COMMUNITY FOUNDATION
OF ST. CLAIR COUNTY

Statement of Investment Policies, Procedures and Objectives

March 2014

Prepared by
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Independent, Professional Investment Consultants Since 1992.

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Section 1 – Investment Policies, Procedures and Objectives

Introduction

The Community Foundation of St. Clair County is a 501(c) (3) organization whose primary mission is to serve charitable needs and enhance the quality of life in St. Clair County. The Foundation's goal is to do this by providing a flexible and desirable vehicle for donors having a variety of charitable goals and needs and by servicing as responsible stewards over the assets entrusted to us. The Foundation also strives to respond to community needs and to maximize the resources available to meet these needs through community-wide, collaborative efforts.

The purpose of this Investment Policy Statement is to establish a clear understanding of the philosophy and the investment objectives for The Community Foundation of St. Clair County, hereinafter, "Fund". It is the responsibility of the Finance and Investment Committee, hereinafter referred to as "Committee," acting on behalf of the Board of Trustees, to select investments that will provide maximum financial resources for the Foundation, balancing risk and return, and in recognition of the fiduciary responsibilities of the Board of Trustees. This document will further describe the standards that will be utilized by the Committee in monitoring the asset allocation policy, investment manager guidelines, investment performance standards and procedures for managing the Fund's assets.

The purpose of the Fund is to accumulate a pool of assets sufficient to meet the needs of the Community Foundation of St. Clair County Fund. These assets are to be invested in a manner consistent with the Prudent Investor Rule.

Investment objectives consider both the Fund's financial needs and the Committee's tolerance for investment risk, inflation expectations, and Fund liquidity needs. A strategic asset allocation policy is developed to ensure achievement of investment objectives, maximize expected investment returns with a prudent amount of investment risk and in recognition that the capital markets may behave differently throughout the life of the Fund.

Investment guidelines are established for each manager, consistent with their investment style and Fund return/risk/liquidity objectives. Performance standards are developed as a means of independently determining whether or not investment objectives are being achieved. Each manager has specific performance standards based on their investment style, which incorporate return, risk and time horizon. Conformance to these standards and policies is closely monitored and evaluated in an unbiased analysis each quarter. This analysis includes an evaluation of each manager's contribution to the achievement of overall Fund investment objectives.

Delegation of Responsibilities

The Committee

1. The Committee is responsible for investment policies and strategies, in the selection of investment managers and/or advisors, and other fiduciaries, and monitoring the performance of the managers, advisors, and other fiduciaries.

2. The Committee shall have fiduciary responsibility for the assets of the Foundation Fund. The Committee may delegate the fiduciary responsibility, in whole or in part, to one or more investment managers who would have discretion regarding decisions to buy, sell, and retain particular investments, subject to this policy.

3. Any and all recommendations from donors pertaining to the investment of their gifts shall be considered advisory only. Donor recommendations will only be considered for gifts expected to be a minimum of $500,000. The Foundation's Finance and Investment Committee will have final determination for all Foundation Investments.

4. Investment managers shall either be registered under the Investment Adviser Act of 1940 or a bank as defined in the Act.

5. The Committee may authorize the investment manager to buy, sell, exchange, convert and otherwise trade any stocks, or other securities, and may establish and execute securities transactions through accounts with such brokers or dealers as it may select and within the constraints of the guidelines set forth in this policy.

All Committee responsibilities and decisions referenced in the above sections are subject to Board approval.

Custodian

The primary responsibilities of the Board's custodian are to:
1. Provide safekeeping services.
2. Settle securities transactions on time.
3. Collect trust fund income when due.
4. Provide accounting services.
5. Prepare investment reports.
6. Provide cash-management services.
7. Provide administrative support.
8. Develop and maintain data processing capabilities.
9. Handle proxy administration .

The Director of Finance will report any noted problems with service levels from any of the Foundation's custodians to the Committee.

Scope

This Investment Policy Statement applies only to those assets which are part of the Foundation Fund and for which the investment manager(s) and the Committee have discretionary authority.

Investment Objectives

The primary objective of the investments for the Fund will be to provide for long-term growth of principal, through capital appreciation, income, donor development and gifts. The focus will be on consistent, long-term capital appreciation, with income generation as a secondary objective, with an appropriate level of risk. Moreover, emphasis shall be placed on maintaining “real” growth of assets, net of inflation, spending and fees.

The Fund’s investment objective is to earn a “real” rate of return that exceeds the rate of inflation by at least 4% per year over rolling five-year periods. The rate of inflation is defined as the annual rate of change in the Consumer Price Index.

The Fund's objective is based on the expected returns under the strategic asset allocation policy, which follows. This asset allocation policy should result in normal fluctuation in the Fund's actual return, year-to-year. The expected level of volatility (return fluctuation) is appropriate given the Fund's current and expected tolerance for short-term return fluctuations. Appropriate diversification of Fund assets will reduce the Fund's investment return volatility.

ASSET ALLOCATION POLICY

This strategic asset allocation policy is consistent with the achievement of the Fund's financial needs and overall investment objectives. Asset classes are selected based on their expected long-term returns, individual reward/risk characteristics, correlation with other asset classes, manager roles, and fulfillment of the Fund's long-term financial needs. Conformance with statutory investment guidelines is also considered.

Asset Class	Manager Role	Range	Policy Target Allocation
U.S. Equities	Active or Passive	40 to 60%	40%
Non-U.S. Equities	Active or Passive, Global x-U.S.	10 to 20%	15%
Fixed Income	Active or Passive, U.S. Core Plus	20 to 30%	20%
Real Estate	Active, U.S. Commercial	0 to 10%	10%
Alternative Investments	Hedge Fund, Private Equity, Infrastructure, Real Assets	0 to 20%	15%
Cash Equivalents		0 to 5%	0%
Total Fund			100%

The Committee established an allocation range for each asset class in recognition of the need to vary exposure within and among different asset classes, based on investment opportunities and changing capital market conditions. The Committee selected the target allocation for each asset class based on the Foundation's current financial condition, expected future contributions, withdrawals, Foundation expenses and current investment opportunities, notwithstanding short-term performance. The Committee intends to review these allocation targets at least annually, focusing on changes in the Foundation's financial needs, investment objectives, and asset class performance.

The Committee acknowledges that alternative asset classes are available and intends to periodically evaluate the merits of using different asset classes. The Committee also recognizes the benefits of diversifying manager roles within a given asset class and intends to periodically evaluate this decision as well as the active versus passive management decision.

Investment Oversight Procedures

Each investment manager should communicate their proposed investment strategy for achieving the Fund's investment objectives relative to the stated objectives and guidelines to the Committee and its Consultant at the time of hire and at least annually, thereafter.

The Committee will monitor the investment performance of each manager and the overall deployment of the Fund's assets. Monitoring may include periodic meetings with the managers and a quarterly performance evaluation performed by the Investment Consultant. Each performance evaluation will include current period and historical, time-weighted rates of return for each investment portfolio and the overall Fund. Each manager will be evaluated against the previously specified performance standards. Additional quantitative measures and analysis will be employed to objectively monitor the manager's compliance with investment policies and guidelines.

Managers are requested to provide the Committee with quarterly statements showing portfolio holdings, security prices, cash flows, and transactions. In addition, the Fund's custodian will also deliver a separate accounting of Fund assets, cash flows, expenses, and related transactions.

The managers are also expected to keep the Committee apprised of any material changes in their investment style, objectives, market outlook, key personnel and business conditions within their firm, on a diligent basis.

<u>Due Diligence Process Conducted by the Investment Consultant</u>

As an ongoing process when preparing the quarterly investment performance report, the Investment Consultant will examine compliance with the *Statement of Investment Policies, Procedures and Objectives (PP&O), including:*

I. <u>Asset Allocation</u>
   a. At least quarterly, the Consultant will review the actual asset allocation of Fund versus the target allocation.
   b. Recommend rebalancing as necessary.
   c. Rebalancing recommendations will be subject to market conditions and target ranges.

II. <u>Total Fund Objective Compliance</u>
   a. On a risk-adjusted basis, the Fund performance will be compared to the Policy index on a quarterly-basis and longer time periods.
   b. The Fund performance and the Policy Index return will be compared to a peer group on a quarterly-basis and longer time periods (rolling five-year periods).
   c. The Fund performance is compared to a “real” rate of return benchmark (CPI + 4%) over rolling five-year periods.

III. Investment Manager Objective Compliance

a. Performance objectives will be established for each investment manager.

b. On a quarterly basis, the Investment Consultant will reconcile the custodial statements with the investment manager statements

c. Individual investment manager performance will be compared to an appropriate index and the appropriate peer group on a quarterly-basis and longer time periods.

d. Consultant will also confirm that the investment manager has not violated the guidelines stated in the *PP&O*.

IV. Risk Management

a. Diversification: Fund investments will be diversified in order to minimize the impact of the loss from any given investment as may be relevant to an asset class.

1. *International Exposure*: The Investment Consultant will contact all investment managers on a quarterly basis and determine the percentage of holdings in international markets.
2. *High Yield Exposure*: The Investment Consultant will contact investment managers on a quarterly basis and determine the percentage of holdings in the high yield market.

b. Portfolio Guidelines: The *Statement of Investment Policies, Procedures and Objectives (PP&O)* will be updated as deemed necessary to ensure that the portfolio meets its objectives and operates within acceptable risk parameters.

V. Communication to the Finance & Investment Committee

a. The Investment Consultant will provide written quarterly investment reports to the Foundation President, Controller, and Finance & Investment Committee. The "Conclusions and Recommendations" page will summarize performance and list "action" items, as required. For example:

1. Recommend rebalancing of assets,
2. Recommend formal action be taken relative to an investment manager's underperformance (probation or termination), as outlined in the *Statement of Investment Policies, Procedures and Guidelines.*
3. Report aggregate percentage of Total Fund assets invested in international markets as well as the high yield securities markets.
4. Recommend updating the *Statement of Investment Policies, Procedures and Guidelines*, as deemed necessary.

b. The Investment Consultant is on the "first call" list with investment managers hired by clients. This means that they will be notified immediately of any significant changes at the investment management firm, such as a change of portfolio manager. The Investment Consultant will immediately contact the client – specifically the President and/or the Controller of the Foundation. Appropriate action will be taken after the consultation.

c. Additionally, when deemed prudent, the Investment Consultant will contact the President and/or Controller of the Foundation regarding significant Capital Markets events.

The Committee is to review Fund investment objectives and related policies at least once every 24 months. However, a review may be undertaken at any time, subject to changes in the Fund's financial needs, manager activities and performance, and capital market conditions.

Amended: December 2007
Amended: February 2010
Amended: March 2014

ADDENDUM

Community Foundation of St. Clair County Policy:
Investment Recommendations from Donors
(Approved 6/28/05; Revision Approved 9/25/07)

Background

From time to time, donors and/or their representatives may have a desire to recommend specific investments, strategies, brokers or fund managers. On a case-by-case basis, the Foundation will review such recommendations and act according to the policy outlined below.

Criteria

1. Any and all recommendations from donors pertaining to the investment of their gifts shall be considered advisory only.
2. Donor recommendations from individual donors during their lifetime will only be considered for gifts expected to be a minimum of $500,000. At this giving level, if a donor's recommendation is accepted, the Foundation's Finance & Investment Committee will direct that broker, manager, or institution, as to specifically what asset class or vehicle they may invest in. The selected broker, manager or institution may not change the investment allocations or asset class without the permission of the Foundation's Finance & Investment Committee.
3. Donors making gifts of $1,000,000 or more may request that their assets stay with a particular broker, manager or institution, and that that person or entity be given permission to allocate the investments across any of the approved asset classes or vehicles, as the donors determine is in the best interest of the Fund.
4. From time to time, the Foundation may have donors with charitable goals or interests that are better suited for either a more conservative investment approach, or a longer term, more aggressive investment approach. In such instances, and on a case-by-case basis, the Foundation's Finance & Investment Committee may approve variations to our recommended asset allocations to accommodate such needs.
5. Recommendations from community groups, such as for "Community Funds" will be considered providing that the donors intend for the fund to reach a minimum fund balance of $25,000 within one year, and $100,000 within five years.
6. Funds failing to reach the dollar level objectives outlined in #2 may be transferred back into the Foundation's general investment pool to minimize investment management and administrative costs.
7. Donor recommendations will only be considered if they fall within the Foundation's published Investment Policy.
8. Any recommended broker, manager or institution must be approved by the Foundation's Finance & Investment Committee.

9. Should the Foundation accept the donor's recommendation, the selected broker/manager will make quarterly reports in a timely and efficient manner to the Foundation and the Foundation's Investment Advisor (currently Asset Strategies Portfolio Services, Inc., Auburn Hills, MI).
10. As requested, the selected broker/manager will make personal presentations at meetings of the Foundation's Investment Committee.
11. Investment management fees must be consistent with fees paid by the Foundation for other similar investment services.
12. The donor will be advised in writing that total fees charged against their fund for investment management fees and administrative fees may be higher than if the funds were invested in existing Foundation vehicles.
13. Donor shall be asked to sign a 'hold harmless' agreement with the Foundation if the donor's recommendations are accepted.
14. Upon the death of the donor, the Foundation will transfer the assets into the Foundation's general investment pool.

Right to Terminate Services

1. Both the donor and the investment broker/manager will be notified in writing that the Foundation reserves the right to terminate their services and withdraw all funds if their investment practices, fees or performance fall outside of expected levels as determined solely by the Foundation's Finance & Investment Committee.

Section 2 - Glossary of Investment Terms

144(a) Securities - 144a securities are in concept semi-private placement securities that are normally traded by sophisticated institutional investors with limited financial information on the issuing company. SEC rule 144a exempts issuers from SEC registration requirements. While not legally required to file with the SEC, issuers normally do provide some sort of documentation describing the issue and financial information about the issuing company.

Active Management - A type of investment management that involves buying and selling financial assets with the objective of earning positive risk-adjusted returns. (*See also Passive Management*)

Alpha – A measure of risk-adjusted performance. Alpha takes into account the performance of the market as a whole and the volatility of the manager. A positive alpha indicates that a manager has produced returns above the expected level and vice-versa for negative alpha.

Alternative Investments - These investments are typically made through the purchase of limited partner units in a private limited partnership. Alternative investments include hedge funds, managed futures and commodities, private equity, real estate and derivatives-based strategies.

Asset Allocation - A process used to determine the optimal allocation of a fund's portfolio among broad asset classes.

Barclays U.S. Aggregate Bond Index - Is comprised of securities from U.S. Government Index, U.S. Credit Index and U.S. Securitized Index and is generally considered to be representative of all unmanaged domestic, dollar denominated fixed-rate investment grade bonds with maturities greater than one year.

Barclays U.S. Government/Credit Index – Is comprised of bonds publicly issued by the U.S. Government or its agencies; corporate bonds guaranteed by the U.S. government and quasi-federal corporations; and publicly issued, fixed rate, non-convertible corporate bonds.

Benchmark Index - An index against which the investment performance of an investment manager can be compared for the purpose of determining the value-added of the manager. A benchmark portfolio must be of the same style as the manager, and in particular, similar in terms of risk.

Best Execution - This is formally defined as the difference between the strike price (the price at which a security is actually bought or sold) and the fair market price which involves calculating opportunity costs by examining the security price immediately after the trade is placed. Best execution occurs when the trade involves no opportunity cost, for example, when there is no increase in the price of a security shortly after it is sold.

Beta - A statistical measure of the volatility, or sensitivity, of a portfolio or security in comparison to a market index. The beta value measures the expected change in return per one percent change in the return on the market index.

Bottom-up Analysis - An approach to valuing securities that first involves analyzing individual companies, then the industry, and finally the economy and overall capital market.

Capitalization-Weighted Market Index - A method of valuing a market index where the return is weighted by the market value of each security.

Commingled Fund - An investment fund that is similar to a mutual fund where investors purchase and redeem units that represent ownership in a pool of securities.

Commission Recapture - An agreement by which a fund sponsor earns credits based upon the amount of brokerage commissions paid. These credits can be used to reduce commission costs or for service which will benefit the fund, such as consulting services, custodial fees, or software expenses.

Core Bond - A fixed income investment strategy, which approximates the investment results of the Barclays Government/Credit Bond Index with a modest amount of variability in duration around the index. The objective is to achieve value added from sector or issue selection.

Core Plus Bond – A fixed income investment strategy that permits portfolio managers to add instruments with greater risk and return potential, such as high-yield, global and emerging market debt, to core portfolios.

Core Equity - An investment strategy where the portfolios characteristics are similar to that of the S&P 500 Index, with the objective of adding value over and above the index, typically from sector or issue selection.

Derivative - A derivative is a security that derives its value from another financial security such as a stock or bond. For example, the value of a stock option depends upon the value of the underlying stock.

Duration - A measure of the average maturity of the stream of interest payments of a bond. The value of a given bond is more sensitive to interest rate changes as duration increases, i.e. longer duration bonds have greater interest rate volatility than shorter duration bonds.

Dollar-Weighted Performance - A process by which performance is weighted by the dollar amounts of assets in each time period.

Efficient Market - A theory that posits that a security's market price equals its true investment value at all times, since all information is fully and immediately reflected in the market price.

Efficient Portfolio - A portfolio that offers maximum expected return for a given level of risk or minimum risk for a given level of expected return.

ERISA - The Employee Retirement Security Act, signed into law in September 1974. ERISA established a strict set of fiduciary responsibilities for corporate pension funds, and some states have adopted the ERISA provisions for public Foundations. It is recommended that public pension Foundations use the ERISA regulations as guidelines for managing the fund’s assets in a procedurally prudent manner.

Exchange Traded Funds (ETF) - ETFs are registered, open-ended unit investment trusts that invest in a basket of stocks designed to track the performance of a given index. However, like a closed-end fund, investors buy shares in ETFs from another shareholder on the open market rather than from a fund company.

Fiduciary - Indicates the relationship of trust and confidence where one person (the fiduciary) holds or controls property for the benefit of another person.

Funding Risk - The risk that anticipated contributions to the fund would not be made.

Growth Equity - Managers who invest in companies that are expected to have above average long-term growth in earnings and profitability.

HFRI Diversified Fund-of-Funds Index – An index comprised of funds-of-hedge funds that HFRI classifies as "Diversified". “Diversified” funds-of-hedge funds exhibit one or more of the following characteristics: invests in a variety of strategies among multiple managers; historical annual return and/or a standard deviation generally similar to the HFRI Fund of Fund Composite index; demonstrates generally close performance and returns distribution correlation to the HFRI Fund of Fund Composite Index. A fund in the HFRI Fund-of-Funds Diversified Index tends to show minimal loss in down markets while achieving superior returns in up markets.

High Yield - A fixed income investment strategy where the objective is to obtain high current income by investing in lower rated, higher default-risk fixed-income securities.

Index Fund - A passively managed investment in a diversified portfolio of securities designed to mimic the performance of a specific market index.

Interest Rate Risk - The uncertainty in the return on a bond caused by unanticipated changes of its value due to changes in the market interest rate.

Large Capitalization – The definition of large capitalization can vary from manager-to-manager, but on average targets firms with market capitalizations of $10 billion and above.

Liquidity - In general, liquidity refers to the ease by which a financial asset can be converted into cash. Liquidity is often more narrowly defined as the ability to sell an asset quickly without having to make a substantial price concession.

Liquidity Risk - The risk that there will be insufficient cash to meet the funds disbursement and expense requirements.

Manager Structure - The identification of the type(s) of managers to be selected within each broad class of assets.

Marked to the Market - The daily process of adjusting the value of a portfolio to reflect daily changes in the market prices of the assets held in the portfolio.

Market Risk - See Systematic Risk.

Mid-Capitalization – The definition of mid-capitalization can vary from manager-to-manager, but on average targets firms with market capitalizations of $2 billion to $10 billion.

Money Markets – A segment of the financial markets in which financial instruments with high liquidity and very short maturities are traded.

MSCI All Country World Index ex-U.S. (MSCI ACWI ex-U.S.) – A market capitalization index designed to provide a measure of stock performance throughout the world, excluding U.S. based companies. The index includes both developed and emerging markets.

MSCI Emerging Markets Index – An index created to measure the equity market performance of the global emerging markets. There are currently twenty-six emerging economies represented in the index.

NFI-Open End Diversified Core Index (NFI-ODCE) – An index of investment returns reporting on both a historical and current basis the results of 29 open-end commingled real estate funds pursuing a core investment strategy.

Nominal Return - The nominal return on an asset is the rate of return un-adjusted for any change in the price level. The nominal return is contrasted with the real return that is adjusted for changes in the price level.

Passive Management – A form of investment management which involves, the process of buying a diversified portfolio that is meant to duplicate the overall performance of a relevant market index.

Performance Attribution – The identification of the sources of returns for a security or portfolio over a particular time period.

Price-Weighted Market Index - A method of valuing a market index where the return is weighted by the price of each security.

Proxy Voting - A written authorization given by a shareholder to someone else to vote his or her shares at a stockholders annual or special meeting called to elect directors or for some other corporate purpose.

Purchasing Power Risk - The risk that a portfolio will earn a return less than the rate of inflation, i.e., a negative real return.

Quartile - Grouping of statistics in four equal sections. Performance measurement results are commonly grouped into "quartiles;" that is, first quartile would include those funds ranking from one to 25 in a sample of 100 funds.

Real Return - An inflation adjusted return. *(See also Nominal Return)*

Risk-Adjusted Return - The return on an asset or portfolio, modified to explicitly account for the risk of the asset or portfolio. *(See also Sharpe Ratio)*

Russell 1000 Index – An index comprised of the largest 1,000 stocks of the Russell 3000 Index. The Russell 1000 serves as a benchmark for large cap stocks.

Russell 2500 Index - An index comprised of the 2,500 smallest stocks of the Russell 3000 Index. The Russell 2500 serves as a benchmark for small/mid cap stocks.

Russell 2000 Index - An index comprised of the 2,000 smallest stocks of the Russell 3000 Index. The Russell 2000 serves as a benchmark for small cap stocks.

Russell 3000 Index – An index comprised of the largest 3,000 U.S. traded stocks. The Russell 3000 serves as a benchmark for the entire U.S. stock market.

Sharpe Ratio - This statistic is a commonly used to measure of risk-adjusted return. It is calculated by subtracting the risk-free return (usually 3 Month Treasury Bill) from the portfolio return and dividing the resulting excess return by the portfolios risk level (standard deviation). The result is a measure of return gained per unit of risk taken. The higher the Sharpe ratio, the more efficiently the manager used his/her risk.

Small Capitalization – The definition of small capitalization can vary from manager-to-manager, but on average targets firms with market capitalizations of $300 million to $2 billion.

Specific Risk - The part of a security's total risk that is not related to movements in the market and therefore can be diversified away.

Standard Deviation - A statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard deviation is used as an estimate of risk since it measures how wide the range of returns typically are. The wider the range of returns, the higher the standard deviation of returns, and the higher the portfolio risk. If returns are normally distributed (i.e. has a bell shaped curve distribution) then approximately two-thirds of the returns would occur within plus or minus one standard deviation from the sample mean.

S&P 500 – An index comprised of five hundred stocks selected by the S&P Index Committee. The index is designed to reflect the risk/return characteristics of large capitalization stocks. It is a market-value weighted index – each stocks weight is proportionate to its market value.

Strategic Asset Allocation – The strategic mix of assets designed to accomplish a long-term goal such as funding pension benefits. Generally, policy targets are set for the strategic asset classes with allowable ranges around those targets. The allowable ranges are established to allow flexibility in the management of the investment portfolio.

Style Universe - A predetermined group of active managers chosen to have an investment style comparable to a manager selected by the fund.

Systematic Risk - The part of a security's total risk that is related to movements in the market and therefore cannot be diversified away.

Tactical Asset Allocation – The tactical mix of assets is short-term in nature with a goal of maximizing returns. This strategy is used to take advantage of current market conditions that may be more favorable for one asset class over another.

Time-weighted Return - A method of measuring the performance of a portfolio over a particular period of time. It is the cumulative compounded rate of return of the portfolio, calculated on each date that cash flow moves into or out of the portfolio.

Top-down Analysis - An approach to valuing equities which first looks at the economy and overall capital market, then industries, and finally individual firms.

Unit Investment Trusts – A fixed, unmanaged portfolio, generally comprised of stocks or bonds offered by an investment company in “units” to investors for a specific period of time.

Value Equity - Managers who invest in companies believed to be undervalued or possessing lower than average price/earnings ratios, based on their potential for capital appreciation.

SECTION 3 - INVESTMENT MANAGER GUIDELINES AND PERFORMANCE STANDARDS

iShares Russell 1000 Index ETF

BlackRock MidCap Equity Index Fund B

Rothschild Small Cap

First Eagle Overseas Fund

Lord Abbett Short-Duration Fund

Vanguard Short-Term Investment-Grade Fund

American Core Realty Fund

Harbert U.S. Real Estate Fund V

PIMCO All Asset All Authority Fund

INVESTMENT GUIDELINES FOR iSHARES RUSSELL 1000 INDEX ETF (IWB)

I. Permissible Investments

The Board recognizes that an investment in a mutual fund is governed by the prospectus provided by that fund. As such, the Board recognizes the responsibility to verify that investments specified by the fund manager are consistent with the Foundation's investment objectives.

The Fund employs a "passive management"—or indexing—investment approach designed to track the performance of the Russell 1000 Index. The Index is designed to measure the performance of large-capitalization stocks in the United States. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

II. Prohibited Investments and Limitations

Governed by Prospectus

III. Performance Standards

Over all cumulative three-year periods, portfolio returns are expected to equal the returns of the Russell 1000 Index (performance standard). The volatility of portfolio returns, as measured by the annualized standard deviation of quarterly returns, is expected to be similar to the standard over the same periods.

The manager may use cash equivalents at his discretion; however, the rate of return standard applies to the total portfolio return and will not be adjusted for market timing or security selection decisions by the manager.

While the manager's performance may deviate from the standard for short periods of time, significant short-term under performance may make it impossible to achieve full period objectives without taking inappropriate risks.

Performance over shorter time intervals will be evaluated using the following standards:

Cumulative Periods	Minimum Return Expectation
1 Year	Standard less 0.3%
2 Years	Standard less 0.1%
3 Years or more	Exceed the performance standard

The manager's performance will be compared to the performance achieved by a peer group (universe) of other investment firms, with a similar investment style, philosophy, and process. The manager's peer group rank is expected to fluctuate from one quarter to another. For cumulative 12-month periods, the manager is expected to rank at the 50th percentile or above in their peer group. For cumulative periods greater than three years, the manager is expected to rank at the 40th percentile or above.

The manager may be placed on probation for any of the following:

1. Net-of-fee total returns under performing their style benchmark by 30 basis points for any two cumulative quarters in a twelve-month period.
2. Failure to comply with the Investment Guidelines of the Community Foundation of St. Clair County.
3. Failure to meet performance standards on an annualized basis for a trailing three-year period.
4. Significant changes in management style.
5. Significant changes in the firm’s ownership, management or portfolio manager.

At a minimum, the manager will be evaluated based on achievement of performance objectives, compliance with Fund investment guidelines and overall contribution to the Foundation's investment objectives (value added).

The primary objective of the portfolio is to track the performance of the Russell 1000 Index (performance standard) that measures the investment return of large-capitalization stocks in the U.S.

V. Acknowledgment of Receipt and Compliance Agreement

The undersigned hereby acknowledges receipt of the Community Foundation of St. Clair County Statement of Investment Policy, Procedures and Objectives and agrees to abide by the same.

The manager further agrees to immediately notify both the client and consultant in writing upon violation of any guidelines including a process for remediation.

iSHARES RUSSELL 1000 INDEX ETF

<u>Governed by Prospectus</u>

INVESTMENT GUIDELINES FOR BLACKROCK, INC.
BLACKROCK MIDCAP EQUITY INDEX FUND B

I. Permissible Investments

The Retirement Commission recognizes that an investment in a mutual fund is governed by the prospectus provided by that fund. As such, the Retirement Commission recognizes the responsibility to verify that investments specified by the fund manager are consistent with the Foundation's investment objectives.

The Fund employs a "passive management"—or indexing—investment approach designed to track the performance of the Russell 2500 Index. The Index is designed to measure the performance of large-capitalization stocks in the United States. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

II. Prohibited Investments and Limitations

Governed by Offering Memorandum

III. Performance Standards

Over all cumulative three-year periods, portfolio returns are expected to exceed the returns of the Russell 2500 Index (performance standard). The volatility of portfolio returns, as measured by the annualized standard deviation of quarterly returns, is expected to be similar to the standard over the same periods.

The manager may use cash equivalents at his discretion; however the rate of return standard applies to the total portfolio return and will not be adjusted for market timing or security selection decisions by the manager.

While the manager's performance may deviate from the standard for short periods of time, significant short-term under performance may make it impossible to achieve full period objectives without taking inappropriate risks.

Performance over shorter time intervals will be evaluated using the following standards:

Cumulative Period	Minimum Return Expectation
1 Year	Standard less 0.3%
2 Years	Standard less 0.1%
3 Years or more	Exceed the performance standard

The manager's performance will be compared to the performance achieved by a peer group (universe) of other investment firms, with a similar investment style, philosophy, and process. The manager's peer group rank is expected to fluctuate from one quarter to another. For cumulative 12-month periods, the manager is expected to rank at the 50th percentile or above in their peer group. For cumulative periods greater than three years, the manager is expected to rank at the 40th percentile or above.

The manager may be placed on probation for any of the following:
1. Net-of-fee total returns under performing their style benchmark by 30 basis points for any two cumulative quarters in a twelve-month period.
2. Failure to comply with the Investment Guidelines of the Community Foundation of St. Clair County.
3. Failure to meet performance standards on an annualized basis for a trailing three-year period.
4. Significant changes in management style.
5. Significant changes in the firm’s ownership, management or portfolio manager.

At a minimum, the manager will be evaluated based on achievement of performance objectives, compliance with Fund investment guidelines and overall contribution to the Foundation’s investment objectives (value added).

The primary objective of the portfolio is to track the performance of the Russell 1000 Value Index (performance standard) that measures the investment return of large-capitalization stocks in the U.S.

IV. Acknowledgment of Receipt and Compliance Agreement

The undersigned hereby acknowledges receipt of the Community Foundation of St. Clair County Statement of Investment Policy, Procedures and Objectives and agrees to abide by the same.

The manager further agrees to immediately notify both the client and consultant in writing upon violation of any guidelines including a process for remediation.

BLACKROCK, INC.

Governed by Offering Memorandum

INVESTMENT GUIDELINES FOR ROTHSCHILD ASSET MANAGEMENT
ROTHSCHILD SMALL-CAP FUND

I. Permissible Investments

The Board recognizes that an investment in a mutual fund is governed by the prospectus provided by that fund. As such, the Board recognizes the responsibility to verify that investments specified by the fund manager are consistent with the Foundation's investment objectives.

The portfolio should exhibit market-like return and risk characteristics (market-like is defined as the manager's performance index). The portfolio should consist of stocks with growth or value characteristics and corresponding capitalization ranges that are consistent with the manager's style.

II. Prohibited Investments and Limitations

Governed by Offering Memorandum

III. Performance Standards

Over all cumulative three-year periods, portfolio returns are expected to exceed the returns of the Russell 2000 Equity Index (performance standard). The volatility of portfolio returns, as measured by the annualized standard deviation of quarterly returns, is expected to be equal to or less than the standard over the same periods.

The manager may use cash equivalents at his discretion; however, the rate of return standard applies to the total portfolio return and will not be adjusted for market timing or security selection decisions by the manager.

While the manager's performance may deviate from the standard for short periods of time, significant short-term under performance may make it impossible to achieve full period objectives without taking inappropriate risks.

Performance over shorter time intervals will be evaluated using the following standards:

Cumulative Periods	Minimum Return Expectation
1 Year	Standard less 5.0%
2 Years	Standard less 3.0%
3 Years or more	Exceed the performance standard

The manager's performance will be compared to the performance achieved by a peer group (universe) of other investment firms, with a similar investment style, philosophy, and process. The manager's peer group rank is expected to fluctuate from one quarter to another. For cumulative 12-month periods, the manager is expected to rank at the 50th percentile or above in their peer group. For cumulative periods greater than three years, the manager is expected to rank at the 40th percentile or above.

The manager may be placed on probation for any of the following:

1. Net-of-fee total returns under performing their style benchmark by 500 basis points for any two cumulative quarters in a twelve-month period.
2. Failure to comply with the Investment Guidelines of the Community Foundation of St. Clair County.
3. Failure to meet performance standards on an annualized basis for a trailing three-year period.
4. Significant changes in management style.
5. Significant changes in the firm's ownership, management or portfolio manager.

At a minimum, the manager will be evaluated based on achievement of performance objectives, compliance with Plan investment guidelines and overall contribution to the Foundation's investment objectives (value added).

The long-term objective of the portfolio is to exceed the return of the manager's respective index, with equal or less return volatility, over all periods. The portfolio should be fully invested at all times, however; the manager may raise cash if this is deemed appropriate under the circumstances.

V. Acknowledgment of Receipt and Compliance Agreement

The undersigned hereby acknowledges receipt of the Community Foundation of St. Clair County Statement of Investment Policy, Procedures and Objectives and agrees to abide by the same.

The manager further agrees to immediately notify both the client and consultant in writing upon violation of any guidelines including a process for remediation.

ROTHSCHILD ASSET MANAGEMENT

Governed by Offering Memorandum

INVESTMENT GUIDELINES FOR FIRST EAGLE INVESTMENT MANAGEMENT LLC OVERSEAS FUND (SGOIX)

I. Permissible Investments

The Board recognizes that an investment in a mutual fund is governed by the prospectus provided by that fund. As such, the Board recognizes the responsibility to verify that investments specified by the fund manager are consistent with the Foundation's investment objectives.

The portfolio should exhibit market-like return and risk characteristics (market-like is defined as the manager's performance index). The portfolio should consist of non-U.S. stocks with growth or value characteristics and corresponding capitalization ranges that are consistent with the manager's style.

II. Prohibited Investments and Limitations

Governed by Prospectus

III. Performance Standards

Over all cumulative three-year periods, portfolio returns are expected to exceed the returns of the MSCI ACWI x-U.S. Index (performance standard). The volatility of portfolio returns, as measured by the annualized standard deviation of quarterly returns, is expected to be equal to or less than the standard over the same periods.

The manager may use cash equivalents at their discretion; however the rate of return standard applies to the total portfolio return and will not be adjusted for market timing or security selection decisions by the manager.

While the manager's performance may deviate from the standard for short periods of time, significant short-term under performance may make it impossible to achieve full period objectives without taking inappropriate risks.

Performance over shorter time intervals will be evaluated using the following standards:

Cumulative Periods	Minimum Return Expectation
1 Year	Standard less 7.5%
2 Years	Standard less 5.0%
3 Years or more	Exceed the performance standard

The manager's performance will be compared to the performance achieved by a peer group (universe) of other investment firms, with a similar investment style, philosophy, and process. The manager's peer group rank is expected to fluctuate from one quarter to another. For cumulative 12-month periods, the manager is expected to rank at the 50th percentile or above in their peer group. For cumulative periods greater than three years, the manager is expected to rank at the 40th percentile or above.

The manager may be placed on probation for any of the following:

1. Net-of-fee total returns under performing their style benchmark by 750 basis points for any two cumulative quarters in a twelve-month period.
2. Failure to comply with the Investment Guidelines of the Community Foundation of St. Clair County.
3. Failure to meet performance standards on an annualized basis for a trailing three-year period.
4. Significant changes in management style.
5. Significant changes in the firm’s ownership, management or portfolio manager.

At a minimum, the managers will be evaluated based on achievement of performance objectives, compliance with the Foundation’s investment guidelines and overall contribution to the Foundation’s investment objectives (value added).

The long-term objective of the portfolio is to exceed the return of the manager's respective index, with equal or less return volatility, over all periods. The portfolio should be fully invested at all times, however; the manager may raise cash if this is deemed appropriate under the circumstances.

V. Acknowledgment of Receipt and Compliance Agreement

The undersigned hereby acknowledges receipt of the Community Foundation of St. Clair County Statement of Investment Policy, Procedures and Objectives and agrees to abide by the same.

The manager further agrees to immediately notify both the client and consultant in writing upon violation of any guidelines including a process for remediation.

FIRST EAGLE INVESTMENT MANAGEMENT LLC

Governed by Prospectus

INVESTMENT GUIDELINES FOR LORD ABBETT
LORD ABBETT SHORT DURATION INCOME FUND (LLDYX)

I. Permissible Investments

The Board recognizes that an investment in a mutual fund is governed by the prospectus provided by that fund. As such, the Board recognizes the responsibility to verify that investments specified by the fund manager are consistent with the Foundation's investment objectives.

The portfolio should exhibit market-like return and risk characteristics (market-like is defined as the manager's performance index). The portfolio should consist of non-U.S. stocks with growth or value characteristics and corresponding capitalization ranges that are consistent with the manager's style.

II. Prohibited Investments and Limitations

Governed by Prospectus

III. Performance Standards

Over all cumulative three-year periods, portfolio returns are expected to equal the returns of the Barclays Credit 1-5 Year Index (performance standard). The volatility of portfolio returns, as measured by the annualized standard deviation of quarterly returns, is expected to be similar to the standard over the same periods.

The manager may use cash equivalents at his discretion; however, the rate of return standard applies to the total portfolio return and will not be adjusted for market timing or security selection decisions by the manager.

While the manager's performance may deviate from the standard for short periods of time, significant short-term under performance may make it impossible to achieve full period objectives without taking inappropriate risks.

Performance over shorter time intervals will be evaluated using the following standards:

Cumulative Periods	Minimum Return Expectation
1 Year	Standard less 2.0%
2 Years	Standard less 1.0%
3 Years or more	Exceed the performance standard

The manager's performance will be compared to the performance achieved by a peer group (universe) of other investment firms, with a similar investment style, philosophy, and process. The manager's peer group rank is expected to fluctuate from one quarter to another. For cumulative 12-month periods, the manager is expected to rank at the

50th percentile or above in their peer group. For cumulative periods greater than three years, the manager is expected to rank at the 40th percentile or above.

The manager may be placed on probation for any of the following:

1. Net-of-fee total returns under performing their style benchmark by 200 basis points for any two cumulative quarters in a twelve-month period.
2. Failure to comply with the Investment Guidelines of the Community Foundation of St. Clair County
3. Failure to meet performance standards on an annualized basis for a trailing three-year period.
4. Significant changes in management style.
5. Significant changes in the firm's ownership, management or portfolio manager.

At a minimum, the manager will be evaluated based on achievement of performance objectives, compliance with Fund investment guidelines and overall contribution to the Foundation 's investment objectives (value added).

The primary objective of the portfolio is to track the performance of the Russell 1000 Index (performance standard) that measures the investment return of large-capitalization stocks in the U.S.

V. Acknowledgment of Receipt and Compliance Agreement

The undersigned hereby acknowledges receipt of the Community Foundation of St. Clair County Statement of Investment Policy, Procedures and Objectives and agrees to abide by the same.

The manager further agrees to immediately notify both the client and consultant in writing upon violation of any guidelines including a process for remediation.

LORD ABBETT

Governed by Prospectus

Investment Guidelines For The Vanguard Group, Inc.
Vanguard Short-Term Investment-Grade Fund (VFSUX)

I. Permissible Investments

The Board recognizes that an investment in a mutual fund is governed by the prospectus provided by that fund. As such, the Board recognizes the responsibility to verify that investments specified by the fund manager are consistent with the Foundation's investment objectives.

The portfolio should exhibit market-like return and risk characteristics (market-like is defined as the manager's performance index). The portfolio should consist of non-U.S. stocks with growth or value characteristics and corresponding capitalization ranges that are consistent with the manager's style.

II. Prohibited Investments and Limitations

Governed by Prospectus

III. Performance Standards

Over all cumulative three-year periods, portfolio returns are expected to equal the returns of the Barclays Credit 1-5 Year Index (performance standard). The volatility of portfolio returns, as measured by the annualized standard deviation of quarterly returns, is expected to be similar to the standard over the same periods.

The manager may use cash equivalents at his discretion; however, the rate of return standard applies to the total portfolio return and will not be adjusted for market timing or security selection decisions by the manager.

While the manager's performance may deviate from the standard for short periods of time, significant short-term under performance may make it impossible to achieve full period objectives without taking inappropriate risks.

Performance over shorter time intervals will be evaluated using the following standards:

Cumulative Periods	Minimum Return Expectation
1 Year	Standard less 2.0%
2 Years	Standard less 1.0%
3 Years or more	Exceed the performance standard

The manager's performance will be compared to the performance achieved by a peer group (universe) of other investment firms, with a similar investment style, philosophy, and process. The manager's peer group rank is expected to fluctuate from one quarter to another. For cumulative 12-month periods, the manager is expected to rank at the

50th percentile or above in their peer group. For cumulative periods greater than three years, the manager is expected to rank at the 40th percentile or above.

The manager may be placed on probation for any of the following:

1. Net-of-fee total returns under performing their style benchmark by 30 basis points for any two cumulative quarters in a twelve-month period.
2. Failure to comply with the Investment Guidelines of the Community Foundation of St. Clair County
3. Failure to meet performance standards on an annualized basis for a trailing three-year period.
4. Significant changes in management style.
5. Significant changes in the firm's ownership, management or portfolio manager.

At a minimum, the manager will be evaluated based on achievement of performance objectives, compliance with Fund investment guidelines and overall contribution to the Foundation 's investment objectives (value added).

The primary objective of the portfolio is to track the performance of the Russell 1000 Index (performance standard) that measures the investment return of large-capitalization stocks in the U.S.

V. Acknowledgment of Receipt and Compliance Agreement

The undersigned hereby acknowledges receipt of the Community Foundation of St. Clair County Statement of Investment Policy, Procedures and Objectives and agrees to abide by the same.

The manager further agrees to immediately notify both the client and consultant in writing upon violation of any guidelines including a process for remediation.

THE VANGUARD GROUP, INC.

Governed by Prospectus

Investment Guidelines For Commercial Real Estate
American Core Realty

I. Permissible Investments

The manager will invest primarily in a geographically diversified portfolio of retail, apartment, industrial, and office properties located within the United States. The manager will target income-producing properties that are fundamentally well located and have minimal leasing risk.

The manager may invest through direct property ownership, or indirectly through such vehicles as joint ventures, general or limited partnerships, limited liability companies, mortgage loans and other loans including mezzanine debt, or interests in companies or entities that directly or indirectly hold real estate or real estate interests. The manager may acquire properties with debt or place debt on properties, however, the total leverage of the total portfolio may not exceed 35%.

The long-term objective of the portfolio is to exceed the returns of the NFI-ODCE Property Index annually after fees. The portfolio should be fully invested at all times, however the manager may raise cash if this is deemed appropriate under the circumstances.

II. Prohibited Investments

A. Short sales
B. Commodities
C. Derivatives
D. Securities of the investment management firm, its parent or holding companies, and any related subsidiaries
E. Mutual funds, except the STIFs of the custodian
F. Common stock, of any nature
G. Fixed income securities, of any nature
H. Any other investments not explicitly mentioned within these guidelines

III. Limitations on Specific Investments

If the manager would like to purchase a security that falls outside of this Foundation's investment guidelines (commingled funds exempted), or is in doubt as to the goal and intent of these guidelines, they should submit a written request for clarification to the Board prior to purchase. Any security not specifically defined or permitted within is prohibited for investment on behalf of this Plan.

IV. Performance Standards

Over all cumulative three-year periods, portfolio returns are expected to exceed the returns of the NFI-ODCE (performance standard). The volatility of portfolio returns, as measured by the annualized standard deviation of quarterly returns, is expected to be equal to or less than the performance standard over the same periods.

The manager may use cash equivalents at his discretion; however, the rate of return standard applies to the total portfolio return and will not be adjusted for market timing or property selection decisions by the manager.

While the manager's performance may deviate from the standard for short periods of time, significant short-term under performance may make it impossible to achieve full period objectives without taking inappropriate risks.

Performance over shorter time intervals will be evaluated using the following standards:

Cumulative Periods	Minimum Return Expectation
1 Year	Standard less 2.0%
2 Years	Standard less 1.0%
3 Years or more	Exceed the performance standard

The manager's performance will be compared to the performance achieved by a peer group (universe) of other investment firms, with a similar investment style, philosophy, and process. The manager's peer group rank is expected to fluctuate from one quarter to another. For cumulative 12-month periods, the manager is expected to rank at the 50th percentile or above in their peer group. For cumulative periods greater than three years, the manager is expected to rank at the 40th percentile or above.

The manager may be placed on probation for any of the following:

1. Net-of-fee total returns under performing their style benchmark by 200 basis points for any two cumulative quarters in a twelve-month period.
2. Failure to comply with the Investment Guidelines of the Community Foundation of St. Clair County.
3. Failure to meet performance standards on an annualized basis for a trailing three-year period.
4. Significant changes in management style.
5. Significant changes in the firm's ownership, management or portfolio manager.

At a minimum, the manager will be evaluated based on achievement of performance objectives, compliance with Plan investment guidelines and overall contribution to the Foundation's investment objectives (value added).

The long-term objective of the portfolio is to exceed the returns of the NFI-ODCE Index by at least 1.0% annually before fees. The portfolio should be fully invested at all times, however the manager may raise cash if this is deemed appropriate under the circumstances.

V. Acknowledgement of Receipt and Compliance Agreement

The undersigned hereby acknowledges receipt of the Community Foundation of St. Clair County Statement of Investment Policy, Procedures and Objectives and agrees to abide by the same.

The manager further agrees to immediately notify both the client and consultant in writing upon violation of any guidelines including a process for remediation

AMERICAN CORE REALTY

Governed by Offering Memorandum

Investment Guidelines For Harbert Management Corporation Harbert United States Real Estate Fund V, L.P. ("HUSREF V")

I. Permissible Investments

The manager's primary investment focus is to acquire commercial real estate properties in the apartment, office, retail and industrial sectors in non-gateway cities that exhibit strong population and employment growth prospects and in locations that have material barriers to new supply.

II. Prohibited Investments and Limitations

Without the consent of Advisory Board, the manager will not; a) prior to final closing invest more than 25% of total commitments in a single real estate asset, b) on or after final closing invest more than 20% of total commitments in a single real estate asset, c) invest directly or indirectly more than 5% of total commitments in any real estate asset located outside of the United States, d) invest in publicly traded securities (excluding temporary investments of idle cash) or make private investments in the securities of any company with a class of publicly-traded securities, other than with a view to obtaining significant management rights, e) invest in any pooled, multiple-investment vehicle that provides for the payment of management fees or carried interest to the General Partner or its Affiliates, f) invest directly in oil or gas properties and g) engage in hedging or derivative transactions for speculative purposes.

In addition, for limitations a) and b) any investments made or committed to be made in real estate assets prior to the final closing date; total commitments will be equal to the greater of $100 million and the actual total commitments as of the date of determination.

HUSREF V is governed by the Limited Partnership Agreement, dated November 20, 2012, and Private Placement Memorandum dated September 2012.

III. Performance Standards

HUSREF V is a closed-end limited partnership that will terminate the earlier of the ten year anniversary of the initial drawdown date (November 2022) or the liquidation of all the Partnership's real estate assets and termination of all obligations. The General Partner may extend the term of HUSREF V for two one-year periods, with further extensions requiring approval of a majority in interest of the Limited Partners.

The minimum return objective for HUSREF V is to; provide an annually, compounded, preferred return of 9% (net of fees and all expenses) on each limited partner's capital contributions and to return all limited partner's capital contributions upon conclusion of the fund.

The performance standard for the entire term of HUSREF V is to achieve a since inception 15% IRR (net of fees and all expenses) and 1.7x multiple of called capital upon conclusion of the fund.

At a minimum, on a quarterly basis the General Partner will be evaluated based on the progress of HUSREF V towards achievement of the minimum return objective and performance standard, compliance with Plan investment guidelines, and overall contribution to the Foundation's investment objectives (value added).

V. Acknowledgment of Receipt and Compliance Agreement

The undersigned hereby acknowledges receipt of the Community Foundation of St. Clair County Statement of Investment Policy, Procedures and Objectives and agrees to abide by the same.

The manager further agrees to immediately notify both the client and consultant in writing upon violation of any guidelines including a process for remediation.

HARBERT MANAGEMENT CORPORATION

Governed by Limited Partnership Agreement and Private Placement Memorandum

INVESTMENT GUIDELINES FOR PACIFIC INVESTMENT MANAGEMENT COMPANY, LLC PIMCO ALL ASSET ALL AUTHORITY FUND (PAUIX)

I. Permissible Investments

The Board recognizes that an investment in a mutual fund is governed by the prospectus provided by that fund. As such, the Board recognizes the responsibility to verify that investments specified by the fund manager are consistent with the Foundation's investment objectives.

The manager, under normal circumstances, will invest substantially all of its assets in Institutional Class shares of other PIMCO Funds (Underlying Funds) of the Trust except the All Asset All Authority Fund. The Fund invests its assets in shares of the Underlying Funds and does not invest directly in stocks or bonds of other issuers. The asset allocation sub-adviser, Research Affiliates, LLC, will attempt to diversify the Fund's assets broadly among the Underlying Funds.

The Fund may invest in any or all of the Underlying Funds, but will not normally invest in every Underlying Fund at a given time. The Fund's investment in a particular Underlying Fund normally will not exceed 50% of its total assets. The Fund's investments in the Short Strategy Underlying Funds normally will not exceed 20% of its total assets. The Fund's combined investments in the Domestic Equity-Related Underlying Funds normally will not exceed 50% of its total assets. The Fund's combined investments in the International Equity-Related Underlying Funds normally will not exceed 33-1/3% of its total assets. The Fund's combined investments in the Equity-Related Underlying Funds normally will not exceed 66-2/3% of its total assets. The Fund's combined investments in Inflation-Related Underlying Funds normally will not exceed 75% of its total assets. The Fund may use leverage of up to 33-1/3% of total assets to purchase additional shares of Underlying Funds.

II. Prohibited Investments and Limitations

Governed by Prospectus

III. Performance Standards

Over all cumulative three-year periods, portfolio returns are expected to exceed the returns of the S&P 500 (performance standard). The volatility of those returns, as measured by the annualized standard deviation of quarterly returns, is expected to equal or be less than 8.0% over the same period.

The manager may use cash equivalents at his discretion; however the rate of return standard applies to the total portfolio return and will not be adjusted for market timing or security selection decisions by the manager.

While the manager's performance may deviate from the standard for short periods of time, significant short-term under performance may make it impossible to achieve full period objectives without taking inappropriate risks.

Performance over shorter time intervals will be evaluated using the following standards:

Cumulative Periods	Minimum Return Expectation
1 Year	Standard less 7.0%
2 Years	Standard less 5.0%
3 Years or more	Exceed the Performance Standard

The manager may be placed on probation for any of the following:

1. Net-of-fee total returns under performing their style benchmark by 700 basis points for any two cumulative quarters in a twelve-month period.
2. Failure to comply with the Investment Guidelines of the Community Foundation of St. Clair County.
3. Failure to meet performance standards on an annualized basis for a trailing three-year period.
4. Significant changes in management style.
5. Significant changes in the firm’s ownership, management or portfolio manager.

At a minimum, the manager will be evaluated based on achievement of performance objectives, compliance with Plan investment guidelines and overall contribution to the Foundation’s investment objectives (value added).

The investment objective is to seek maximum real return (total return less inflation), consistent with preservation of real capital and prudent investment management.

V. Acknowledgment of Receipt and Compliance Agreement

The undersigned hereby acknowledges receipt of the Community Foundation of St. Clair County Statement of Investment Policy, Procedures and Objectives and agrees to abide by the same.

The manager further agrees to immediately notify both the client and consultant in writing upon violation of any guidelines including a process for remediation.

PACIFIC INVESTMENT MANAGEMENT COMPANY, LLC

Governed by Prospectus