



Selected Excerpts from:

The East Bay Community Foundation Investment Policy

Revision Approved February 2022 by

The Investment Committee and the Board of Directors

INTRODUCTION

The purpose of these investment guidelines (the “Guidelines”) is to assist the Board of Directors of the East Bay Community Foundation (the “Board”) and provide policy guidance to the Investment Committee of the Board (the “Committee”) to manage the assets of the East Bay Community Foundation (the “Foundation”). Further, the Guidelines are intended to be sufficiently flexible to accommodate unrestricted funds, special purpose restricted funds, donor advised funds, and the funds of affiliated organizations and supporting foundations.

FOUNDATION’S PURPOSE

The Foundation is a permanent endowment of charitable funds, donor advised funds and deposits of affiliated and supporting foundations dedicated to improving the human condition and enhancing the quality of life of primarily the residents and communities of Alameda and Contra Costa counties. The objective of the Foundation’s stewardship and development of these philanthropic funds is to be attentive to donors’ philanthropic goals while addressing ever-changing community needs through Foundation’s leadership, collaboration and expert advice in making grants.

The Foundation’s Mission Statement is as follows: “We partner with donors, corporations, government, social movements, and the wider community to eliminate structural barriers, advance racial equity, and transform political, social, and economic outcomes for all East Bay residents.”

INVESTMENT OBJECTIVES

There are four primary investment objectives for Foundation assets, 1) to obtain the maximum level of performance consistent with the level of risk and liquidity appropriate for the investment pool and the grantmaking horizon of its donors; 2) to give priority to funds invested with mission aligned strategies as further defined in the paragraphs below; 3) to give priority to funds majority owned and/or managed by diverse managers; diverse managers defined as being of underrepresented minority heritage (Black, Indigenous, Latinx, Asian-American), women or people with disabilities; 4) when possible to give priority to funds first located in Northern California or secondly in California.

The Foundation recognizes that all investing is impact investing and every investment produces both social and financial results, on a spectrum from positive to negative, including neutral. The Foundation is committed to achieving positive impact investing with 100% mission alignment of its assets. Both the financial and social performance of the Foundation's investments should be measurable over time. Instead of tracking and reporting only financial return, the Foundation aspires to evaluate financial and social performance with a particular focus on racial equity and racial justice. The Foundation Committee and staff will strive to work with outside vendors of indicators, metrics, and scoring methodologies to determine the social impact of the investments made across all asset classes.

Industry standard guidelines for impact investing dictate both screening out of misaligned strategies as well as proactive intentional strategies investing into solutions that align with an organization's mission designed to improve the world and our community in synergy with the Sustainable Development Goals as recognized by the United Nations; intentional mission aligned investing is also referred to as investing with a focus on Environment Social and Governance strategies or ESG.

The Board expects the Committee, the Investment Consultants and Investment Managers, to abide by the following guidelines with regards to screening and intention in investment strategies for all assets in all Pools:

It is the Foundation's stated intent to the best of our ability, to not invest in any Fund or Manager that invests in Companies that produce or support:

- Fossil Fuels
- Chemicals
- Private Prisons
- Firearms
- Tobacco
- Anti-LGBTQ Policies
- Animal Testing
- Predatory Lending
- Racial and Gender Wage Gaps
- Lack of Board Diversity (Gender and Racial)

The Foundation shall proactively invest in Funds and Managers that invest in Companies that produce or support the Sustainable Development Goals with a priority for:

- Racial Equity/Justice
- Gender Equity/Justice
- Climate Justice/ Environmental Protection
- Community Support
- Educational Opportunity
- Immigration & Human Rights
- Preservation of Cultural Heritage
- Healthcare/Wellness
- Sustainable Food/Ag

Although the Foundation defines “diverse” broadly as being owned and/or controlled by underrepresented minorities (Black, Indigenous, Latinx, Asian-American), women, and/or people with disabilities “WMDBs”, in alignment with our commitment to racial equity and racial justice, it is the intent to give priority to underrepresented minorities (Black, Indigenous, Latinx, Asian-American) when possible.