

CFMC Investment Committee
Amendment to Investment Policy Statement Approved April 24, 2012
Environmental, Social and Governance Investment Pool
August 2016

The Investment Policy Statement (IPS) approved by the Board of Directors (the Board) of the Community Foundation for Monterey County (the Foundation) on April 24, 2012 states in Section IV, Investment Objectives: “The achievement of investment objectives will be viewed in a long-term context, recognizing that rates of return may be volatile on a year-by-year basis and that achievement of the investment objectives will not progress uniformly over time.”

The Investment Committee has recognized that some donors seek both long term growth and positive social or environmental impact in a diversified investment portfolio. The Environmental, Social and Governance Investment Pool is intended to accommodate those donors by establishing a portfolio separate from the Endowment Fund.

This Amendment to the IPS establishes the Environmental, Social and Governance Investment Pool and amends the IPS only as set forth herein. The Environmental, Social and Governance Investment Pool shall be managed in a manner consistent with the IPS and in conformance with the Uniform Management of Institutional Funds Act (UPMIFA).

The Environmental, Social and Governance Investment Pool will emphasize Socially Responsible Investing (SRI) and be considerate of the standards of Environmental, Social and Governance (ESG) criteria.

Environmental, Social and Governance Investment Pool Performance Objectives – The objective of the portfolio is to earn a favorable long-term total return that reflects the investment performance of the underlying asset allocation while giving special consideration to certain social criteria.

Environmental, Social and Governance Investment Pool Asset Allocation – The assets shall be invested in diversified asset segments, the performance of which shall be measured against the indices specified in the IPS with an understanding that the social criteria may impact performance relative to more broadly based segments.

The Environmental, Social and Governance Investment Pool’s assets will be invested in equities and fixed income investments as set forth in the Target Asset Allocation section on page 2 herein. The blended allocation has historic performance characteristics that are in line with portfolios with long-term objectives. This pool will have a risk of loss.


The asset allocation of the portfolio shall be reviewed at least quarterly to insure that the target allocation is in compliance with the following guidelines.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Minimum</u>	<u>Maximum</u>
<u>Equity</u>	60%	50%	70%
Large Cap Domestic Equity		20%	40%
Small/MidCap Equity		0%	15%
International Equity – Dev.		15%	35%
Emerging Markets		0%	5%
<u>Fixed Income</u>	40%	30%	50%
Core/ Core Plus Fixed Income		25%	45%
TIPS		0%	10%
High Yield Fixed Income		0%	10%
Short Term Fixed Income		0%	10%
Global Fixed Income		0%	10%
Emerging Market Debt		0%	0%
<u>Alternative Asset Classes</u>	0%	0%	10%
REITS		0%	10%
Liquid Alternatives		0%	10%
<u>Cash Equivalents</u>	0%	0%	10%
	100%		

Rapid and significant market movements may cause the Environmental, Social and Governance Investment Pool’s actual asset mix to fall outside the policy range.

ADOPTION OF AMENDMENT TO INVESTMENT POLICY STATEMENT

The Community Foundation for Monterey County has reviewed, approved and adopted this Amendment to the Investment Policy Statement.

Signature  Date 8/23/2016