

Investment Policy Statement — Long Term Portfolio	Policy Number BP402
Category Finance and Accounting Primary Risk Governance Category Prudent Investments National Standard(s) — 1a	Version #13 Original Effective Date — August 29, 2003 Board Approval Date — March 9, 2016 Next Review Date — March 2017

Purpose:

Purpose of this Investment Policy Statement

This investment policy statement is set forth by the Board of Directors of Community First Foundation (the Foundation) in order to:

- 1) Define the investment goals and objectives of the Foundation
- 2) Establish the overall investment parameters for the Long Term Portfolio (the Portfolio) including:
 - a. Downside risk limitations
 - b. Growth expectations
 - c. Liquidity guidelines
- 3) Delegate certain responsibilities to the Finance and Investment Committee
- 4) Establish reporting and monitoring requirements.

Goal of Foundation

The Board of Directors believes that grants to be made in the future are as important as grants made today. This is consistent with the philosophy that the Foundation is to exist in perpetuity and, therefore, should provide for grant making in perpetuity. To attain this goal, the overriding investment objective of the Long-Term Portfolio is to maintain purchasing power and generate investment returns, collectively total return, while carrying out the mission of the Foundation.

Investment Objectives

To meet the needs of the Foundation, the investment strategy emphasizes total return as defined above. Specifically, the objectives in the investment management of the Portfolio is:

- Preservation of Purchasing Power: to achieve returns equal to the rate of inflation over the investment horizon in order to preserve purchasing power of the Portfolio's assets.
- Maximizing the generation of investment returns in excess of purchasing power while avoiding excessive risk. Risk control is an important element in the investment of the Portfolio's assets.

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

Management will create such procedures as it deems necessary to implement this policy.

Policy:

Planning Time Horizon	Long Term, in excess of 5 years
Targeted Return	CPI +5% (1)
Risk Tolerance	Modeled losses not to exceed -20% in any year, with a statistical confidence levels of 95% (2)
Liquidity	One hundred percent of the Portfolio's assets are to be invested in securities that are daily liquid.
Asset Allocation	Not to Exceed
Equities	65%
Fixed Income	60%
Cash Equivalents	10%
Diversification	The Portfolio is to be diversified among asset classes and within asset classes to meet its objectives, as well as among different investment strategies, styles and investment managers.
Governance	Uniform Prudent Management of Institutional Funds Act (UPMIFA).

(1) Annual modeled returns may vary from the Targeted Return based upon risk tolerance and other cost/benefit considerations.

(2) There is a 5% probability that the 1-year risk tolerance of -20% will be exceeded. Actual losses may exceed modeled losses throughout the year. Modeled losses will be reviewed and revised annually based on future capital market assumptions.

Delegation of Responsibility
Responsibility of the Finance and Investment Committee of the Foundation

Subject to the terms of this investment policy statement, the Board of Directors delegates responsibility for the management of the assets of the Portfolio to the Finance and Investment Committee (the FIC). In fulfilling this responsibility, the Foundation will retain the services of an Investment Management Consultant to act as an advisor to the FIC. The selection of an Investment Management Consultant, and the scope of services to be provided, will be determined at the discretion of the FIC.

Portfolio Review and Monitoring
Investment Performance Review and Evaluation

The Finance and Investment Committee shall provide investment performance updates and evaluations to the Board of Directors of the Foundation at least quarterly.

Investment Policy Review

To assure continued relevance of the guidelines, objectives, financial status, and capital-markets expectations as established in this Investment Policy Statement, the Board and FIC will review and evaluate this Investment Policy Statement at least annually.