



Gorge Community Foundation

INVESTMENT POLICY

Revised January 2023

INTRODUCTION

The purpose of this statement is to communicate to the Foundation's Investment Committee and Investment Advisor a clear understanding of the investment policies and objectives of the Gorge Community Foundation.

This Statement will outline an overall philosophy that is specific enough to be meaningful, but sufficiently flexible to allow for changing economic and market conditions. The Statement will provide realistic risk policies and long-term rate of return goals, which will serve as standards for evaluating investment performance.

The Statement also will establish any investment restrictions to be placed upon the Committee/Advisor, and will outline procedures for policy and performance review.

It will be the responsibility of the Committee/Advisor to invest and to reinvest the assets of the Account on a continual (discretionary) basis.

All investments must be made within guidelines mandated by controlling state and Federal Statutes and by the New York Stock Exchange and Securities and Exchange Commission.

In addition, all investments are to be made consistent with the safeguards and diversity to which a prudent expert would adhere.



OBJECTIVES OF THE FOUNDATION

The objective of the Foundation is to achieve a net investment return which over time exceeds the sum of charitable distributions (currently 5%), management fees (currently 0.75%), administrative fees and the rate of inflation.

In order to meet this goal, a total return approach to overall investment strategy is necessary with a balanced asset allocation that will generate both growth and income.

The objective of the Foundation should be pursued as long-term goals. While it is understood by the Foundation that fluctuating rates of return are characteristic of the securities markets, the Committee/Advisor's greatest concern should be consistency of annual total portfolio returns.

RISK TOLERANCE

The Foundation recognizes and acknowledges that some risk must be assumed in order to achieve the long-term objectives outlined above. In consideration of the long term nature of the objectives of the Foundation there is an ability to withstand short and medium term volatility.

In addition, the Foundation expects to participate in market movements as represented by a balanced index comprised of the Standard and Poor's Stock Index (S&P 500) and Bloomberg US Aggregate Bond Index in similar proportion to the actual portfolio asset mix.

TIME HORIZON

The investment policy of the Foundation is based on a time horizon of greater than 5 years with an understanding that the organization intends to be in existence indefinitely.

TAX CONSIDERATIONS

Tax considerations are not an issue



LIQUIDITY

The desire of making 5% charitable grants needs to be planned for but is not so restrictive that a significant portion of the assets cannot be invested for long term growth.

POLICIES AND RESTRICTIONS

Asset Allocation

The Committee/Advisor has broad responsibility to shift the commitment of assets among asset classes, industry sectors and individual securities to pursue opportunities or to reduce risks presented by long-term secular changes in the capital markets. The following table is a guideline for the overall asset allocation of the Gorge Community Foundation Main Account:

<i>Asset Class</i>	<i>Target Weighting</i>	<i>Maximum Weighting</i>	<i>Comparison Index</i>
US Large Cap Equities	50%	70%	S&P 500
US Small Cap	5%	10%	Russell 2000
International Equities	10%	20%	MSCI ACWI ex US
Alternative Investments	0	10%	CPI+3%
US Fixed Income	30%	50%	Bloomberg US AGG
Cash	0	20%	N/A

Pursuant to the objectives of the foundation as stated above, the overall investment performance of the total portfolio will be measured against a “blended benchmark” that consists of a weighted average of the target weights for each asset class listed in the table above. Thus, the blended benchmark is as follows: 50% S&P 500 Index, 5% Russell 2000 Index, 10% MSCI ACWI ex US, 5% CPI + 3%, 30% Bloomberg US AGG Index.



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The following table is a guideline for the overall asset allocation of the Gorge Community Foundation Socially Responsible Investment Account:

<i>Asset Class</i>	<i>Target Weighting</i>	<i>Maximum Weighting</i>	<i>Comparison Index</i>
US Large Cap Equities	50%	70%	S&P 500
US Small Cap	5%	10%	Russell 2000
International Equities	10%	20%	MSCI ACWI ex US
Alternative Investments	0	10%	CPI+3%
US Fixed Income	30%	50%	Bloomberg US AGG
Cash	0	20%	N/A

The Gorge Community Foundation Business Account will contain only cash and cash equivalents.

Equities

Equity holdings may be selected from the New York, American and Regional Stock Exchanges, or from the NASDAQ, including American Depository Receipts of foreign companies. These holdings must represent companies meeting a minimum capitalization requirement of \$150 million with high market liquidity. The Committee/Advisor is prohibited from investing in private placements, letter stock and options, and from engaging in short sales, margin transactions, commodities, or other specialized investment activities.

Within these guidelines, the Committee/Advisor is given full responsibility for security selection and diversification, subject to maximum 10% commitment of the Account's equity market value to any one position, and 30% for any particular industry. The Committee/Advisor will also have full discretion over turnover of securities in the portfolio.

Fixed Income

For the fixed income portion of the portfolio, the Committee/Advisor may select from appropriately liquid preferred stocks, corporate debt securities, including convertible bonds, and obligations of the US government and its agencies.

Maturity structure is at the discretion of the Committee/Advisor, though a staggered maturity structure should be a starting point in developing a fixed income



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portfolio. Investments in the securities of any one issuer, with the exception of the US government, may not exceed 25% of the market value of the total portfolio. No more than 5% shall be invested in securities with a rating of less than BBB-/Baa3 from Standard and Poor's and/or from Moody's. The Committee/Advisor is prohibited from investing in private placements, bond denominated in foreign currency, and from interest rate futures or options on futures.

Cash Equivalents

The Committee/Advisor may invest in commercial paper, repurchase agreements, Treasury bills, certificates of deposit, and money market funds. All such assets must represent maturities of one year or less at the time of purchase.

Commercial paper must be rated A-1 or P-1 by Standard and Poor's or Moody's respectively. The Committee/Advisor may not purchase for cash equivalents in the portfolio any assets considered to have significant uncertainty of interest payment of principal value, no matter how short their maturities.

The Committee/Advisor may not invest more than 5% of the account's market value in the securities of any one issuer with the exception of the US Government and its agencies, and money market funds.



Alternative Investments: Alternative Investments are non-traditional assets and strategies. These may include mutual funds, exchange-traded funds (ETF's), real estate, real estate investment trusts (REIT's), commodities, hedge funds, and private equity. Alternative Investments may seek higher income, higher returns, or greater stability than Equities or Fixed Income. Alternative Investments are likely to be significantly less liquid than Equities or Fixed Income. Depending on the type of investment, liquidity may be quarterly or less frequent. The benchmark for the Alternative Investments asset class is the Consumer Price Index plus 3 percent (CPI+3%).

Other

Direct investments into real assets such as private real estate, private timberland, and private farmland, are allowed with the approval of the Investment Committee. If the Committee wishes to purchase assets, such as real estate, that are not specified in the categories above, applicable guidelines will be established for management, monitoring and measuring the results of these investments, prior to their purchase.

INVESTMENT PERFORMANCE REVIEW

The Foundation will monitor the Performance of all investment accounts on a semi-annual basis. The investment portfolio(s) performance will be measured against commonly accepted market comparisons relative to the asset class and manager style.

An independent investment advisor will be used to help implement these guidelines.

Consideration shall be given to the extent to which the investment results are consistent with the investment objectives and goals set forth in the statement.