

# **INVESTMENT POLICY STATEMENT**

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Recommended by the Finance Committee on November 16, 2010

Approved by the Board of Trustees on December 7, 2010

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# I. DEFINITIONS

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## PURPOSE

The Investment Policy Statement was adopted by the Board of Trustees of The Erie Community Foundation (the "Board") to insure good philanthropic stewardship and prudent investment of its investment portfolio (the "Portfolio") in a manner consistent with the investment objectives stated herein. The Board has delegated detailed financial oversight of the Portfolio to the Finance Committee (the "Committee").

This Investment Policy Statement shall be used by the Committee in its duty to oversee (in managing, monitoring and reporting on the investment portfolio) the investment portfolio and by the Portfolio's Custodians, Investment Managers and Investment Consultant.

It is expected that this document will be reviewed annually by the Committee. Any revisions will be recommended to the Board.

## SCOPE

This Policy applies to all assets that are included in the Foundation's investment portfolio for which the Committee has been given discretionary investment authority.

## GENERAL STANDARDS

In seeking to attain the investment objectives set forth in the policy, the members of the Committee must act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner reasonably believed to be in the best interest of the Foundation and in accordance with the wishes of the donor. Members of the Committee must provide full and fair disclosure to the Committee of all material facts regarding any potential conflicts of interests.

## DEFINITION OF DUTIES

### **Board of Trustees**

The Board has the final responsibility for overseeing the investment of the Portfolio. 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 the Investment Policy Statement and delegates responsibility to the Finance Committee for implementation and ongoing monitoring. At least annually the Board will receive a performance report and review of the Investment Policy Statement from the Committee.

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## II. OBJECTIVES

The Performance Objective is to grow the market value of assets net of inflation, spending, and expenses, over a full market cycle (generally defined as a three to five year period) without undue exposure to risk. In quantitative terms, the objective is to earn a total return of 8% without exceeding a standard deviation of 1.2 times a weighted benchmark index.<sup>(1)</sup> The benchmark index will be comprised of each asset class index weighted by its target allocation. It is also expected that the portfolio will outperform this weighted benchmark index over a full market cycle.

## STRATEGY

Because the Portfolio is expected to endure into perpetuity, and because inflation is a key component in its Performance Objective, the long-term risk of not investing in growth securities outweighs the short-term volatility risk. As a result, the majority of assets will be invested in equity or equity-like securities. Fixed income securities will be used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Cash is not a strategic asset of the portfolio, but is a residual to the investment process and used to meet short-term liquidity needs. Other asset classes are included to provide diversification (e.g. international equities) and incremental return (e.g. small cap equities).

## PORTFOLIO OPTIONS

As referenced in the addendums of this policy, objectives for Conservative Portfolios and Socially Responsible Investing portfolios have been established. Investment in those portfolios must be requested by specific Funds and approved by the Board of Trustees.

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<sup>(1)</sup> Measured on a total return basis. Total return includes income, realized and unrealized gains.

## ASSET ALLOCATION

	<b>Min</b>	<b>Target</b>	<b>Max</b>
<b>GLOBAL EQUITY</b>	<b>40%</b>	<b>72.5%</b>	<b>80%</b>
<b>Public</b>			
<b>US Equities</b>	15%	<b>36.5%</b>	50%
Substyles may include:			
Large Cap Equities	26.5%		55%
Mid Cap Equities	5%		55%
Small Cap Equities	5%		20%
<b>International Equities</b>	5%	<b>20.0%</b>	30%
Developed International Markets	10%		25%
International Small Cap	5%		15%
Emerging Market Equities	5%		15%
<b>Private</b>	0%	<b>11.0%</b>	0%
Venture Capital / Buyout	3%		0%
Special Situations	4.25%		
Opportunistic	3.75%		0%
<b>Hedged Equity</b>	5%	<b>5.0%</b>	20%
<b>GLOBAL FIXED INCOME</b>	5%	<b>20.0%</b>	40%
Substyles may include:			
Core Fixed Income	20%		40%
Treasury Inflation Protected Securities	0%		10%
High Yield	0%		10%
Emerging Market Debt	0%		10%
International Fixed Income	0%		10%
Fixed Income Substitutes	0%		10%
<b>REAL ASSETS</b>	0%	<b>0.0%</b>	20%
<b>Natural Resources</b>	0%	<b>0.0%</b>	10%
Energy	0%		0%
Timber	0%		0%
Commodities	0%		10%
<b>Real Estate</b>	0%	<b>0.0%</b>	10%
Public Real Estate	0%		10%
Private Real Estate	0%		0%
<b>DIVERSIFYING STRATEGIES</b>	0%	<b>5.0%</b>	20%
Absolute Return Strategies	5%		20%
<b>CASH AND CASH EQUIVALENTS</b>	2.5%	<b>2.5%</b>	10%
<b>Total Portfolio</b>		<b>100.0%</b>	

<sup>(1)</sup> Measured on a total return basis. Total return includes income, realized and unrealized gains.

## REBALANCING

In maintaining these asset allocation targets, the Portfolio will strive to remain within the allocation ranges with the intent of rebalancing to targets quarterly, more frequently if necessary. The appropriateness of this allocation will be reviewed quarterly

## SPENDING POLICY

Income available for spending is determined by a total return system. The amount to be spent in the coming year is calculated each December 31<sup>st</sup> and is reviewed and approved by the Finance Committee annually. The calculation is as follows:

- a) A 20 quarter rolling average of the market value is determined.
- b) The amount to be spent will be between 4% and 5% of the market value calculated in “ a” above.

The “ income” that may be spent, as determined in this paragraph, may be drawn from both ordinary income earned (i.e., dividends, interest, rents, royalties, etc.) and appreciation, both earned and unearned. All income and appreciation not needed to meet spending needs is credited directly to the respective fund at The Foundation and invested in the investment pools.

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### III. IMPLEMENTATION

It is the intent of the Committee to hire investment managers specializing in market segments to achieve the target asset allocation. The Committee's intent is to select and retain the best managers for each asset class and to maintain long term mutually beneficial relationships with these managers.

The Erie Community Foundation values long-term and stable relations with local investment managers. It is believed that over time, managers who understand the Foundation's long-term goals will be better able to contribute to overall performance.

The Erie Community Foundation hopes to implement this investment policy in a way that honors these long-term relationships while exercising their fiduciary responsibilities to its donors and to the community. The Erie Community Foundation believes its donors and our community will be best served by giving these managers the freedom to utilize investment styles that match their internal strengths.

#### **TIME HORIZON**

The Foundation seeks to attain investment results over a full market cycle. It does not expect that all investment objectives will be attained in each year and recognizes that over various time periods investment managers may produce significant over or under performance relative to the broad markets. For this reason, long-term investment returns will be measured over a 5-year moving period. The Committee reserves the right to evaluate and make any necessary changes regarding investment managers over a shorter-term using the criteria establish under "Manager Performance Objectives" below.

#### **COMPOSITE PERFORMANCE OBJECTIVES**

All investment returns shall be measured net of fees. The performance objectives for The Foundation will be reviewed on an ongoing basis and evaluated upon the following criteria:

- a) Ability to meet or exceed the 50<sup>th</sup> percentile performance of a balanced universe;
- b) Ability to exceed the return of the Balanced Index, comprised of 36.5% domestic equity (Russell 3000 Index) 20.0% international equity (MSCI AC World Index Free ex US Index), and 43.5% fixed income (Barclays Capital Aggregate Bond Index).
- c) Ability to produce positive alpha (risk-adjusted return) within the volatility limits set in the chart on the following page.

### PRIMARY BENCHMARK

The primary objective of the Foundation is to achieve a total return, net of fees, in excess of spending and inflation.

*Total Return greater than Consumer Price Index + 5%*

### POLICY BENCHMARK

The secondary objective is to achieve a total return in excess of the policy benchmark, comprised of each broad asset class benchmark weighted by its long-term strategic allocation.

<u>Weight</u>	<u>Index</u>	<u>Asset Class</u>
36.5%	Russell 3000 Index	Domestic Equity
20.0%	MSCI AC World Index Free ex US	International Equity
43.5%	Barclays Capital Aggregate Fixed Income / Low Volatility	

### RISK PARAMETERS

The volatility (beta) is expected to be no greater than 1.20 versus the relevant Policy Benchmark.

## MANAGER PERFORMANCE OBJECTIVES

All investment returns shall be measured net of fees. Each investment manager will be reviewed on an ongoing basis and evaluated upon the following criteria:

- a) Ability to meet or exceed the 50<sup>th</sup> percentile performance of a peer group of managers with similar styles of investing;
- b) Ability to exceed the return of the appropriate benchmark index and, for equity managers, produce positive alpha (risk-adjusted return) within the volatility limits set in the following chart;
- c) Adherence to the guidelines and objectives of this Investment Policy Statement; and,
- d) Avoidance of regulatory actions against the firm, its principals or employees.

Performance shall be evaluated according to the following framework:

Short Term (less than three years) – adherence to the stated philosophy and style of management at the time the investment manager was retained; and, continuity of personnel and practices at the firm.

Intermediate Term (between 3 and 5 years\*) – adherence to the stated philosophy and style of management at the time the investment manager was retained; continuity of personnel and practices at the firm; and ability to meet or exceed the 50<sup>th</sup> percentile performance of other managers who adhere to the same or similar investment style.

Long Term (rolling 5 year periods\*) - adherence to the stated philosophy and style of management at the time the investment manager was retained; continuity of personnel and practices at the firm; ability to meet or exceed the 50<sup>th</sup> percentile performance of other managers who adhere to the same or similar investment style; and, ability to outperform its respective target index.

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\* Market cycles will vary in duration. Stated time frames apply to typical periods when market cycles occur every three to five years.

## SUMMARY of QUANTITATIVE PERFORMANCE OBJECTIVES

The following table summarizes the quantitative performance objects stated above. Betas will be calculated versus an appropriate index.

ASSET CLASS	INDEX	RISK MEASURE	PEER UNIVERSE <sup>(1)</sup>
LARGE CAP EQUITY	S&P 500	1.2x Beta	Top 50%
MID CAP EQUITY	Russell Midcap Index	1.2x Beta	Top 50%
SMALL CAP EQUITY	Russell 2000	1.4x Beta	Top 50%
INTERNATIONAL EQUITY	MSCI EAFE	1.2x Beta	Top 50%
EMERGING MARKETS	MSCI Emerging Markets	1.2x Beta	Top 50%
FIXED INCOME	Barclays Capital Aggregate Bond	+ /-20% Duration	Top 50%
HIGH YIELD	Barclays Capital High Yield	+ /-20% Duration	Top 50%
HEDGE FUND (LOW VOLATILITY)	HFRI Fund of Funds Composite		
TOTAL FUND	8%	1.2x Weighted Index	Top 50% (Balanced Universe)

(1) For example, Large Cap Growth Universe.

## IV. GUIDELINES AND RESTRICTIONS

### GENERAL

The guidelines stated below apply to investments in non-mutual and non-pooled funds, where the investment manager is able to construct a separate, discretionary account on behalf of the Foundation. Although the Committee can not dictate policy to a pooled/ mutual fund investment manager, it is the Committee's intent to select and retain only pooled/ mutual funds with policies that are similar to that of the Foundation. All managers (pooled/mutual or separate) are expected to achieve all performance objectives and other subjective criteria.

Each investment manager shall:

- a. Have full investment discretion with regard to security selection consistent with the manager's given strategy, and is expected to maintain a fully invested portfolio (5% or less in cash);
- b. Immediately notify the Committee in writing of any material changes in the investment outlook, strategy, portfolio structure, ownership or senior personnel;
- c. Make no purchase that would cause a position in the portfolio to exceed 5% of the outstanding voting shares of the company or invest with the intent of controlling management;
- d. Not invest in non-marketable securities;
- e. With the exception of international managers, not invest in non-dollar denominated securities; and
- f. In the case of international managers, maintain appropriate diversification with respect to currency and country exposure.

### Equity Guidelines

Each equity investment manager shall:

- a. Assure that no position of any one company exceeds 8% of the manager's total portfolio as measured at market;
- b. Vote proxies and share tenders in a manner that is in the best interest of the Foundation and consistent with this Investment Policy Statement;
- c. Maintain a minimum of 20 positions in the portfolio to provide adequate diversification; and
- d. Domestic equity managers may invest no more than 20% of the portfolio in ADR securities.

### **Fixed Income Guidelines**

Each fixed income investment manager shall:

- a. Maintain an overall weighted average credit rating of “Aa” or better by Moody’ s or “AA” or better by Standard & Poor’ s;
- b. Hold no more than 15% of the portfolio in investments rated below investment grade (below Baa/BBB). Split rated securities will be governed by the lower rating;
- c. Maintain a duration within + /-20% of the effective duration of the benchmark index;
- d. Assure that no position of any one issuer shall exceed 8% of the manager’ s total portfolio as measured at market value except for securities issued by the U. S. government or its agencies.
- e. Floating rate notes of commercial banks with ratings of A or higher; no more than 10% of funds shall be invested in notes of any single bank.

### **Cash Equivalent Guidelines (for separately managed accounts only)**

Each separately managed cash equivalent account manager shall:

- a. Maintain a maximum weighted average maturity of less than one year.
- b. Invest no more than 5% of the manager’ s portfolio in the commercial paper of any one issuer. All commercial paper must have a minimum rating of A1/P1 by Standard & Poors’ and Moody’ s, respectively
- c. Invest no more than \$100,000 in Bank Certificates of Deposit of any single issuer, unless the investments are fully collateralized by U.S. Treasury or agency securities. Any Certificates of Deposit purchased must have with the highest credit quality rating from a nationally recognized rating.
- d. Assure that no position of any one issuer shall exceed 8% of the manager’ s total portfolio as measured at market value except for securities issued by the U. S. government or its agencies.

### **ALTERNATIVE INVESTMENTS**

All types of Alternative Investments, including but not limited to, venture capital, private equity, real estate, timberland, limited partnerships and hedged funds, are expressly prohibited unless approved by the Foundation in writing. If approved, the same “Manager Performance Objectives” stated above will bind any investment manager as well as all other relevant portions of this document.

## **DERIVATIVE SECURITIES**

Under no circumstances shall the investment managers utilize derivative securities.

For definition purposes, derivative securities include, but are not limited to, Structured Notes\*, lower class tranches of collateralized mortgage obligations (CMO's)\*\* , principal only (PO) or interest only (IO) strips, inverse floating rate securities, short sales, and margin trading.

Futures contracts and options may be utilized by investment managers in order to gain exposure to the underlying security but must do so without employing leverage.

\* Investment in "conservative" structured notes that are principal guaranteed, unlevered, and of short-to-intermediate maturity is permitted.

\*\* Lower class as defined by Federal Financial Institutional Examination Council (FFIEC).

## **BROKERAGE / SOFT DOLLAR USE**

Investment managers shall seek best price/execution when purchasing or selling securities at all times. As outlined by AIMR's Soft Dollar Standards (see Appendix A) each investment manager must recognize that brokerage is an asset of the Foundation, not the investment manager. On an annual basis, each investment manager must:

- a. Verify to the Committee that it complies with the "Required" sections of AIMR's Soft Dollar Standards;
- b. Document and disclose any soft dollar use and its impact on the Foundation's portfolio; and
- c. Disclose any affiliated broker relationships and the materiality of that relationship to the investment management organization.

## **PROXY VOTING**

Each manager shall handle the voting of proxies and tendering of shares in a manner consistent with the objectives contained in this policy and in the best interest of the Foundation. Each manager shall provide a written report to the Committee at least annually. The report should include company name; number of shares voted a description of the issues voted upon and how the shares were voted.

## **SECURITIES LENDING**

Lending of any of the Foundation's portfolio of securities is expressly prohibited.

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## V. MONITORING AND REPORTING

### CUSTODIAN(S)

The custodian(s) is an integral part of managing and overseeing the Foundation's portfolio. Open communications with the Foundation, its investment managers and consultant will ensure accurate and timely reporting, and may provide early detection of any unexpected compliance or reporting problems.

The custodian(s) shall:

- a. Provide monthly transaction reports no later than the tenth business day following month end, and monthly asset reports no later than the tenth business day following month end.
- b. Provide the Foundation, its investment managers and consultant special reports as reasonably requested; and
- c. Communicate immediately any concerns regarding portfolio transactions or valuation, or material changes in trustee personnel or procedures.

### INVESTMENT MANAGERS

Open communication between the investment managers, the Foundation and its consultant are critical to the success of the Foundation. The following shall be provided by the manager for its meetings with the Committee.

1. A written review of key investment decisions, investment performance and portfolio structure.
2. An organizational update, including a report on any and all changes in organizational structure, investment personnel and process and a list of new relationships or clients that have terminated their services.
3. A review of the managers understanding of investment guidelines and expectations and any suggestions to improve the policy or guidelines.

In addition, the following is required of each investment manager:

1. Monthly transaction and asset statements shall be provided to the Foundation, its consultant and custodian no later than the tenth business day following month end;
2. Quarterly performance reviews;
3. Immediate notification to the Foundation and its consultant of any exceptions to this investment policy statement with a recommended plan of action to correct the violation;
4. Annual summary of proxy voting and soft dollar brokerage as defined in the respective sections of this Investment Policy Statement;
5. Other reports or information as may be reasonably be requested by the Foundation, its consultant or custodian.

## CONSULTANT

The Investment Consultant is responsible for assisting the Committee in all aspects of managing and overseeing the Foundation's investment portfolio. The consultant is the primary source of investment education and investment manager information. On an ongoing basis the consultant will:

1. Provide the Foundation' s staff with a quarterly summary of investment performance within 25 days following the end of the quarter;
2. Provide the Committee with quarterly performance reports within 45 days following the end of the quarter;
3. Meet with the Committee as needed;
4. Monitor the activities of each investment manager or investment fund;
5. Provide the Committee with an annual review of this Investment Policy Statement, including an assessment of the Foundation's current asset allocation, spending policy and investment objectives; and
6. Supply the Committee with other reports or information as reasonably requested.

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## VI. ACKNOWLEDGEMENT

We recognize the importance of adhering to the mission and strategy detailed in this document and agrees to work to fulfill the objectives stated herein, within the guidelines and restrictions, to the best of our ability. We acknowledge that open communications are essential to fulfilling this mission and if at any time we wish to discuss improvements to this document they are welcome and should be referred through the Foundation or its consultant.

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Erie Community Foundation

(date)

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Fund Evaluation Group, LLC

(date)

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## Addendum

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### I. OBJECTIVES FOR CONSERVATIVE PORTFOLIOS

The Plan's primary objective is preservation of principal with a secondary emphasis on investment income. If adequate liquidity is achieved, a portion of Plan assets may be invested for the intermediate-term, with the objective of achieving higher returns.

#### STRATEGY

Because the Portfolio is expected to endure into perpetuity, and because inflation is a key component in its Performance Objective, the long-term risk of not investing in growth securities outweighs the short-term volatility risk. As a result, the majority of assets will be invested in equity or equity-like securities. Fixed income securities will be used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Cash is not a strategic asset of the portfolio, but is a residual to the investment process and used to meet short-term liquidity needs. Other asset classes are included to provide diversification (e.g. international equities) and incremental return (e.g. small cap equities).

#### ASSET ALLOCATION

ASSET CLASS	TARGET	ACCEPTABLE RANGE
Domestic Equity – Large	0%	35% - 55%
Large Cap Index	0%	10% - 20%
Large Cap Growth	0%	10% - 20%
Large Cap Value	0%	10% - 20%
Domestic Equity – Small	0%	5% - 15%
Small Cap Growth	0%	2.5% - 7%
Small Cap Value	0%	2.5% - 7%
International Equity	0%	5% - 15%
TOTAL EQUITY	0%	55% - 75%
Fixed Income	0%	25% - 45%
Cash	100%	0% - 100%
TOTAL	100%	

### I. OBJECTIVES FOR SOCIALLY RESPONSIBLE INVESTING

Socially responsible investing has over time grown to more than simply excluding certain stocks or industries. Investors will often not only exclude certain stocks or industries engaged in activities they disapprove of but also reward companies aligned with their interests and mission. As such, the term “ SRI” is commonly replaced with “ ESG” . Environmental, Social Justice, Corporate Governance. While there are no absolute cut and clear delineations within many ESG mandates, below are general descriptions of the broad areas of emphasis for clients to consider.

It is not anticipated nor expected that ESG investing will adversely impact the performance of the portfolio. The Committee/Board recognizes that there are tangible benefits to environmental stewardship, positive corporate action, and positive employee relations. The Committee/Board further recognizes that it is difficult to dictate specific instruction to a mutual fund and these guidelines are just that, guidelines. Investment managers should seek to adhere to the spirit of these policies.

#### **ENVIRONMENTAL SCREENING**

Environmental Screening is associated with the practice of considering environmental and energy matters as a metric of corporate performance. The term “ green investing” would be most closely associated with this factor.

**Investment Managers shall make best efforts to avoid investing in companies that are involved in:**

- Major controversies relating to air, water or land pollution or a history of environmental fines and/or civil suits.
- A pattern of violating federal or state environmental regulations.
- Production of chemicals known to be particularly damaging to the environment and/or human health: (aerosols, plastics, pesticides, etc).
- A history of unsustainable environmental practices that exploit the world' s natural resources.
- Companies significantly involved in the development and commercialization of genetically modified organisms.

**Investment Managers shall make efforts to emphasize investment in companies that are involved in:**

- Publicly recognizing that global climate change is a real issue and that steps need to be taken to reduce its impact.
- Significantly reducing all waste streams through recycling or closed-loop technologies.
- Developing innovative ways to reduce the emission of toxic or chemical wastes.
- Demonstrating a long-term commitment to the reduction of negative environmental impact through the development of waste reduction and phase out goals.
- Manufacturing of organic products.
  
- Disclosing the amount of greenhouse gas emissions by the corporation.
- Reducing the impact of nuclear weapons globally.

- Emphasizing alternative fuel sources and de-emphasizing usage of traditional fuel sources (coal and oil)
- Nuclear power as a viable power source to replace coal and/or oil.
- The cleaning of traditional fuel sources.
- Research and marketing of alternative energy sources such as wind, solar and hydrogen is important.

## **CORPORATE GOVERNANCE**

Positive corporate governance considers the short and long-term impact of Board decisions on the shareholders of the firm. Items that fall under monitoring within Corporate Governance include:

- Employee/director remuneration
- Appointment of Directors
- Auditor appointment and independence
- Changes to capital structures that may affect shareholder value
- Voting rights among shareholders
- Significant issues that concern social or environmental matters

**Investment Managers shall make efforts to emphasize investment in companies that are involved in:**

- Corporations engaging in community charitable contributions in a meaningful manner.
- Corporations providing full transparency of political contributions
- Corporations with independent and non-affiliated Board members
- Corporate Boards maintaining an open and positive relationship with shareholders
- Corporations with prudent executive compensation structures

## **SOCIAL JUSTICE**

Social Justice screening is associated with the practice of considering relationships with stakeholders such as employees, customers, communities and governments as a metric of corporate performance. Examples include:

- Employee diversity
- Employee benefits
- Discrimination lawsuits
- Union relations.
- Significant worker involvement and participation in management decision-making.
- Good employee benefits that include programs to help employees balance work and family concerns.
- Representation of women and minorities at all levels of the company.
- Compensation based on performance.
- Employee stock ownership program.
- Job training for employees at all levels.

**Investment Managers shall make efforts to emphasize investment in companies that are involved in:**

- Lending institutions emphasizing local community investing into areas in need of improvement.

- Lending institutions emphasizing lower income areas that have been underserved by traditional lending sources
- Corporations seeking to identify and rectify any human rights issues within their supply chain.
- Corporations enforcing and seeking to expand human rights issues within their company as well as supply chain.
- Corporations encouraging a positive working atmosphere and provide channels of communication between employees and management.
- Corporations actively enforcing and seeking to expand diversity in the workplace.

**Investment Managers shall make best efforts to avoid investing in companies that:**

- Have been convicted of major product liability or product safety violations
- Have been fined for significant price fixing, antitrust violations
- Exhibit a pattern of consumer fraud or unfair marketing
- Practice discriminatory hiring practices.
- Practice discrimination against existing employees on the basis of race, age or sexual orientation.
- Fail to comply with minimum wage laws.
- Conduct business in any way that fosters continued human rights issues around the globe (Specifically Sudan).
- Actively participate in predatory lending practices.

**NEGATIVE SCREENING**

For a variety of reasons clients will often choose to exclude specific products or activities in all aspects of their portfolio.

**Investment Managers shall make best efforts to avoid investing in companies that are involved in:**

- Receive meaningful revenue from the manufacture of alcohol products.
- Receive meaningful revenue from the manufacture of tobacco products.
- Receive revenue from gaming activities such as casinos, hotels with casinos and the manufacture of gaming devices.
- Engaged in the production of weaponry (bombs, jets, guns, land mines, etc)
- Receive revenue from the production or distribution of pornography
- Receive revenue from contraceptive/ abortive pharmaceuticals
- Engage in any form of stem cell research
- Engage in the production and/or distribution of genetically modified foods
- Engage in any animal testing beyond what is required by the Food and Drug Administration.