Investment Policy Statement and Guidelines

OVERVIEW:

Mission

The Rhode Island College Foundation, established in 1965, is a separate but affiliated enterprise that is devoted to raising funds for Rhode Island College, and for exercising fiduciary responsibility over endowments and other philanthropic investments made to Rhode Island College.

Investment Objectives

The investment strategy for the portfolio is "Growth and Income." This is consistent with a goal of long-term appreciation and modest current income. The Foundation's goal is for the portfolio to reach a minimum annual total return of 7% over a 3 year period. From time to time, the investment committee may adjust the annual targeted return. This expected return will be utilized to assist the Investment Committee and the Investment Advisor in determining the appropriate asset allocation. This asset allocation utilizes, but is not limited to, a combination of:

- cash & cash equivalents including treasury bills,
- common stocks,
- fixed income securities,
- mutual funds
- International and US Equities and Funds with significant commodities exposure
- ETFs (Exchange Traded Funds)
- MLPs (Master Limited Partnerships)
- REITs (Real Estate Investment Trusts)
- Alternative Investments to include the following:
    - Commodities and/or Currency Advantaged Investments through diversified Funds and/or ETFs
    - Private Equities Funds through a diversified Fund Offering. Private Equity Funds should be evaluated for process, diversification and lock-up periods (period of illiquidity)
    - Hedged Equity Investments through open-ended Funds or ETFs. We will refrain from purchasing individual Hedge Fund positions.
- Strategies can be both passive or active as separately managed accounts as advisors see fit. Retainment of active management services for the purpose of achieving added value with diversification and provided through multiple managers/strategies; emphasize active management in areas where the market is deemed less efficient and passive management in areas where the market is deemed more efficient.
- Consideration and incorporation of ESG issues into investment analysis and decision-making processes should be made in conjunction with and without disrupting the other policies set forth by this IPS, when and where appropriate.
- Other instruments the Foundation may approve.

Rhode Island College Foundation Spending Policy

It is expected that the Board of Directors will authorize an annual spending allocation of up to 4% of the consolidated invested assets of the endowments (based on a 3-year rolling average) as of September 30th in pursuit of its stated mission.

GENERAL:

Roles and Responsibilities

Board of Directors

The Board of Directors of the Rhode Island College Foundation (hereinafter referred to as the "Foundation") is responsible for:

1. Appointing all Investment Committee members
2. Approving this Statement of Investment Policy and Guidelines
3. Approving the Investment Committee's recommended portfolio advisor(s)
4. Reviewing and voting on all of Investment Committee recommendations
5. Annually reviewing portfolio performance

Executive Director

The Executive Director of the Corporation is hereby authorized to take action, when necessary, in absence of the Investment Committee. Any actions taken by the Executive Director shall be reviewed by the Investment Committee.

Investment Committee

The members of the Investment Committee who are appointed by the Board of Directors of the Foundation are responsible for:

1. Conducting investment advisor searches utilizing this Investment Policy Statement
2. Interviewing and recommending investment advisor(s) for Board approval
3. Performing due diligence analysis on advisors to ensure "Best of Breed" by comparing YTD, 1, 3 & 5 year performance returns[i]
4. Making suitable recommendations for maintaining or removing investment advisor(s), additions or deletions to this Investment Policy Statement, etc.
5. Ensuring that the Rhode Island Uniform Prudent Investor Act is followed by selected investment advisors
6. Ensuring compliance to this Investment Policy Statement and Guidelines by the investment advisor(s)
7. Allocating assets among the investment advisor(s)
    a. To be reviewed annually
8. Analyzing quarterly performance review presented by the

investment advisor(s)

a. Conducting monthly conference calls with the lead advisor if one is appointed

9. Reporting portfolio performance to the Board of Directors.

Investment Advisor(s)

The investment advisor(s) responsibilities:

1. Managing assets entrusted to them via Rhode Island Uniform Prudent Investor Act (UPMIFA)
2. Allocating assets among allowable asset classes as defined by this Investment Policy Statement & Guidelines
3. Selecting and disposing of individual securities and diversifying assets
4. Reporting performance on a time weighted and/or money weighted Basis. Reports should have YTD, one (1), three (3) and five (5) year performance (if applicable). The performance should be compared to appropriate benchmarks
5. Ensuring that the overall Asset Allocation is in accordance with the asset allocation targets identified by this Investment Policy Statement
6. Reporting quarterly performance to the Investment Committee
7. Identifying and timing escalating severe market conditions requiring immediate action.
    a. Contact should be, made as soon as practical, by e-mail and phone calls to the Executive Director (RICF) or the Investment Committee Chair.

The investment guidelines that follow are not intended to restrict the investment advisor(s) but rather provide direction as to the Foundation's risk tolerance and general preferences. If the investment advisor(s) feels strongly that market circumstances justify deviation from these policies, they may contact the Investment Committee and provide written rationale for such deviation. The Investment Committee, after consulting with the investment consultant (if hired) shall have the ultimate responsibility to approve deviations.

GUIDELINES:

Asset Allocation

The Foundation recognizes that in adopting an asset mix for the portfolio they are setting a target for the allocation of assets. It realizes that since the market value of securities fluctuates, it is not possible to meet these specific targets at all times. Accordingly, the Foundation has adopted an asset allocation range that must be complied with even if the specific targets are not met at all times. Therefore, it is the Foundation's intent to have the investment advisor(s) take a long-term approach to the asset allocation decision rather than a short-term market timing strategy.

The present asset allocation, exclusive of operating cash assets, for the Foundation shall be:

Fixed Income	10-30 %
International or US Equity Securities	40-70 %
Alternatives and/or Real Assets	5-25 %

Any changes to the aforementioned ranges shall be communicated in writing to the investment advisor(s).

REBALANCING

The Foundation recognizes that appreciation, depreciation, and/or additional contribution may affect the asset allocation. Therefore, the lead investment advisor is authorized to automatically rebalance the portfolio to the targets anytime an asset class is **+/- 100 basis points** from its minimum or maximum by notifying the other investment advisors. If severe market conditions exist, then the lead investment advisor may make allocations outside the guidelines to preserve principal, subject to approval of the investment committee and in accordance with the authorization given by the Board of Directors.

Fixed Income

The fixed income portion of the portfolio should be managed on a total return basis. The fixed income portfolio shall have an overall dollar weighted average quality rating of “A” or better by either Moody’s Investment Services, Inc., Standard and Poor’s Corporation or Fitch Rating Agency. Concentrations in any one issue should not exceed twenty percent of the asset allocation for fixed income. In addition, high yield corporate bonds, emerging market bonds and senior bank loan (floating rate) debt asset classes may be added to the fixed income portion of the portfolio in order to add diversification. Concentrations in any one of these asset classes should not exceed 10 percent of the fixed income portfolio, and exposure to these asset classes should be through diversified Mutual Funds and/or ETFs.

Common Stocks

The equity investments (which shall include common stock, ETFs and mutual funds) should be managed on a total return basis and in companies that have a proven record of earnings, growth, strong fundamentals and attractive valuations or significant growth potential. The majority of the equity portfolio should be invested in broadly diversified larger capitalization companies. A smaller percentage will be devoted to mid and small cap companies. The equity portion of the portfolio needs to be broadly diversified. At the security level, an initial purchase of a single security should not exceed 5 percent of the equity portion of the portfolio. The maximum exposure to any one company, because of price appreciation, should not exceed ten (10) percent of the equity allocation.

The investment advisor(s) is also authorized to invest in mutual funds, including but not limited to, materials, energy, agriculture, global and international, as a means of achieving greater equity diversification, consistent with the asset allocation.

Special Instructions

The Foundation receives contributions from the general public and is therefore cognizant of social concerns in the community. Therefore, the investment advisor(s) will invest in companies in a manner consistent with the values and mission of the college. The Foundation recognizes that this policy may at times have an adverse effect on the performance of the investment portfolio.

The investment advisor(s) will refrain from investing in the following:

1. Purchasing options (with the exception of covered calls) and futures.

2. Purchasing securities on margin
3. Short selling
4. Direct trading in commodities
5. Direct positions in venture capital placements
6. No fixed income holding may be purchased with a maturity greater than 30 year
7. Prior to investing in any leveraged ETFs/ETNs, Inverse ETFs/ETNs, Credit Default Swaps, and CDOs, a discussion must occur with the Investment committee highlighting all risk and reward scenarios.

If an investment advisor is investing in co-mingled or mutual funds, these restrictions can be waived with written approval by the investment committee

Performance Measurement

The Investment Committee will primarily focus on the performance of the investment advisor's longer-term results over a full business cycle. The investment advisor(s) will provide rates of return for the total equity and fixed income portions of the portfolio calculated on a time weighted and/or a money weighted rate of return basis. The performance results should be presented on a year-to-date, RICF fiscal calendar basis at mid-year, and annualized, and on one, three and five year basis. For comparison purposes, a hybrid index based on the targeted asset allocation should be created. The following indexes may be used in making up the hybrid benchmark:

1. S&P 500 Index
2. Russell 2000 & 3000 Index
3. MSCI EAFE
4. Barclay Aggregate Bond Index
5. US treasury Bill 30 Days
6. HFRI Alternative Investment Index

Investment Advisor(s) will be subject to an annual review by the RIC Foundation. The Foundation may contract a third party consult to assist, when deemed necessary, in the review of the Investment Advisor(s).

Communications

The investment advisor(s) shall meet with the Investment Committee at least quarterly and whenever the committee deems necessary. In non-quarter end periods the lead advisor shall participate in a short conference call to update and answer pertinent and timely questions of the committee. The investment advisor(s) should review Investment Policy Statement and Guidelines and have them reaffirmed during these meetings. The investment advisor(s) will discuss the investment objective, asset allocation, performance, diversification and general compliance with guidelines. In addition, the information presented should include charts, graphs, brief narratives on industry sectors and a description of each investment to include performance and what the portfolio advisor(s) anticipates it will do.

Investment Policy Statement and Guidelines adopted February 20, 2001 as reflected in the meeting minutes of the Board of Directors and revised on the following dates: June 19, 2003, September 20, 2007, September 28, 2010, November 27, 2012 and January 9, 2019 .