

IMPACT FUND INVESTMENT POLICY AS OF MAY 5, 2015

PURPOSE OF INVESTMENT POLICY

The purpose of this Investment Policy is to provide a clear statement of the Organization's investment objective, to define the responsibilities of the Board of Directors and any other parties involved in managing the Organization's investments, and to identify or provide target asset allocations, permissible investments and diversification requirements.

INVESTMENT PHILOSOPHY

The investment objective of the organization is to maximize financial performance consistent with maximizing positive social impact, addressing major human rights and environmental policy issues, and confronting and opposing global corporate domination of the economic and political environments. Maximizing financial return should be consistent with maintaining adequate reserves, liquidity needs, and with preservation and appreciation of capital.

The primary organization fund should be managed as a balanced portfolio to produce income and capital appreciation consistent with the need to provide adequate liquidity to meet its program goals and objectives. Consistent with its overall goals and objectives, social and environmental criteria will be promoted.

GENERAL PROVISIONS

- All transactions shall be for the sole benefit of the Organization.
- The Board Finance Committee shall consider updating the Organization's investment policy on an annual basis.
- The Board Finance Committee shall conduct an annual review of the Organization's investment assets to verify the existence and marketability of the underlying assets or satisfy themselves that such a review has been conducted in connection with an independent audit (if any) of the Organization's financial statements.
- Any investment that is not expressly permitted under this Policy must be formally reviewed and approved by the Board Finance Committee.
- Investments shall be diversified with a view to minimizing risk and excessive fees

DELEGATION OF RESPONSIBILITY; RELIANCE ON EXPERTS AND ADVISORS

- The Board has ultimate responsibility for the investment and management of the Organization's investment assets.
- The Board may delegate authority over the Organization's investments to a properly formed and constituted Board Finance Committee comprised only of directors and the accountant.
- The Board Finance Committee may hire outside experts as investment consultants or investment managers, e.g. Harrington Investments.

RESPONSIBILITIES OF THE BOARD, OR IF AUTHORITY IS DELEGATED, THE BOARD FINANCE COMMITTEE

- The Board, or if authority is delegated, the Board Finance Committee, is charged with the responsibility of managing the investment assets of the Organization. The specific responsibilities of the Board or the Board Finance Committee, as applicable, include:
 1. Communicating the Organization's financial needs to the Investment Managers on a timely basis.
 2. Determining the Organization's risk tolerance and investment horizon and communicating these to the appropriate parties.
 3. Establishing reasonable and consistent investment objectives, policy guidelines and allocations which will direct the investment of the assets, to be reviewed by the Board on an annual basis.
 4. Prudently and diligently selecting one or more qualified investment professionals, including investment managers(s), investment consultant(s), and custodian(s).
 5. Regularly evaluating the performance of investment manager(s) to assure adherence to policy guidelines and to monitor investment objective progress.
 6. Developing and enacting proper control procedures; e.g., replacing investment manager(s) due to a fundamental change in the investment management process, or for failure to comply with established guidelines.

RESPONSIBILITIES OF INVESTMENT MANAGERS

- Each investment manager will invest assets placed in his, her or its care in accordance with this investment policy.
- Each investment manager must acknowledge in writing acceptance of responsibility as a fiduciary.
- Each investment manager will have full discretion in making all investment decisions for the assets placed under his, her or its care and management, while operating within all policies, guidelines, constraints, and philosophies outlined in this Investment Policy. Specific responsibilities of investment manager(s) include:
 1. Discretionary investment management, including decisions to buy, sell, or hold individual securities, and to alter allocation within the guidelines established in this statement.
 2. Reporting, on a timely basis, monthly investment performance results.
 3. Communicating any major changes in the economic outlook, investment strategy, or any other factors that affect implementation of investment process.
 4. Informing the Board, or if authority is delegated, the Finance Committee, regarding any changes in portfolio management personnel, ownership structure, investment philosophy, etc.
 5. Voting proxies, if requested by the Board, or if authority is delegated, the Finance Committee, on behalf of the Organization.
 6. Administering the Organization's investments at reasonable cost, balanced with avoiding a compromise of quality. These costs include, but are not limited to, management and custodial fees, consulting fees, transaction costs and other administrative costs chargeable to the Organization.

GENERAL INVESTMENT GUIDELINES

- A copy of this Investment Policy shall be provided to all Investment Managers.
- The Organization is a tax-exempt organization as described in section 501(c)(3) of the Internal Revenue Code. This tax-exempt status should be taken into consideration when making Organization investments.

- A 3-7 year investment horizon shall be employed. Interim fluctuations should be viewed with appropriate perspective. Similarly, the strategic asset allocation is based on this long-term perspective.
- A prudent reserve shall be maintained with a zero to very low risk tolerance to keep cash available for grant distributions, tax obligations and other anticipated expenses.
- Transactions shall be executed at reasonable cost, taking into consideration prevailing market conditions and services and research provided by the executing broker.

DIVERSIFICATION

- Diversification of assets will be employed to ensure that adverse performance from one asset class, one security, or one group of securities in a sector will not have an unduly detrimental effect on the entire portfolio's performance. Diversification is interpreted to include diversification by asset type, industry sector, and individual securities. As the total funds eligible for investment increase, further diversification by the utilization of RIAs with differing investment management styles may need to be considered.
- Investments in the equity securities of any one company shall not exceed 10% of the portfolio nor shall the total securities position (debt and equity) in any one company exceed 15% of the portfolio.
- Reasonable sector allocations and diversification shall be maintained. No more than 20% of the entire portfolio may be invested in the securities of any one sector.
- Investments within the investment portfolio should be readily marketable.
- The investment portfolio should not be a blind pool; each investment must be available for review.

ASSET ALLOCATION

- The asset allocation policy shall be predicated on the following factors:
 1. Historical performance of capital markets adjusted for the perception of the future short and long-term capital market performance.

2. The correlation of returns among the relevant asset classes.
3. The perception of future economic conditions, including inflation and interest rate assumptions.
4. Liquidity requirements for the projected grants and other charitable expenditures.
5. The relationship between the current and projected assets of the Organization and projected liabilities.
6. Target allocations shall be:

45% Equities: a stock or any other security representing an ownership interest.

10% Bond Funds: a fund invested primarily in bonds and other debt instruments.

30% Fixed Income: a type of investing for which real return rates or periodic income is received at regular intervals at reasonably predictable levels.

10% Equity Funds: a mutual fund that invests principally in stocks.

5% Other Assets: socially responsible investments as recommended by hired investment managers.

- Rebalancing shall be done on a semi-annual basis or more frequently if deemed necessary. The target asset allocation percentages shall include a +/- 20% corridor to provide flexibility to asset managers between rebalancing periods.
- Social Criteria

Assets of the organization are to be invested primarily to promote its goals, objectives, policies, and programs, consistent with fiduciary responsibility, prudent diversification, and stewardship. Assets are to be invested to promote environmental and social responsibility, specifically to encourage the promotion of global human and labor rights; corporate, social, and environmental responsibility; fair trade; economic independence; and local community economic development.

A. Exclusion

Consistent with the goals, objectives, policies, and programs of the organization, investments will not be made in the securities of companies that:

1. Pollute the air, water, or soil, or consistent/y and flagrantly violate regulations of the U.S. Environmental Protection Agency (EPA), Equal Employment Opportunity Commission (EEOC), or the National Labor Relations Board (NLRB).
2. Manufacture or distribute tobacco or tobacco products.
3. Produce or generate electricity through nuclear power.
4. Genetically engineer food, plants, or seeds produced or grown for human or animal consumption or production.
5. Produce weapons or landmines or are Prime Defense Contractors with the U.S. Department of Defense (DOD).
6. Carry out experimentation or tests of live animals in the development of products.
7. Are involved in the gambling or gaming industry.
8. Violate or deny basic human and labor organizing rights of workers.
9. Do not respond to shareholder communications or proposals.

B. Inclusion

Consistent with the goals, objectives, policies, and programs of the organization, investments are encouraged in companies that:

1. Finance housing, small businesses, community economic development, and the development of alternative energy.
2. Contribute to the quality of human and animal life.
3. Promote the economic advancement of women, ethnic minorities, individuals with physical and mental disabilities, and promote domestic partners employee programs.
4. Implement policies that promote the welfare of their employees and the environment.
5. Bargain fairly with their employees.

6. Have a positive impact upon society through the quality or safety of their products.
7. Freely disclose and implement exemplary human and labor rights' policies along with environmental codes of conduct.
8. Maximize charitable contributions to community-based organizations.

The organization may allocate no more than 20% of the portfolio for pro-active corporate shareholder action to further its goals, objectives, policies, and programs. The organization may also allocate no more than 20% of the portfolio for investment in Community Development Financial Institutions (CDFIs), which include community banks and credit unions and domestic and international revolving loan funds. The organization may also invest in socially responsible venture funds.

PERFORMANCE

- Performance objectives are to be met on a net of fees basis. The investment performance of each asset allocation class will be measured on two levels: against inflation objectives for the total Organization and against index objectives for individual portfolio components.
- Investment performance shall be measured no less than quarterly on a net of fees basis.
- Advisor performance shall be evaluated on a three to seven year basis to allow for market fluctuations and volatility.
