



Tides Investment Policy Statement



PHOTO: THE SEMILLA PROJECT, TIDES WE LEAD GRANTEE

The Tides Family of Organizations (“TFO” or “Tides”) consists of five entities: Tides Network (the “Network”), Tides Foundation (the “Foundation”), Tides Center (the “Center”), Tides, Inc. (“TINC”), and Tides Two Rivers Fund (“TTRF”). Each Tides entity pursues a distinct yet related strategy to promote the Tides mission. This Investment Policy Statement (the “IPS”) covers all investment activities of the Network (Tides General Fund), the Foundation, and the Center, excluding employee retirement accounts.

Financial assets of the General Fund, the Foundation, and the Center are held in legally separate accounts due to their separate operating activities and legal independence. Accordingly, these entities vary in their investment approaches and objectives.

Mission Statement and Investment Philosophy

To ensure accountability to donors, grantees, projects, and the larger community, the Boards of Directors of the respective Tides entities have adopted the following investment principles to set standards that guide effective and prudent management, monitoring, and evaluation of the organization’s investment portfolio.

Tides is committed to achieving an impact-driven portfolio, with the purpose of advancing Tides’ mission and its values. Tides conducts its investment management process with the recognition that its responsibility includes not only the traditional goals of maximizing return and minimizing risk, but also a focus on utilizing its investment capital to achieve a world of shared prosperity and social justice, founded on equality and human rights, a sustainable environment, healthy individuals and communities, and quality education. In pursuit of this investment philosophy, Tides primarily invests in organizations, funds and institutions that have missions, policies and/or practices that support Tides’ mission.

The intention to achieve positive impact within Tides’ portfolios shall be demonstrated in varying ways. At a given moment in time, Tides may maintain an excessive cash position to support its grantmaking and fiscally sponsored Social Ventures. In other situations, Tides may co-partner and/or co-invest with its stakeholders to influence an issue area or to gain access to networks which wield influence to further (an) issue area(s). From a conventional investment management lens, such decisions may not be deemed impactful; however, from an outcomes-oriented perspective, such decisions may be deemed impactful. Regardless of the level of impact (low to moderate to deep), Tides shall comply with this Investment Policy to support its mission and being committed to a portfolio designed for impact.

In service of its mission, Tides commits itself to:

- Managing all philanthropic and social venture resources while balancing its operational risk with its overall investment risk.
- Collaborating with social impact partners to explore and develop customized strategies to support shared philanthropic goals (impact investing, grantmaking, consultative services, movement building etc.).
- Offering donors opportunities to collaborate with others to foster enhanced opportunities for charitable impact.
- Identifying, reviewing, and offering donors opportunities to participate in traditional and alternative investments with the potential for meaningful mission-aligned impact.

- Invest in opportunities which support Tides’ operational needs, target future surplus growth, and help expand Tides’ reach within its ever-expanding ecosystem.
- Actively seeking and prioritizing investments that hold the possibility of transformational or large-scale positive change.

Tides permits, but is not restricted to, investing in assets:

- Which contribute to basic human needs and services such as food, clothing, housing, health, education, transportation, and clean energy.
- Which exhibit superior performance with respect to and success in: the protection of basic human rights, including workers’ safety and health, and/or policies and implementation of sound corporate governance.
- Which exhibit innovation with respect to products or services that conserve natural resources, reduce the generation of waste or pollutants, and / or support efforts to mitigate climate change, thereby protecting the natural environment.
- Which pursue research and development programs that hold promise for new products of social benefit and for increased employment prospects.
- Which maintain fair labor practices including exemplary management policies in such areas as non-discriminatory hiring and promotion, worker participation and education, and in policies affecting workers’ quality of work life.
- With the purpose of supporting shareholder action or engagement at the underlying companies, where such investments are transacted with partners with expertise and capacity to pursue targeted and thoughtful strategies.

Except for the purpose of supporting shareholder action or engagement, as described above, Tides avoids actively investing in assets:

- Which derive revenue from products that are unsafe in normal use (i.e. tobacco) or derive revenues from private arms sales (including manufacturers of nuclear, biological, or conventional weapons).
- Which engage in unfair labor practices, including those that are identified by reputable third parties to be violating fair labor practices and/or are subject to contempt or general cease and desist orders from government agencies (such as the NLRB or the EEOC).
- Which have a record of failing to abide by government environmental regulation or have markedly inferior occupational health and safety records.
- Which contribute to repressive governmental practices or have significant operations in countries with serious human rights violations.

From time to time, partners donate securities to Tides that may be inconsistent with the above guidelines. These gifted securities are managed in accordance with Tides’ Gift Acceptance Policy, and are generally sold upon receipt.

Tides may, from time to time, apply additional investment guidelines and restrictions.

Diversity, Equity and Inclusion (DEI)

Tides is committed to incorporating principles of DEI in investment governance and portfolio management practices. Tides commits itself to engage with a diverse pool of consultants, contractors, investment managers, and investees. The Investment Management Team (IMT) shall elevate DEI attributes through inclusive selection practices when selecting investment managers and investment products. The IMT shall also include DEI-related criterion/criteria when conducting RFPs, selecting investment-related vendors, and evaluating investment opportunities.

Objectives

Because Tides expects to operate in perpetuity, prudent stewardship of the assets under management is essential to the organization’s mission. In addition to achieving an impact-driven portfolio, Tides shall aim to invest its resources to ensure long-term sustainability.

Tides pursues risk-adjusted stewardship of its assets over a long time horizon, striving to optimize returns while preserving principal.

Tides’ investment objectives are therefore to:

- Preserve the long-term viability of Tides and support operations with dividend and interest income.
- Support current and future charitable distributions of the Foundation’s grantmaking funds.
- Preserve the financial resources of the Center’s social ventures.
- Be a leader in impact investing through the use of assets and managers that are committed to the application of environmental, social, and governance (ESG) criteria, the UN Principles for Responsible Investment and/or other measurements and strategies that further Tides’ charitable mission.

Investment Authority & Delegation of Responsibilities

All parties involved in Tides’ investment transactions, in exercising their responsibilities, must act in good faith, and with at least the care that an ordinarily prudent person in a like position under similar circumstances would. Any person with special skills or expertise, or selected in reliance upon his or her representation of special skills or expertise, will use such skills and expertise in managing and investing Tides’ capital.

Financial Capital Committee

Tides’ Board of Directors is ultimately accountable for Tides’ investment activities, including through periodic review and approval of the IPS. The Board has designated the Financial Capital Committee (Committee) to oversee implementation of Tides’ IPS and to ensure appropriate oversight of Tides’ capital needs.

The Committee is charged by the Board of Directors with the responsibility of overseeing all aspects of the investment management process, including reviewing, revising, and approving changes to the IPS, subject to the Board of Directors' approval. The Committee reviews the IPS in light of market conditions, investment performance, allocation methodology, goals and benchmarks, at least annually.

The Committee oversees the execution of the IPS by:

- Working with Tides' Investment Management Team (IMT) and other relevant Tides' staff to develop additional guidelines for management of the Tides' portfolio in line with this IPS.
- Delegating appropriate responsibility regarding Tides' investment activities to Tides' IMT.
- Reviewing and approving General Fund Mission-Related Investment (MRI) opportunities, as outlined in greater detail below.
- Working with the IMT to establish benchmarks to evaluate investment performance.
- Supporting and overseeing strategic and tactical investment decisions, including reviewing and approving and, at times, terminating, by majority vote, engagements with third party professional investment advisors and any investments outside of the scope of this IPS.
- Authorizing the IMT to engage directly with third party professional investment advisors.
- Periodically reviewing Tides' investment portfolio.
- Consulting with Tides' internal or external legal advisors, as appropriate, regarding any questions about legal compliance.
- Reviewing and approving, by majority vote, investments outside the scope of this IPS, as necessary.

The Committee authorizes all MRIs from Tides' General Fund (i.e., Tides' pool of capital not allocated to specific donor or advisor-recommended fund accounts), and MRIs from specific donor- or advisor-recommended fund accounts at amounts of \$20 million or more. The Committee has authorized, following diligence and internal approvals, the IMT to execute MRIs from specific donor or advisor-driven fund accounts at amounts of less than \$20 million.

The Committee convenes at least two times per calendar year. A quorum of any meeting of the Committee shall consist of a majority of its voting members. Committee members may participate by teleconference

Investment Management Team

The IMT includes the Chief Financial Officer and Tides' internal Director of Investments. The IMT is responsible for the daily administration of investments and associated cash flows, presenting investment opportunities to the Committee for authorization when required, and sourcing and recommending advisors and managers to the Committee, within the framework set by this IPS. The IMT is the primary contact for all external investment and wealth management advisors.

The IMT:

- Conducts activities necessary to execute and comply with this IPS.
- Monitors investment portfolio performance.
- Coordinates external investment partners on contributions, distributions, and movement of capital between funds.
- Coordinates with internal legal team and external investment partners to complete investment diligence, legal documents, and disburse funds.
- Coordinates with external investment partners to conduct any Financial Capital Committee meetings.
- Manages all inter-organization cash flows.
- Where applicable, provides performance reporting to Tides' clients.

The IMT is responsible for providing necessary information to the Committee. It must report any violations of the IPS, any material lawsuits, and any material findings against any parties engaged in its investment activities by any regulatory authority to the Committee and Tides' internal legal team.

The IMT is authorized to make MRIs involving capital of less than \$20 million from specific donor or advisor-recommended fund accounts, following a recommendation of the donor and appropriate investment and legal diligence, without additional approval. Unless the investment type otherwise requires, the IMT will conduct the necessary review to determine whether proposed MRIs are prudent, as defined under the Uniform Prudent Management of Institutional Funds Act. The IMT will also ensure that all internal processes (as described in the below MRI section) are complete, prior to deploying capital.

In exercising its delegated responsibilities under the IPS, the IMT is authorized to engage external Investment Advisors, and Outside Wealth Advisors as appropriate to manage Tides' capital (sub portfolios) in coordination with Tides' donors to promote Tides' charitable purposes. The IMT is charged with the responsibility of selecting (with the FCC's approval), monitoring, and dismissing any external investment management firms engaged to manage Tides' assets. The IMT sets the benchmarks to evaluate investment performance, informs these advisors of changes to the IPS and enforcing compliance with the changes. The IMT is responsible for providing guidelines and direction to external advisors including their responsibilities, expected characteristics in their investing, performance expectations, compensation, organizational requirements, reporting and other administrative requirements, and ensuring that any such advisors fulfil their contractual obligations, as defined in an investment management agreement, with Tides. The IMT will report to the FCC and provide updates, including on portfolio performance, any concerns or issues related to External Investment Advisors, and any other specific data requested by the FCC, at least once a year.

External Investment Advisors

Tides works with External Investment Advisors as necessary, to manage Tides' capital as delegated by the IMT.

When contracted, the External Investment Advisor is responsible for day-to-day management of relevant capital, pursuant to guidelines and direction from the IMT and the investment management agreement with Tides.

The External Investment Advisor, for Tides investments, will:

- Manage and monitor Tides investments in adherence with this IPS. The Investment Advisor will report to the IMT in a timely manner and on a monthly basis or a different recurring time period agreed upon with the IMT.
- Provide strategic and tactical advice and recommendations regarding asset allocation, investment selection, and rebalancing, as applicable, to the IMT.
- Immediately notify the IMT of any changes in investment philosophy, changes in asset selection strategy, core portfolio team, leadership changes, organizational changes (sale, acquisition, etc.), or any such material transactions that might affect the Investment Advisor's execution capabilities.
- Report investment performance results against specified benchmarks on a quarterly basis to the IMT.
- Provide accounting data and additional necessary information, as requested, to Tides to support Tides' internal operations in preparing reports and audits.
- Where applicable, provide portfolio ESG and impact reporting on periodic basis (at least annually) to the IMT.
- Act in the best interest of Tides and provide support, as requested, to the IMT.

Investment Advisors are responsible for informing the IMT, in writing, of any material information that might impact Tides' investment decisions and activities, including but not limited to, violations of the IPS, lawsuits, or findings against any manager or principals of the Investment Advisor by any regulatory authority.

Outside Wealth Advisors

Tides may enter into relationships with Outside Wealth Advisors (OWAs) for co-partnered management of investments from donor- or advisor- recommended funds. Tides retains full discretion and control over charitable distributions from the funds, and oversight over the investments of the OWA.

Any such OWA, with respect to Tides' investments, will be required to:

- Manage and monitor investments in accordance with any ESG or other similar standards expressed to Tides and/or the donor (in addition to the baseline requirements established in this IPS). If applicable, establish, implement, and execute a sub-IPS specifically for the purposes of sub-managing the donated assets.
- Continue to prudently manage the assets and act as the donor's primary relationship manager with Tides.

- Monitor and track each investment for adherence to this IPS.
- Immediately notify Tides' IMT of any information that might impact Tides' investment decisions and activities, including changes in investment philosophy, changes in asset selection strategy, core portfolio team, leadership changes, changes in relationship with the client, organizational changes (sale, acquisition, etc.), or any such material transactions that affect the Wealth Advisor's execution capabilities.
- Report investment performance results against specified benchmarks on a quarterly basis to the IMT.
- Where applicable, provide accounting data to Tides to support Tides' internal processes.
- Where applicable, provide portfolio ESG and impact reporting on periodic basis (at least annually) to the IMT.
- Respond in good faith to IPS compliance verification requests from the Tides' IMT (usually on an annual basis).

Mission-Related Investments

From time to time, Tides chooses to make a direct debt or equity investment in a mission aligned company or investment vehicle (an MRI). Tides MRIs fall into three categories:

- MRIs that are part of an impact strategy approved by Tides' IMT and Partner Intake Team.
- MRIs that meaningfully contribute to the accomplishment of Tides' mission while prudently balancing financial return with the risk and social impact to be achieved.
- MRIs that are selected for the primary purpose of contributing to Tides' mission, and for which the production of income is not a primary goal.

Tides may utilize the IMT or External Investment Advisors to identify potential MRI opportunities. Opportunities are also brought to Tides' attention through our donors and other partners. Tides' IMT conducts diligence on potential MRIs, including to determine alignment of the purposes of the investee organization with Tides' Vision-Mission-Approach (VMA), and to evaluate risk and return profile. Tides' legal team reviews MRIs from Tides' General Fund, MRIs for which the production of income is not a primary goal, and MRIs at the request of the IMT. Each potential MRI investment is also reviewed to ensure consistency with Tides' conflict of interest policy and compliance with applicable IRS rules. Prior to approving an MRI investment through a donor or advisor-driven fund account, Tides requires that the donor(s) and/or advisor(s) sign an authorization that discloses any potential private benefit and similar issues.

Upon recommendation by Tides' legal team, an investee company or fund will be asked to sign a Side Letter, which may include:

- Information and Reporting – Tides requests annual or more frequent (i) reports regarding impact metrics related to the mutual goals of the investee company and Tides, and (ii) financial statements and, if applicable, valuation reports, from the investee company during the term of the investment.
- Redemption Rights – Right of Tides to require redemption in certain limited circumstances, including business activity shifts that result in a lack of alignment between the investee Company and Tides' VMA, and investee company activity that makes the investment inconsistent with Tides' legal framework.
- Observation Rights (limited circumstances) – Right of Tides to appoint a representative to attend investee company Board meetings.
- Other Rights – Such other rights that Tides' legal team and IMT believe are warranted, whether in connection with the charitable intention or the investment or to enhance Tides' rights and opportunities in connection with the investment.

Currency Hedging

Tides may employ currency hedging in portions of its portfolio, either via the IMT or External Investment Advisors. Currency hedging will be limited to servicing grant-making needs of Tides' clients.

Acceptance of the IPS

The Investment Management Team shall provide a copy of this Investment Policy Statement to each party involved in Tides' investment transactions, and each party shall acknowledge in writing receipt of this document and acceptance of its contents.

Tides General Fund (the "General Fund")

Background

The General Fund supports the Tides Family of Organizations (TFO). It provides strategic leadership and direction, fundraising, administration, management, leadership, and planning and support to the Tides mission. It also facilitates grant-making, donations, gift-giving, and contributions from the net income or assets under management. The General Fund is responsible for supporting the liabilities of the TFO and must balance investment risk with Tides' overall operational risk. Because of the emphasis of these funds on both growth and preservation of capital, investments may span the entire spectrum of asset classes (depending on organizational needs and in line with prudent portfolio management).

Investment Standards

Return Requirement

The General Fund portfolio targets an annualized real rate of 5-7% over the long-term.

Risk Tolerance

The General Fund seeks a moderate level of volatility consistent with broad exposure across regions, sectors, industries, issuers, credit ratings, and alternative asset classes and strategies.

Liquidity

The General Fund maintains a Board-mandated reserve, which serves as an emergency fund. Based on operational needs, the rest of the Network portfolio may be allocated to disparate investment strategies and asset classes to serve the perpetual time horizon of Tides as a going concern.

Time Horizon

The General Fund has a perpetual time horizon and the investment performance is generally evaluated over a four-to-six-year cycle.

Unique Circumstances

None.

Investment Instruments

The investment instruments described below represent the investable universe for the entire General Fund portfolio. External Investment Advisors may be engaged to oversee portions of the portfolio based on their asset class expertise; in such a scenario, the Advisors must manage to their specific investment mandate and must restrict themselves to their asset class expertise. If required, External Investment Advisors may be subjected to extended IPS standards via an addendum.

- Equities – The General Fund can invest in domestic and international stocks.
- Fixed Income (Short to Long-Term) – The General Fund can invest in domestic and international investment grade fixed income.
- Alternative Assets – The General Fund can invest in alternative strategies worldwide.
- Cash & Equivalents (Short-Term Fixed Income, Money Market Instruments, Bank Deposits, etc.) – The General Fund can invest in domestic investment grade, easily redeemable securities.

Allocations & Benchmarks

ASSET CLASS	MINIMUM	TARGET	MAXIMUM	BENCHMARK
US Equities	40%	55%	65%	S&P 500
Ex-US Developed Equities	0%	7.5%	15%	MSCI World ex USA Index
Emerging Market Equities	0%	5%	10%	MSCI Emerging Markets Index
Domestic Core Fixed Income	10%	22.5%	30%	Bloomberg Barclays US Aggregate Bond Index
International Core Fixed Income	0%	5%	10%	Bloomberg Barclays Global Aggregate Bond Index
Alternative Investments	0%	15%	40%	Custom
Cash & Equivalents	0%	5%	10%	BofA Merrill Lynch 3-Month Treasury Bill

Rebalancing

The General Fund portfolio will be periodically rebalanced to bring asset allocations back into alignment with targets.

Tides Foundation (the “Foundation”)

Background

The primary purpose of the Foundation is philanthropic activity via impactful investing, grant-making, and advocacy. As any charitable organization, the Foundation attracts funds from individuals, organizations, and other foundations who feel Tides’ mission and services provide value. The Foundation manages two primary types of vehicles on behalf of its clients:

Standard Advised Funds (SAFs). These funds are the repository of gifts received by the Foundation. The funds are expected to be fully available for grant-making without fluctuation in principal. The emphasis of these funds is on safety and liquidity since the liabilities exhibit unknown frequency and unknown severity. The Tides IMT may sub-segment these funds to further diversify the risk profile.

Invested Advised Funds (IAFs). These funds are created with gifts received by the Foundation and are apportioned to be invested, with investment returns accruing to the Fund itself. IAFs may be established to invest in opportunities which support Tides’ mission and/or also help expand Tides’ reach within its ever-expanding ecosystem. Based upon the recommendation of the client, the investments may be made that seek social impact with the investments themselves (e.g., through MRIs), by preserving and/or maximizing returns for long-term charitable grantmaking, and/or that are otherwise within the risk portfolio allocation established in this IPS and is otherwise consistent with Tides’ policies and procedures. The Foundation and its clients anticipate the principal amounts of gifts to these funds will remain in the fund for an intermediate to a long-term period. Because of the diverse needs of these funds, ranging from growth to preservation of capital to impact through investments themselves, investments may span the entire spectrum of asset classes (depending on client recommendations, in line with prudent portfolio management, and/or the IAF’s social impact objectives). If required, an IAF’s investment guidelines may be customized as an extension to Tides’ IPS.

Investment Standards

Return Requirement

The SAF portion of the Foundation’s portfolio seeks to generate income with principal preservation as its priority. The objective is to target returns in line with short-term US Treasury rates (no more than 3-4 year maturities).

The IAF portion of the Foundation’s portfolio (and IAF sub portfolios) will target returns in line with donor recommendations and the IAF’s investment impact and/or return objectives.

Risk Tolerance

The SAF portion of the Foundation’s portfolio seeks a low level of volatility usually associated with core investment grade, short-term fixed income securities.

The IAF portion of the Foundation's portfolio (and IAF sub portfolios) will target risk in line with donor recommendations and taking into account the liabilities and anticipated activities of the IAF.

Liquidity

The SAF portion of the Foundation's portfolio will be easily redeemable.

The IAF portion of the Foundation's portfolio (and IF sub portfolios) will target liquidity required to fulfil IAF's grantmaking objectives and liabilities.

Time Horizon

The SAF portion of the Foundation's portfolio has a short time horizon and evaluated over a two-to-four-year timeframe.

The IAF portion of the Foundation's portfolio (and IAF sub portfolios) will be invested and evaluated based on donor recommendations and objectives (may be short-, intermediate-, or long-term).

Unique Circumstances

Tides may partner with Outside Wealth Advisors who wish to utilize Tides' services on behalf of their private wealth clients. Such relationships will be governed using the IAF Investment Standards discussed above. The Outside Wealth Advisors must comply with the Tides' IPS.

Investment Instruments

External Investment Advisors may be engaged to oversee portions of the SAF portfolio based on their asset class expertise; in such a scenario, the Advisors must manage to their specific investment mandate and must restrict themselves to their asset class expertise. If required, External Investment Advisors may be subjected to extended IPS standards via an addendum.

The investment instruments described below represent the investable universe for the SAF portion of the Foundation portfolio.

- Equities – The SAF portion of the Foundation portfolio can invest in domestic and international stocks.
- Fixed Income (Short to Intermediate-Term) – The SAF portion of the Foundation portfolio can invest in domestic investment grade fixed income.
- Cash & Equivalents (Short-Term Fixed Income, Money Market Instruments, Bank Deposits, etc.) – The SAF portion of the Foundation portfolio can invest in domestic investment grade, easily redeemable securities.

The IAF portion of the Foundation portfolio (and IAF sub portfolios) that are managed by Tides will be executed on a customized basis and may be invested in:

- Equities – Both domestic and international stocks.
- Fixed Income (Short to Intermediate-Term) – Both domestic and international investment grade fixed income.

- Alternative Assets – Most strategies worldwide.
- Mission-Related Investments – Those verified by Tides’ IMT and in line with MRI guidelines outlined in this document.
- Cash & Equivalents – (Short-Term Fixed Income, Money Market Instruments, Bank Deposits, etc.) – investment grade, easily redeemable securities.

The IAF portion of the Foundation portfolio (and IAF sub portfolios) that are managed by Outside Wealth Advisors will be executed on a customized basis and may be invested in:

- Equities – Both domestic and international stocks.
- Fixed Income (Short to Intermediate-Term) – Both domestic and international investment grade fixed income.
- Cash & Equivalents (Short-Term Fixed Income, Money Market Instruments, Bank Deposits, etc.) – investment grade, easily redeemable securities.

Allocations & Benchmarks

The **SAF portion** of the Foundation portfolio will be allocated as follows:

ASSET CLASS	MINIMUM	TARGET	MAXIMUM	BENCHMARK
US Equities	0%	5%	10%	S&P 500
Ex-US Developed Equities	0%	5%	10%	MSCI World ex USA Index
Emerging Market Equities	0%	2.5%	5%	MSCI Emerging Markets Index
Domestic Core Fixed Income	70%	75%	95%	Bloomberg Barclays US Aggregate Bond 1-3 Year Index
International Core Fixed Income	0%	5%	10%	Bloomberg Barclays Global Aggregate Bond Index
Cash & Equivalents	5%	7.5%	10%	BofA Merrill Lynch 3-Month Treasury Bill

The **IAF portion** of the Foundation portfolio (and IAF sub portfolios) will be allocated and evaluated on a customized basis (in consultation with the Tides’ IMT and/or Outside Wealth Advisors). An IAF can allocate a 100% of its assets to alternative investments; in the aggregate, the Foundation portfolio will aim to limit its overall exposure to alternative investments between 40-45%.

Rebalancing

The Foundation portfolio will be periodically rebalanced to bring asset allocations back into alignment with targets.

Tides Center (the "Center")

Background

The primary purpose of the Center is to be a responsible fiscal sponsor for other non-profits and a hub for non-profit management services. The Center oversees funds focused on the working capital of numerous organizations and as such is accountable for servicing the cash flow liabilities of these partner organizations. The emphasis of these funds is on safety and liquidity since the liabilities exhibit unknown frequency and unknown severity. The Center manages two types of social venture structures on behalf of its clients:

Standard Social Ventures (SSVs). The funds in these ventures are the cash reserves associated with the working capital of Tides' fiscally sponsored projects. The emphasis of these funds is on principal preservation. The Tides IMT may sub-segment these funds to further diversify the risk profile.

Invested Social Ventures (ISVs). The funds in these ventures are also cash reserves associated with the working capital of Tides' fiscally sponsored projects. However, these social ventures have disparate attributes and needs that allow them to invest their capital in a proactive manner. The intent is to generate sufficient income from the portfolio to support a social venture's operations and target conservative growth over a longer time horizon. Because of the diverse needs of these projects from servicing working capital needs to organization support into perpetuity, investments may span the entire spectrum of asset classes (depending on client recommendations, in line with prudent portfolio management, and/or the ISV's social impact objectives). If required, an ISV's investment guidelines may be customized as an extension to Tides' IPS.

Investment Standards

Return Requirement

The SSV portion of the Center's portfolio seeks to generate income with principal preservation as its priority. The objective is to target returns in line with short-term US Treasury rates (no more than 3-4 year maturities).

The ISV portion of the Center's portfolio (and ISV sub portfolios) will target returns in line client recommendations and the ISV's investment impact and/or return objectives.

Risk Tolerance

The SSV portion of the Center's portfolio seeks a low level of volatility usually associated with core investment grade, short-term fixed income securities.

The ISV portion of the Center's portfolio (and ISV sub portfolios) will target risk in line with client recommendations and taking into account the liabilities and anticipated activities of the ISV.

Liquidity

The SSV portion of the Center’s portfolio will be easily redeemable.

The ISV portion of the Center’s portfolio (and ISV sub portfolios) will target liquidity in line with the ISV’s liquidity needs and objectives.

Time Horizon

The SSV portion of the Center’s portfolio has a short time horizon and is evaluated over a two-to-four-year timeframe.

Unique Circumstances

None.

Investment Instruments

External Investment Advisors may be engaged to oversee portions of the SSV portfolio based on their asset class expertise; in such a scenario, the Advisors must manage to their specific investment mandate and must restrict themselves to their asset class expertise. If required, External Investment Advisors may be subjected to extended IPS standards via an addendum.

The investment instruments described below represent the investable universe for the SSV portion of the Center portfolio.

- Equities – The SSV portion of the Center portfolio can invest in domestic and international stocks.
- Fixed Income (Short to Intermediate-Term) – The SSV portion of the Center portfolio can invest in domestic investment grade fixed income.
- Cash & Equivalents (Short-Term Fixed Income, Money Market Instruments, Bank Deposits, etc.) – The SSV portion of the Center portfolio can invest in domestic investment grade, easily redeemable securities.

The ISV portion of the Center portfolio (and ISV sub portfolios) will be executed on a customized basis and can be invested in:

- Equities – Both domestic and international stocks.
- Fixed Income (Short to Long-Term) – Both domestic and international investment grade fixed income.
- Alternative Assets – Most strategies worldwide.
- Mission-Related Investments – Those verified by Tides’ IMT and in line with MRI guidelines outlined in this document.
- Cash & Equivalents (Short-Term Fixed Income, Money Market Instruments, Bank Deposits, etc.) – Investment grade, easily redeemable securities.

Allocations & Benchmarks

The **SSV portion** of the Center portfolio will be allocated as follows:

ASSET CLASS	MINIMUM	TARGET	MAXIMUM	BENCHMARK
US Equities	0%	0%	5%	S&P 500
Domestic Core Fixed Income	85%	90%	95%	Bloomberg Barclays US Aggregate Bond 1-3sYear Index
Cash & Equivalents	5%	10%	15%	BofA Merrill Lynch 3-Month Treasury Bill

The **ISV portion** of the Center portfolio (and ISV sub portfolios) will be allocated and evaluated on a customized basis (in consultation with the Tides' IMT and/or the respective social venture). An ISV can allocate 100% of its invested assets to alternative investments, so long as such allocation is consistent with donor and other requirements associated with the funds; in the aggregate, the Center portfolio will aim to limit its overall exposure to alternative investments between 20-25%.

Rebalancing

The Center portfolio will be periodically rebalanced to bring asset allocations back into alignment with targets.