Investment Policy Statement

For

Juneau Community Foundation's Evergreen Long Term Fund

September 23, 2014

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(continued)

EXECUTIVE SUMMARY

Type of Plan	**Long Term Foundation**
Time Horizon:	15 Years
Expected Real Return:	5.0%
Recommended Spending Policy:	**5% of the average market value for the trailing four years. Prior to four years, the average market value of the cumulative years.**

Asset Allocation

	Lower Limit	**Strategic Allocation**	Upper Limit
Domestic equities	33.0%	**38.0%**	43.0%
International equities	33.0%	**38.0%**	43.0%
Fixed Income			
U.S. Aggregate Bonds	12.0%	14.0%	16.0%
Intermediate Term Credit	3.0%	4.0%	5.0%
Short Term Credit	4.0%	6.0%	8.0%

Evaluation Benchmark: Total return to exceed the performance of a policy index based upon the strategic asset allocation of the Fund to various broad asset classes. Specifically, the policy index will be a weighted index comprised of:

- 38% MSCI US Broad Equity Market Index
- 38% FTSE Global All Cap Ex US Equity Index
- 24% Barclays U.S Aggregate Fixed Income Index

SCOPE OF THIS INVESTMENT POLICY

This statement of investment policy reflects the investment policy, objectives, and constraints of the entire Juneau Community Foundation.

PURPOSE OF THIS INVESTMENT POLICY STATEMENT

This statement of investment policy is set forth by The Finance Committee of the Juneau Community Foundation in order to:

1. Define and assign the responsibilities of all involved parties.

2. Establish a clear understanding for all involved parties of the investment goals and objectives of Fund assets.

3. Offer guidance and limitations to all Investment Managers regarding the investment of Fund assets.

4. Establish a basis for evaluating investment results.

5. Manage Fund assets according to prudent standards as established in common trust law.

6. Establish the relevant investment horizon for which the Fund assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

DELEGATION OF AUTHORITY

The Board of Directors is the fiduciary of the assets of the Juneau Community Foundation and delegate to the Finance Committee responsibility for directing and monitoring the investment management of Fund assets. As such, The Finance Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Investment Management Consultant. The consultant may assist The Finance Committee in: establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.

2. Investment Manager. The investment manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Fund's investment objectives.

3. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Fund accounts.

4. Co-Trustee. The Finance Committee may appoint an outside individual or entity, such as a bank trust department, to be co-trustee. The Co-trustee will assume fiduciary responsibility for the administration of Fund assets.

5. Additional specialists such as attorneys, auditors, investment consultants, and others may be employed by The Finance Committee to assist in meeting its responsibilities and obligations to administer Fund assets prudently.

The Finance Committee will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications which they deem appropriate.

If such experts employed are also deemed to be fiduciaries, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable, and will be borne by the Fund as deemed appropriate and necessary.

DEFINITIONS

1. "Fund" shall mean the Juneau Community Foundation.

2. "Financial Committee" shall refer to the governing board established to administer the Fund as specified by applicable ordinance.

3. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over fund management or any authority or control over management, disposition or administration of the Fund assets.

4. "Investment Manager" shall mean any individual, or group of individuals, employed to manage the investments of all or part of the Fund assets.

5. "Securities" shall refer to the marketable investment securities which are defined as acceptable in this statement.

6. "Investment Horizon" shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for this Fund is 15 years.

ASSIGNMENT OF RESPONSIBILITY

RESPONSIBILITY OF THE INVESTMENT MANAGER (CONSULTANT)

Each Investment Manager must acknowledge in writing its acceptance of responsibility as a fiduciary. 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 statement. Specific responsibilities of the Investment Manager(s) include:

1. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.

2. Reporting, on a timely basis, quarterly investment performance results.

3. Communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of investment process, or the investment objective progress of the Fund's investment management.

4. Informing the Finance Committee regarding any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.

5. Voting proxies, if requested by the Finance Committee, on behalf of the Fund, and in the best interests of the Foundation.

PORTFOLIO REBALNCING REQUIREMENTS

1. In the event that the above aggregate asset allocation guidelines are violated, for reasons including but not limited to market price fluctuations, The Finance Committee will instruct the Investment Manager(s) to bring the portfolio(s) into compliance with these guidelines as promptly and prudently as possible. In the event that any individual Investment Manager's portfolio is in violation with its specific guidelines, for reasons including but not limited to market price fluctuations, The Finance Committee expects that the Investment Manager will bring the portfolio into compliance with these guidelines as promptly and prudently as possible without instruction from The Finance Committee.

2. Rebalancing of the account will happen within the first 30 days of the beginning of each calendar quarter.

GENERAL INVESTMENT PRINCIPLES

1. Investments shall be made solely in the interest of the beneficiaries of the Fund.

2. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.

3. Investment of the Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

4. The Finance Committee may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.

5. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

INVESTMENT MANAGEMENT POLICY

1. Preservation of Capital - Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.

2. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, The Finance Committee recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Fund's objectives. However, the investment managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.

3. Adherence to Investment Discipline - Investment managers is expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

GOAL OF FOUNDATION

The Finance Committee believes that grants to be made in the future are as important as grants made today. This is consistent with the philosophy that this Foundation is to exist in perpetuity, and therefore, should provide for grant making in perpetuity. To attain this goal, the overriding objective of this foundation is to maintain purchasing power. That is, net of spending, the objective is to grow the aggregate portfolio value at the rate of inflation over the Foundation's investment horizon. The Foundation's specific investment objectives will be established later in this document.

ATTITUDE TOWARD GIFTS

Future giving (contributions) to this Foundation is expected to be inconsistent, and therefore, unpredictable. As a result, The Finance Committee has set an investment strategy with the objective of maintaining purchasing power of Foundation assets before consideration of gifts. Accordingly, future giving will serve to increase purchasing power. Therefore, expectations may be expressed by the following equation:

Total Return = Spending + Inflation + Expenses,
While Giving = Increase in Purchasing Power

SPENDING POLICY

The Foundation must balance the obligation of preserving principal and meeting granting obligations. Distributing funds using the average of the market value for four years will mitigate payout volatility resulting from variations in investment returns. Payout and investmenrt returns are subject to market volitily and are not consistent or predictable. The Board will adopt an asset allocation that recognizes short-term market volitiality, and, by maintaining a strategic, long-term investment time horizon will achieve the balance of a predictable payout and preservation of principal. The current payout is 5% of the average market value for the trailing four years; prior to four years, the average market value of the culultative years.

INVESTMENT OBJECTIVES

In order to meet its needs, the investment strategy of the JCF is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

Specifically, the primary objective in the investment management for Fund assets shall be:

Long-Term Growth of Capital -To emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

SPECIFIC INVESTMENT GOALS

Over the investment horizon established in this statement, it is the goal of the aggregate Fund assets to exceed:

A real rate of return of 5.0%

The investment goals above are the objectives of the aggregate Fund, and are not meant to be imposed on each investment account (if more than one account is used). The goal of each investment manager, over the investment horizon, shall be to:

1. Meet or exceed the market index, or blended market index, selected and agreed upon by The Finance Committee that most closely corresponds to the style of investment management.

2. Display an overall level of risk in the portfolio which is consistent with the risk associated with the benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.

Specific investment goals and constraints for each investment manager, if any, shall be incorporated as part of this statement of investment policy. Each manager shall receive a written statement outlining his specific goals and constraints as they differ from those objectives of the entire Fund.

MANAGING RISK

The Finance Committee realizes that there are many ways to define risk. It believes that any person or organization involved in the process of managing the JCF assets understands how it defines risk so that the assets are managed in a manner consistent with the Fund's objectives and investment strategy as designed in this statement of investment policy. The Finance Committee manages risk by:

Diversification: The Foundation will diversify the portfolio by asset classes and securities within each asset class.
Volitility: The Foundation will invest in a diversified portfolio that will minimize volatility for a given expected rate of retun with investment objectives.

LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, The Finance Committee will periodically provide investment counsel with an estimate of expected net cash flow. The Finance Committee will notify the investment consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

MARKETABILITY OF ASSETS

The Finance Committee requires that all of Fund assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Fund, with minimal impact on market price.

INVESTMENT GUIDELINES

ALLOWABLE ASSETS

1. Cash Equivalents
   - Treasury Bills
   - Money Market Funds
   - STIF Funds
   - Commercial Paper A1, P1
   - Banker's Acceptances
   - Repurchase Agreements
   - Certificates of Deposit

2. Fixed Income Securities
   - U.S. Government and Agency Securities
   - Corporate Notes and Bonds (Investment Grade)
   - Mortgage Backed Bonds
   - Preferred Stock
   - Fixed Income Securities of Foreign Governments and Corporations
   - Planned Amortization Class Collateralized Mortgage Obligations (PAC CMOs) or other "early tranche" CMOs
   - ETFs

3. Equity Securities
   - Common Stocks
   - Convertible Notes and Bonds
   - Convertible Preferred Stocks
   - Stocks of Non-U.S. Companies (Ordinary Shares)
   - American Depository Receipts (ADRs) of Non-U.S. Companies
   - ETFs

4. Mutual Funds or Commingled Funds
   - Mutual Funds or commingled funds, which predominantly invest in securities as allowed in this statement.

5. Other Assets

- Electronically traded funds designed to mirror the performance of the benchmark indicies.

DERIVATIVE INVESTMENTS

Derivitive securities are prohibited unless they are permissible within the guidelines of a mutual fund or a commingled fund**.**

PROHIBITED ASSETS

Prohibited investments include, but are not limited to the following:

1. Commodities and Futures Contracts
2. Options
3. Limited Partnerships
4. Venture-Capital Investments
5. Real Estate Properties
6. Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs

PROHIBITED TRANSACTIONS

Prohibited transactions include, but are not limited to the following:

1. Short Selling
2. Margin Transactions

ASSET ALLOCATION GUIDELINES

Investment management of the assets of the Foundation shall be in accordance with the following asset allocation guidelines:

1. Aggregate Fund Asset Allocation Guidelines (at market value)

	Lower Limit	**Strategic Allocation**	Upper Limit
Domestic equities	33.0%	**38.0%**	43.0%
International equities	33.0%	**38.0%**	43.0%
Fixed Income			
U.S. Aggregate Bonds	12.0%	14.0%	16.0%
Intermediate Term Credit	3.0%	4.0%	5.0%
Short Term Credit	4.0%	6.0%	8.0%

Median Expected Return: 7.0%
Median Standard Deviation: 13.3%
As of September 23, 2014

Evaluation Benchmark: Total return to exceed the performance of a policy index based upon the strategic asset allocation of the Fund to various broad asset classes. Specifically, the policy index will be a weighted index comprised of:

* 38% MSCI US Broad Equity Market Index
* 38% FTSE Global All Cap Ex US Equity Index
* 24% Barclays U.S. Aggregate Fixed Income Index

2. The Finance Committee may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate Fund, such disciplines must fit within the overall asset allocation guidelines established in this statement. Such investment managers will receive written direction from The Finance Committee regarding specific objectives and guidelines.

Diversification for Investment Managers

In order to achieve a prudent level of portfolio diversification, the securities of any one company will not exceed 10% of the total fund, and no more than 30% of the total fund should be invested in any one industry. Individual treasury securities may represent 40% of the total fund, while the total allocation to treasury bonds, notes, and government agencies may represent up to 100% of the Fund's aggregate bond position.

SELECTION OF INVESTMENT MANAGERS

The Finance Committee' selection of Investment Manager(s) must be based on prudent due diligence procedures. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940, or a bank or insurance company. The Finance Committee requires that each investment manager provide, in writing, acknowledgment of fiduciary responsibility to the Juneau Community Foundation.

PERFORMANCE REVIEW AND EVALUATION

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to The Finance Committee for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Finance Committee intends to evaluate the portfolio(s) over at least a three year period, but reserves the right to terminate a manager for any reason including the following:

1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.

2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.

3. Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

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INVESTMENT POLICY REVIEW

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, The Finance Committee plans to review investment policy at least annually.

This statement of investment policy is adopted on September 23, 2014 by The Board of the Juneau Community Foundation.

Eric Kueffner
President
Juneau Community Foundation