THREE RIVERS ENDOWMENT TRUST

INVESTMENT POLICY STATEMENT

AS APPROVED
AUGUST 21, 2020

UPDATED
APRIL 12, 2022

I. DEFINITIONS

A. PURPOSE

The Board of Directors (the Board) of The Three Rivers Endowment Trust (TRET) hereby acknowledges a fiduciary duty to ensure the assets of the Foundation's endowment (the Endowment) are managed in a prudent fashion in accordance with sound investment principles. As such, the Board prescribes the following guidelines for its stewardship of Endowment funds.

These guidelines relate to those gifts and donations in the form of endowments with long term benefit objectives, both permanent and term endowments, and to those monies set aside and designated by the Board as quasi-endowments.

The Endowment investment portfolio should preserve and enhance the long-term, inflation-adjusted market value and purchasing power of its assets while providing sustainable annual support to the beneficiary units at Three Rivers College. While short-term investment results will be monitored, adherence to a sound long-term investment policy, which balances short-term spending needs with preservation of the real (inflation-adjusted) value of assets, is crucial to the long-term success of the Endowment.

The purpose of this Endowment Investment Policy Statement (Investment Policy) is to establish in a single document written policies and guidelines for the investment of Endowment assets, and to instill confidence that the future appreciation of the Endowment is sufficient to provide for desired growth plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the Endowment for future generations.

This statement will establish appropriate risk and return objectives in light of the Foundation's risk tolerance and investment time horizon. These objectives, as well as asset allocation guidelines, suitable investments, and responsibilities of the investment advisor and the portfolio manager, are outlined below.

B. FIDUCIARY DUTY

In seeking to attain the investment objectives set forth, the Board shall exercise prudence and appropriate care in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires fiduciaries to apply the standard of prudence to any investment as part of the total portfolio, rather than to individual investments. All investment actions and decisions must be based solely on the over-arching, long-term objectives of the Endowment.

As summarized for the purposes of this Investment Policy, UPMIFA states that the Board is under a duty to the Endowment to manage the funds as a prudent investor would, in light of the purposes, scope, objectives and other relevant circumstances. This standard requires the exercise of reasonable care, skill and caution be applied to investments not in isolation, but in the context of the portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Endowment. In making and implementing investment decisions, the Board has a duty to diversify the investments unless, due to special circumstances, the Board deems that the purposes of the Endowment are better served without diversifying.

In addition, the Board must conform to fundamental fiduciary duties of loyalty and impartiality. This requires the Board to act with prudence in deciding whether and how to delegate authority, in the selection and supervision of agents, and in incurring costs where reasonable and appropriate.

II. RESPONSIBILITY AND DESCRIPTION OF ROLES

A. BOARD OF DIRECTORS

The Board has the ultimate fiduciary responsibility for the Endowment. The Board must ensure that appropriate policies governing the management of the portfolio are in place and that these policies are being effectively implemented. To implement these responsibilities, the Board sets and approves this Investment Policy and charges the Finance Committee (the Committee) with its implementation and subsequent ongoing monitoring.

B. FINANCE COMMITTEE

The Committee is appointed by the Chairman of the Board, and is responsible for implementing this Investment Policy. This responsibility includes approving and implementing the investment strategy; selection of custodians and investment advisors; monitoring performance of the investment portfolio on a regular basis (at least annually); and maintaining sufficient knowledge about the portfolio and its advisors so as to be reasonably assured of compliance with this Investment Policy.

1. The Committee shall select and appoint an investment advisor, subject to approval by the Board.
2. The Committee shall monitor and review the investment performance on a regular basis, at least annually
3. The Committee will periodically review the Investment Policy as needed.
4. The Committee will keep detailed minutes of the Finance Committee meetings.

C. DIRECTOR OF DEVELOPMENT (EXECUTIVE DIRECTOR)

The Director of Development/Executive Director (Director) has daily responsibility for the administration of the Endowment and will inform the Committee and Board, when appropriate, on all material matters relating to the investment portfolio.

The Director is the primary liaison among the Committee and the Investment Advisor. Furthermore, the Director is generally charged with acting as the Committee's designee, within the confines of this Investment Policy.

D. INVESTMENT ADVISOR

The Investment Advisor is responsible for assisting the Committee and portfolio manager in all aspects of managing and overseeing the investment portfolio. The Investment Advisor is the primary source of investment education and portfolio manager information.

1. The Investment Advisor will monitor the performance and risk of the portfolio and provide quarterly reports to the Committee. The Investment Advisor will meet with the Board on an annual basis to discuss performance, portfolio review and general topics that may affect future asset allocation decisions.
2. The Investment Advisor will provide proactive recommendations.
3. The Investment Advisor will supply the Committee with additional reports (e.g. asset allocation studies and investment research) and education or other information as reasonably requested.
4. The Investment Advisor will report substantive developments that may affect the management of Endowment assets in a timely manner.

The Investment Advisor will select one or more portfolio managers.

E. PORTFOLIO MANAGERS

Each Portfolio Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while the Committee must periodically review the actions of the Portfolio Manager(s), with the assistance of the Investment Advisor, to ensure that the philosophies and strategies utilized are consistent with this Investment Policy.

1. Each Portfolio Manager will provide discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this Investment Policy.
2. Each Portfolio Manager will report, on a timely basis, investment performance results to the Investment Advisor.

3. Each Portfolio Manager will communicate to the Investment Advisor any major changes to economic outlook, investment strategy, or any other factors which affect implementation of investment process, or the investment objective progress of the Endowment's investment management.
4. Each Portfolio Manager will inform the Investment Advisor regarding any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, governmental investigations, significant legal matters, etc.

III. INVESTMENT OBJECTIVES AND ASSET ALLOCATION

The goal for the Endowment is to provide a real total return that preserves the purchasing power of the Endowment's assets, while generating an income stream to support the Foundation's activities. The Endowment's real total return will be sought from an investment strategy that provides an opportunity for superior total returns within acceptable levels of risk and volatility.

A. INVESTMENT OBJECTIVE

The primary long-term investment objective of the Endowment is to earn a total return (net of portfolio management fees), within prudent levels of risk, which is sufficient to support the defined spending policy and a minimum level of growth to maintain in real terms the purchasing power of the Endowment's assets. Therefore, the primary investment objective of the Endowment is to achieve a total return, net of fees, equal to or greater than (1) the spending rate plus administrative fees and (2) the desired rate of growth calculated as follows:

Spending rate	4.0%
Administrative fee	1.15%
Minimum return for annual spending	5.15%
Additional endowment growth rate needed to offset inflation	[may vary] 1.0% to 3.0%
Total long-term return objective	6.0% to 8.0%

B. STRATEGY

The Board understands the long-term nature of the Endowment and believes that investing in assets with higher return expectations outweighs their short-term volatility risk. As a result, the majority of assets will be invested in equity or equity-like securities and alternative investments, while maintaining broad diversification across asset classes in order to avoid dramatic declines in portfolio value.

Fixed income or other risk management strategies will be used to lower short-term volatility and provide stability, especially during periods of deflation and negative equity markets. Cash is not a strategic asset of the Endowment, but is a residual to the investment process and is used to meet short-term liquidity needs.

Gifts other than cash will be liquidated as soon as reasonably possible upon transfer, unless otherwise directed by the donor, and invested as appropriate under the direction of the Investment Advisor.

C. ASSET ALLOCATION

The Committee will analyze the Endowment's returns over the long-term to ensure that investments are diversified in a way to enhance the total return, while limiting any undue risk.

D. SHORT-TERM ALLOCATION

Funds that need to remain liquid for annual disbursement to Three Rivers College or other uses shall be deposited within the banking service utilized by the Three Rivers Endowment Trust. Should deposits exceed the amounts of per-depositor FDIC insurance, it must be insured in some fashion. Banking and account selection is approved by the full Board at the recommendation of the Committee.

IV. ENDOWMENT INVESTMENT POLICIES AND GUIDELINES

The investment policies, guidelines and restrictions presented in this Investment Policy serve as a framework to help the Committee achieve investment objectives. The Three Rivers Endowment Trust shall generally follow the guidelines set forth by the selected financial advisor.

V. PERFORMANCE MEASUREMENT AND EVALUATION

The Committee will meet annually to monitor the investment performance of the Endowment and to assess the effectiveness of the portfolio and investment managers and investment strategies.

VI. SPENDING POLICY

A. SPENDING RATE

The annual spending rate is determined by a total return approach which utilizes both income and capital appreciation to be withdrawn for spending, unless express consent is given by the donor representative. The target spending rate for the Endowment, generally, is 4%.

B. SPENDING ALLOCATION

Only individual endowment funds which have been fully funded and established prior to July 1 of a given calendar year will be granted a spending allocation. The amount available to spend is calculated quarterly using a twelve quarter rolling average of the funds' market values. The calculation is made at the end of each calendar quarter (e.g., a true rolling average). So at the end of each quarter, 25% of the 4% rate is taken times the twelve quarter rolling average. The result is tracked for each fund.

This spending policy helps the Board fulfill its primary responsibility of protecting the purchasing power of the endowment. The spending policy is impacted by market conditions and investment allocation, and as such, it is subject to an annual review by the Finance Committee.

Funds are generally disbursed in the fall term, unless there is express donor direction to split the award. If a scholarship award is not made in the fall due to a lack of qualified applicants, attempts shall be made to award for the spring term. The annual allocation should generally be spent in the fiscal year authorized; if it is not, the Committee should approve for the allocation to be carried over for spending in the following year or to be reclassified as corpus.

C. UNDERWATER ENDOWMENTS

An endowment is deemed to be "underwater" when its current market value is less than its original value or historic dollar value. This concept applies to permanently restricted endowments. The corpus ("book value" or permanently restricted balance) of the endowment represents the original contribution plus any additional gifts. The market value may increase or decrease due to realized and unrealized gains and losses, interest, dividends and payouts. When the market value of an endowment goes below its book value, it is referred to as an "underwater" endowment. In the event an endowment is underwater, it is the policy of the TRET to following the spending policy in respect to distributions from the endowment so long as such spending would be allowable under UPMIFA.

APPENDIX A
INVESTMENT POLICY OF CURRENT INVESTMENT MANAGER