The United Religions Initiative Foundation, Inc.

INVESTMENT POLICY STATEMENT

Approved on October 25, 2023

and in effect as of the approval.

The United Religions Initiative Foundation, Inc.
1009 General Kennedy Avenue
San Francisco, CA 94129
415-561-2300

I. Introduction

Primary Contacts:
- Pamela Banks, Director of Finance and Administration
- Diana Conan, Director of Development and Outreach

The United Religions Initiative Foundation, Inc., (the "URI Foundation") is a 509(a)3 organization created by the Global Council Trustees (the "Global Council") of United Religions dba United Religions Initiative ("URI") with its sole purpose to stand as an independent, competent, trustworthy vehicle for the oversight and stewardship of URI's invested funds. The Board of Directors of the URI Foundation (the "Foundation Board") is responsible to ensure that URI's invested funds are managed in full compliance with all applicable laws and in order to achieve URI's objectives as set forth in the URI Charter. The Foundation Board oversees the work of the Investment Committee which oversees the Investment Advisor(s) and makes specific recommendations regarding the make-up of URI Foundation's investment portfolio, both endowed funds and strategic reserve ("the Portfolio").

II. Purpose of the Investment Policy Statement

This Investment Policy Statement has been developed to ensure that the Portfolio is invested in a manner consistent with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and the Nonprofit Corporation Law of California, and to assure grantors, donors and potential donors that their funds will be managed prudently to support the long-term viability of URI. This Investment Policy Statement has also been developed to identify the responsibilities of the Foundation Board and of related parties.

The Portfolio provides funding for the daily operations and long-term funding of URI. The oversight of these funds is delegated to the Investment Committee by the Foundation Board. This Investment Policy Statement provides the framework for the management of the Portfolio's investments, which includes:

- investment objectives;
- risk tolerances;
- target asset allocation policies;
- responsibilities of the Investment Committee, as well as the Investment Advisor(s), and the Investment Manager(s); and
- criteria for selecting and evaluating investments, Investment Advisor(s) and Investment Manager(s).

III. Duties

The Foundation Board

All powers and activities of this corporation under the Investment Policy Statement shall be exercised and managed by the Foundation Board. The Foundation Board may delegate the investment and management of the Portfolio to the Investment Committee, officers, employees, and third-party agents.

Responsibilities of the Foundation Board include the following actions to:

- steward all gifts received by the URI Foundation;
- ensure integrity of the Portfolio that is restricted by donor intention;
- develop and ratify policies regarding gifts received by the URI Foundation and the governance of the URI Foundation;
- develop and ratify a reasonable Spending Policy for URI's annual spending rate for income from the endowment funds;
- oversee transfer of the Portfolio based on existing policies and appropriate protocol;
- communicate directly with the Global Council to receive guidance and understand organizational needs;
- inform and guide the Foundation Board as well as the Global Council about URI investments;
- hire the Investment Advisor(s) based on the recommendation of the Investment Committee;
- convene an annual meeting of the Investment Committee, the Foundation Board and the Investment Advisor(s) to review the Portfolio; and
- meet at least quarterly.

Composition of the Foundation Board is defined in the URI Foundation Bylaws under Article IV - Directors.

Investment Committee
The Investment Committee is a committee of the Foundation Board, and the group most specifically responsible for the prudent management of the Portfolio.

Responsibilities of the Investment Committee include the following actions to:

- review URI Foundation's existing Investment Policy Statement and Spending Policy, and make recommendations to the Foundation Board about any changes at least on an annual basis;
- make recommendations to the Foundation Board about which firm(s) should serve as the Investment Advisor(s) and the Investment Manager(s) of the Portfolio and ensure their performance;
- consistently monitor the performance of the Portfolio;
- authorize transfers of funds within the Portfolio, consistent with the Investment Policy, based on receipt and review of appropriate documentation;
- meet at least quarterly and review asset allocation quarterly; and
- report at least quarterly to the Foundation Board.

The Investment Committee must include at least two members of the Foundation Board and may include other outside individuals with a specific expertise in financial investments. The Investment Committee should have a minimum of five (5) members and a maximum of 15, each that serve a renewable term of three (3) years. Investment Committee members must be approved by the Foundation Board. No Investment Committee member may be employed by the firm in which either the Investment Advisor(s) or the Investment Manager(s) work.

Conflict of Interest Policy and Disclosure
A Conflict of Interest Policy has been established. Each member of the Foundation Board and the Investment Committee will be required to sign a Statement of Compliance with Conflicts of Interest Policy on an annual basis.

Investment Advisor(s)
The Investment Committee may retain an Investment Advisor(s) to:

- assist the Investment Committee in strategic investment planning and asset allocation strategy;
- help the Investment Committee in its determination of investment strategies and/or employ delegated authority given by the Investment Committee to select the Investment Manager(s) and strategies;
- assist the Investment Committee, and/or employ delegated authority by the Investment Committee, to implement tactical asset allocation moves, such as the underweighting or overweighting of asset classes relative to their strategic policy targets;
- provide written performance reports on a quarterly basis; and
- meet regularly with the Investment Committee to review performance and discuss changes in Investment Policy, Spending Policy, strategy, Investment Manager(s) or investment selection.

Each Investment Advisor shall be a Registered Investment Advisor under the Investment Advisors Act of 1940.

Investment Manager(s)
The Investment Advisor(s) may select Investment Manager(s) based on a prudent due diligence process and provided that the Investment Manager(s) satisfy the URI Foundation's overall objectives. The Investment Advisor(s) of the URI Foundation will help the Investment Committee evaluate the appropriateness of any Investment Manager. To determine the Investment Manager(s)' suitability, factors that will be considered may include, but are not limited to:

- investment experience and philosophy;
- past performance;
- investment consistency;
- organizational structure of the management firm and related entities;
- financial condition of the management firm and related entities;
- all material regulatory and legal proceedings which may affect the Investment Manager(s)'s ability to manage assets prudently; and
- reasonableness of expense ratios/fees.

The Investment Managers are responsible for directly managing their respective Portfolio allocation. Each Investment Manager's responsibility shall be to seek to obtain best execution for the Portfolio consistent with directives outlined elsewhere herein.

Their responsibilities may include but are not limited to the following duties to:

- make security selections and price decisions;
- manage assets in accordance with agreed upon guidelines and objectives;
- exercise full investment discretion with regard to buying, managing, and selling assets held in the Portfolio, subject to any listed restrictions; and
- vote promptly all proxies and related actions consistent with their established Proxy Voting Guidelines. A copy of those guidelines, and/or summary of proxy votes shall be provided to the Investment Committee upon request.

IV. Investment Policy

Investment Standards

When investing and managing assets and when delegating the investment and management of the Portfolio, the Foundation Board and other parties responsible for the investment and management shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of like character and with like aims to accomplish URI's purposes. The Foundation Board and other parties shall consider the charitable purposes of URI as well as:

- general economic conditions;
- the possible effect of inflation or deflation;
- the expected tax consequences, if any, of investment decisions or strategies;
- the role that each investment or course of action plays within the overall Portfolio;
- the expected total return from income and appreciation of investments;
- URI's other resources;
- the needs of the URI Foundation to make distributions and to preserve capital; and
- an asset's special relationship or special value, if any, to the charitable purposes of URI.

Decisions about an individual investment shall be made not in isolation but rather in the context of URI Foundation's Portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to URI.

Overall Investment Policy

The overall Investment Policy shall be to establish and maintain an appropriate balance between the goals of preserving capital, liquidity, and growth, considering the projected cash flow needs of URI. Total return (the aggregate return from capital appreciation, dividends, interest income, and other returns) shall be the standard of measurement, to be achieved through a well-diversified holding of equities, fixed income, and cash equivalent.

Overall Performance Objective

The overall performance objective is to achieve returns, after fee and expenses, of at least 5% above the CPI over the long term (defined as 10 years or longer). It is understood that this may not be meaningful in any one year and therefore is a long-term goal.

Restrictions and Limitations

Investments are subject to the following restrictions. These restrictions may be waived by a contributor by means of an express written provision contained in a gift instrument, or by the Foundation Board (but only on an asset-by-asset basis, at the request of the Investment Committee).

1. No more than 5% of the Portfolio may be held in any single issue, except for U.S. Treasury issues;

2. no more than 5% ownership may be held in any single company;
3. no more than 15% of the Portfolio may be invested in illiquid securities (at cost);
4. the credit quality of the deflation sensitive bond holdings is expected to be investment grade; and

5. no securities, publicly traded or private that generate Unrelated Business expenses that could create tax difficulties or jeopardize the tax status of URI.

V. Asset Allocation Strategy

Asset Allocations

The Investment Advisor(s) shall provide the asset allocations to achieve the above Overall Investment Policy and Overall Performance Objective. The specific asset allocations shall be set forth in a written report to the Investment Committee.

The Investment Committee has the authority to amend asset class policy targets during the course of the year, subject to ratification of the Foundation Board In line with the Portfolio's return objectives and risk parameters, the mix of assets should be maintained as follows:

Asset Class	Target	Minimum	Maximum	Benchmark
Growth	**70%**	**35%**	**90%**	
US Large Cap Equities	30%	15%	50%	Russell 1000
International Developed	20%	5%	35%	MSCI EAFE
Emerging Market	5%	0%	15%	MSCI Emerging Markets
Global Equities	15%	0%	25%	MSCI All Country World Index
Private Investments*	0%*	0%	15%	
Diversifiers	**5%**	**0%**	**10%**	HFRI FOF Composite Index
Inflation Sensitive	**5%**	**0%**	**15%**	Inflation Sensitive BM**
Deflation Sensitive	**20%**	**10%**	**50%**	
Fixed Income	18%	10%	50%	BBG Int. US Govt / Credit
Cash	2%	0%	15%	Citigroup 3-Mo. T-Bill Index
Total	**100%**			

*The long-term target for private investments is 15%. It is expected that URI would begin building an allocation to private investments when the size of the total Portfolio reaches a minimum of $20 million. It is understood that the maximum to private investments should be determined at cost, given market fluctuations could decrease the market value of the liquid portion of the pool, causing a corresponding increase in the market value of the illiquid portion.
**The Inflation Sensitive Benchmark consists of: 25% Dow Jones Commodity Index, 25% MSCI US REITs, 25% Barclays US Treasury TIPS, and 25% S&P Global Natural Resources.

Policy Benchmarks

The Investment Advisor(s) shall evaluate performance relative to the following two policy benchmarks. The first benchmark is directly reflected in the asset allocation targets shown above, while the second benchmark incorporates the ESG priorities that align with the mission of the organization, as outlined in Appendix 1.

URI Policy Benchmark

Asset Class	Target	Benchmark
Growth	**70%**	
US Large Cap Equities	30%	Russell 1000
International Developed	20%	MSCI EAFE
Emerging Market	5%	MSCI Emerging Markets
Global Equities	15%	MSCI All Country World Index
Private Investments*	0%*	
Diversifiers	**5%**	HFRI FOF Composite Index
Inflation Sensitive	**5%**	Inflation Sensitive BM**
Deflation Sensitive	**20%**	
Fixed Income	18%	BBG Intermediate US Govt / Credit
Cash	2%	Citigroup 3-Mo. T-Bill Index
Total	**100%**	

**The Inflation Sensitive Benchmark consists of: 25% Dow Jones Commodity Index, 25% MSCI US REITs, 25% Barclays US Treasury TIPS, and 25% S&P Global Natural Resources.

URI ESG Benchmark

Asset Class	Target	Benchmark
Growth	**70%**	MSCI All Country World Index ESG
Diversifiers	**5%**	HFRI FOF Composite Index
Inflation Sensitive	**5%**	Inflation Sensitive BM*
Deflation Sensitive	**20%**	
Fixed Income	18%	BBG Intermediate US Govt / Credit
Cash	2%	Citigroup 3-Mo. T-Bill Index
Total	**100%**	

*The Inflation Sensitive Benchmark consists of: 50% S&P Global Clean Energy (Total Return), 50% Barclays US Treasury TIPS

Rebalancing Procedures

Since changes in market values and trading activity in each individually managed Portfolio section can result in a deviation from the overall asset allocation, the aggregate asset allocation should be monitored and periodically rebalanced based on the allocation ranges stated above and in consultation with the Investment Advisor(s). To achieve the rebalancing, the Investment Committee or the Investment Advisor(s) (if delegated) may re-direct contributions and disbursements from individual Investment Managers as appropriate, in addition to shifting assets from one Investment Manager to another.

VI. Investment Guidelines and Restrictions

Diversification Requirements

The primary method to reduce risk for the Portfolio is diversification through asset allocation. By allocating assets in different asset classes, risks in the Portfolio can be reduced by avoiding concentration as well as through the low-correlation between different asset classes.

Each Investment Manager has discretion with regard to security selection and allocation within its respective Portfolio allocation. Unless otherwise noted below, under normal market conditions, each Investment Manager is expected to be invested consistent with its investment style as described in its relevant documentation. To minimize risk, each Investment Manager shall maintain adequate diversification in its respective Portfolio allocation. During an initial three-month period after being retained, the Investment Manager(s) may hold cash and cash equivalents in larger proportions in order to invest its respective Portfolio allocation on an orderly basis.

Derivatives and Structured Products

The Foundation Board and the Investment Committee understand that derivatives and structured products can be used to efficiently reduce the risk in the Portfolio and to expand the return opportunities. However, when used improperly, they can also increase the risk in the Portfolio. Before an Investment Manager uses any security other than standard securities (such as: exchange traded common stock; interest bearing bonds and cash equivalents), such action must be approved by the Investment Committee and is subject to Foundation Board ratification. Derivatives are allowed to hedge an underlying position and may be used to take a long position in anticipation of a cash inflow. Once the cash is used to open a position in the underlying security, the derivative position should be closed out. No derivative or structured product is allowed that will increase the potential for loss greater than that of a long position in the underlying security.

Cash and Equivalents

The cash allocation will be managed at the Portfolio level. Therefore, Investment Managers are expected to be fully invested in securities and strategic cash positions. They will have up to three months to allow for an orderly investment of the Portfolio. Cash reserves should be held in the custodian's money market fund, short-term maturity Treasury securities, and savings instruments of commercial banks and savings and loans.

Transactions that may cause a significant deviation from these investment guidelines or the Investment Policy Statement should be brought to the attention of the Investment Committee and the Investment Advisor(s) by the Investment Manager(s) prior to execution. Such transactions may be authorized by the Investment Committee if it determines they do not constitute an inappropriate departure from the spirit of this Investment Policy Statement. Similarly, unanticipated market action should also be brought to the attention of the Investment Committee and Investment Advisor(s) by the Investment Manager(s).

Exclusions

The Portfolio should not be invested in the following unless agreed to by the Investment Committee and subject to the Foundation Board ratification:

- purchases of letter stock, private placements, or direct payments;
- private placement convertible issues, also known as "144A" convertible securities;
- commodities transactions unless by the Investment Manager(s) approved for that strategy;
- investments by the Investment Managers in their own securities or of their affiliates, or subsidiaries (excluding money market or other commingled funds as authorized by the Investment Committee); and
- any other security transaction not specifically authorized in this Investment Policy Statement.

VII. Socially Responsible Investing

The United Religions Initiative Foundation is sensitive to environmental, social, and governance responsibility when making investment decisions. The Foundation will pursue environmental, social, and governance investments in a manner that is consistent with the Foundation’s investment objectives, by applying selective portfolio restrictions and also proactively including investments that align with its guiding purpose and principles. (See Appendix 1).

VIII. Performance Evaluation

As noted above, the Investment Advisor(s) shall provide quarterly performance measurement reports and the Investment Committee should monitor the Portfolio’s performance on a quarterly basis. The Investment Committee will evaluate the Portfolio’s success in achieving the investment objectives outlined in this Investment Policy Statement over a three- to five-year time horizon and a full market cycle.

The Portfolio’s (and Investment Manager(s)’) performance shall be reported in terms of rate of return (primarily time-weighted; dollar-weighted if applicable) and changes in dollar value. At the time of retention, the Investment Committee, Investment Advisor(s) and Investment Manager(s) will agree to appropriate benchmarks. The returns should be compared to these appropriate market indexes for the most recent quarter and for annual and cumulative prior time periods. The Portfolio’s asset allocation should also be reported on a quarterly basis.

Risk as measured by volatility, or standard deviation, shall be evaluated at least on an annual basis and after twelve months of performance history have accumulated. An attribution analysis should also be performed by the Investment Advisor(s) at least on an annual basis and after twelve months of performance history have accumulated to evaluate how much of the Portfolio investment results are due to the Investment Managers’ investment decisions, as compared to the effect of the financial markets.

This analysis will use the policy index as the performance benchmark for evaluating both the returns achieved and the level of risk taken for the total Portfolio and for the individual Investment Managers. The policy index is the blended asset-weighted returns of the strategic target Investment Policy benchmarks outlined in Section V.

IX. Guidelines for Corrective Action

The Investment Committee recognizes the importance of a long-term focus when evaluating the performance of Investment Manager(s). The Investment Committee understands the potential for performance over short-term periods to deviate significantly from the performance of representative market indexes. The Investment Committee reserves the right to terminate an Investment Manager at any time but will not generally terminate an Investment Manager on the basis of short-term performance. If each Investment Manager is sound and is adhering to its investment style and approach, the Investment Committee may allow an interval of time over which to evaluate performance. The Investment Committee, however, may require an extra level of scrutiny, or consider termination, of the Investment Manager(s) based on factors including but not limited to:

- any material event that affects the ownership or capital structure of the investment management firm, or the management of this account;
- any legal or regulatory action taken against the Investment Manager(s);
- any material servicing deficiencies, including a failure to communicate in a timely fashion significant changes as outlined in Section IX of this Investment Policy Statement;
- violation of the terms of the contract or changes to the agreed upon services without prior written approval of the Investment Committee;
- significant style drift from the intended investment style that the Investment Manager(s) was engaged to implement; and
- lack of appropriate diversification.

Notwithstanding the foregoing, the Investment Manager(s) or Investment Advisor(s) may be terminated at any time for any reason whatsoever.

X. Meetings and Communications

- As a matter of course, each Investment Manager shall promptly communicate to the Investment Committee and the Investment Advisor(s) any material changes in the Investment Manager(s)' outlook, Investment Policy, and tactics.
- Each Investment Manager should be available on a reasonable basis for telephone communication when needed.
- Any material event that may affect the ownership of each investment management firm, any brokerage affiliation of such firm, its key investment personnel, or its management must be reported promptly to the Investment Committee and the Investment Advisor(s).
- The Investment Committee shall obtain and review written performance measurement reports not less than quarterly.
- The Investment Advisor(s) shall generally meet with the Investment Committee in person at least annually.

XI. Investment Policy Statement Amendment

The URI Foundation Investment Policy and Spending Policy are interdependent and related updates between the two are critical to the long-term success of the Portfolio.

The Foundation Board:

- may make changes to the Investment Policy by majority vote of the Foundation Board members; and
- will direct staff to communicate any such changes directly with the Global Council, the Investment Committee, and the Investment Advisor(s).
- requires the Investment Advisor(s) to communicate such changes directly to the Investment Manager(s) in a timely manner.

The Investment Policy is subject to annual review especially for sections IV and V.

XII. Approval

This document is adopted as the Investment Policy Statement for the investment assets of The United Religions Initiative Foundation, Inc.

By: David Steirman
Title: Chair, Board of Directors, The United Religions Initiative Foundation, Inc.

Signature: ______________________________

Date: October 25, 2023

By: Jerry White
Title: Executive Director, The United Religions Initiative Foundation, Inc. and United Religions Initiative

Signature: ______________________________

Date: October 25, 2023

On behalf of the Global Council of Trustees
By: Pulin Sanghvi
Title: Treasurer, The United Religions Initiative Foundation, Inc. and United Religions Initiative

Signature: ______________________________

Date: October 25, 2023

Appendix 1 – Socially Responsible Investing Policy

The United Religions Initiative Foundation is sensitive to environmental, social, and governance (ESG) responsibility when making investment decisions. The Foundation will pursue ESG investments in a manner that is consistent with the Foundation's investment objectives, by applying selective portfolio restrictions and also proactively including investments that align with its guiding purpose and principles.

Purpose and Principles

URI's Preamble, Purpose, and Principles are the foundational tenets of URI's Charter and global network. The URI Preamble states:

> We unite to heal and protect the earth.
>
> We unite to build cultures of peace and justice.
>
> We unite to provide a global opportunity for participation by all people, especially by those whose voices are not often heard.

Portfolio Restrictions

In order to integrate URI's purpose and principles into the investment philosophy, the Foundation seeks to, when possible, avoid investing in companies that:

1. Pose a significant threat to the environment, such as:
   - Companies with severe or very severe environmental controversies (such as biodiversity and land use, water stress, and toxic emissions and waste).
   - Companies whose primary business is in the fossil fuels industry.

2. Are involved in the manufacture of weapons, such as:
   - Civilian firearms.
   - Conventional military weapons.
   - Controversial weapons (landmines, cluster munitions, chemical and biological weapons, incendiary weapons, etc.).
   - Nuclear weapons.

3. Have a history of severe or very severe controversies related to:
   - Discriminatory hiring practices.
   - Discrimination against employees on the basis of gender, race, age, religion, or sexual orientation.
   - Unsafe labor practices.
   - Child labor.

Proactive Investments

The Foundation will seek to align its investments, when possible, with its guiding purpose and principles by proactively cultivating and implementing investment opportunities that integrate environmental, social, and governance (ESG) factors with traditional financial analytical tools.

ESG factors may help identify potential opportunities and potential risks overlooked by conventional financial tools. The Foundation will look to positively tilt toward companies that:

1. Are **environmentally** progressive. Examples are companies that:
   - Are consciously working toward operating in an environmentally sustainable way.
   - Research, develop, market and/or finance alternative sustainable energy sources and accompanying support technologies.
   - Significantly reduce all waste streams through recycling or closed-loop technologies.
   - Develop innovative ways to reduce the emission of toxic or chemical wastes.
   - Show a long-term commitment to the reduction of negative environmental impact through the publication of an annual environmental audit or adoption of the CERES* Principles. (*The Coalition for Environmentally Responsible Economies has developed a set of environmental principles to which companies can become signatories.)
   - Manufacture or buy organic products.

2. Are **socially** progressive. Examples are companies that:
   - Demonstrate worker involvement and participation in management decision-making.
   - Employee benefits that include programs to help employees balance work and family concerns.
   - Employ performance-based compensation.
   - Maintain an employee stock ownership program.
   - Provide job training for employees at all levels.
   - Establish worker safety regulations in all countries (even when local law does not require it).
   - Respect all local minimum wage laws.
   - Avoid the use of child labor.

3. Have strong corporate **governance** practices. Examples are companies that:
   - A proven record of representation of women and people of color on the board of directors and in executive positions.