CHARLOTTESVILLE AREA COMMUNITY FOUNDATION

INVESTMENT POLICY STATEMENT FOR SEPARATELY INVESTED FUNDS

The purpose of this policy statement is to guide the Charlottesville Area Community Foundation ("CACF") Governing Board, Investment Committee, Investment Managers and Director of Finance in effectively managing, monitoring and evaluating CACF's investment portfolios ("Fund").

DIVISION OF RESPONSIBILITIES

Governing Board

The Governing Board appoints members of the Investment Committee and designates the Chairperson. The Chairperson of the Investment Committee will report periodically to the Governing Board on the status of CACF's Fund, and on the policies and practices of the Committee.

Investment Committee

The Investment Committee is responsible and accountable, as delegated by the Governing Board, for the prudent management of the CACF's Fund, including: 1) developing and maintaining the Foundation’s investment policies; 2) setting risk tolerances and controls; 3) setting asset allocation guidelines and determining which asset classes will be used; 4) appointing and evaluating the Investment Managers; and 5) reporting to the Board periodically on Fund performance. The Committee will meet at least quarterly. A quorum of the Committee is defined as a majority of members of the Investment Committee.

Investment Managers

The Investment Manager is charged with the responsibility for 1) implementing the Investment Committee's asset allocation guidelines, 2) manager selection and monitoring of underlying investment managers within each asset class, 3) rebalancing asset classes and allocating assets, and 4) periodically reviewing the appropriateness of the investments and underlying investment managers. In doing so, the Investment Manager will work to attain the stated objectives of this investment policy statement. The Investment Manager will serve as the primary contact for underlying investment managers and will inform the Director of Finance of changes made to the underlying managers or asset classes. The Investment Manager will prepare and present appropriate reports, on at least a quarterly basis.
Director of Finance

The Director of Finance works with the Investment Manager, so that the Committee receives timely, complete and relevant information on the Investment Manager’s activities and performance in relation to the management of CACF assets and compliance with Foundation policy.

FINANCIAL OBJECTIVE

CACF has a long-term horizon for the majority of the investments. The primary financial objective is to grow the assets so that the purchasing power of future dollars is at least as great as current dollars, to ensure the ongoing distribution of funding for the benefit of the community. A secondary objective is to provide a first-class investment program that is attractive to and meets the needs of the donor.

INVESTMENT OBJECTIVE

The Fund’s primary objective is to provide long-term growth of capital to meet the on-going obligations of the Fund consistent with the policies and mission of the Foundation. Another consideration and objective is to prudently manage risk by diversifying investments in a manner that lowers overall volatility.

RISK TOLERANCE

CACF recognizes that higher returns involve higher volatility and has indicated a willingness to tolerate volatility in order to optimize the financial objective of the Fund. The Fund will be appropriately diversified.

RETURN OBJECTIVE

The Fund will be managed to maximize annualized returns net of all costs over rolling 10-year periods while adhering to CACF’s stated risk parameters defined as a portfolio invested primarily in stocks (including hedge funds) and to a lesser extent in bonds.

ASSET ALLOCATION AND BENCHMARK

The Investment Committee will meet with the donor and investment manager, both at the onset of the relationship and periodically thereafter, in order to establish an asset allocation strategy and plan, along with appropriate benchmark of fund performance.

The Foundation’s Investment Policy (as distinct from this Investment Policy for Separately Invested Funds) is available upon request.
PROXY VOTING POLICY

All proxies are voted by the managers with the sole purpose of maximizing shareholder value.

POLICY CHANGES

The Investment Committee will review this policy annually at its August meeting and make changes, if any, as necessary.

This policy was approved by the CACF Governing Board on December 14, 2015.