

Stock Investment Policy for Matter of Trust

1. Purpose

The purpose of this investment policy is to establish guidelines for the prudent and responsible management of Matter of Trust's stock investments to support its mission while preserving capital, generating reasonable returns, and maintaining liquidity.

2. Objectives

- **Preservation of Capital:** Primary objective is to protect the principal.
- **Reasonable Growth:** Seek moderate growth to keep pace with inflation.
- **Liquidity:** Maintain enough liquidity to meet operational needs.
- **Ethical & Mission-Aligned Investing:** Ensure investments reflect the nonprofit's values (Socially Responsible Investing - SRI).

3. Risk Tolerance

The organization's risk tolerance is conservative to moderate. Investments should prioritize stability over aggressive growth, avoiding speculative or high-risk stocks.

4. Asset Allocation

For the stock portion of the portfolio:

- **Maximum Equity Exposure:** No more than 50-60% of total investment portfolio in equities (stocks).
- **Diversify across domestic and international markets.**
- **Diversify across sectors to avoid concentration risk.**
- **Limit individual stock exposure to no more than 5% of total portfolio value.**

5. Ethical Screening & Restrictions

The nonprofit will avoid investments in companies whose activities are contrary to its mission. This may include:

- **Weapons & firearms**
- **Human rights violations**
- **Harmful environmental practices**

Optionally, the nonprofit may choose to invest in ESG (Environmental, Social, Governance) screened funds or Community Development Financial Institutions (CDFIs).

6. Oversight & Review

- Investments are overseen by a Finance Committee or designated board subcommittee.
- Portfolio performance is reviewed at least quarterly.
- Full investment policy is reviewed and updated annually.

7. Use of Investment Income

Income generated from investments will be used to:

- Support programs and operations
- Reinvest into the portfolio to preserve purchasing power
- Reserve funds for future needs