



CHARLOTTESVILLE AREA COMMUNITY FOUNDATION

INVESTMENT POLICY STATEMENT FOR SEPARATELY INVESTED FUNDS

OVERVIEW

This document represents the Investment Policy Statement ("IPS") of the Charlottesville Area Community Foundation ("CACF") Separately Invested Funds ("SIFs"). SIFs are the assets of a Donor Advised Fund ("DAF") managed by an external investment advisor as recommended by the donor and approved by the Investment Committee. The purpose of this IPS is to guide the CACF Governing Board, Investment Committee, Investment Advisors and Director of Finance in effectively managing, monitoring and evaluating CACF's SIF portfolios.

INVESTMENT RESPONSIBILITIES

Also see the CACF's internal IPS, incorporated herein by reference.

Governing Board

The Governing Board appoints members of the Investment Committee and designates the Chairperson. The Chairperson of the Investment Committee will report periodically to the Governing Board on the status of CACF's SIFs, and on the policies and practices of the Committee.

Investment Committee

The Investment Committee is responsible and accountable, as delegated by the Governing Board, for the prudent management of the SIFs, including:

- 1) Review and approval of donor recommended investment advisor, to include sufficient due diligence such as introductory meeting(s) by at least two Investment Committee members, contract review, and confirmation the advisor satisfies certain regulatory matters as defined by the Investment Committee on a case-by-case basis,
- 2) Confirm the Investment Advisors will follow the CACF's internal IPS or provide a custom IPS specific to the DAF's investment strategy,
- 3) Conduct ongoing monitoring to include report review at least quarterly and annual update meeting by at least two members of the Investment Committee,
- 4) Monitor investment expenses,
- 5) Report to the Board periodically the results of the investment program, and

- 6) Conduct periodic evaluations of investments based on environmental, social, and governance factors to ensure that there are not misalignments with the CACF's mission.

The Committee may be composed of both Governing and non-Governing Board members. A quorum of the Committee is defined as a majority of members of the Investment Committee.

Investment Advisors

The Investment Advisor is responsible for the attainment of the SIF's investment objectives while complying with all Investment Policy guidelines and standards. SIFs are generally expected to follow the investment guidelines as outlined in the CACF's internal IPS. If the Donor's spending policy and investment objectives differ meaningfully from the CACF Long-Term, Short-Term, or any other established Pools, then the Investment Advisor will be required to provide a custom governing document in writing. The Investment Advisor serves as the primary contact for all the underlying investments and will consult with the Director of Finance on all material changes made to the portfolio strategy, asset classes, and investments. Investment Advisor responsibilities also include:

- 1) With authorization of the CACF Investment Committee, establish an account with a qualified custodian in the legal name and tax identification number of the CACF, with reference to the DAF,
- 2) Adhere to the SIF's prescribed IPS, while also acknowledging acceptance of the general guiding principles as outlined in the CACF's internal IPS, if a custom IPS is associated with the DAF,
- 3) Oversee the process of investment selection and ongoing monitoring of the portfolio,
- 4) Prepare and present appropriate performance and allocation reports in writing to the Investment Committee at least quarterly, and
- 5) Conduct periodic rebalancing of underlying strategies, as appropriate.

Director of Finance

- 1) Ensure all required due diligence and documentation is in place prior to implementation of a new SIF,
- 2) Monitor implementation of the underlying SIF IPS and account opening,
- 3) Coordinate Investment Advisor selection and review processes, and ongoing due diligence,
- 4) Ensure regular reporting of investment allocations and performance to Investment Committee,
- 5) Communicate investment information and results to SIF fundholders.

PROXY VOTING POLICY

All proxies are voted by the individual Investment Advisors, as applicable, with the purpose of achieving the investment objectives of the Separately Invested Fund.

POLICY CHANGES

The Investment Committee will review this policy annually at its August meeting and make changes, if any, as necessary.

This policy was approved by the CACF Governing Board on December 14, 2015.

REVISED, AMENDED, APPROVED December 3, 2021 – Investment Committee

December 9, 2021 – Governing Board