Investment Policy Statement

Effective June 18, 2019*

PURPOSE:

This Investment Policy Statement (IPS) has been recommended by the Investment Committee (Committee) and approved by the Board of Directors (Board) of the Tidewater Jewish Foundation, Inc. (TJF) as of the effective date noted above,* with respect to the investment assets (as herein defined) of TJF and its Affiliates and Supporting Foundations.

This document establishes policies, procedures and guidelines to assist the Board, the Committee and the professional staff of TJF in effectively supervising, monitoring and evaluating the management of the assets of TJF and satisfying their fiduciary obligations under applicable federal and state statutes and regulations and under the TJF Articles of Incorporation and current Bylaws. It is anticipated that this IPS will be reviewed at least annually and the Investment Committee may recommend such changes that it deems appropriate to the Board.

The scope of this IPS does not extend to receivables or to tangible property owned by TJF or its Affiliates and Supporting Foundations which may either be held to support operations (e.g. equipment) or gifted interests in life insurance, real estate or private entities held pending their optimal disposition. These assets are reviewed and monitored by staff and reported to the Investment Committee or to the Gift Acceptance Committee anticipating their ultimate conversion into investment assets under one of the portfolios described in the following section.

DUTIES AND RESPONSIBILITIES:

Board of Directors

The Board is responsible for the oversight and prudent management of the investment assets of TJF and the adoption of written policies and procedures. Based on a recommendation from the Investment Committee, the Board approves the hiring of the investment managers and any investment consultant. The Board believes that delegating the investment management and custodial functions to competent and experienced third parties and oversight responsibility to the Investment Committee properly fulfills the Board’s fiduciary responsibility. The Board

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acknowledges its ultimate responsibility for adopting a prudent process to manage TJF’s assets but is not otherwise responsible for the investment performance.

**Investment Committee**

The Investment Committee administers this IPS subject to the procedures which control the active management of the various investment asset portfolios under the umbrella of TJF. The Committee recommends an annual Spending Policy for approval by the Board.

The Investment Committee is responsible for reviewing and managing the IPS and is not otherwise responsible for the investment performance. The Committee hires, with the concurrence of the Board of Directors, and monitors and evaluates the investment manager(s), who is (are) responsible for asset management and performance. The Committee may recommend to the Board the hiring of an investment consultant to assist in the evaluation of the investment manager(s). The Committee will review at least annually all costs associated with the management of TJF’s investment program and regularly reports investment performance to the Board.

**Professional Staff**

TJF’s staff will monitor the execution of the Policy on a regular basis. The staff will assemble reporting materials prepared by the Investment Manager(s) and Investment Consultant. The staff will effect regular communication, including recommendations, to the Investment Committee and Board as required, and will convene regular meetings to review the IPS, performance, asset mix, liquidity management and other related matters. Each asset group will be measured against its respective market benchmarks. Professional Staff prepares quarterly compliance reports for the Investment Committee. Staff is not otherwise responsible for the investment performance. Staff maintains ongoing business relationship with investment managers’ professional staff and lay leadership to include monitoring of investment agreements and any changes thereto with TJF’s legal counsel.

The Investment Committee and staff will work directly with the investment manager(s) and other organizations engaged to manage TJF’s investment pools regarding adherence to approved asset allocation strategies, manager structures and relevant rebalancing requirements.

**INVESTMENT ASSET PORTFOLIOS:**

Investment asset portfolios under the purview of the Investment Committee include:

- Main Asset Investment Pool – all assets are invested in this pool unless they meet criteria for one of the other portfolios (see the following section on the Main Investment Pool); also includes cash and cash equivalents maintained at prudent levels to provide liquidity
- State of Israel Bond Portfolio – gifted bonds, if any, generally held for redemption at maturity
• Charitable Trusts – individual investment accounts where TJF or an Affiliate is a named trustee – invested to balance risk and return over life expectancy time horizons and distribution requirements
• Charitable Gift Annuity Pool – invested to balance risk and return over life expectancy or term time horizons and distribution requirements
• Separate Investment Accounts – optional investment accounts and customized investment strategies may be available to certain donor-advised funds, non-endowment funds of incorporated Affiliates and/or Family Supporting Organizations. Customized strategies for accounts in excess of $1,000,000 may be available if determined by the Investment Committee to comply with the procedures and expectations for optional investment accounts and customized investment strategies as contained in Exhibit 3 (note: the minimum threshold prior to the 2017 amendment was $500,000)

AFFILIATE AND SUPPORTING FOUNDATIONS’ PARTICIPATION:

As noted above, TJF makes participation in its investment portfolios and programs available to its Affiliates and Supporting Foundations, all of which are tax-exempt organizations. The pooled investment vehicles represented by the above investment portfolios are not, nor are they required to be, registered with the U.S. Securities and Exchange Commission under existing statutes based on the applicability of “standard charitable pool representations.” * Affiliates and Supporting Foundations participating in the investment pools will acknowledge and endorse these representations under a written agreement.

Each Affiliate and Supporting Foundation may accept TJF’s annually approved Spending Policy or adopt one of its own.

INVESTMENT OBJECTIVES:

This IPS is designed to support the mission and charitable spending policies of TJF and its Affiliates. Investment objectives are intended to ensure funds availability for both distributions and administrative requirements in support of operations while considering the long-term growth of investment assets required to sustain purchasing power. Invested assets are expected to earn competitive returns relative to capital market measures that include broad market indices and funds with similar objectives. The Board and the Investment Committee recognize that risk must be assumed to achieve TJF’s long-term investment return objectives. Therefore, the Board and Committee have adopted a long-term investment horizon such that the probabilities and duration of investment losses are carefully weighed and evaluated against the long-term appreciation of assets.

In making decisions and recommendations to the Board under this IPS, including the selection and retention of investment managers, the Board and Investment Committee recognize their fiduciary responsibilities under applicable federal and state statutes and regulations, to act with care, skill and prudence and to assure diversification of the various investment portfolios.

* See appendix materials for details of the standard charitable pool representations at Exhibit 2.
MAIN INVESTMENT POOL:

In 2009, after careful consideration as described below, the Investment Committee, having determined that it had performed the requisite level of due diligence in conjunction with TJF’s representatives to include its Investment Consultant and professional staff, recommended and the Board approved TJF’s participation in the National Jewish Federation Investment Program (NJFIP). TJF’s Main Investment Pool was then moved from its former proprietary investment manager/custodian and into a NJFIP portfolio.

Due Diligence: Reviewed and queried the Jewish Federations of North America (JFNA) and its endorsement of its National Jewish Federation Investment Program; Compared and/or reviewed to its satisfaction, performance results over extended periods, fees, investment sector allocation and attribution, risk as measured by standard deviation, peer performance, up/down capture ratios, Investment/Finance Committee composition/credentials, reporting and accounting-related matters, audit and legal agreement, liability issues, addition/withdrawal/exit policy, compatibility as to organizational mission and Investment Policy Statement; References were checked with affiliates who were other than affiliates of the manager.

Officials of TJF and the Combined Jewish Philanthropies of Greater Boston, Inc. (CJP, or the Boston Federation) have executed the Admission of New Member document for TJF’s participation in their Jewish Community Endowment Pool, (JCEP), and a Limited Liability Partnership established under Massachusetts laws and managed by the Boston Federation. All partners are tax-exempt charitable organizations similarly investing non-retirement fund assets.

By aligning its main investment pool in the JCEP, the Investment Committee has delegated asset allocation and management structure decisions to the larger organization in recognition of the sophistication and economies of scale available to a larger investment pool as well as the background, expertise and professional resources available to the JCEP.

The Board and Investment Committee have adopted and endorsed for the main investment pool, the Statement of Investment Guidelines, Objectives and Policies approved by the CJP Board of Managers for the investment of non-retirement fund assets and specifying the portfolio composition, asset allocations and benchmarks applicable to the Pool. The 2016 version of that document, subject to amendment only by the CJP Board of Managers, is attached and incorporated into this IPS as Exhibit 1.

Notwithstanding anything to the contrary contained herein and as a consequence of approving this pooling relationship, the Board, Investment Committee and professional staff acknowledge and assume the following limited Duties and Responsibilities:

- Annual and periodic review of any amendments of/to CJP’s Statement of Investment Guidelines, Objectives and Policies and the Limited Liability Partnership Agreement;
- Committee’s recommendation to remain or withdraw from the pool;
- Committee’s and professional staff’s preparation and review of compliance and performance reports along with benchmark and peer comparisons, and comments and recommendations to the Board thereon.
REVIEW OF INVESTMENT OBJECTIVES AND PERFORMANCE EXPECTATIONS:

The validity and achievability of the primary investment objectives will be reviewed not less than annually by the Investment Committee as part of the establishment of an annual spending policy. Additionally, investment portfolio performance will be reviewed at quarterly Investment Committee meetings. Investment results will be compared to those benchmarks approved by the Committee which generally measure similar funds and widely used indices. In its evaluation process, the Investment Committee generally will review asset allocation studies, capital market projections, economic outlook data and other analyses.

Ultimately, the Investment Committee may recommend and the Board may approve retaining or selecting new investment managers for the various portfolios under its purview based on performance relative to benchmarks and achievement of investment objectives over full market cycles.

List of Exhibits:

1. CareGroup / Combined Jewish Philanthropies Board of Managers Statement of Investment Policy 2016
2. TJF Investment Pools' Standard Charitable Pool Representations
3. Procedures and Expectations: Optional Investment Accounts and Customized Investment Strategies for Certain Large and/or Externally-Managed Portfolios
The Board of Directors of the Tidewater Jewish Foundation, Inc. (TJF) has adopted this Investment Policy Statement, dated June 18, 2019, predicated on the recommendation of TJF’s Investment Committee.

Lawrence Steingold  
Chairman of the Board

Marc Weiss  
Chairman, Investment Committee

Scott Kaplan  
President & CEO
Memo

To: Jewish Community Endowment Pool, LLP Partners and Co-Investors

From: Charles S. Glassenberg, Vice President, Gift Planning & Investment Partnerships

Date: June 21, 2016

Subject: Statement of Investment Policy

As you know, the CareGroup/CJP Board of Managers (BOM) is the investment committee with ongoing fiduciary responsibility for the Jewish Community Endowment Pool, LLP (JCEP). The BOM has recently revised the Statement of Investment Policy for JCEP and its sister pool, the CareGroup Investment Partnership, LP. A main objective in this restatement is reflecting the role of the professional CareGroup Investment Office, under the leadership of Jane Moncrieff, and the relationship between Jane and her team and the volunteers of the BOM. The Statement includes the following important updates from the 2008 edition:

- The Investment Objectives are updated and elaborated, and a revised reference benchmark of 65% MSCI All Country World Index and 35% 5-year Treasury bonds is described (pages 1-2).

- The BOM describes its specific investment philosophy, with specific reference to how it influences manager selection (page 2).

- The responsibilities of the BOM and the Investment Office are described in general (page 3) and in more detail (pages 6-8), as is the Conflict of Interest policy for all involved (page 5).

- Asset class definitions (page 4), ranges of exposure to asset classes (page 5) and liquidity policy for investments (page 11) are stated.

- The due diligence checklist used for evaluating new potential investment managers is shared in sample form (pages 9 and 10).

As always, CJP appreciates your continued trust and partnership. Please feel free to contact me at charlesg@cjp.org or 617-457-8540 if you have any questions about this document or any other JCEP related matter.
INVESTMENT POLICY

2016

This Statement of Investment Policy serves to establish the fiduciary responsibility, investment philosophy, risk-return objectives, admissible investments and other guidelines with respect to the investment of the non-ERISA Funds of CareGroup, Inc. and of the Combined Jewish Philanthropies of Greater Boston, Inc. (the “Organizations”) through the CareGroup Investment Partnership LP (“CIP”) and the Jewish Community Endowment Pool, LLP (“JCEP”) (Collectively “the Funds”).

This Statement is for internal use and not binding, but rather intended to provide general guidance.

The Board of Managers

As established under the by-laws of CareGroup Inc. and of the Combined Jewish Philanthropies of Greater Boston, Inc. respectively, the ongoing fiduciary responsibility for the Funds lies with the Board of Managers as the designated investment committee for each of the Funds and as appointed by the respective Boards of Directors of the Organizations.

This Statement is intended to assist the members of the Board of Managers in satisfying their fiduciary obligations under Massachusetts General Laws c. 180A, the Uniform Prudent Management of Institutional Funds Act, and shall at all times be interpreted in a manner consistent therewith.

In making investment decisions under this Statement, the members of the Board of Managers understand that it is their obligation to act with the care, skill, prudence and diligence under the circumstances currently prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and like aims.

The Board of Managers shall amend this statement to the extent necessary to reflect any amendment of Massachusetts General Law c. 180A. The Board of Managers may further amend this Statement at any time in its sole discretion. The Board of Managers intends, but is not required, to review this Statement annually and to make such changes as it deems appropriate.

Investment Objectives

The Board of Managers seeks to maximize return relative to an appropriate level of risk while avoiding permanent impairment of capital.

The Board believes that the result of a carefully implemented investment strategy should be an annualized return equal to or higher than 5% real return (defined as nominal return net of investment management fees and inflation) over rolling 7-10 year periods or a full market cycle, whichever is longer. While this is a view based on broad capital market returns, it may not be
achievable over all periods. The Board of Managers believes that an annualized real return of 5% will support annual distributions without impairing the purchasing power of the pools over time.

The Board of Managers is aware of the effects of downside volatility on the operating budget of the Funds’ constituents even when such volatility does not reflect permanent impairment of capital. Thus the Funds are managed to maintain volatility below that of the broad equity markets and to avoid peak to trough drawdowns of more than 30%, assuming a 50% drop in equity markets. It is understood that equity markets can drop further than 50% and that in such a scenario the Board of Managers would not be required to reduce exposure to prevent further mark-to-market losses; it is more likely that the Board of Managers would seek to maintain or increase exposures in that valuation environment.

The Board seeks to outperform benchmarks at the asset class and individual manager levels over rolling market cycles. While the Board does not manage to nor seek to track a permanent benchmark, the risk profile and volatility characteristics of the portfolio will likely be similar to a portfolio comprising 65% Equities (MSCI All Country World Index) and 35% Bonds (5-Year Treasury Bonds). The funds are invested as perpetual capital and thus are appropriate vehicles for assets with a long time horizon.

Investment Philosophy

The investment program emphasizes absolute returns over relative returns.

The Board of Managers recognizes that this may lead to underperformance of the Funds relative to peers or to broad equity market indices in the short run, particularly in periods of extended valuations. The Board of Managers further acknowledges that the Funds may look markedly different from similar size endowments which do not hold a similar strategy.

The portfolios have a strong value bias. Unless it is clearly prudent to do otherwise, investments are diversified across strategies and managers. The prudent use of cash and fixed income further reduces interim volatility and capital at risk.

The Board of Managers believes that the investment objectives are best achieved through the following strategy: invest with exceptionally talented money managers who possess a sustained edge and thus can generate strong risk-adjusted returns over a full market cycle. The Board of Managers believes in the power of compounding so mitigation of permanent capital loss is a key feature across the investments. This leads to an avoidance of significant leverage, predictive strategies, “black box” or theoretical strategies or any investment whose lack of transparency precludes a full understanding of embedded risk and potential return outcomes. Instead the focus is on fundamentally driven strategies where a knowledgeable investor can readily decipher the sources of risk and return.
Asset allocation balances the need for risk assets to generate a 5% real return with the need for flexibility and prudence to avoid capital impairment and large interim drawdowns.

**Responsibilities**

The first responsibility of the Board of Managers is oversight of the Funds. This includes but is not limited to 1) implementing appropriate investment objectives, guidelines and policies; 2) making regular review of the implementation of such policies; 3) making specific investment decisions, and 4) delegating authority, including investment authority, to the Investment Office as necessary to achieve its goals.

The Investment Office shall source, conduct due diligence of, make recommendations to the Board of Managers regarding, and monitor the post-investment activities of investment managers, and otherwise manage investment activities of the Funds consistent with strategic parameters and guidelines established by the Board of Managers.

The Investment Office shall report to the Board and the Board shall be responsible for monitoring and evaluating the performance of the Investment Office to determine if it is executing its responsibilities effectively. The Board of Managers acknowledges that part of its function is to advise, guide, support and provide insight to Investment Office employees in order to raise the quality of investments and decision making.
## Portfolio Definitions

<table>
<thead>
<tr>
<th>Asset Class Implementation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equities</td>
<td>This category comprises U.S., non-U.S. developed, and emerging market equities, whether long-only or private equity.</td>
</tr>
<tr>
<td>Hedge Funds</td>
<td>These strategies may include, but are not limited to, investments in global equities, credit, high yield, distressed credit, arbitrage, event driven, long/short strategies.</td>
</tr>
<tr>
<td>Real Assets &amp; Real Estate</td>
<td>Real Asset strategies may include, among other investments, commodities, global natural resource-related public equities and/or private natural resource-related partnerships. Real Estate may include real estate limited partnerships or real estate trusts.</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>This strategy is limited to fixed income portfolios, typically non-callable, sovereign or similar high quality securities (A or better) including TIPS and other inflation-like sovereign bonds. Lower quality credit, non-investment grade, distressed securities and bankruptcy claims are considered risk assets (and will usually fall within hedge funds).</td>
</tr>
<tr>
<td>Derivatives</td>
<td>This category includes strategies such as futures, interest rate swaps, currency swaps, credit default swaps etc.</td>
</tr>
<tr>
<td>Cash</td>
<td>“Cash” is defined as U.S. cash equivalents with an effective duration of three months or less.</td>
</tr>
</tbody>
</table>
Portfolio Guidelines, Reporting and Monitoring

The Board of Managers does not adhere to a “policy portfolio.” Within the parameters of the investment objectives and risk tolerance, asset allocation is flexible, depending on valuations, manager input and manager skill. The following ranges serve as a guideline for the portfolios. Actual exposures may fall outside these ranges.

<table>
<thead>
<tr>
<th>Ranges</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Equity</td>
<td>34% - 65%</td>
</tr>
<tr>
<td>Hedge Funds</td>
<td>24% - 36%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>0% - 7%</td>
</tr>
<tr>
<td>Fixed Income and Cash</td>
<td>12% - 22%</td>
</tr>
</tbody>
</table>

It is understood that some fund managers may have flexible mandates making exact allocation within ranges difficult to ascertain in the short term.

Conflict of Interest

Members of the Board of Managers may sit on other investment committees or have professional or volunteer responsibilities that may affect their work with the Board of Managers. Each member completes a conflict of interest disclosure form annually and is duty-bound (a) to make recommendations and decisions that, in his/her judgment, best serve the Organizations and the Funds interests and (b) to disclose any facts or circumstances that could give rise to a real or perceived conflict of interest with respect to any matter considered by the Board of Managers or the Investment Office. If so affected such member shall abstain from discussions of any such matters, unless specifically requested to participate. Any member of the Board of Managers shall withdraw from meetings at which such matters are discussed upon the request of any other Board Member. Real or perceived conflicts shall be noted in meeting minutes and brought to the attention of the Board chair.

The members of the Investment Office also complete the annual conflict of interest disclosure and are similarly duty-bound.
Investment Office Guidelines

The Board of Managers has delegated certain decisions and responsibilities to the Investment Office. This document serves to delineate the extent/limits of those decisions/responsibilities.

Unless given prior approval by the Chair, Vice Chair or full Board of Managers, the Investment office will hire/terminate managers only within the risk guidelines and portfolio limits established in the Investment Policy.

Manager Due Diligence:

- Manager due diligence will conform to the due diligence guidelines approved by the Board of Managers (see separate checklist).

- To improve the Investment Office’s ability to invest new inflows, the manager due diligence guidelines will not apply to index funds. The aggregate exposure in CIP or in JCEP to these products will not exceed 12% without prior approval from the Chair or Vice Chair.

Manager Hiring and Manager Termination: Negative consent of the Board of Managers

- The Investment Office will circulate its investment due diligence memos to the Board, preferably at least two weeks before a manager’s closing.

- Board members are encouraged to comment/question or offer other insight to improve the due diligence.

- Board members will take any concerns that would preclude investing with a proposed manager to the Chief Investment Officer and the Board Chair.

- After the Board comment period and absent concerns that would preclude investing or elevate the decision to a Board discussion, the Investment Office will proceed with the manager.

- Manager termination will follow the same procedure.
Asset Allocation/Movement of Capital:

- The Investment Office will present manager ranges at each meeting for the Board of Managers’ approval. The Board of Managers delegates movement of capital within those ranges to the Investment Office.

- The aggregate movement of capital between meetings cannot exceed +/- 7% for global equity (US, Non-US, Emerging long equity); +/- 6% for absolute return/hedged equity; +/- 2.5% for real assets and +/- 6% for cash without approval from the Chair or Vice Chair.

Manager Monitoring

- The Investment Office will visit each marketable manager on-site at least annually to review the portfolio, the strategy, performance, team etc.

- In addition, for hedge funds, the Investment Office will have a call/update with the manager quarterly.

- The Investment Office will perform site-visits and/or attend the annual meetings of non-marketable (private equity, private real estate, private distressed etc.) at least every other year if the manager is an active relationship and as frequently as practicable if the manager is not an active relationship.

The Investment Office and Board of Managers recognize that from time-to-time or due to specific limitations, the monitoring frequency may differ from the guidelines above.

Reporting

- The Investment Office will provide at each meeting: a forward calendar of managers in active due diligence; a written update of key manager issues; major stock positions and overlap; current portfolio positioning; and other portfolio metrics.
In addition to the guidelines in the investment policy and stated above, the Investment Office will adhere to the following limits in performing its delegated responsibilities:

<table>
<thead>
<tr>
<th>Geographic Diversification</th>
<th>U.S. exposure limited to a maximum of 70% of the Funds without Board approval; Emerging Market exposure limited to a maximum of 15% of the Funds without Board approval.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity</td>
<td>Per the liquidity policy. (attached)</td>
</tr>
<tr>
<td>Manager Concentration</td>
<td>Marketable securities managers limited to 5% without Board approval; non-marketable securities managers to +/- 3% (at NAV) without Board approval. (NB: non-marketable percentages will be managed on a best-efforts basis but may fall outside of target due to changes in the size of the Funds, the speed of capital calls and distributions, and/or exceptional growth in NAV)</td>
</tr>
<tr>
<td>Direct Investments and use of derivatives</td>
<td>Precluded without prior Board approval.</td>
</tr>
<tr>
<td>Co-investments</td>
<td>Recommendation on a case-by-case basis as part of manager due diligence.</td>
</tr>
</tbody>
</table>

- Investments that fall outside of ranges will be reported immediately to the Board of Managers and remedied as soon as possible.
Manager Due Diligence Checklist

### 1. Fund and Firm Structure
- Ownership
- GP commitment / internal capital
- Key personnel and key man provisions
- Team background
- Compensation structure
- Fund structure
- Regulatory registrations

### 2. Strategy
- Investment philosophy and strategy
- Portfolio construction
- Research process
- Investment examples
- Return targets
- Skill set fits mandate?
- Fund size and plans for future growth
- Edge

### 3. Risks
- Leverage
- Concentration
- Investor base and AUM stability
- Liquidity
- “Maximum” drawdown / stress test
- Exposure (geography, industry, sub-asset class, market cap)
- Counterparties

### 4. References
- Official references
- Unofficial references
- Service providers

### 5. Performance
- Behavioral biases
- Return data – alpha, beta, correlation, volatility
- Comparison to peer group, existing managers, and benchmarks
- Ideal market environment
- Employee turnover

Comments:
### 6. Operations and Administrative Procedures

- Outside service providers (consultants, attorneys/legal counsel, outside auditors, prime brokers)
- Background check – review for civil, criminal, or regulatory actions filed against both the firm and key people
- Disaster preparedness / business continuity
- Separation of duties
- Portfolio valuation policies

### 7. Legal Documents

- Annual fee, incentive, expenses
- Lockup period, redemption provisions (notice, gates), key man language
- Side pockets
- Legal counsel to review all documents
- Negotiate remedy for unsatisfactory terms

Comments:
## Liquidity Policy

<table>
<thead>
<tr>
<th>Liquidity term</th>
<th>Guideline</th>
<th>Typical Asset Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiquid and at the discretion of the manager:</td>
<td></td>
<td>PE, VC, RA, illiquid distressed</td>
</tr>
<tr>
<td>Private Investments</td>
<td>25% maximum</td>
<td>Hedge Fund Side Pockets</td>
</tr>
<tr>
<td>Hedge Fund Side Pockets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 1 year</td>
<td>55%-80%</td>
<td>Some Long Equity managers, Some Real Assets managers, All or a portion of Hedge Funds.</td>
</tr>
<tr>
<td>90 days to 1 year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 week to 90 days</td>
<td>Minimum under 90 days must be 20%, of which 10% must be available within one week</td>
<td>Cash/Fixed Income, Most Global Equity, Some Real Assets funds.</td>
</tr>
<tr>
<td>Under 1 week</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uncalled Capital</td>
<td>15% maximum</td>
<td>Commitments related to the illiquid assets.</td>
</tr>
</tbody>
</table>
TIDEWATER JEWISH FOUNDATION, INC.

Investment Policy Statement (IPS) – Exhibit 2

Standard Charitable Pool Representations

Tidewater Jewish Foundation (TJF) offers participation in its pooled investment portfolios to TJF’s Affiliates and Supporting Foundations. The TJF pooled investment portfolios are not, nor are they required to be, registered with the United States Securities and Exchange Commission. TJF is relying upon advice of its legal counsel and a “No-Action Letter” dated October 1, 2009 from the Chief Counsel for the Division of Investment Management of the Securities and Exchange Commission, responding to a request by the Sisters of Mercy of the Americas, and concluding that, under certain conditions, exemptions for charitable organizations are applicable under the Securities Act of 1933, the Exchange Act of 1934, the Investment Company Act of 1940 and the Investment Advisors Act of 1940. Those certain conditions, are referred to in the No Action Letter as the “Standard Charitable Pool Representation” and are applicable to the pooled investment portfolios of TJF as follows:

- The participants in TJF’s investment pools will not assign, encumber or otherwise transfer any part of their interests in the common investment pools, except that a participant may pledge its interest in the pooled fund to third party lenders as collateral for loans to fund its charitable and tax-exempt activities;
- The TJF investment pools are organized and operated at all times exclusively for religious, educational, benevolent, fraternal, charitable or reformatory purposes;
- No part of the TJF investment pool’s net earnings will inure to the benefit of a private shareholder or individual;
- The TJF investment pool and each participant is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code;
- Each participant will invest only funds over which it has immediate, unrestricted and exclusive use, benefit and enjoyment;
- Participants will not invest assets that are attributable to a retirement plan providing employee contributions or variable benefits;
- Certified public accountants annually will prepare a written report that includes TJF’s investment pools, which report will be sent to all participants; and
- Each participant is informed that neither TJF nor its investment pools are investment companies registered under the Investment Company Act of 1940.
Policy

The Tidewater Jewish Foundation (TJF) believes that the pooling of invested assets reduces administrative and investment-related expenses and thereby maximizes charitable resources to meet community needs. TJF’s Main Investment Pool, as described in this IPS, is appropriate for investment of funds with long-term or endowment characteristics.

However, TJF recognizes that certain non-endowed funds may not be appropriate for inclusion in its Main Investment Pool based on an expected limited time horizon or based on consideration of certain distribution expectations under the applicable fund documents. In addition, TJF recognizes that donor-advisors or officers of separately incorporated affiliates or supporting foundations may have relationships with investment professionals that they would prefer to retain for investment of the charitable assets in those funds.

For these situations, TJF has established these guidelines to set forth the below procedures and expectations related to: (1) optional investment accounts, and (2) customized investment strategies for certain large and/or externally-managed portfolios.

Each requested account contemplated by this Policy will be evaluated individually. As always, TJF reserves the right to refuse any gift deemed to be against the best interests of the Foundation, and that may include gifts to establish funds under a proposed investment account that the Investment Committee determines to be inappropriate from a fiduciary perspective.

Section 1: Optional Investment Accounts

Procedures and Expectations

TJF has established accounts with commercial investment custodians that include several mutual funds available for pooled investment of appropriate funds. The mutual funds are selected due to their high liquidity and low expense characteristics. The selected mutual funds may include money market funds or short-term bond funds that earn competitive interest rates and would be appropriate for TJF/affiliate funds with very short term investment horizons.

Additionally, the TJF Investment Committee has determined that certain commercial “allocation funds” which are designed to maintain fixed and diversified allocations of underlying market index funds, may be appropriate options for donor-advised funds based on the donor’s anticipated timeframes for recommending grants with the charitable assets and their associated risk tolerance. Using these “allocation fund” models, the Investment Committee has met its fiduciary responsibility to review and approve prudent and diversified asset allocations corresponding to a
reasonable range of risk vs. return scenarios and the commercial investment custodian bears the responsibility as the investment manager to rebalance the underlying market index funds to maintain compliance with the designated asset allocation.

A. Investment Option Selection:
1) TJF staff will routinely communicate with donors and other advisor representatives of donor-advised funds on the available investment options under this procedure. The Investment Committee may set and adjust minimum donor-advised fund asset thresholds to qualify for available investment options.

2) Procedures will allow for the donors and other advisor representatives to submit written identification to TJF staff of the optional investment account they may select under this procedure for the donor-advised funds with which they are associated. Such selections may be made no more frequently than on a monthly basis. The effective movement of assets into the selected investment account may be phased and the full investment of the assets of the designated fund in the selected account may occur over one or more monthly cycles.

B. Monitoring and Reporting:
1) TJF staff will distribute updates on the performance of all optional investment accounts to donors and other advisor representatives not less than quarterly.

2) Investment account expenses as well as performance of all optional investment accounts relative to applicable benchmarks will be reviewed by the TJF Investment Committee not less than annually.

3) Based on performance and/or compliance with designated asset allocations, the TJF Investment Committee may determine to continue or to terminate the availability of the optional investment account. Should any optional investment account’s availability be terminated under this provision, the donors or other advisor representatives for any fund that had selected that optional account will be required to make different investment account selection.

Section 2: Customized Investment Strategies for Certain Large and/or Externally-Managed Portfolios

Procedures and Expectations
Upon request of a donor or officer of a separately incorporated affiliate or supporting foundation, the TJF Investment Committee may approve the establishment of separate investment accounts owned by TJF (or the separate affiliate/foundation) that meet TJF’s fiduciary expectations and comply with the process described herein. The separate investment accounts would each have
appropriate new account agreements with an individual investment manager ("Recommended Manager") to manage the investment of the charitable assets (for purposes of this document, the term “Recommended Manager” is inclusive of financial advisors that may be associated with portfolios of separately-managed mutual funds). TJF will not pay any Recommended Manager or any other party a commission or fee for bringing a donor who creates a fund at TJF, and no existing assets of TJF may be transferred to a Recommended Manager or other party as “compensation.”

**A. Minimum Requirements:**

1) The total market value of the separately managed account must equal or exceed $1,000,000. If the fund balance falls below $1,000,000, TJF may, at its sole discretion, terminate the account and fold the fund into TJF’s Main Investment Pool or other appropriate investment pool/strategy. Separately managed accounts in existence prior to the 2017 IPS amendment have an applicable minimum threshold of $500,000.

2) The donor/donor-advisor or officer of the separately incorporated affiliate or supporting foundation must recommend the proposed investment manager in writing (email allowed) and endorse the manager’s proposed asset allocation based on an appropriate risk/return profile.

3) The Recommended Manager must be actively registered with FINRA and affiliated with a Member Firm. The Recommended Manager must also be a Registered Investment Advisor under the Investment Advisors Act of 1940 with fiduciary responsibilities and oversight by the Securities and Exchange Commission.

4) The Recommended Manager may NOT be a disqualified person as that term is defined in the Internal Revenue Code (IRC). The Internal Revenue Service may impose serious penalties on a public charity that engages in or allows disqualified gifts, grants, contracts or transactions. TJF takes great effort to avoid or prohibit transactions among persons who are prohibited from benefiting due to their relationship with donors. A disqualified person includes an affiliation with the donor within the third degree (parent, spouse, child, grandchild, great grandchild, niece, nephew, or first cousin). These relationships include persons who are legally adopted. A disqualified person also includes direct business relationships (e.g. an equity interest in the managing investment firm).

5) The assets must be managed in a separate account belonging to TJF (or the separately incorporated affiliate/supporting foundation) and the donor may exercise no control over that account.

6) The Recommended Manager may not serve as both the investment manager and the donor advisor for any TJF fund managed by their company.
B. Investment Management and Custodial Expectations:

1) Each separately managed account shall be owned and titled in the name and tax ID of TJF (or the applicable affiliate/supporting foundation) with a reference to the fund name.

2) The Recommended Manager must make investments only within the asset allocation approved for that account (as further described below), will communicate regularly with TJF, and will provide monthly account reports and quarterly performance reports that meet the standards described below. Electronic access to account data by TJF staff is required.

3) The Recommended Manager will utilize an established investment custodian that provides these services to other investors, preferably on a nation-wide basis. TJF may periodically request and review the custodian’s fund accounting and information technology reports known as System and Organization Controls (“SOC”) for Service Organizations: Internal Control over Financial Reporting (“ICRF”).

4) The Recommended Manager shall take instructions (both written and verbal) only from authorized employees of TJF (never from the donor who contributed assets to the fund).

5) Investment earnings of the fund managed by the Recommended Manager will be added solely to the total return on the funds held by the Recommended Manager and returns will be tracked separately for each account that may be managed by the Recommended Manager.

6) The proposed fees and expenses of the Recommended Manager must be identified for and approved by the Investment Committee. Once the account is established, the expenses must be separately stated on the investment account’s monthly reports when charged and will be deducted solely from the total return of the funds held by the Recommended Manager.

C. Approval of Proposed Asset Allocations:

1) Funds established with TJF that are expected to have a short-term horizon (generally less than three years until all contributed funds and earnings have been disbursed for the charitable purposes of the fund), may be invested in a pooled money market account established by TJF (the minimum threshold noted above in paragraph A.1. is not applicable for such short-term funds).

2) All other funds of longer to permanent time horizons, will utilize asset allocations for each separate account as proposed by the Recommended Manager and reviewed and approved by TJF’s Investment Committee.

3) To facilitate the review of proposed asset allocations, TJF’s Investment Consultant has provided four allocation models that have been reviewed and approved by TJF’s Investment committee and are more fully shown in the attachment to this exhibit.
These four allocation models, described as “Conservative, Moderate Balanced, Balanced, and Growth,” have demonstrated portfolio statistics and expected return/risk probabilities as analyzed in 2017 and may be updated from time to time without requiring policy amendments. The allocations have been plotted on the Efficient Frontier utilizing reasonable constraints based on this analysis. Asset Allocations proposed by the Recommended Manager that comply with these asset allocation models will be approved by TJF’s Investment Committee without further analysis expected.

4) Other asset allocations and specific underlying investments proposed by a Recommended Manager may be approved by TJF’s Investment Committee that demonstrate adequate diversification and appropriate risk/return expectations for institutional investments. Modeling of the proposed asset allocation, including historical returns and volatility if used for other accounts (with expected disclaimers) are anticipated for presentation to the Investment Committee consistent with the models and Efficient Frontier plotting of the four allocations in the attachment.

5) The Recommended Managers are expected to periodically (not less than annually) re-balance the holdings to conform to the approved asset allocation models.

D. Account Administration and Reporting:
1) The Recommended Manager must engage an investment custodian that provides on-line access to the account by TJF staff and provides monthly account reporting and quarterly performance reports (reports will be mailed to TJF and maintained on the electronic portal’s archives).

2) Monthly account reports must show all investment transactions and summaries of those transactions to include periodic capital flows into and out of the account, cash held within the account and the current investment holdings and their basis as of the report date, interest and dividend income, unrealized gains/losses, investment purchases, redemptions and sales, realized gains and losses and investment expenses and any other disbursements/fees during the reporting period.

3) TJF staff will initiate periodic requests for funds from the account to reimburse for grants made by TJF from the fund and for administrative and other expenses charged by TJF to the fund. The Recommended Manager will establish a mechanism/process to facilitate such reimbursements to TJF with efficient means such as direct check-writing or electronic transfers preferred.

4) Quarterly performance reports must show the current holdings by asset category as compared to the targets under the approved asset allocation. Holdings by industry and/or sector should be included. Performance, net of fees/expenses, should be reported for the current quarter along with historical performance over one-, three-
and five year periods along with performance since inception (performance for periods over one year should be annualized). Actual performance should be compared to a manager’s benchmark represented by a weighted blend of market indices that reflect the approved asset allocation’s asset classes.

5) TJF may, at any time, revoke the privilege of using a separate investment account and a Recommended Manager under this Policy. The donor and/or officer of the affiliate/supporting foundation acknowledges that I.R.S. regulations require that the charity owning the assets retain the sole discretion to terminate the TJF’s relationship with the Recommended Manager, and to transfer the funds held by the Recommended Manager to other investment managers under any facts or circumstances that the Investment Committee in good faith believes warrant such termination and transfer. Such facts and circumstances will include but not be limited to a determination made in the sole discretion of the Investment Committee that the Recommended Manager has:

(a) failed to maintain compliance with the approved asset allocation as set forth herein, including any amendments that may be made from time to time;
(b) failed to meet the performance benchmark requirements applicable for the approved asset allocation as set forth herein, including any amendments that may be made from time to time;
(c) failed to perform comparably to other managers;
(d) experienced significant changes in key management personnel;
(e) charged fees that are incommensurate with services provided or the fees proposed initially;
(f) failed to adhere to TJF’s investment instructions, advice or guidance; or
(g) otherwise failed to perform as requested by TJF.
Important Disclosures

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The asset allocation modeling analyses contained in this presentation were obtained from Zephyr Associates, Inc., using capital markets projections provided by Mercer Investment Consulting, an independent investment consulting firm. These capital markets projections should not be construed as predictions or guarantees of specific levels of investment returns and/or losses and are provided as estimates of ranges of potential outcomes to assist investors with formulating investment strategies and the documentation of investment policy planning decisions. While Colony believes that this information is useful, such projections are necessarily hypothetical and forward-looking. Also, the presented statistical comparisons do not reflect the deduction of transaction and/or custodial charges, the deduction of Colony’s investment management or investment consulting fee, nor the impact of taxes, the incidence of which would have the effect of decreasing futures performance projections and the back tests of historical performance results. As always, there is no guarantee that any investment will be profitable. Market conditions can vary widely over time and can result in a loss of portfolio value.

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