

CARING COMMUNITIES FOUNDATION
INVESTMENT OBJECTIVES AND POLICY GUIDELINES

I. Statement of Purpose

The Board of Governors of the Foundation has adopted this Investment Policy Statement in recognition of its responsibility to supervise the investment of the Foundation's assets in accordance with the goal of enhancing the well-being of the communities we serve. The Purpose of this Policy Statement is to set forth in writing: (1) an appropriate set of objectives and goals to be attained through the investment of the Fund's assets; (2) the position of the Finance Committee with respect to the Foundation's risk/return posture, including general allocation of assets and establishment of investment guidelines; and (3) an overall system of investment policies and practices whereby the continuing philanthropic mission of the Foundation will be satisfied.

The conditions of this Investment Policy Statement shall apply to all assets accepted and managed by the Foundation; this will not, however, include accepted donor-advised funds or funds accepted for disbursement within twelve months of the date of acceptance.

II. Statement of Responsibilities

It is expected that the following parties associated with the Foundation will discharge their respective responsibilities in accordance with normal fiduciary standards: (1) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and of like aims, and (2) by diversifying the investments so as to minimize the risk of large losses.

1. Investment Manager: The Investment Manager is charged with the responsibility to conduct day-to-day investment management of Foundation assets in accordance with this Investment Policy Statement and all laws that supersede it. Currently, United Bank serves in this capacity through its wealth management and trust services team, providing expertise aligned with the Foundation's community-focused mission. All Investment Manager(s) must either be (1) registered under the Investment Company Act of 1940, (2) a bank, as defined in that Act, (3) an insurance company qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of Foundation assets, or (4) such other person or organization authorized by applicable law or regulation to function as an Investment Manager(s). Each investment manager managing a separate account for the Foundation must sign a copy of this investment policy as acknowledgement of its agreement and understanding with this policy. The Finance Committee will periodically review the Investment Manager's performance, including comparison to established benchmarks and peer standards, to ensure alignment with the Foundation's objectives.
2. Custodian: The custodian has been retained by the Investment Committee and is charged with the responsibility for safekeeping securities, collections and disbursement, and periodic accounting statements.
3. Finance Committee: The Board of Directors hereby expressly delegates to the Finance Committee all of its powers under the Foundation's Bylaws. Said delegation shall remain in effect until modified by the Board of Directors so long as at least two Directors are on the Finance Committee. The Finance Committee shall report to the Board of Directors on at least a semi-annual basis at which time the Finance Committee actions as reported shall be ratified or modified.

III. Statement of Spending Policy

The Foundation is expected to, but not obligated to, disburse approximately 5% annually of endowment principal's four-year rolling average market value as determined annually. This target, consistent with leading community foundations, is designed to support sustainable distributions while protecting and augmenting the corpus value greater than inflation, net of grants, distributions, and expenses.

If the four-year rolling average market value of the Endowment Principal, at the end of each year, is less than the initial value of all contributions made to Endowment Principal, then distributions will be limited to interest and dividend income received during the next annual period.

In accordance with this disbursement policy, the Finance Committee is committed to: (1) protecting the corpus of the Foundation as the highest priority; (2) preserving the spending power of the income from the fund (adjusted for inflation); (3) maintaining a diversified portfolio of assets in order to meet investment return objectives while keeping the level of risk commensurate with that of representative foundation and endowment peers; and (4) complying with applicable law.

IV. Investment Objectives

The investment objectives for the Foundation will be for the asset value, exclusive of contributions or withdrawals, to grow over the long run and earn, through a combination of investment income and capital appreciation, a rate of return (time-weighted total return) in excess of the benchmarks established for the medium term (3 years) and long term (5 years). The strategy emphasizes long-term sustainability, with a focus on protecting the corpus through prudent risk management.

Long Term Performance Objectives

1. The Total Fund shall endeavor to equal or exceed (net of fees) a custom index made up of appropriate equity and fixed income indices, such as the S&P 500 Index, MSCI EAFE Index, and Bloomberg U.S. Aggregate Bond Index.
2. The Total Fund is expected to produce, after investment expenses, a minimum annual compound total rate of return of approximately 5% in excess of the rate of inflation, ensuring the preservation and growth of the corpus to support ongoing philanthropic efforts.

Asset Allocation

The Foundation's assets shall be diversified across equities, fixed income, and alternatives, with general guidelines allowing flexibility to adjust for market conditions while prioritizing corpus protection. The Finance Committee may establish target ranges, with the ability to increase cash or fixed income positions up to 100% during periods of elevated market risk.

V. Investment Guidelines

It is the intention of the Finance Committee to allow the investment manager discretion within these guidelines, emphasizing prudent management to protect the corpus.

1. Types of Securities: Investments may include domestic or foreign common stocks, mutual funds, exchange-traded funds, bonds, and real estate investment trusts, focused on readily marketable securities with appropriate liquidity.
2. Diversification: The portfolio should be well diversified to minimize exposure to any single sector, industry, or security, reducing the risk of large losses and supporting long-term corpus preservation.
3. Prohibited Investments: Categories not eligible without prior Board approval include short sales, margin purchases, private placements, commodities, security loans, leveraged derivatives, and warrants.
4. Trading and Execution: The Investment Manager shall seek best execution at competitive rates. High turnover or rapid repurchases require explanation to the Finance Committee.
5. Liquidity: The Finance Committee will monitor cash flows and maintain sufficient liquidity for outflows, notifying the Investment Manager in advance for reserve building.

This Investment Policy is agreed upon and accepted this 15th , day of January, 2026.

The Board of Directors of
The Caring Communities Foundation

Will Geeslin

01/15/26

Board Chairman

Date

Scott McInnis

01/15/26

Foundation President

Date