

GENESEO

INVESTMENT POLICY

PURPOSE AND OBJECTIVES

Statement of Purpose

The purpose of this Statement of Investment policy (the “Policy”) is to establish a framework for the management of certain investment assets within Geneseo Foundation, Inc. (the “Assets”) and, among other things, to:

1. Define the responsibilities of all involved parties and assign such responsibilities.
2. Establish for all involved parties a clear understanding of the investment goals and objectives of the assets under management.
3. Offer guidance and limitations to all Investment Advisors regarding the investment of the assets.
4. Establish a basis for evaluating investment results.
5. Establish a relevant investment time horizon for which the assets will be managed.
6. Meet the fiduciary obligations of the Geneseo Foundation Board of Directors (the “Board”), as delegated to the Finance Committee (the “Committee”), with respect to the management and investment of the Assets, consistent with applicable state law.

Objective of the Assets

The Assets provide financial support to the long-term mission of the College. Accordingly, the primary objective of the Assets is to maintain intergenerational equity – the principle that equity should be preserved across generations of beneficiaries. Therefore, the performance of the Assets must at least keep pace with its spending rate plus inflation over the long term in order to maintain the purchasing power of the Assets in perpetuity. This will be accomplished through a carefully planned and executed long-term investment program.

Performance Goals

On an annualized, net of fees basis, the return of the total portfolio over the long term (or a measurable market cycle) will be expected to:

- rank in the top half of an educational endowment peer universe
- Equal or exceed the long-term spending rate (4%) plus inflation (CPI)
- Equal or exceed the average long-term return of appropriate capital market indices weighted by the asset allocation target percentages (*see Policy Benchmark definition below*)

The Board is aware that there may be deviations from these goals. Normally, results are evaluated over a three to five-year time horizon, but shorter-term results will be regularly reviewed. Various indices will also be tracked in order to evaluate the performance of the Portfolio.

DELEGATION OF AUTHORITY

A. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The members of the Board are fiduciaries charged with the oversight of the management of the Assets. As such, the Board is authorized to delegate certain responsibilities to the Committee, as well as professional experts in various fields. The Board shall discharge its duties in accordance with the New York Not-for-Profit Corporation Law, its Certificate of Incorporation and By-laws. The specific responsibilities of the Board relating to the

investment management of the Assets include but are not limited to:

1. Projecting the Foundation's financial needs and communicating such needs to the Committee on a timely basis.
2. Approval of this Policy.
3. Approval of expenditures not included under spending formula withdrawals.
4. Approval of reasonable and consistent investment objectives, policies and guidelines, in addition to those set forth in this Policy, that will direct the investment of the Assets.
5. Approval of the selection of qualified investment professionals, to the extent it is deemed necessary, including such Investment Advisor(s), Investment Consultant(s), Custodian(s) and additional specialists as may be determined.

B. RESPONSIBILITIES OF THE FINANCE COMMITTEE

The Committee is charged with the responsibility for managing the Assets. The Committee members shall discharge their duties solely in the interests of the Foundation, in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. The specific responsibilities of the Finance Committee include but are not limited to:

1. Establishing for Board approval reasonable and consistent investment objectives, policies and guidelines, in addition to those set forth in this Policy, that will direct the investment of the Assets.
2. Determining the appropriate risk tolerance and investment time horizon for the Assets and communicating these decisions to the appropriate parties.
3. Establishing for Board approval the selection of qualified investment professionals, to the extent it is deemed necessary, including such Investment Advisor(s), Investment Consultant(s), Custodian(s) and additional specialists as may be determined.
4. Evaluating on a regular basis the performance of any Investment Advisor(s) to assure adherence to Policy guidelines and monitoring progress towards achieving investment objectives.
5. Developing and enacting proper control procedures, for example, overseeing the replacement of an Investment Manager due to a fundamental change in the firm's investment management process, a failure to comply with established guidelines, or significant changes in the firm's personnel.
6. Evaluating on a regular basis the performance of the Investment Advisor or Consultant.

The Committee will not reserve any control over direct investment decisions, with the exception of specific limitations described in this Policy. The Investment Advisor will be held responsible and accountable to achieve the investment objectives herein stated. While it is not believed that the limitations will hamper the Investment Advisor, a request should be made to the Committee for any modifications deemed appropriate.

The Committee shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in: selecting, continuing or terminating an Investment Advisor, including assessing the Investment Advisor's independence including any conflicts of interest such Investment Advisor has or may have establishing the scope and terms of the delegation, including the payment of compensation, consistent with the purposes of the Foundation and the Assets; and monitoring the Investment Advisor's performance and compliance with the scope and terms of the delegation. In performing a delegated function, an agent owes a duty to the Foundation to exercise reasonable care, skill and caution to comply with the scope and terms of the delegation.

C. RESPONSIBILITIES OF THE INVESTMENT ADVISOR

The responsibilities of the Investment Advisor (the "Advisor") include the following:

- Consult and assist the Finance Committee in the development of key strategic policy decisions
- Review the Investment Policy Statement (IPS) on a periodic basis, which in most cases should involve review at least once every calendar year

- Assumption of discretionary management over Portfolio assets including investment manager selection, portfolio rebalancing, manager retention and replacement
- Manage the Assets in a manner consistent with the objectives, guidelines, and restrictions with the IPS
- Recommend changes to asset allocation targets to the Finance Committee
- Collaborate with the Committee to establish appropriate portfolio and asset class benchmarks to aid in the evaluation and oversight of the portfolio.
- Monitor and evaluate investment performance and investment risks
- Stay abreast of material changes within the investment team and at the investment firm
- Provide timely reports detailing investment holdings, transactions, cost basis, positions and investment performance
- Meet and report to Finance Committee on a regular basis,
 - Reports will include market value, investment performance, asset allocation, and other pertinent information related to the Assets
- Provide access to current performance reporting on the client portal to Finance Committee members, Executive Director, and key staff as requested
- Select, retain, and terminate investment managers as necessary to execute specific investment strategies

The Advisor agrees to inform the Committee of any material changes to the asset allocation or manager structure within a reasonable period of time but not later than the next formal Committee meeting.

On an annual basis, the Finance Committee will review and evaluate the effectiveness of the Investment Advisor in meeting these responsibilities. If the work of Advisor is determined to be unsatisfactory, the Finance Committee may terminate the relationship.

D. RESPONSIBILITIES OF THE STAFF

The responsibilities of the Staff include but are not limited to the following:

1. Communicate any cash flow needs to the Investment Advisor
2. Provide overall monitoring of the Investment Advisor, ensuring they conform to the terms of their contract(s) and that performance monitoring systems are sufficient to provide Staff with timely, accurate and useful information
3. Receive, review and distribute reports from the outside professionals regarding the status of the Assets.
4. Interface with Investment Advisor and communicate with the Committee.
5. Periodically issue status reports to the Committee and the Board.
6. Annually report to the Board concerning the use and income of each donor-restricted fund within the Assets.
7. Assure accurate accounts are kept of the Assets and each donor-restricted fund within it, separate and apart from the accounts of the other assets of the Foundation.
8. Execute any documents necessary to facilitate the implementation of the IPS, including but not limited to contracts and subscription documents

E. RESPONSIBILITIES OF THE INVESTMENT MANAGER(S)

Each Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints and philosophies as outlined in this Policy. In addition, Investment Managers are expected to conduct themselves with the highest degree of professionalism. Specific responsibilities of the Investment Manager(s) include but are not limited to:

1. Investment discretion, including decisions to buy, sell or hold individual securities and to alter asset allocation within the guidelines established in this Policy.
2. Reporting, on a timely basis, quarterly investment performance results.

3. Timely communication of any major changes to economic outlook, investment strategy, or any other factors affecting the implementation of the investment process or the progress toward meeting performance objectives.
4. Informing the Committee through the Advisor, of any qualitative changes to the investment management organization. Examples include changes in portfolio management personnel, ownership structure, and investment philosophy or investment discipline.
5. Timely communication of trading information to the Committee through the Advisor.
6. Voting proxies for the assets under management to maximize long-term gains while demonstrating exercise of corporate conscience.

For investment managers of commingled funds, engaging a custodian to provide all normal custodial functions to invested assets including security safekeeping, collection of income, settlement of trades, collection of proceeds of maturing securities, daily investment of cash, and deliver statements.

GENERAL INVESTMENT PRINCIPLES

Management of the Assets will follow the general investment guidelines set forth below:

7. Investments shall be made solely in the interests of the Foundation, consistent with the duty of loyalty required by law.
8. The Assets shall be invested with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In particular in managing and investing the Assets, the following factors, if relevant, must be considered: 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 investment portfolio of the Assets; the expected total return from income and the appreciation of investments; other resources of the Foundation; the needs of the Foundation and the Assets to make distributions and to preserve capital; and an asset's special relationship or special value, if any, to the purposes of the Assets.
9. Investment of the Assets shall be so diversified as to minimize the risk of large losses, unless the Committee prudently determines that, because of special circumstances, the purposes of the Assets are to be better served without diversification. The Committee shall review a decision not to diversify as frequently as circumstances require, but at least annually.
10. The Committee may employ one or more investment managers of varying styles and philosophies to attain the Assets' objectives. Any person that has special skills or expertise or is selected in reliance upon the person's representation that the person has special skills or expertise, has a duty to use those skills or that expertise in managing and investing the Assets.

SPENDING POLICY

Distributions from the Assets generally, and from donor-restricted endowment funds invested with the Assets specifically (the "Endowments") are made using the total return method. The total return on the Endowments is allocated each quarter to the individual endowment accounts based upon the average quarterly balance in the individual accounts as it relates to the average quarterly balances of all individual accounts participating in the investment pool.

In making any determination to appropriate or accumulate the Endowments, the Committee shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors: the duration and preservation of the Endowment; the purposes of the Foundation and the Endowment; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other resources of the Foundation; where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the Endowment, giving due consideration to the effect that such alternatives may have on the Foundation, and the investment policy of the Foundation for each determination to appropriate for expenditure, the Foundation shall keep a contemporaneous record describing the consideration that was given by the Committee to each of the factors enumerated above.

Each year, the Finance Committee determines or approves the portion of total return to be appropriated for expenditure for the fiscal year. This allocation is expressed in terms of a percentage of each endowment account balance for each of the last (twelve) 12 quarters as of the end of quarter 1 preceding the fiscal year and is referred to as the "spending rate." The spending rate shall normally not exceed seven percent(7%). The current spending rate is five percent (5%). The 5% allocation plus previous unspent allocations are then available for spending in the coming fiscal year.

The Foundation shall furnish (at least annually) to the Finance Committee, for their subsequent review and approval, a summary report of endowment accounts, if any, which have exceeded their spending limit under the spending rate formula.

INVESTMENT OBJECTIVES

The Policy incorporates the following underlying principles:

1. The investment objective of the Foundation is to provide for long term growth of the Assets while minimizing risk to principal.
2. The long-term performance objective is to satisfy the Spending Policy outlined above, plus allow for additional growth in the Portfolio at least equal to the rate of inflation net of all investment management fees and other potential administrative fees as established by the Foundation.
3. The level of risk for the Foundation is measured by comparing the standard deviation of the Foundation's returns compared to the standard deviation of The Policy Index.

INVESTMENT GUIDELINES

The overall Portfolio permissible ranges for asset classes are detailed in Appendix A. It is anticipated that the Portfolio will invest primarily in "commingled funds" (mutual funds, limited partnerships, limited liability companies, etc.), rather than separately managed accounts, in recognition of the benefits of commingled funds as investment vehicles (i.e., the ability to diversify more extensively than in a small, separately managed investment account and the lower costs which can be associated with these funds). The Finance Committee recognize that they will not be permitted to give specific policy directives to a fund whose policies are already established; therefore, the Finance Committee are relying on the Investment Advisor to assess and monitor the investment policies of such funds to ascertain whether they are appropriate.

Equity

The purpose of public equity investments, both domestic and international, is to provide capital appreciation, and current income, with the recognition that this asset class carries with it the assumption of greater market volatility and greater risk of loss than some of the other asset classes. This component includes domestic and international common stocks, American Depository Receipts (ADR's), preferred stocks, and convertible stocks traded on the world's stock exchanges or over-the-counter markets.

Public equity securities shall generally be restricted to high quality, readily marketable securities of corporations that are traded on the major stock exchanges, including NASDAQ. Equity holdings must generally represent companies meeting a minimum market capitalization requirement of \$50 million with reasonable market liquidity. Decisions as to individual security selection, number of industries and holdings, current income levels and turnover are left to broad manager discretion, subject to the standards of fiduciary prudence. However, no single major industry shall represent more than 20% of the Assets total market value, and no single security shall represent more than 5% of the Assets total market.

Within the above guidelines and restrictions, the Manager(s) has complete discretion over the timing and selection of equity securities.

Equity investments may also include Private Equity and Venture Capital, together referred to as Private Capital. These investments are typically made through limited partnerships or limited liability corporations offered by professional investment managers. Private Capital strategies may include private equity, venture capital and distressed investments. These strategies typically offer no or limited ability to redeem or withdraw.

Fixed Income

The purpose of fixed income investments, both domestic and international, is to provide diversification, a predictable and dependent source of current income, as well as a source of downside and/or deflation hedging. It is expected that fixed income investments will not be totally dedicated to the long-term bond market but will be flexibly allocated among maturities of different lengths. Core fixed income instruments should reduce the overall volatility of the Assets and provide a deflation hedge.

Fixed income investments within the Assets include, but are not limited to, U.S. Treasury and government agency bonds, foreign government and supranational debt, public and private corporate debt, liquid and illiquid credit, mortgages and asset-backed securities, and non-investment grade debt. Fixed income also includes money market instruments, including, but not limited to, commercial paper, certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, and U.S. Treasury and agency obligations.

Yield-oriented investments may include securities that are rated below Investment Grade. These securities may include high yield bonds, business development companies, leveraged loans, and direct loans, in both public and private structures.

Investments in fixed income securities should be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums. However, index funds may also be used if appropriate for implementing the policy.

Investments of a single issuer, with the exception of the U.S. Government and its agencies (including GNMA, FNMA and FHLMC), may not exceed 5% of the total market value of the Assets.

Within the above guidelines and restrictions, the Manager(s) has complete discretion over the timing and selection of fixed income securities.

Cash investments may include high quality commercial paper, repurchase agreements, Treasury Bills, certificates of

deposit, and money market funds to provide income, liquidity for expense payments, and preservation of the Assets principal value. Commercial paper assets must be rated at least A1 or P-1 (by Moody's or S&P).

No more than 5% of the Assets total market value may be invested in the obligations of a single issuer, with the exception of the U.S. Government and its agencies.

Uninvested cash reserves shall be kept to a minimum; short term, cash equivalent securities are usually not considered an appropriate investment vehicle for investment. However, such vehicles are appropriate as depository for income distributions from longer term investments, or as needed for temporary placement of funds directed for future investment to the longer-term capital markets. Also, such investments are the standard for contributions to the current fund or for current operating cash.

Within the above guidelines and restrictions, the Manager(s) has complete discretion over the timing and selection of cash equivalent securities.

Diversifying Strategies

Diversifying Strategies includes hedge fund investments that are intended to provide diversification to the Assets through low correlations to broad equity and fixed income markets. In addition, the strategies should collectively generate alpha (outperformance relative to its benchmark after accounting for risk) and therefore generate attractive risk-adjusted performance.

These strategies may include hedged equity, credit, event-driven, relative value, global macro, trend-following, quantitative, and other hedged strategies. Hedge fund managers may use leverage and derivatives to implement their strategies.

Real Assets

The purpose of investing in real assets is primarily to hedge the Assets against inflation and to provide diversification to other investment strategies in the Assets. Some real asset investments may also provide long-term opportunities for capital growth or income. Investments in real assets may include U.S. Treasury inflation-indexed securities ("TIPS") and non-U.S. dollar denominated inflation-indexed securities, commodities (e.g. agricultural goods, metals, minerals, energy products, and foreign currencies), natural resources (e.g. oil, gas, clean energy, services, timber, and other natural resource investments), real estate (e.g. REITS, core, value-add, and other opportunistic real estate investment strategies) and other real asset strategies (e.g. infrastructure, intellectual property, or royalty payments). Investments in real assets may include both public and private structures.

Other Guidelines

Derivatives and Derivative Securities

Investment managers may be permitted to use derivative instruments under the terms of their specific investment guidelines. Derivatives are contracts or securities whose market value is related to the value of another security, index, or financial instrument. Investments in derivatives include (but are not limited to) futures, forwards, options, options on futures, warrants, and interest-only and principal-only strips. No derivative positions can be established that create portfolio characteristics outside of portfolio guidelines. Examples of appropriate applications of derivative strategies include hedging market, interest rate, or currency risk, maintaining exposure to a desired asset class while making asset allocation changes, gaining exposure to an asset class when it is more cost-effective than the cash markets, and adjusting duration within a fixed income portfolio. Derivatives positions should be fully collateralized. Investment managers must ascertain and carefully monitor the creditworthiness of any third parties involved in derivative transactions.

Each manager using derivatives shall (1) exhibit expertise and experience in utilizing such products; (2) demonstrate that such usage is strategically integral to their security selection, risk management, or investment processes; and (3) demonstrate acceptable internal controls regarding these investments.

Environmental, Social & Governance (ESG)

The Board recognizes that environmental, social and governance (“ESG”) factors may have an impact on corporate and investment performance over the long term, although the impact can vary by industry.

The Board has a fiduciary obligation to invest the Assets for the benefit of the College.

The Board encourages its Investment Advisor to include ESG factors in their investment processes. ESG considerations are a factor in the analysis and not necessarily implemented as an exclusionary screen to eliminate specific companies or sectors from consideration. Relevant ESG factors will vary by industry and should be applied appropriately to improve long-term risk-adjusted returns.

ALLOCATION OF COSTS

In managing and investing the Assets, the Foundation may only incur costs that are appropriate and reasonable in relation to the Assets, the purpose of the Foundation, and the skills available to the Foundation. The Committee shall make a reasonable effort to verify facts relevant to the management and investment of the Assets.

Endowments and quasi-endowments will retain their proportionate share of earned income, net of Investment Manager’s fees, custodial charges, and taxes (if any) and incur their proportionate share of market gains or losses. **[A Foundation management fee will be levied annually on income of the endowment and quasi-endowment funds as specified by the Committee/a 1% management fee is assessed on endowed accounts.]**

Geneseo Foundation ASSET ALLOCATION POLICY

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Finance Committee has adopted the asset allocation policy outlined below. The Advisor, with the help of the Finance Committee, establish targets within each referenced asset class. The Finance Committee establishes and approves changes to the permissible targets and ranges.

It is the responsibility of the Advisor to manage the rebalancing policies of the Portfolio. Because asset classes do not move in concert, investment experience will cause the asset allocations to move away from targets. The asset allocation table listed in Appendix A reflects minimum and maximum ranges that are designed to take into account risk, returns, correlation of asset classes, and transaction costs of rebalancing.

The Advisor will rebalance in a manner to maintain market exposure when possible. To minimize the transactions costs of rebalancing, if possible, cash flows will generally be used to trim and add to asset classes to move them closer to their current point-of-view.

Asset Classes	Min Range	Policy Target	Max Range	Benchmark
Equity	45.0%	56.0%	65.0%	MSCI All Country World Index (ACWI)
Global Equities	25.0%	46.0%	65.0%	MSCI All Country World Index (ACWI)
Private Capital*	0.0%	10.0%	20.0%	MSCI All Country World Index (ACWI)
Fixed Income	10.0%	25.0%	40.0%	Weighted Fixed Income Composite²
Cash	0.0%	0.0%	5.0%	
Core Bonds	8.0%	16.0%	30.0%	Bloomberg Barclays US Aggregate Bond Index
Credit	0.0%	6.0%	15.0%	ICE BofA Merrill Lynch US High Yield Master II Index
Private Credit*	0.0%	3.0%	6.0%	ICE BofA Merrill Lynch US High Yield Master II Index
Real Assets	5.0%	14.0%	25.0%	Weighted Real Assets Composite³
Real Estate	0.0%	5.0%	15.0%	50% FTSE NAREIT All Equity REITs 50% NCREIF ODCE (lagged)
Private Real Estate*	0.0%	4.0%	10.0%	NCREIF ODCE (lagged)
Public Natural Resources	0.0%	2.0%	10.0%	S&P Global LargeMidCap Commodity and Resources Index
Private Natural Resources*	0.0%	3.0%	6.0%	S&P Global LargeMidCap Commodity and Resources Index
Diversifying	0.0%	5.0%	10.0%	HFRI FOF Conservative Index
Diversifying Strategies	0.0%	5.0%	10.0%	HFRI FOF Conservative Index
Total		100%		

*Illiquid Investments

Definition: Investments that do not provide the opportunity for redemption requests at least annually. Typically, Illiquid Investments are expected to have an investment period of multiple years, sometimes exceeding 10 years.

Objective: As compensation for giving up liquidity, Illiquid Investments are expected to generate a return premium above their public market equivalents. These investments are intended to serve as a driver of long-term capital appreciation.

Target

Allocation: The Endowment's target allocation to Illiquid Investments is 20 percent of the Endowment's market value. Because committed capital is typically called over time, and distributions generally begin before

all capital is called, it is expected that the total amount committed to Illiquid Investments may be higher than 20 percent of the Endowment's market value.

Investment

Process: Developing a mature, diversified portfolio of Illiquid Investments requires consistent, periodic investment commitments to such investments over a long-term time horizon. Once a mature portfolio of Illiquid Investments has been developed, sustaining it will require additional commitments to new opportunities in order to maintain the Endowment's exposure to such investments as capital is returned via distributions.

Review: On an annual basis, the Investment Advisor will inform the Finance Committee of anticipated commitments to Illiquid Investments. In addition, the Investment Advisor will review the size and pace of future commitments to Illiquid Investments to ensure compliance with the allocation specified in the IPS.

Benchmarks

Inflation Benchmark: CPI + 4.0% annualized

The Inflation Benchmark serves as a long-term reference target for the Endowment to maintain its real value, net of spending and inflation. Over shorter periods of time, the Endowment's return may deviate substantially from this benchmark.

Policy Benchmark: 56% MSCI All-Country World Index (ACWI)
25% Weighted Fixed Income Composite¹
5% HFRI FOF Conservative
14% Weighted Real Assets Composite²

The Policy Benchmark is a diversified benchmark that reflects the broad underlying exposures of the Endowment.

¹**Weighted Fixed Income Composite:** 64% Bloomberg Barclays U.S. Aggregate Bond Index
36% ICE BofA ML High Yield Master II

²**Weighted Real Assets Composite:** 64% NCREIF ODCE (Lagged)
36% S&P Global LargeMidCap Commodity and Resources Index

Adoption

Adopted by the Board of Trustees of The Geneseo Foundation, Inc. on January 28, 2022

Signature