

I. DEFINITIONS

II. OBJECTIVES

III. IMPLEMENTATION

IV. GUIDELINES/RESTRICTIONS

V. MONITORING

VI. ACKNOWLEDGEMENT

I. DEFINITIONS



PURPOSE

The Investment Policy Statement was adopted by the Board of Trustees of The Hamilton Community Foundation (the "Board") to insure good philanthropic stewardship and prudent investment of its investment portfolio (the "Portfolio") in a manner consistent with the investment objectives stated herein. The Board has delegated detailed financial oversight of the Portfolio to the Investment Committee (the "Committee").

This Investment Policy Statement shall be used by the Committee in its duty to oversee (in managing, monitoring and reporting on the investment portfolio) the investment portfolio and by the Portfolio's Custodians, Investment Managers and Investment Consultant.

It is expected that this document will be reviewed annually by the Committee. Any revisions will be recommended to the Board.

This statement of investment policy is set forth by the Investment Committee 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.

SCOPE

This Policy applies to all assets that are included in the Hamilton Community Foundation's investment portfolio for which the Committee has been given discretionary investment authority.

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

GENERAL STANDARDS

In seeking to attain the investment objectives set forth in the policy, the members of the Committee must act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner reasonably believed to be in the best interest of the Foundation and in accordance with the wishes of the donor. Members of the Committee must provide full and fair disclosure to the Committee of all material facts regarding any potential conflicts of interests.

DEFINITION OF DUTIES

Board of Trustees

The Board has the final responsibility for overseeing the investment of the Portfolio. The Board must ensure that appropriate policies governing the management of the Portfolio are in place and that these policies are being effectively implemented. To implement these responsibilities, the Board sets and approves the Investment Policy Statement and delegates responsibility to the Investment Committee for implementation and ongoing monitoring. At least annually the Board will receive a performance report and review of the Investment Policy Statement from the Committee.

Investment Committee

The Investment Committee of the Hamilton Community Foundation is an Advisory Committee. The Investment Committee, with the concurrence of the Board of Trustees, is responsible for directing and monitoring the investment management of Fund assets. As such, the Investment Committee is authorized to delegate certain responsibilities to professional experts in various fields. These may include, but are not limited to:

1. Investment Management Consultant. A consultant may assist the Investment 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 purchase 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 Investment Committee may appoint an outside individual or entity, such as a bank trust department, to be a co-trustee. The Co-trustee will assume fiduciary responsibility for the administration of Fund assets.
5. Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the Investment Committee to assist in meeting its responsibilities and obligations to administer Fund assets prudently.

The Investment 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.**

II. OBJECTIVES

To achieve a return greater than a static mix of 72% S & P 500, 25% Barclays Intermediate U.S. GV/CR, 3% U.S. 91-Day Treasury Bills by 50 Basis Points annualized after fees, over a rolling five year average, and a total return of **five percent (5%)** greater than the inflation rate over a rolling five year average.

The performance objective is to grow the market value of assets net of inflation, spending, and expenses, over a full market cycle (generally defined as a three to five year period) without undue exposure to risk. In quantitative terms, the objective is to earn a total return of **Total Returns is the lesser of CPI + 5% or 8%** without exceeding a standard deviation of 1.2 times a weighted benchmark index. The benchmark index will be comprised of each asset class index weighted by its target allocation. It is also expected that the portfolio will outperform this weighted benchmark index over a full market cycle.

In order to meet its needs, the investment strategy of the Hamilton Community Foundation 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 by maintaining a diversified portfolio. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

STRATEGY

Because the Portfolio is expected to endure into perpetuity, and because inflation is a key component in its performance objective, the long-term risk of not investing in growth securities outweighs the short-term volatility risk. As a result, the majority of assets will be invested in equity or equity-like securities, including real assets (real estate, natural resources, and infrastructure). Real assets also are expected to provide the added benefit of inflation protection. Fixed income securities and diversifying strategies will be used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of deflation and negative equity markets. Cash is not a strategic asset of the portfolio, but is a residual to the investment process and used to meet short-term liquidity needs. Other asset classes are included to provide diversification (e.g. international equities) and incremental return (e.g. small cap equities).

Asset Allocation as of March 31, 2016

ASSET CATEGORY	TARGET	RANGE
GLOBAL EQUITY	69%	40-75%
<i>Public</i>	66	40-75
U.S. Equities	43.5	10-60
<i>Large Cap</i>	29.7	10-40
<i>Small/Mid Cap</i>	13.8	0-15
International Developed	17.5	5-30
<i>Large/Mid Cap</i>	13.5	5-30
<i>Small Cap</i>	4.0	0-15
Emerging Markets	5.0	0-20
<i>Large/Mid Cap</i>	2.5	0-20
<i>Small Cap</i>	0.0	0-10
<i>Frontier Markets</i>	2.5	0-10
<i>Hedged Equity</i>	0	0-10
<i>Private Equity</i>	3	0-10
GLOBAL FIXED INCOME/CREDIT	20.0	10-40
<i>Interest Rate Sensitive</i>	14.2	5-40
Core (Investment Grade)	14.2	5-40
Inflation Protected (TIPS)	0.0	0-20
<i>Credit Sensitive</i>	5.8	0-20
REAL ASSETS	1.0	0-30
<i>Real Estate</i>	0.0	0-10
<i>Natural Resources</i>	1.0	0-20
Energy (MLPs)	1.0	0-10
Commodities	0.0	0-10
DIVERSIFYING STRATEGIES	10.0	0-15
CASH	0.0	0-10

REBALANCING

In maintaining these asset allocation targets, the Portfolio will strive to remain within the allocation ranges with the intent of rebalancing to targets quarterly, more frequently if necessary. The appropriateness of this allocation will be reviewed quarterly.

SPENDING POLICY

Current Policy

The Board of Trustees will set spending at a maximum of 5% of the unrestricted fund's average three year portfolio value computed on the average of twelve (12) previous quarters. However, the Board of Trustees may change this policy as required.

III. IMPLEMENTATION

It is the intent of the Committee to hire investment managers specializing in market segments to achieve the target asset allocation. The Committee's intent is to select and retain the best managers for each asset class and to maintain long term mutually beneficial relationships with these managers.

The Hamilton Community Foundation values long-term and stable relations with local investment managers. It is believed that over time, managers who understand the Foundation's long-term goals will be better able to contribute to overall performance.

The Hamilton Community Foundation hopes to implement this investment policy in a way that honors these long-term relationships while exercising their fiduciary responsibilities to its donors and to the community. The Hamilton Community Foundation believes its donors and our community will be best served by giving these managers the freedom to utilize investment styles that match their internal strengths.

TIME HORIZON

The Foundation seeks to attain investment results over a full market cycle. It does not expect that all investment objectives will be attained in each year and recognizes that over various time periods investment managers may produce significant over or under performance relative to the broad markets. For this reason, long-term investment returns will be measured over a 5-year moving period. The Committee reserves the right to evaluate and make any necessary changes regarding investment managers over a shorter-term using the criteria establish under "Manager Performance Objectives" below.

COMPOSITE PERFORMANCE OBJECTIVES

All investment returns shall be measured net of fees. The performance objectives for The Foundation will be reviewed on an ongoing basis and evaluated upon the following criteria:

- a) Ability to meet or exceed the 50th percentile performance of a balanced universe;
- b) Ability to exceed the return of the Target Weighted Index;
- c) Ability to produce positive alpha (risk-adjusted return) within the volatility limits set in the chart on the following page.

The investment objectives 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 Investment 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.
3. If managers are using different styles to get aggregate numbers, evaluations using benchmarks and risk will be used.

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.

Primary Benchmark

The primary objective of the Foundation is to achieve a total return, net of fees, in excess of spending and inflation. The Primary Benchmark is the minimum return needed to achieve the portfolio's long-term investment objectives.

Total Return is the lesser of CPI + 5% or 8%

Policy Index

The secondary objective is to achieve a total return in excess of the policy benchmark, comprised of each broad asset class benchmark weighted by its long-term strategic allocation.

To achieve a return greater than a static mix of 72% S & P 500, 25% Barclays Intermediate U.S. GV/CR Index, 3% U.S. 91-Day Treasury Bills by 50 Basis Points annualized after fees, over a rolling five year average, and a total return of **five** percent (**5%**) greater than the inflation rate over a rolling five year average.

Target Weighted Benchmark

Another investment objective is to achieve a total return in excess of the Target Weighted Benchmark, comprised of each asset category benchmark weighted by its target allocation.

RISK PARAMETERS

The volatility (beta) is expected to be no greater than 1.20 versus the relevant Policy Benchmark.

MANAGER PERFORMANCE OBJECTIVES

All investment returns shall be measured net of fees. Each investment manager will be reviewed on an ongoing basis and evaluated upon the following criteria:

- a) Ability to meet or exceed the 50th percentile performance of a peer group of managers with similar styles of investing;
- b) Ability to exceed the return of the appropriate benchmark index and, for equity managers, produce positive alpha (risk-adjusted return) within the volatility limits set in the following chart;
- c) Adherence to the guidelines and objectives of this Investment Policy Statement; and,
- d) Avoidance of regulatory actions against the firm, its principals or employees.

Performance shall be evaluated according to the following framework:

Short Term (less than three years) – adherence to the stated philosophy and style of management at the time the investment manager was retained; and, continuity of personnel and practices at the firm.

Intermediate Term (between 3 and 5 years*) – adherence to the stated philosophy and style of management at the time the investment manager was retained; continuity of personnel and practices at the firm; and ability to meet or exceed the 50th percentile performance of other managers who adhere to the same or similar investment style.

Long Term (rolling 5 year periods*) - adherence to the stated philosophy and style of management at the time the investment manager was retained; continuity of personnel and practices at the firm; ability to meet or exceed the 50th percentile performance of other managers who adhere to the same or similar investment style; and, ability to outperform its respective target index.

* Market cycles will vary in duration. Stated time frames apply to typical periods when market cycles occur every three to five years.

SUMMARY OF QUANTITATIVE PERFORMANCE OBJECTIVES

The following table summarizes the quantitative performance objects stated above. Betas will be calculated versus an appropriate index.

ASSET CLASS	INDEX	RISK MEASURE	PEER UNIVERSE ⁽¹⁾
LARGE CAP EQUITY	Russell 1000 Index	1.2x Beta	Top 50%
MID CAP EQUITY	Russell Midcap Index	1.2x Beta	Top 50%
SMALL CAP EQUITY	Russell 2000 Index	1.2x Beta	Top 50%
INTERNATIONAL EQUITY	MSCI AC World Index ex-US	1.2x Beta	Top 50%
EMERGING MARKETS	MSCI Emerging Markets Index	1.2x Beta	Top 50%
INTERNATIONAL SMALL CAP	MSCI EAFE Small Cap Index	1.2x Beta	Top 50%
FRONTIER MARKETS	MSCI Frontier Markets Index	1.2x Beta	Top 50%
FIXED INCOME	Barclays U.S. Aggregate Bond	+/-20% Duration	Top 50%
HIGH YIELD	Barclays Investment Grade CMBS Index	1.2x Beta	Top 50%
REAL ESTATE	Appropriate Index	1.2x Beta	Top 50%
NATURAL RESOURCES <i>(Energy (MLPs), Commodities)</i>	Appropriate Index	1.2x Beta	Top 50%
INFLATION HEDGED	Appropriate Index	1.2x Beta	Top 50%
HEDGE FUND (LOW VOLATILITY)	HFRI Fund of Funds Composite	-	-
TOTAL FUND	Target Weighted Benchmark	1.2x Weighted Index	Top 50% <i>(Balanced Universe)</i>

(1) For example, Large Cap Growth Universe.

IV. GUIDELINES AND RESTRICTIONS

GENERAL

The guidelines stated below apply to investments in non-mutual and non-pooled funds, where the investment manager is able to construct a separate, discretionary account on behalf of the Foundation. Although the Committee can not dictate policy to a pooled/ mutual fund investment manager, it is the Committee's intent to select and retain only pooled/ mutual funds with policies that are similar to that of the Foundation. All managers (pooled/mutual or separate) are expected to achieve all performance objectives and other subjective criteria.

GENERAL INVESTMENT OBJECTIVES

1. All investment decisions must be in accordance with applicable laws and statutes.
2. Investments should be diversified to minimize the risk of loss.
3. Investment of the assets may be in three general categories:
 - A. Cash equivalents
 - B. Fixed Income (including U.S. and international securities)
 - C. Equities (including U.S. and international securities and mutual funds, ADRs, convertible bonds and convertible stocks)
4. Cash is to be appropriately invested in cash equivalents at all times to provide a higher yield while maintaining liquidity.
5. Liquidity needs should be reviewed periodically by the Committee to determine the adequacy of funding.

ALLOWABLE ASSETS

1. Cash Equivalents
 - Treasury bills
 - Money Market Funds
 - STIF Funds
 - Commercial Paper
 - Banker's Acceptances
 - Repurchase Agreements
 - Certificates of Deposit
2. Fixed Income Securities
 - U.S. Government and Agency Securities
 - Corporate Notes and Bonds
 - 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
3. Equity Securities
 - Common Stocks
 - Convertible Notes and Bonds
 - Convertible Preferred Stocks
 - American Depository Receipts (ADRs) of Non-U.S. Companies
 - Stocks of Non-U.S. Companies (Ordinary Shares)
4. Common Trust Funds
5. Mutual Funds
 - Mutual Funds which invest in securities as allowed in this statement.
6. Other Assets
 - GIC's
 - Covered Call Options

ALLOWABLE ASSETS *continued*

The Investment Committee does not believe it is necessary or desirable that securities held in the Fund present a cross section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company should not exceed 5% of the total fund, and no more than 20% of the total fund should be invested in any one industry, as defined by the S&P 500. Individual treasury and government agency securities may represent 40% of the total fund, while the total allocation to treasury bonds and notes may represent up to 100% of the Fund's aggregate fixed income position.

Each investment manager shall:

- a. Have full investment discretion with regard to security selection consistent with the manager's given strategy and is expected to maintain a fully invested portfolio (5% or less in cash);
- b. Immediately notify the Committee in writing of any material changes in the investment outlook, strategy, portfolio structure, ownership or senior personnel;
- c. Make no purchase that would cause a position in the portfolio to exceed 5% of the outstanding voting shares of the company or invest with the intent of controlling management;
- d. Not invest in non-marketable securities;
- e. With the exception of international managers, not invest in non-dollar denominated securities; and
- f. In the case of international managers, maintain appropriate diversification with respect to currency and country exposure.

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 Investment Committee recognizes that some risk is necessary to produce long-term investment results that is 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 are expected to adhere to the investment management styles which they have communicated to the Investment Committee. Managers will be evaluated regularly for adherence to investment discipline.

Equity Guidelines

Each equity investment manager shall:

- a. Assure that no position of any one company exceeds 5% of the manager's total portfolio as measured at market;
- b. Vote proxies and share tenders in a manner that is in the best interest of the Foundation and consistent with this Investment Policy Statement;
- c. Maintain a minimum of 20 positions in the portfolio to provide adequate diversification; and
- d. Domestic equity managers may invest no more than 20% of the portfolio in American Depository Receipts (ADR) securities.
- e. If rated, Equity Securities rated B or better by Standard and Poor's.

Fixed Income Guidelines

Each fixed income investment manager shall:

- a. Maintain an overall weighted average credit rating of “Aa” or better by Moody’s or “AA” or better by Standard & Poor’s;
- b. Hold no more than 15% of the portfolio in investments rated below investment grade (below Baa/BBB). Split rated securities will be governed by the lower rating;
- c. Maintain a duration within +/-20% of the effective duration of the benchmark index;
- d. Assure that no position of any one issuer shall exceed 8% of the manager’s total portfolio as measured at market value except for securities issued by the U. S. government or its agencies.
 1. Fund assets may be invested only in investment grade bonds rated BBB (or equivalent) or better at purchase, and then hold no bond that is C or less. In the event a bond is downgraded below a C rating, the bond must be removed from the portfolio within 90 days, unless a written waiver is provided by the Foundation.
 2. Fund assets may be invested only in commercial paper rated A1 (or equivalent) or better.
 3. Fixed income maturity restrictions are as follows:
 - Maximum maturity for any single security is 30 years.
 - Weighted average portfolio maturity may not exceed 15 years.

Cash Equivalent Guidelines (for separately managed accounts only)

Each separately managed cash equivalent account manager shall:

- a. Maintain a maximum weighted average maturity of less than one year.
- b. Invest no more than 5% of the manager’s portfolio in the commercial paper of any one issuer. All commercial paper must have a minimum rating of A1/P1 by Standard & Pooors’ and Moody’s, respectively.
- c. Invest no more than \$100,000 in Bank Certificates of Deposit of any single issuer, unless the investments are fully collateralized by U.S. Treasury or agency securities. Any Certificates of Deposit purchased must have with the highest credit quality rating from a nationally recognized rating.
- d. Assure that no position of any one issuer shall exceed 8% of the manager’s total portfolio as measured at market value except for securities issued by the U. S. government or its agencies.
- e. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Pooors, and/or Moody’s.

ALTERNATIVE INVESTMENTS

All types of Alternative Investments, including but not limited to, venture capital, private equity, real estate, timberland, limited partnerships and hedged funds, are expressly prohibited unless approved by the Foundation in writing. If approved, the same “Manager Performance Objectives” stated above will bind any investment manager as well as all other relevant portions of this document.

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

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 Investment Committee will work with the Board to periodically provide investment counsel with an estimate of expected net cash flow. The Investment Committee will notify the investment managers and/or consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

To maintain the ability to deal with unplanned cash requirements that might arise, the Investment Committee requires that a minimum of 3% of Fund assets shall be maintained in cash or cash equivalents, including money market funds or short-term U.S. Treasury bills.

Marketability of Assets

The Investment 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 the market price. Common trust funds valued on a monthly basis are an exception.

DERIVATIVE SECURITIES

Under no circumstances shall the investment managers utilize derivative securities.

For definition purposes, derivative securities include, but are not limited to, Structured Notes*, lower class tranches of collateralized mortgage obligations (CMO's)**, principal only (PO) or interest only (IO) strips, inverse floating rate securities, short sales, and margin trading.

Futures contracts and options may be utilized by investment managers in order to gain exposure to the underlying security but must do so without employing leverage.

*Investment in "conservative" structured notes that are principal guaranteed, unlevered, and of short-to-intermediate maturity is permitted.

**Lower class as defined by Federal Financial Institutional Examination Council (FFIEC).

Derivative securities are defined as synthetic securities whose price and cash flow characteristics are based on the cash flows and price movements of other underlying securities. Most derivative securities are derived from equity or fixed income securities and are packaged in the form of options, futures, CMOs (PAC bonds, IOs, POs, residual bonds, etc.), and interest rate swaps, among others. The Investment Committee feels that many derivative securities are relatively new and therefore have not been observed over multiple economic cycles. Due to this uncertainty, the Investment Committee will take a conservative posture on derivative securities in order to maintain its risk adverse nature. Since it is anticipated that new derivative products will be created each year, it is not the intention of this document to list specific derivatives that are prohibited from investment, rather it will form a general policy on derivatives. **Unless a specific type of derivative security is allowed in this document, the Investment Manager(s) must seek permission from the Investment Committee to include derivative investments in the Fund's portfolio. The Investment Manager(s) must present detailed information as to the expected return and risk characteristics of such investment vehicles.**

BROKERAGE / SOFT DOLLAR USE

Investment managers shall seek best price/execution when purchasing or selling securities at all times. As outlined by GIPS' Soft Dollar Standards (see Appendix A) each investment manager must recognize that brokerage is an asset of the Foundation, not the investment manager. On an annual basis, each investment manager must:

- a. Verify to the Committee that it complies with the "Required" sections of GIPS' Soft Dollar Standards;
- b. Document and disclose any soft dollar use and its impact on the Foundation's portfolio; and
- c. Disclose any affiliated broker relationships and the materiality of that relationship to the investment management organization.

PROXY VOTING

Each manager shall handle the voting of proxies and tendering of shares in a manner consistent with the objectives contained in this policy and in the best interest of the Foundation. Each manager shall provide a written report to the Committee at least annually. The report should include company name; number of shares voted a description of the issues voted upon and how the shares were voted.

SECURITIES LENDING

Lending of any of the Foundation's portfolio of securities is expressly prohibited.

V. MONITORING AND REPORTING

CUSTODIAN(S)

The custodian(s) is an integral part of managing and overseeing the Foundation's portfolio. Open communications with the Foundation, its investment managers and consultant will ensure accurate and timely reporting, and may provide early detection of any unexpected compliance or reporting problems.

The custodian(s) shall:

- a. Provide monthly transaction reports no later than the tenth business day following month end, and monthly asset reports no later than the tenth business day following month end.
- b. Provide the Foundation, its investment managers and consultant special reports as reasonably requested; and
- c. Communicate immediately any concerns regarding portfolio transactions or valuation, or material changes in trustee personnel or procedures.

INVESTMENT MANAGERS

Open communication between the investment managers, the Foundation and its consultant are critical to the success of the Foundation. The following shall be provided by the manager in its **annual** meetings with the Committee.

1. A written review of key investment decisions, investment performance and portfolio structure.
2. An organizational update, including a report on any and all changes in organizational structure, investment personnel and process and a list of new relationships or clients that have terminated their services.
3. A review of the managers understanding of investment guidelines and expectations and any suggestions to improve the policy or guidelines.

In addition, the following is required of each investment manager:

1. Monthly transaction and asset statements shall be provided to the Foundation, its consultant and custodian no later than the tenth business day following month end;
2. Quarterly performance reviews;
3. Immediate notification to the Foundation and its consultant of any exceptions to this investment policy statement with a recommended plan of action to correct the violation;
4. Annual summary of proxy voting and soft dollar brokerage as defined in the respective sections of this Investment Policy Statement;
5. Other reports or information as may be reasonably be requested by the Foundation, its consultant or custodian.

The Investment Committee's 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 Investment Committee requires that each investment manager provide, in writing, acknowledgment of fiduciary responsibility to the Hamilton Community Foundation.

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. Reporting any change in fees to the Foundation 90 days prior to implementation.
5. Informing the Investment Committee regarding any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
6. Voting proxies, if requested by the Investment Committee, on behalf of the Fund, and communicating such voting records to the Investment Committee on a timely basis.

CONSULTANT

The Investment Consultant is responsible for assisting the Committee in all aspects of managing and overseeing the Foundation's investment portfolio. The consultant is the primary source of investment education and investment manager information. On an ongoing basis the consultant will:

1. Provide the Foundation's staff with a quarterly summary of investment performance within 25 days following the end of the quarter;
2. Provide the Committee with quarterly performance reports within 45 days following the end of the quarter;
3. Meet with the Committee as needed;
4. Monitor the activities of each investment manager or investment fund;
5. Provide the Committee with an annual review of this Investment Policy Statement, including an assessment of the Foundation's current asset allocation, spending policy and investment objectives; and
6. Supply the Committee with other reports or information as reasonably requested.

The Investment Consultant's role is that of a non-discretionary advisor to the Investment Committee of the Hamilton Community Foundation. Investment advice concerning the investment management of Fund assets will be offered by an Investment Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of an Investment Consultant include:

1. Assisting in the development and periodic review of investment policy.
2. Conducting investment manager searches when requested by the Investment Committee.
3. Providing "due diligence", or research, on the Investment Manager(s).

4. Monitoring the performance of the Investment Manager(s) to provide the Investment Committee with the ability to determine the progress toward the investment objectives.
5. Communicating matters of policy, manager research, and manager performance to the Investment Committee.
6. Reviewing Fund investment history, historical capital markets performance and the contents of this investment policy statement to any newly appointed members of the Investment Committee.

Performance reports generated shall be compiled at least quarterly and communicated to the Investment Committee for review. The investment performance of the portfolio, 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 Investment 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.

VI. ACKNOWLEDGEMENT

We recognize the importance of adhering to the mission and strategy detailed in this document and agrees to work to fulfill the objectives stated herein, within the guidelines and restrictions, to the best of our ability. We acknowledge that open communications are essential to fulfilling this mission and if at any time we wish to discuss improvements to this document they are welcome and should be referred through the Foundation or its consultant.

Hamilton Community Foundation

(date)

Fund Evaluation Group, LLC

(date)

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

This statement of investment policy is recommended by the Investment Committee of the Hamilton Community Foundation whose chair person's signature appears below.

Chair

Adopted by the Trustees of the Hamilton Community Foundation on _____:

Board Chair

Treasurer