APPENDIX B INVESTMENT POLICY

The Community Investment Group Partnership

In December 1992, Minnesota Community Foundation and The Saint Paul Foundation formed an investment partnership, The Community Investment Group, for the purpose of obtaining unified professional management for their respective endowment funds and other long-term investment assets. The board of directors of the Saint Paul & Minnesota Foundation has the following responsibilities:

1. Approve changes to the partnership agreement.
2. Approve changes to the investment policy.
3. Appoint two individuals to the partnership's governing body, the investment committee.
4. Approve the addition of participating foundations into the partnership.
5. Approve additional foundations as voting foundations into the partnership.

Voting and participating foundations may contribute assets or withdraw any or all of their assets from The Community Investment Group subject to the terms of the partnership and applicable admission of participating foundation agreements.

The Community Investment Group Investment Policy

This Statement of Investment Policy ("Policy") establishes the philosophy and principles that govern the investment management of the multi asset endowment and the donor advised fund investment portfolios of The Community Investment Group and the Saint Paul & Minnesota Foundation. At present, there are five distinct investment portfolios ("Portfolios") covered by this policy: the Multi Asset Endowment Portfolio, the Diversified Equity Portfolio, the Socially Responsible Portfolio, the Fixed Income Portfolio and the Money Market Portfolio.

It is intended that the objectives of endowed charitable funds be met through the use of the Multi Asset Endowment Portfolio. Non-endowed charitable funds have the ability to elect an appropriate combination of the portfolios listed above. Each portfolio is invested in order to maximize returns while assuming an appropriate level of risk.

A. Purpose

The Community Investment Group's purpose is to provide participating foundations and nonprofits unified professional management for their respective endowment funds and other long-term investment assets. The Community Investment Group is a partnership that has received satisfactory private letter rulings from the Internal Revenue Service on various tax issues.

B. Investment Responsibilities

1. Board of Directors

The board of directors of the Saint Paul & Minnesota Foundation is responsible for oversight and monitoring the investment activity of the Foundation. The board ensures that appropriate policies governing the management of the portfolios are in place and that these policies are being effectively implemented. To fulfill these responsibilities, the board sets and approves the Policy and delegates responsibility to the investment committee for implementation, execution and ongoing monitoring. The board will receive a report from the investment committee at least annually and will periodically review the Policy.

2. Investment Committee
   The investment committee is responsible for implementing the Policy. The primary responsibilities of the investment committee include:

   a. Oversee and report on the status of the portfolios to the board.
   b. Review this Policy and recommend changes to the board.
   c. Assess capital markets and implement tactical asset allocation changes within policy guidelines.
   d. Monitor and evaluate performance results of each portfolio and investment against established performance benchmarks.
   e. Select and terminate investments, investment consultants and custodians, subject to the delegation of these actions to investment staff when deemed appropriate by the investment committee.

3. Investment Staff
   The investment staff has day-to-day responsibility for the Portfolios. Generally, the specific responsibilities of the staff include:

   a. Proactively provide to the investment committee ideas/recommendations regarding changes to the investment policy, tactical asset allocation strategy, capital market conditions, rebalancing policy, investment custodian, investment consultant and other service providers and any other matter that is relevant to the return and risk profile of the portfolios.
   b. Prepare investment reports for the committee's review that contains information necessary for the committee to exercise its investment responsibilities.
   c. Prepare quarterly investment reports and make presentations to the participating foundations at least annually.
   d. Develop and recommend investment structures to implement the policy portfolios.
   e. Source potential investments, complete due diligence and recommend new investments to the investment committee as deemed necessary by the investment committee.
   f. Establish investment guidelines.
   g. Monitor each investment for adherence to its stated strategy, guidelines, and changes in ownership and personnel. Recommend investment termination as required.
   h. Monitor the Portfolios' asset allocation and rebalance the portfolios as needed.
   i. Monitor the Portfolios and investment performance results.
   j. Research, recommend and oversee performance enhancement programs such as securities lending, cash equitization, etc.
   k. Prepare investment performance results for distribution to fundholders, key constituents and prospects.
   l. Recommend and manage custodial services.

4. Independent Investment Consultants
   The investment committee has the authority to hire independent investment advisors or consultants to provide expert advice and recommendations. The investment consultant is responsible for assisting investment staff and the investment committee in all aspects of managing and overseeing Foundation investment portfolios. The investment consultant is the primary source of information regarding current trends on investment strategy, asset allocation, return and risk objectives and investment rankings. Finally, the investment consultant is considered an extension of investment staff in its ongoing monitoring of investments.

C. Investment Strategy

The Foundation Portfolios are constructed to achieve return objectives while minimizing volatility to the degree possible. This is best accomplished through the use of a well-diversified asset allocation strategy.

Diversification of assets will be employed to avoid undue risk concentration and enhance total return. The Portfolios will be well diversified by asset class, investment style, investment manager etc., which will diversify its sources of return as well as reduce overall portfolio volatility. Given the long-term nature of the assets, investments that offer an illiquidity premium and /or market opportunity in return for a longer holding or lock-up period will be utilized while monitoring the portfolio's overall liquidity risk.

Within each asset class, we seek to earn the most efficient rate of return possible (after investment expenses). Qualified investments are made with the intent to select the best investments for each asset class which also complement the total portfolio. The Responsible Investing Policy section below describes the Foundation's responsible investing philosophy and our belief that material responsible investing factors can meaningfully affect investment performance and are critical to the long-term sustainability, profitability, and risk of our investments.

D. Asset Allocation

The asset allocation is expected to be the key determinant of the Portfolios' investment return over the long term. Therefore, diversification of investments across multiple markets that are not similarly affected by economic, political or social developments is desired. A diversified portfolio, with uncorrelated returns from various assets, should reduce the volatility of returns across time. In determining the appropriate asset allocation, the inclusion or exclusion of asset classes shall be based on their impact on the total portfolio, rather than judging categories on a stand-alone basis.

Asset allocation risk/reward studies are conducted to provide reasonable assurances that the Fund's investment objectives can be achieved within the parameters of appropriate risk. These studies are prepared at least every three years or when material changes in the policy portfolios take place.

The Foundation has adopted a strategic long-term asset allocation for each portfolio. The current strategic asset allocation, including targets and acceptable ranges for the various investment portfolios is outlined in Subsection I, Investment Portfolios - Strategic Asset Allocation and Portfolio Benchmarks.

E. Performance

1. Total Portfolio Performance

   In order to evaluate the performance of the investment portfolios, the Foundation will monitor performance against an index composed of broad market benchmarks weighted to reflect the target allocation across the asset classes.

2. Investment Performance

   It is the goal for each active investment to achieve an annualized total rate of return over a market cycle which exceeds their broad market benchmark, net of fees, and which meets or exceeds the median performance of a group of similar investments as applicable. Within market cycles, short-term examination of each investment's performance shall focus on adherence to its stated strategy and objectives, comparisons to similar investments where possible, and performance relative to any applicable benchmarks. Passive investments will be expected to achieve an annualized total rate of return, gross of fees, which matches their underlying market benchmark with a minimal level of tracking error.

F. Fiduciary Duty

Each member of the investment committee, staff person and independent investment consultant shall discharge his or her investment duties in good faith, in a manner reasonably believed to be in the best interests of the portfolios and the participating foundations, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. A person who has special skills or expertise has a duty to use those skills or that expertise in managing and investing funds.

Members of the investment committee, staff and independent investment consultant must provide full and fair disclosure to the investment committee of all material facts regarding any potential conflicts of interest.

G. Monitoring and Oversight

The investment committee recognizes that careful monitoring of results and timely decision-making when needed are important in ensuring the Portfolios' objectives are being met.

Each investment portfolio will be periodically rebalanced which ensures consistent adherence to the asset allocation strategy.

Quarterly, the investment committee and staff will assess the performance of each investment portfolio against established performance benchmarks.

The investment staff and investment consultant will meet in-person or by conference call with active investments at least annually.

Annually, the investment committee will review the Policy and recommend any changes as needed.

H. Legal Standards

The Uniform Prudent Management of Institutional Funds Act describes the legal standards with respect to investment of these assets.

I. Investment Portfolios - Strategic Asset Allocation and Portfolio Benchmarks

The Foundation has adopted strategic asset allocation strategies listed below for each of the investment portfolios. All figures listed here refer to an asset class's percentage of the total of the respective portfolio. Within donor advised funds, donors may recommend the asset allocation between the portfolios.

The asset class ranges listed here represent the acceptable allocation ranges for each asset class. Actual asset allocation will be compared to these ranges on a monthly basis. In the event that the allocation to a particular asset class falls outside of acceptable range, the portfolio will be rebalanced so that all asset classes are within their permitted allocations.

The Foundation has adopted a market benchmark for each portfolio. Each investment will be compared to a relevant broad market benchmark. Furthermore, investments will be evaluated based on the volatility of their results compared to the benchmark and to an appropriate universe of their peers.

Finally, the time horizon for evaluating investments will vary considerably and is a function of the interaction between an investment's objectives and market conditions at different points in time. Furthermore, the Foundation does not evaluate its investments purely on the basis of performance as issues such as stability, experience, skills and resources of the team; investment discipline; the quality of a manager's ongoing security selection decisions when applicable; investment and operational risk are also among the factors to be considered.

i. Multi-Asset Endowment Portfolio

The investment objective of this portfolio is to earn a high risk-adjusted return that preserves the purchasing power of assets and seeks to maximize the amount available to meet the charitable needs of communities.

This portfolio has adopted the following asset allocation strategy:

Asset Category	**Long Term Target Allocation**	**Minimum**	**Maximum**
Growth Assets	70%	45%	80%
Diversifying Assets	20%	15%	35%
Real Return Assets	10%	5%	20%

The Saint Paul & Minnesota Foundation board of directors will be notified when the portfolio's asset allocation is outside of the approved range.

Total Fund Performance

The primary performance objective of maintaining purchasing power is expected to be achieved over long periods of time (generally 10 to 20 years). The secondary performance objectives are expected to be achieved over a full market cycle (generally five to ten years). It is recognized these performance objectives will not be achieved each year and that the portfolio may produce significant deviations relative to these performance objectives in various time periods.

1. The primary performance objective is to achieve an annualized total rate of return, net of fees, that is equal to or greater than the Saint Paul & Minnesota Foundation board-approved annual spending policy payout rate plus inflation as measured by the Core PCE (Personal Consumption Expenditures) price index.
2. The secondary performance objectives are to:
   - Meet or exceed the return of a Broad Policy Index, such index being composed of broad market benchmarks weighted to reflect the target allocation across the asset classes.
   - Meet or exceed the return of a Broad Market Index composed of 70% global equities and 30% bonds as measured by MSCI All Country World Index and Bloomberg US Aggregate Bond Index.

ii. Diversified Equity Portfolio

This portfolio has a broad target asset allocation of 100% equities. This portfolio is designed to be used in combination with other portfolios such as fixed income or money market to create an asset allocation strategy designed to achieve the donor's charitable goals.

Asset Class	Long-Term Target Allocation	Minimum	Maximum
U.S. Public Equity	65%	60%	70%
Non-U.S. Public Equity	35%	30%	40%

Total Fund Performance

It is the goal of the portfolio to achieve an annualized total rate of return, net of fees, that meets or exceeds a market index composed of market benchmarks weighted to reflect the target allocation over a five-year time period.

iii. Socially Responsible Investment Portfolio

This portfolio consists of a target allocation of 100% to the Vanguard FTSE Social Index Fund Admiral Shares (VFTAX), which seeks to track the performance of the FTSE US Choice Index. The FTSE US Choice Index is maintained by the FTSE Group, a widely known global index provider. The index is market capitalization weighted and includes primarily large and mid-cap stocks.

The fund is an appropriate choice for donors who want the growth potential associated with the stock market and want to invest only in companies considered to have a positive responsible investing profile. The fund does not invest in companies that are involved in Vice Products (Adult Entertainment, Alcohol, Gambling, Tobacco), Non-Renewable Energy (Nuclear Power, Fossil Fuels), and Weapons (Civilian Firearms, Controversial Military Weapons, Conventional Military Weapons). Companies are also excluded based on Controversial Conduct and Diversity practices. Because the fund is invested 100% in equities, it is not recommended as a stand- alone investment. Donors can select it in combination with other available investment portfolios.

Asset Class	Long-Term Target Allocation	Minimum	Maximum
U.S. Public Equity	100%	95%	100%
Cash	0%	0%	5%

Total Fund Performance
It is the goal of the portfolio to achieve an annualized total rate of return, net of fees, which meets or exceeds domestic large cap equity as measured by the S&P 500 over a five-year time period.

iv. Fixed Income Portfolio
This portfolio has a target allocation of 100% intermediate fixed income securities. It is designed for funds with a spending horizon of one to three years or for funds seeking to avoid equities or alternatives.

Asset Class	Long-Term Target Allocation	Minimum	Maximum
Fixed Income	100%	95%	100%
Cash	0%	0%	5%

Total Fund Performance
It is the goal of the portfolio to achieve an annualized total rate of return, net of fees, which meets or exceeds the Bloomberg US Aggregate Bond Index over a five-year time frame.

v. Money Market Portfolio
This portfolio is designed to preserve principal and provide current income and liquidity by investing in money market instruments. It is designed for funds seeking stability or for that portion of a fund that is to be distributed within one year.

Asset Class	Long-Term Target Allocation
Money Market Securities	100%

Total Fund Performance
It is the goal of the portfolio to achieve an annualized total rate of return, net of fees, which meets or exceeds U.S. Treasury Bills over a five-year time period.

J. Asset Category Objectives
A description of each asset category and the role it plays in the portfolio is described below. The Asset Class Objectives and Minimum/Maximum ranges section below provides underlying asset class descriptions and minimum/maximum ranges.

Growth Assets

The Growth asset category includes assets that are exposed to equity and credit risk factors. They tend to perform best when economic growth is average or above and/or rising.

Growth asset classes include:

- Public Equities
- Public Credit
- Private Credit
- Private Equity / Venture Capital

Diversifying Assets

The Diversifying asset category includes assets that are expected to help preserve capital in periods of market distress, particularly in periods of low and falling growth. In such periods, diversifying assets may experience negative returns but are expected to do better than growth assets. Diversifying assets are expected to have a positive return profile over market cycles.

Diversifying asset classes include:

- Public Fixed Income
- Diversifying Absolute Return

Real Return Asset

The Real Return asset category includes assets that may perform well in periods of unexpectedly rising inflation while producing positive net real returns over complete market cycles. The category also includes assets that can provide moderate levels of income and cash flow generation.

Real Return asset classes include:

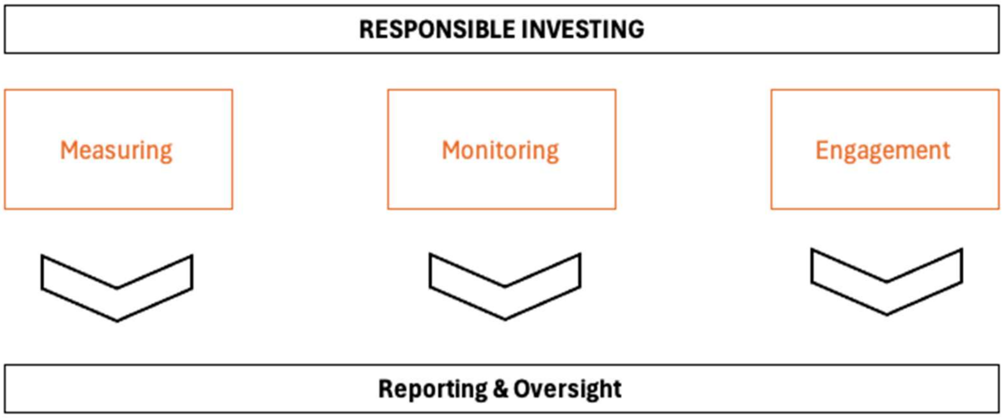
- Real Asset Capital Appreciation
- Real Asset Income

Responsible Investing Policy

The Responsible Investing Policy guides the Committee on how to align the investment portfolio with the mission and values of the Foundation. The Responsible Investing Policy seeks to further the Foundation's purpose through mission alignment and incorporating considerations related to long-term sustainability, responsible business practices, and inclusive economic participation into the investment process.

It is the policy of the Investment Committee – as determined by the Board - to align investments with the Foundation's mission and values across the investment portfolio, as practicable.

Responsible Investing Overview



Philosophy

The Foundation aspires to envision an equitable, just and vibrant Minnesota where all communities and people thrive. The Board believes mission aligning the investment portfolio is a critical part of their fiduciary responsibility to and financial success of the Foundation. To that effect, the Investment Committee (and Staff) shall adhere to the following practices:

- Investment returns should be sufficient to maintain the Foundation's spending policy in perpetuity
- Investments should be aligned, not in conflict, with the Foundation's grantmaking in the community
- Investments must be evaluated in line with the Foundation's purpose in the ways they can/cannot inspire generosity, advocate for equity, and invest in community-led solutions
- Engagement is critical to changing the institutional investing industry and the Foundation should play a leadership role in this industry

UNPRI Principles

To align investment practices with these ends, the Foundation endorses the principles set forth by the United Nations' Principles for Responsible Investment:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

Foundation Equity Statement:

Strengthened by a deeper understanding of the many facets of identity, we seek to dismantle the belief in and power structures that support a hierarchy of human value. To do this, we lift up values and voices of equity and justice in everything we do.

The following incorporates parts of the United Nations Sustainable Development Goals that align with the Foundation's equity statement:

- Promote the social and economic inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or other status.
- Ensure equal opportunity and reduce inequalities of outcomes, including championing more inclusive policies and practices.

Integration within the Investment Process
The Foundation recognizes the importance of responsible investing considerations, as reflected by our participation in global responsible investing initiatives and our commitment to advancing equitable opportunities. We believe that material responsible investing factors can meaningfully affect investment performance and are critical to the long-term sustainability, profitability, and risk of our investments.

The Foundation adopts a holistic approach to integrating responsible investing factors into its investment decision-making process. The Foundation incorporates material responsible investing considerations into our measurement, monitoring, and engagement processes in a way that reflects the availability of relevant responsible investing data across asset classes, geographies, and industries. Responsible investing performance is an important ongoing input in the investment selection and monitoring process, though not always the primary objective.

Measurement
Measurement is the first step in mission-aligning the investment portfolio. The Foundation believes we cannot assess our progress towards mission alignment without measuring the current mission-aligned exposures. To that end, the Foundation will:

- Identify the organizational mission and values of our investment partners
- Measure the overall diversity of a firm's ownership and investment professionals where applicable
- Identify and measure the material responsible investing risks and opportunities of our investments

Monitoring
Monitoring is the second step in mission-aligning the investment portfolio. Once an investment is made, the Foundation will conduct regular reviews of the investments' progress towards mission alignment. The Foundation will:

- Compile and review the policies and procedures of each investee where applicable
- Conduct a formal mission-aligned assessment of each investment generally once a year
- Include commentary in all investment recommendations that addresses an investment's degree of alignment with the Foundation's purpose
- Collect proxy voting information of each investment manager (where applicable and practicable)

Engagement
Engagement is the last and, in the Foundation's view, most important step in integration. The Foundation strives to be an "activist" investor who will engage with investee leadership and other industry participants to support responsible investing progress, and ultimately, mission alignment. The Foundation will:

- Ask investees to consider mission-aligned factors in their decision making process for Foundation investments.
- Provide annual notices to investees affirming the Foundation's mission commitment and priorities, including guidance for proxy voting, shareholder engagement, and other points of engagement with corporate management that lead to improved responsible investing performance where applicable.
- Partner and serve as a resource to other institutional investors and industry participants.

Reporting and Oversight
To affirm and improve its Mission Aligned investing priorities, the Foundation will regularly monitor the mission alignment progress of our portfolio through the evaluation of our investments. Foundation staff and their advisors will be responsible for the regular collection, analysis, and synthesis of related data on the Foundation's investments. Findings and analysis related to mission alignment performance will be communicated to the Investment Committee at least once every three years.

The Foundation will assess mission alignment performance through a combination of third-party data, and investee reported data. On an annual basis and to the extent practical, staff and/or their advisors will review and rate Foundation holdings according to their progress. Relevant data may range from a summary responsible investing risk rating at the holding or fund level, to more individual and/or customized responsible investing indicators that reflect performance along specific themes like human rights practices, the diversity of staff and management, and product impact and sustainability.

When the mission aligned progress of investees is deemed unsatisfactory, the Foundation may issue corrective notices or identify new investments with more mission-aligned policies and practices.

Asset Class Objectives and Minimum/Maximum ranges

Growth Category Asset Classes:

Asset Class	Minimum	Maximum
Public Equity	25%	60%
Public Credit	0%	7%
Private Credit	0%	10%
Private Equity / Venture Capital	5%	30%

Public Equity
The investment objective of the Global Public Equity portfolio is to enhance total fund performance by investing in a diversified portfolio of publicly traded domestic and international equity securities across the value, growth and core styles, and across market capitalizations, and through the use of passive and active externally managed strategies. The Global Public Equity asset class will strive to earn net returns in excess of the domestic and international equity index benchmarks, primarily from the selection of investments.

Public Credit
The primary objective of the Public Credit portfolio is to enhance returns relative to broader fixed income exposure, through investments in high yield, bank loans, structured credit, event-driven investments, or distressed loans (at varying points in the cycle). Compared to traditional fixed income strategies, such as core plus, Public Credit strategies focus on more idiosyncratic and niche credit investments by virtue of possessing greater credit expertise and investment flexibility. The strategy helps achieve the objectives of moderate income generation and a source of return enhancement, but can also have higher correlations to equities than traditional fixed income strategies, and can detract from diversification and liquidity objectives.

Private Credit
The investment objective of the Private Credit portfolio is to produce attractive risk-adjusted returns and generate current cash flow through non-exchange traded lending strategies. Private Credit investments are illiquid and longer-term in nature than exchange-traded fixed income investments. To compensate for the

illiquidity, the Private Credit portfolio is expected to generate a rate of return that exceeds the return of exchange-traded bank loans over the long-term. Along with earning an 'illiquidity premium' as described above, the Private Credit portfolio shall strive to achieve additional excess returns primarily from the selection of investments.

Private Equity / Venture Capital
The investment objective of the Private Equity / Venture Capital portfolio is to enhance the total fund performance through investments in non-publicly traded securities. Private Equity and Venture Capital investments are illiquid and long-term in nature. To compensate for the illiquidity and the higher risks of the private equity market, the Private Equity / Venture Capital portfolio is expected to generate a rate of return that exceeds the return of publicly traded equities over the long-term. Along with earning an 'illiquidity premium' as described above, the Private Equity / Venture Capital portfolio shall strive to achieve additional excess returns primarily from the selection of investments.

Diversifying Category Asset Classes

Asset Class	**Minimum**	**Maximum**
Fixed Income	5%	20%
Diversifying Absolute Return	0%	15%

Fixed Income
Fixed Income investments include domestic and international debt issued by governments, various government enterprises and agencies, utilities, and corporations. Intermediate- to long-term investment grade bonds offer the best protection against the risk of deflation by providing a more predictable stream of cash flows and capital appreciation. Alternatively, treasury inflation protection securities (TIPS), which have a return linked to the inflation rate, can be utilized as protection against a risk of inflation. Historically, Fixed Income returns have been higher than Cash, due to the usual upward slope of the yield curve. However, these securities are subject to the risk of higher interest rates reducing the value of these investments over short periods of time.

Diversifying Absolute Return
The investment objective of the Diversifying Absolute Return portfolio is to emphasize a lower sensitivity to broad market performance (i.e., less correlated returns), while still generating a positive absolute return profile over time. Absolute return strategies offer the ability to invest with investment managers that perform a variety of active strategies, including growth oriented, relative value, market neutral, arbitrage and tactical trading hedge funds. These investments often have lower volatility relative to other asset classes, but introduce other, harder to measure types of risk, complexity, and lack of transparency that require more careful management than traditional asset classes. Absolute return investments are less liquid than the traditional asset classes, but more liquid than Private Capital due to the shorter lock-up requirements.

Real Asset Category Asset Classes

Asset Class	**Minimum**	**Maximum**
Real Asset Capital Appreciation	0%	15%
Real Asset Income	0%	15%

Real Asset Capital Appreciation

Investments in Real Asset Capital Appreciation can be made through investments in both public and private securities and can include equity and, to a lesser extent, debt investments. Private investments primarily involve the purchase of unlisted, illiquid equity interests in assets or companies, typically through direct ownership, joint ventures, or private fund structures. Public investments may include securities that provide exposure to underlying real assets.

Underlying Real Asset Capital Appreciation investments can include real estate, infrastructure, energy, timber, agriculture, or other natural resources related investments. The focus of this asset class will primarily be owning growth-oriented investments where the majority of expected return will be derived from long-term increases in asset value, development, operational improvements, or market appreciation rather than current income generation.

Real Asset Income

Investments in Real Asset Income can be made through investments in both public and private securities and can include equity and debt investments. Private investments may involve the purchase of unlisted, illiquid common and preferred stock, and can also include subordinated and senior debt of companies that are typically privately held. Underlying real asset income investments can include real estate, infrastructure, energy, timber, agriculture, or other natural resources related investments. The focus of this asset class will primarily be owning income-oriented investments where the majority of expected return will be derived from consistent cash paying income.