INVESTMENT POLICY STATEMENT

COMMUNITY FOUNDATION FOR SOUTH CENTRAL NEW YORK
November 2022

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Definitions

The following definitions will apply throughout this policy statement:

"Authorized Signer(s)" – Person(s) identified in writing as being approved to act on behalf of the Organization, either individually or collectively.

"Board" – The Board of Directors of the Organization

"Commingled Fund" – Any fund (i.e. mutual fund, exchange traded fund, limited partnership, etc.) in which the Organization owns shares of an underlying portfolio rather than direct shares of the underlying investments.

"Committee" – The Committee charged with the day-to-day management of the Assets of the Organization.

"Consultant" – Cornerstone Advisors Asset Management, LLC

"Fund Managers" – Third party investment managers that are unaffiliated with Consultant.

"Investible Assets" or "Account" or "Assets" – The funds to be managed which are subject to this Policy.

"IPS" or "Policy" or "Statement" – This Investment Policy Statement

"NYPMIFA" – The New York Prudent Management of Institutional Funds Act

"Organization" – Concurrent Technologies Corporation

"Separately Managed Account" – An account in which individual securities are owned on behalf of the Organization.

"Tactical Asset Allocation" – The actual portfolio weightings, within the bounds established by this IPS, to which the Consultant is at any time managing the assets based on Consultant's outlook for future capital market conditions.

"Target Asset Allocation" – The portfolio weightings to which the Investible Assets will be managed.

Opening Statement & Intent

The Board has entrusted the Committee to manage the assets of the Organization under NYPMIFA. This Policy is designed to convey the mandates established by the Committee insofar as they act as determinants for the management of the Investible Assets. This Policy is intended to outline how the Account is to be structured, managed, and supervised.[1]

This Statement is meant to encourage effective communications between all responsible parties and establish acceptable performance metrics and encourage adherence to all applicable fiduciary, prudence and due diligence requirements for the Assets as set forth in this document. In accordance with NYPMIFA, this Policy focuses on the following factors in managing and investing this Fund:

1) General economic conditions;
2) The possible effect of inflation or deflation;
3) The expected tax consequences, in any of investment decisions or strategies;
4) The role that each investment or course of action plays within the overall investment portfolio of the fund;
5) The expected total return from income and the appreciation of investments;
6) Other resources of the institution;
7) The needs of the institution and the fund to make distributions and to preserve capital; and
8) An asset's special relationship or special value, if any, to the purposes of the institution.

All parties to this Policy shall conform with the standards of a fiduciary to act solely in the best interest of the Organization and its beneficiaries. Besides the duty of care and the duty of loyalty, all conflicts of interest, both real and perceived, must be disclosed and, when possible, remediated.

This IPS has been formulated by the Committee with the assistance of the Consultant. It is based upon the consideration of the financial implications of a wide range of policies, and it describes the prudent investment process by which the Committee shall oversee the management of the Assets under its care.

[1] This Policy does not govern any asset pools established for the retirement benefits of the employees of the Organization or any other investment pools with their own investment policy statements.

Executive Summary

Description & Asset Allocation

Type of Fund	Long-term investible assets
Governing Law	NYPMIFA
Current Assets *(as of IPS date)*	$30,000,000
Time Horizon	Perpetual
Modeled Nominal Return[2]	6%
25 Year Historical Return[3]	7.5%
Modeled Drawdown[4]	-15%
Peer Group	Small Endowment/Foundation

Asset Class	*Lower Limit*	***Target***	*Upper Limit*
Domestic Equity	32%	**42%**	52%
International Equity	8%	**18%**	28%
Fixed Income	10%	**20%**	30%
Alternative Investments	0%	**15%**	25%
Short-Term Fixed & Cash	0%	**5%**	20%

Long-Term Success Measures

- Maintenance of real (inflation-adjusted) value of Assets;
- Outperformance of Assets compared to Strategic Target-weighted benchmark, net of fees;
- Outperformance of Assets compared to actual-weighted benchmark, net of fees; and,
- Outperformance of peer group median based on risk-adjusted measurements.[5]

[2] Annual expected return based on current year capital market assumptions for target asset allocation.
[3] Annual return based 25-year historical capital market returns for target asset allocation.
[4] Annual 95th percentile performance based on target asset allocation and current year capital market assumptions.
[5] Risk-adjusted measurements shall be defined in the section entitled **Performance Expectations & Monitoring**

Description of Assets & Objectives

The Assets are governed by New York state law, specifically NYPMIFA. The objectives of the Investible Assets are as follows: safety, liquidity and total return. The assets have been entrusted to the Organization in order to provide perpetual support to the communities it supports.

Safety

As a key objective of the Organization's investment program, the Investible Assets shall be allocated in a manner consistent with growth of capital on an above inflation-adjusted basis. Limitations meant to mitigate various risks are outlined in the section **Investment Management Assumptions & Restrictions**.

Liquidity

The Assets shall be invested in a sufficiently liquid manner to facilitate the ongoing distribution needs. Cash reserves will be maintained to fund unanticipated needs of the Organization. The Consultant shall report on the liquidity of the Assets regularly to the Committee.

Total Return

The Committee has chosen to adopt a total return policy which does not distinguish between income and capital appreciation. The Account will be invested in such as manner as to increase the probability of it achieving long-term growth, above inflation, net of spending and fees. To achieve this goal, the Assets are required to be allocated in a way that introduces a balanced level of short-term and intermediate-term risk.

Duties of Fiduciaries & Delegation of Authority

The Board

The Board has ultimate authority to set the strategic vision of the Organization; however it has delegated IPS creation and day-to-day oversight of the Organization's service providers to the Committee.

The Committee

The Committee, in conjunction with the Consultant, establishes this Policy to guide the management of the Investible Funds. The Committee shall meet regularly to consider changes to this IPS for recommendation to the Board and to provide oversight of the Consultant's adherence to this Statement and achievement of the objectives laid out in the **Executive Summary**.

The Committee has chosen to hire the Consultant with discretion as permissible under NYPMIFA.

The Consultant

The Consultant acknowledges that it is a Registered Investment Adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940 and is a co-fiduciary with the organization with regards to the management of the Investible

Assets. The Consultant further acknowledges the delegation of discretion over the Account covered by this Statement.

The Consultant shall execute the following duties within the parameters of this Policy and shall be available to the Board and/or Committee as desired to report on the progress of the investment program.

1) Asset allocation development
2) Portfolio rebalancing
3) Manager selection and monitoring
4) Risk management oversight
5) Performance reporting at portfolio and manager level

Fund Managers & Commingled Funds

The Consultant will select Fund Managers to invest the Assets in a manner consistent with this Policy. The minimum requirements that a Fund Manager must meet for inclusion by the Consultant include:

- Being a bank, insurance company, investment management company, or an investment adviser as defined by the Registered Investment Advisers Act of 1940;
- Providing historical performance of a composite portfolio calculated in compliance with GIPS®[6] methodology;
- Providing a detailed history of the firm, key personnel, etc. This requirement can be fulfilled through a recently completed request for proposal;
- Articulating a clear investment strategy that will be followed; and,
- Committing to performing all transactions within the current definition of "best execution" as defined by the Securities and Exchange Commission.

The Fund Managers must utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced investment professionals acting in a like capacity and with full familiarity with such matters would use for similar Assets.

The Fund Managers must also promptly inform the Consultant of material changes to its organization, management team, process and ownership.

The Consultant may also select certain Commingled Funds to manage portions of the Assets. While it is the intention of the Consultant that all Commingled Funds align with the limitations found in this Policy, the offering memorandum or prospectus of the Commingled Fund shall govern these investments. Commingled Funds shall meet the following minimum requirements:

- Management must have been in place for at least three years,
- The Commingled Fund must have followed the same strategy for at least three years; and,
- No single client may represent more than 10% of the fund's assets under management.

[6] The CFA Institute's Global Investment Performance Standards as available at the date of this Policy.

Monitoring of Delegated Authority

The Committee shall have the responsibility of monitoring the Account for adherence to this Policy and the long-term goals of the Organization. The Consultant shall provide reporting to the Committee on a regular basis that outlines the following:

1) The Consultant's macroeconomic outlook,
2) Cashflows at the Fund Manager/Commingled Fund level and portfolio level,
3) Asset allocation of the Account compared to IPS targets,
4) Performance of the Account as a whole and each subcomponent versus an appropriate benchmark and peer group focused on:
    a. Absolute and relative performance over various time periods,
    b. Comparable risk levels (including standard deviation, beta, downside risk & down-market capture); and,
    c. Risk-adjusted metrics (including Sharpe Ratio, Sortino Ratio, Information Ratio).

The Committee shall determine frequency of such reporting and the Consultant's attendance at Board meetings.

Nature & Duration of Fiduciary Relationship

The Investible Assets have a perpetual timeframe. The Committee maintains responsibility to communicate to the Consultant any changes to this assumption.

Liquidity & Distribution Requirements of the Assets

It is the expectation of the Committee that the Investible Assets will remain highly liquid. The Consultant will not invest in any Fund Manager or Commingled Product with liquidity notification requirements longer than a month without written acknowledgement of an Authorized Signer.

When an unanticipated need for a distribution arises, the Committee shall notify Consultant as soon as practicable. Consultant shall have the authority, within the limits set by this Policy, to provide liquidity or invest contributions as the Consultant shall see fit.

Tax Considerations

The Organization is tax-exempt, and therefore does not require tax-free income, nor are taxes a consideration in the management of the Account.

Role of Each Investment or Course of Action on Overall Investment Strategy

This Account is managed to the Prudent Investor Rule. This rule acknowledges Modern Portfolio Theory as a guiding tenet. Under this legal regime, all decisions respecting individual assets should be considered in the context of the portfolio as a whole. No

specific investment or course of action, taken alone, shall be considered inherently prudent or imprudent.

Assets of Special Relation or Special Value to Organization

Unless otherwise provided for in writing by an Authorized Signer, it is the intention of the Committee that all in-kind contributions to the Organization will be liquidated by the Consultant in the most efficient manner available given market conditions at that time and reinvested in accordance with this Policy.

There exist no Assets bearing a special relation to the Organization.

Investment Management Restrictions

Prohibited Securities

Fund Managers are prohibited from the following securities and transactions without prior written approval from an Authorized Signer:

- Letter stock or other unregistered securities;
- Physical commodities or contracts thereof;
- Transacting in futures contracts in any form;
- Utilizing options for speculation;
- Short sales or margin transactions;
- Securities lending, pledging or hypothecating securities;
- Initial Public Offerings; and,
- Investments for the purpose of exercising control of management.

Global Equities: In General

- Equity holdings in any one company should not exceed 5% of the market value of the total Investible Assets' equity holdings.
- Allocations to economic sectors should be consistent with the broad equity market.
- Fund Managers have discretion to invest a portion of their assets in cash reserves; however, there will be no adjustment for these reserves to the assigned benchmark or peer group.

International Equities: Specifically

- Allocations to specific countries should take the Fund Manager's assigned benchmark into consideration.
- There should be no direct foreign currency speculation; however, foreign exchange contracts to hedge currency exposure are allowed.

Fixed Income: In General

- U.S. Treasury and U.S. government agencies, which are unrated securities, shall be considered the highest quality rating.
- No exposure to any one issuer, other than securities of the U.S. government or its agencies, shall exceed 10% of the market value of the fixed income portfolio.

- No more than 20% of the market value of the fixed income portfolio shall be rated less than "A-" quality unless the Fund Manager has prior written authorization.
- All securities must be rated as investment grade by at least one ratings agency. Should a holding be downgraded below investment grade, the Fund Manager may either sell the holding or communicate with the Consultant the qualities that would support maintaining the position.

Fixed Income: Prohibited Securities & Transactions

- Securities not offered through an SEC registration filing other than U.S. government or agency-backed mortgages.
- Derivative securities.

Alternatives: In General

- Alternative investments are defined as everything other than traditional long stock and bond portfolios. For the purpose of this IPS, alternative investments shall include any investment that has a low correlation to the domestic equity and fixed income markets. This shall include real estate, private equity, hedged investments, commodities, timber, and global macro allocation portfolios, among other asset classes.

Cash & Cash Equivalents: In General

- Cash equivalent reserves shall consist of cash instruments having a quality rating of A-2, P-2 or higher. Eurodollar Certificates of Deposits, time deposits, and repurchase agreements are also acceptable investment vehicles.
- Any idle cash not invested by the investment managers shall be invested daily through an automatic interest-bearing sweep vehicle managed by the custodian.

Performance Expectations & Monitoring

The Committee shall rely on quarterly reports, as provided by the Consultant, to evaluate the progress of the Investible Assets in relation to the attainment of long-term goals. It is understood that variance over short-time periods is to be expected.

Expectations

The Consultant shall provide forward-looking capital market assumptions to the Committee annually to confirm that this Policy's target allocation and ranges are still appropriate for the Organization's long-term well-being.

Monitoring

The Committee will meet regularly with Consultant to focus on Fund Managers' and Commingled Funds':

- Adherence to the IPS guidelines;
- Material changes in organization, investment philosophy and/or personnel; and,

- Comparisons of the results to appropriate indices and peer groups.

The risk associated with each Fund Manager's portfolio, as measured by the variability of quarterly returns (standard deviation), should not exceed that of the benchmark index and the peer group without a corresponding increase in performance above the benchmark and peer group over a full market cycle.

Ongoing review and analysis of Fund Managers and Commingled Products is as important as the due diligence implemented during the initial selection process. Accordingly, a thorough review and analysis of a Fund Manager will be conducted, should it:

- Perform in the bottom quartile (75th percentile) of its peer group over an annual period;[7]
- Fall in the southeast quadrant of the risk/return scatterplot for a 3-year time period; or,
- Have a 3-year risk adjusted return (as defined by Sharpe Ratio) fall below that of the median manager within the appropriate peer group.

Furthermore, performance which may require the replacement of a Fund Manager includes:

- Fund Managers that consistently perform below the median (50th percentile) of their peer group over rolling five-year periods; or,
- Fund Managers with negative alphas for a five-year time period.

Major organizational changes also warrant immediate review of the Fund Manager, including:

- Change in professionals
- Significant increase or reduction in assets under management
- Significant growth of new business
- Change in ownership
- Change in investment style
- Negative change in financial condition of Fund Manager

The performance of the Fund Managers and Commingled Funds will be monitored on an ongoing basis, and it is at the Consultant's discretion to take corrective action by replacing a manager if the Consultant deems it appropriate at any time.

[7] Peer group and benchmark definitions can be found in Appendix I – Indexes & Peer Groups.

Appendix I – Indexes & Peer Groups

Asset Category		Index	Peer Group Universe
Domestic Equities	Large Cap Value	Russell 1000 Value	Large Cap Value Style
	Large Cap Core	S&P 500	Large Cap Broad Style
	Large Cap Growth	Russell 1000 Growth	Large Cap Growth Style
	Mid Cap Value	Russell Midcap Value	Mid Cap Value Style
	Mid Cap Broad	Russell Midcap	Mid Cap Broad Style
	Mid Cap Growth	Russell Midcap Growth	Mid Cap Growth Style
	Small Cap Value	Russell 2000 Value	Small Cap Value Style
	Small Cap Broad	Russell 2000	Small Cap Broad Style
	Small Cap Growth	Russell 2000 Growth	Small Cap Growth Style
International Equities	Large Cap Value	MSCI EAFE Value	Intl Large Cap Value
	Large Cap Core	MSCI EAFE	Intl Large Cap Core
	Large Cap Growth	MSCI EAFE Growth	Intl Large Cap Growth
	SMid Value	MSCI EAFE Small Cap	Lipper: Intl Sm/Mid Value
	SMid Growth	MSCI EAFE Small Cap	Lipper: Intl Sm/Mid Growth
	Small Cap Broad	MSCI EAFE Small Cap	Lipper: Intl Sm/Mid Core
	Emerging Markets	MSCI Emerging Markets	Emerging Mkts Style
	Specialty	MSCI EAFE	Intl Core Eq Style
Global Equities	Large Cap Value	MSCI ACWI	Gl Equity Style
	Large Cap Core	MSCI ACWI	Gl Equity Style
	Large Cap Growth	MSCI ACWI	Gl Equity Style
	Mid Cap Growth	MSCI ACWI	Gl Equity Style
	Small Cap Growth	MSCI World Small Cap	Gl Equity Style
Fixed Income	Emerging Markets	Bloomberg Capital Gbl Emer Mkt Bond	Emer Mkt Bond
	Specialty	Bloomberg Capital High Yield Intermediate	High Yield Style
	High Yield Bond	Bloomberg Capital High Yield Intermediate	High Yield Style
	Global Bond	Bloomberg Capital Global Agg	Gl Fixed Income Style
	Core Bond	Bloomberg Capital Aggregate Bond	Intermediate Style
	Core Bond (Long Duration)	Bloomberg Capital Govt/Credit Long	Ext Maturity Style
	Core Bond (Intermediate Duration)	Bloomberg Capital Aggregate Bond	Intermediate Style
	Core Bond (Short Duration)	Bloomberg Capital 1-3yr Govt/Credit	Defensive FI Style
	Core Bond (Multisector Bond)	Bloomberg Capital US Universal Index	Core Plus Style
	Government Bond	Bloomberg Capital Gov Inter	Intermediate Style
	Government Bond (Long Duration)	Bloomberg Capital Gov Long	Ext Maturity Style
	Government Bond (Intermediate Duration)	Bloomberg Capital Gov Inter	Intermediate Style
	Government Bond (Short Duration)	Bloomberg Capital Gov 1-3 Yr	Defensive FI Style
	Short Term Bond	Bloomberg Capital 1-3yr Govt/Credit	Muni Bond-S/T DB

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Asset Category		Index	Peer Group Universe
Real Estate	Real Estate Direct	DJ US Real Estate	Lipper: Real Estate
Alternative* ***Alternatives may include additional subclasses not specified here, appropriate benchmarks and peer groups should be used on a case-by-case basis**	Specialty	S&P 500	Core Equity Style
	TIPS	Bloomberg Capital US TIPS	Lipper TIPS Funds
	Moderate Allocation	CPI + 5%	Dom Balanced Style
	TIPS	Bloomberg Capital US TIPS	Lipper: TIPS Funds
	MLPs	Alerian MLP Index	Callan Master Limited Partnerships
	Real Estate Investment Trust	DJ US Real Estate	Lipper: Real Estate
	Real Estate Investment Trust (Global Real Estate)	DJ US Real Estate	Lipper: GL Real Estate
	Real Estate Direct	DJ US Real Estate	Lipper: Real Estate
	Commodities	DJ:UBS Commodity Index	Lipper: Commodities
	Long-Short	S&P 500	Lipper: Long/Short Equity Funds
	Convertibles	ML Convertible Bonds	Lipper: Convertible Secs
	GTAA	Wilshire Liquid Alternative Index	Absolute Return Hedge FoF
Cash & Equivalents	Taxable Money Market	Citi 90 Day T-Bill	Lipper: Instl Money Mkt