ALPHA ZETA FOUNDATION, INC.

INVESTMENT POLICY

Adopted April 21, 2020

Intent

Responsibility for Alpha Zeta Foundation's (Foundation) Investment Policy rests with the Foundation Board of Directors (Board). Sound investment and management of funds is necessary to ensure the perpetuity of Foundation funds and to attract potential significant donors. To achieve the Foundation's short and long-term financial goals, Foundation funds must be allocated for investment in various financial instruments. Pursuant to executing the fiduciary responsibility of the Board in overseeing the Foundation's financing, with respect to investing funds to build the long-term financial wealth of the Foundation while preserving capital, the Board voted to establish an Investment Committee

Purpose

The purpose of the Investment Committee is to implement the board's Investment Policy for management of its longer-term investable funds in accordance with the investment objectives set by the Board, subject to the restrictions and requirements established in this document.

Philosophy

The Foundation's investment funds are intended to provide security, stability and support for programs of the Foundation. The Committee recognizes its responsibilities under both the Prudent Man Rule and the Uniform Prudent Management of Institutional Funds Act.

The portfolio asset allocation targets and risk/return objectives are expected to produce a compound annual return that approximates the return one could achieve from a portfolio that is invested, over the long term, 70% in equities and 30% in fixed income assets. In the shorter term, the portfolio asset allocations are allowed to fluctuate within the following ranges: 50% - 80% in equities, 20% - 50% fixed income and cash.

Subject to the above, the Committee should strive to minimize investment transaction fees, investing passively whenever practical.

Committee Composition

The Foundation Board shall annually appoint an Investment Committee to consist of not less than three and not more than five members. The term shall be 3 years. Members of the committee may be appointed for consecutive terms. The President and Treasurer of the Board will serve as voting members of the committee by position. AMR Account Executive will serve as an ex-official non-voting member of the Committee and will take minutes. The Board will name a Committee Chair.

The AMR Account Executive will distribute quarterly statements to the Committee once provided by the manager(s).

Functions of the Investment Committee

1. To present, for approval, to the Board, the recommended short and long-term investment policies and objectives and the targeted risk/return objectives for the Foundation's longer-term investable funds.

2. To recommend to the Board, for approval, an investment management company/companies to oversee the investment of the Foundation's investable assets in accordance with the approved investment priorities.

3. To monitor the performance of the selected investment management company and report the performance to the Board on a semi-annual basis.

4. To review investment management performance benchmarked against the wider market's performance and assess the impact of fees on the achievement of the Foundation's investment goals.

Operations

1. **Meetings**. The Committee shall meet quarterly to discuss and to thoroughly review performance of the fund and individual managers. Member participation in quarterly meetings via telephone or webinar is permitted. Subsequent activity of the Committee can be carried on using a combination of interim meetings, correspondence and telephone.

2. **Portfolio Summaries and Reviews**. Portfolio summaries shall be prepared by manager(s) quarterly. These summaries are to be made available to each member of the Committee for the quarterly review.

3. **Manager Reviews**. Annually, the Committee conducts a formal review of performance for each asset manager and its investment adviser to determine whether the Foundation's money is being invested as intended and achieving results consistent with the established benchmark(s).

Reporting

At least annually, the Chairman of the Committee will submit a written report of fund performance to the Board. In addition, the Chairman of the Committee annually reviews with the Board the short term and long-term investment objectives and recommend for their approval, any changes, including any changes in the asset allocation targets, deemed appropriate by the Committee.

Investment Guidelines

1. The Committee shall employ duly registered investment manager(s) to implement the agreed upon investment strategy. The manager(s) selected shall have full discretion to fulfill their specified role in the overall portfolio subject to the parameters of this policy and the Prudent Man Rule.

2. Funds shall be invested, and manager(s) chosen in a manner consistent with a prudent investor and overseen by the Committee and its investment advisor. Investments must fall within the established risk tolerance of the Foundation, based on the guidance described in the Foundation's investment philosophy. High risk (such as options, start-ups or junk bonds) investments should not exceed 5% of the total portfolio.

3. Funds shall be invested and managed on a total return basis, net of manager fees, with the objective of capital preservation and real return from both income and capital appreciation earned over the long run.

4. A long-term outlook should prevail in all investment decisions including asset allocations, investment type and manager selection. However, the investment horizon for evaluating manager performance relative to their specific benchmark shall be three to five years, or a full market cycle, whichever comes first.

5. Liquidity. Sufficient liquidity, in either cash or easily liquidated securities, must be maintained to cover anticipated payouts. The Foundation Treasurer shall advise the Committee on a quarterly basis regarding anticipated cash needs from the portfolio.

6. Rebalancing. Annually the Committee must review the allocations in the portfolio and determine whether reallocations are needed to get back into the targeted ranges.

7. Limitations. There are no limitations on investments in socially sensitive issues.

8. Leverage. Leverage investing is prohibited. Commodity investing is prohibited.

9. Diversification. To the extent possible, diversification should be achieved through "passive" investments in funds. When individual securities are held as a part of the portfolio, the following restrictions apply:

    - Holdings of all securities of a single corporate entity may not exceed 5% of the total equity portfolio, at cost, nor may any S&P industry category exceed 25% of the total equity portfolio, at cost.

    - Any "active" equities portfolio, one where the manager "picks" individual securities, shall be invested with the care, skill, prudence and diligence, under circumstances prevailing from time to time, that a prudent man acting in like capacity would use in the investment of a Trust of like character and with like aims.

- Except for government and agency obligations, the fixed income portfolio (all manager(s)) shall contain no more than 10% of a given issuer (irrespective of the number of differing issues). Additionally, no more than 50% of the total fixed income portfolio shall be invested in any one asset class. There shall be adequate marketability for each issue selected for the fixed income portfolio.

Standards of Performance

Several standards will be used when evaluating fund investment performance.

The Committee will create, with the assistance of its investment advisor, a "passive index" using regularly published financial investing industry benchmarks (Russell 3000, for example). This index will mirror the asset allocation objectives of the portfolio. The value of the index will be calculated quarterly by value weighting each asset class. The value of the passive index will be compared with the actual performance of the portfolio. Over time, the investment activities of the Committee and its investment manager(s) are expected to deliver a performance that matches or exceeds the passive index.

Money manager(s) will have an agreed upon benchmark. Their performance, net of any fees, will be evaluated against that benchmark on a quarterly basis.

Manager performance will not be limited to the objective delivery of "benchmark" financial results. They will, in addition, be regularly reviewed to ensure that their investment activities and fees charged are consistent with their own stated policy and that they are performing the asset allocation role intended by the Committee. In addition, judgments will be made by the Committee and recommend to the Board regarding the continued retention of the investment advisor as personnel and ownership changes occur.

Communication

To ensure that communications between the Committee and the investment manager are regular and contractually enforceable, investment manager(s) and advisors are responsible for frequent and open communication with the Committee on all matters of significance and pertaining to investment policy and the management of the fund. Some of the key reporting responsibilities that should be included in a contract include the obligation to:

1. Inform of major changes in the investment outlook, strategy or portfolio structure

2. Advise of any significant changes in the ownership, organizational structure, financial condition or senior personnel staffing.

3. Advise of any personnel change in the management of fund assets

4. Communicate by phone or letter as deemed necessary by the Committee or its investment advisor.