

# Jewish Community Foundation of Greater Mercer

## Investment Policy

### I. Investment Committee

The Investment committee is charged with the responsibility of managing and monitoring the Foundation's investments and working closely with the staff to ensure that the investment objectives are being met. The Vice President, Investments shall serve as Chair of the Investment Committee. The Investment Committee shall:

- A. review overall fund performance and that of individual managers, if any are engaged, at least quarterly and makes changes when it determines them to be appropriate;
- B. either collectively or by delegation to the Vice President, Investments, review the asset allocation no less frequently than monthly;
- C. make recommendations to the board of trustees of the Foundation (the "Board") as to the engagement of investment managers;
- D. in the event fund manager(s) are engaged, meet with such manager(s) periodically to review Investments, ensure compliance with, and a clear understanding of, investment policies, guidelines and objectives, and to evaluate the performance of such managers, and shall recommend to the Board changes in fund manager(s); and
- E. recommend to the Board changes in this Investment policy, as well as guidelines and practices as appropriate to ensure the preservation and enhancement of assets.

The composition of the Investment Committee (the "Committee") shall be no fewer than five or more than eight members, selected from the Board and community, who have sufficient practical experience and independence as to guide the investments of the Foundation. Members shall be appointed by the president of the Foundation in consultation with the Vice President, Investments. Additionally, the president and treasurer of the Foundation shall be ex officio members of the Committee. A membership roster shall be maintained by the Foundation staff, and attendance shall be recorded at each meeting of the Committee and attached to the minutes of each meeting of the Committee, whether scheduled or special, telephonic, Internet or in-person.

All members of the Committee shall be required to sign conflict of interest form at the first meeting of the Committee each fiscal year.

Committee members shall be required to attend a minimum of 75% of the meetings of the Committee in order to retain membership in the Committee. Any Board member who is not a member of the Committee may attend meetings of the Committee, but shall not be entitled to vote. Decisions of the Committee shall only be made when 50% or more of the members of the Committee are in attendance at a meeting of the Committee (a "Quorum"), but absent a Quorum, the chair of the Committee shall have the authority to make decisions on the Committee's behalf when determining, in his or her sole judgement, that such a decision is in response to, or to preclude, an emergency.

### II. Investment Managers

#### A. Engagement of Investment Managers.

Investment Managers may be engaged based upon evaluation by and recommendation of the Committee and approval of the Board. "Investment Manager" shall mean any individual, financial institution or firm that is properly licensed in accordance with all laws, rules, regulations with all state, federal, quasi-governmental and regulatory bodies governing investment managers

including the Investment Advisors Act of 1940, unless specifically exempt by law. Investment managers shall be retained in revocable agreements. They are to operate in accordance with policies established by the Investment Committee and approved by the Board.

#### B. Performance and Evaluation

In general, with respect to all investment managers, performance shall be reviewed in detail on a regular basis. It is recognized that the investment objectives may not be attained in every period, but view the three- to five-year period as most important (intended to capture a full market cycle), although the Committee may choose to evaluate the performance of an investment more frequently, and may do so at its discretion, or upon a request of the Board. Among the items monitored will be:

1. consistency in implementation of the agreed-upon investment philosophy;
2. return relative to investment objectives;
3. investment risk as measured by asset concentration, exposure to extreme economic conditions and market volatility; and
4. changes to key staff of the investment firm.

Performance will be compared to a specific benchmark or benchmarks for each manager or fund, which benchmarks shall be established by the Committee from time to time.

The overall performance of the investments shall be evaluated with respect to the stated investment objectives outlined in this Investment Policy and as further articulated by the Committee. Performance will be monitored quarterly, but evaluated over a one, three and five-year time horizon.

Subject to Board approval, changes in investment managers may occur at any time if the Committee determines that sufficient progress is not being made towards long-term goals. The investment manager will be expected to maintain at least median performance versus their peer universe on the 3-year performance period net of fees assessed by such investment manager. Performance will be compared to the appropriate benchmark indices agreed upon by the Committee in accordance with the asset allocation.

The Foundation may withdraw assets from a manager, or terminate such manager's engagement, at any time with or without cause.

#### C. Reporting

The Investment Manager will be required to submit to the Foundation office and Vice President, Investments an investment report, the results and summary of which shall be reported to the Board no less frequently than quarterly. On an annual basis, each Investment Manager shall complete an annual investment manager review in a form satisfactory to the Vice President, Investments. The Investment Manager shall also make formal review presentations as requested by the Investment Committee.

### III. Investment of Funds

- A. The restricted assets of the Foundation shall be commingled into a single portfolio (the "Portfolio").
- B. Any investment or reinvestment of assets shall be made only in such investments as are appropriate for a prudent fiduciary.
- C. Notwithstanding any engagement of investment manager(s), decisions with respect to the retention, investment or reinvestment of assets shall be made by the Committee. Any change in

investments within the Portfolio shall be reported at the next meeting of the Board of Directors or the Executive Committee, whichever first occurs.

- D. **The Foundation shall maintain one or more securities trading accounts.** Transactions within such accounts may be made by investment managers that have been engaged by the Committee, or, acting upon the direction of a majority of the Committee, the Vice President, Investments, or the President or Treasurer of the Foundation.
- E. Any gifts of stock, bonds or other marketable securities received by the Foundation that are to be credited to a restricted fund shall be liquidated as soon as practicable after receipt, the cash proceeds to be deposited in the Portfolio.
- F. All decisions made by the Investment Committee with respect to changes in the investments in the portfolio shall be documented, such documentation to be signed by the Investment Committee Chair or another officer of the Foundation if the Investment Committee Chair is not present.
- G. The Portfolio shall be invested a minimum of 25% and a maximum of 75% in equities and a minimum of 25% and a maximum of 75% in Fixed Income, and a maximum of 25% in other investments. The details as to specific investments and the ratio between Equities and Fixed Income shall be made by the Committee from time to time.

#### IV. Authorities

- A. Any of the president, the vice president, investments, the secretary, the treasurer and the executive director shall have the authority to sell, assign, and transfer any and all stocks, bonds, evidences of interest and/or indebtedness, rights, and options to acquire or sell the same, and all other securities, corporate or otherwise, standing in the name of or belonging to the Foundation in any capacity.
- B. Instruction to any investment manager shall be communicated by the vice president, investments. If he or she is unavailable or incapacitated, or upon his or her delegation, such instructions shall be communicated by the president, the treasurer, or the executive director.

#### V. This Policy

- A. The Vice President, Investments shall distribute this policy to each Committee member, either in electronic format or on paper, at the first meeting of the Committee each fiscal year, and each member of the Committee shall provide a written (or email) acknowledgement indicating that he or she has read and understands the policy.
- B. The Vice President, Investments shall provide a copy of this policy to any new Committee member at or prior to the first meeting attended by such member, who in turn shall provide a written (or email) acknowledgement indicating that he or she has read and understands the policy.
- C. The Committee shall review this Investment Policy at the first Committee meeting of each fiscal year.