

INVESTMENT POLICY STATEMENT

("IPS")

PennFuture

A. Purposes

To provide a framework within which the investment manager ("Manager") will make investment decisions to establish a basis to evaluate portfolio returns and permit PennFuture's Investment Committee to perform its oversight function of the Citizens for Pennsylvania's Future investment portfolio ("Portfolio").

B. Objectives

Achieve the client's long-term investment objectives including emphasis of total return, through asset appreciation and income generation, while maintaining a moderate investment risk profile. Additionally, achievement of the client's goals will be accomplished by utilizing only socially responsible investments ("SRI").

Produce a total return commensurate with the portfolio's risk, client constraints and financial needs.

Comply with all applicable trust, fiduciary and due diligence requirements, and to comply with all applicable federal, state and local laws, rules and regulations including the state law prudent man requirements.

To identify the asset allocation guidelines, the prohibited transactions, benchmarks and measurements of performance.

C. Asset Allocation Guidelines

Prior to inclusion in the Portfolio, all holdings will be screened for SRI criteria. SRI screening includes, but is not limited to, the following criteria:

Environmental

- Green or Smart Buildings
- Climate Change Impact
- Clean Technology
- Pollution & Toxins
- Sustainable Natural Resources
- Water Conservation

Social

- Human Rights
- Avoidance of tobacco & other harmful products
- Community Development
- Diversity

- Workplace Benefits
- Labor Relations
- Workplace Safety

Corporate Governance

- Board Independence
- Diversity
- Anti-Corruption Policies
- Executive Compensation
- Corporate Political Contributions

Subject to the investment guidelines that follow, the Portfolio may be invested in the following major asset classes within the percentage range of allocation:

% Range of Allocation

	<u>Minimum</u>	<u>Maximum</u>	<u>Target</u>
Equity	65%	85%	75%
Fixed Income	15%	35%	22%
Cash Equivalents	0%	10%	3%

[Cash Equivalents include: Treasury bills, Money market funds, STIF funds, Commercial paper, Banker's acceptances, Repurchase agreements, and CD's.]

[Fixed Income Securities include: US Government and agency securities, US Corporate notes and bonds, and US Preferred Stock.]

[Equity Securities include: Common stocks, Convertible notes and bonds, and Convertible preferred stocks.]

[Mutual Funds & ETF's may be used]

[Allocation to the Small/Mid-Cap class shall not be greater than 40% of the equity allocation.]

D. Restrictions

Fixed Income

With the following exception, portfolio assets may be invested only in domestic investment grade bonds rated BBB or higher by S&P and in cash equivalents rated A1/P1 (S&P/Moodys) or higher. Up to 10% of the fixed income portfolio may be invested in bonds rated below investment grade, but no lower than B. The average rating of the bond portfolio must be A or better.

No more than 10% of the fixed income portfolio shall be invested in any single security or in securities of any single issuer, with the exception of securities of the US Government and its agencies and FDIC insured Certificates of Deposit.

The weighted average duration of the bonds shall be within 50% of the Barclay's Aggregated Bond Index, except that no more than 25% of the fixed income portfolio shall be long term (10 years or more).

Equity

The manager shall emphasize quality in equity selection and shall avoid risk of large loss through diversification.

No more than 5% of the equity portfolio shall be invested in equity securities of a single company.

Investments are limited to companies with at least \$100 million of capitalization.

Other

Managers may not acquire any security subject to any restrictions on its sale. Managers may not use margin or otherwise borrow funds for the acquisition of any security. Managers may not use futures or options in the separately managed account. The used of futures and options in a mutual fund is allowed.

Investments in the Portfolio are prohibited from manufacturing, selling, or providing the following: Tobacco & Alcohol, Firearms & Weaponry, Gambling, Adult Entertainment, and Fast Food.

E. Benchmark(s)

Performance reports shall be compiled regularly and presented to the Investment Committee for review. The investment performance of the total portfolio will be compared to a policy benchmark comprised of an appropriate benchmark for each broad asset classes that may include the MSCI KLD 400 Social Index, S&P 500, Russell 3000, Russell 1000, Russell 2000, the Barclays Aggregate Bond and a cash index.

Sector	Benchmark
Total Portfolio	MSCI KLD 400 Social Index
Total Equity	S&P 500
Total Fixed Income	Barclays Aggregate
Money Market	Lipper Money Market Index

The investment performance of each Manager shall be compared to an appropriate benchmark for each asset subclass. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals and guidelines as set forth in this statement.

In addition, each asset class will be measured against commonly accepted benchmarks, and periodically, the investment manager's performance will be compared to the performance of managers of like investment style or strategy.

Each investment option or sub-manager will be measured against its specific applicable benchmark quarterly.

F. Measurement of Performance

1. Performance will be reported quarterly on an GIPS compliant total rate of return basis and reported to the Investment Committee. GIPS compliance may be waived by the Committee where another basis of reporting is described to and accepted by the Committee. For instance, time weighted return from a third party may be utilized.
2. Performance will be related to overall objectives and capital market returns as evidenced by various market indices. Consideration will be given to risk/reward relationships.
3. Such comparisons will be made for such periods of time as deemed appropriate by the Committee.
4. Lagging the Primary Benchmark in three consecutive quarters or in two consecutive years will be cause for a detailed report from Manager explaining the cause and any adjustments in its approach. A complete market cycle will be a significant consideration in evaluating performance and comparison to benchmarks.
5. The Manager may recommend appropriate changes to the Committee in this IPS by contacting the Investment Committee.
6. The Manager must advise the Committee, in writing, of any material changes in the investment manager's organization, decision making structure, ownership, investment style, key personnel or any other significant change affecting the Manager's relationship with the Plan along with a statement as to the anticipated impact on the Manager's ability to provide the same style and type of money.

G. Diversification and Risk Management

The Manager is instructed to prudently diversify the Portfolio for the protection of the plan assets, within the guidelines above stated.

As the total assets of the portfolio grow, additional investment managers and submanagers may be considered to further protect the portfolio from one investment style being out of favor for an extended period of time. This policy is also intended to temper overall performance volatility.

H. Authorization/Delegation

This IPS will stay in effect until amended in writing and approved by the Investment Committee.
The Committee may delegate its responsibilities under this Investment Policy Statement.

**RECEIVED AND AGREED TO:
PENNFUTURE INVESTMENT COMMITTEE
RE: CITIZENS FOR PENNSYLVANIA'S FUTURE**

Josephine Samone

SUP + COO

Date:

9/11/17

**INVESTMENT MANAGER:
SIGNATURE FINANCIAL PLANNING**

By: *[Signature]*

Title: *CHIEF INVESTMENT OFFICER*

Date: *2/12/18*

CITIZENS FOR PENNSYLVANIA'S FUTURE INVESTMENT PORTFOLIO
For the Quarter Ending []
Investment Policy Statement Review

Compliance with Investment Policy Guidelines:

In Compliance with Investment Policy Guideline? For the Report Period:	
	1. Is the Plan Asset's invested according to the range defined in the Asset Allocation Guideline?
	2. Is the Plan Equity Allocation invested according to the range defined in the Asset Allocation Guideline?
	3. Is the Plan Fixed Income Allocation invested according to the range defined in the Asset Allocation Guideline?
	4. Is the Plan Cash Allocation invested according to the range defined in the Asset Allocation Guideline?
	5. Do all securities meet the SRI criteria outlined in the IPS?
	6. Has the manager abided by the Prohibited Transaction prohibitions in the IPS?
	7. Is no more than 40% of the portfolio invested in the Small and Mid-Cap asset class as outlined in the IPS?
	8. Is the Average quality of the Plan's entire Fixed Income Portfolio "A" or better?
	9. Is the weighted average duration of the bonds within 50% of the Barclay's Aggregated Bond Index, and is no more than 25% of the Fixed Income Portfolio long-term (10 years or more)?
	10. Do the Fixed Income Security Types agree with those allowed by the Investment Policy?
	11. Is the Total Return of the Portfolio benchmarked to the applicable indices?
	12. Has the Manager lagged the primary benchmark in 3 consecutive quarters or 2 consecutive years?
	13. Do the equity security types agree with those allowed by the IPS?