

Rocky Mountain Conservancy
Investment Policy Statement



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The Rocky Mountain Conservancy promotes stewardship of Rocky Mountain National Park and similar lands through education and philanthropy.

The investment assets of Rocky Mountain Conservancy (“Organization” or “RMC”) consists of five investment pools (the “Portfolio(s)”). The Board of Directors (“Board”) delegate responsibility to the Investment Committee of the Organization (the “Committee”) to prudently manage the investment assets in accordance with the objectives set forth in this Investment Policy Statement (IPS).

Governance

I. Introduction & Purpose

This document is intended to establish a set of investment beliefs that will guide stakeholders toward desired outcomes with respect to the Organization’s investment assets. It is meant to be sufficiently specific to be meaningful, but adequately flexible to be practicable. In summary, this IPS is intended to:

- Define the allocation of duties among the Board, Committee and the Investment Advisor / Outsourced Chief Investment Officer (OCIO).
- Serve as a written document for guiding decisions and prudent management of the investment assets, including but not limited to establishing reasonable objectives for return and risk expectations, incorporating constraints such as current time horizon and liquidity, and identifying any other unique circumstances that might affect the investment strategy.
- Establish the appropriate target allocation and rebalancing approach, describe the role of each asset class, and outline the parameters around restricted security types and/or asset classes.
- Define an appropriate benchmark for the evaluation of the investment assets and Investment Advisor / OCIO performance.
- Communicate expectations for the Investment Advisor / OCIO with respect to reporting and meeting frequency.

II. Roles & Responsibilities

ROLE	GENERAL RESPONSIBILITY	SPECIFIC TASKS
BOARD OF DIRECTORS	Creation and strategic oversight of investment policies in fiduciary capacity	<ul style="list-style-type: none"> - Authorizes and approves changes to the Investment Policy Statement - Appoints Investment Committee - Stays informed about investment performance - Ensures adherence to all regulatory guidelines - Retains/dismisses Investment Advisor / OCIO
EXECUTIVE DIRECTOR	Provides performance reporting to the Committee	<ul style="list-style-type: none"> - Distribute quarterly/annual reporting to all members of the Committee
INVESTMENT COMMITTEE	Coordinates investment activities, and strategic initiatives	<ul style="list-style-type: none"> - Oversees management of the Portfolio(s) - Coordinates periodic asset allocation reviews* - Reviews annually and recommends revisions to the IPS when appropriate - Reviews transactions and holdings - Reports investment results to the Board on a regular basis - Recommends retaining/dismissing Investment Advisor / OCIO - Monitors fees incurred on behalf of the Portfolio(s) for reasonableness
INVESTMENT ADVISOR / OCIO	Supports the Board and Investment Committee in the development and execution of investment strategy	<ul style="list-style-type: none"> - Consults on and complies with investment policy guidelines - Recommends asset classes and asset allocation ranges / targets - Constructs optimized investment strategies within acceptable risk parameters - Acts with discretionary authority and rebalances as appropriate - Reports investment results to Committee on a regular basis - Provides capital markets / asset class information as needed - Supports Committee and internal staff requests - Retains/dismisses underlying investment and money managers

*A change in asset allocation range may be made with the approval of the Executive Committee acting on behalf of the Board.

Investment Objectives

III. Time Horizon

Except with regard to portions of the Portfolio(s) explicitly set aside to fund specific projects, the investment time horizon will be assumed to be perpetual.

IV. Investment Philosophy & Preferences

The Organization has periodically reviewed and confirmed its investment goals and philosophy, which are set forth below:

- Asset allocation is the primary investment decision
- Broad diversification is crucial to long-term success

- Cost is a critical consideration
- Passive management can be appropriate for achieving market exposure
- Active management can add value under the right conditions
- Disciplined decision-making processes deliver better and more consistent performance over time
- The bias of investable assets is toward being fully invested over time
- Environmental, Social, Governance (ESG) Considerations can affect investment performance to varying degrees across companies, regions, and sectors over time. Effective analysis is an important component of assessing the value and performance of an investment over the long term.

V. Distribution Policy

To instill discipline into the budgeting and financial management process the following spending/distribution rule has been adopted by the Board. This policy will also assist the Board and Investment Committee in determining the Portfolio(s)'s required rate of return and risk tolerance.

The long-term annual distribution rate from the Portfolio(s) should not exceed 4% of a rolling 12 quarter average market value of the Portfolio.

Endowment Accounts from which a distribution has been made within the last two years shall not exceed 4% distribution of the rolling three-year average of the market value of the respective Endowment Account; provided, such distributions may not reduce the market value of the Endowment Account to an amount below the corpus of that Endowment Account after deducting the proposed distribution.

Endowment Accounts from which no distribution has been made during the previous three consecutive years shall not exceed 10% distribution in any one year of the rolling three-year average of the market value of the respective Endowment Account; provided, such distributions may not reduce the market value of the Endowment Account to an amount below the corpus of that Endowment Account after deducting the proposed distribution.

VI. Return Objectives

In order to retain and grow the purchasing power of the Portfolio(s), the Board has established a minimum return objective of 4% + CPI-U. The Organization acknowledges that this return objective will require considerable exposure to return-seeking investments which presents the potential for large swings in asset values over shorter periods. The Organization understands that these swings are expected and inevitable in order to obtain the longer-term objective of the Portfolio(s).

VII. Unique Circumstances/ Other Investment Accounts

Gift Acceptance Policy: Donated marketable securities shall be sold upon receipt within a reasonable timeframe at market value and applied in accordance with the donors' stated purpose. Unlisted stocks, real estate and personal property not readily negotiable must be, upon review and approval by the Executive Committee, approved for acceptance by the Board before the gift is received.

Besides the long-term portfolios already mentioned, there are also Project and Reserve Account assets. These accounts are designed to serve as depository vehicles for donations and designated retained earnings to fund specific RMC projects. Additionally, these accounts may include funds set aside in Reserve Accounts to fund RMC operations upon approval of the RMC Executive Committee. These accounts shall be invested for preservation of capital. These accounts will be invested in short-term fixed income or depository instruments of less than three- year maturity.

Asset Allocation

VIII. Strategic Asset Allocation and Benchmarks

Portfolio assets will, under normal circumstances, be allocated across broad asset classes in accordance with the following percentage guidelines:

ASSET CLASS	MIN	TARGET(%)	MAX	BENCHMARK
PUBLIC EQUITY	65	70	75	
US EQUITY	37	42	47	CRSP US Total Market Index
NON-US EQUITY	23	28	33	FTSE Global All Cap ex US Index
PUBLIC FIXED INCOME	25	30	35	
US FIXED INCOME	16	21	26	Bloomberg Barclays U.S. Aggregate Float Adjusted Index
NON-US FIXED INCOME	4	9	14	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged
CASH EQUIVALENTS	0	0	5	Citigroup 3-Month T-Bill Index

IX. Role of Each Asset Class

Each asset class represents a distinct and well-defined role within the Portfolio(s). In general:

- Public Equity includes investments in stocks listed on public exchanges (in both developed and emerging markets). The purpose of this asset class is to maximize the long-term real growth of assets. It is expected to be the primary driver of long-term returns and provide the best hedge against long-term inflation.
- Public Fixed Income includes obligations of sovereign nations and corporations, mortgages, municipalities, and other asset-backed securities. With the notable exception of High Yield bonds, the primary role of this asset class is to provide for a more stable source of periodic returns and partial protection in the event of an equity market decline, deflation, and/or severe flight to quality. It is expected to serve as a primary source of distributions during periods in which the value of other asset classes has declined.
- Cash includes Money Markets, CDs, or short-term maturity Treasury securities. Under normal circumstances cash will only be considered a temporary holding, used to fund liquidity needs or facilitate a planned program of dollar cost averaging into other asset classes.

X. Diversification Policy

Reasonable precautions will be taken to avoid excessive investment concentrations and provide protection from unfavorable outcomes within each asset class. All assets within the Portfolio(s) should be well-diversified to avoid

undue exposure to any single company, economic sector, country, region, or industry group. Fixed income investments will maintain a minimum average credit quality of investment grade. Unless expressly approved by the Committee prior to investment, strategies that have the ability to amplify or distort the risk of the Portfolio(s) beyond a level that is reasonably expected given Portfolio objectives are prohibited.

Prohibited investments: Unless authorized by the Committee, the Endowment Accounts are prohibited from investing in hedge funds, private investments, and promissory notes.

XI. Portfolio Rebalancing

It is expected that the Portfolio(s)'s actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub-asset classes. The following guidelines will direct portfolio rebalancing decisions:

- Incoming cash flow (contributions) or outgoing money movements (disbursements) will be utilized to realign the current weightings closer to the target weightings.
- At least quarterly the Portfolio(s) will be reviewed to determine the deviation from target weightings. If any asset class within the portfolio is +/-5% percentage points from its target weighting, the Portfolio(s) will be rebalanced.
- The Investment Advisor / OCIO has discretion to rebalance the portfolio within target allocations at any time.

Monitoring & Measurement

XII. Performance Benchmarking

The Portfolio(s)'s performance, and by extension that of the Investment Advisor / OCIO hired on behalf of the Portfolio(s), will be measured against the following benchmark(s) over a suitably long-term investment horizon, generally across full market cycles or, at minimum, on a rolling five-year basis:

- Absolute return objective:
 - CPI + 4%
- Policy benchmark:
 - A strategy-based composite index appropriately selected or tailored to the Investment Advisor / OCIO's agreed upon investment objective and normal investment characteristics.

The performance of individual underlying strategies will be measured over a suitably long time horizon against a benchmark chosen based on the risk and return profile of the individual strategy and will include a peer group, passive benchmark, or both for comparison. The fiscal year for RMC shall end December 31.

Client Service

XIII. Communication & Reporting

The Investment Advisor / OCIO will notify the Committee of changes in market conditions which may materially impact the long-term objectives of the Portfolio(s). The Committee will notify the Investment Advisor / OCIO promptly of changes to any elements of this Investment Policy Statement, as well as any temporary considerations that may affect the Portfolio(s)'s risk tolerance, time horizon, or distribution needs.

Investment reports shall be provided by the Investment Advisor / OCIO on a monthly basis with ongoing access to

information available online. The Investment Advisor / OCIO is expected to be available to meet with the Committee at least annually to review portfolio structure, strategy, and investment performance.

The Investment Committee shall report on the status of Endowment and Project and Reserve Accounts to the Board at regularly scheduled Board meetings. The Executive Director shall distribute a quarterly summary and an annual year-end summary of investment performance to all members of the Investment Committee and, upon request to any member of the Board as requested.