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Investment Policy Statement

September 17, 2026

Unrestricted Investment Portfolio and Colonial Common Endowment Fund

I Purpose and scope

This Investment Policy Statement (IPS) establishes the objectives, responsibilities, investment guidelines, and monitoring procedures for the Charleston Parks Conservancy (CPC). The investment program supports CPC's mission to cultivate exceptional public gardens and experiences in Charleston's city parks. It seeks to preserve financial flexibility and sustain the purchasing power of resources committed to the care of parks and the communities they serve.

This IPS governs the existing Unrestricted Investment Portfolio the Colonial Common Endowment Fund. It will also govern additional investment funds expressly added by the Board through a fund schedule. Ordinary operating bank accounts and program-related property are outside its investment mandate unless expressly included by the Board.

The unrestricted portfolio and each endowment retain their own purposes, spending authority, and accounting identity. Investment management under one IPS does not convert unrestricted assets into donor-restricted assets or authorize transfers between funds. A Board designation as quasi-endowment must be recorded separately.

Schedules A and B establish separate mandates. Both initially use a 70% global equity and 30% fixed income and cash allocation. The Board may change either schedule independently as its objectives, risks, liquidity needs, or donor restrictions evolve.

II Authority and related policies

This IPS becomes effective only upon Board adoption. For endowment assets, it serves as the Endowment Funds Investment Policy Statement referenced in CPC's endowment documents. Applicable law, enforceable gift restrictions, and CPC's governing documents control. The Endowment Funds Policy governs endowment administration and spending; this IPS governs investment implementation within that framework. Applicable fund-specific policies supplement those requirements.

An investment authorization does not authorize expenditure. No internal policy amendment releases a donor restriction. The Executive Director shall refer conflicts among policies, gift instruments, or investment agreements to the Board and, where appropriate, counsel before implementing the affected action. Until resolved, the affected assets shall not be committed to a conflicting transaction.

Upon adoption, this IPS replaces prior investment instructions for the covered assets to the extent specified in the adoption record. It does not amend advisory agreements, custody agreements, or gift instruments by itself.

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III Roles and responsibilities

Board of Directors

The Board retains ultimate fiduciary oversight. It approves this IPS, the fund schedules, strategic allocations and ranges, annual endowment appropriations, and material amendments. It appoints or removes CPC's investment advisor and custodian and approves separately contracted managers, unless a specific written delegation provides otherwise. It receives quarterly investment reports and reviews the investment program at least annually.

The Board shall document delegated authority, review whether its use remains appropriate, and approve any departure from this IPS before implementation, except for the temporary market-driven deviations addressed in Section X. It shall consider investment costs, CPC's other resources, and the effect of investment risk on its ability to carry out its mission.

Finance Committee

The Finance Committee leads investment oversight for the unrestricted portfolio and endowment assets. It reviews allocation recommendations, assumptions, diversification, performance, liquidity, fees, and advisor service. It recommends changes to the Board and coordinates with the Endowment Committee on matters affecting endowment spending or donor restrictions.

The Finance Committee meets with the advisor at least quarterly, reviews exceptions and corrective actions, and reports material findings to the Board. It recommends the retention or termination of service providers. It may act only within authority expressly delegated by the Board; this IPS does not create a separate Investment Committee.

Endowment Committee

The Endowment Committee monitors endowment balances, investment results, donor restrictions, gift activity, and stewardship. It collaborates with the Finance Committee on spending and liquidity recommendations and provides quarterly and annual endowment reports to the Board. It exercises naming, pooling, program-sector, and other powers only as specifically delegated in CPC's adopted policies or resolutions.

The Endowment Committee does not independently alter strategic allocations or direct trades. Its endowment pooling authority does not extend to redesignating unrestricted assets, overriding gift restrictions, or changing Board-approved investment mandates.

Executive Director and designated financial staff

The Executive Director coordinates implementation, supplies cash-flow forecasts and restriction records, and communicates approved distributions to the advisor. CPC staff maintain fund accounting, reconcile custody and advisor records, prepare appropriation calculations, and verify that expenditures serve permitted purposes. Delegation to staff or outside accountants remains subject to CPC's applicable approval requirements.

The Executive Director maintains a current list of authorized instruction signers and delivers material changes in spending needs, contributions, restrictions, financial condition, or governance to the advisor promptly. Staff shall not rely on the advisor's investment reports as a substitute for CPC's accounting records or donor compliance review.

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IV Advisor and custodian responsibilities

Investment advisor

WebsterRogers Financial Advisors, LLC (WRFA) serves as CPC's investment advisor under its written advisory agreement. The advisor shall act in a fiduciary capacity within its engagement and apply its professional expertise to the assigned mandate.

- Recommend allocations using documented assumptions for returns, inflation, volatility, correlations, fees, and liquidity; review whether each fund's expected return is consistent with its spending needs and risk capacity.
- Select, monitor, and replace permitted securities, mutual funds, and exchange-traded funds; implement the approved strategy and rebalance within the scope of the advisory agreement and this IPS.
- Conduct investment due diligence, seek appropriate execution, monitor material portfolio risks, and disclose material conflicts of interest, fees, and changes affecting the engagement.
- Provide quarterly performance, allocation, risk, fee, and compliance reports; notify CPC promptly of material breaches, liquidity problems, or errors affecting its assets.
- Coordinate planned distributions with CPC and maintain implementation records.

Where the advisory agreement grants discretion, routine purchases, sales, and rebalancing within this IPS do not require advance Executive Director approval. The advisor cannot authorize charitable expenditures, change donor restrictions, approve its own exceptions, or select a different strategic mandate without required CPC approval.

Independent custodian

Charles Schwab is the anticipated custodian for the covered accounts, subject to CPC's account authorizations. The custodian safeguards assets, settles transactions, processes authorized receipts and disbursements, and supplies account statements and applicable tax information under its agreement. CPC shall receive statements directly from the custodian and compare them with advisor and accounting reports.

Custody records identify legal accounts and transactions. They do not by themselves determine donor restrictions, endowment appropriations, or the allocation of ownership within a pooled account. Unless separately contracted, neither the custodian nor the advisor is responsible for CPC's unit accounting or donor subledger.

Ethics and administrative controls

Participants shall comply with CPC's conflict-of-interest policy, disclose relevant interests, and recuse themselves where appropriate. CPC shall verify changes in payment instructions through an independently established contact method and use the approval controls in its financial procedures. Assets shall not be pledged, borrowed against, or loaned between funds under this IPS.

CPC retains proxy-voting and corporate-action responsibility unless a written agreement expressly delegates it. Staff shall verify the responsible party at account opening and annually. Direct securities lending requires Board approval; lending inside permitted pooled funds is subject to advisor due diligence.

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V Investment objectives and risk tolerance

Total return and preservation of purchasing power

Each portfolio shall be managed on a total-return basis, using income and appreciation together to support its objectives. Sustainable support for CPC and preservation of purchasing power take priority over maximizing current yield. Capital preservation is a long-term objective, and interim losses may occur.

For the unrestricted portfolio, the objective is to maintain or increase purchasing power after investment costs and ordinary planned withdrawals over a full market cycle, normally five to ten years. The annual planning process shall quantify the return needed for the approved withdrawal plan. Extraordinary Board-authorized spending may deliberately reduce capital and shall be identified separately when evaluating this objective.

For perpetual endowments, the objective is a long-term return, after investment costs, sufficient to support authorized distributions and other fund expenses while preserving purchasing power. For planning, required nominal return is approximately inflation plus the sustainable distribution rate plus administrative expenses not already deducted in reported returns. The advisor shall reconcile this objective with forward-looking return estimates, rather than assume it is achievable.

Risk capacity and evaluation horizon

The initial 70% equity allocation entails meaningful market volatility and the possibility of substantial losses. Both equity and fixed income may decline together. The Board shall assess whether each fund can sustain such losses without impairing essential obligations or forcing sales at unfavorable prices. A perpetual purpose does not eliminate near-term liquidity risk.

As a simple stress illustration, a 30% equity decline combined with a 10% decline in the defensive allocation would reduce a 70/30 portfolio by approximately 24%, before cash flows and costs. On $8 million, that equals about $1.92 million. This is a planning scenario, not a forecast, maximum loss, or automatic sell trigger. More severe losses are possible.

Each mandate seeks to meet or exceed its policy benchmark after investment costs over a full market cycle, with deviations evaluated for risk and implementation differences. Performance shall be monitored quarterly and assessed over rolling three- and five-year periods, with the purchasing-power objective evaluated over five to ten years. Short-term underperformance alone does not require a strategy change. A change in mandate, material breach, governance problem, or inability to meet obligations requires prompt review regardless of performance history.

Prudent investment process

CPC shall evaluate investments in the context of the whole fund, diversify appropriately, verify relevant facts, and assess reasonable costs. Its deliberations shall address relevant economic conditions, inflation or deflation, tax effects, portfolio roles, expected total return, other organizational resources, distribution and capital needs, and any special relationship of an asset to CPC’s charitable purposes. Delegation requires prudent selection, clear terms, and ongoing monitoring. These principles reflect South Carolina UPMIFA, Sections 34-6-30 and 34-6-50.

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VI Spending and liquidity

Unrestricted assets

The Board approves withdrawals from unrestricted assets through the budget or a separate authorization. The endowment spending ceiling does not automatically apply. Staff shall distinguish ordinary annual support from extraordinary capital projects, emergency needs, or a decision to spend down assets, and promptly communicate the amount and timing to WRFA.

Endowment appropriations

The Board determines endowment appropriations after recommendations from the Finance and Endowment Committees. The baseline limit is 4.5% of the rolling twelve-quarter average market value, consistent with CPC's Endowment Funds Policy, unless a valid fund-specific provision establishes another rate. The limit is a ceiling, not an entitlement, target yield, or automatic distribution. A formula does not replace annual prudence review or donor restrictions. The Board shall consider fund duration and preservation, charitable purposes, economic conditions, inflation or deflation, expected total return, CPC's other resources, and this IPS, consistent with Section 34-6-40 of South Carolina UPMIFA.

For each fund, staff shall calculate the average of its twelve most recent completed calendar quarter-end market values preceding the spending year. The Board shall record the valuation dates, approved rate and dollar appropriation, payment schedule, and treatment of expenses. Exclude unreceived pledges. Pooled funds shall use their own attributable values rather than the aggregate account balance.

A fund with fewer than twelve completed quarter-end values shall accumulate returns until the Board adopts an interim spending rate consistent with the governing policies and gift terms. Named funds must also satisfy applicable minimum-funding requirements before distributions begin, unless a permitted Board exception is recorded.

Staff shall identify underwater donor-restricted endowments, including fair value and the amount required to be maintained by donor stipulation or law. Before any appropriation from an underwater fund or extraordinary withdrawal, the Board shall document the applicable restrictions, prudence analysis, and consistency with CPC's policies, obtaining counsel's advice as needed. Board approval alone cannot release a donor restriction. Distributions may be reduced or suspended when appropriate.

Liquidity planning

Staff shall update a twelve-month cash-flow forecast at least quarterly and provide notice of planned withdrawals as early as practicable, normally thirty days before payment. For each mandate, the advisor shall maintain cash, Treasury bills, government money market funds, or high-quality short-term instruments sufficient for the next twelve months of approved net withdrawals and known fund expenses, after considering reliable incoming cash flows. Near-term payments should be held in cash or matched maturities.

This liquidity reserve is part of the defensive allocation. If required liquidity is inconsistent with the approved ranges, staff and the advisor shall seek a revised schedule or a separately authorized short-term reserve before implementing a different mandate. Unrestricted liquidity cannot be assumed available to an endowment, or vice versa. Uncertain pledges and illiquid assets shall not be counted as available cash.

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VII Strategic allocation and permitted investments

The Board approves strategic allocations by fund schedule, based on recommendations from the Finance Committee and advisor and consultation with the Endowment Committee where applicable. Allocations shall reflect each fund's time horizon, spending, donor terms, liquidity, and capacity for loss. The advisor may vary exposures within the approved ranges; tactical decisions shall not replace the strategic mandate. The investment approach emphasizes strategic asset allocation, broad diversification, disciplined rebalancing, and cost-effective implementation. Short-term forecasts shall not determine the long-term mandate.

Global equities

Equities provide long-term growth and exposure to domestic and international businesses. Permitted investments include diversified equity ETFs and mutual funds, publicly traded common stocks, and depositary receipts. The equity portfolio shall diversify across U.S. large-, mid-, and small-cap companies, developed international markets, emerging markets, and growth and value characteristics. Publicly traded real estate funds may be included and classified as equity risk.

The advisor shall document implementation weights and relevant style benchmarks. A change among equity subcategories within approved limits does not amend the strategic equity target. Country, sector, factor, and currency concentrations shall be assessed at the aggregate equity level.

Fixed income

Fixed income supports liquidity, income, and portfolio stability. Permitted investments include U.S. Treasury and agency securities, investment-grade corporate and municipal debt, FDIC-insured CDs, agency mortgage-backed securities, and diversified investment-grade bond ETFs and mutual funds. Diversified funds may also hold asset-backed securities and hedged international bonds.

Direct bonds must be investment grade at purchase (BBB-/Baa3 or higher), using the lower rating when ratings differ. Unrated direct debt requires Board approval, except U.S. Treasury and federally guaranteed obligations and insured CDs. Direct bank deposits and CDs shall remain within applicable insurance limits after aggregating CPC's exposure by issuer and ownership category, unless the Board approves an exception. Agency securities shall be evaluated according to their actual credit support; not all are federally guaranteed.

The fixed-income sleeve's weighted effective duration shall ordinarily remain between one and seven years. The advisor shall also monitor maturity, call, extension, prepayment, and credit risk. Long bonds are permitted only when the aggregate duration and liquidity requirements remain satisfied. Direct below-investment-grade purchases and dedicated high-yield or emerging-market debt strategies require Board approval.

Cash and implementation limits

Cash may be held in U.S. dollars, insured deposits, Treasury bills, and government money market funds. Uninvested cash and sweep arrangements shall be reviewed for yield, liquidity, and credit exposure. Money market funds are investments and are not FDIC-insured deposits.

At purchase, exposure to one non-government issuer across directly held equity and debt shall not exceed 5% of a mandate's market value. U.S. Treasury and federally guaranteed obligations are exempt. Diversified pooled funds are exempt from this direct-issuer cap, but the advisor shall review underlying concentration and overlapping exposures. Credit deterioration or a passive limit breach requires review and a documented response, not an indiscriminate forced sale.

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VIII Additional investment constraints

Alternatives and complex strategies

Alternative investments have an initial target and permitted allocation of zero. Private funds, private credit, private equity, direct real estate, commodities strategies, hedge funds, interval or tender-offer funds, structured notes, and specialized option-based or buffered strategies require advance Board approval. These investments must be approved under this IPS even if available through the custodian.

Approval must specify the purpose, funding source, allocation limit, benchmark, liquidity terms, valuation method, fees, manager oversight, and any capital commitment. The advisor shall evaluate embedded leverage, counterparty exposure, tax reporting, redemption gates, and adverse scenarios. Unfunded commitments must be included in liquidity planning. No illiquid commitment may depend on unrestricted access to another fund's assets.

Direct margin borrowing, short sales, speculative derivatives, leveraged or inverse ETFs, and direct cryptocurrency purchases are prohibited. Ordinary derivatives, currency hedging, and securities lending inside diversified permitted funds may be used by those funds under their governing documents, subject to advisor review. That allowance does not authorize CPC-level leverage or a dedicated derivative strategy.

Currency and tax considerations

International equity currency exposure may remain unhedged or be managed through permitted funds. International fixed income should normally be hedged to the U.S. dollar. Separate speculative currency positions are prohibited. The advisor shall disclose material currency exposures.

Investments shall be evaluated in light of CPC's tax-exempt status. Taxable municipal bonds may be used when their economic merits are competitive. Before an investment that could generate unrelated business taxable income, debt-financed income, or unusual filing obligations, CPC shall obtain appropriate tax review and Board authorization.

Gifts and mission considerations

Gift acceptance remains governed by CPC's Gift Acceptance and Naming Policy and valid gift instruments. Acceptance of an asset does not imply approval to retain it as a portfolio investment. Marketable securities received as gifts should ordinarily be liquidated promptly and reinvested under this IPS unless a documented restriction or approved investment rationale supports retention. Extraordinary or illiquid gifts require the applicable review before acceptance.

Financially material environmental, social, governance, and stewardship risks may inform investment analysis. This IPS does not impose a separate exclusion list or require concessionary returns. Additional mission-based restrictions require written Board approval, assessment of costs and diversification effects, and inclusion in the relevant schedule.

IX Manager and fund selection

The advisor shall assess investment role, process, personnel, diversification, fees, liquidity, transparency, operational safeguards, and results against relevant benchmarks. Passive and active approaches may be used. Persistent unexplained underperformance, style drift, organizational changes, rising costs, impaired liquidity, or compliance problems warrant review and possible replacement. The advisor may replace permitted funds within its discretion.

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X Rebalancing and exceptions

The advisor shall review allocations at least monthly and in connection with material cash flows. Use contributions, income, and withdrawals to rebalance where practical, considering trading costs, market liquidity, and the timing of approved payments. Compliance is measured separately for each mandate, not solely for CPC in aggregate.

A market movement outside a permitted range is a monitoring event. Upon discovery, the advisor shall take mitigating action. Ordinarily the portfolio shall return within range within thirty calendar days of discovery. Any longer transition requires written approval by the Board or a specifically authorized delegate, a rationale, an expiration date, and periodic review.

The advisor may act promptly within its existing discretion to protect liquidity or reduce risk while a deviation is addressed. It may not purchase a prohibited investment or materially change a strategic target without approval. Large gifts, withdrawals, restricted securities, and market disruptions may justify a documented transition plan. Intentional material exceptions require advance approval; applicable law and donor restrictions cannot be waived through this procedure.

XI Performance measurement and reporting

WRFA shall deliver quarterly reports, ordinarily within thirty days after quarter-end, to the Executive Director and Finance Committee, with endowment information provided to the Endowment Committee for Board reporting. Reports shall distinguish mandates and provide a consolidated CPC view where useful.

- Beginning and ending market values; contributions, withdrawals, income, gains and losses; and disclosed investment management fees and other identifiable expenses.
- Actual asset allocations; material holdings and concentrations; fixed-income credit quality and duration; liquidity for planned withdrawals; and policy exceptions with their status.
- Time-weighted total returns for the quarter, year to date, one, three, and five years, and since inception as available, compared with the applicable policy and asset-class benchmarks. Returns longer than one year shall be annualized.
- Returns net of advisory fees, with treatment of fund expenses, custody costs, and CPC administrative charges explained. Any gross returns shall be labeled. Benchmarks do not deduct CPC's actual fees.
- Volatility measures when sufficient history exists; assess liquidity and significant downside scenarios at least annually.

CPC staff shall reconcile fund balances and provide donor-level records, spending calculations, restriction compliance, and stewardship information. Funds holding proportional interests in the same investment pool share the underlying investment strategy and return. Differences arising from flows, expenses, or separate cash shall be explained.

Benchmarks shall be specified in advance. Changes require Board approval, an effective date, and a documented rationale. Historical results shall retain the benchmarks applicable at the time; changes shall not be made retroactively to improve apparent performance.

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XII Custody and accounting structure

CPC may implement these mandates through separate Schwab accounts, pooled investments with fund accounting, or a combination. The Board shall approve the custody structure and accounting methodology after recommendations from the Finance and Endowment Committees. Decisions to pool endowed gifts shall also follow the Endowment Committee's specific authority under the Endowment Funds Policy. This IPS does not select the final structure.

Fund identities that must be preserved

The Unrestricted Investment Portfolio shall remain distinguishable from the Colonial Common Endowment. Within Colonial Common, CPC shall maintain separate accounting for the Colonial Lake Endowment Pool and the Moultrie Park and Playground Endowment Pool, plus each donor or named fund where needed to administer restrictions and reporting. Named-fund recognition does not by itself require a separate brokerage account; however, separate brokerage accounts may be used for named endowments of $250,000 or more if the separate account would benefit the accounting and reporting function of the CPC.

Records shall identify contributions and their dates, investment income, realized and unrealized gains and losses, distributions, expenses, donor terms, and the amount required to be preserved. A separate brokerage account does not eliminate the need for these records, and a common brokerage account does not eliminate fund restrictions.

Separate accounts

Separate custody accounts may be used as desired for the unrestricted mandate and endowment, for each geographic pool, or for mandates with different allocations. Each account shall be mapped to its fund records. If several accounts serve one mandate, allocation compliance and performance shall be measured across that mandate, including its attributable cash.

Pooled investments

Pooling is permitted only when compatible with applicable restrictions and approved mandates. Before pooling, CPC shall adopt a written accounting procedure and designate a qualified staff member or provider to operate it. Unit accounting or another equitable, consistently applied method shall allocate ownership, returns, and expenses without subsidizing one fund from another.

The procedure shall define valuation dates, pricing of contributions and withdrawals, handling of gifts received between valuations, shared and direct expenses, income and gains allocation, cash treatment, reconciliation, and correction of errors. Ownership shall be updated for material cash flows using contemporaneous valuations or an equitable flow-adjusted method. Reconcile the fund ledger to custody at least monthly, with an independent review by someone other than the preparer.

A fund cannot be assigned a different strategic allocation merely by changing a label or its ownership percentage in one common portfolio. If mandates diverge, CPC shall use separate accounts, separately tracked investment sleeves, or multiple investment pools with fund ownership recorded in each. The advisor must be able to measure each mandate's exposures, returns, liquidity, and restrictions accurately.

Implementation before structure is settled

Assets shall not be pooled before the required accounting controls are in place. Until the required procedure is approved and operational, newly received endowment assets shall be held separately and clearly identified in an authorized custody or deposit arrangement. A temporary cash position shall have a documented investment transition plan. Neither the existing unrestricted assets nor their earnings shall be attributed to the endowment without specific authorization and proper accounting.

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Schedule A Unrestricted Investment Portfolio

Purpose: provide long-term financial support and flexibility for CPC. These assets are unrestricted unless CPC records a specific designation or restriction affecting a portion.

Time horizon: long term for the core portfolio. Any material spending expected within three years shall be identified separately for liquidity planning and may require a lower-risk reserve mandate approved by the Board.

Spending: Board-approved budget withdrawals and separately authorized extraordinary distributions. No automatic endowment percentage applies. Staff shall record the ordinary annual withdrawal amount and its percentage of beginning portfolio value in the annual investment review.

Initial strategic allocation

Asset category	Target	Minimum	Maximum
Global equities	70%	60%	80%
Investment-grade fixed income and cash combined	30%	20%	40%
Cash within the defensive allocation	As needed	0%	5% of portfolio
Alternatives and other separately approved strategies	0%	0%	15% upon approval

Equity and fixed income allocations together total 100%. Cash is included in the 30% fixed income, not added to it. The equity range is plus or minus ten percentage points. The 5% cash maximum applies to routine positioning; larger balances for documented withdrawals or transitions require the exception procedure. The two principal allocation ranges must be satisfied simultaneously.

Implementation and benchmark

The equity allocation shall be diversified across U.S. and non-U.S. markets and company sizes. Initial implementation weights within equities and fixed income shall be documented by WRFA and reviewed by the Finance Committee. No particular ETF, mutual fund, style allocation, or security is mandated by this IPS.

The primary policy benchmark is 70% Vanguard Total World Stock ETF, and 30% Vanguard Total World Bond ETF. This investable broad benchmark intentionally includes the effect of discretionary cash and style positioning in the comparison. Equity and fixed-income sleeves shall also be evaluated against their respective components; cash may be compared with the FTSE 3-Month U.S. Treasury Bill Index or similar benchmark.

The secondary objective is preservation of purchasing power after costs and ordinary planned withdrawals over five to ten years, using U.S. CPI-U as the inflation measure. The annual review shall show both portfolio investment results and the effect of authorized withdrawals; large discretionary spending is not itself investment underperformance.

Approval and future changes

The Board may revise this schedule independently of Schedule B. A revised mandate shall specify its allocation, ranges, liquidity needs, benchmark, effective date, and transition plan. Investment implementation requires a recorded approval and communication to WRFA.

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Schedule B Colonial Common Endowment Fund

Purpose: perpetual support for preservation, enhancement, and stewardship of Colonial Lake and Moultrie Park and Playground, consistent with the applicable gift instruments and Colonial Common Endowment Policy. The two geographic pools retain separate accounting identities even when invested together.

Funding: new contributions as received; no opening balance is assumed. Unreceived pledges do not enter the investable portfolio or spending base. Named funds and other donor-specific restrictions shall be identified in CPC's fund ledger and communicated to the advisor where they affect investment management.

Initial strategic allocation

Asset category	Target	Minimum	Maximum
Global equities	70%	60%	80%
Investment-grade fixed income and cash combined	30%	20%	40%
Cash within the defensive allocation	As needed	0%	5% of portfolio
Alternatives and other separately approved strategies	0%	0%	15% upon approval

Cash is part of the defensive allocation. The definitions are the same as in Schedule A at adoption, but amendments to either schedule do not automatically amend the other. Both geographic pools initially share this mandate; if a pool's needs or restrictions warrant a different allocation, the Board shall adopt a separate schedule and an accounting structure capable of implementing it.

Spending and return objective

Annual appropriations follow Section VI and the controlling endowment policies, with a baseline ceiling of 4.5% of the preceding twelve-quarter average. A distribution requires Board authorization, sufficient liquidity, compliance with donor restrictions, and satisfaction of applicable funding conditions. Initial spending before twelve quarters requires a Board-approved interim methodology.

The long-term objective is preservation of purchasing power after investment costs, authorized distributions, and other fund expenses. At a 4.5% distribution rate and assumed inflation of 2.5%, an approximate planning hurdle is 7.0% net of investment costs before any additional administrative expense. This illustration is not an expected return or a promise that 70/30 will support 4.5% spending. The committees shall review the spending rate if projected returns do not support the objective within acceptable risk.

Benchmark and reporting

The initial policy benchmark is 70% Vanguard Total World Stock ETF, and 30% Vanguard Total World Bond ETF. The purchasing-power measure uses CPI-U and actual approved spending and expenses over a five- to ten-year horizon. Short histories shall be reported since inception without implying long-term results.

Reports shall identify the endowment total and both geographic pools. Donor and named-fund reports shall follow CPC's policies and gift agreements. CPC shall adopt the custody, subaccounting, valuation, expense allocation, and new-fund spending procedures before they are used.

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XIII Review and adoption

Annual policy review

At least annually, the Finance Committee and WRFA shall review investment objectives, allocations, risk capacity, performance, costs, liquidity, and service arrangements. The Endowment Committee shall participate for endowment matters. Staff shall provide the current budget, withdrawal forecast, donor restrictions, fund balances, and relevant changes in CPC's financial condition.

The review shall assess whether expected returns support spending and preservation goals; whether the downside scenarios remain tolerable; whether accounting can support the mandates; and whether benchmarks remain appropriate. Findings and recommendations shall be recorded and submitted to the Board. The Board may affirm the existing IPS or approve amendments.

An earlier review is required after material changes in funding, expected expenditures, donor terms, organizational finances, investment restrictions, service providers, or applicable law. Market volatility alone does not automatically require a change in long-term policy.

Amendment and distribution

The Board retains amendment authority unless expressly delegated in writing consistently with CPC's governing policies. Each revision shall state the date, affected sections or schedule, approving body, and implementation date. The Executive Director shall retain prior versions, Board actions, and service-provider acknowledgments and circulate the current IPS to the Board, relevant committees, staff, advisor, and other affected providers.

The separate Review Notes that follow are for discussion and historical reference and are not operative investment policy. Before adoption, CPC shall resolve the listed decisions and reconcile cross-references in the related endowment policies.

Certification of adoption

The Board of Directors of the Charleston Parks Conservancy approves this Investment Policy Statement, including Schedules A and B, effective as recorded below. The Board authorizes implementation within existing written agreements and the delegations stated herein.

Board approval date: September 24, 2026 Effective date: November 1, 2026

Board Chair: George Bullwinkel, III Signature: DocuSigned by: Signed by: [signature] BD9635D7E2044C4...

Secretary: Jessica Hofford Signature: Signed by: [signature] A07EDD950A15471...

Finance Committee representative: Sean Kelleran DocuSigned by: [signature] 405C2917BB2E421... Date: 10/23/2026

Endowment Committee representative: HARRY LESESNE 16A8ACABFA11428... Date: 10/23/2026

Advisor acknowledgment

WRFA acknowledges receipt and accepts responsibility for implementing the investment mandate within the scope of its written agreement. Any contractual inconsistency shall be brought to CPC's attention and resolved before the affected instruction is implemented.

WRFA authorized representative: Alex Rasmussen

Signature: Signed by: Alex Rasmussen A87FAF25795044F... Date: 10/23/2026