GREATER TACOMA COMMUNITY FOUNDATION
SHORT-TERM POOL INVESTMENT POLICY STATEMENT
(Approved 6/22/2016)

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 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 allocations of the assets of the Short Term Investment Pool shall serve as the general guidelines for the investments.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Minimum</th>
<th>Target</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>7.5%</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>U.S. Equities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large Cap</td>
<td>10%</td>
<td>12.5%</td>
<td>15%</td>
</tr>
<tr>
<td>Small Cap</td>
<td>3%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>International (Non-U.S.) Equities</td>
<td>5%</td>
<td>7.5%</td>
<td>10%</td>
</tr>
<tr>
<td>U.S. Fixed Income</td>
<td>55%</td>
<td>65%</td>
<td>75%</td>
</tr>
</tbody>
</table>

III. **BENCHMARK**
A. The performance benchmark for the Short Term Investment Pool is a mix of: 17.5% Russell 3000 Index, 7.5% MSCI EAFE Index, 65% Barclays Capital Aggregate Bond Index, 10% 3-month Treasury Bill.

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 an A 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 allocations; 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