INVESTMENT POLICY STATEMENT

I. EXECUTIVE SUMMARY

The Investment Policy Statement ("IPS") has been adopted by the Board of Directors ("Board") of Gompers Habilitation Center to direct the prudent oversight of its trust, endowment and investment funds in a manner consistent with the investment objectives stated herein.

The Board is responsible for fiduciary oversight of Gompers' investment portfolio. The Board may delegate certain decisions to the Board Finance Committee ("Committee"), a custodian, professional money manager, investment advisor or consultant, but even when decisions have been delegated to the Committee or a professional, the Board will never fully abdicate these primary responsibilities:

- Determining investment goals and objectives.
- Choosing an appropriate asset allocation strategy.
- Establishing an explicit, written investment policy consistent with the goals and objectives.
- Approving appropriate "prudent experts" or professionals to manage and implement the investment policy.
- Monitoring the activities of the overall investment program for compliance with the investment policy.
- Avoiding conflicts of interest and prohibited transactions.

The IPS shall be used to assist the Board and Committee in effectively supervising, monitoring and evaluating Gompers' investment portfolio. The Committee will review the IPS at least annually to determine whether stated investment objectives are still relevant and evaluate the continued feasibility of achieving the same. It is not expected that the ISP will change frequently. Revisions to the IPS will be recommended to the Board for approval.

The IPS applies to all assets that are currently included in the Gompers investment portfolio and any assets that may be subsequently be added.

II. OBJECTIVES OF THE PORTFOLIO

The performance objective is to grow the market value of assets net of inflation and expenses for the life of the investment portfolio within reasonable and prudent levels of risk. The performance of the investment portfolio will be evaluated by comparing actual investment results against a weighted benchmark index selected by the Committee.

Because the investment portfolio is expected to endure into perpetuity, and because providing portfolio growth in excess of inflation is a key consideration in establishing the performance objective, the long-term risk of not investing in growth securities outweighs the short-term volatility risk. As a result, a significant portion of assets will be invested in equity or equity-like securities.

Fixed income securities should be used to lower the short-term volatility of the portfolio and to provide income stability, especially during times of weak or negative equity markets. Cash is not a strategic asset of the portfolio, but is a residual to the investment process and used to meet short-term liquidity needs. Varied asset classes should be included providing diversification and incremental return (e.g. mid cap, small cap and international equities, as well as long-term corporate bond funds, high yield bond funds and real estate funds).

III. Roles and Responsibilities of Fiduciaries and Non-Fiduciaries Supporting the Portfolio

Responsibilities of the Board of Directors

The Board has the ultimate fiduciary responsibility for Gompers' investment portfolio. As such, the Board will adhere to the Prudent Practices for Investment Stewards & Investment Advisors as defined by Fiduciary 360™, a global leader in fiduciary intelligence.

While applicable fiduciary law may not expressly require the use of professional money managers, the Board understands that it will be held to the same expert standard of care, and that activities and conduct as Board members will be measured against those of investment professionals. For this reason, the Board will select, contract with, and when appropriate, terminate the third-party service providers hired to be responsible for the custody of Gompers' assets.

The Board will ensure that:

1. all investments are managed in accordance with all applicable laws, trust documents, and IPS;
2. the roles and responsibilities of all involved parties (fiduciaries and non-fiduciaries) have been defined, documented, and acknowledged in writing. In this context, "fiduciary" is defined as someone acting in a position of trust on behalf or, or for the benefit of, a third party, and determined by whether a person has control or influence over investment decisions;
3. Gompers has defined policies and procedures to manage the organization's potential conflicts of interest;
4. all service agreements and contracts are in writing and do not contain provisions that conflict with fiduciary standards of care, by defining the scope of the parties' duties and responsibilities;
5. assets are within the jurisdiction of appropriate courts, are protected from theft and embezzlement;
6. an investment time horizon has been identified and is managed by our custodian;
7. an expected, modeled return has been identified. In this context, the term "model" means to replicate, to determine the probable returns of an investment strategy given current and historical information; and,
8. an appropriate combination of asset classes have been selected that optimizes the identified risk and return objectives consistent with the portfolio's time horizon.

Expectations of the Committee

The Committee will consist of a chair and members as directed by the by-laws and may be selected from both within the Board and the community. Committee term limits will be consistent with the limits for all Board committees as outlined in the by-laws. The Chair of the Committee will be appointed by the Chair of the Board for a two-year term, with ratification by the Board. The Committee will meet as necessary to fulfill its duties, but shall meet at least once per quarter.

In addition, the Committee will:

1. prepare and maintain the investment policies and guidelines and review all provision of the IPS annually and recommend revisions, as appropriate, to the Board;
2. ensure that Gompers follows an investment strategy that is long-term and focused on total return;
3. ensure that Gompers' investments are diversified to avoid any single security or class of securities having a disproportionate impact on the total portfolio;
4. establish appropriate and reasonable investment performance benchmarks for the investment portfolio and receive monthly reports from the custodian;
5. recommend to the Board the retention or termination of third-party service providers, including but not limited to custodians, investment managers or investment consultants;
6. evaluate the performance of third-party service providers and recommend to the Board any changes;
7. establish mutually acceptable fee schedules for the management of Gompers' assets;
8. monitor the performance of the investments and consult with third-party service providers periodically to review investment performance and stewardship as fiduciaries;
9. provide a portfolio performance report as necessary by request of the Board Chair; and,
10. ensure gifts received from estates are deposited into appropriate accounts in compliance with Gompers' Windfall Policy and donor intent.

Expectations of Staff

Gompers' Executive Director and Chief Financial Officer will oversee the day-to-day operational investment activities of the investment portfolio as directed by the Committee and approved by the Board.

Expectations of the Custodian

The custodian will:

1. provide for the custody and safekeeping of the investment assets;
2. hold the assets entrusted to it in a separate account in Gompers' name. Such assets and accounts shall not be subject to claims by the custodian's creditors or other third parties;
3. provide complete and accurate accounting records and monthly reports to reflect all transactions, cash flows, and assets held;

4. track investment income and realized gains or losses;
5. disburse and receive cash flows and investments as directed by the Chief Financial Officer, or Executive Director acting under the direction of the Committee;
6. ensure the management of the investment assets with full discretion, in accordance with the fund agreement contracts;
7. communicate promptly, or at least quarterly, with the Committee, the Executive Director, and/or the Chief Financial Officer regarding all significant matters, including, but not limited to:
    a. Investment returns,
    b. Changes in an investment option pool outlook and strategy,
    c. Shifts in portfolio construction (asset mix, sector emphasis, etc.),
    d. Commentary regarding major influences on performance,
    e. Other changes of substantive nature.
8. comply with all laws and regulations that pertain to the custodian's duties, functions, and responsibilities as a fiduciary of Gompers Habilitation Center;
9. ensure investment managers vote proxies on the securities held on the investment accounts in accordance with the investment manager's fiduciary duties and professional judgments;
10. ensure investment managers have Liability and Fiduciary insurance; and,
11. ensure non-bank managers are registered under the Investment Company Act of 1940.

IV. RETURN AND RISK PARAMETERS

The Board recognizes some risk must be assumed to achieve long-term objectives. In establishing the risk tolerance for the portfolio, the ability to withstand short and intermediate term variability has been considered. The Board's evaluation is that the portfolio can tolerate some interim fluctuations in market value and rates of return to achieve long-term objectives.

The investment guidelines are based upon an investment horizon of greater than five years. Interim fluctuations should be viewed with appropriate perspective.

The Board has established the following return and risk parameters reflecting this time horizon.

1. The primary investment objective is to maximize long-term real (after inflation) investment returns recognizing established risk parameters and the need to preserve capital.
2. The possibility of short-term declines in market value is acceptable in order to achieve potentially higher long-term investment returns.
3. Assets will be strategically allocated within asset classes and investment styles in order to enhance investment returns.
4. The investment program's assets are to be sufficiently diversified to reduce volatility.
5. Diversification of assets may be achieved by:
    - allocating assets to multiple asset classes,
    - allocating assets among various investment styles, and
    - utilizing an investment manager that retains multiple investment management firms with complementary investment philosophies, styles and approaches.

Gompers will maintain investment assets separately for the purpose of endowment funding and non-endowment funding. It is expected that the corpus of the endowment will remain intact to produce investment and dividend returns for ongoing funding needs of the organization. Non-endowment funding will be invested for rainy-day funding needs, or as directed by a donor to fund scholarships, or other types of "spend-down" gifts.

In balancing the desired return on investment with risk tolerance, the following asset allocations are recommended:

- **Endowment Fund Accounts** should range between – 35 to 70 percent equities, 10 to 45 percent fixed income and up to 30 percent opportunistic investments.
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V. DUE DILIGENCE CRITERIA FOR SELECTING INVESTMENT OPTIONS

The Board will select an investment manager who utilizes and consistently applies a minimum due diligence process for managing the portfolio's investments including the following:

1. *Regulatory oversight* – Each investment manager should be a regulated bank, an insurance company, a mutual fund organization, or a registered investment advisor.
2. *Correlation to style or peer group* – The product should be highly correlated to the asset class of the investment option.
3. *Performance relative to a peer group* – The product's performance should be evaluated against the peer group's median manager return, for 1-, 3-, and 5-year cumulative periods.
4. *Performance relative to assumed risk* – The product's risk-adjusted performance (Alpha and/or Sharpe Ratio) should be evaluated against the peer group's median manager's risk-adjusted performance.
5. *Minimum track record* – The product's inception date should be greater than three years.
6. *Assets under management* – The product should have at least $75 million under management.
7. *Holdings consistent with style* – The screened product should have no more than 20% of the portfolio invested in "unrelated" asset class securities.
8. *Expense ratios/fees* – The product's fees should not be in the bottom quartile (most expensive) of their peer group.
9. *Stability of the organization* – There should be no perceived organizational problems – the same portfolio management team should be in place for at least two years.

VI. MONITORING CRITERIA FOR INVESTMENT OPTIONS AND SERVICE PROVIDERS

Monitoring Criteria for Investment Options:

In keeping with the duty of prudence, the Board will determine the frequency of the investment performance reviews necessary, taking into account such factors as: (1) prevailing general economic conditions, (2) the size of the portfolio, (3) the investment strategies employed, (4) the investment objectives sought, and (5) the volatility of the investments selected.

Information that is provided in performance reports will be evaluated by the Committee and any actions considered will be documented in Committee reports to the Board.

Monitoring criteria for Service Providers:

The Committee will conduct ongoing review, analysis and monitoring of the custodian and the investment manager(s) overseeing the investment accounts and other investment managers and report to the Board. Performance will be evaluated from a long-term perspective, ordinarily defined as between two and three years. Retention of a custodian or investment manager(s) will be based on more than recent investment performance results including:

1. the custodian's or investment manager's adherence to the guidelines established in the IPS,
2. material changes in the custodian's or investment manager's organization, investment philosophy, and/or personnel,
3. any legal or regulatory agency proceedings that may affect the custodian or an investment manager,
4. Board confidence in the custodian's or an investment manager's ability to perform in the future.

VII. PROCEDURES FOR CONTROLLING AND ACCOUNTING FOR EXPENSES

The Committee will monitor investment expenses to make certain that they are prudent and applied in the best interests of the organization.

VIII. PROCESS TO DETERMINE EFFECTIVENESS IN MEETING FIDUCIARY RESPONSIBILITIES

Given that internal and external audits are well-recognized tools to evaluate risks and ensure the effectiveness of policies and procedures, the Committee will review the IPS annually and recommend to the Board any necessary changes.