

**GREATER TACOMA COMMUNITY FOUNDATION  
SHORT-TERM POOL INVESTMENT POLICY STATEMENT**

*Approved March 6, 2024*

**I. INVESTMENT OBJECTIVES**

The Short-Term Investment Pool is designed to provide the optimum total return and protection of principal for funds which have an expected life from one to five years. Balances which are invested for less than this period may be subject to greater than acceptable volatility of return. Such balances would have a higher exposure to erosion of principal. This pool is not intended for investment of such shorter-term funds, endowments or quasi endowments.

The investment objective for the Short-Term Investment Pool is to protect principal value and outpace long-term inflation.

**II. ASSET ALLOCATION**

Investments will be made within the framework for achieving principal protection keeping in mind the desirability to minimize the year-to-year risk of income and market fluctuations.

The following allocation of the assets of the Short-Term Investment Pool shall serve as the general guidelines for the investments.

<b>Asset Class</b>	<b>Target</b>	<b>Minimum</b>	<b>Maximum</b>
U.S. Equities	23%	10%	35%
International (Non-U.S.) Equities	12%	0%	20%
U.S. Fixed Income	65%	55%	75%
Cash	0%	0%	15%

**III. BENCHMARK**

- A. The performance benchmark for the Short-Term Investment Pool is a mix of:  
21% CRSP U.S. Total Market  
14% FTSE Global All-Cap ex-U.S. Index  
65% Bloomberg U.S. Aggregate Bond Index

**IV. DESCRIPTIONS OF PERMISSIBLE INVESTMENTS**

The following security classifications are permissible for investment:

- A. Domestic Equity Securities: Publicly traded common and preferred stocks, convertible preferred stocks and convertible debentures. Equity securities may be chosen from the NYSE, Regional Exchanges and the National Over the Counter Market. All assets must have readily ascertainable market values and be fully liquid. Equity securities may be invested in via mutual funds or exchange-traded funds.
- B. International Equities: Investment in non-domestic publicly traded common stocks, mutual funds or exchange-traded funds.

- C. Debt Instruments: United States Government, Agency and Corporate obligations must have a BBB or better agency rating by one of the three major rating agencies. Maturity structure will be left to the discretion of the Investment Manager who will manage to a short and intermediate duration not to exceed the duration of the Barclays U.S. Aggregate Bond Index. Mutual funds or exchange-traded funds may be used for the portfolio's fixed income exposure.
- D. Cash and Equivalents: Cash reserves may consist of individual fixed income securities such as commercial paper, U.S. Treasury Bills, and other similar instruments with less than one year maturity and/or money markets funds. Cash reserves should be free from risk and instantly liquid.

## **V. DESCRIPTION OF ROLES**

### **A. Investment Committee**

The Committee is responsible for adopting the provisions of this Investment Policy. This responsibility includes approving investment objectives and asset allocation; hiring and firing of investment advisors; monitoring performance of the Short-Term Pool on a regular basis; and maintaining sufficient knowledge about the Foundation and its managers to be reasonably assured of their compliance with the Investment Policy Statement.

### **B. Investment Advisor**

The investment advisor is responsible for assisting the Committee and Vice President, Finance in all aspects of managing and overseeing the investment portfolio. The advisor is the primary source of information on investment managers and investment funds. On an ongoing basis the advisor will:

1. Rebalance the accounts when the market values of the investments fall outside the minimum and maximum percentages for asset classes as stated above. No further authorization from the Investment Committee is required to rebalance within the stated ranges.
2. Provide proactive recommendations
3. Supply the Committee with reports (e.g., asset allocation studies, investment research and education) or information as reasonably requested
4. Monitor the activities of each investment manager or investment fund
5. Provide the Committee with quarterly performance reports
6. Review this Investment Policy Statement with the Committee annually

## **VI. DIVERSITY, EQUITY AND INCLUSION COMMITMENT**

Greater Tacoma Community Foundation connects people, knowledge, and funding to build a racially equitable, accessible, inclusive Pierce County, now and for generations to come. GTCF's mission guides the committee to advance equity through its Investment Policy Statement.

To fulfill GTCF's vision of a racially equitable, accessible, inclusive Pierce County where all people can shape and activate the systems that affect our communities, we intentionally remove system barriers and build processes that support access and inclusion.

We seek out partners who align with GTCF's vision and mission. We have agreed as a committee to actively engage with our investment manager(s) at least once a year to see

what actions their organizations have taken in the realms of equity, accessibility and inclusion. We do acknowledge the pace and scale may vary between managers but as long as there is a clear demonstration of commitment and action, we will welcome the changes and will look forward to a continuing dialogue to see how we might help shape the partnership.

We propose to ask managers to report back on a range of efforts, including:

- Increasing percentage of women employees and managers
- Increasing percentage of employees and managers who identify as underrepresented
- Active engagement with minority-owned sub-advisors
- Portfolio managers who identify as belonging to one of the classes of interest
- Diverse teams supporting our community foundation
- Ongoing diversity & inclusion training/education
- Any company initiatives to help disenfranchised groups
- Any company initiatives to recruit from non-traditional sources

Finally, it is our intent to work with various managers who help us invest the foundation's assets and who align with GTCF's values. GTCF is a learning organization, committed to the continuous transformation necessary to address and remove system barriers. With this policy, we want to learn alongside our investment partners about how they effectively implement actions to advance equity, access, and inclusion.