The Catholic Foundation of Utah
Investment Policy

I. PURPOSE

This policy outlines the objectives, goals, and guidelines for all investments of the Catholic Foundation of Utah so that:

A. There is a clear understanding between the Catholic Foundation of Utah and its investment managers concerning the Catholic Foundation of Utah investment objectives and policies.

B. The investment manager is given written guidance and limitations in the investment of Catholic Foundation of Utah funds.

C. The Trustees of the Foundation have a meaningful basis for the evaluation of the portfolio management by the investment manager in order that they may meet their fiduciary responsibility to prudently monitor the investments of the Catholic Foundation of Utah.

It is the intent of this document to state general attitudes, guidelines, and a philosophy, which will guide the investment manager and Catholic Foundation of Utah staff toward the performance desired. It is intended that the investment policies be sufficiently specific to be meaningful but adequately flexible to be practicable.

II. LIMITATIONS

This Investment Policy applies to all monies invested by the Foundation with the exception of life income gifts in the form of charitable gift annuities and charitable remainder trusts. Investment of those monies is governed by the separate document entitled, "Deferred Gifts Investment Policy."

III. INVESTMENT OBJECTIVES

The Catholic Foundation of Utah maintains portfolios of equity, fixed income, and alternative asset classes as well as cash equivalent securities. Within this framework, the investment objectives for the Catholic Foundation of Utah are stated below:

A. Preservation of Capital - Capital gains are to be protected. A positive return should be experienced.

B. Preservation of Purchasing Power - Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation in order to preserve purchasing power of the assets.

C. Prudent diversification of assets in the portfolio.

IV. INVESTMENT GOALS

The following investment goals are expected to be achieved over a three-year time period measured from the time of the initial investment.

A. To achieve a total return that is in the top third of a representative universe of professionally managed funds selected by the Catholic Foundation of Utah Investment Committee. Average ranking over a period of years is the performance criteria rather than the ranking achieved in any one specific year.

B. Exceed the rate of inflation (as measured by the Consumer Price Index) by at least 300 (3%) basis points on an annualized basis.

V. SOCIALLY RESPONSIBLE INVESTMENT POLICY

The Catholic Foundation of Utah recognizes and accepts its moral and ethical responsibility to invest in a manner consistent with its vision, mission, and Catholic values. To fulfill this responsibility, the CFU adopts a socially responsible investment policy that complies in principle with the investment policies and principles as promulgated periodically by the USCCB.

The USCCB guidelines will be communicated to all equity and fixed income investment managers. The CFU's investment advisor(s) will monitor compliance by the investment managers. A restricted list of corporations will not be maintained by the CFU as part of this policy. Investment managers will be advised to avoid purchases of any securities which violate the USCCB guidelines. If necessary, an appropriate time frame for liquidation of any securities not in compliance with USCCB guidelines will be determined. The guidelines will be implemented in the context of the Catholic Foundation's overall investment objectives and long-term asset allocation objectives.

The investment committee is responsible for review and oversight of the USCCB guidelines, and portfolio holdings will be screened by the committee annually or as deemed appropriate.

The Foundation will not exclude any asset classes included in the long-term asset allocation due to USCCB constraints.

Any exceptions to this policy will be addressed by the investment committee on a case-by-case basis.

VI. INVESTMENT GUIDELINES

All assets selected for the portfolio must have a readily ascertainable market value and must be readily marketable with the understanding that certain assets in the Alternative or Non-Traditional Asset Class may be exempted from daily liquidity and market pricing.

The following guidelines are approved for investment in different asset classes:

A. Equities:
- Common Stocks (including foreign companies that trade in U.S. markets as American Depositary Receipts (ADRs)).
- Preferred Stocks
- Convertible Securities

B. Fixed Income Investments:
- U.S. Government and Agency Securities

- Commercial Paper
- Corporate Bonds: Domestic and International Entities (U.S. Dollar Denominated)
- Convertible Securities
- Floating-Rate Securities
- Foreign Government and Supranational Dept (U.S. Dollar Denominated)
- Mortgage and Asset-Backed Securities
- Money Market Instruments:
    - Commercial Paper
    - Certificates of Deposit
    - Time Deposit
    - Bankers' Acceptances
    - Repurchase Agreements

C. High Yield Bonds.

D. Alternative or Non-Traditional Assets

- Global Real Estate
- Commodities
- Private Equity
- Global Infrastructure
- Managed Futures
- Long/Short Equity
- Hedge Funds

E. Additional Fixed Income instruments, including but not limited to municipals, emerging markets debt, other non-dollar denominated Fixed Income instruments are allowed to be made using actively managed no-fee 40 Act mutual funds.

F. Purchases of the following types of assets are expressly prohibited:

- Unrestricted Letter stock
- Options, with the exception of covered call writing
- Warrants
- Currencies
- Purchasing of Securities on Margin

The Foundation's Executive Committee must approve exceptions to any of the above transactions.

G. Asset Allocation:

It shall be the policy of the Catholic Foundation of Utah to invest the assets in accordance with the maximum and minimum ranges for each asset category as stated below:

	Minimum	***Maximum***
Equities	10%	70%
Fixed Income	30%	60%
High Yield Bonds	0%	10%
Alternative Assets	0%	20%
Short Term Investments	0%	30%

The above asset mix policy and acceptable minimum and maximum ranges represent a long-term view. However, these ranges are subject to re-evaluation in light of interest rate and/or market fluctuations.

H. Asset Investment Criteria:

1. Equities:
    a. Diversification: The equity portfolio should be well diversified to avoid undue exposure to any single economic sector, industry group, or individual security.
    b. Quality and Marketability: Common and convertible preferred stocks should be of good quality and listed on the New York, the American or the NASDAQ Stock Exchanges with the requirement that such stocks have adequate market liquidity relative to the size of the investment.
    c. Concentration by issuer:
        - No more than 5% of the total equity assets of the Foundation shall be invested in the securities of anyone issuing corporation.
        - Investments in any corporation should not exceed 5% of the outstanding shares of the corporation.
        - Investments in any industrial sector should not exceed 25% of the portfolio.
    d. All portfolio managers will adhere to the Foundation's socially responsible investment guidelines.
2. Fixed Income Investments
    a. The purpose of fixed income investments, both domestic and international, is to provide diversification, and a predictable and dependable source of current income. It is expected that fixed income investments will not be totally dedicated to the long-term bond market but will be flexibly allocated among maturities of different lengths according to interest rate prospects. Fixed income instruments should reduce the overall volatility of the Fund's assets and provide a deflation hedge.
    b. Fixed income includes both the domestic fixed income market and the markets of the world's other economies. It includes, but is not limited to, U.S. Treasury and government agency bonds, municipals, foreign government and supranational debt, securities of foreign (non-U.S.) entities and can be denominated in U.S. or non-U.S. Dollars, public corporate debt, public preferred stock securities, agency and non-agency mortgages and asset backed securities, convertible bonds, convertible preferred stocks, floating rate securities, and non-investment grade debt.
    c. Fixed income also includes money market instruments, including, but not limited to, commercial paper, certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, and U.S. Treasury and agency

obligations. The investment manager(s) must take into account credit quality, issuer concentrations, and maturity in selecting an appropriate mix of fixed income securities. Investments in fixed income securities should be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums.

d. High Yield Bonds:
   - Quality - Can be of any credit rating including exposure to C-rated bonds.
   - Concentration - Investments of any single issue shall not exceed 5% of the total High Yield Bond Portfolio.
   - Duration - The High Yield Bond Portfolio will be diversified with various maturities.

e. Additional Fixed Income instruments, including but not limited to; municipals, emerging markets debt, other non-dollar denominated Fixed Income instruments are allowed to be made using no-fee 40 Act mutual funds. These additional Fixed Income instruments will not exceed 25% of the entire Fixed Income portfolio.

f. Within the above guidelines and restrictions, the investment manager(s) has complete discretion over the timing and selection of fixed income securities.

3. Alternative or Non-Traditional Assets:
   a. The purpose of alternative or non-traditional assets is to enhance overall risk adjusted returns to a portfolio. Additionally, this asset class typically provides low correlation with the more traditional asset classes like bonds and equities.
      i. The types of assets in this class that would be considered for this portfolio are listed above in VI. INVESTMENT GUIDELINES – D. Alternative or Non-Traditional Assets
      ii. Any liquidity restrictions must be carefully weighed in the context of the entire portfolio and illiquid investments shall not exceed 10% of the overall portfolio.

VII. TEMPORARY ENDOWMENT INVESTMENT OPTION AND PROCEDURE

A. The Catholic Foundation of Utah exists to promote long-term funding and investment opportunities for the organizations, programs and ministries of the Catholic Church in Utah.

B. In certain cases, donors and beneficiaries may wish to utilize the services of the Foundation to receive and invest temporality restricted gifts for organizations, programs, and ministries with the expectation that all or a substantial part of the assets will be used in a timeframe that requires eventual access to these funds.

C. In cases where the Foundation Board accepts temporary restricted gifts with the expectation that the monies will be eventually used by the beneficiary, a temporary investment alternative (in addition to the regular investment option) will be made available to the beneficiary.

A. Temporary investment procedure:
   a. All assets accepted by the Foundation Board as the initial investment of new funds in temporarily restricted endowments will be at least matched by those Foundation

portfolio assets which have a readily ascertainable market value and are readily marketable. These liquid assets will include a combination of fixed income investments, equities, and high yield bonds. Alternative or non-traditional portfolio assets with limited commercial transparency and/or liquidity are not included here.

b. If selected, this procedure will apply to the initial investment of new funds in temporarily restricted endowments.

VIII. INVESTMENT PERFORMANCE REVIEW AND EVALUATION

The Catholic Foundation of Utah Investment Committee will measure performance results on a quarterly basis. Annual performance review meetings will be held with investment managers and the Catholic Foundation of Utah Investment Committee.

The Catholic Foundation of Utah Investment Committee will evaluate each investment manager's performance. However, this committee will change the investment manager if there is:

a. Failure to follow the established Foundation guidelines based on the USCCB Guidelines for Socially Responsible Investing.
b. Failure to meet the Committee's communication and reporting requirements.
c. Lack of responsiveness to the Committee's overall concern about performance and risk.
d. Unacceptable justification for poor results.
e. A decision made that a change of investment manager would be in the best interest of the Catholic Foundation of Utah.

This policy is effective as of: October 29, 2024
Prior revisions effective:

- May 10, 2017
- February 7, 2012
- October 5, 2004
- May 2, 2001
- February 13, 1998