Amended and Restated Investment Policy Statement

July 12, 2022

Prepared by:
Meyer Investment Team
2045 North Vancouver Avenue
Portland, Oregon 97227
(503) 228-5512
investments@mmt.org

Table of Contents

I.	**PURPOSE, MISSION, AND VISION OF THE TRUST**	**3**
II.	**GUIDING PRINCIPLES**	**3**
	a. One Integrated Mission	3
	b. Financial Assets in Service to Philanthropic Purpose	3
	c. Relationships Matter	3
	d. Learning is Stewardship	3
III.	**OBJECTIVES**	**4**
IV.	**RESPONSIBILITIES**	**5**
V.	**POLICIES**	**7**
	a. Social Responsibility	7
	b. Asset Types	8
	c. Diversification of Assets	8
	d. Asset Allocation	9
	e. Volatility	9
	f. Rebalancing	10
	g. Benchmarks	10
	h. Voting	10
	i. Time Horizon	10
	j. Monitoring and Reporting	11
	k. Conflicts of Interest	11
	l. Tax Exempt Status	12
VI.	**REVIEW AND UPDATE**	**12**
	APPENDIX A	13
	Asset Allocation	13
	APPENDIX B	14
	Benchmarks	14
	APPENDIX C	15
	Practice Statement on Responsible Investment	15
	People	15
	Products and Shared Prosperity	15
	Evaluation, Accountability and Transparency	16

This statement of investment principles, objectives and policies governs the management of the long-term financial assets of Meyer Memorial Trust ("Trust").

I. PURPOSE, MISSION, AND VISION OF THE TRUST

The purpose of the Trust is to provide grants in support of charitable programs in the State of Oregon. The mission of the Trust is to accelerate racial, social and economic justice for the collective well-being of Oregon's lands and peoples. We manage all of our assets to advance the Trust's mission without regard to whether an asset is a part of the investment portfolio, used to fund our business or shared through grantmaking.

II. GUIDING PRINCIPLES

The Trust endeavors to invest in ways that lead to financial and operating stability and growth of the investment portfolio. To do so, we use four broad concepts to frame our thinking: *integration, optimization, relationships and stewardship.*

a. One Integrated Mission

How we invest the portfolio is integral to meeting the mission of the Trust. Therefore, we will:

- i. Consider our values in all investment decisions.
- ii. Actively own and incorporate our values into asset management.
- iii. Challenge conventional definitions of return and cost.
- iv. Cultivate a broad view of risk which includes the consideration of unique factors such as the risk that our investments could contribute to the problems we try to address through grantmaking.
- v. Consider wider stakeholder views; we do not seek to singularly optimize shareholder value.

b. Financial Assets in Service to Philanthropic Purpose

Investing and grantmaking are connected; how we manage one impacts the other. Therefore, we will:

i. Invest to optimize grantmaking.
ii. Manage investment costs since we aim to optimize financial resources for philanthropic impact, not asset management.

c. Relationships Matter

Investing our assets requires good relationships. Therefore, we will:

i. Invest in people first. Our success is built on knowing who we invest with and, in turn, what they invest in.
ii. Meaningfully engage with advisors, managers, peers and visionaries.
iii. Maintain strong governance and a well-defined decision-making structure to enable sound investment.
iv. Carefully choose our investment managers because manager selection is critical to financial success and is an important tool in the pursuit of race and gender equity.

d. Learning is Stewardship

Using our assets to fully realize our mission is an endeavor that requires many partners. In this effort, we will:

i. Take measured risks. Accept and acknowledge that failure is a part of leadership.
ii. Acknowledge the dissonance between our values and conventional investing.
iii. Endeavor to achieve greater alignment between our values and our investment portfolio.
v. Seek to learn from and influence others and form enduring partnerships.

III. OBJECTIVES

The investment function at the Trust has three types of objectives: *investment, financial and return.*

a. There are three primary ***investment*** objectives:

i. Growth: preserve the real value of the portfolio;
ii. Income: provide returns to support operations and grantmaking; and
iii. Reasonable Risk: invest the portfolio to achieve a high total rate of return without undue exposure to risk.

b. The primary ***financial*** objective of the portfolio is to optimize our programmatic spending. In order to pursue consistent, multi-year programming, the Trust will invest in ways that yield financial and operating stability while enhancing the value of the investment portfolio.

c. The primary ***return*** objective is to operate in perpetuity with generational neutrality (i.e., preserving grant funding for future generations). To do so, we aim to:

i. Attain an average real return, net of management fees, that is equal to or greater than operating costs + grantmaking + investment management costs + inflation, over the long term.
ii. Outperform the return of portfolio-wide benchmark(s) over the long term. *See* Appendix B for portfolio-wide and asset class benchmarks.

IV. RESPONSIBILITIES

Although the Board of Trustees is ultimately responsible for oversight and the direction of the financial affairs of the Trust, the Trustees have determined that the portfolio is more likely to achieve desired objectives if management is shared among the Trustees, investment staff, advisors and external investment managers. In the performance of these duties, all parties affiliated with the Trust should act prudently and in the best long-term interest of the Trust.

a. Responsibilities of the **Board of Trustees** include the following:

i. Ensure compliance with the provisions and reporting requirements of pertinent federal, state and local regulations;
ii. Develop investment principles, objectives, policies and performance measurement standards which are consistent with

the risk and return parameters for the Trust's portfolio and review them on an ongoing basis;

iii. Approve investment managers based on the recommendation of investment staff;

iv. Review and evaluate results of the Trust's total portfolio and each investment manager or fund with established benchmarks for performance; and

v. Take corrective action if investment results or operations do not meet expectations.

b. Responsibilities of **investment staff** include the following:

i. Evaluate and recommend an independent investment consultant to assist the Trustees in allocating assets, selecting investments, selecting investment managers and monitoring performance;

ii. Evaluate and recommend investment managers to the Trustees;

iii. Monitor and maintain relationships with advisors, managers and other service providers;

iv. Communicate the investment principles, objectives and policies to investment advisor(s) and investment managers;

v. Review and evaluate investment consultant(s) regarding the portfolio's adherence to the stated objectives, effectiveness of the reporting format, clarity of the materials and presentations and clarity and quality of recommendations to the Trustees;

vi. Make recommendations for changes to the investment principles, objectives and policies, based upon material and sustained changes in the capital markets, or changes in the goals or circumstances of the Trust; and

vii Manage the day-to-day oversight of the portfolio, including rebalancing and cash adequacy.

c. Responsibilities of the **investment consultant(s)** include the following:

i. Assist investment staff and Trustees in allocating assets, selecting investment managers and monitoring performance;

ii. Advise investment staff and Trustees in the periodic review of the investment principles, objectives, policies and performance measurement standards to ensure that they are consistent with the risk, return and policy parameters set out by the Trustees; and

iii. Report on developments that have or may have exerted a material impact on the portfolio.

d. Responsibilities of the **investment managers** include the following:

i. Exercise authority and decision-making for all securities and assets under management, subject to the principles, objectives and policies established in this Statement of Investment Policies.

ii. Report all investments at both cost and current market value, in addition to all principal cash transactions in sufficient descriptive detail on at least a quarterly basis;

iii. Vote proxies on behalf of the Trust based upon the guidelines from investment staff, unless proxy voting is managed separately;

iv. Participate in periodic meetings with investment staff, advisors and Trustees; and

v. Engage in frequent and open communication on all material matters; specifically, the investment managers will:

   A. Provide notice immediately in writing of any material changes in their investment outlook, strategy and portfolio structure; and

   B. Notify the Trust immediately in writing of material changes in an investment manager's firm ownership, organizational structure, financial condition and senior staffing or management.

V. POLICIES

a. Social Responsibility

The Trustees interpret the Trust's mission as both place-based and including the advancement of social responsibilities in all parts of the business, including investing. However, the Trustees acknowledge that it can be difficult to understand and achieve forward-looking, qualitative goals in a historically quantitative practice.

For more information about Social Equity and Social Responsibilities, *see* Appendix C: *Statement on Social Responsibility.*

b. Asset Types

The portfolio may be invested in:

i. Liquid investments such as equities, fixed income securities and cash equivalents; or
ii. Illiquid investments in private placements or limited partnerships.

c. Diversification of Assets

To limit risk, the total portfolio shall be diversified both by asset class and, within asset classes, by economic sector, industry and market capitalization. The portfolio shall:

i. Have significant allocation to **growth assets**. The primary purpose is to provide long-term capital appreciation in order to facilitate the real growth of principal. Growth investments will include investment strategies, providing broad exposure to developed and emerging market equities. Private equity investment will also be a key component of growth assets.
ii. Consider an allocation to **diversifying** alternative assets. The primary purpose is to provide consistent returns with lower correlation to traditional equity and debt markets, reducing volatility for the total portfolio. Examples of underlying strategies for consideration include distressed assets, merger arbitrage, event-driven strategies, long-short credit and/or equity and systemic macro strategies.
iii. Maintain an allocation to **real assets**. The primary purpose is to provide strong, equity-like returns while providing sensitivity to inflation. Examples of underlying strategies for consideration in real assets include infrastructure, real estate investment trusts (REITs), private real estate funds, public and private natural resource equities, private energy funds and commodities.
iv. Maintain an allocation to **defensive** assets, primarily high-quality fixed income. The primary purpose is to provide a hedge against deflation. This allocation will provide a source of liquidity in

stressed equity market environments, both for rebalancing and spending needs.

v. Hold **cash or cash equivalents** as an asset to provide adequate liquidity for investment reserves and, from time to time, to serve as equity or bond substitutes for defensive purposes in dislocated market conditions.

vi. Consider tactically allocating capital to **opportunistic strategies** that do not fall neatly into the allocations described above. Given there will be no strategic policy target allocation to opportunistic investments, it is expected that these will be considered in unique market conditions. The rationale for the opportunistic allocation is to broaden the Trust's investment options and not be unnecessarily limited by the strategic policy structure.

vii. Ensure that the securities of any one issuer, other than the U.S. government, shall not exceed 5% at cost of the total value of the portfolio. To the extent there are exceptions to this policy, they will be reported to the Trustees quarterly.

d. Asset Allocation

The portfolio shall be governed by asset allocation: a target or normative set of investments that balance the Trust's desire for growth, its need for liquidity and its risk tolerance. The portfolio's target asset allocation is outlined in Appendix A. The asset allocation policy targets will be reviewed annually.

It may take time to reach the target allocation in private investment. Until such time, the Trustees may utilize an appropriate set of interim targets (within the long-term policy allocation ranges) for guidance.

e. Volatility

As a long-term investor, we invest our portfolio to optimize returns defined broadly; we do not aim to minimize volatility in the short or intermediate term.

f. Rebalancing

Over time, the portfolio's asset allocation may drift from its policy allocation. To mitigate the negative impact of long-term deviations from policy allocations, investment staff shall be responsible for rebalancing within the policy ranges established by the Trustees. The asset allocation is set out in Appendix A.

g. Benchmarks

The portfolio, its asset class composites, and its managers shall be monitored based on appropriate benchmarks. The composition of the portfolio-level benchmarks, as well as the asset class benchmarks, is contained in Appendix B. There may also be manager-specific benchmarks.

h. Voting

We believe proxy voting and shareholder engagement are important components of socially responsible investing. Conscientious financial stewardship demands that proxy voting rights, like all other assets, be managed with proper care and attention. The portfolio may be invested in either separate accounts or commingled fund vehicles for which proxy voting is done by the fund manager. In the case of separate accounts, the policy is to vote proxies according to the Institutional Shareholder Services' Socially Responsible Investment Guidelines either by directing investment managers to do so or by arranging for the vote of such proxies through an intermediary.

i. Time Horizon

Progress of the Trust's investments against return objectives should be measured over at least a full market cycle. But market cycles may differ in length and there is no standardized measure. Therefore, the Trust notes the following:

i. We expect most market cycles to last roughly ten years. Therefore, investment performance shall be measured over rolling periods of at least ten years, but monitored over rolling three- to five-year periods.

ii. Shortfalls relative to the return objectives for the Trust may be tolerated. However, the Trustees reserve the right to evaluate and make any necessary changes regarding the managers over a short-term basis.

j. Monitoring and Reporting

Performance of the portfolio will be evaluated quarterly. The written report will cover four areas:

i. Portfolio Total Returns – Total time-weighted returns over various periods.
ii. Performance Benchmarking – Returns will be compared to appropriate benchmarks to evaluate performance.
iii. Diagnostics – Risk management analysis including, but not limited to: manager concentration, manager watchlists, market conditions, style characteristics and return attribution.
iv. Investment management costs will be evaluated annually. A written report will be provided to the Trustees by the internal accounting staff at the Trust.

k. Conflicts of Interest

The Trustees are charged with the responsibility for decisions which serve the long-term interests and objectives of the Trust. From time to time, the Trustees may consider matters in which members of the board, external investment advisors, investment staff or persons affiliated with them have a direct or indirect financial interest. In order to resolve any question of conflict of interest, whether real or apparent, the following procedures apply:

i. Trustees, advisors and investment staff shall disclose any relevant facts which might give rise to a conflict of interest with respect to any matter to be considered.
ii. Members so affected shall abstain from discussion of any such matters, unless the other Trustees specifically request information from such members.
iii. Trustees, consultants and/or investment staff may not be employed by firms managing investments of the organization.

iv. The affected members, if requested to do so, shall withdraw from the meeting during consideration of the relevant matter. If, on any potential conflict of interest matter, Trustees reach a conclusion as to appropriate correct action, the affected member will be obligated to comply.

In addition to these specific expectations for managing conflicts, Trustees and investment staff will abide by the Trust's general Conflicts Policy.

l. Tax Exempt Status

No investments will be made that would imperil the Trust's tax-exempt status or cause the Trust to incur penalties under the Internal Revenue Code generally and, in particular, under the provisions prohibiting self-dealing, excess business holdings (i.e., more than 20% of a corporation's stock) and jeopardizing investments.

VI. REVIEW AND UPDATE

This statement will be reviewed annually by the Trustees for its continued appropriateness. The Trustees may change this investment policy at any time. It is the intent of this statement to be sufficiently specific to be meaningful and yet flexible enough to be practical and enduring.

APPENDIX A

Asset Allocation

Asset allocation of the Trust's portfolio is reviewed annually. This schedule of asset allocation will be amended from time to time.

Asset Allocation Effective Date: March 31, 2022

ASSET CLASS	LT POLICY TARGET	ACCEPTABLE RANGE
Global Equity	--	0-10%
US Equity	25%	15-35%
International Developed Equity	20%	10-30%
Emerging Markets & Frontier Equity	10%	5-20%
Total Listed Equities	55%	30-70%
Private Equity & Venture Capital	25%	0-35%
Real Assets	6%	0-10%
Fixed Income	13%	5-25%
Cash	1%	0-15%
Total Defensive Assets	14%	10-25%
Total Other/Opportunistic Assets	0%	0-10%

APPENDIX B

Benchmarks

Benchmarks used to assess performance and cost of the Trust's portfolio are reviewed annually. This schedule of benchmarks will be amended to the extent that there are changes.

Benchmark Review Date: July 29, 2021

PORTFOLIO LEVEL	CONSOLIDATED	BENCHMARK
Total Portfolio Benchmark *	80%	MSCI ACWI with USA Gross (N) *
	6%	Blend of: 30% FTSE NAREIT All Equity REITs/30% FTSE Global Core Infrastructure Index/40% MSCI ACWI with USA Gross (N) *
	13%	Bloomberg US Aggregate Bond Index *
	1%	91-Day Treasury Bill

ASSET CLASS	TYPE OF ASSET	PRIMARY BENCHMARK
U.S. Equity	Growth	Russell 3000
International Developed Equity	Growth	MSCI EAFE Index (N)
Emerging Markets & Frontier Equity	Growth	MSCI Emerging Markets Index (N)
Private Equity & Venture Capital	Growth	MSCI ACWI with USA Gross (N)
Real Assets	Real Assets	30% FTSE NAREIT All Equity REITs/30% FTSE Global Core Infrastructure Index/40% MSCI ACWI with USA Gross (N)
Fixed Income	Defensive	Bloomberg US Aggregate Bond Index
Cash	Defensive	91-Day Treasury Bill

---

1. ** Because private investments report performance on a one-quarter lag, the private investments portion of the Meyer portfolio and Total Portfolio Benchmark will be held at a zero percent return for the most recent period, until the private investments have reported.*

APPENDIX C

Statement on Responsible Investment

The Trust's mission demands the meaningful examination of responsibility in all parts of the business, including social responsibility. It can be difficult to understand, pursue and achieve qualitative goals related to social responsibility in the historically quantitative investment practice. We are committed to responsible investing, even with imperfect tools.

The consideration of social responsibility in our investment practice requires that we are clear about what we mean, what we measure and what we report. We have determined that social responsibility in our investment practice requires the consideration of people managing our endowment, the products in which we ultimately invest and the shared prosperity generated through long-term investment.

People

Consistent with our intent to more fully reflect an abiding commitment to our mission, vision and values, the Trust seeks to achieve increased diversity, equity and inclusion within our investment practice. First, we strive to have a diverse and inclusive internal management team. Second, we encourage diversity, equity and inclusion at our investment advisors and investment managers. Third, we support investment strategies that invest in talented and diverse founders, entrepreneurs, and business owners. "Diversity" in this instance is defined as having and retaining professionals in senior investment positions who are underrepresented people in global financial services. This is our focus on "People."

This means that, in addition to conventional performance, market and portfolio considerations, we will consider the willingness of investment partners to talk about, measure and improve race and gender equity, the employment of underrepresented people in their respective businesses, and their support of diverse founders, entrepreneurs and business people.

Products and Shared Prosperity

We will be thoughtful in how we screen prospective investments (Products), as well as how we, and the managers of the businesses into which we ultimately invest, act to influence positive financial outcomes for others (Shared Prosperity). We do not have specific definitions or prohibitions for "Products" or "Shared Prosperity." However, we want our endowment to generate opportunity and equity for a broad array of people.

Evaluation, Accountability and Transparency

The measurement of social responsibility is undergoing rapid and uneven development. We expect advancements in the science of measuring social responsibility. As that occurs, we will incorporate those advances in our investment practice. In the meantime, the Trust will:

i. Draft a written assessment of the People, Products and Shared Prosperity of our current portfolio;
ii. Develop a stewardship plan, including goal setting, to improve outcomes for People, Products and Shared Prosperity; and
iii. Develop a reporting framework for social responsibility to assist the Trustees in tracking our progress in the stewardship report and in between the publication of the stewardship reports so that we can move towards a more socially responsible portfolio with intention and steady progress.