

Network of Jewish Human Service Agencies, Inc.
Investment Policy

This policy establishes the objectives, policies, responsibilities, and guidelines applicable to managing and investing the financial assets of The Network of Jewish Human Service Agencies, Inc. (“NJHSA”). Its Board of Directors (the “Board”) has ultimate responsibility for NJHSA’s assets and has delegated primary responsibility for directing and monitoring the investment management of these assets to its Budget and Finance Committee (the “Committee”).

The Board and Committee wish to ensure that management of NJHSA’s investments complies with the New York Prudent Management of Institutional Funds Act (“NYPMIFA” or the “Act”) and the considerations outlined in this policy are, and should be generally construed in a manner, intended to govern investments in a manner intended to comply with the Act.

Delegation

The Board and the Committee are each also authorized to delegate certain responsibilities to professional investment managers, attorneys, auditors, actuaries, retirement plan consultants and others as it deems fit, and to assist in investing or overseeing the investment of NJHSA assets. The Board and the Committee, as the case may be, shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in:

- a. selecting any agent or other delegate;
- b. establishing the scope and terms of the delegation consistent with the purposes of the Network and the Reserve fund; and
- c. periodically reviewing the agent’s or other delegate’s actions and performance in order to monitor their compliance with the scope of the delegation and this policy.

Operating and Reserve Funds

Operating Funds: Funds held by NJHSA to fund current operations shall (i) be deemed “operating funds” under this policy, and (ii) be invested with the objective of preserving such assets to cover operating expenses and realizing earnings in a way that allows for immediate liquidity to meet NJHSA’s ongoing programmatic and operational needs. Operating funds may be maintained in the checking account that NJHSA uses for day-to-day operations and may be invested in other cash-equivalent investments, such as savings accounts, money market accounts, certificates of deposit with maturities appropriate for expected needs, Treasury bills and other assets that are easy to liquidate. NJHSA’s Chief Executive Officer from time to time will consider whether NJHSA’s aggregate operating funds are sufficient to allow for the designation of a portion of those funds to its reserve funds.

Reserve Funds: All funds held by the Network other than those held as operating funds shall be deemed “reserve funds” under this policy. The primary intended use for reserve funds is to provide long-term support for NJHSA’s capital and operating needs. Such funds shall be invested with the objective of preserving the long-term real purchasing power of NJHSA’s assets while realizing appropriate investment income.

Investment Considerations:

The Committee shall develop and oversee appropriate investment strategies for operating and reserve funds of the Network. In managing the Network’s assets directly, or in instructing and selecting advisors to whom managing and investing have been delegated, the following factors, if relevant, shall be considered:

1. General economic conditions;
2. The possible effects of inflation or deflation;
3. The expected tax consequences, if any, of investment decisions or strategies;
4. The role that each investment or course of action plays within NJHSA’s overall investment portfolio and of any particular endowment or other segregated fund therein;
5. The expected total return from income and the appreciation of investments;
6. Other NJHSA assets;
7. The needs of NJHSA and any particular endowment fund to make distributions and preserve capital; and
8. An assets special relationship or special value, if any, to the purposes of NJHSA.

General Investment Principles:

1. Investments shall be made solely in the interest of NJHSA.
2. Funds shall be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent fiduciary 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. The investments shall be appropriately diversified so as to attempt to minimize concentration risks and to assure liquidity appropriate for the character and intended purpose of the invested funds.
4. Management of, and investment decisions regarding, any individual asset shall not be made in isolation, but rather in the context of NJHSA’s portfolio of investments as a whole and having risk and return objectives reasonably suited to NJHSA. Reasonable efforts shall be made to verify facts relevant to management and investment of NJHSA’s assets and costs may be incurred only to the extent appropriate and reasonable in relation to the assets, NJHSA’s mission, and the skills available to NJHSA.
5. NJHSA may employ one or more Investment Managers (or invest in pooled funds employing investment managers) of varying styles and philosophies to attain the investment objectives applicable to the funds involved.

6. The Committee, in consultation, as appropriate, with the Chief Executive Officer and any advisors who may have been selected in accordance with this policy, shall establish, and not less frequently than annually review and, as determined to be appropriate, modify, target allocations of Reserve fund assets within specified ranges (by percentage) of asset class (e.g., total equity portfolio (subdivided by equity class, diversifying alternatives, real assets, fixed income, cash). Such allocations may occur by direct investment in specified classes of assets, or by investment in pooled investment funds that are managed to achieve similar asset targets and diversification. Committee minutes shall reflect the asset class targets and ranges established from time to time by the Committee.

Guiding Philosophy:

The following general philosophy shall apply to investments made under direct delegated authority to Investment Managers, and to investments made in pooled fund investments managed by Investment Managers investing pooled funds:

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. Growth: Investment Managers should seek out prudent opportunities for growth.
3. Risk Tolerance: NJHSA recognizes that risk is present in all types of securities and investment styles, and that some risk is necessary to produce long term investment results that are sufficient to meet NJHSA investment objectives. Any Investment Manager shall advise the Committee (directly, or through reports delivered by pooled fund managers) regarding the level of risk inherent in their portfolio. The level of investment risk should be evaluated on at least an annual basis by the Committee [and, in the case of a pooled fund investment, by the trustees or managers thereof]. The efforts to control risk are reviewed to ensure that the risk assumed is commensurate with the given investment objectives.

Prohibited Transactions

Neither the Committee nor its agents or other designees may enter into any of the following transactions unless specifically authorized by the Board in a separate resolution expressly authorizing such action:

1. Borrowing of money;
2. Purchase of securities on margin or short sales;
3. Purchase of private placements;
4. Purchase of securities or other investments that are illiquid;
5. Purchase of the securities of any designated investment manager, its parent, or its affiliates;
6. Purchase or sale of futures, options, or other derivatives for speculation or leverage;
7. The purchase or sale of securities or other investment assets from or to members of the Network's Board or employees.

These prohibitions apply only to direct investments by, and actions of, the Network, and shall not be construed to prohibit any investment in a pooled fund or similar vehicle that under its organizing documents or investment strategy may engage in one or more of these actions. However, the Committee shall consider the nature and extent to which such actions are permitted as part of its prudential assessment of NJHSA's investment in any such fund or vehicle.

Spending Policy:

Spending of any operating funds is subject to the discretion of NJSHA's operating staff and oversight and approval of the Chief Executive Officer as provided in controls established for purpose of overseeing and auditing the use of such funds.

A withdrawal and spending of up to [the greater of \$25,000 or 5% of the then available balance of reserve funds] within a fiscal year is permitted in the discretion of the Chief Executive Officer upon a written determination submitted to the Committee that such funds are necessary to fund current NJHSA operating requirements. Withdrawals and spending of reserve funds in excess of these amounts is subject to prior Board review and approval.

Selection of Investment Manager(s):

To receive direct delegated investment authority under this policy, a qualifying investment manager must be:

1. Registered as an investment advisor under the Investment Advisors Act of 1940 or exempt from registration.
2. [A US chartered bank, or insurance company]
3. Any delegation of investment functions shall be consistent with this policy and the rules promulgated under the NYPMIFA.
4. Pooled fund investment managers must possess the qualifications required under the trust instrument or other organizing documents of the relevant pooled fund and which are generally consistent with the levels of professionalism and care required hereunder for direct delegated investment authority..

Responsibilities of the Investment Manager(s):

Any investment manager exercising direct delegated authority from the Budget and Finance Committee under this policy shall have the following responsibilities:

1. Managing investments, including decision to buy, sell or hold Securities and to make asset allocations.
2. Issuing statements of investment positions on a monthly basis, and investment performance reports on a quarterly basis.
3. Communicating any major changes to their economic outlook, investment strategy or any other factors that materially affect the management of the Fund's investments

4. Promptly informing the Committee of any organizational changes that may be material to the management of the Fund's assets. This includes but is not limited to changes in professional personnel, custodian, ownership structure or investment philosophy.
5. Meeting with NJHSA and its Budget and Finance Committee when requested to review all aspects of the portfolio.

In determining whether to invest in any pooled fund investment (and the amount of any such investment), the extent to which investment managers charged with managing such pooled funds incorporate the foregoing responsibilities shall be evaluated and such assessment will inform any decision to make or maintain an investment in any such pool.

Investment Policy Review:

All investment objectives and policies set forth herein are in effect until changes are recommended and approved by the Committee. To assure continued relevance of the guidelines, objectives, financial status, and capital market expectations as established in this Policy, the Committee will review and, as appropriate recommend updates to this Policy at least annually and report its conclusions to the full Board promptly thereafter. While changes are not expected to be frequent, changing market conditions, new product developments, and other factors may require that this policy be revised from time to time.

This Policy was developed by the NJHSA Budget and Finance Committee and approved by the NJHSA Board of Directors on May 3, 2021.