSETS	40.00%	58.00%	75.00%
GROWTH ASSETS	18.00%	26.00%	34.00%
AGGRESSIVE ASSETS	10.00%	14.00%	18.00%

The Safety and Income categories include bonds and short-term reserves.
The Growth and Aggressive categories include equities and investments of similar risk.

Passive Option:

- Vanguard Life-Strategy Conservative Growth Fund (VSCGX)

Mid-Term Fund Strategic Benchmark:

- 40% S&P Global Broad Market Index
- 60% Bloomberg Barclays Global Aggregate Bond Index

ASSET ALLOCATION POLICY - LONG-TERM FUND

	LONG-TERM FUND		
ASSET ALLOCATION	LOWER RANGE	TARGET	UPPER RANGE
SAFETY		2.00%	
INCOME ASSETS	25.00%	38.00%	50.00%
GROWTH ASSETS	35.00%	40.00%	52.00%
AGGRESSIVE ASSETS	15.00%	20.00%	26.00%

The Safety and Income categories include bonds and short-term reserves.
The Growth and Aggressive categories include equities and investments of similar risk.

Passive Option:

- Vanguard Life-Strategy Moderate Growth Fund (VSMGX)

Long-Term Fund Strategic Benchmark:

- 60% S&P Global Broad Market Index
- 40% Bloomberg Barclays Global Aggregate Bond Index

ASSET ALLOCATION POLICY - LONG-TERM FUND

	MASON MANAGED POOL		
ASSET ALLOCATION	LOWER RANGE	TARGET	UPPER RANGE
SAFETY			
Cash & Cash Equivalents		2.00%	
Total Safety		**2.00%**	
INCOME ASSETS			
Short Term Bond	5.08%	7.25%	9.43%
Intermediate Term Bond	10.50%	15.00%	19.50%
Long Term Bond	0.00%	0.00%	0.00%
Inflation Protected Bond	4.03%	5.75%	7.48%
International Bond	3.50%	5.00%	6.50%
Total Income Assets		**33.00%**	
GROWTH ASSETS			
Large-Cap Value	9.45%	13.50%	17.55%
Large-Cap Growth	5.60%	8.00%	10.40%
International Large-Cap Value	4.90%	7.00%	9.10%
International Large-Cap Growth	3.50%	5.00%	6.50%
Real Estate	7.70%	11.00%	14.30%
Total Growth Assets		**44.50%**	
AGGRESSIVE ASSETS			
Small-Cap Value	3.50%	5.00%	6.50%
Small-Cap Growth	2.10%	3.00%	3.90%
International Small-Cap Value	2.80%	4.00%	5.20%
Energy/Natural Resources/ Commodities	5.95%	8.50%	11.05%
Total Aggressive Assets		**20.50%**	
Total Portfolio		**100.00%**	

*Existing illiquid investments will be held outside of the above asset allocation

The Committee has the authority to adjust target asset allocation subcategories no more than plus or minus 5% of the portfolio. Mason will require the Foundation's signature if a new asset class is added or an existing asset class is adjusted by more than 5%.

Mason will require the Foundation's signature if we modify the combined Safety and Income* category or the combined Growth and Aggressive** category.***

COMMUNITY FOUNDATION OF UTAH

Note: it is normal for the portfolios to deviate to some degree from target percentages.

*The Safety and Income category includes bonds and short-term reserves.
**The Growth and Aggressive category includes equities and investments of similar risk.
***In other words, Mason will not require client's signature to make changes among the growth and aggressive categories (generally from one equity category to another equity category) unless the change impacts an individual category by 5% or more. Similarly Mason will not require a client’s signature to make changes between safety and income categories (generally from one bond or safety category to another bond or safety category) unless the change impacts an individual category by 5% or more. However, any modification which reduces or increases the combined broad growth or aggressive (generally equity targets) will generally not be made without prior client approval.

ASSET ALLOCATION POLICY - SOCIAL RESPONSIBILITY FUND

	SOCIAL RESPONSIBILITY FUND		
ASSET ALLOCATION	LOWER RANGE	TARGET	UPPER RANGE
GROWTH ASSETS	100%	100%	100%

Passive Option:

- Vanguard FTSE Social Index Fund (VFTSX)

Long-Term Fund Strategic Benchmark:

- FTSE4Good US Select Index

ATTACHMENT II

GUIDELINES FOR DONOR RETAINED INVESTMENT ADVISOR SELECTION, OVERSIGHT AND RETENTION

1. Policy Statement:

A donor to the Foundation may express a preference as to the initial investment advisor who will invest their funds. While the Foundation makes every effort to comply with the donor's wishes in this regard, such assurances cannot be given in advance of the Committee's review and the Board's approval of the donor's preferred investment advisor and the investment advisor's investment style. The Committee is responsible for ensuring each investment advisor retained by the Foundation is and remains qualified to manage the funds in the manner stipulated by the Committee. As such, the Committee evaluates each investment advisor in advance of retention and conducts periodic reviews subsequent to retention.

2. Donors Expressing a Preference Regarding Initial Investment Advisors:

For donations in excess of $100,000 (with lower limits approved by the Committee), a separate account may be established and donors may suggest investment advisors both previously approved and new to the Foundation. Such separate accounts must maintain a minimum balance of $100,000 (or lower limit as approved by the Committee) and compliance with all applicable rules and regulations, including the Pension Protection Act of 2006. If the investment advisor has been approved previously, the Committee and the Foundation staff may proceed with establishing the account. If the investment advisor has not been approved previously, the Committee conducts a review of the donor's preferred investment advisor. If the investment advisor is found to be satisfactory, the Committee may retain the investment advisor.

3. Donations Facilitated by a Bank, Trust Department, Brokerage House, or Other Money Management Intermediary:

Efforts in securing Foundation donations need to be recognized. The Committee may recommend that the funds remain with the firm instrumental in securing the donation as long as the investment advisor's performance is satisfactory. The donation must meet minimum requirements of $100,000, as stated in section 2 above.

4. Investment Advisor Search, Evaluation, and Retention Procedures:

a. The Committee has the authority to conduct investment advisor searches, evaluate respondents, and retain or terminate investment advisors at any time.

b. Any candidate recommended to the Committee, as a minimum, shall meet the following criteria:

i. Produce a written donor request stating as a condition of the gift, that the gifted assets be held by the recommended investment advisor

ii. Demonstrate sufficient professional experience managing assets of similar complexity and size as that contemplated by the search

iii. Hold the requisite governmental and/or regulatory licenses necessary to manage investments in the manner contemplated by the search. The advisor, at a minimum, must be a registered investment advisor under the Investment Advisers Act of 1940

iv. Comply with all applicable rules and regulations including the Pension Protection Act of 2006
v. Provide sufficient educational and professional credentials and accomplishments consistent with the complexity of the investment management assignment
vi. Demonstrate satisfactory performance history on discretionary funds under management, which are invested in a manner substantially similar to the search's mandate. Both actual and riskadjusted performances are evaluated relative to a representative benchmark(s) for an appropriate time period determined by the committee. The firm must have sufficient relevant performance history on which to base an ability opinion
vii. The assets must be managed in a separate account belonging to the Foundation and the donor may exercise no control over that account

5. Fees

The donor acknowledges that the fees and expenses charged by the retained investment advisor will be deducted solely from the total return on the funds held by the retained investment advisor. Fees charged by the advisor must be reasonable and customary for the type of service being rendered.

6. Adjusting an Advisor's Allocation

In the absence of donor preference, when new monies come into the Foundation to be invested, the Foundation staff will, as delegated by the Committee, allocate the monies to the Lead Investment Advisor, for investment in a manner consistent with the long-term objectives and guidelines set forth in the Investment Policy Statement.

7. Investment Management

a. The donor acknowledges and the retained investment advisor agrees that the retained investment advisor will monitor investment performance of the funds, and will communicate regularly with the Foundation staff. The investment advisor will provide quarterly investment performance reports to the Foundation, or as needed.
b. Retained investment advisors are required to adhere to the language set forth in this Investment Policy Statement.

8. Extraordinary Events

a. In the case of an extraordinary event, any two of the persons listed below may act together by following the procedures below:
b. The Foundation CEO, Board Chair, Committee Chair, or other duly appointed person has the authority to act contrary to provisions in this document in response to highly unusual circumstances, if the Foundation's assets would be, or are believed to be, in imminent jeopardy, necessitating immediate action to attempt preservation of the Foundation's assets.
c. The Foundation CEO, Board Chair, Committee Chair, or other duly appointed person may, in such circumstances, act as follows:
d. Suspend or terminate an advisor's authority to act on the Foundation's behalf
e. Instruct an investment advisor to effect certain investment transactions
f. Move assets to another approved investment advisor