



Investment Policy, Objectives, and Guidelines of the Community Foundation of Crawford County, Inc.

GENERAL INFORMATION

Community Foundation of Crawford County
4030 E. Goodman Ridge Road, Box D
Marengo, IN 47140
(812) 365-2900

Current Staff Contact:
Christine Harbeson, Executive Director
charbeson@cf-cc.org
Personal M/T (812) 734-4852

SCOPE OF THIS INVESTMENT POLICY

This statement of investment policy reflects the investment policy and guidelines of the Community Foundation of Crawford County.

PURPOSE OF THIS INVESTMENT POLICY STATEMENT

This statement of investment policy is approved by the Investment Committee and the Board of Directors of the Community Foundation of Crawford County, Inc. in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding of the investment goals and objectives of the Fund's assets.
3. Establish a basis for evaluating investment results.
4. Manage Endowment Fund assets according to prudent standards as established under Indiana law.
5. Establish the investment horizon for which the Endowment Fund's assets will be managed.

DELEGATION OF AUTHORITY

The Investment Committee, on behalf of and with approval from, the Community Foundation of Crawford County, Inc. is a fiduciary, and is responsible for directing and monitoring the investment management of Fund. The Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Investment Management Consultant. The consultant may assist the Committee in establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate (such as asset allocation).

2. Investment Manager(s) or Mutual Fund(s). These terms are to be used interchangeably throughout the remainder of this document. The investment manager(s) or

fund(s) have discretion to purchase, sell, or hold the specific securities that will be used to meet the Endowment Fund's investment objectives.

3. Custodian. The custodian will physically maintain possession of securities owned by the Endowment Fund, collect dividends and interest payments, and redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian will perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Endowment Fund's accounts.

4. Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the committee to assist in meeting its responsibilities and obligations to administer the Endowment Fund's assets prudently.

The Committee will not reserve any control over investment decisions, with the exception of specific limitations of asset allocation as described in this statement. Investment Managers are empowered and expected to make any decisions or meet any applicable standards not explicitly covered here. The Community Foundation of Crawford County, Inc. and the Investment Committee will hold investment managers responsible and accountable to achieve the objectives herein stated.

If such experts employed are also deemed to be fiduciaries, they must acknowledge it in writing. All expenses for such experts must be customary and reasonable, and will be borne by the Fund as deemed appropriate and necessary.

DEFINITIONS

1. The Fund shall mean the Community Foundation of Crawford County, Inc.
2. Investment Committee (herein referred to as the "Committee") shall refer to the group of individuals established by the Board of Directors to administer and oversee the Fund and will report to the Board.
3. Fiduciary shall mean any individual or group of individuals that exercise discretionary authority or control over the fund management or any authority or control over management, disposition or administration of the Endowment Fund's assets.
4. Investment Manager shall mean any individual, group of individuals, or Mutual Fund contracted or selected to manage the investments of all or part of the Funds' assets.
5. Investment Management Consultant shall mean any individual or organization contracted to provide advisory services, including advice or investment objectives and/or asset allocation, manager and fund selection and searches, and performance monitoring.
6. Securities shall refer to the marketable investment securities that are defined as acceptable in this statement.

7. Investment Horizon shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for this policy statement is 15 years.

ASSIGNMENT OF RESPONSIBILITY

Responsibility of the Investment Manager(s)

Each Investment Manager must acknowledge in writing its acceptance of responsibility as a fiduciary. Each Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Specific responsibilities of the Investment Manager's include:

1. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter their asset allocation within the guidelines established in this statement.
2. Reporting, on a timely basis, quarterly investment performance results.
3. Communicating any major changes to the economic out look, investment strategy, or any other factors that affect implementation of the investment process.
4. Informing the Committee in writing regarding any qualitative change to their investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
5. Voting proxies, if requested by the Committee, on behalf of the Fund, and communicating such voting records to the Committee on a timely basis.

Responsibilities of the Investment Consultant(s)

The Investment Consultant's (which may be the current Investment Manager) role is that of an advisor to the Committee. Investment advice concerning the investment management of the Fund's assets will be offered by the Investment Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the Investment Consultant include:

1. Assisting in the development and periodic review of investment policy, including the spending policy percentage, if applicable.
2. Conducting investment manager searches when requested by the Committee.
3. Monitoring the performance of the Investment Manager(s) to provide the Committee with the ability to determine the progress or lack of same toward the investment objectives. Providing input on the periodic adjustment to the asset allocation formula under those objectives.

4. Communicating matters of policy, manager research, and manager performance to the Committee, including fee/commission analysis, to assist the Committee with determination of reasonableness against actual investment returns.
5. Continuously reviewing the Funds investment history, historical capital markets performance and the contents of this investment policy statement and providing the information for orientation purposes to any newly appointed members of the Committee.
6. Demonstrating an awareness of the need to eliminate all real and perceived conflicts of interest that may negate consultant's ability to deliver unbiased recommendations.
7. Adhering to the standards of a fiduciary and acting accordingly, although not designated as such under this policy.

THE INVESTMENT POLICY

I. GENERAL INVESTMENT PRINCIPLES

1. Investments shall be made solely in the interest of the beneficiaries of the Fund per investment objectives and goals.
2. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a "prudent person acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims."
3. Investments in the Fund shall be reasonably diversified as to reduce the risk of large losses and to give exposure to the widest range of asset classes possible.
4. The Committee may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.
5. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return. Strategies to enhance the return are encouraged especially when large portions of the Fund's assets are in Cash.

II. INVESTMENT MANAGEMENT POLICY

1. Risk Aversion. The Committee recognizes that some risk is necessary to produce long-term investment results; however, large losses exceeding 1% in any position need to be mitigated to the extent as is possible while being sufficient to meet the Fund's objectives. However, the investment managers will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives as compared with an appropriate benchmark.

2. Adherence to Investment Discipline. Investment managers are expected to adhere to the investment management styles for which they were hired. Investment styles and strategies are considered operative as presented to the Committee. Investment managers have a responsibility to inform and to obtain assent of the Investment Committee of any changes in policy.

III. SPECIFIC INVESTMENT GOALS

Over the investment horizon established earlier in this statement, it is the goal of the aggregate Endowment Fund assets to meet or excel the return of a balanced market index using the S&P 500 Index, the Barclays Intermediate Government Credit Index, the Treasury Bill Index and the US REIT Index.

The investment goal is the objective of the Fund, and is not meant to be imposed on each investment account(s). The goal of each investment manager, over the investment horizon, shall be to:

1. Meet or exceed the market index, or benchmark (blended index), selected and agreed upon by the Committee that most closely corresponds to the style of investment management.
2. At the very least, display an overall level of risk in the portfolio that is consistent with the risk associated with the benchmark specified above. Risk in this case will be measured by the annualized standard deviation of quarterly returns.
3. The Committee desires that in every way possible to control and mitigate the “downside” risk in the entire portfolio by using definitive, active asset allocation strategies.

Specific investment goals and constraints for each investment manager, if any, shall be incorporated as part of this statement of investment policy. Each manager shall receive a written statement outlining their specific goals and constraints (if any) as they differ from the objectives of the entire Fund along with an agreed upon benchmark for evaluation purposes. The Committee will update these instructions annually.

IV. INVESTMENT OBJECTIVES

The investment strategy of the Community Foundation of Crawford County is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

The objective in the investment management for Endowment Funds' assets shall be: Long-term Growth of Capital.

Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable benchmark and that principal is not excessively eroded.

V. LIQUIDITY

To minimize the possibility of a loss occasioned by the forced sale of a security to meet the need of a required payment or distribution, The Committee will periodically provide investment manager(s) with an estimate of expected net cash flow.

INVESTMENT GUIDELINES

Allowable Assets

1. Cash Equivalents
Treasury Bills

- Money Market Funds
- STIF Funds (Short-term Investment Funds)
- Commercial Paper
- Banker's Acceptances
- Repurchase Agreements
- Certificates of Deposit
- 2. Fixed Income Securities
 - U. S. Government and Agency Securities
 - Corporate Notes and Bonds
 - Mortgage Backed Bonds
 - Preferred Stock
 - High Yield Lower Quality Bonds (w/special manager only)
 - Asset-backed Securities
- 3. Equity Securities
 - Common Stocks
 - Convertible Notes and Bonds
 - Convertible Preferred Stocks
 - American Depository Receipts (ADRs) of Non-U. S. Companies
 - Stocks of Non-U.S. Companies (Ordinary Shares)
- 4. Mutual Funds
 - Mutual Funds that invest in securities as allowed in this statement to include Inverse Funds.
- 5. Other Asset
 - GICs (Guaranteed Investment Contracts issued by Best Rate "A" insurance companies)
 - Common Trust Funds
- 6. Other Allowable Asset Classes (only by prior approval of the Investment Committee)
 - Real Estate Investments
 - Gold/Precious Metals
 - Real Estate Properties

The Fund may from time to time receive "hard assets" such as real estate properties, Oil and Gas Interests, gold, etc. In an effort to be responsive to all donors, the committee will reserve the right to evaluate such assets and will on a case-by-case determine whether to hold them and include them in the fund or to liquidate and place the proceeds in more traditional vehicles. The Committee shall also reserve the right to refuse a donated investment if in its opinion the investment contains risks that could be detrimental to the Foundation.

Derivative Investments

Unless a specific type of derivative security is allowed in this document, the Investment Manager(s) must seek permission from the Committee to include derivative investments in the Fund's portfolio. The Investment Manager(s) must present detailed information as to the expected return and risk characteristics of such investment vehicles.

Stock Exchanges

To ensure marketability and liquidity, U. S. Investment managers will execute equity transactions through the following exchanges: New York Stock Exchange; American Stock Exchange; and NASDAQ over-the-counter market. Other exchanges such as the Pacific and Mid-West may be used for appropriate executions.

Foreign or International managers have the discretion to use global markets consistent with their needs.

Prohibited Assets

Prohibited investments include, but are not necessarily limited to the following:

1. Private Placements
2. Venture-Capital Investments

Asset Allocation Guidelines

Investment management of the assets shall be in accordance with the following asset allocation guidelines:

1. Aggregate Endowment Funds' Asset Allocation Guidelines (at market value):

	Minimum	Target	Maximum	Benchmark	
Cash & Equivalents	0%	5%	7%	5%	T-Bills
Fixed Income	20%	30%	45%	30%	BB Inter Gov/Credit
Equities	30%	62%	70%	55%	S&P 500
Real Estate (REIT) & Other	0%	3%	3%	4%	S&P US REITs

2. The Committee may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate Fund, such disciplines must fit within the overall asset allocation guidelines established in this statement. Such investment managers will receive written direction from the Committee regarding specific objectives and guidelines.
3. In the event that the above aggregate asset allocation guidelines are violated, for reasons including but not limited to market fluctuations, the Committee will instruct the Investment Manager(s) to move assets to bring the Fund into compliance with these guidelines as promptly and prudently as possible.

Guidelines for Fixed Income and Cash Equivalents

1. Endowment assets may be invested only in investment grade bonds with an equivalent
2. rating of BBB, A, AA, AAA unless the manager has been hired to provide a managed portfolio of High Yield, lower quality bonds. Should a bond drop below investment grade the Investment Manager shall sell the bond unless the manager determines there is a circumstance that warrants holding it to obtain approval from the Community Foundation of Crawford County, Inc.
3. Endowment assets may be invested only in commercial paper with an equivalent rating of A1.

4. Fixed income maturity restrictions are as follows:
 - Maximum maturity for any single security is 30 years.
 - Weighted average portfolio maturity may not exceed 15 years.
5. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by the national rating services.

SELECTION OF INVESTMENT MANAGERS

The Committee's selection of Investment Manager(s) must be based on prudent due diligence procedures. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940, or a bank or insurance company.

INVESTMENT MANAGER PERFORMANCE REVIEW AND EVALUATION

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to the Committee for review. The investment performance of the total portfolio, as well as the individual managers will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in the statement. The asset allocation of the total fund as well as individual managers will also be reviewed quarterly. The Committee intends to evaluate the portfolio(s) quarterly, but reserves the right and obligation to terminate a manager at any time and/or for any reason including the following:

1. Investment performance that is significantly less than anticipated given the discipline employed and the risk parameters established.
2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed at least annually 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.

INVESTMENT POLICY REVIEW

To assure continued relevance of these guidelines, objectives, financial status and capital markets' expectations as established in this statement of investment policy, the Committee plans to review this document at least annually.

CURRENT SCHEDULE – FEE SCHEDULE FROM FIFTH THIRD

Investment Management Fee Schedule

First \$10 Million	.50%
Next \$10 Million	.40%
Next \$10 Million	.30%
Balance	.20%

\$7,500 Minimum Annual Fee.

1. The above schedule(s) pertain to non-proprietary mutual funds, non-proprietary and proprietary separately managed account (SMA) models and exchange trade funds (ETFs).
2. Assets invested in non-proprietary SMA models will be charged the SMA advisory fee based on the SMA model used.
3. Revenue sharing from mutual funds will be applied as either a credit to the client invoice or as a deposit to the account.
4. Fees are based on the market valuation of the assets held in the account at the end of each period.
5. Fees for alternative assets (those assets for which there is no readily available market quotation on an existing automated exchange, such as closely held securities, limited partnerships, real property, etc.) will be quoted separately.
6. Trading costs or fees are netted with the trade transaction and are based on actual trading volumes and costs. Charges are reflected on the account statement
7. All fees are prorated according to each fee cycle. If applicable, the minimum fee will be assessed on a prorated basis should the calculated account fee(s) fall below the prorated minimum for that period.
8. Fifth Third generally receives compensation for any account advances or overdrafts according to the size and duration of the overdraft. Client funds are held uninvested after the overdraft has been cleared for a period of time that will allow Fifth Third to recoup lost interest on the overdrawn funds. Does not apply to ERISA and Non-ERISA retirement plans.
9. Fifth Third's published fee schedules are subject to change with a 30-day notice. Any hourly charge may apply to extraordinary administrative requests and account terminations.
10. Separately Managed Accounts (SMAs) may be used in partnership with Fifth Third Bank's Investment Management Group (IMG), and other unaffiliated investment management firms. These investment management firms, and the Bank may charge an additional fee(s). For investments in conjunction with SMAs and IMG managed accounts, these additional fees will not be passed through to ERISA accounts.

Present to the CFCC Investment Committee for Electronic Approval 7.26.19.

Presented to and approved by the CFCC Board of Directors for Approval 8.24.19

Proposed changes by Investment Committee to the Board of Directors 9.25.21.

Approved by the Board of Directors 9.25.21