COLLEGE OF THE NORTH ATLANTIC

OPERATIONAL POLICY

TOPIC: FOUNDATION INVESTMENT

Policy No.	PA-614	**Division**	Public Affairs and Advancement
Related Policy	PA-609	**Board Policy Ref.**	n/a
Related Procedure	n/a	**Effective Date**	June 9, 2026

1. PURPOSE AND SCOPE

The purpose of the Foundation Investment Policy (the Policy) is to outline the terms and conditions for investing the assets of CNA Foundation (the Portfolio). It includes governance elements, investment guidelines, and monitoring procedures.

2. POLICY

Overview

For any part of the Portfolio invested in pooled funds, the terms of those funds' investment policy statements take precedence over this Policy. However, any terms in this Policy that do not conflict with the pooled funds' policies, especially those related to sharing responsibilities and monitoring, remain applicable.

Responsibilities

The Management Committee of CNA Foundation (the Committee) is responsible for investing the Portfolio. The Committee may delegate certain responsibilities to agents and advisors, including a portfolio manager (the Manager). Anyone to whom the Committee delegates responsibilities must adhere to this Policy.

The Committee's agreements with agents and advisors must include:

- A description of the services to be provided;
- How these services will be delivered;
- The fees to be paid; and

- Rules for terminating the mandate.

The Committee will be actively involved in:
- Development and review of the Policy; and
- Selection and supervision of agents and advisors.

The Manager's role includes:
- Allocation of assets among authorized asset classes within set limits;
- Selection of securities or investments within asset classes;
- Selection of securities and investments that align with the Committee and environmental, social, and governance (ESG) best practices;
- Explanation of economic and financial market forecasts and strategies; and
- Provision of advice, information, and insight on Portfolio management, upon request.

Client Situation

The Portfolio aims to preserve and grow the capital of CNA Foundation in accordance with its current and forecasted responsibilities to its donors, contributors, and support recipients. Portfolio holdings shall be reviewed and approved by CNA Foundation’s Management Committee to ensure alignment with CNA’s core values. The returns of the Portfolio are not taxable.

Reference Portfolio

The asset allocation of the Portfolio is as follows:

Asset	Minimum	Target	Maximum
Cash	0%	2%	10%
Fixed Income	35%	43%	55%
Equity	45%	55%	65%

The asset allocation is based on the Portfolio’s commitments and objectives, reflecting the Committee's long-term risk/return outlook.

Authorized Investments

The Portfolio's investments are made in specified funds, which the Committee reviews and approves annually, for the manager to execute with discretionary autonomy.

Distribution Parameters

- Asset distribution for the purpose of student awards will, unless otherwise indicated through written instruction by the donor, follow a banded inflation-based model.
- Distribution ranges: Minimum 3.75%, Target 4%, Maximum 5.75%.
- The set distribution percentage will be based on previous year's earnings and will be approved by CNA Foundation's Management Committee.
- Investment proceeds (after fees) will be retained in a stabilization reserve to ensure Awards Program sustainability.

Guidelines for the Manager

The Manager provides active management services with full discretion over asset allocation and security selection, subject to this Policy (see chart above). Investments are chosen considering the overall Portfolio's risk level, expected return, and directed ESG mandate as advised by CNA Foundation's Management Committee.

The Manager cannot:
- Use investment vehicles such as private capital;
- Borrow on behalf of the portfolio; or
- Use the portfolio as loan collateral.

The Manager does not engage in:
- Purchasing securities on margin;
- Lending to individuals; or
- Short selling.

Portfolio Monitoring

At the end of each quarter, the Manager provides a statement of transactions, a portfolio statement, and provides the market value of each investment.

At the Committee's request, the Manager provides updates on new developments affecting its firm and services, reviews transactions of the most recent period, explains performance, and gives an economic outlook and strategy overview.

Review

The Policy will be reviewed by CNA Foundation's Management Committee semi-annually.

Significant changes in the following areas may trigger a review:
- Long-term risk/return trade-off in capital markets;

- Portfolio commitments;
- ESG considerations;
- Risk tolerance; and
- Legislative framework.

3. PROCEDURE

The Associate Vice President of Public Affairs and Advancement shall ensure that procedures are developed and implemented in accordance with the Policy.

Approval History	
Approved by President	June 9, 2026