GREATER NEW ORLEANS FOUNDATION

INVESTMENT POLICY STATEMENT

Investment Strategy for Assets Managed by Cambridge Associates
Adopted April 1, 2016
Revised March 8, 2017

I. HISTORY AND PURPOSE

HISTORY

The Greater New Orleans Foundation (the "Foundation") is a nonprofit community foundation organized to:

- Act as the steward for community endowed assets which are used to respond to local opportunities and issues.

PURPOSE

The purpose of this Investment Policy Statement ("IPS") is to establish for all parties a clear understanding as to the objectives, investment policies and goals for the portion of the Foundation's portfolio that will be managed by Cambridge Associates, LLC (the "Fund"). This includes the Foundation's Board of Directors ("Board"), the Investment Committee ("Committee"), Staff and Cambridge Associates ("Investment Manager") who has been engaged to manage the Fund on a discretionary basis in accordance with the guidelines described below. This IPS is intended to provide meaningful guidance in the management of the Fund without being overly restrictive given changing economic, business and investment conditions.

As of December 8, 2015, the Board of the Foundation has decided to delegate implementation of the Fund's investments to the Investment Manager on a discretionary basis, in accordance with the Investment Objectives and Investment Guidelines described below.

II. GOVERNANCE AND OVERSIGHT

The Board has delegated certain responsibilities for the investment oversight of the Fund to the Investment Committee, to the Investment Manager and to Staff, as follows:

Responsibilities of the Foundation's Staff:

The Foundation recognizes its responsibility to ensure that the assets of the Fund are managed:

- For the exclusive interest of the Foundation, its donors, and the community; and,
- Effectively and prudently, in full compliance with laws and principles that govern community foundation investing.

The Foundation's staff is also tasked with:

- Managing the Foundation's relationship with the Investment Manager.
- Notifying the Investment Manager in a timely manner of any meaningful changes to the Foundation's financial condition which may alter its risk tolerance or liquidity needs.
- Providing the Investment Manager with advance notice of portfolio inflows and withdrawals, as agreed to between the Investment Manager and Staff.

The Foundation acknowledges that the ultimate responsibility for investment results rests with the Board.

Responsibilities of the Committee:

The specific responsibilities of the Committee in the investment process include but are not limited to:

- Complying with all applicable rulings and regulations of relevant regulatory agencies.
- Complying with all applicable rulings and regulations concerning prudent investing.
- Expressing the Foundation's investment risk tolerance level.
- Developing sound and consistent investment policy guidelines, which the Investment Manager can use in formulating investment decisions.
- Establishing reasonable investment objectives.
- Monitoring and evaluating performance results to assure that policy guidelines are being adhered to and that objectives are being met.
- Selecting and monitoring the Investment Manager; taking appropriate action to replace the Investment Manager for failure to perform as expected.

The Committee recognizes that their role is advisory as to investment strategy and policy. The determination and selection of specific investments and securities is delegated to the Investment Manager.

The investment policy objectives, goals and guidelines that follow represent the views of the Committee regarding the investment of the Fund's assets. The IPS will need to be reviewed and possibly revised from time to time to ensure that this Statement continues to reflect the Committee's attitudes, expectations, and objectives.

Responsibilities of the Investment Manager (Cambridge Associates):

The Investment Manager expects to implement its investment strategy by investing the Fund in underlying commingled funds managed by third party managers (whether directly or through intermediate vehicles), and may delegate the discretionary authority to buy, hold and sell securities to the underlying commingled funds and asset managers using separate accounts (in each case, "portfolio managers") in the program. It is understood that when these vehicles are utilized their policies/procedures (prospectus, etc.) supersede this IPS.

Discretionary Authority:

The Investment Manager will be responsible for making all investment decisions on a discretionary basis regarding the Fund and will be held accountable for achieving the investment objectives indicated herein. Such discretion shall include decisions to invest and rebalance in accordance with this IPS.

In addition to the duties mentioned above, the Investment Manager will be responsible for:

- Review, at least annually, the IPS to ensure its continued appropriateness in the context of macroeconomic and market environments and the Foundation's financial situation.
- Advise the Investment Committee on developing, reviewing, and (when appropriate) revising

the IPS.

- Implement the Fund's investment strategy allocation within specified ranges approved by the Investment Committee.
- Rebalance investment strategy allocations, as necessary.
- Report any violations of the IPS guidelines to the Investment Committee immediately and take actions to bring the Fund back within guidelines as quickly as prudently possible.
- Select and terminate portfolio managers in accordance with this Statement.
- Complete and execute documents required to hire and terminate portfolio managers.
- Determine the amount of assets delegated to each portfolio manager.
- Oversee and monitor portfolio managers, focusing on performance, fulfillment of stated investment objective, organizational strength and stability, and regulatory compliance.
- Administer the Fund's day-to-day investment activities, including the movement of funds within the Fund as well as inflows and outflows.
- Monitor and report to the Investment Committee and Staff the performance of each portfolio manager, each investment strategy, and the Foundation's total portfolio1 on a quarterly basis.
- Provide the Investment Committee and Staff with a "flash" report summarizing the performance of each portfolio manager, each investment strategy, and the total portfolio, as well as the portfolio allocation by investment strategy, on a monthly basis.
- Support the Investment Committee and Staff on any ad hoc projects related to the Fund.
- Provide documentation on the Fund to support the Foundation's audit preparation.
- Provide the Foundation with a copy of its annual Form ADV, Parts I and II.

1 The Investment Manager was not given discretionary authority over all of the Foundation's investment assets, and certain of these assets were excluded from the investment management agreement entered into with the Investment Manager. References to the "total portfolio" and the "Foundation's portfolio" herein refer to the Fund plus these other assets solely to the extent that the Investment Manager is made aware of and provided information on them on a timely basis (in particular with respect to reporting and monitoring of assets outside of the Fund).

Communication:

- The Investment Manager will keep the Committee informed of major changes in its investment outlook, investment strategy, asset allocation, and other matters affecting their investment policies or philosophy.
- The Investment Manager will inform the Committee, in a timely fashion, of any significant changes in the ownership, organizational structure, financial condition, or senior staffing of its firm.

Proxy Voting:

Proxies related to portfolio managers will generally be voted by portfolio managers in accordance with their proxy voting policies. Proxies received by the Investment Manager will be voted by the Investment Manager in the best interest of the Fund and consistent with its investment objectives. The Investment Manager will generally vote for proposals that enhance shareholder economic value, maintain or improve shareholder rights and provide for reasonable management accountability. The Investment Manager and portfolio managers, as part of their duties and responsibilities, shall have the sole and exclusive right to vote any and all proxies solicited in connection with securities held by the Fund. The Investment Manager shall keep accurate records with respect to its voting of proxies and shall submit a report upon request to the Committee summarizing the votes cast by the Investment Manager.

III. INVESTMENT OBJECTIVES AND SPENDING RATE

The primary financial objective for this Fund is to increase the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation, and costs of investment management. The Committee has established a 5.00% real rate of return objective for the Fund. Additionally:

- The Board has established a spending policy that attempts to balance the long-term objective of maintaining the purchasing power of the Fund with the goal of providing a reasonable, predictable, stable, and sustainable level of spendable revenue to support current needs. The Greater New Orleans Foundation follows a Total Return Spending Policy without distinction between income and capital gains. The market value of the Fund is measured as of the end of each of the past 12 quarters, and 4% of the average of those 12 market values is made available for grants. This method appropriately puts the focus on the long-term growth of the Fund. This, in turn, encourages the appropriate use of equities in the fund, helping the fund to grow at a rate greater than inflation.

  The Total Return Spending methodology has additional benefits. It offers a more predictable grant stream than an income only approach, due to the smoothing effect of using a 12-quarter rolling average of market values.

- Investment performance will be reviewed quarterly. It is not anticipated that the objectives will be satisfied in every single quarter or year, it is, however, expected that performance objectives will be met over a market cycle. Analysis of performance should always be within the context of the prevailing investment environment and the Investment Manager's particular investment style.

- At least two of the following investment objectives are expected to be achieved over a market cycle (expected to be a three to five year time period). As an entity that exists in perpetuity, the Fund will be invested with a long-term investment horizon, where growth and appreciation, net of spending, inflation and investment expenses, is a principal objective. The Fund has adopted a "total return" approach to achieve the investment objective.

  a. Exceed the rate of inflation (as measured by the CPI) by approximately 500 basis points (net of expense) on an annualized basis.

b. To exceed (net of expense) on an annualized basis, the return of a Blended Benchmark constructed to reflect the Fund's asset mix. Please see Blended Benchmark as defined in Appendix A.

c. To achieve a total return (net of expense) that is in the top half of the Cambridge Endowment universe (with like asset mixes) of professionally managed funds.

IV. INVESTMENT GUIDELINES

The Committee recognizes that risk (i.e., the uncertainty of future events), volatility (i.e., the potential for variability of asset values), and the possibility of loss in purchasing power (due to inflation) are present to some degree in all types of investment vehicles. While high levels of risk are to be avoided, the assumption of risk is warranted and encouraged in order to allow the Investment Manager the opportunity to achieve satisfactory long-term results consistent with the policy and guidelines of the Fund.

The governing philosophy defining the policy allocation is described below, while the most recent approved policy allocation is contained in Appendix A.

1. The Fund shall be diversified both by investment strategy and portfolio manager to assure no single investment will have a disproportionate negative impact on the Fund's overall return.

2. The Fund shall be broadly divided into growth, diversifiers, inflation sensitive/real assets, and deflation sensitive allocations – each filling a unique role in the total portfolio.
   a. Growth: This allocation is intended to seek maximum total return within the overall portfolio constraints as defined by this policy statement. Growth investments may include global public equities, both passively and actively managed, long/short equity hedge funds; private investments in private equity, venture capital, special situations and secondaries.
   b. Diversifiers: This allocation serves to provide attractive absolute returns over a full market cycle with generally lower levels of risk (measured by standard deviation) relative to equity markets with diversification benefits (defined as correlation and measure relative to traditional equity and fixed income markets) Diversifying investments may include hedge fund strategies as well as credit and related strategies (such as high yield bonds).
   c. Inflation Sensitive/Real Assets: This allocation is intended to be a source of capital for spending in an inflationary environment. As such, investments held in this allocation should be expected to generally maintain their value in this specific economic environment and should be liquid. This allocation is not expected to offset all losses that may occur elsewhere in the portfolio during an inflationary environment. Inflation sensitive investments may include natural resources equities, commodities, real estate securities, inflation-linked bonds, MLP's, both passively and actively managed; private real assets (such as real estate, energy, and timber);
   d. Deflation Sensitive: This allocation is intended to be a source of capital for spending in a deflationary environment. As such, investments held in this allocation should be expected to generally maintain their value in this specific economic environment and should be liquid. This allocation should consist of predominantly higher quality liquid U.S. and global fixed income securities of varying duration and cash and cash equivalents, both passively and actively managed. The allocation is not expected to offset all losses that may occur elsewhere in the portfolio during a deflationary environment.

3. Portfolio managers will be categorized in a manner consistent with their role in portfolio regardless of fund vehicle legal structure (e.g., mutual fund, commingled share class, separate

account, limited partnership, ETF, or futures contract etc.,) or liquidity parameters. Liquidity risk will be measured across the total portfolio in accordance with the liquidity demands of the Foundation.

4. The Committee recognizes that the policy portfolio represents a long-term view. The actual allocation of the Fund will be monitored by the Investment Manager relative to the targets and ranges defined in Appendix X. Within policy allocation ranges, rebalancing is at the discretion of the Investment Manager. Contributions to and withdrawals from the Fund portfolio shall be allocated at the discretion of the Investment Manager in adherence to the allocation policy and guidelines. In the event that the Fund falls outside of the ranges defined in Appendix B, the Investment Manager will communicate this breach to the Investment Committee and have a reasonable period of time to bring the Fund portfolio back into compliance with the applicable guidelines.

UBTI Sensitivity

The Foundation understands that its share of any income from the Fund (and possibly the gain on the sale of all or a portion of an investment in the Fund) may constitute unrelated business taxable income, as defined in the U.S. Internal Revenue Code ("UBTI"). UBTI generally is subject to taxation at rates applicable to taxable investors. The Investment Manager will use reasonable efforts to limit the amount of UBTI derived from investments in the Fund. The Investment Manager will not be prohibited from making investments that generate UBTI, and the Fund likely will make such investments, if the Investment Manager believes that the overall potential after-tax returns from such investments justify any potential UBTI costs attributable to such investments. This may result in additional administrative costs.

V. ACKNOWLEDGEMENT AND TENURE

This statement of Investment Policy and Guidelines is designed as a business plan to assist the Committee and Investment Manager. It should be viewed as a flexible document whose purpose is to assist all parties in the management of the Foundation's assets. This document does not amend or supersede the investment management agreement between the Foundation and the Investment Manager.

The Greater New Orleans Foundation Date

Investment Manager Date

APPENDIX A

Asset Allocation & Policy Benchmarks

ASSET CLASS	TARGET	ALLOWABLE RANGES	BENCHMARK
Growth Engine	53%	30-70%	MSCI ACWI (net)
Global Equity	41%	30-50%	
Private Equity	12%	0-20%	
Diversifiers	25%	15-35%	HRFI FoF Diversified Index
Equity Hedge Funds	8%		
Absolute Returns	6%		
Liquid Diversifiers	1%		
Inflation Sensitive	10%	0-20%	Blended Benchmark
Public Inflation Sensitive	5%	0-10%	REITs & MSCI Natural Resources Equities
Private Inflation Sensitive	5%	0-10%	CA Oil & Gas; CA Real Estate
Deflation Hedging	12%	7-20%	Barclays Gov't/Credit Bond Index
US Government Bonds	6%		
Investment Grade Bonds	6%		
Cash	0%		

APPENDIX B

History of Investment Policy Related Actions

March 2017

As Cambridge had been managing the portfolio, their Compliance team recognized that the current targets to Venture Capital (6%) and Private Buyouts (6%) were challenging to measure given

GNOF's Fund of Funds investments. As such, they were unable to use precise Venture Capital and Private Equity targets because they do not have direct control over underlying exposures nor can they actively rebalance

Given this it was determined that it would be best to consolidate GNOF's Private Investments targets from 6% Venture Capital and 6% Private Buyouts to a 12% aggregated Private Equity target, with a 0%-20% allowable range. Over the long term, with a program of direct PI, Cambridge expects to hold positions close to the current targets, but it will take time for FoF positions to roll off.