Morgan Family Foundation

Policy: Investment
Date Approved: 11/8/22

I. PURPOSE

This Investment Policy Statement ("IPS"), developed by the Finance/Investment Committee ("Committee") of the Morgan Family Foundation ("MFF" and "Foundation"), pertains to all investment assets under MFF control and replaces all previous investment policy documents.

The purpose of this IPS is to establish a clear understanding by the MFF Board of Directors, MFF Finance/Investment Committee, manager(s), consultant(s), and custodian(s) of the Foundation's investment philosophy, goals and objectives, and management procedures.

II. INVESTMENT PHILOSOPHY AND OBJECTIVES

The Foundation believes that the majority of the investment assets should align with its purpose, values and related themes. In pursuing this philosophy, the Foundation will utilize Environmental, Social and Corporate Governance (ESG) principles in the evaluation and selection process of investments when possible. The Foundation also will utilize Socially Responsible Investing (SRI) screening principles to identify, assess and potentially avoid, reduce exposure in or eliminate investments whose operations conflict with its purpose and values. The Foundation has created an ESG SRI Profile that details such factors in Addendum C.

To preserve the purchasing power, the long-term annualized total return objective for the Foundation is inflation plus charitable disbursements and operating expenses. The time horizon of the MFF investment assets is long term (i.e. ten years). The Fund will target and maintain an equity orientation, and with that, may experience volatility in total Fund balances and returns in pursuit of this goal.

III. SPENDING POLICY

The annual spending target shall be 5% of assets plus non-qualified administrative expenses. The 5% distribution is normally to be comprised of grants, direct charitable activities, and qualified administrative expenses.

From time-to-time exceptions to this spending policy may be warranted because of special circumstances, including but not limited to: program related investments, grant set-asides, recoveries of qualifying distributions (grant rescissions), financial market conditions, significant changes in MFF asset value, etc.

IV. ASSET ALLOCATION

In general, the Foundation will pursue an investment strategy to diversify assets over a broad range of potential asset classes and investment vehicles.

The Foundation's assets will be invested in three purposed-oriented segments: Growth, Diversifying Assets, and Income and Liquidity. The allocation among these asset classes will be scrutinized regularly by the Finance/Investment Committee and the Foundation's investment consultant.

A. The primary purpose of the Growth component is to provide an increase in the value of principal over time. Growth assets may include public or private equity investments. It is recognized that the Growth component will have higher expected returns and volatility than other segments, over time.

B. The primary purposes of Diversifying Assets are to provide reduction in overall portfolio risk and offer capital protection. Certain of these investments may have low correlations to traditional equity and fixed income markets (e.g. hedge funds). Diversifying Assets also include investments in real estate and real assets strategies which can vary in terms of their liquidity, risk profile and return potential.

C. The primary purposes of the Income and Liquidity component are to generate current income, provide a deflation hedge, reduce the volatility of the Foundation's investment portfolio, and meet investment and operating cash needs. Investments may include fixed income, cash and private credit.

D. Following are the current asset allocation strategic targets and ranges for the portfolio:

Category	Strategic Target	Range
Growth	**65%**	**45% - 75%**
Public Equity	55%	45% - 75%
Private Equity	10%	0% - 15%
Income and Liquidity	**25%**	**15% - 35%**
Fixed Income and Cash	15%	5% - 20%
Private Credit	10%	0% - 15%
Diversifying Assets	**10%**	**0% - 20%**
Diversifying Investments	0%	0% - 5%
Real Estate / Real Assets	10%	0% - 15%

The tolerance ranges provide asset allocation guidance and flexibility. The Committee, with the advice of the investment consultant, is responsible for creating and adjusting the

Foundation's asset allocation and making necessary reallocations as warranted. The asset allocation of total assets will be reviewed quarterly.

V. INVESTMENT GUIDELINES

It is the responsibility of the investment consultant to conduct due diligence on all investment managers that are either considered for, or are actual investments of, the Foundation. The due diligence process will consider the Investment Guidelines outlined herein, as well as qualitative and quantitative guidelines outlined in the Evaluation and Review section herein. The due diligence process will include the investment consultant educating the Foundation on the risks and rewards of each investment manager.

Professional investment managers, through separately managed portfolios, commingled funds or mutual funds, will manage all portfolio assets. The guidelines below are applicable to all managers that manage money for the Foundation on a separate account basis. Mutual funds or commingled funds retained by the Foundation will not be expected to adhere specifically to these guidelines (they must adhere to the fund's prospectus stated guidelines); however, the guidelines will be used as a reference when evaluating and monitoring the ongoing suitability of the investments for the Foundation.

- Clear, written guidelines will be established with each separate-account manager that specify asset category, style, performance measurement, benchmarks, and risk tolerance (prospectus will suffice for mutual funds).

- Managers will be selected for their demonstrated specialty in managing investments within their area of expertise. Within the agreed guidelines, each manager will have full discretion.

A. <u>Equity Guidelines</u>

- Unless otherwise instructed, an equity manager may, in its discretion, hold investment reserves of either cash equivalents or bonds, but with the understanding that the performance of these funds will be measured against a relevant equity benchmark. If the allocation to cash, cash equivalents, or bonds exceeds 15% of the total market value of the account, the investment manager must notify the Foundation and the investment consultant.

- In general, domestic and international equities must be diversified across a wide range of industries and market sectors; however, if appropriate, the investment consultant and Foundation may elect to invest in a mutual fund or exchange traded fund with a single sector, country, or industry focus within a reasonable percentage of overall Foundation assets.

- No single equity investment may exceed 10% of the market value of an investment manager's equity portfolio.

B. Fixed Income Guidelines

- Fixed income may include bond issuances of various ratings from issuers located globally.

- The intent is to have fixed income provide a steady stream of income, liquidity and/or portfolio diversification.

- On an annual basis, the Investment Consultant will review fixed income portfolio characteristics (e.g. duration, yield, sector exposure, credit quality) with the Finance/Investment Committee.

C. Cash & Cash Equivalents Guidelines

All cash investments should be made with concern for quality. Under no circumstance should cash remain un-invested. Diversification must be maintained and, with the exception of the securities guaranteed by the U.S. government, the securities of a single issuer should not exceed 10% of the market value of the portfolio. Such investments should be prudently diversified and would include:

- Any instrument issued by, guaranteed by, or insured by the U.S. Government or agencies of the U.S. government;

- Commercial paper issued by corporations which are rated both "P-1" and "A-1" by Moody's and Standard & Poor's, respectively;

- Certificates of deposit, bankers acceptances, or other such irrevocable primary obligations issued by banks approved by the Committee on the recommendation of the managers; and

- Commingled, short-term cash reserve funds managed generally in accordance with the principles set forth above.

D. Private and Diversifying Asset Guidelines

Private and diversifying assets include categories such as hedge funds, private equity, real estate, commodities, and tactical asset allocation strategies, which may be categorized within each of the three purpose-oriented buckets (strategy dependent). Such investments may invest in commodities and derivatives as part of the investment strategy.

The objective of private and diversifying assets varies by strategy, but they are generally used to promote a reduction in overall portfolio risk, reduce portfolio volatility, protect capital, and/or help maintain long-term capital growth. The Foundation may not invest in illiquid investment strategies that exceed 30% of the entire MFF portfolio. Illiquid strategies are defined herein as those that do not have daily liquidity.

E. Prohibited Investments

Unless part of a private or diversifying asset investment mandate, investments in individual security commodities transactions, puts, calls, straddles, or other option strategies (including naked options), margin, and art, coins, or other collectibles are prohibited.

F. Gifted Securities Policy

From time to time, the Foundation may receive bequests and other gifts in the form of actual investment securities or other assets. It shall generally be the policy that such gifts shall be sold in a timely fashion upon receipt and that the proceeds be invested into the Foundation alongside other assets in the asset allocation manner specified on page 2 of this document. Gifts in the form of prohibited investments may be accepted with the understanding that such assets will be liquidated in an orderly and prudent manner.

VI. EVALUATION AND REVIEW

The objective of the evaluation and review process is to monitor the performance of the investment portfolio with regard to investment objectives and compliance with investment policy. The Finance/Investment Committee will review a quarterly, written evaluation of investment managers' performance (to be provided by the investment consultant no later than 45 days after quarter end) using relevant indices as benchmarks and relevant peer groups of investment managers for all investment managers. Specifically, the investment benchmarks are listed in Addendum A attached hereto. Particular attention should be paid to the following:

- Whether the MFF portfolio is achieving its stated objectives;
- Whether managers are meeting the objectives set forth in this IPS as a primary consideration, relative to other managers of similar pools of capital and recognized market indices;
- Whether the managers are adhering to the risk/return guidelines, style consistency, and stated philosophy compared to established benchmarks and peers;

- The volatility of investment manager and total Foundation returns compared to established benchmarks and peers;

- Asset allocation strategy in the light of evolving markets, strategies and MFF portfolio requirements;

- Whether the overall policies and objectives continue to be appropriate, reasonable and achievable; and

- Reasonableness of portfolio fees and expenses.

Decisions with regard to manager selection and retention will be based on a combination of quantitative and qualitative factors. The quantitative factors will include demonstrated investment results (net of fee return, standard deviation, Sharpe ratio, up/down capture, positive Environmental, Social, Governance (ESG)/Socially Responsible Investing (SRI) performance where applicable, batting average, etc.) over long-term periods (such as rolling three, five and ten years). Qualitative factors will include personnel, ownership, investment style, client service, ethical conduct, and similar matters. Additionally, the continuing risk characteristics of each investment will be evaluated, as will the compliance of the respective fund managers with their stated guidelines and objectives.

The overall investment objective of the portfolio is to provide positive social, environmental and corporate governance impact consistent with the Foundation's purpose, values and themes and to exceed the financial returns of appropriate benchmarks net of fees, as well as applicable peer groups, based on the target asset allocation. These objectives will be reviewed over rolling 3, 5 and 10-year time periods or when otherwise deemed appropriate (to the extent that the information is available).

VII. DELEGATION OF RESPONSIBILITIES

A. MFF Board of Directors

The Board of Directors is responsible for the following:

- Ultimate fiduciary responsibility for the Foundation's investment portfolio
- Determining and approving the Investment Policy Statement
- Delegating responsibility to the Finance/Investment Committee for implementation and ongoing monitoring

B. MFF Finance/Investment Committee

The Committee is responsible for the following:

- Developing the Investment Policy Statement
- Reviewing the Investment Policy Statement at least annually or more frequently as needed
- Appointing and terminating investment management firms, investment consulting firm(s), and custodians
- Updating the MFF Board quarterly on the status and performance of the overall investment portfolio
- Informing the consultant of any circumstances that arise that may affect the way MFF assets are managed

C. Management

The Executive Director and Chief Financial Officer are responsible for the following:

- Ensuring investment decisions made by the Committee are implemented in a timely and efficient fashion
- Working with the investment consultant to raise cash to fund approved investments or other Foundation spending needs, within policy guidelines
- Scheduling quarterly meetings of the Committee

D. Investment Consultant(s)

The investment consultant is responsible for providing information and analysis to assist management and the Committee. The investment consultant is also responsible for the following:

- Recommending asset and sub-asset allocation, investment strategy, and investment managers
- Reviewing asset allocation to determine if the current levels are consistent with the asset allocation policy stated in this document and if the current strategy meets the cash flow needs of the MFF and is maximizing the long-term total return of the assets
- Providing a quarterly performance evaluation report and assessment of the assets
- Monitoring performance of the total portfolio to determine if the collective investment strategy is outperforming the appropriate benchmarks over rolling multiple periods (three-and five-year time periods)
- Tracking separately managed accounts to ensure that each manager is adhering to policy guidelines
- Conducting quarterly due diligence of investment managers
- Monitoring the performance of each investment manager retained by MFF
- Assessing the reasonableness of portfolio and investment manager fees
- Reviewing and assessing the appropriateness of this Investment Policy Statement

- Recommending changes to the IPS as needed
- Evaluating service providers (custodians, trustees, etc.) with respect to fees and services
- Monitoring overlapping manager holdings to limit individual securities from making up more than 10% of Foundation assets
- Organizing committee meetings in event of extreme market volatility
- Submitting trade orders to the custodian after actions are approved by the MFF Finance/Investment Committee
- Working with Management to raise cash to fund approved investments or other Foundation spending needs, within policy guidelines

E. Investment Managers

Unlike the MFF Finance/Investment Committee, which manages the investment process, managers are responsible for making the investment decisions. The specific responsibilities of fund managers include:

- Managing assets under their supervision consistent with the goals, objectives, and restrictions set forth in this IPS and/or the manager's investment management agreement or fund prospectus
- Exercising full discretion with respect to buying, managing, and selling assets held in the portfolio
- Voting all proxies and related actions in a manner consistent with the long-term interest and objectives of the MFF as described in this IPS. Managers shall keep detailed records of the voting of proxies and related actions. The MFF is exploring how to be a positive agent on behalf of its values through shareholder activity and may employ some additional parameters in this area in the future
- Maintaining appropriate registrations at the federal and state level
- Communicating with the Finance/Investment Committee and investment consultant regarding significant matters pertaining to the investment of the assets under their respective supervision. This includes, but is not limited to:
    a. Substantive changes in investment strategy, asset mix, portfolio structure, and market value of the portfolio
    b. Significant changes in the ownership, organizational structure, financial condition, and professional staffing of the fund manager firm. If a change in ownership control occurs, the fund managers understand that the existing contract cannot be assigned without the written consent of the MFF (only applies to separately managed accounts)
- Coordinating with the investment consultant to ensure that the MFF is sent quarterly reports of transaction activity, portfolio holdings, performance reviews, and other information formally specified by the MFF

F. Custodian(s)

The custodian is responsible for the safekeeping of the Portfolio's assets. The specific responsibilities of the custodian include:

- Maintaining separate accounts by legal registration
- Valuing the holdings
- Collecting all income and dividends owed to the Portfolio
- Settling all transactions (buy-sell orders) initiated by the fund managers;
- Providing monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall portfolio since the previous report.
- Voting proxies when the investment manager is unable to vote

VIII. Fiduciary Duty

The MFF Board of Directors and Finance/Investment Committee shall exercise prudence and appropriate care in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires adherence to the following seven duties: Duty of Obedience, Duty of Loyalty, Duty of Care, Duty to Manage Costs, Duty to Verify, Duty to Diversify, and Duty to Review Asset Suitability. Furthermore, the Foundation believes that fiduciary responsibility includes integration of prudent financial management practices with principles of environmental stewardship, concern for community, and corporate/organizational accountability to shareholders and stakeholders alike. Fiduciaries must provide full and fair disclosure to the Finance/Investment Committee of all material facts regarding any potential conflicts of interest.

Addendum A

Performance Comparison Benchmarks

Actively managed investments are expected to outperform specific broad market indices and will be evaluated over rolling three- and five-year periods. The following are the financial return benchmarks for relevant asset classes and purpose-driven strategies identified in Section IV:

Domestic Large-Cap

- S&P 500 Index
- Russell 1000 Value Index
- Russell 1000 Growth Index
- Peer Group

Domestic Mid-Cap

- Vanguard Mid Cap Index
- Peer Group

Domestic Small-Cap

- Russell 2000 Growth Index
- Russell 2000 Value Index
- Peer Group

Total Domestic Equity

- Russell 3000 Index

International Equity

- MSCI EAFE Index
- MSCI EAFE Small Cap
- MSCI Emerging Markets Index
- Peer Group

Total International Equity

- MSCI ACWI ex USA

Global Equity

- MSCI ACWI

Private Equity

- Russell 1000 Index
- Cambridge PE Index

Total Growth

- Blend based on the underlying investments*

Income and Liquidity

- Bloomberg Barclays Capital US Aggregate Bond Index
- Credit Suisse Leveraged Loans
- Cliffwater Direct Lending Index

- ICE BofA Merrill Lynch 91-Day T-Bills TR
- Peer Group

Total Income and Liquidity

- Blend based on underlying investments*

Diversifying Assets

- ICE BofA Merrill Lynch 91-Day T-Bills TR
- HFRI Fund-of-Funds Index
- HFRX Merger Arbitrage (Total) Index
- NFI-ODCE Net

Total Diversifying Assets

- Blend based on underlying investments*

MFF Portfolio

- Blend 65% Growth Benchmark / 25% Income and Liquidity Benchmark / 10% Diversifying Assets Benchmark

*Blend will be recommended by the consultant and approved by the Finance/Investment Committee.

Actively managed investments will also be measured against an appropriate universe of similar investment strategies (i.e. Morningstar Universe).

While the Foundation targets long-term return growth of the assets in real terms after spending and inflation, the MFF portfolio will be benchmarked against the weighted average return of the Foundation's asset allocation targets using the applicable benchmarks as are outlined in the previous section of this policy.

The MFF portfolio risk and return will also be benchmarked against a universe of similar sized institutions over rolling three- and five- year periods.

In addition to financial measures and benchmarks mentioned above, the Finance/Investment Committee and/or Investment Consultant, with guidance and assistance from established sources, will identify measures (select metrics) to track environmental, social and corporate governance impact of MFF investments where possible.

Addendum B

Impact Investing Policy

I. INTRODUCTION

The Board of Directors ("Board") of the Morgan Family Foundation ("Foundation" and "MFF") committed in November 2016 to invest $5 million in market-rate Mission Related Investments (MRIs) over the following four years. The rationale for the new commitment was to align more of the MFF assets with its mission by investing at least some of the endowment in ways that would advance equitable participation in education, economic activity and civic life.

The $5 million was in addition to a $1 million investment the Foundation had made in a Socially Responsible Fund in 2015. The Foundation also noted that any Program Related Investments (PRIs), while encouraged, would not be considered a part of this impact investing goal, as PRIs typically have below market returns. MFF seeks to achieve both a market rate of return and a positive social/environmental return with its impact investments. In November 2021 the Board committed to invest another $5 million in impact investments, effectively doubling the target size of its impact portfolio.

II. IMPACT INVESTING GUIDELINES

The following parameters are intended to provide overarching guidance to aid in the identification, selection and management of suitable impact investments for the MFF. Exceptions may be made for good reason from time to time, and as may be appropriate with the evolution of the impact investing field and Foundation's practice therein.

- Unless specified otherwise in this Addendum, impact investments will adhere to the Investment Policy Statement (IPS).
- The impact investments will be part of the overall MFF investment portfolio, and the asset classes represented by the impact investments will be included when monitoring actual asset allocations to policy targets.
- The term "impact portfolio" is used to describe all the MFF impact investments, even though they are integrated into the overall MFF portfolio and do not constitute a separate "carve out."
- Both financial and social/environmental return expectations will be assessed for each proposed investment, along with the level of risk.
- Impact investments will be considered on a global basis and should not be limited to the Foundation's target geographic regions for grantmaking.
- On an occasional and limited basis, impact investments may be made outside of the MFF impact themes.
- Selection of metrics to assess social/environmental impact will be established and documented at initial investment for each fund whenever practical, with a desire to utilize

commonly available and standardized metrics where available (such as the Impact Reporting and Investment Standards/IRIS or United Nations Sustainable Development Goals) to limit labor intensity for all parties.

- Investments will primarily be made through investment managers rather than directly.
- Assuming return expectations of potential investment options fall within the market-rate range, social/environmental impact should be prioritized over risk-adjusted financial returns when selecting investments.
- To facilitate reflection and learning, the rationale for investment decisions will be documented in the notes or minutes of the appropriate subcommittee or committee meetings.
- The initial investment, at cost, in any individual fund will not exceed 20% of the market value of the target total impact portfolio at the time of commitment.
- The initial investment, at cost, in any direct investment will not exceed 10% of the market value of the target total impact portfolio at the time of commitment.
- Within the impact portfolio, the intended time horizon of individual investments is anticipated to be 10 years or less.

III. IMPACT THEMES AND AREAS OF INTEREST

The Foundation aims to focus on the following impact themes and sub-themes, but it is not limited to such themes. When contemplating such investments, MFF will consider giving preference to opportunities that favor disadvantaged populations in an effort to create "a more level playing field."

- Education
    - Early childhood through 12^{th} Grade
    - Career exploration, job training & career retraining
    - Experiential, life-long learning
- Community Inclusion
    - Housing for a diverse range of ages, abilities, incomes and cultures
    - Affordable, reliable access to essential services including quality telecommunications, data, transit and health services
- Inclusive Finance & Enterprise Development
    - Accessible banking, insurance and financial services that are attractive to both consumers and providers
    - Seeding and growth of Small & Medium Enterprises ("SME") that promote community inclusion and create equitable employment

The process of identifying potential impact investments will consider all impact themes identified above, with no set priorities or target populations among the themes. Selected investments may invest in one or more of the themes, and occasionally some investments may be selected which have limited exposure outside of the theme areas.

MFF will make deliberate efforts to identify and consider emerging, women- and minority-run investment firms in the impact manager selection process. Evidence of women and minorities in key decision-making as well as ownership positions may be used as a proxy for this intention to broaden diversity within the impact portfolio.

In addition, the Foundation is interested in seeking relationships with like-minded impact investors for possible partnerships and co-investing opportunities.

ROLES AND RESPONSIBILITIES

- Board of Directors
    - Delegates responsibility for implementation and ongoing monitoring of MFF impact investments to the Impact Investing Subcommittee, or its successor body as appropriate

- Impact Investing Subcommittee ("Subcommittee")
    - Facilitates ongoing education of Subcommittee members, and the rest of the Board and staff as appropriate, about impact investing
    - Recommends to the Board the appointment and termination of the Impact Consultant
    - Communicates MFF impact themes, focus areas, and interests to the Impact Consultant
    - Develops, in conjunction with the Impact Consultant, an impact investing policy for MFF; implements upon approval and recommends changes as needed
    - Appoints and terminates investment management firms
    - Updates the Board quarterly on the implementation and financial performance of the impact portfolio and annually on its social/environmental metrics
    - Once the initial $5 million has been invested for impact, develops and recommends to the MFF Board an ongoing structure for impact investing reporting, oversight and management

- Impact Consultant
    - Creates, in conjunction with the Subcommittee, parameters for the Impact Investing Policy, including performance benchmarks, asset allocations, social/environmental impact metrics and financial results
    - Implements the impact portfolio by identifying potentially suitable investment managers/investments, performing due diligence, reviewing and presenting investments for approval
    - Provides ongoing reviews of the impact portfolio including financial and social/environmental impact reporting, recommending changes to policy or investments

  - Provides education, including impact investing opportunities and social/environmental impact measures

- Impact Investment Managers
  - Manage assets under their supervision consistent with the investment management agreement or fund prospectus, and if a separately managed account, also consistent with the goals, objectives, and restrictions set forth in this IPS including its Impact Investing Policy Addendum
  - Exercising full discretion with respect to buying, managing, and selling assets held in the portfolio
  - Maintaining appropriate registrations at the federal and state level
  - Communicating with the Subcommittee and Impact Consultant regarding significant matters pertaining to the investment of the assets under their respective supervision. This includes, but is not limited to:
    - Substantive changes in investment strategy, asset mix, portfolio structure, and market value of the portfolio
    - Significant changes in the ownership, organizational structure, financial condition, and professional staffing of the fund manager firm. If a change in ownership control occurs, the fund managers understand that the existing contract cannot be assigned without the written consent of the MFF (only applies to separately managed accounts)
  - Coordinating with the Impact Consultant and overall MFF investment consultant to ensure that the MFF is sent quarterly reports of transaction activity, portfolio holdings, performance reviews, and other information formally specified by the MFF

- Management. The Executive Director and Chief Financial Officer are responsible for:
  - Ensuring investment decisions made by the Subcommittee are implemented in a timely and efficient fashion
  - Scheduling meetings of the Subcommittee and documenting its decisions in meeting notes/minutes

V. INTEGRATION IN INVESTMENT PORTFOLIO

Impact investments are part of the Foundation's investment portfolio and as such are governed by the Investment Policy Statement including the asset allocation, return objectives, risk tolerance, liquidity constraints, specification of benchmarks and responsibilities, unless specified otherwise in this Addendum.

Impact investments must meet the same criteria for evaluation from a financial perspective and will be subject to a substantially equivalent due diligence process as non-impact investments. The risk and return of each potential investment will be considered in relation to the return expectations for both the asset class and the strategy of that investment. This investment evaluation will be in relation to benchmarks established and documented in the IPS for each asset class, as well as relevant returns of comparable strategies which will be selected for each vehicle. Financial return is expected to be commensurate with the risk of the investment.

In addition to the financial due diligence, evaluation of the social/environmental impact will be included to assess the full value of any potential investment. Assuming financial return expectations of potential investment options fall within the market-rate range, social/environmental impact should be prioritized over financial returns when selecting investments. Additional evaluation and reporting of social/environmental impact will be completed and reported to the Subcommittee. Expected social/environmental impact and metrics will be established and documented at initial investment for each fund whenever practical, with a desire to utilize commonly available and standardized metrics where available (such as the Impact Reporting and Investment Standards/IRIS or United Nations Sustainable Development Goals) to limit labor intensity for all parties.

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V. ASSESSMENT OF IMPLEMENTATION

The Subcommittee is responsible for monitoring progress toward achieving the dollar target set for impact investments. Based on the current opportunity set, it is expected that many of the investments will be made into vehicles in which capital is called by the manager; therefore, implementation should be judged not only by the actual capital deployed, but also by the capital that has been committed to impact investment strategies. The target impact investment allocation will be reviewed quarterly with consideration given to outstanding commitments, market conditions, and the performance of the total portfolio.

VI. MONITORING

Financial monitoring of impact investments will follow the monitoring standards of traditional investments. The impact investment consultant will provide reporting of financial return and risk characteristics of each impact investment on a quarterly basis. Reporting of social/environmental impact metrics will be provided at least annually. Although the impact investments are considered part of the total portfolio, the Subcommittee will receive reporting specific to the impact investments in order to assess the impact of the strategy on portfolio returns and risk characteristics.

Addendum C

SRI ESG Profile

The purpose of the Morgan Family Foundation (Foundation) is to improve the human condition. To further focus the Foundation's purpose, the members of the Foundation's Board of Directors have articulated themes to guide our activities. SOCIAL EQUITY: The Morgan Family Foundation seeks a just society in which all individuals have ample opportunity to thrive and outcomes are not determined by one's heritage, physical characteristics, beliefs, residence or inclusion in any particular group. We aim to reduce or eliminate unfair differences among groups of people and we advocate for positive change in attitudes, practices and policies that lead to equitable outcomes. GLOBAL WARMING: Over a long period of time global warming, and the related climate changes, are an existential threat to the survival of the human species. In the shorter term global warming will cause a reduction in our quality of life, taking a particularly heavy toll on our most vulnerable communities. We are focused on mitigation rather than adaptation. END OF LIFE ISSUES, including but not limited to advance care planning, medical issues around end-of-life, care of the elderly, and faith and spirituality surrounding end-of-life issues. These issues are exploding as demographics, economics and pandemics converge to make thoughtful pre-planning for end-of-life a necessity.

The Board has also decided to move toward alignment of a good portion of the Foundation's invested assets with its purpose and themes, utilizing Socially Responsible Investing-SRI (screen out) and Environmental Social and Governance-ESG principles (positive attributes) to help structure the alignment. Note the below:

SRI - Exclude/Reduction in Exposure of Investments (Companies) in the following industries (areas)

- Fossil Fuel Producers (Coal, Petroleum, Gas) - Exclude
- Private Prisons - Exclude
- Firearms/Weapons - Exclude manufacturers and distributors of such products and primary components if more than 10% of revenues

ESG – Measure of Positive Efforts. ESG covers a wide range of activities. Below are those most important to the Foundation:
Environment

- Climate change; operating policies, plans and procedures (set goals and reporting)
- Greenhouse Gas/Carbon Emission reduction (set goals and reporting)
- Use of green products, renewable energy in operations

Social:

- Diversity and inclusion in hiring, compensation, training and development, and advancement
- Ethical supply chain sourcing, diversity and inclusion in vendor selection processes

- Active community enhancement programs, encourage same of employees.

Governance:
- Diversity of board and key committees' membership (persons of color, women)
- Proxy access, transparency in all reporting to shareholders and stakeholders
- Buy in (Support) United Nations Sustainable Development Goals or comparable set of standards