

MEETING OF THE BOARD OF TRUSTEES

Wednesday, March 22, 2023

4:00 p.m.

Murfreesboro Municipal Airport
Business Center

AGENDA

1. Approval of Minutes for 1/24/23 Meeting
Attachment 1 Action
2. Review of Trust Tax Status
[Potential Executive Session] Information
3. Insurance Coverages Action
4. Overview of Trust Allocation History Information
5. Transfer and Management of Corpus
Attachment 2
 - a. Board Resolution No 1 – Accepting Transfer of Funds Resolution
 - b. Board Resolution No 2 – Appointing Administrators
for Investment Accounts Resolution
 - c. Board Resolution No 3 – Appointing Administrators
for Banking Accounts Resolution
6. Review of Financial Advisor Selection Process Information
7. Review of Draft Investment Policy
Attachment 3 Information
8. Review of Budget
 - a. City Administration Fee Information
 - b. Tentative Budget Action
9. Update on Committee on Contributions Information
10. Future Meetings
 - a. Meeting Date Action
 - b. Recommended Topics Information
11. Adjournment Action

AGENDA ATTACHMENT 1

Murfreesboro Community
Investment Trust
Benefiting the Murfreesboro Community

MINUTES
Board of Trustees
January 24, 2023

The Murfreesboro Community Investment Trust Board of Trustees met in the Business Center at the Murfreesboro Municipal Airport at 4:13 p.m. on Tuesday, January 24, 2023.

The following board members were present and in attendance:

Shawn Applegate
Anne Davis
Steve Flatt
Kevin Gentry
Rick LaLance
Lee Moss
Richard Stone

Also present at this meeting were:

Craig Tindall, City Manager
Adam Tucker, City Attorney
Jennifer Brown, City Recorder/Finance Director

City Manager Craig Tindall called the meeting to order and determined a quorum was present. Mr. Tindall introduced City Attorney Adam Tucker to present the first item on the agenda.

Mr. Tucker reviewed the Trust Agreement presented to the Board and discussed the history and resulting purpose of the trust agreement and the need for the Board of Trustees. He also reviewed rules under which the Board would operate and high-level functions of the Board. Discussion ensued. The Trust Agreement was reviewed and signed by all members of the Board.

Mr. Tindall presented the next item on the agenda for election of a Board Chair and appointment of Board Secretary. The election of the Board Chair was done by ballot vote of all members present. Board member Kevin Gentry was elected as the Board Chair. Mr. Tindall also stated that a Board Secretary needed to be appointed and that Ms. Jennifer Brown, City Recorder/Finance Director, was very capable of doing the job. A motion to appoint Ms. Brown as the Board secretary was put forward by Mr. Flatt and seconded by Mr. LaLance. There being no further discussion, the motion passed by unanimous vote of the members present.

Control of the meeting was then transferred to Mr. Gentry as the Board Chair.

Mr. Gentry stated that the bylaws would need to be approved. Mr. Tindall stated that the bylaws included in the agenda are a recommendation. A motion to approve the recommended bylaws as presented was put forward by Mr. LaLance and seconded by Mr.

Moss. There being no further discussion, the motion passed by unanimous vote of the members present.

Mr. Gentry moved on to review policies for the Board. Mr. Tindall stated that the three policies presented - Conflict of Interest, Whistleblower, and Document Retention - would be advisable to review and approve. A motion to approve the Conflict of Interest, Whistleblower, & Document Retention policies as presented was put forward by Mr. Moss and seconded by Mr. Gentry. There being no further discussion, the motion passed by unanimous vote of the members present.

Mr. Gentry stated that they would need to review the Trust funding. Mr. Tindall asked Ms. Brown to go over the financials. She stated that funds received so far are \$75.4M received by the City as of July 2022 with \$41M of that being allocated to the Trust and the balance distributed to Park and Recreation, Transportation, and City General Fund as outlined in the Charter Amendment. Funds are currently held by Raymond James until the Board goes through the RFP process to select an investment advisor and direct the placement of the funds. Discussion ensued.

This led to a discussion on item 6b on the agenda regarding the appointment of administrators with signing authority for the trust account. A motion to appoint Mr. Kevin Gentry and Mr. Craig Tindall as administrators of the Trust account was made by Mr. Stone and seconded by Mr. LaLance. There being no further discussion, the motion passed by unanimous vote of the members present.

Mr. Tindall explained that the Board of Trustees would need to prepare a budget to account for operational costs. These funds would then be taken out of the Trust fund.

Mr. Gentry asked Mr. Tindall to comment on the Tax Status items. He reviewed the need to determine the tax status of the Trust in order to file the correct paperwork. This would require the retention of counsel to make sure the tax filing status was legal and correct. A motion to retain Mr. Joe Gibbs and his firm as initial counsel to determine tax status was put forward by Mr. Moss and seconded by Mr. LaLance. There being no further discussion, the motion passed by unanimous vote of the members present.

Mr. Gentry then opened discussion on retention of an accounting firm. Mr. Tindall stated that the City wanted to be sure the Board had all available information so that a qualified firm could be selected. Mr. Tindall also stated that the 990 filing for the Trust might be able to be included in the City's annual audit. Mr. Tindall will be looking into the fiduciary requirements of the Trust to discover how accounting will need to be done.

Mr. Gentry then introduced a review on the Committee on Contributions. Mr. Tindall informed the Board that the Committee members had been selected. He reviewed the purpose of the Committee and how it would work with the Board. Discussion ensued. Mr. Tindall then listed the appointees to the Committee. Mr. Tindall stated that the Board would need to approve the bylaws for the Committee prior to their first meeting on February 28th.

Mr. LaLance stated that he had concerns about the City Council being able to veto distribution decisions of the Board. Mr. Tindall stated that the Council could only make a decision on something that would have a large impact on the City. Mr. LaLance asked Mr. Tindall to review the rules on that veto and get back to the Board.

Mr. Gentry advised the Board to review the bylaws. A motion to approve the bylaws for the Committee on Contributions as presented was put forward by Mr. Moss and seconded by Mr. LaLance. There being no further discussion, the motion passed by unanimous vote of the members present. Mr. Gentry then asked for information on frequency and scheduling of future meetings. Mr. Tindall stated that his office would send out suggested dates and times to get the next meeting scheduled. Discussion ensued.

Mr. Gentry then moved on to recommended topics for the next meeting. Those included the process for retention of an investment advisor, the development of an investment policy, and the development of a budget policy and annual budget. Mr. LaLance offered to go over the process that Christy Houston Foundation went through at the next meeting.

Several board members commented on how unique this Trust is and the potential impact it could have on the City.

There being no further business, Chairman Gentry announced the meeting adjourned at 5:40 p.m.

ATTEST:

KEVIN GENTRY – BOARD CHAIR

JENNIFER BROWN - CITY RECORDER

AGENDA ATTACHMENT 2

RESOLUTION OF THE BOARD OF TRUSTEES
Resolution No. 23-01

Acceptance of Trust Funds from the City of Murfreesboro

WHEREAS, on July 1, 2023, the City of Murfreesboro sold the assets and operations of its Electric Department to Middle Tennessee Electric Membership Corporation (the “City Transaction”).

WHEREAS, the City has received proceeds from the City Transaction to date and anticipates receiving addition funds, a portion of which will be transferred to the Murfreesboro Community Investment Trust Agreement dated as of January 24, 2023 (the “Trust”).

WHEREAS, the City of Murfreesboro has accumulated and holds funds from the City Transaction due to be transferred to the Trust in the amount of \$41,195,009.56 (“Initial Balance”) and City will receive future funds as a result of the City Transaction and will transfer to the Trust the amounts set forth in the City Charter sec. 4(C)(2) (“Future Transfers”).

NOW THEREFORE, be it resolved that:

First: The Board shall accept the Initial Balance from the City of Murfreesboro and will undertake the duties required to manage and disburse the Funds consistent with the terms, conditions, and purposes set forth in Trust.

Second: The Board shall accept the Future Transfers from the City of Murfreesboro and will undertake the duties required to manage and disburse the Funds consistent with the terms, conditions, and purposes set forth in of the Trust.

Third: The Board shall appoint Craig D. Tindall and Jennifer Brown as persons with authority to undertake the establishment of necessary investment and bank accounts to facilitate the Initial Balance and the Future Transfers at such time as the necessary action

IN WITNESS WHEREOF, this resolution is duly adopted by the Board of Trustees as of January 24, 2023.

Kevin L. Gentry
Chair of the Board of Trustees

I, Jennifer Brown, as Secretary of the Murfreesboro Community Investment Trust dated as of January 24, 2023 (the "Trust"), do hereby certify that the above is a true and complete resolution adopted by the Board of Trustee for the Trust at a duly called meeting held on March 22, 2023 at which a quorum was present and voting; and, furthermore, that said resolution is now in full force and effect, have not been rescinded; and not in conflict with the Trust Agreement.

Jennifer Brown, Secretary

RESOLUTION OF THE BOARD OF TRUSTEES

**Authorization to Establish Investment Account
Resolution No. 23-02**

WHEREAS, the Board has accepted funds from the City of Murfreesboro to establish the corpus of the Trust.

WHEREAS, designated administrators are required establish and assist in the management of accounts holding Trust funds.

WHEREAS, the Board has determined that certain funds accepted from the City should be held in an investment account pending the Boards adoption of an Investment Policy and selection of investment advisors.

NOW THEREFORE, be it resolved that:

First: That the Craig D. Tindall, City Manager and Jennifer Brown, Board Secretary and City Recorder and Finance Director of the City of Murfreesboro, be and they hereby are, and each of them individually is, authorized and empowered, for and on behalf of this Trust, to establish and maintain one or more accounts, with Raymond James & Associates, Inc. (herein called the "Broker") for the purpose of purchasing, investing in, or otherwise acquiring, selling, possessing, transferring, exchanging, pledging, or otherwise disposing of, and generally dealing in and with any and all forms of securities including, but not limited to shares, stocks, bonds, debentures, notes, options, script, participation certificates, rights to subscribe, warrants, certificates of deposit, mortgages, choses in action, evidences of indebtedness, commercial paper, certificates of indebtedness and certificates of interest of any and every kind of nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise.

The fullest authority at all times with respect to any such commitment or with respect to any transaction deemed by any of the said officers and/or agents to be proper in connection therewith is hereby conferred, including authority (without limiting the generality of the foregoing) to:

- (1) give written or oral instructions to be the Broker with respect to said transactions;
- (2) bind and obligate the Trust to and for the carrying out of any contract, arrangement, or transaction, which shall be entered into by any such officer and/or agent for and on behalf of the Trust with or through the Broker;
- (3) pay such sums as may be necessary in connection with any of the said accounts;
- (4) deliver securities to and deposit funds with the Broker;
- (5) order the transfer or delivery of securities to any other person whatsoever, and order the transfer of record of any securities in order to pass title thereto;
- (6) direct the sale or exercise of any rights with respect to any securities;

- (7) sign on behalf of the Trust all releases, powers of attorney and/or other documents in connection with any such accounts, and to agree to any terms or conditions to control any such account;
- (8) direct the Broker to surrender any securities to the proper agent or party for the purpose of effecting any exchange or conversion, or for the purpose of deposit with any protective or similar committee, or otherwise;
- (9) accept delivery of any securities;
- (10) appoint any other person or person to do any and all things which any of the said officers and/or agents is hereby empowered to do, and
- (11) generally to do and take all action necessary in connection with the account, or considered desirable by such officer and/or agent with respect thereto.

Second: That the Broker may deal with any and all persons directly or indirectly by the foregoing resolution, empowered, as though they were dealing with the Trust directly.

Third: That the Secretary of the Trust be and is hereby authorized, empowered and directed to certify to the Broker:

- (1) a true copy of these resolutions, and
- (2) a specimen signatures of each and every person by these resolutions empowered;

Fourth: That the Broker may rely upon any certification given in accordance with these resolutions, as continuing fully effective unless and until the Broker shall receive due written notice of a change in or the rescission of the authority so evidenced, and the dispatch or receipt of any other form of notice shall not constitute a waiver of this provision, nor shall the fact that any person hereby empowered ceases to be an officer of the Trust or becomes an officer under some other title, in any way affects the powers hereby conferred. The failure to supply any specimen signature shall not invalidate any transaction if the transaction is in accordance with authority actually granted.

Fifth: That in the event of any change in the office or powers of persons hereby empowered, the Secretary shall certify such changes to the Broker in writing in the manner herein above provided, which notification, when received, shall be adequate both to terminate the powers of the persons theretofore authorized, and to empower the persons thereby substituted.

Sixth: That the foregoing resolutions and the certificates actually furnished to the Broker by the Secretary of the Trust pursuant thereto, be and they hereby are made irrevocable until written notice of the revocation thereof shall have been received by the Broker.

Seventh: If the Trust has an investment policy or other limitation on its universe of investments or investment products ("Investment Policy"), it acknowledges that the Broker may not monitor the Investment Policy; that Broker is relying on the persons identified herein (or any additional individuals designated hereunder) to know any investment limitations and to promptly review all confirmations and statements to verify the accuracy of any trades. Trust agrees that it shall

indemnify and hold Broker harmless from any transactions that are directed to be made by an individual identified as having authority hereunder.

Eighth: In connection with all potential transaction in any account opened pursuant to these resolutions, the Trustees acknowledge that:

- (1) they are capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities; and
- (2) will exercise independent judgement in evaluating the recommendations of the Broker or its associated persons.

IN WITNESS WHEREOF, this resolution is duly adopted by the Board of Trustees as of January 24, 2023.

Kevin L. Gentry
Chair of the Board of Trustees

I, Jennifer Brown, as Secretary of the Murfreesboro Community Investment Trust dated as of January 24, 2023 (the "Trust"), do hereby certify that the above is a true and complete resolution adopted by the Board of Trustee for the Trust at a duly called meeting held on March 22, 2023 at which a quorum was present and voting; and, furthermore, that said resolution is now in full force and effect, have not been rescinded; and not in conflict with the Trust Agreement.

Jennifer Brown, Secretary

have not been rescinded; and that said resolutions are not in conflict with the Trust Agreement or By-Laws of the Trust.

RESOLUTION OF THE BOARD OF TRUSTEES

**Authorization to Establish Banking Accounts
Resolution No. 23-03**

WHEREAS, the Board has accepted funds from the City of Murfreesboro to establish the corpus of the Trust;

WHEREAS, designated administrators are required establish and assist in the management of accounts holding Trust funds; and

WHEREAS, the Board has determined that certain funds accepted from the City should be held in banking accounts for operational purposes.

NOW THEREFORE, be it resolved that:

First: That the Craig D. Tindall, City Manager and Jennifer Brown, Board Secretary and City Recorder and Finance Director of the City of Murfreesboro, be and they hereby are, and each of them individually is, authorized and empowered, for and on behalf of this Trust, to establish and maintain one or more banking accounts, with Truist Bank (herein called the "Bank") for the purpose of holding funds necessary for the day-to-day operations of the Trust.

The fullest authority at all times with respect to any such commitment or with respect to any transaction deemed by any of the said officers and/or agents to be proper in connection therewith is hereby conferred, including authority (without limiting the generality of the foregoing) to:

- (1) give written or oral instructions to be the Bank with respect to said transactions;
- (2) bind and obligate the Trust to and for the carrying out of any contract, arrangement, or transaction, which shall be entered into by any such officer and/or agent for and on behalf of the Trust with or through the Bank;
- (3) pay such sums as may be necessary in connection with any of the said accounts;
- (4) deliver securities to and deposit funds with the Bank;
- (5) sign on behalf of the Trust all releases, powers of attorney and other documents in connection with any such accounts, and to agree to any terms or conditions to control any such account;
- (6) appoint any other person or person to do any and all things which any of the said officers and/or agents is hereby empowered to do, and
- (7) generally to do and take all action necessary in connection with the account, or considered desirable by such officer and/or agent with respect thereto.

Second: That the Bank may deal with any and all persons directly or indirectly by the foregoing resolution, empowered, as though they were dealing with the Trust directly.

Third: That the Secretary of the Trust be and is hereby authorized, empowered and directed to certify to the Bank:

- (1) a true copy of these resolutions, and
- (2) a specimen signatures of each and every person by these resolutions empowered;

Fourth: That the Bank may rely upon any certification given in accordance with these resolutions, as continuing fully effective unless and until the Bank shall receive due written notice of a change in or the rescission of the authority so evidenced, and the dispatch or receipt of any other form of notice shall not constitute a waiver of this provision, nor shall the fact that any person hereby empowered ceases to be an officer of the Trust or becomes an officer under some other title, in any way affects the powers hereby conferred. The failure to supply any specimen signature shall not invalidate any transaction if the transaction is in accordance with authority actually granted.

Fifth: That in the event of any change in the office or powers of persons hereby empowered, the Secretary shall certify such changes to the Bank in writing in the manner herein above provided, which notification, when received, shall be adequate both to terminate the powers of the persons theretofore authorized, and to empower the persons thereby substituted.

Sixth: That the foregoing resolutions and the certificates actually furnished to the Bank by the Secretary of the Trust pursuant thereto, be and they hereby are made irrevocable until written notice of the revocation thereof shall have been received by the Bank.

IN WITNESS WHEREOF, this resolution is duly adopted by the Board of Trustees as of January 24, 2023.

Kevin L. Gentry
Chair of the Board of Trustees

I, Jennifer Brown, as Secretary of the Murfreesboro Community Investment Trust dated as of January 24, 2023 (the "Trust"), do hereby certify that the above is a true and complete resolution adopted by the Board of Trustee for the Trust at a duly called meeting held on March 22, 2023 at which a quorum was present and voting; and, furthermore, that said resolution is now in full force and effect, have not been rescinded; and not in conflict with the Trust Agreement.

Jennifer Brown, Secretary

have not been rescinded; and that said resolutions are not in conflict with the Trust Agreement or By-Laws of the Trust.

AGENDA ATTACHMENT 3

INVESTMENT POLICY

1. General

- 1.1 Purpose. The purpose of this Investment Policy is to give guidance to the Board of Trustees (the “Board”) of the Murfreesboro Community Investment Trust (the “Trust”) and the Trust’s investment advisors in connection with the investment and management of Trust funds designated for investment. Long-term investment objectives, policies, and a prudent investment program are essential tools for the Board in carrying out their fiduciary responsibilities with regard to the management and investment of Trust funds.
- 1.2 In the pursuit of its investment objectives, the Board may engage the services of one or more investment advisors (each, an “Investment Advisor”), who, in turn, may assist in the selection of investment managers of the funds invested under the purview of the Board (each, an “Investment Manager”). This Investment Policy also assists the Board in guiding Investment Advisors in performing their duties.

2. Duties and Responsibilities of the Board

The following are the investment duties and responsibilities of the Board:

- 2.1 Authorize and supervise the investment of Trust funds.
- 2.2 Periodically review and modify of the written Investment Policy to assure compliance with the Trust Agreement.
- 2.3 Retain Investment Advisors to advise the Board with respect to its duties and responsibilities.
- 2.4 With the assistance of and upon the recommendation of Investment Advisors, establish and review of an investment strategy consistent with the requirements, guidelines, and principles articulated in the Investment Policy.
- 2.5 Authorize the purchase and redemption of collective investment vehicles sponsored and managed by Investment Managers and the monitoring of the performance of those vehicles.
- 2.6 Prescribe from time to time the place and manner of safekeeping of securities and other investments of the Trust and the manner of access to and withdrawal of the securities and investments.
- 2.7 Review regular investment reports provided to the Board of material information regarding the investment of Trust funds, including performance, exposure to particular asset classes and other relevant information.
- 2.8 Oversee the financial and cash management processes and methods utilized in the management of the Trust funds invested, including the deposit and safekeeping of moneys, securities, and other financial and investment assets.
- 2.9 Cause to be made contemporaneous detailed minutes of the Board meetings regarding the review of allocations, approving Investment Advisors and Investment Managers, and

reviewing the qualifications and performance of the Investment Advisors and Investment Managers.

3. Investment Advisors and Investment Managers.

With respect to Investment Advisors and Investment Managers will:

- 3.1 Retain Investment Advisors and Investment Managers after consideration of the Investment Policy and factors such as the Investment Advisor's or Investment Manager's (i) qualifications; (ii) experience; (iii) historical performance as compared against appropriate benchmarks; (iv) fees and expenses charged; (v) terms by which the Trust's investments may be liquidated and redeemed; and (vi) other considerations set forth herein regarding selecting and monitoring Investment Managers. Additional legal considerations relating to the delegation of management and investment authority to Investment Advisors and Investment Managers are set forth herein.
- 3.2 Periodically reallocating assets among Investment Managers in accordance with the Investment Policy for the Trust funds invested and the approved asset allocation ranges to achieve the investment objectives of the Trust.
- 3.3 Periodically meeting or conferencing with the Investment Advisors and Investment Managers as needed.
- 3.4 Review the performance of each of the Trust's Investment Advisors and Investment Managers. Required reports from Investment Managers will include appropriate performance information, including comparison of performance against appropriate benchmarks. Required reports from Investment Advisors will be determined on a case-by-case basis.

4. Investment Objective and Considerations

- 4.1 Objective.
 - a. The funds under the purview of the Board, except those required for short-term needs, should be treated as long-term assets managed to maintain the purchasing power of those assets in the future while being mindful of the cash flow and liquidity requirements of the Trust. The Trust's funds should be invested in such a way as to help in meeting the future capital objectives of the Trust. The long-term objective is to achieve a rate of return in excess of inflation established by the Board at an acceptable level of risk for the Trust's investments.
 - b. The Board does not expect that this investment objective will be achievable in every year and, as a result, will normally measure investment performance over rolling three- and five-year periods. The Board also recognizes that some level of investment risk, including volatility and illiquidity, is necessary to achieve the long-term investment objectives of the Trust. In developing and implementing the Trust's investment program, the Board will consider the risks associated with each investment strategy and asset class.

- c. The overall return will be evaluated against a policy portfolio benchmark consisting of the sum of different asset class benchmarks weighted in accordance with the long-term policy targets.

4.2 Legal Considerations.

As part of its articulation of the investment strategy of the Trust to fulfill its investment objective, the Board will, in accordance with law, consider the present and anticipated financial requirements of the Trust, the expected total returns on investments, the capital markets environment, and general economic conditions. Specifically, the Board will comply with the following provisions of Tennessee law.

4.3 Considerations in Managing and Investing the Portfolio.

- a. The factors that, if relevant, must be considered in managing and investing the Trust's funds are:
 - (1) General economic conditions;
 - (2) Possible effect of inflation or deflation;
 - (3) Expected tax consequences, if any, of investment decisions or strategies;
 - (4) Role each investment or course of action plays within the overall investment portfolio;
 - (5) Expected total return from income and the appreciation of investments;
 - (6) Other resources of the Trust;
 - (7) Needs of the Trust and the portfolio to make distributions and preserve capital; and
 - (8) Asset's special relationship or special value, if any, to the purposes of the Trust.
- b. The Trust may incur only those costs that are appropriate and reasonable in relation to its assets and purposes and the skills available to it and must make a reasonable effort to verify facts relating to the management and investment of the Trust's funds.
- c. When appropriate, the Board should contemporaneously document in its meeting minutes its consideration of each of the above factors it determines to be relevant to its decisions regarding managing and investing the Trust's funds.

4.4 Delegation of Management and Investment Functions.

- a. The Board may delegate to an external agent, including an Investment Advisor or Investment Manager, the management and investment of the Trust's funds to the extent such delegation is prudent under the circumstances. The Board must act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances when (i) selecting an agent; (ii);

establishing the scope and terms of the delegation, including the payment of compensation, consistent with the purposes of the Trust; and (iii) monitoring the agent's performance and compliance with the scope and terms of the delegation.

- b. The Board, in making the decision as to whether to delegate such functions to a specific external agent, must request and review information regarding the external agent's experience, personnel, track record and proposed compensation as compared to appropriate peers and conduct other customary due diligence as required
- c. The Board will take reasonable measures to assess the independence of the external agent. Any actual or potential conflicts of interest with respect to the proposed external agent must be disclosed and resolved pursuant to the Trust's Conflict-of-Interest Policy regarding investments, set forth herein, and the Trust's general Conflict-of-Interest Policy, to the extent applicable.

4.5 Investment Managers.

- a. General. The Board will retain each Investment Manager. The recommendation of a particular Investment Manager may come to the attention of the Board via an Investment Advisor or in any other manner. The Investment Managers may be granted full investment discretion regarding the purchase and sale of individual securities or investments within their investment style and consistent with the objectives and directions of the Board. Investment Managers are not permitted to deviate from their specifically announced investment strategies without the written approval of the Board. It is in the discretion of the Board whether to enter into a separate account relationship with a particular Investment Manager or to purchase an interest in a fund vehicle offered by the Investment Manager, based upon the offer of the Investment Manager and other applicable factors.
- b. Specific Considerations. The following will be among the attributes to be considered by the Board and Investment Advisors in selecting and monitoring Investment Managers and the Trust's invested funds:
 - (1) Liquidity of the Investment Manager's portfolio of underlying securities;
 - (2) Industry exposure and diversification;
 - (3) Portfolio volatility, and other measures of portfolio risk;
 - (4) Use of borrowing and leverage;
 - (5) Transparency of Investment Manager reporting;
 - (6) Terms of investment, including fees and lock ups;
 - (7) Operational considerations (e.g., custody, brokerage, proxy voting and securities lending); and
 - (8) Potential conflicts of interest.

4.6 Volatility

Portfolio volatility and risk should be prudently managed in keeping with pertinent metrics that enhance the Board's ability to evaluate risk exposure and manage risk.

4.7 Investment Restrictions

- a. Diversification. In general, the Board should seek to ensure an appropriate diversification of the portfolio by asset class, sector, geographic region, and by Investment Manager. The Board will ensure compliance with the following diversification guidelines unless the Board prudently determines that, because of special circumstances, the purposes of the Trust are better served without diversification. Any decision not to diversify will be reviewed at least annually.
- b. Considerations. The Board should monitor compliance with the following considerations:
 - (1) The percentage of total market value of each Investment Fund invested with a single Investment Manager should be limited to the extent necessary to ensure manager diversification.
 - (2) Each Investment Fund investment with a single Investment Manager should be limited to the extent necessary to ensure manager diversification.
 - (3) At least annually, the Board should review the investments of the Trust to ensure compliance with the investment restrictions set forth in this policy.
- c. Derivative Instruments. Investment Managers may not invest in various derivative instruments without prior Board approval. The Board, to the extent possible and practical, will monitor the Trust's investment exposure to derivative instruments.
- d. Leverage. The Trust's funds may be invested with Investment Managers that employ leverage to enhance returns with appropriate risk exposure. The Board will monitor leverage exposure.
- e. Liquidity. It is understood that the Trust must maintain a certain minimum level of liquidity that is sufficient to fund the programmatic activities of the Trust. The Board will establish guidelines for minimum liquidity available from the Trust's invested funds. The Board will monitor on an ongoing basis the liquidity of the investments consistent with the parameters set forth by the Board.
- f. Violations. The foregoing investment restrictions and limitations are intended as guidelines. If the Board is notified or otherwise becomes aware that a limitation has been exceeded, then the Board may take steps that in its reasonable judgment are necessary to address the situation, which may include taking no action at that time.

4.8 Performance Evaluation and Benchmarks

- a. The performance objectives for each asset class or subcategory are outlined in Exhibit A. The purpose of the objectives is to establish specific, clear, consistent, fair, and rigorous parameters for regular and ongoing review.
- b. While performance is measured over both short- and long-term periods, the focus and emphasis of performance evaluation is on longer time periods, generally three- to five-year periods (once programs are fully developed) or a market cycle, whichever is greater.
- c. The Board will, with the assistance of the Investment Advisors, as applicable, monitor Investment Managers on an ongoing basis to ensure consistency of investment philosophy, implementation, organizational structure, and performance.

4.9 Due Diligence

Prior to investing with an Investment Manager, the Board should obtain all relevant documentation, including:

- a. Any offering memorandum or other document containing guidelines;
- b. Limited partnership agreement or other governing documents;
- c. Subscription documents;
- d. Form ADV for advisers registered under the U.S. Investment Advisers Act of 1940, if available; and
- e. Any due diligence materials deemed appropriate by the Board.

4.10 Communications and Reports from Investment Managers

- a. Meetings. The Investment Manager will meet with the Board as requested, but not less than annually. In addition, the Investment Advisor may request to meet with the Investment Manager at any time.
- a. Periodic Reports. Monthly or quarterly reports should include:
 - (1) Performance;
 - (2) Portfolio characteristics, summarized by key investment factors;
 - (3) Portfolio holdings in total, where possible; and
 - (4) Valuation.
- b. Annual Reports. The Investment Manager will provide an annual report to the Board by the date set by the Board.
- c. Price Changes. Investment Managers should be prepared to explain any positions whose price or value varies significantly relative to their cost basis, and the potential impact on the net asset value of the Trust's invested funds.
- d. Changes in Investment Strategies and Investment Professionals. Prior to any change in investment strategy by the Investment Managers, such change should be

communicated to the Board and the Investment Advisors. Except with regard to investments that have their own terms relating to changes in management (*e.g.*, Alternative Investments), significant changes in investment professionals or portfolio management must be communicated to the Board in a timely manner.

5 Asset Allocation

- 5.1 The Board will establish strategic asset allocation policy (“Asset Allocation”) for the Trust. In making asset allocation judgments, the Board recognizes that the Trust must invest in a portfolio of assets that will generate a return sufficient to meet the stated objectives. With significant allocations to asset classes that have different risk and return characteristics, the Trust will maintain a diversified portfolio that is expected to generate prudent returns and reduce volatility over the long term.
- 5.2 The Asset Allocation policy for the Trust’s funds is reflected in Exhibit A as of the date set forth thereupon.
- 5.3 On a periodic basis, at least semi-annually, the Board should informally determine whether the allocations need to be strategically or tactically reallocated and should review and assess the asset allocation targets. The Board will formally review the Asset Allocation during its annual review of this Investment Policy.

6 Asset Classes

6.1 Global Equity Securities

- a. This asset class may include, but is not limited to, common stock that is readily marketable on listed exchanges, convertible preferred stock, convertible debentures, or other investments or vehicles that invest in or correlate with the performance of these securities. Stock rights or warrants received from existing equity holdings may be held or sold at the discretion of the Investment Manager.
- b. Investment Managers are to vote shareholders’ proxies. Such voting is to be solely in the best interest of the Trust given their stated policies, goals, and objectives. It is further expected that each of the Investment Managers will report back to the Board on an annual basis regarding the results of these votes. Where an Investment Manager is directly supervised by an Investment Advisor, the Investment Manager will report to the Investment Advisor on an annual basis regarding the results of these votes and the Investment Advisor will provide a report to the Board on the Investment Manager’s proxy voting.
- c. Where Investment Managers or fund vehicles have their own terms regarding proxy voting, such terms will be an attribute to be considered by the Board and Investment Advisors in selecting and monitoring Investment Managers and the Trust’s invested funds.

6.2 Global Fixed Income Securities

- a. This asset class may include, but is not limited to, U.S. Treasury obligations, U.S. government agency notes, U.S. corporate bonds, debentures, notes, and preferred stock, commercial paper, U.S. and non-U.S. commercial bank certificates of deposit, semi-secured floating rate bonds, non-U.S. government bonds, non-U.S. corporate bonds, mutual fund/co-mingled bond funds, yield enhancement techniques (e.g., options and futures), or other instruments or vehicles that invest in or correlate with the performance of these securities.
- b. Investment Managers may invest in short-term U.S. Treasury obligations, government agency obligations, commercial bank CDs and other generally acceptable money market and equivalent instruments.

6.3 Alternative Investments

- a. Alternative Investments include (i) hedge funds, including, but not limited to, long/short funds, event-driven funds and fund-of-funds, (ii) private equity, (iii) venture capital, (iv) real assets (including, but not limited to, real estate, oil, gas and energy funds), (v) special situations and opportunistic investments, and (vi) similar strategies.
- b. Among the factors to be considered in connection with Alternative Investments, liquidity, leverage, and volatility will receive particular consideration.
- c. Alternative Investments should be valued in accordance with industry practice and accounting standards.

7. **Conflicts of Interest**

- 7.1 This Section provides the Board with a policy and procedure for addressing conflicts of interest that may arise in connection with the Board's discharging of its duties and responsibilities for investment of the Trust's funds. **This Section of the Investment Policy supplements, but does not replace, the Trust's Conflict-of-Interest Policy with respect to conflicts related to matters under consideration by the Board.**
- 7.2 It is the general policy of the Trust not to engage an Investment Advisor and not to invest with an Investment Manager if a member of the Board has a material ownership interest in, or is directly employed by, the Investment Advisor or Investment Manager. If a Board member has such a relationship, that relationship must be disclosed to the Chair in accordance with the procedures described below.
- 7.3 If a Board member knows that he or she has engaged a potential or existing Investment Advisor or has an investment with a potential or existing Investment Manager, whether in the same fund as the Trust, a different fund, or in a separate investment account with the Investment Manager, such relationship or investment must be disclosed to the Chair of the Committee in accordance with the procedures described below.
- 7.4 It is the responsibility of the Board when performing due diligence on a potential Investment Advisor or Investment Manager, to use reasonable efforts to ascertain whether

any member of the Board is a principal, holds a material ownership interest in, or is otherwise directly employed by that Investment Advisor or Investment Manager. If any such relationship exists, the Board will consult legal counsel, as appropriate, to determine whether the relationship merits further consideration of the by the Board Investment Advisor or Investment Manager continued relationship with the Trust.

- 7.5 The policy and procedures described in this Section also apply to family members and related entities. If a Board member knows that his or her family member or related entity has an investment with an Investment Manager under consideration by the Trust, the Board member will disclose this information in accordance with the procedures described below. For purposes of this policy, (i) “family members” means spouses or domestic partners, ancestors, siblings and their spouses, and lineal descendants and their spouses, and (ii) “related entities” means any entity in which Board members or their family members have a 35% or greater ownership interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest of more than 5% percent.

7.6 Procedure for Disclosure and Recusal.

- a. If the Board is considering engaging an Investment Advisor or purchasing an investment with an Investment Manager, a Board member with a material ownership interest in, or who is directly employed by, that Investment Advisor or Investment Manager must disclose the interest or employment to the Chair. In consultation with legal counsel, the Chair will make a recommendation to the Board, which will determine whether the Investment Advisor should be disqualified from engagement by the Trust, or the Investment Manager should be disqualified from investment by the Trust.
- b. If the Board is considering engaging or continuing the engagement of an Investment Advisor or is considering purchasing or redeeming an investment in a fund or with an Investment Manager, a Board member who is a client of such Investment Advisor or fund or Investment Manager (*e.g.*, is also invested in the fund or otherwise with the Investment Manager) must disclose the interest to the Chair. In consultation with legal counsel, the Chair will make a recommendation to the Board, which will determine whether the member will be recused from the engagement or purchase or redemption decision. Whether the member will be recused will depend on the facts and circumstances. The relevant inquiry will include, among other factors, whether the Trust’s decision to engage, invest, redeem, or take no action, could have an impact on the Board member’s relationship or investment in any material way.
- c. If a Board member is unsure whether his or her relationship with a potential or current Investment Advisor or investment with a potential or current Investment Manager merits disclosure, the Board member will err on the side of caution and disclose the relationship to the Chair. This policy is not intended to discourage Board members from bringing investment opportunities to the Board for consideration but is meant to provide the Board and the Board with full transparency.

- d. This policy also applies to family members and related entities of Board members.
- 7.7 On an annual basis, the Board will provide to its members and the Investment Advisors a list of the Trust's current relationships and investments with Investment Advisors and Investment Managers in a form substantially similar to the form attached as Exhibit B. Each Board member and Investment Advisor will indicate on the form provided if, to the best of his or her knowledge, he, she, or any family member or related entity (i) has a material ownership interest in, or is directly employed by, an Investment Advisor engaged by the Trust or an Investment Manager with which the Trust invests, (ii) is a client of an Investment Advisor engaged by the Trust, or (iii) has an investment in any of the funds in which the Trust is invested, or in any fund managed by the same Investment Managers, or any separate investment account with any of the Investment Managers with which the Trust invests.
- 7.8 Any other relationships that are not specifically described herein that may present a conflict of interest, including where an Board member's independent judgment regarding the Investment Advisor or Investment Manager could be impaired by virtue of the relationship must be disclosed to the Chair, who will consult with the legal counsel, as appropriate, to determine whether the Board member must abstain or recuse himself or herself from consideration of the matter.
- 7.9 If it is determined that abstention or recusal is required, then after disclosure of the potential conflict of interest and all material facts to the Board, and after the member responds to any questions that the Board may have, the member will be asked to abstain or be recused from the meeting while the appointment of the Investment Advisor or Investment Manager is discussed and voted upon. All such abstentions and recusals will be contemporaneously documented in the minutes of the Board meeting. While the member may not vote on the issue to which the potential conflict of interest relates, he or she may be counted in determining the presence of a quorum for purposes of the vote.
- 7.10 For the sake of clarification and guidance, indirect financial or business relationships ordinarily will not rise to the level of a material conflict of interest. For example, a member of the Board who is an employee or otherwise affiliated with a brokerage firm or other third-party service provider with whom an Investment Advisor or Investment Manager does business ordinarily would not be considered to have conflict of interest. If a Board member is uncertain as to whether a business or familial relationship is so material as to give rise to a conflict of interest, the member is encouraged to disclose the relationship to the Chair.

EXHIBIT A

Strategic Asset Allocation as of _____

Asset Class	Long-Term Policy	Range	Benchmark
Equity			
U.S. Large Cap Equity			
U.S. Mid Cap Equity			
U.S. Small Cap Equity			
U.S. All Cap Equity			
U.S. Small/Mid Cap Equity			
Global Equity			
Non-U.S. Equity			
Total Equity			
Alternative Investments			
Hedge Funds			
Private Equity			
Real Estate & Infrastructure			
Total Alternative Investments			
Fixed Income & Cash			
Cash & Short Term			
U.S. Fixed Income			
Non-U.S. Fixed Income			
Global Fixed Income			
Foreign Exchange & Non-USD Fixed Income			
Complementary Structured Strategies			
Total Fixed Income & Cash			
TOTAL	100.0%		

EXHIBIT B

Annual Investment Conflict of Interest Disclosure Statement

Name:

Title:

[LIST OF CURRENT INVESTMENTS AND NAMES OF INVESTMENT ADVISORS AND INVESTMENT MANAGERS]

Except for the relationships and investments set forth below, I hereby certify to the best of my knowledge that neither I, nor any of my family members or related entities, (i) has a *material* ownership interest in, or is directly employed by, any Investment Advisor engaged by the Trust or any Investment Manager with which the Trust invests, as named above,

(ii) is a client of any Investment Advisor engaged by the Trust, or (iii) has an investment in

(a) any of the funds in which the Trust is invested, as set forth above, or in any fund managed by the same Investment Managers named above, or (b) any separate investment account with any of the Investment Managers with which the Trust invests, as named above. I hereby certify that I have received a copy of the Trust's current conflict-of-interest policy applicable to investments, have read and understand the policy, and agree to abide by it.

Signature: _____ Print Name: _____ Date: _____

PLEASE LIST ANY EXCEPTIONS BELOW: