Investment Policy Statement

Approved 5.6.2016
Revisions approved 7.28.2016
Revisions approved 7.27.2017
Revisions approved 4.26.2018
Revisions approved 1.30.2020

The Eau Claire Community Foundation's Board of Trustees has adopted this Policy to assist the Foundation's director, officers, employees, agents, and fiduciaries (which include supporting organizations, affiliate funds, and volunteers) in fulfilling their obligations and commitments.

PURPOSE

The purpose of this Investment Policy Statement ("IPS") is to guide the Eau Claire Community Foundation ("ECCF"), its Board of Trustees, its Investment Committee, and its investment advisors and investment managers (such advisors and managers are referred to herein as "advisors" except where the context clearly admits) in effectively and prudently managing, monitoring, and evaluating ECCF's investment portfolio. The investment portfolio consists of all funds governed by the Investment Committee.

The objectives of this IPS are to:

A. Define and assign the responsibilities of all involved parties.

B. Establish a clear understanding for all involved parties of the investment goals and objectives of ECCF.

C. Offer guidance and limitations to all advisors regarding the investment of ECCF assets.

D. Establish a basis for evaluating investment results.

E. Establish the relevant investment horizons for the investment portfolio assets.

In general, the purpose of this IPS is to outline a philosophy and attitude that will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

DELEGATION OF AUTHORITY/RESPONSIBILITIES OF THE BOARD AND INVESTMENT COMMITTEE

The governing body of ECCF is the Board of Trustees ("Board"), which has overall responsibility for Investment Policy.

Responsibility of the Board

A. Review and approve the IPS annually.
B. Make a reasonable effort to verify facts relevant to the management and investment of the investment portfolio assets.

C. Adhere to guidance contained in the Wisconsin Uniform Prudent Management of Institutional Funds Act (WUPMIFA) and all other applicable regulations.

The Board is ultimately accountable for the investment of ECCF assets, but has determined that the ECCF is more likely to achieve investment objectives if oversight and management are delegated to the Investment Committee. As a result, the Board has delegated to the Investment Committee the responsibility of managing the investment process in a prudent manner, consistent with the IPS approved and adopted by the Board. In addition, the Board has hereby delegated to the Investment Committee the authority and responsibilities described herein.

Responsibility of the Investment Committee:

A. Maintain and monitor the IPS.

B. Review at least annually the overall asset allocation for the investment portfolio and review at least quarterly the performance of the investment portfolio in light of the IPS and with the highest degree of consideration given towards risk monitoring and metrics.

C. Review, at least annually, the ECCF Distribution Policy as it relates to goals and objectives and to consider the impact of investment returns on the ability to sustain the ECCF Distribution Policy.

D. Make recommendations to the Board with respect for the appointment, evaluation and removal of advisors and other service providers as the Investment Committee deems necessary or prudent.

E. Ensure that investments and management costs and fees are appropriate and reasonable in relation to assets, the purposes of ECCF, and the skills available to ECCF.

The Investment Committee shall consist of not fewer than six (6) nor more than nine (9) persons, at least two of whom shall be members of the Board. Members of the Investment Committee shall be persons knowledgeable about investments and investment practices.

Members of the Investment Committee shall be elected by the Board and shall serve at the pleasure of the Board. The Chair of the Board and the Executive Director of ECCF shall be ex officio members of the Investment Committee.

Committee members serve three-year terms with the option to be asked to serve consecutive terms by either the Investment Committee chair or the Executive Committee. Members of the Investment Committee who are not members of the Board shall not be eligible for re-election after serving three consecutive three-year terms.

The Chair of the Investment Committee, who shall be a member of the Board, shall be elected by the Board.

The Investment Committee is expected to act in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances in selecting, continuing or terminating advisors, establishing the scope and terms of any delegation, and monitoring performance and compliance with the scope and terms of the delegation and with this IPS.

The Investment Committee will provide relevant information to its advisors concerning ECCF's resources and any special considerations pertaining to any particular assets of ECCF.

The Investment Committee will meet at least quarterly. The Chair of the Investment Committee may also call special meetings of the Investment Committee as needed.

A majority of the Investment Committee shall constitute a quorum for the transaction of business, and the act of a majority of the members of the Investment Committee present at any meeting at which a quorum is present shall be the act of the Investment Committee.

INVESTMENT ADVISORS AND INVESTMENT MANAGERS

The Investment Committee may, with the approval of the Board, retain one or more investment advisors. The investment advisor's role is that of a discretionary advisor to the Investment Committee; to assist the Investment Committee in carrying out the objectives of the IPS. An investment advisor may be delegated discretionary asset management authority. Discretionary asset management authority means that the Board, acting through the Investment Committee where appropriate, remains in charge of governance and oversight while the investment advisor directs any investment managers, has the right to terminate the services of any such investment manager, and has a fiduciary obligation to the Board and Investment Committee. The Investment Committee, with the approval of the Board, shall have the right to terminate an investment advisor at any time. While the roles are distinct, an investment advisor may also serve as an investment manager.

The Investment Committee may, with the approval of the Board, retain one or more investment managers by written agreement with such investment manager.

ECCF is the sole owner of assets held in the investment portfolio or any investment fund and all such assets are and must remain under ECCF's ultimate control. ECCF will not pay any investment professional or any other party for referring a donor to ECCF and no existing funds of ECCF will be transferred to such a person as compensation for a referral.

Responsibilities of Advisors:

A. Remain at all times compliant with the IPS and adhere to ECCF's asset allocations, risk tolerance, and rebalancing requirements;

B. Manage ECCF's assets in accordance with state law regarding prudent investing in compliance with the standards according to WUPMIFA.

C. Consider the state of capital markets in light of the investment portfolio investment objectives.

D. Assist in the management and tracking of all defined risks in the investment portfolio.

E. Implement investment portfolio rebalancing within the guidelines of the IPS and rebalance as necessary to fall within the described target ranges for the investment pool or fund under management.

F. Provide an analysis of performance of the portion of the investment portfolio over which the advisor has responsibility so that the Board and the Investment Committee can determine the progress toward the investment objectives.

G. Communicate matters of policy, manager research, and manager performance to the Investment Committee and/or the Board.

H. Assist in the development and periodic review of policy and objectives.

I. Operate without any conflicts of interest not disclosed in writing to the Board and the Investment Committee.

J. Provide monthly statements and quarterly written performance reporting to the Board and Investment Committee.

K. Attend in person or via conference call as requested at the quarterly Investment Committee meetings.

L. Charge a fee that is reasonable and consistent with what ECCF pays other money managers for similar services.

M. Upon termination of an advisor's services, provide complete and timely cooperation regarding the safeguarding and transfer of ECCF assets as directed by the Board.

GOALS AND OBJECTIVES

In establishment of the specific investment goals outlined below, the Board and Investment Committee shall establish both a Dynamic Benchmark and a Static Benchmark for advisors and funds as defined below.

Dynamic Benchmark: A dynamic benchmark is closely aligned with the current tactical asset allocation and is a blend of indices that best represent the allocation. The dynamic benchmark would be adjusted as market and allocation changes occur to ensure that the dynamic benchmark continuously aligns with the long-term investment allocation for a fund. The dynamic benchmark allows the organization to evaluate the value added from active management, investment manager and investment selection.

Static Benchmark: A static benchmark is pre-defined and will not change the fund allocations. The objective of a static benchmark is to evaluate the value added from rebalancing and tactical adjustments to the long-term strategic asset allocation target.

Goals:

- Perform or outperform the dynamic benchmark over a market cycle for each fund.
- Perform or outperform a static benchmark closely aligned with the purpose of the fund.

- Maintain the overall portfolio to be appropriately allocated across asset classes and managers including, but not limited to, domestic equity, international equity, emerging markets, alternative equity, private equity, and fixed income.

Objectives:
For endowed funds, the primary objective is to preserve the purchasing power of the investment portfolio through asset growth at least equal to the Distribution Policy plus the rate of inflation.

Asset Allocation
Advisors shall invest the investment portfolio using asset allocations designed to meet the objectives of each fund being managed by the advisor.

The asset allocation shall be implemented using the investment portfolios, as set forth in the Asset Allocation Guidelines Addendum ("Addendum") with target allocations and parameters for each macro asset class. Due to the need for diversification and the longer funding periods for certain investment strategies, the Investment Committee recognizes that an extended period of time may be required to fully implement the asset allocation plan. It is expected that market value fluctuations will cause deviations from the target allocations to occur.

The asset allocation targets and asset class limits for various funds are provided in the Addendum, and subject to modification and change based on recommendations from advisors and approval of the Board.

At the Board's discretion all, none or a portion of ECCF's assets may incorporate Socially Responsible Investment (SRI) by utilizing environmental, social, and corporate governance management strategies.

Rebalancing
The investment portfolio will be reviewed by the ECCF's advisors on an ongoing and dynamic basis and rebalanced within guidelines when any asset class is outside the minimum or maximum policy allocation. Modifications to re-balancing activity will be considered when necessary. Cash flows into the portfolio will be utilized to rebalance toward the current tactical allocation.

Risk Tolerance
The Board realizes that there are many ways to define risk. It expects that any person or organization involved in the process of managing the investment portfolio understands how it defines risk so that the assets are managed in a manner consistent with the investment objectives and investment strategy as designed in this IPS. The Board defines risk as the inability to achieve distribution goals due to below average investment returns over longer periods of time (defined as rolling 5 year periods) due to under performance of investment returns vs. the respective benchmark.

To measure risk for the management of the investment portfolio, a variety of risk measurements will be considered and evaluated. These risk measurements will be included in the quarterly performance reports after enough data points are accumulated, which is typically 24 months.

A. Beta – The Beta of the aggregate total investment portfolio will be monitored versus the Beta of the relative benchmark on a dynamic basis.

B. Alpha – The risk adjusted returns of the aggregate total investment portfolio will be measured versus the Alpha of the relative benchmark on a dynamic basis.

C. The reports may include upside and downside capture which calculates how much of the market volatility is being captured in the investment portfolio.

The Board desires not to invest purposely in derivative securities. This terminology is commonly regarded as such by securities industry standards and includes, but is not limited to, structured notes (other than conservative structured notes that are principal guaranteed, unlevered, and of short-to-intermediate maturity); lower class (as defined by FFIEC) tranches of collateralized mortgage obligations; collateralized debt obligations; principal only or interest only strips; inverse floating rate securities; future options; short sales; and margin trading.

PERFORMANCE MONITORING, AND REPORTING AND EVALUATION

Performance reports generated by advisors shall be compiled quarterly for Investment Committee review. The Investment Committee will review the performance report and evaluate each advisor based on the following criteria:

Performance report should consider the following:

A. Whether the advisor and other investment vehicles performed in accordance with the policy guidelines set forth herein following the Addendum

B. Whether the advisor's style remains consistent with the style and methodology represented by the advisor when originally retained.

C. Advisors are required to provide performance calculation on an investment portfolio, and asset class level net of fees. Performance should be provided for both annual calendar periods and 2, 3, 5, and 10 year periods and shall be evaluated based upon performance risk and objectives over various trailing and rolling periods and recognized market indices and peer groups over those same rolling and trailing periods, all as further defined in the Addendum.

D. Investment performance will be calculated utilizing industry standards such as the time weighted method. Advisors are not required but should consider reporting performance utilizing the Global Investment Performance Standards.

E. Advisors are to provide performance attribution analysis to measure proficiency based on tactical decision making. This should include attribution analysis for, but not limited to, asset allocation, manager selection, market capitalization, style (value growth) and international weighting.

INDIVIDUALLY MANAGED ACCOUNTS

At the Board's discretion, and with its advance approval, the assets of a particular component fund of ECCF's investment portfolio may be managed by an advisor recommended by the fund's donor or the donor's advisor provided the value of the fund meets minimum criteria of a donation of $1 million or more, as established by ECCF and provided the advisor satisfies the criteria contained in this IPS. Any such advisor must acknowledge and agree to comply with this IPS. The advisor must adopt and follow the asset allocations for one of ECCF's investment pools. Advisor performance will be reviewed on the same basis as ECCF's other advisors. Upon the death of the fund's original donor, the agreement between ECCF and the advisor may continue for a period of up to two years if the donor has so requested in writing. Additional extensions of the agreement must be approved by the Board. The Board reserves the right to terminate the services of any such advisor in its sole discretion.

The Board and Investment Committee will not approve any advisor who is the donor or a member of the donor's family or any investment firm controlled by the donor either individually or together with members of the person's family.

EXCESS BUSINESS HOLDINGS

Treatment of Excess Business Holdings

Under the Pension Protection act of 2006 (PPA), the private foundation excess business holdings rule (as defined in section 4943(c) of the Internal revenue Code, or the corresponding section of any future federal tax code) now apply to donor advised funds held by a community foundation. That is, the holdings of a donor advised fund in a business enterprise, together with the holdings of persons who are disqualified persons with respect to that fund, may not exceed any of the following:

- 20% of the voting stock of an incorporated business;
- 20% of the profits interest of a partnership, joint venture, or the beneficial interest in a trust or similar entity;
- Any interest (other than 2% or lesser interest in both value of all outstanding interests and voting stock, capital interest, or beneficial interest) in an entity in which any interest is owned by a donor or advisor to the donor advised fund, by a family member of any such person, or by an entity in which any of the foregoing persons has an interest

Donor advised funds receiving gifts of interests in a business enterprise will have five years to divest holdings that are above the permitted amounts, with the possibility of an additional five years if approved by the question about the gift, it shall be referred to ECCF's Board of Trustees or appropriate, legal counsel for a determination on the possible application of IRS Code Section 4943. ECCF will notify potential donors of such requirements prior to the acceptance of such interests.

Ownership of unincorporated businesses that are not substantially related to the fund's purpose is also prohibited.

DISTRIBUTION POLICY

ECCF is a permanent institution. As a result, it has adopted stable long-term policies that increase the likelihood of achieving the investment objectives. These policies begin with ECCF's Distribution Policy. In order to supply ECCF with a predictable level of funds, a total return distribution policy has been adopted. This currently provides for a 4% distribution of the rolling 20 quarter market value for endowment funds. The Investment Committee is responsible for making the distribution policy change recommendations to the Board in order to preserve principal, purchasing power and long term growth of endowment funds. *Appendix A - Distribution Policy, and Appendix B - Annual Determination of Distribution Amount.*

CONFLICTS OF INTEREST

Any actual or potential conflicts of interest possessed by a member of the Investment Committee must be disclosed and resolved pursuant to ECCF's Conflict of Interest Policy for Investment Committee members. *Appendix C – Conflict of Interest Policy for Investment Committee.*

CONFIDENTIALITY

Members of the Investment Committee, ECCF staff, and advisors with ECCF's investments are expected to maintain the confidentiality of information obtained solely by virtue of this position on the Investment Committee, as a member, or as an advisor.

7/28/2016 – Rolling 12 quarter average changed to a rolling 20 quarter average.

7/27/2017 – Maintain the overall portfolio to be diversified was added to Investment Goals page 7.

4/26/2018 – General Investment Principles, section E – Clarity of derivatives and logo update.

1/30/2020 – combined the Investment Managers and Advisors, removed duplicates, added dynamic and static benchmark language and expanded on the tactical asset allocation. Revise Excess Business Holdings language. Outside money manager minimum $1Million.

ADDENDUM: ASSET ALLOCATION GUIDELINES

ECCF's investment portfolio benchmarks are based on its Strategic Allocation Target for each investment pool using suitable market indices to represent each asset class. ECCF maintains three investment pools with varying risk and return objectives.
A tactical asset allocation is an adjustment to a strategic asset allocation for changing market conditions subject to forecast whim or intuition over the short term. Strategic asset allocation describes the practice of creating a portfolio with a mix of assets designed to fit the investment parameters of the investor. A key assumption is that those parameters will remain relatively stable over the long term.

Investment performance review of the assets of the Investment Fund shall be in accordance with the following asset allocation guidelines: Investment performance shall be measured based on the weighted average of the targets for each pool multiplied by the corresponding benchmarks:

Long Term Pool (Long-Term Growth of Capital Fund) – To emphasize long-term growth of principal while avoiding excessive risk, short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market-index. The time horizon for this Fund is 10 years or more.

Asset Class	Strategic Allocation Target	Minimum	Maximum
Equities	**70%**	**40%**	**80%**
U.S. Large Cap Equity	32%	20%	40%
U.S. Mid Cap Equity	10%	5%	20%
U.S. Small Cap Equity	7%	5%	20%
Intl Developed Markets Equity	14%	5%	25%
Intl Emerging Markets Equity	7%	0%	15%
Hedge Funds	0%	0%	5%
Fixed Income & Cash	**30%**	**20%**	**45%**
Intermediate Fixed Income	30%	5%	30%
Global Fixed Income	0%	0%	20%
High Yield Fixed Income	0%	0%	15%
Cash & Equivalents	0%	0%	15%
Opportunistic	**0%**	**0%**	**20%**
Real Assets and Real Estate	0%	0%	5%
Treas. Inflation Protected Securities	0%	0%	5%
Multi Strategy	0%	0%	5%
Managed Futures	0%	0%	5%
Commodities	0%	0%	5%

Intermediate Pool (Moderate Growth Fund) – The Moderate Growth Fund intends to balance liquidity needs and capital appreciation of a full market cycle. Time horizon for the fund is 5-10 years.

Asset Class	**Strategic Allocation Target**	**Minimum**	**Maximum**
Equities	**50%**	**40%**	**60%**
US Large Cap	22%	10%	30%
US Mid Cap	8%	0%	15%
US Small Cap	5%	0%	10%
International Equity	10%	5%	25%
Emerging Markets Equity	5%	0%	10%
Fixed Income & Cash	**50%**	**40%**	**60%**
Intermediate Fixed Income	45%	25%	50%
Inflation-Linked Fixed Income	0%	0%	10%
High Yield Fixed Income	0%	0%	10%
Cash & Equivalents	5%	0%	25%
Opportunistic	**0%**	**0%**	**20%**
Real Estate	0%	0%	5%
Commodities	0%	0%	5%
Multi Strategy	0%	0%	5%
Managed Futures	0%	0%	5%

Short Term Pool (Income Fund) - Protects the principal value of the portfolio. The portfolio will produce lower long-term expected returns in exchange for smaller, infrequent losses. Time horizon for the fund is less than 5 years.

Asset Class	**Strategic Allocation Target**	**Minimum**	**Maximum**
Fixed Income & Cash	**100%**	**100%**	**100%**
Investment Grade Fixed Income	90%	75%	100%
Inflation-Linked Fixed Income	0%	0%	10%
High Yield Fixed Income	0%	0%	10%
Cash & Equivalents	10%	0%	25%

Money Market (Capital Preservation Fund) – This fund is intended for short term project needs and as such should maintain liquidity of under 1 year duration. The Executive Director has the authority to seek competitive investment performance through money markets that have immediate access to funds as needed and reports these transactions quarterly to the Board of Trustees.

ASSET CLASS	MARKET INDEX
Equities	**Equities**
U.S. Large Cap Equity	Russell 1000
U.S. Mid Cap Equity	Russell Midcap
U.S. Small Cap Equity	Russell 2000
Intl Developed Markets Equity	MSCI EAFE
Intl Emerging Markets Equity	MSCI Emerging Markets
Hedge Funds	HFRI Fund of Funds
Fixed Income and Cash	**Fixed Income and Cash**
Intermediate Fixed Income	Barclays Intm. Gov't/Credit
Global Fixed Income	Citigroup World Govt.
High Yield Fixed Income	Merrill High Yield Master
Opportunistic	**Opportunistic**
Real Assets and Real Estate	NCREIF Real Estate
Treasury Inflation Protected Securities	Barclays US TIPS

POLICY

Approved: 12/2006
Rev.Approved:12/21/2007
Rev. Approved: 5/27/2010
Rev.Approved:10/25/2012
Rev. Approved: 4/30/2015
Rev. Approved: 5/6/2016
Rev. Approved: 7/28/2016
Rev. Approved: 12/18/2018
Rev. Approved: 12/06/2019
Rev. Approved: 1/26/2023

APPENDIX A – DISTRIBUTION POLICY

The Eau Claire Community Foundation's Board of Trustees has adopted this Policy to assist the Foundation's director, officers, employees, agents, and fiduciaries (which include supporting organizations, affiliate funds, and volunteers) in fulfilling their obligations and commitments.

The goals of the Distribution Policy are:

- **to protect the endowed funds to last in perpetuity;**
- **to grow endowed funds over time; and**
- **to give ECCF's grantees the benefit of a reasonably stable, consistent, and predictable flow of funds.**

The Eau Claire Community Foundation makes distributions from fully funded funds as grants for charitable purposes. The amount distributed for grants each year is determined by the current distribution rate, which is set by ECCF's Board of Trustees, acting on advice from the Investment Committee.

ECCF has constructed its investment portfolio to achieve a total return that will maintain its endowed funds in perpetuity. Over the long term, the distribution rate, coupled with the investment returns, is designed to maintain or increase a fund's distributions over time.

ECCF bases annual grant distributions on the average market value of a fully funded fund over the prior twenty quarters' trailing average. For fully funded funds less than five years old, the market value will be the average of all quarterly market values-to-date. A fund may begin granting in the calendar year after the required minimum funding level is reached. The amount available for annual distribution is calculated based on the distribution rate and the quarter-end balances as of December 31 of the prior year. The distribution rate will be established by the Board of Trustees in the last quarter of the prior year. The distribution rate may be changed from year to year, adjusted to reflect special funding needs and financial market conditions.

To meet the annual distribution, ECCF may utilize interest, dividends, and capital appreciation. This distribution strategy reflects the total return approach to investing and disbursing funds to reach our goals listed above. Where prudent and consistent with ECCF's bylaws, trust documents, and fund agreements, ECCF may use a portion of the principal (historic value) of certain funds as part of the annual distribution or to fund special projects as determined by the Board or as designated by the donor of such funds.
To achieve these goals-the trustees will distribute no more than 5% of a 20 quarter average of the market values of ECCF's assets as of December 31 of the prior year.

The spendable amounts for Designated, Field of Interest and Unrestricted calculated in January of each year and the Designated Scholarships which are calculated in September of each year will be moved to a Money market account to protect those dollars from downturns of the market in that year.

Donor Advised Fund Distributions

Granting from a fully endowed donor advised fund can occur when the fund balance, adjusted by appreciation and depreciation, exceeds the minimum requirement. Once the fund is fully funded, advisors may recommend grants provided the distribution never grants from principal (gifts to the fund). If gifts to a fully endowed donor advised fund are greater than the required minimum, the total of the gifts is then treated as the minimum requirement and granting can occur when the fund, adjusted by appreciation and depreciation, exceeds that minimum.

ECCF may approve a one-time distribution (pass-through donation) to one or more recipients from a fully funded endowed or quasi-endowed fund, where an available gift over and above the minimum fund balance is given. The one-time distribution is subject to the administrative fee schedule for donor advised funds.

Granting from a quasi-endowed donor advised fund can exceed the annual recommended distribution and may include principal, provided the fund's market value, adjusted by appreciation and depreciation, does not fall below the minimum requirement.

The annual distribution policy percent is a recommended guideline for donor advised funds.

Non-Donor Advised Fund Distributions

Granting from a fully endowed non-donor advised fund can occur when the fund balance, adjusted for appreciation and deprecation, exceeds the minimum requirement. If gifts to a fully endowed non- donor advised fund are greater than the minimum requirement, the total of gifts is then treated as the minimum requirement and granting can occur when the fund, adjusted by appreciation and depreciation, exceeds that minimum.

Scholarship Funds

The amount available for annual distribution is calculated based on the distribution rate approved in the October Board of Trustee Meeting using the quarter-end balances as of September 30 of current year for the next year. Scholarship applications are available to students by November 1 each year.

APPENDIX B - ANNUAL DETERMINATION OF DISTRIBUTION AMOUNT

Review at Board of Trustee Meeting in October every year

The amount that can be expended annually from endowment funds is determined annually by the Board of Trustees based on the recommendation of the Investment Committee. This amount applies to endowed funds and to funds that may not meet the technical legal requirements of an endowed fund but that are intended by the donor to be of long duration.

The Board has determined that the distribution amount for ________ shall be _____% of the net value of a permanent fund.

In making this determination, the Board took into consideration:

- The duration and preservation of its permanent funds;
- ECCF's purposes and those of the funds;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and the appreciation of investments;
- ECCF's other resources; and
- ECCF's investment policy.

Accepted as of ________________, 20______

____

Chair, Board of Trustees

Approved by Board of Trustees: ______________, 20_____

Revisions:

Updated with the % average on 12/21/2007.

Updated on April 4, 2011 with a new logo.

Approved on 10/25/12 with the addition of the donor advised and non-donor advised clarification.

Approved on 4/30/2015, the content rewritten to flow smoothly with a better understanding of its meaning.

The addition of Appendix B was added to the policy and approved on 5/6/2016.

The policy revision from a 12 quarter average to a rolling 20 quarter average was approved on 7/28/2016.

The policy was revised from a 9/30 to a 12/31 date when determining the distribution amount. Approved 12.18.2018.

The addition of supporting organizations and affiliate sin this was approved on December 6, 2019.

Approved on 1/26/2023 is the revision of the timing to 9/30 for scholarship distributions and also movement of distribution dollars to money market each year.

POLICY

Approved 5.6.2016

Revisions Approved 7.25.2019

APPENDIX C - CONFLICT OF INTEREST POLICY FOR INVESTMENT COMMITTEE

1. Policy With Respect to Conflicts of Interest.
Certain investment relationships that members of the Investment Committee might have could present a potential or actual conflict of interest. This Conflict of Interest Policy is intended to provide the Investment Committee with a policy and procedure for handling conflicts of interest. This Conflict of Interest Policy modifies ECCF's Conflict-of-Interest Policy with respect to conflicts related to matters under consideration by the Investment Committee. (Unless otherwise defined herein, capitalized terms have the meanings set forth in the Investment Policy). Specifically, a conflict of interest could arise when:

(i) a member of the Investment Committee has a material ownership interest in, or is directly employed by, or receives anything of value (monetary or otherwise) from a potential Investment Advisor or Investment Manager;

(ii) a member of the Investment Committee is a client of a potential or existing Investment Advisor or Investment Manager (e.g., the Investment Committee member is also an investor with the Investment Manager); or

(iii) a member of the Board or an officer who is *not* a member of the Investment Committee has a material ownership interest in, or is directly employed by, a potential Investment Advisor or Investment Manager.

2. When an Investment Committee Member Owns or is Employed by or Receives anything of Value, (Monetary or Otherwise) from Investment Advisor or Investment Manager:
It is the general policy of ECCF not to engage an Investment Advisor and not to invest with an Investment Manager if a member of the Investment Committee has a material ownership interest in, or is directly employed by, or has a professional relationship that involves receiving anything of value (monetary or otherwise) from the Investment Advisor or Investment Manager. If an Investment Committee member has such a relationship, that relationship must be disclosed to the Chair of the Committee in accordance with the procedures described below.

3. When an Investment Committee Member is a Client of a Potential Investment Advisor or Investment Manager:
If an Investment Committee 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 ECCF, a different fund, or in a separate investment account with the Investment Manager, such relationship or investment must be disclosed to the Chair pursuant to the procedures described below.

4. When a Trustee who is not an Investment Committee Member Owns or is Employed by a Potential Investment Advisor or Investment Manager:

It will be the responsibility of the Investment Committee, 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 Investment Committee will disclose the interest to the Board Chair, who will consult with the Executive Committee and legal counsel, as appropriate, to determine whether the relationship merits further consideration by the Investment Committee.

5. Household Family Members:
The policy and procedures described also apply to a related person to the Investment Committee member, which is defined as a spouse, a parent, child, spouse of a child, sibling, spouse of a sibling, domestic partner or other member of household ("Household Family") who has held a position. For example, if an Investment Committee member knows that his or her Household Family member has an investment with an Investment Manager under consideration by the Investment Committee, the Investment Committee member will disclose this information in accordance with the procedures described below.

Procedure for Disclosure and Recusal

1. Investment Committee Members:

When an Investment Committee Member Owns or is Employed by or Receives Anything of Value (Monetary or Otherwise) from an Investment Advisor or Investment Manager.
If the Investment Committee is considering engaging an Investment Advisor or purchasing an investment with an Investment Manager, an Investment Committee member with a material ownership interest in, or who is directly employed by, or has a professional relationship that involves receiving anything of value (monetary or otherwise) from the Investment Advisor or Investment Manager, must disclose the interest or employment to the Board Chair. In consultation with legal counsel and Executive Committee, as appropriate, the Board Chair will make a recommendation to the Committee, which will determine whether the Investment Advisor should be disqualified from engagement by ECCF, or the Investment Manager should be disqualified from investment by ECCF, or whether the Investment Committee members with conflicts of interest should recuse themselves from the committee.

When an Investment Committee Member is a Client of an Investment Advisor or Investment Manager:
If the Investment Committee 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, an Investment Committee 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 and Executive Committee, as appropriate, the Chair will make a recommendation to the Investment Committee, which will determine whether the member should be recused from the engagement or purchase or redemption decision. Whether it is advisable for the member to be recused will depend on the facts and circumstances. The relevant inquiry will include, among other factors, whether ECCF's decision to engage, invest, redeem, or take no action could have an impact on the Investment Committee member's relationship or investment in any material way.

If an Investment Committee member is unsure whether his or her relationship with a potential or current Investment Advisor or with a potential or current Investment Manager merits disclosure, the Investment

Committee member will err on the side of caution and disclose the relationship to the Chair. This policy is not intended to discourage Investment Committee members from bringing investment opportunities to the Investment Committee for consideration, but is meant to provide the Investment Committee and the Board with full transparency.

2. Staff:

If the Investment Committee is considering engaging an Investment Advisor, or is considering an investment in a fund or with an Investment Manager, ECCF staff who

(i) have a material ownership interest in, or are directly employed by, a potential or existing Investment Advisor or Investment Manager; or

(ii) are clients of a potential or existing Investment Advisor or Investment Manager, must disclose the interest to the Board Chair. In consultation with legal counsel and the Executive Committee, as appropriate, the Board Chair will determine whether the relationship merits further consideration by the Investment Committee. This policy also applies to Household Family members of ECCF staff who should not co-invest in the same investments in which ECCF invests without prior approval of the Chair of the Investment Committee. This policy does not require ECCF staff to redeem investments held prior to ECCF's relationship with that fund or Investment Manager.

3. Investment Advisors:

If the Investment Committee is considering an investment in a fund or with an Investment Manager, any external Investment Advisor or Consultant to the Investment Committee who

(i) has a material ownership interest in, or is directly employed by, a potential or existing Investment Manager; or

(ii) is a client of a potential or existing Investment Manager must disclose the interest to the Board Chair. In consultation with legal counsel and Executive Committee as appropriate, the Board Chair will determine whether the relationship merits further consideration by the Investment Committee. This policy also applies to Household Family members of the Investment Advisor. The Executive Committee will be responsible for communicating this policy to the Investment Advisor.

4. Annual Disclosure:

On an annual basis, ECCF staff will provide the Board, Investment Committee, Executive Committee and Investment Advisors with a list of current relationships and investments with Investment Advisors and Investment Managers in a form substantially similar to the form attached as *EXHIBIT B, Annual Investment Conflict of Interest Disclosure Statement (page 21).* Each Board member, Investment Committee member, ECCF staff, and Investment Advisor should indicate on the form provided if, to the best of his or her knowledge, he, she and/or a member of his or her Household Family;

(i) has a material ownership interest in, or is directly employed by, an Investment Advisor engaged by ECCF or an Investment Manager with which ECCF invests,

(ii) is a client of an Investment Advisor engaged by ECCF or

(iii) has an investment in any of the funds in
(a) which ECCF is invested, or in any fund managed by the same Investment Managers, or
(b) any separate investment account with any of the Investment Managers with which ECCF invests.

5. Disclosure, Abstention and Recusal With Respect to Other Potential Conflicts of Interest:
Other relationships that do not rise to the level of those covered in paragraphs (a) and (b), above, may still present a conflict of interest for a member of the Investment Committee if the member's independent judgment regarding the Investment Advisor or Investment Manager *could* be impaired by virtue of the relationship. Potential conflicts of interest must be disclosed to the Chair of the Investment Committee, who will consult with Executive Committee and legal counsel, as appropriate, to determine whether the Committee member must abstain or recuse himself or herself from consideration of the matter.

6. Recusal Process:
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 Investment Committee, and after the member responds to any questions that the Investment Committee 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 Investment Committee 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. Indirect Relationships:
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 Investment Committee 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 an Investment Committee 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 B

ANNUAL INVESTMENT CONFLICT OF INTEREST DISCLOSURE STATEMENT

Name: ____

Title: ____

(LIST OF CURRENT INVESTMENTS AND NAMES OF INVESTMENT CONSULTANTS AND INVESTMENT MANAGERS WILL BE PROVIDED BY STAFF.)

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 Household Family members,

(i) have a *material* ownership interest in, or am directly employed by, or have a professional relationship that involves receiving anything of value (monetary or otherwise) from the Investment Advisor or Investment Manager engaged by ECCF or any Investment Manager with which ECCF invests, as named above,

(ii) am a client of an Investment Advisor(s) engaged by ECCF

I hereby certify that I have received a copy of ECCF's current Conflict-of-Interest Disclosure Statement applicable to investments, have read and understand the Statement, and agree to abide by it.

Signature: ____

Print Name: ____

Date: ____

PLEASE LIST ANY EXCEPTIONS BELOW:

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APPENDIX D – CERTIFICATION OF ACCEPTANCE BY INVESTMENT PROFESSIONALS

I have received, Eau Claire Community Foundation's Investment Policy Statement approved on January 30, 2020.

____

Organization

__________________________	____
Date	**Signature**
	____
	Print Name
	____
	Print Title