

Investment Policy Statement – Responsible Investing Rider

Responsible Investing Practices.

Having carefully examined and discussed the issues relating to Responsible Investing practices (as defined below), the Board has determined that it is consistent with its fiduciary duty to invest all or part of the Fund using (check all that apply):

Definitions of Responsible Investing practices:

- Socially responsible investing (SRI)*: Attempting to avoid investment in the financial instruments or industries set forth in Appendix A through negative screening.
- Environmental, social and governance (ESG) investing*: Employing managers and consultants that will integrate the three ESG factors into fundamental investment analysis to the extent that they are material to investment performance.
- Impact investing*: Investing in projects, companies, funds, or organizations with the goal of generating and measuring mission-related social, environmental or economic change alongside financial return.
- Total or partial (i.e., low carbon) divestment of fossil fuels*: Excluding some or all companies involved in fossil fuels from the investment portfolio.

In making its determination under this section of the Investment Policy Statement, the Board has concluded that use of the chosen Responsible Investing practices does not violate (i) [XYZ]'s charter; (ii) in the case of unrestricted endowment or quasi-endowment Funds, any valid Board resolution; or (iii) in the case of donor-restricted Funds, a donor's gift instrument, as the case may be.

In implementing this section of the Investment Policy Statement, the Board has performed the following actions:

- (a) Considered the intent of donors expressed in any applicable gift instrument, the purposes of [XYZ] and the purposes of the Fund;
- (b) Determined that the costs associated with the chosen Responsible Investing practices are appropriate and reasonable in relation to the assets, the purposes of [XYZ], and the skills available to [XYZ]; and
- (c) Made a reasonable effort to verify facts relevant to the chosen Responsible Investing practices.

Except as otherwise provided by a gift instrument, the Board will consider, in managing and investing the Fund according to the chosen Responsible Investing practices, the following factors, if relevant:

(A) general economic conditions;

(B) the possible effect of inflation or deflation;

(C) the expected tax consequences, if any, of investment decisions or strategies;

(D) the role that each investment or course of action plays within the overall investment portfolio of the Fund;

(E) the expected total return from income and the appreciation of investments;

(F) other resources of [XYZ];

(G) the needs of [XYZ] and the Fund to make distributions and to preserve capital; and

(H) an asset's special relationship or special value, if any, to the charitable purposes of [XYZ].

As with other matters relating to the Fund, management and investment decisions about an individual asset under the chosen Responsible Investing practices shall be made not in isolation, but rather in the context of the Fund's portfolio of investments as a whole and as a part of [XYZ]'s overall investment strategy, having risk and return objectives reasonably suited to the Fund and to [XYZ].