

# The Evergreen Project

## Investment Policy Statement

## Purpose & Scope

The purpose of this Investment Policy Statement (IPS) is to assist the Board of Directors ("Board") in effectively supervising, monitoring and evaluating the investment of The Evergreen Project's (TEP's) assets ("Fund"). This statement is set forth by the Board in order to:

1. State in a written document the Board's attitudes, expectations, objectives and guidelines for the investment of all Fund assets.
2. Set forth an investment structure for managing all Fund assets.
3. Encourage effective communications between the Board and the investment professionals.
4. Establish formal criteria to select, monitor, evaluate and compare the performance results achieved by the various investment managers on a regular basis.
5. Establish procedures for selecting, monitoring, evaluating, and, if appropriate, replacing investment options.
6. Establish the relevant investment horizon for which Fund assets will be managed.
7. Outline procedures for fund disbursements.
8. Manage Fund assets according to prudent standards and applicable laws, as established for such assets.

This IPS has been formulated, based upon consideration by the Board of the financial implications of a wide range of policies, and describes the prudent investment process the Board deems appropriate.

## Definition of Duties & Assignment of Responsibility

### Delegation of Authority

The Board of Directors acts as a fiduciary, and is responsible for directing and monitoring the investment management of Fund assets. As such, the Board is authorized to delegate certain responsibilities to professional experts in various fields. .

### Assignment of Responsibilities

## Board of Directors

The Board is charged by law with the responsibility for the management of investment assets. The Board shall discharge its duties solely in that interest, with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.

As per section 4.2 of the Evergreen Project bylaws, the Finance Committee of the board

The specific responsibilities of the Board relating to the investment management of Fund assets include:

1. Prepare and maintain this investment policy statement. Establishing investment objectives, policies and guidelines.
2. Prudently diversify the Fund's assets to meet an agreed upon risk/return profile by projecting the organization's financial needs, determining risk tolerance and time horizon.
3. Prudently review & approve investment options. Developing and enacting proper control procedures. For example, replacing an investment manager due to a fundamental change in investment management process, or failure to comply with established guidelines.
4. Control and account for all investment, record keeping and administrative expenses associated with the Fund.
5. Monitor and supervise all professional experts and investment options. Prudently and diligently selecting and monitoring qualified investment professionals.
6. Avoid prohibited transactions and conflicts of interest.

## Investment Professionals

TEP may (but is not mandated by this policy to) appoint an investment professional to assist in management of accounts. Any manager selected by the board should have a strictly fiduciary relationship with TEP and operate on a strictly fee-for-service basis. Duties of such a manager may include:

1. Update the finance committee as requested (at least once a year), providing full board and/or more frequent updates as requested by the finance committee or the full Board.
2. Guide the Board through a disciplined and rigorous investment process to enable the Board to meet the fiduciary responsibilities.

Assist the Board in creating an action plan to secure quickly accessible funds, should the organization require an unforeseen need for a disbursement of funds.

## Statement of Objectives

In order to maintain the assets in perpetuity and meet its needs, the Fund will employ a strategy that ensures full liquidity of all TEP assets.

## General Investment Principles

1. Investments shall be made solely in the interest of TEP and its beneficiaries.
2. The assets shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person 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 assets shall be held in accounts that are insured by the full faith and credit of the US governments (see Allowable Assets). All investments should be held in accounts based in the United States.
4. The Board may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.

## Risk Tolerance:

The goal of this investment policy is to ensure that TEP maintains liquidity of at least 50% assets while providing some growth via interest-bearing accounts.

## Performance Objectives

The desired investment objective is to maintain TEP's short-term need for liquidity with a desire to protect assets from loss due to inflation.

## Strategic asset allocation framework

### Allowable Assets

TEP will maintain all assets as Cash & Equivalents.

1. Cash & Equivalents
  - a. US Treasury bills
  - b. US Savings bonds
  - c. Money market funds
  - d. Certificates of Deposit

## Prohibited Assets and Restricted Transactions

Prohibited investments include but are not limited to:

1. Private Placements
2. Options
3. Short Selling
4. Margin Transactions
5. Cryptocurrency
6. Accounts not based in the US

## Liquidity & Spending Policy

TEP investments shall not be subject to mandatory distribution requirements, with consideration given to the Boards Fiduciary responsibilities. Fund assets, subject to Board approval, may be used to meet operational, capital or other needs as they may occur.

### Liquidity

TEP will maintain all assets as Cash & Equivalents. A minimum of 50% of all assets will be available within 2-3 business days.

Liquidity	Minimum Weighting	Maximum Weighting
Available within 2-3 business days	50%	100%
Available in within 6 months	0%	25%
Available in 6-12 months	0%	25%

### Spending policy

Each year, the nonprofit is authorized to withdraw any portion of the investment account (market value to be determined as of the last business day of the preceding year) for the organization's operating purposes.

All decisions relative to the expenditure of these funds must assess the uses, benefits, purposes and duration for which the fund was established, and, if relevant, consider the factors:

1. the duration and preservation of the institutional fund;
2. purposes of TEP and the fund;
3. general economic conditions;

4. possible effect of inflation or deflation;
5. expected total return from income and appreciation of investments;
6. other organizational resources;
7. all applicable investment policies; and
8. where appropriate, alternatives to spending from the institutional fund and the possible effects of those alternatives.

For each decision to appropriate these funds for expenditure, an appropriate contemporaneous record should be kept and maintained describing the nature and extent of the consideration that the appropriate body gave to each of the stipulated factors.

## Monitoring and review process

The investment committee recognizes that there are periods when objectives may not be attained, and that during various time periods, certain strategies may result in significant underperformance or outperformance relative to overall market performance.

The overall health of the portfolio will be monitored by comparing the value of the nonprofit's assets against the expected spending rate plus inflation and fees, and by tracking the changes of each to determine whether the spending rate requires adjustment. This exercise will be performed no less often than annually.

Portfolio objectives will be monitored quarterly to assist in evaluation of the investment strategies' effectiveness.

Approved by the TEP board \_\_\_\_\_