This Investment Policy is intended to provide meaningful guidance in the management of the assets of The Public Welfare Foundation’s (“The Foundation”) endowment through its investment in PWF Fund, LP (the “Fund”). The purpose of this Statement is to establish a clear understanding between all parties involved as to the objectives, investment policies, and goals of the Foundation. The guidelines are designed to allow for sufficient flexibility given changing economic, business and investment conditions, while establishing reasonable risk control parameters to ensure prudence and care in the execution of the investment program. In that regard, the basic investment standards shall be those of a prudent investor as articulated in applicable state laws.

The Board of Directors of the Foundation (the “Board”) has authorized the Foundation’s investment in the Fund, and the Fund’s general partner has appointed Cambridge Associates LLC (the “Fund Manager”) as the Fund’s investment manager. Pursuant to the terms of the Fund’s limited partnership agreement (as amended and/or restated from time to time, the “LPA”), the Fund’s assets will be managed in accordance with the guidelines listed below.

I. Objectives

The Board views the organization as a perpetual institution. The goal of the Board’s investment and spending policies is to balance the needs of both present and future charitable institutions and programs the Foundation serves in a thoughtful and responsible manner. The policies are also intended to comply with applicable regulatory requirements including statutory payout requirements.

The overall financial objective of the Foundation is to grow its real purchasing power while maximizing current and future grantmaking. It is the intention that the total return (interest income, dividends, realized gains and unrealized gains), above and beyond the amount approved for expenditure or distribution, will be reinvested in the Fund. The Fund is intended to meet the needs of the Foundation in perpetuity.

To meet this financial objective, the primary long-term investment objective of the Fund is to earn an annual total return, net of all fees and expenses, greater than the spending rate plus inflation over rolling five and ten year periods. Details on the spending rate and inflation measurement are outlined in Appendix A. It is recognized that this investment objective may be difficult to attain over every five and ten year period and is contingent upon market conditions during the period.

In addition to the primary long-term investment objective, the Fund will seek competitive performance relative to a policy benchmark comprised of relevant capital market indices. This objective shall be measured primarily (but not exclusively) over rolling three and five year periods. The Fund will also seek competitive performance relative to a universe of similarly managed peer endowments and foundations, measured primarily (but not exclusively) over rolling three and five year periods.

The Fund should be invested in a manner that is expected to maximize its long-term total return, net of fees and expenses, with reasonable and acceptable levels of investment risk. Investment risk is defined as: (1) the probability of failing to maintain purchasing power; (2) the probability of total assets of the Fund declining in value; and (3) the probability of not having sufficient liquidity to meet grantmaking needs. Details on risk measurement are provided in Appendix B. Similar to the investment objectives, it is recognized that these risk objectives may be difficult to attain over every period.

Consistent with the exercise of fiscal prudence and to more fully reflect an abiding commitment to its mission and its core values of racial equity and fundamental fairness to all, the Foundation seeks to achieve increased diversity within its investment program and through enhanced inclusive investment practices by its Fund Manager. “Diverse asset managers” are defined as 33% or more ownership of firms by individuals who are African American or Latino, or firms or strategies which are led by African Americans or Latinos. The Fund Manager will report annually to the Foundation’s Finance Committee the number of diverse managers evaluated and hired for the Fund, as well as the
number of diverse professionals employed by the Fund Manager. The Committee may choose to modify in the future its definition of diverse asset manager.

The policy guidelines and objectives described in this Statement shall consider the assets of the Fund together with the assets managed by the Fund Manager pursuant to the investment management agreement between the Foundation and the Fund Manager, dated October 1, 2019, as amended from time to time (the “Account”). Consequently, any exposure targets, investment restrictions, performance reports, or other applications of this Statement that considers the assets of the Fund shall, for so long as the Account is managed by the Fund Manager, also consider the assets of the Account. For purposes of assessing the Fund Manager’s performance, the Foundation agrees that the Fund Manager’s official track record shall include the assets of both the Fund and the Account, neutralizing the contribution to value added of the Legacy Assets as defined in the investment management agreement between the Foundation and the Fund Manager, dated October 1, 2019, and will begin on January 1, 2020.

II. Oversight

The Board has delegated certain responsibilities for the investment oversight of the Foundation’s investment program to the Finance Committee, to the Fund Manager, and to the Foundation’s professional staff (the “Staff”), as follows:

**Finance Committee**

- Adopt and review, at least annually, this Investment Policy Statement, which defines investment objectives, oversight, spending policy, and investment guidelines and restrictions.
- Monitor effects of the spending policy on the Fund and recommend modifications to the Board, as necessary.
- Monitor the Fund Manager for adherence to the Investment Policy Statement guidelines.
- Evaluate the performance of the Fund Manager.

**Fund Manager**

- Review, at least annually, the Investment Policy Statement to ensure its continued appropriateness in the context of macroeconomic and market environments and the Foundation’s financial situation.
- Advise the Finance Committee on developing, reviewing, and (when appropriate) revising the Investment Policy Statement.
- Implement the Fund’s investment strategy allocation within specified ranges approved by the Finance Committee.
- Rebalance investment strategy allocations, as necessary.
- Report any violations of the Investment Policy Statement guidelines to the Finance Committee and Staff as soon as reasonably possible and take actions to bring the Fund back within guidelines as quickly as prudently possible.
- Select and terminate investment managers in accordance with this Statement.
- Complete and execute documents required to hire and terminate investment managers.
- Determine the amount of assets delegated to each investment manager.
- Oversee and monitor investment managers, focusing on performance, fulfillment of stated investment objective, organizational strength and stability, and regulatory compliance.
- Administer the Fund’s day-to-day investment activities, including the movement of funds within the Fund as well as inflows and outflows.
- Provide Staff with a “flash” report summarizing the performance of each manager, each investment strategy, and the total Fund, as well as the Fund allocation by investment strategy, on a monthly basis.
- Monitor and report to the Finance Committee and Staff the performance of the total Fund, as well as the Fund allocation by investment strategy, on a quarterly basis.
- Provide documentation to support the Foundation’s audit preparation.
- Provide the Foundation with a copy of its annual Form ADV, Parts I and II.
Staff

- Manage the Foundation’s relationship with the Fund Manager.
- Notify the Fund Manager in a timely manner of any meaningful changes to the Foundation which may alter its risk tolerance or liquidity needs.
- Provide the Fund Manager with advance notice of Fund withdrawals, pursuant to the terms of the LPA.
- Manage the Foundation’s relationship with the Fund custodian.

III. Fund Composition

The purpose of establishing a policy allocation for the Fund is to construct a standard set of investment exposures, based on the roles of the investments, the Foundation’s risk tolerance, and long-term return expectations. As the policy allocation is intended to be independent of market conditions, changes to the policy allocation are expected to be infrequent and to be driven by a change in the needs of the Foundation.

The governing philosophy defining the policy allocation is described below, while the approved policy allocation is contained in Appendix B.

1. The Fund shall be diversified both by investment strategy and investment manager to assure no single investment will have a disproportionate negative impact on the Fund’s overall return. Specific guidelines on strategy diversification and manager diversification are defined in Appendix B and Appendix D, respectively.

2. The Fund’s actual allocation will be monitored by the Fund Manager relative to the targets and ranges defined in Appendix B. Within policy allocation ranges, rebalancing is at the discretion of the Fund Manager. Contributions to and withdrawals from the Fund shall be allocated and managed at the discretion of the Fund Manager. In managing contributions to and withdrawals from the Fund, the Fund Manager will seek to adhere to the allocation policy and guidelines. In the event that the Fund falls outside of the ranges defined in Appendix B, the Fund Manager will communicate this breach to the Finance Committee and Staff and have a reasonable period of time to bring the Fund back into compliance with the applicable guidelines.

IV. Proxy Voting

Proxies shall be voted in accordance with the Fund Manager’s Proxy Voting Policy.

V. UBTI Sensitivity

The Foundation understands that its share of any income from the Fund (and possibly the gain on the sale of all or a portion of its interest in the Fund) may constitute unrelated business taxable income (“UBTI”), as defined in the U.S. Internal Revenue Code. UBTI generally is subject to taxation at rates applicable to taxable investors.

The Fund Manager will use reasonable efforts to limit the amount of UBTI derived from investments of the Fund, including investment in “blocker vehicles” when available and cost effective. However, the Fund Manager will not be prohibited from causing the Fund to make investments that generate UBTI, and the Fund likely will make such investments if the Fund Manager believes that the overall potential after-tax returns from such investments justify any potential UBTI costs attributable to such investments. The Foundation understands and agrees that the realization of UBTI may result in additional administrative costs, including tax and accounting advice required for making the required state and federal tax filings. The Foundation understands that since the characterization of income of the Fund derived from underlying funds as UBTI depends in part on the nature of the underlying investments made by underlying funds, the Fund will be limited in its ability to avoid UBTI.
Appendix A
Spending Policy

The spending policy represents the guidelines and administration of the annual amount of funds to be withdrawn from the Fund and made available for distribution each year, i.e., the spending rate.

The Foundation’s annual spending amount for the Fund is calculated by multiplying the average valuation of the Fund assets over the preceding 12 quarters by 5.5%.

To further ensure actual spending levels do not increase or decrease excessively in volatile market conditions, the Board has elected to impose a limit on how much spending can increase or decrease from one year to the next. This limit is set at the discretion of the Board and may change due to changes in economic conditions and the Fund’s fiscal health. The range is initially set at +/- 10%.

The spending policy and its components will be monitored by the Board, and if necessary, adjusted, to ensure the Foundation’s compliance with federal tax law regarding payout requirements.

The spending policy and its components may be adjusted at the discretion of the Board.

The Consumer Price Index – All Urban Consumers (“CPI-U”) is utilized to determine “inflation” for purposes of defining the Fund’s financial objective.
### Appendix B
### Investment Strategy Allocation

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long-Term Policy Target</th>
<th>Policy Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>5%</td>
<td>0% – 10%</td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>11%</td>
<td>6% – 16%</td>
</tr>
<tr>
<td>Developed Ex-U.S. Equity</td>
<td>6.5%</td>
<td>1.5% – 11.5%</td>
</tr>
<tr>
<td>Emerging Markets Equity</td>
<td>2.5%</td>
<td>0% – 7.5%</td>
</tr>
<tr>
<td>Private Investments</td>
<td>40%</td>
<td>0% – 50%</td>
</tr>
<tr>
<td>Venture Capital/Growth Equity</td>
<td>---</td>
<td>0% – 18%</td>
</tr>
<tr>
<td>Buyout</td>
<td>---</td>
<td>0% – 20%</td>
</tr>
<tr>
<td>Opportunistic*</td>
<td>---</td>
<td>0% – 15%</td>
</tr>
<tr>
<td>Real Assets**</td>
<td>---</td>
<td>0% – 15%</td>
</tr>
<tr>
<td>Diversifying Strategies***</td>
<td>10%</td>
<td>5% – 15%</td>
</tr>
<tr>
<td>Commodities</td>
<td>2.5%</td>
<td>0% – 7.5%</td>
</tr>
<tr>
<td>Inflation-Linked Bonds</td>
<td>2.5%</td>
<td>0% – 7.5%</td>
</tr>
<tr>
<td>Core Bonds</td>
<td>5%</td>
<td>0% – 10%</td>
</tr>
<tr>
<td>Treasuries</td>
<td>15%</td>
<td>10% – 20%</td>
</tr>
<tr>
<td>Cash</td>
<td>---</td>
<td>0% – 35%</td>
</tr>
</tbody>
</table>

**Target Volatility:** Over time, this policy portfolio is expected to exhibit volatility similar to a 75% Global Equity / 25% Treasury Bond portfolio.

As the Private Investment target is not immediately achievable, the Fund will have an adjusted policy target to Private Investments equal to the Fund’s current allocation to Private Investments. Any difference between current Private Investment exposures and the Private Investment target will be allocated pro rata to the Global Equity, U.S. Equity, Developed Ex-U.S. Equity and Emerging Markets Equity targets. The range for the adjusted Private Investment target will be 0-50%, and the ranges for the adjusted public equity targets will be +/-5%, but not less than zero. The maximum exposure to Private Investment strategies whose primary strategy is to invest in non-U.S. assets shall not exceed 20% of the portfolio.

Due to the nature of the investment assets in which the Fund Manager invests the Fund, from time to time, it may be necessary for the Fund to temporarily exceed or fall below the exposures set forth within the ranges in the above Investment Strategy Allocation to facilitate efficient movement between paired transactions of Fund assets. Such temporary deviations shall not constitute a breach of the ranges in the above Investment Strategy Allocation provided that the exposure deviations are rectified within 3 business days.

For the avoidance of doubt, the target percentages described above apply to the combined assets of the Fund and the Account, and not to the Fund alone, for so long as the Account is managed by the Fund Manager.

*May include, but not limited to, the following strategies: secondaries; credit; and royalties.
**May include, but not limited to, the following strategies: private natural resources; real estate; and infrastructure.
***May include, but not limited to, the following strategies: long/short equity; distressed securities; long/short credit; multi-strategy; global macro; and long-only credit.
Appendix C
Benchmarking

**Total Portfolio Benchmarking**
The following benchmarks shall be used for analyzing total portfolio performance:

**Long-term Benchmark**: Long-term performance objective of the spending policy rate plus inflation, as defined in Appendix A.

**Policy Benchmark**: Weighted average of the policy allocation targets or adjusted targets, as defined in Appendix B, and market indices listed below. Private investment allocations will receive a “0” return in the benchmark until the portfolio’s private investment returns have been reported – generally on a one quarter lag.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>MSCI All Country World Index (net)</td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>S&amp;P 500 Index</td>
</tr>
<tr>
<td>Developed Ex-U.S. Equity</td>
<td>MSCI World ex U.S. Index (net)</td>
</tr>
<tr>
<td>Emerging Markets Equity</td>
<td>MSCI Emerging Markets Index (net)</td>
</tr>
<tr>
<td>Private Investments</td>
<td>Custom Cambridge Associates Private Investments Benchmark*</td>
</tr>
<tr>
<td>Diversifying Strategies</td>
<td>HFRI Fund of Funds Composite Index</td>
</tr>
<tr>
<td>Commodities</td>
<td>Bloomberg Commodity Index Total Return</td>
</tr>
<tr>
<td>Inflation-Linked Bonds</td>
<td>Bloomberg Barclays U.S. TIPS 0-5 Years Index</td>
</tr>
<tr>
<td>Core Bonds</td>
<td>Bloomberg Barclays Aggregate Bond Index</td>
</tr>
<tr>
<td>Treasuries</td>
<td>Bloomberg Barclays 5+ Year Treasury Bond Index</td>
</tr>
<tr>
<td>Cash</td>
<td>BofA Merrill Lynch 91-Day Treasury Bills</td>
</tr>
</tbody>
</table>

**Asset Class Benchmarking**
Individual asset class performance shall be measured against asset class benchmarks. In addition, Private Investments shall benchmarked against a secondary benchmark. This secondary benchmark will be the MSCI All Country World Index (net) plus 300 basis points (bps) on a dollar weighted return (IRR) basis.

**Manager Benchmarking**
Individual manager benchmarks will be identified at the time of hire.

*Vintage year and investment strategy blend of corresponding Cambridge indices, weighted by fund NAVs. Quarterly and lagged.*
Appendix D
Investment Restrictions

Liquidity
- 20% of total assets liquid within one month inclusive of notice
- 35% of total assets liquid within six months inclusive of notice
- 45% of total assets liquid within one year inclusive of notice

Manager Concentration
- No more than 35% of the portfolio with any single investment manager

Investment Concentration
- No more than 20% invested in a single passive equity or fixed income fund
- No more than 15% invested in a single active equity or fixed income fund
- No more than 5% invested in a single fund within the Diversifying Strategies composite
- No more than 5% committed to a single private investment fund (at time of commitment)

Policy Overlay Solutions
A futures-based total portfolio overlay solution is allowable in the Fund to:
- Achieve a fully invested position while maintaining on-demand liquidity needs
- Control risk through cost effective rebalancing
- Minimize manager disruption and bridge cash positions during manager transitions
- Execute tactical asset class views

Such a program must:
- Be fully collateralized by cash equivalent assets in the Fund
- Use only exchange-traded futures positions
- Hold only long positions
- Overlay no more than 35% of Fund assets

For the avoidance of doubt, for the purposes of this Appendix D the term “total assets” and the target percentages described above are calculated based upon the combined assets of the Fund and the Account, and not to the Fund alone, for so long as the Account is managed by the Fund Manager.