Table of Contents

1. Purpose of the Investment Policy Statement
2. Values Alignment and Fiduciary Duty
3. Transparency
4. Investment Guidelines
   - Inclusionary Guidelines
     - environmental values
     - social values
     - governance values
   - Exclusionary Guidelines
     - rationale
     - implementation
     - AFF Definition and Guidelines for Fossil Fuel Divestment:
       - AFF defines “Fossil Fuel”
       - AFF’s exclusionary criteria
5. Spending and Investment Goals
   - Objectives
   - Spending Policy
   - Guidelines for Equity funds
   - Guidelines for Fixed Income Funds
   - Portfolio Composition and Asset Allocation
6. Proxy Voting Guidelines
8. Financial Standards, Performance and Measurement
9. Monitoring of Objectives and Results
10. Rebalancing Policy
11. Manager Review and Termination
1. Purpose of the Investment Policy Statement (IPS)

This Investment Policy Statement has been adopted on 3/29/2016 by the Arnow Family Fund (AFF) Investment Committee which is charged with investment management oversight of AFF assets. It sets forth agreed upon guidelines to inform investment advisor recommendations and decisions of the Investment Committee. This statement is intended to be used as a dynamic guiding framework rather than a rigid statement of policy from which there can be no deviation. The Investment Committee will review this statement annually and amend it as needed to reflect changes in AFF’s assets, the underlying investments/funds, the investment opportunity set, economic conditions, and AFF’s approach to grant making and changes in ESG/Impact goals.

2. Values Alignment and Fiduciary Duty

“The Arnow Family Fund is rooted in progressive Jewish values and envisions a world that honors the dignity, and equality of all human beings, that enhances the civil, political, economic and human rights of everyone. AFF recognizes its responsibility to repair the world and its own communities, to foster stewardship of the earth, and to enrich the lives of people, especially the disadvantaged. AFF seeks to help build a world for future generations that is just, compassionate, and peaceful, that offers ready access to quality education and abundant opportunities for meaningful livelihood. The world AFF envisions reflects the principles of sustainability and is healthy in every sense. It is a world in which an appreciation for diversity, artistic expression and beauty truly thrive.”

We are fiduciaries and as such our duty encompasses not only the financial performance of our investment portfolio but also the impact our investments have on the well-being of people and our life-supporting planet. We strive to integrate financial prudence in management of AFF assets with our definitions of Environmental, Social and Governance (ESG) investment principles. This expanded understanding of fiduciary responsibility replaces the business as usual approach that is limited to producing risk adjusted financial returns, if need be, at the expense of people and the planet.

AFF’s Investment Committee and Board understand that alignment between the foundation values and endowment management is essential. Thus, our fiduciary duty must not separate the long term vision of the world we strive to create from the positive or negative impacts our investments may have on realizing this long term vision. By exercising our fiduciary duty in this way we aim to simultaneously meet our financial objectives and accelerate the integration of environmental stewardship and social justice principles into investment management practices across all stakeholder groups including corporate management, directors, employees, communities.

3. Transparency

AFF believes that working towards a 100% ESG/Impact aligned endowment portfolio not only helps achieve our stated goal of creating a just, compassionate and peaceful world for future generations, but
can also serve as a knowledge base for other foundations seeking to implement mission-aligned endowment investing. We aim to share both what we've learned and accomplished on a regular basis in order to help grow the mission-aligned investing field and to serve as active participants in the community of foundations working towards similar mission-aligned investment goals.

4. Investment Guidelines

With the goal of investing 100% of its endowment with ESG and impact managers over time, the Arnow Family Fund has developed a set of inclusionary and exclusionary screening guidelines which serve to better align the endowment portfolio investments with the mission and values of the foundation. To accomplish this goal AFF is taking a measured approach in collaboration with its investment advisor based on the availability of managers that can best meet our risk profile, investment objectives, and ESG/Impact/divestment criteria.

**INCLUSIONARY GUIDELINES**

AFF actively seeks investment managers that fully incorporate environmental, social and governance (ESG) criteria into their investment process. The following set of values shall serve as a guiding framework/inclusionary screen for all investment decisions.

**Environmental values**
AFF values companies that measure, manage, disclose, actively plan and take action to reduce their environmental impact through their operations, products, supply chain, and within their surrounding community. AFF values companies that promote solutions including, but not limited to, renewable and clean energy, clean water, environmental conservation and remediation, resource efficiency and stewardship, and sustainable food and agriculture systems.

**Social Values**
AFF values companies that actively maintain policies and practices that support inclusivity and diversity, human rights and equality, fair/direct trade, workforce well being, human health, and safety. AFF values companies that provide wellness programs and fair compensation to their employees and are positively benefiting the regional economy.

**Governance Values**
AFF values companies with a corporate governance culture that promotes shareholder engagement, fair executive compensation policies, board diversity, anti-corruption and anti-bribery practices, and full governance disclosure.

**EXCLUSIONARY GUIDELINES**

AFF seeks investment managers that exclude fossil fuels, tobacco and firearms within the definitions/thresholds outlined below.
AFF understands that human induced global warming/climate change is a grave risk to the well-being of current and future generations, and a serious threat to ecosystem health. As reflected in AFF’s value statement, AFF embraces its responsibility to repair our communities and the world and strives to create a world that honors the dignity and equal rights of all human beings. Therefore, we have both a moral and fiduciary responsibility to help mitigate the devastating social, economic, and environmental impacts of climate change, the majority of which are now falling on the world’s poorest people, but will inevitably affect us all. AFF recognizes that as a society we must reduce the worldwide human impact on the earth’s climate and replace fossil-fuels with cleaner, renewable energy. Thus, AFF has decided to divest from the fossil fuel industry in order to achieve greater alignment with our values. Through this decision we are joining with other foundations and investors who share our sense of urgency and responsibility.

The definitions outlined below comprises our ideal set of exclusions. We do not intend to use these exclusions as strict prescriptive/proscriptive requirements. We aim to use these exclusions as guidelines to assist AFF and the advisors in comparing different manager approaches to fossil fuel screens and in identifying degrees of manager alignment with how AFF defines divestment.

1. Exclusionary criteria for fossil fuels:
   - AFF defines “Fossil Fuel” as oil, coal, natural gas and oil/tar sands.
   - No exposure to companies deriving revenues from fossil fuel exploration, mining, production, refining, distribution, pipelines and related equipment and services.
   - No exposure to companies that report assets in and/or revenues from proven fossil fuel reserves as published in their most recent annual report and financial statements.
   - No exposure to electric utilities with significant revenues (5% or greater) from coal fired power generation.
   - No exposure to diversified conglomerates with significant revenues (5% or greater) from fossil fuel related business activities.

2. Exclusionary criteria for firearms:
   - No exposure to companies that earn revenues from manufacturing or sales of military style firearms and assault weapons designed for civilian use, including components.

3. Exclusionary criteria for tobacco:
   - No exposure to companies that earn revenues or have leading market share in production and marketing of tobacco products, including components.

4. Exclusionary criteria for private prisons:
   - Exclude companies involved in the management of private prison facilities.

5. Exclusionary criteria for factory farming:
   - Exclude companies involved in the use of factory farms for the production of animals for sale or processing. Factory farming, also known as intensive agricultural operation, is the raising of animals for consumption without providing the animals adequate space to live. This may also include abusive practices, restricted access to the outdoors, animals being kept in their own
waste, \textit{environmentally detrimental waste handling and storage practices} and/or the modification of animals’ physical attributes.

6. 	extbf{Exclusionary criteria for predatory lending:}

- Exclude companies that operate in one or more of the following predatory lending areas: cash advance, check cashing, pawnbrokers, title loans, payday loans, tax-return anticipation loans, or rent-to-own establishments.

5. 	extbf{Spending and Investment Goals}

\textbf{OBJECTIVES}

The primary investment goal is to meet our annual financial and impact objectives by working towards investing 100% of the AFF endowment with Impact and ESG managers.

The primary investment goals are:
- Maintain a minimum 5% Spending Rate, recognizing that the Board will set a payout percentage annually.
- Attain over the long-term (rolling three- to five-year periods) an average annual total return (net of fees) at least equal to the Spending Rate plus inflation in order to preserve purchasing power. Inflation shall be defined as the United States Bureau of Labor Statistics Consumer Price Index which tracks data on changes in the prices paid by urban consumers for a representative basket of goods and services.
- This objective leads to an equity-oriented investment strategy, which in turn implies that the total market value and amount available for spending may fluctuate on a year to year basis.
- Achieve measurable positive social and environmental impacts
- Whenever possible, avoid investing in companies whose negative environmental or social impacts clearly exacerbate the problems that the foundation’s interest areas seek to ameliorate.

The secondary investment goals are:
- To achieve a total annual return (net of fees) that exceeds on average, over the long-term, AFF’s blended benchmark (see Appendix A).

\textbf{SPENDING POLICY}

The Fund is required to spend (grants + qualified operating expenses) a minimum of 5.0% of the Fund’s prior calendar year’s average market value annually.

\textbf{GUIDELINES FOR EQUITY FUNDS}

A. The objective for actively managed equity funds is to outperform relevant benchmarks (net of fees) and appropriate manager medians, as available. The objective for passively
managed equity index style funds is to closely track performance of their relevant benchmark (net of fees). Performance will be monitored on a regular basis and evaluated over rolling three- and five-year periods.

B. Equity funds will be broadly diversified according to economic sector, industry, number of holdings and other investment characteristics including style, capitalization and geography. However, it is recognized that in order to achieve its investment and impact objectives, the Fund may employ multiple investment managers, each of whom may have distinct, focused investment styles and ESG/Impact criteria. Accordingly, while each such manager’s portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

C. Decisions regarding individual security selection, security size and quality, number of industries and holdings, current income levels, turnover and the other tools employed by active managers are left to broad manager discretion, subject to the usual standards of fiduciary prudence and the managers stated ESG/Impact criteria.

D. Unless otherwise instructed, an equity manager may at its discretion hold investment reserves of either cash equivalents or bonds. However, performance will be measured against the appropriate benchmark as described in Section 8.

GUIDELINES FOR FIXED INCOME FUNDS

A. The objective for actively managed fixed income funds is to perform in line with the relevant bond index (net of fees) and to outperform appropriate manager medians, as available. The objective for passively managed fixed income funds is to closely track performance of their relevant benchmark (net of fees). Performance will be monitored on a regular basis and evaluated over rolling three- to five-year periods.

B. Money market instruments, domestic and international bonds and Treasury Inflation Protected Securities (TIPS), and loan funds may be incorporated into the fixed income asset allocation. Bond managers should maintain a minimum average duration consistent with the fixed income funds’ deflation hedge objective. Managers should maintain a minimum average quality consistent with the fixed income managers’ objective to reduce the AFF’s volatility and meet its liquidity needs.

PORTFOLIO COMPOSITION AND ASSET ALLOCATION

A. To achieve its investment objectives, the Fund shall be invested in both equity and debt securities. The Investment Committee, with the option of seeking advice from an investment advisor, is responsible for determining the overall target allocation for those asset classes available in the market and appropriate for AFF.
B. The purposes of equity funds are threefold: to achieve long-term appreciation of capital, to provide funds for spending, and to preserve and enhance purchasing power after spending.

C. Equity-oriented funds should normally represent approximately 70% to 85% of the total Fund at market value.

D. The equity allocation may include private investments, including real estate, private equity and venture capital. The Investment Committee will seek out managers that target an expected rate of return that compensates AFF for the illiquidity inherent in these strategies.

E. The purposes of debt investments are to provide a hedge against deflation (and avoid having to liquidate equities in a market downturn), to reduce the overall volatility of the endowment, and to produce current income and provide ready liquidity in support of spending needs. The purpose of TIPS is to provide a hedge against inflation.

F. The debt allocation should normally represent approximately 15% to 30% of the total Fund at market value representing a 3 to 5 year spending coverage factor.

G. The Fund will be diversified both by asset class (e.g., equities as defined above, and debt securities) and within asset classes (e.g., by economic sector, market capitalization, and industry and geography). The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate negative impact on the endowment.

Although actual allocations will fluctuate with market conditions, a long-term target asset allocation has been adopted by the Investment Committee. The Committee may revise the allocation over time to reflect changes in AFF’s assets, the underlying investments/funds, the investment opportunity set, economic conditions, AFF’s approach to grant making and changes in ESG/Impact goals. The target asset allocation and policy benchmark are described in Appendix A.

6. Proxy Voting Guidelines

Proxy voting guidelines are a core component of AFF’s approach to ESG/impact investing. AFF will consider the important role of proxy voting in its manager selection criteria. We believe that all AFF investment managers have the obligation to actively vote the proxies of the corporate stocks they hold in a manner that is consistent with that investment manager’s stated ESG/impact criteria. For separate accounts, AFF will engage in active dialogue with the investment managers to encourage voting in a manner that is consistent with AFF’s ESG guidelines. In general, AFF supports shareholder proposals that are aligned with AFF’s inclusionary guidelines stated above in section 4 and are intended to create accountable, transparent companies, while enhancing long-term shareholder and stakeholder value and rights.

The Investment Committee recognizes that the field of social and environmental impact measurement is still developing. Different taxonomies and metrics are used for different asset classes and there is not an agreed upon best practice. However, the Investment Committee recognizes that measuring impact is an important aspect of the evaluation and monitoring of AFF’s investments. As such, the Investment Committee will strive to develop a framework over time that measures the various ESG impacts of the portfolio. AFF will also monitor AFF’s compliance with its inclusionary and exclusionary guidelines including:

- The percentage of the portfolio that is invested in products that are fossil fuel free (as defined by the above description), tobacco free and/or weapons free.
- The percentage of the portfolio that is invested in managers that integrate environmental, social and governance (ESG) factors
- The percentage of the portfolio in impact investments (defined as investments in public or private thematic portfolios) that are invested in companies striving to provide solutions to environmental and social issues

When evaluating managers (public or private), all else being equal, preference will be given to managers who demonstrate a commitment to ESG standards, reporting and ratings systems including but not limited to:

1. Ratings for their funds from Global Impact Investing Ratings System (GIIRS) and/or the Impact Reporting and Investment Standards (IRIS)
2. B-Corp organizational structure
3. Signatory to the UN Principles for Responsible Investment
4. Member/signatory to the Private Equity Growth Council’s Guidelines to Responsible Investment
5. And/or otherwise demonstrate impact intentionality and track record

8. Financial Standards, Performance and Measurement

Active Managers are expected to outperform their respective benchmarks over rolling three- and five-year periods. Appropriate index benchmarks will be established for all accounts at the time managers are hired. Accounts will also be measured versus an appropriate manager peer group, as available.

The Investment Committee periodically will review the performance of peer group institutions to assess whether AFF’s performance compares favorably.

9. Monitoring of Objectives and Results
A. All objectives are in effect until modified by the Board, which will review them at least annually for their continued appropriateness.

B. Each of the Fund’s managers will be monitored for consistency of investment philosophy, return relative to objectives, and investment risk as measured by asset concentration, exposure to extreme economic conditions, and market volatility. Performance will be reviewed by the Board on a quarterly basis, and evaluated over rolling three- and five-year periods. The Board will regularly review managers in order to confirm that the factors that support performance expectations remain in place.

C. Managers will report the following information to the Board quarterly: total return net of all commissions and fees, additions and withdrawals from the account, current holdings at cost and market value, and purchases and sales for the quarter. Regular communication concerning investment strategy and outlook is expected. Additionally, managers are required to inform the Board of any change in firm ownership or fundamental investment philosophy and of any significant change in organizational structure or professional personnel. Finally, managers will be expected to meet periodically with the Board to review their investment activities and to present future strategies.

10. Rebalancing Policy

The AFF Investment Committee will monitor the Fund’s asset allocation regularly, but no less than annually. If the actual allocation to any asset class deviates from the target allocation outlined in the table in section 5, The Investment Committee may recommend a transfer of funds in order to return the allocation to the long-term targets.

11. Manager Review and Termination (The following language has been adopted from Jessie Smith Noyes Foundation IPS)

Investment funds may be placed on “watch” status, replaced or terminated whenever the Investment Committee loses confidence in the management of the fund, when the characteristics of the fund are no longer consistent with the fund’s intended role, or the current style is no longer deemed appropriate.

Change in Organizational Structure or Personnel

A significant change in culture through a merger or acquisition that is likely to distort incentives and promote turnover, or if the investment team leaves the firm.

Changes in Strategy

If the manager departs from the strategy and/or style that it was originally hired to implement.

Performance
Continued performance shortfalls versus a peer group of managers with similar styles (as available) and/or a market index. Performance should be evaluated over at least a three-year period to provide the manager sufficient time to execute its strategy over full market cycles.

After reviewing a manager, the Investment Committee may take the following actions:

**Retain**
The Investment Committee has confidence in the manager’s ability to add value in the future. The investment performance is satisfactory and there are no organizational and strategy issues of significant concern.

**Place on Watch**
The manager’s investment performance is not satisfactory and/or issues relating to the organization or strategy are of concern.

**Terminate**
The Investment Committee does not have confidence in the manager’s ability to add value over a benchmark in the future and/or if there are significant concerns relating to the organization or strategy.

In addition, if the investment strategy and/or objectives of the Fund changes, the Investment Committee may terminate a manager that is not consistent with the Fund’s new strategy/objectives.

A manager will generally be placed on watch status for a period of time before a decision to terminate the relationship is made. There may be, however, circumstances under which the Investment Committee may terminate a manager without first placing it on watch.

The watch period may be established for as many as three quarters, for a maximum of one-year total watch duration.

- Within one quarter from the time a manager is placed on watch, the Investment Committee may interview the manager to determine if performance is suitably explainable and may continue to watch performance over the remainder of the three quarter watch-period.
- If at the end of the watch-period, performance has improved to above-benchmark or above-median over a market cycle, the manager may be removed from the watch list.
- If at the end of the watch period the manager is under-performing both objectives, (in effect, four consecutive rolling time periods of non-compliance) the Investment Committee may:
  - Immediately terminate the manager
  - Begin a search for a replacement fund and extend the watch period
  - Interview the manager again to determine if performance is suitably explainable and an upward trend in relative performance has developed, or is expected, and continue the watch-period for some specified number of quarters.
Appendix A
Policy Asset Allocation and Benchmark
As of August 21, 2018

<table>
<thead>
<tr>
<th>Policy Allocation</th>
<th>Role in Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>52.0%                                              Growth to meet return objectives</td>
</tr>
<tr>
<td>Diversifiers</td>
<td>10.0%                                              Diversification and volatility reduction</td>
</tr>
<tr>
<td>Private Investments</td>
<td>10.0%                                      Growth to meet return objectives</td>
</tr>
<tr>
<td>Real Estate</td>
<td>5.0%                                               Diversification and growth to meet return objectives</td>
</tr>
<tr>
<td>US Fixed Income</td>
<td>19.0%                                              Diversification and spending support</td>
</tr>
<tr>
<td>Tips</td>
<td>4.0%                                               Inflation protection and spending support</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policy Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI All Country World Index</td>
</tr>
<tr>
<td>T-bills +4%</td>
</tr>
<tr>
<td>Russell 3000 Index + 3%</td>
</tr>
<tr>
<td>NCREIF Property</td>
</tr>
<tr>
<td>Barclays Govt/Credit Index</td>
</tr>
<tr>
<td>Barclays TIPS Index</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Note: The investment committee will not strictly hold to the 10% and 5% targets to Private Investments and Real Estate, respectively. Rather, the Committee will allocate capital across illiquid strategies as opportunities arise.