

Natural Heritage Trust  
2017-18 Investment Report  
June 2018

Report Background

The NHT is required by Public Authorities Law Section 2925 to prepare and submit an annual investment report.

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## INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors  
Natural Heritage Trust

We have examined Natural Heritage Trust's (the "Trust") compliance with its own investment guidelines, and with the requirements of Section 2925(3)(f) of the New York State (NYS) Public Authorities Law for the year ended March 31, 2018. The management of the Trust is responsible for the compliance with those requirements. Our responsibility is to express an opinion on the Trust's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Trust complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Trust complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Trust's compliance with the specified requirements.

In our opinion, Natural Heritage Trust complied, in all material respects, with the aforementioned requirements for the year ended March 31, 2018.

In accordance with *Government Auditing Standards*, we considered the Trust's internal controls over compliance and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters that could have a material effect on the Trust's compliance with Section 2925(3)(f) of the NYS Public Authorities Law. We performed our examination to express an opinion on whether the Trust complied with the aforementioned requirements and not for the purpose of expressing an opinion on the internal control over compliance with those requirements or other matters, and accordingly, we express no such opinions. Our examination disclosed no findings that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors of Natural Heritage Trust, the New York State Office of the State Comptroller and the Authority Budget Office and is not intended to be, and should not be, used for anyone other than these specified parties.

*Wojcik & Co. CPAs, P.C.*

East Greenbush, New York  
June 26, 2018

**NHT Investment Account Activity 4/1/17 - 3/31/18**

Investment Account	Investment Strategy	Market Value 4/1/17	Additions	Distributions	Income	Investment Management & Custody Fees	Market Value 3/31/18	Total Return
Main Mgmt	Short-term/Operating	\$ 12,826,670	\$ 981,600	\$ -	\$ 223,086.00	\$ 24,550.00	\$ 14,100,519.00	-0.05%
Main LTI	Long-Term/Endowment	\$ 1,749,118	\$ -	\$ -	\$ 30,040.00	\$ 3,277.00	\$ 1,893,232.00	8.24%
Main Reserve	Capital/Reserve	\$ 883,331	\$ -	\$ -	\$ 16,720.00	\$ 1,607.00	\$ 902,277.00	2.15%
Huttleston	Long-Term/Endowment	\$ 111,060	\$ -	\$ 5,600	\$ 2,121.00	\$ 200.00	\$ 114,160.00	8.18%
E.T. Thacher	Long-Term/Endowment	\$ 571,563	\$ -	\$ 29,000	\$ 10,908.00	\$ 1,026.00	\$ 587,669.00	8.25%
Mt. Loretto	Long-Term/Endowment	\$ 2,950,750	\$ -	\$ -	\$ 59,687.00	\$ 5,528.00	\$ 3,193,579.00	8.23%
Hallock State Park	Long-Term/Endowment	\$ 2,194,058	\$ -	\$ 113,000	\$ 44,339.00	\$ 3,951.00	\$ 2,242,165.00	7.71%
Bayard Cutting	Capital/Reserve	\$ 456,687	\$ -	\$ -	\$ 9,029.00	\$ 860.00	\$ 516,052.00	2.11%
Four Freedoms	Long-Term/Endowment	\$ 2,867,898	\$ -	\$ 135,000	\$ 54,901.00	\$ 5,166.00	\$ 2,959,849.00	8.24%
Minnewaska	Long-Term/Endowment	\$ 2,492,744	\$ -	\$ 262,000	\$ 44,990.00	\$ 4,268.00	\$ 2,417,902.00	8.24%
Sampson State Park	Long-Term/Endowment	\$ 923,636	\$ -	\$ 51,000	\$ 17,540.79	\$ 1,652.00	\$ 945,222.00	8.24%
Rockefeller Preserve	Long-Term/Endowment	\$ 7,674,953	\$ -	\$ 345,000	\$ 147,207.00	\$ 13,850.00	\$ 7,938,278.00	8.24%
Hempstead Lake	Long-Term/Endowment	\$ 744,309	\$ -	\$ 41,000	\$ 14,140.00	\$ 1,332.00	\$ 761,842.00	8.25%
Humphrey NC	Long-Term/Endowment	\$ 1,166,375	\$ 100,000	\$ -	\$ 23,929.00	\$ 2,237.00	\$ 1,355,675.00	7.55%
Harriman Stewardship <i>est 11/17</i>	Long-Term/Endowment	\$ -	\$ 1,350,000	\$ -	\$ 11,261.00	\$ 807.00	\$ 1,362,339.00	0.91%
Harriman Env. Education <i>est 11/17</i>	Long-Term/Endowment	\$ -	\$ 500,000	\$ -	\$ 4,170.00	\$ 299.00	\$ 504,569.00	0.91%
<b>Totals</b>		<b>\$ 37,613,152</b>	<b>\$ 1,950,000</b>	<b>\$ 981,600</b>	<b>\$ 714,068.79</b>	<b>\$ 70,610.00</b>	<b>\$ 41,795,329.00</b>	<b>4.98%</b>

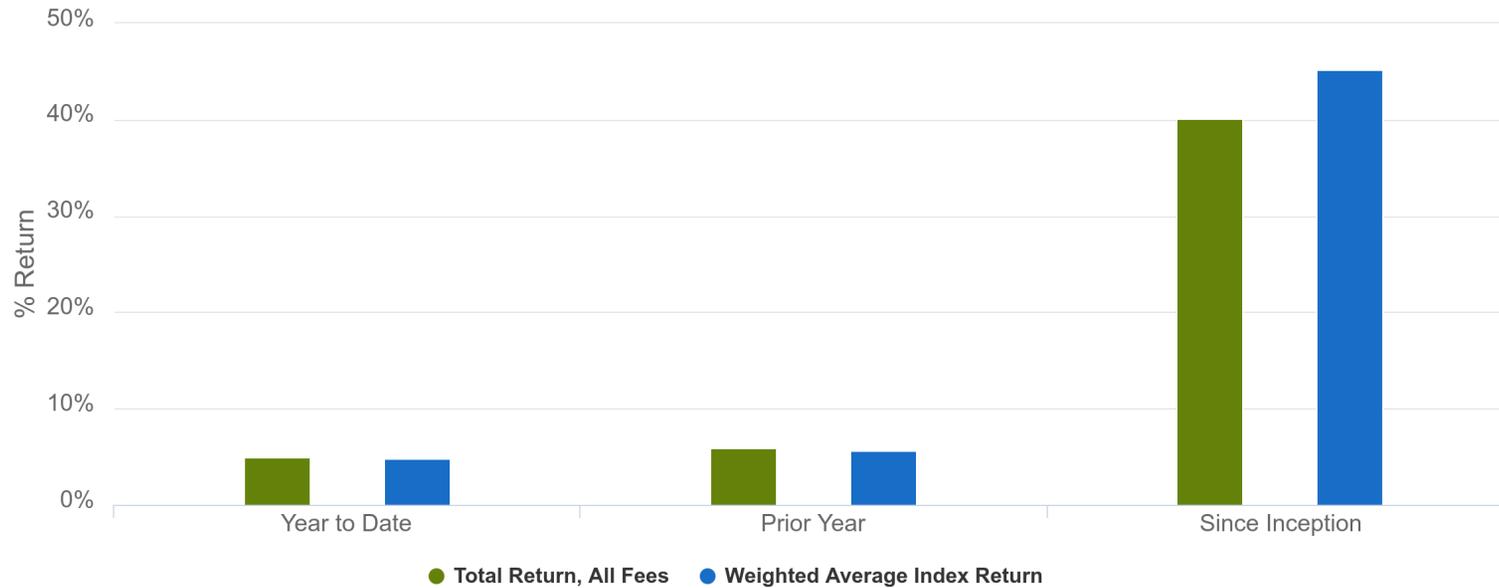
<b>Primary Benchmarks</b>	<b>Notes</b>
Short-Term/Operating: ICE BofA ML 1-5 yr US Gov/Corp A and above	0.09% Market Value includes unrealized gains/losses
Medium-Term Capital/Reserve: 85% ML 1-10 yr US Gov/Corp A and above; 15% S&P 500	2.17% Additions include cash, donated stock, transfers to Main Management Acct
Long-Term/Endowment 60% S&P 500 ; 40% ML 1-10 yr US Gov/Corp A and above	8.41% Income includes interest, dividends and realized gains/losses
	Investment/Custody Fees are Wilmington Trust Investment advisory fees only (not annual NHT Admin Fees)

# NHT Performance Report

As of 03/31/2018

**WT-NHT AGNHT AGG (12347)**

Dated: 06/20/2018



Period	Period Begin	Beginning Market Value	Period End	Ending Market Value	Net Income	Total Return, All Fees	Weighted Average Index Return
Year to Date	04/01/2017	37,613,152.10	03/31/2018	41,795,333.90	1,122,986.16	4.976%	4.862%
Prior Year	04/01/2016	35,392,409.88	03/31/2017	37,613,152.10	1,519,125.95	5.968%	5.668%
Since Inception	03/12/2010	16,137,634.99	03/31/2018	41,795,333.90	6,463,636.85	40.047%	45.218%

Account	Index	Index Start Date	Index End Date
WT-NHT Sampson Veterans Museum	60% S&P 500, 40% ML 1-10 Year US Gov/Corp A Rated and Above	01/01/2005	---
WT-NHT BCA	85% ML 1-10 Year US Gov/Corp A Rated and Above, 15% S&P 500	01/01/2005	---
WT-NHT Minn St Park	60% S&P 500, 40% ML 1-10 Year US Gov/Corp A Rated and Above	01/01/2005	---
WT-NHT-Humphrey	ICE BofAML U.S. Treasury Bills 0-3 Months	11/27/2001	06/26/2016
WT-NHT-Humphrey	60% S&P 500, 40% ML 1-10yr US Gov/Corp A-AAA	06/27/2016	---
WT-NHT Harriman Nature	60% S&P 500, 40% ML 1-10 Year US Gov/Corp A Rated and Above	01/01/2005	---
WT-NHT Main Mgmt	ICE BofAML U.S. Corporate & Government 1-5 Yrs A Rated and above	05/07/2002	---
WT-NHT Harriman State	60% S&P 500, 40% ML 1-10 Year US Gov/Corp A Rated and Above	01/01/2005	---
WT-NHT Huttleston	60% S&P 500, 40% ML 1-10 Year US Gov/Corp A Rated and Above	01/01/2005	---
WT-NHT Thacher	60% S&P 500, 40% ML 1-10 Year US Gov/Corp A Rated and Above	01/01/2005	---
WT-NHT Main LTI	60% S&P 500, 40% ML 1-10 Year US Gov/Corp A Rated and Above	01/01/2005	---
WT-NHT Main Res	85% ML 1-10 Year US Gov/Corp A Rated and Above, 15% S&P 500	01/01/2005	---
WT-NHT Hempstead Lake	60% S&P 500, 40% ML 1-10 Year US Gov/Corp A Rated and Above	01/01/2005	---
WT-NHT Mt Loretto	60% S&P 500 / 40% ML 1-10 yr - A or better	01/01/2005	---
WT-NHT HALLOCK ST PK	85% ML 1-10 Year US Gov/Corp A Rated and Above, 15% S&P 500	01/01/2005	---
WT-NHT AGNHT AGG	ICE BofAML U.S. Treasury Bills 0-3 Months	11/27/2001	---
WT-NHT FOUR FREEDOM	60% S&P 500, 40% ML 1-10 Year US Gov/Corp A Rated and Above	01/01/2005	---

# NHT Performance Report

As of 03/31/2018

**WT-NHT AGNHT AGG (12347)**

Dated: 06/20/2018

<i>Account</i>	<i>Index</i>	<i>Index Start Date</i>	<i>Index End Date</i>
WT-NHT Rockefeller State Park	60% S&P 500, 40% ML 1-10 Year US Gov/Corp A Rated and Above	01/01/2005	---

All Fees (includes administrative, management, and trading).

Returns are actual and have not been annualized.

No Tax Adjustment.

Note that data will not exist prior to the performance inception date of: 03/12/2010.

Reported Index Return is always Total Return.

Returns for an aggregate account are based on the weighted average of its simple accounts, unless historical returns have specifically been provided for the aggregate, in which case the provided historical returns will be used for the Account Total row. The index total or total weighted benchmark returns for an aggregate account are also based on the weighted average of the index returns of its simple accounts.

### Holdings List by Investment Account

Report: GAAP Balance Sheet by Position  
 Account: WT-NHT Main Mgmt (12339)  
 As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
025816BH1	AMERICAN EXPRESS CO	300,000.00	300,000.00	CORP	05/22/2018	301,018.20	300,032.82	0.00	789.75	138.18	100.0570	300,171.00	300,960.75
037833AG5	APPLE INC	268,000.00	268,000.00	CORP	05/03/2018	267,895.48	267,997.86	0.00	864.36	34.30	100.0120	268,032.16	268,896.52
3135G0WJ8	FEDERAL NATIONAL MORTGAGI	750,000.00	750,000.00	AGCY BOND	05/21/2018	718,740.00	749,053.54	0.00	2,369.79	68.96	99.8830	749,122.50	751,492.29
36962G7G3	GENERAL ELECTRIC CAPITAL CC	200,000.00	200,000.00	CORP	01/14/2019	202,816.00	200,529.86	0.00	983.89	(359.86)	100.0850	200,170.00	201,153.89
38141GVK7	GOLDMAN SACHS GROUP INC	250,000.00	250,000.00	CORP	04/30/2018	250,117.75	250,002.00	0.00	1,256.81	138.00	100.0560	250,140.00	251,396.81
585055BA3	MEDTRONIC INC	250,000.00	250,000.00	CORP	04/01/2018	250,910.00	250,000.00	0.00	1,718.75	0.00	100.0000	250,000.00	251,718.75
68389XBK0	ORACLE CORP	175,000.00	175,000.00	CORP	09/15/2021	172,478.25	172,729.60	0.00	147.78	(3,810.85)	96.5250	168,918.75	169,066.53
69353RFE3	PNC BANK NA	250,000.00	250,000.00	CORP	07/28/2022	251,400.00	251,237.26	0.00	1,071.88	(9,192.26)	96.8180	242,045.00	243,116.88
9128283C2	UNITED STATES TREASURY	250,000.00	250,000.00	US GOV	10/31/2022	249,619.98	249,648.26	0.00	2,099.45	(5,585.76)	97.6250	244,062.50	246,161.95
912828WZ9	UNITED STATES TREASURY	750,000.00	750,000.00	US GOV	04/30/2022	750,617.75	750,522.52	0.00	5,511.05	(22,797.52)	97.0300	727,725.00	733,236.05
912828XR6	UNITED STATES TREASURY	750,000.00	750,000.00	US GOV	05/31/2022	750,852.12	750,718.75	0.00	4,399.04	(23,616.25)	96.9470	727,102.50	731,501.54
91324PCN0	UNITEDHEALTH GROUP INC	175,000.00	175,000.00	CORP	07/15/2022	181,940.50	181,390.38	0.00	1,237.64	(5,188.13)	100.6870	176,202.25	177,439.89
921937827	VANGUARD SHORT-TERM BOND	104,380.00	104,380.00	ETF	---	8,444,547.06	8,444,547.06	0.00	0.00	(256,979.86)	78.4400	8,187,567.20	8,187,567.20
97181C704	WILMINGTON:US G MM;SEL	1,585,387.79	1,585,387.79	MMFUND	03/31/2018	1,585,387.79	1,585,387.79	1,424.05	0.00	0.00	1.0000	1,585,387.79	1,585,387.79
CCYUSD	Receivable	1,424.05	1,424.05	CASH	03/31/2018	1,424.05	1,424.05	0.00	0.00	0.00	1.0000	1,424.05	1,424.05
---	---	<b>6,059,191.84</b>	<b>6,059,191.84</b>	---	<b>12/04/2019</b>	<b>14,379,764.93</b>	<b>14,405,221.76</b>	<b>1,424.05</b>	<b>22,450.18</b>	<b>(327,151.06)</b>	<b>75.8953</b>	<b>14,078,070.70</b>	<b>14,100,520.88</b>

Report: GAAP Balance Sheet by Position  
 Account: WT-NHT Main LTI (19413)  
 As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	3,144.00	3,144.00	ETF	02/13/2023	189,683.26	189,683.26	0.00	0.00	29,390.66	69.6800	219,073.92	219,073.92
464287507	ISHARES CORE S&P MID CAP ETF	241.00	241.00	ETF	---	25,702.94	25,702.94	0.00	0.00	19,501.43	187.5700	45,204.37	45,204.37
464287804	ISHARES CORE S&P SMALL CAP I	598.00	598.00	ETF	---	31,455.02	31,455.02	0.00	0.00	14,596.96	77.0100	46,051.98	46,051.98
464288612	ISHARES INT GOV CREDIT BOND	5,602.00	5,602.00	ETF	---	607,286.17	607,286.17	0.00	0.00	(701.61)	108.2800	606,584.56	606,584.56
78462F103	SPDR S&P 500 ETF	3,245.00	3,245.00	ETF	---	519,155.04	519,155.04	3,559.03	0.00	334,766.71	263.1500	853,921.75	853,921.75
97181C704	WILMINGTON:US G MM;SEL	118,719.75	118,719.75	MMFUND	03/31/2018	118,719.75	118,719.75	116.54	0.00	0.00	1.0000	118,719.75	118,719.75
CCYUSD	Receivable	3,675.57	3,675.57	CASH	03/31/2018	3,675.57	3,675.57	0.00	0.00	0.00	1.0000	3,675.57	3,675.57
---	---	<b>135,225.32</b>	<b>135,225.32</b>	---	<b>05/16/2021</b>	<b>1,495,677.75</b>	<b>1,495,677.75</b>	<b>3,675.57</b>	<b>0.00</b>	<b>397,554.15</b>	<b>167.8629</b>	<b>1,893,231.90</b>	<b>1,893,231.90</b>

Report: GAAP Balance Sheet by Position  
 Account: WT-NHT Main Res (19414)  
 As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	394.00	394.00	ETF	02/13/2023	23,686.98	23,686.98	0.00	0.00	3,766.94	69.6800	27,453.92	27,453.92
464287507	ISHARES CORE S&P MID CAP ETF	30.00	30.00	ETF	---	2,865.90	2,865.90	0.00	0.00	2,761.20	187.5700	5,627.10	5,627.10
464287804	ISHARES CORE S&P SMALL CAP I	74.00	74.00	ETF	---	2,613.31	2,613.31	0.00	0.00	3,085.43	77.0100	5,698.74	5,698.74
464288612	ISHARES INT GOV CREDIT BOND	6,439.00	6,439.00	ETF	---	704,171.05	704,171.05	0.00	0.00	(6,956.13)	108.2800	697,214.92	697,214.92
78462F103	SPDR S&P 500 ETF	408.00	408.00	ETF	---	67,298.97	67,298.97	447.48	0.00	40,066.24	263.1500	107,365.20	107,365.20
97181C704	WILMINGTON:US G MM;SEL	58,412.87	58,412.87	MMFUND	03/31/2018	58,412.87	58,412.87	57.32	0.00	0.00	1.0000	58,412.87	58,412.87
CCYUSD	Receivable	504.80	504.80	CASH	03/31/2018	504.80	504.80	0.00	0.00	0.00	1.0000	504.80	504.80
---	---	<b>66,262.67</b>	<b>66,262.67</b>	---	<b>10/18/2019</b>	<b>859,553.88</b>	<b>859,553.88</b>	<b>504.80</b>	<b>0.00</b>	<b>42,723.68</b>	<b>118.8258</b>	<b>902,277.55</b>	<b>902,277.55</b>

Report: GAAP Balance Sheet by Position  
Account: WT-NHT Huttleston (12340)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	188.00	188.00	ETF	02/13/2023	11,269.95	11,269.95	0.00	0.00	1,829.89	69.6800	13,099.84	13,099.84
464287507	ISHARES CORE S&P MID CAP ETF	14.00	14.00	ETF	---	1,531.51	1,531.51	0.00	0.00	1,094.47	187.5700	2,625.98	2,625.98
464287804	ISHARES CORE S&P SMALL CAP I	35.00	35.00	ETF	---	2,069.31	2,069.31	0.00	0.00	626.04	77.0100	2,695.35	2,695.35
464288612	ISHARES INT GOV CREDIT BOND	338.00	338.00	ETF	---	36,749.70	36,749.70	0.00	0.00	(151.06)	108.2800	36,598.64	36,598.64
78462F103	SPDR S&P 500 ETF	196.00	196.00	ETF	---	28,620.36	28,620.36	214.97	0.00	22,957.04	263.1500	51,577.40	51,577.40
97181C704	WILMINGTON:US G MM;SEL	7,340.60	7,340.60	MMFUND	03/31/2018	7,340.60	7,340.60	7.20	0.00	0.00	1.0000	7,340.60	7,340.60
CCYUSD	Receivable	222.17	222.17	CASH	03/31/2018	222.17	222.17	0.00	0.00	0.00	1.0000	222.17	222.17
---	---	8,333.77	8,333.77	---	05/02/2021	87,803.61	87,803.61	222.17	0.00	26,356.37	167.7994	114,159.98	114,159.98

Report: GAAP Balance Sheet by Position  
Account: WT-NHT Thacher (12341)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	975.00	975.00	ETF	02/13/2023	58,040.02	58,040.02	0.00	0.00	9,897.98	69.6800	67,938.00	67,938.00
464287507	ISHARES CORE S&P MID CAP ETF	74.00	74.00	ETF	---	7,029.40	7,029.40	0.00	0.00	6,850.78	187.5700	13,880.18	13,880.18
464287804	ISHARES CORE S&P SMALL CAP I	185.00	185.00	ETF	---	9,533.93	9,533.93	0.00	0.00	4,712.92	77.0100	14,246.85	14,246.85
464288612	ISHARES INT GOV CREDIT BOND	1,739.00	1,739.00	ETF	---	191,827.66	191,827.66	0.00	0.00	(3,528.74)	108.2800	188,298.92	188,298.92
78462F103	SPDR S&P 500 ETF	1,009.00	1,009.00	ETF	---	141,309.51	141,309.51	1,106.65	0.00	124,208.84	263.1500	265,518.35	265,518.35
97181C704	WILMINGTON:US G MM;SEL	36,644.53	36,644.53	MMFUND	03/31/2018	36,644.53	36,644.53	35.97	0.00	0.00	1.0000	36,644.53	36,644.53
CCYUSD	Receivable	1,142.62	1,142.62	CASH	03/31/2018	1,142.62	1,142.62	0.00	0.00	0.00	1.0000	1,142.62	1,142.62
---	---	41,769.15	41,769.15	---	05/18/2021	445,527.67	445,527.67	1,142.62	0.00	142,141.78	168.0069	587,669.45	587,669.45

Report: GAAP Balance Sheet by Position  
Account: WT-NHT Mt Loretto (12344)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
260543CH4	DOW CHEMICAL CO	50,000.00	50,000.00	CORP	11/15/2022	50,095.00	50,047.94	0.00	566.67	(970.94)	98.1540	49,077.00	49,643.67
31428XASS	FEDEX CORP	50,000.00	50,000.00	CORP	08/01/2022	49,420.00	49,717.88	0.00	218.75	(900.88)	97.6340	48,817.00	49,035.75
464287465	ISHARES MSCI EAFE ETF	5,302.00	5,302.00	ETF	02/13/2023	314,252.34	314,252.34	0.00	0.00	55,191.02	69.6800	369,443.36	369,443.36
464287507	ISHARES CORE S&P MID CAP ETF	407.00	407.00	ETF	---	34,599.05	34,599.05	0.00	0.00	41,741.94	187.5700	76,340.99	76,340.99
464287804	ISHARES CORE S&P SMALL CAP I	1,009.00	1,009.00	ETF	---	49,686.67	49,686.67	0.00	0.00	28,016.42	77.0100	77,703.09	77,703.09
464288612	ISHARES INT GOV CREDIT BOND	8,398.00	8,398.00	ETF	---	930,052.64	930,052.64	0.00	0.00	(20,717.20)	108.2800	909,335.44	909,335.44
78462F103	SPDR S&P 500 ETF	5,474.00	5,474.00	ETF	---	799,389.86	799,389.86	6,003.75	0.00	641,093.24	263.1500	1,440,483.10	1,440,483.10
97181C704	WILMINGTON:US G MM;SEL	215,378.93	215,378.93	MMFUND	03/31/2018	215,378.93	215,378.93	211.51	0.00	0.00	1.0000	215,378.93	215,378.93
CCYUSD	Receivable	6,215.26	6,215.26	CASH	03/31/2018	6,215.26	6,215.26	0.00	0.00	0.00	1.0000	6,215.26	6,215.26
---	---	342,184.19	342,184.19	---	07/01/2021	2,449,089.75	2,449,340.57	6,215.26	785.42	743,453.60	167.0395	3,192,794.17	3,193,579.59

Report: GAAP Balance Sheet by Position  
Account: WT-NHT HALLOCK ST PK (12345)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	3,732.00	3,732.00	ETF	02/13/2023	233,987.56	233,987.56	0.00	0.00	26,058.20	69.6800	260,045.76	260,045.76
464287507	ISHARES CORE S&P MID CAP ETF	293.00	293.00	ETF	---	44,268.53	44,268.53	0.00	0.00	10,689.48	187.5700	54,958.01	54,958.01
464287804	ISHARES CORE S&P SMALL CAP I	721.00	721.00	ETF	---	43,273.58	43,273.58	0.00	0.00	12,250.63	77.0100	55,524.21	55,524.21
464288612	ISHARES INT GOV CREDIT BOND	5,964.00	5,964.00	ETF	---	666,935.66	666,935.66	0.00	0.00	(21,153.74)	108.2800	645,781.92	645,781.92
78462F103	SPDR S&P 500 ETF	3,842.00	3,842.00	ETF	---	848,557.20	848,557.20	4,213.81	0.00	162,465.10	263.1500	1,011,022.30	1,011,022.30
97181C704	WILMINGTON:US G MM;SEL	210,412.41	210,412.41	MMFUND	03/31/2018	210,412.41	210,412.41	206.78	0.00	0.00	1.0000	210,412.41	210,412.41
CCYUSD	Receivable	4,420.59	4,420.59	CASH	03/31/2018	4,420.59	4,420.59	0.00	0.00	0.00	1.0000	4,420.59	4,420.59
---	---	229,385.00	229,385.00	---	11/30/2020	2,051,855.53	2,051,855.53	4,420.59	0.00	190,309.67	164.5262	2,242,165.20	2,242,165.20

Report: GAAP Balance Sheet by Position  
Account: WT-NHT FOUR FREEDOM (14491)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	4,914.00	4,914.00	ETF	02/13/2023	284,800.06	284,800.06	0.00	0.00	57,607.46	69.6800	342,407.52	342,407.52
464287507	ISHARES CORE S&P MID CAP ETF	377.00	377.00	ETF	---	29,040.64	29,040.64	0.00	0.00	41,673.26	187.5700	70,713.89	70,713.89
464287804	ISHARES CORE S&P SMALL CAP I	934.00	934.00	ETF	---	43,092.64	43,092.64	0.00	0.00	28,834.70	77.0100	71,927.34	71,927.34
464288612	ISHARES INT GOV CREDIT BOND	8,748.00	8,748.00	ETF	---	959,154.09	959,154.09	0.00	0.00	(11,920.65)	108.2800	947,233.44	947,233.44
78462F103	SPDR S&P 500 ETF	5,074.00	5,074.00	ETF	---	679,471.81	679,471.81	5,565.04	0.00	655,751.29	263.1500	1,335,223.10	1,335,223.10
97181C704	WILMINGTON:US G MM;SEL	186,595.49	186,595.49	MMFUND	03/31/2018	186,595.49	186,595.49	183.18	0.00	0.00	1.0000	186,595.49	186,595.49
CCYUSD	Receivable	5,748.22	5,748.22	CASH	03/31/2018	5,748.22	5,748.22	0.00	0.00	0.00	1.0000	5,748.22	5,748.22
---	---	212,390.71	212,390.71	---	05/14/2021	2,187,902.94	2,187,902.94	5,748.22	0.00	771,946.06	167.8412	2,959,849.00	2,959,849.00

Report: GAAP Balance Sheet by Position  
Account: WT-NHT BCA (25063)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	214.00	214.00	ETF	02/13/2023	12,984.43	12,984.43	0.00	0.00	1,927.09	69.6800	14,911.52	14,911.52
464287507	ISHARES CORE S&P MID CAP ETF	17.00	17.00	ETF	---	2,380.38	2,380.38	0.00	0.00	808.31	187.5700	3,188.69	3,188.69
464287804	ISHARES CORE S&P SMALL CAP I	42.00	42.00	ETF	---	2,343.51	2,343.51	0.00	0.00	890.91	77.0100	3,234.42	3,234.42
464288612	ISHARES INT GOV CREDIT BOND	3,764.00	3,764.00	ETF	---	417,125.97	417,125.97	0.00	0.00	(9,560.05)	108.2800	407,565.92	407,565.92
78462F103	SPDR S&P 500 ETF	219.00	219.00	ETF	---	47,168.34	47,168.34	240.19	0.00	10,461.51	263.1500	57,629.85	57,629.85
97181C704	WILMINGTON:US G MM;SEL	29,252.67	29,252.67	MMFUND	03/31/2018	29,252.67	29,252.67	28.69	0.00	0.00	1.0000	29,252.67	29,252.67
CCYUSD	Receivable	268.88	268.88	CASH	03/31/2018	268.88	268.88	0.00	0.00	0.00	1.0000	268.88	268.88
---	---	33,777.55	33,777.55	---	11/18/2019	511,524.18	511,524.18	268.88	0.00	4,527.77	118.6165	516,051.95	516,051.95

Report: GAAP Balance Sheet by Position  
Account: WT-NHT Minn St Park (34540)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	4,013.00	4,013.00	ETF	02/13/2023	243,690.56	243,690.56	0.00	0.00	35,935.28	69.6800	279,625.84	279,625.84
464287507	ISHARES CORE S&P MID CAP ETF	308.00	308.00	ETF	---	43,723.94	43,723.94	0.00	0.00	14,047.62	187.5700	57,771.56	57,771.56
464287804	ISHARES CORE S&P SMALL CAP I	762.00	762.00	ETF	---	45,289.60	45,289.60	0.00	0.00	13,392.02	77.0100	58,681.62	58,681.62
464288612	ISHARES INT GOV CREDIT BOND	7,152.00	7,152.00	ETF	---	790,336.23	790,336.23	0.00	0.00	(15,917.67)	108.2800	774,418.56	774,418.56
78462F103	SPDR S&P 500 ETF	4,142.00	4,142.00	ETF	---	793,917.65	793,917.65	4,542.84	0.00	296,049.65	263.1500	1,089,967.30	1,089,967.30
97181C704	WILMINGTON:US G MM;SEL	152,744.85	152,744.85	MMFUND	03/31/2018	152,744.85	152,744.85	149.95	0.00	0.00	1.0000	152,744.85	152,744.85
CCYUSD	Receivable	4,692.79	4,692.79	CASH	03/31/2018	4,692.79	4,692.79	0.00	0.00	0.00	1.0000	4,692.79	4,692.79
---	---	173,814.64	173,814.64	---	05/13/2021	2,074,395.61	2,074,395.61	4,692.79	0.00	343,506.91	167.7801	2,417,902.52	2,417,902.52

Report: GAAP Balance Sheet by Position  
Account: WT-NHT Rockefeller State Park (48159)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	13,180.00	13,180.00	ETF	02/13/2023	766,682.40	766,682.40	0.00	0.00	151,700.00	69.6800	918,382.40	918,382.40
464287507	ISHARES CORE S&P MID CAP ETF	1,012.00	1,012.00	ETF	---	144,084.20	144,084.20	0.00	0.00	45,736.64	187.5700	189,820.84	189,820.84
464287804	ISHARES CORE S&P SMALL CAP I	2,506.00	2,506.00	ETF	---	147,386.66	147,386.66	0.00	0.00	45,600.40	77.0100	192,987.06	192,987.06
464288612	ISHARES INT GOV CREDIT BOND	23,459.00	23,459.00	ETF	---	2,605,179.01	2,605,179.01	0.00	0.00	(65,038.49)	108.2800	2,540,140.52	2,540,140.52
78462F103	SPDR S&P 500 ETF	13,602.00	13,602.00	ETF	---	2,828,652.66	2,828,652.66	14,918.33	0.00	750,713.64	263.1500	3,579,366.30	3,579,366.30
97181C704	WILMINGTON:US G MM;SEL	502,169.54	502,169.54	MMFUND	03/31/2018	502,169.54	502,169.54	492.97	0.00	0.00	1.0000	502,169.54	502,169.54
CCYUSD	Receivable	15,411.30	15,411.30	CASH	03/31/2018	15,411.30	15,411.30	0.00	0.00	0.00	1.0000	15,411.30	15,411.30
---	---	571,339.84	571,339.84	---	05/12/2021	7,009,565.77	7,009,565.77	15,411.30	0.00	928,712.19	167.7862	7,938,277.96	7,938,277.96

Report: GAAP Balance Sheet by Position  
Account: WT-NHT Sampson Veterans Museum (48160)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	1,569.00	1,569.00	ETF	02/13/2023	94,622.60	94,622.60	0.00	0.00	14,705.32	69.6800	109,327.92	109,327.92
464287507	ISHARES CORE S&P MID CAP ETF	120.00	120.00	ETF	---	17,440.91	17,440.91	0.00	0.00	5,067.49	187.5700	22,508.40	22,508.40
464287804	ISHARES CORE S&P SMALL CAP I	298.00	298.00	ETF	---	17,805.37	17,805.37	0.00	0.00	5,143.61	77.0100	22,948.98	22,948.98
464288612	ISHARES INT GOV CREDIT BOND	2,793.00	2,793.00	ETF	---	311,699.86	311,699.86	0.00	0.00	(9,273.82)	108.2800	302,426.04	302,426.04
78462F103	SPDR S&P 500 ETF	1,621.00	1,621.00	ETF	---	337,355.29	337,355.29	1,777.87	0.00	89,210.86	263.1500	426,566.15	426,566.15
97181C704	WILMINGTON:US G MM;SEL	59,607.74	59,607.74	MMFUND	03/31/2018	59,607.74	59,607.74	58.52	0.00	0.00	1.0000	59,607.74	59,607.74
CCYUSD	Receivable	1,836.39	1,836.39	CASH	03/31/2018	1,836.39	1,836.39	0.00	0.00	0.00	1.0000	1,836.39	1,836.39
---	---	67,845.13	67,845.13	---	05/14/2021	840,368.17	840,368.17	1,836.39	0.00	104,853.45	167.8614	945,221.62	945,221.62

Report: GAAP Balance Sheet by Position  
Account: WT-NHT Hempstead Lake (54487)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	1,264.00	1,264.00	ETF	02/13/2023	74,748.10	74,748.10	0.00	0.00	13,327.42	69.6800	88,075.52	88,075.52
464287507	ISHARES CORE S&P MID CAP ETF	97.00	97.00	ETF	---	13,753.49	13,753.49	0.00	0.00	4,440.80	187.5700	18,194.29	18,194.29
464287804	ISHARES CORE S&P SMALL CAP I	241.00	241.00	ETF	---	14,835.52	14,835.52	0.00	0.00	3,723.89	77.0100	18,559.41	18,559.41
464288612	ISHARES INT GOV CREDIT BOND	2,251.00	2,251.00	ETF	---	251,460.37	251,460.37	0.00	0.00	(7,722.09)	108.2800	243,738.28	243,738.28
78462F103	SPDR S&P 500 ETF	1,307.00	1,307.00	ETF	---	275,318.16	275,318.16	1,433.48	0.00	68,618.89	263.1500	343,937.05	343,937.05
97181C704	WILMINGTON:US G MM;SEL	47,857.26	47,857.26	MMFUND	03/31/2018	47,857.26	47,857.26	46.98	0.00	0.00	1.0000	47,857.26	47,857.26
CCYUSD	Receivable	1,480.46	1,480.46	CASH	03/31/2018	1,480.46	1,480.46	0.00	0.00	0.00	1.0000	1,480.46	1,480.46
---	---	54,497.72	54,497.72	---	05/15/2021	679,453.35	679,453.35	1,480.46	0.00	82,388.92	167.9185	761,842.27	761,842.27

Report: GAAP Balance Sheet by Position  
Account: WT-NHT Humphrey (63474)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	2,211.00	2,211.00	ETF	02/13/2023	133,121.47	133,121.47	0.00	0.00	20,941.01	69.6800	154,062.48	154,062.48
464287507	ISHARES CORE S&P MID CAP ETF	175.00	175.00	ETF	---	27,043.58	27,043.58	0.00	0.00	5,781.17	187.5700	32,824.75	32,824.75
464287804	ISHARES CORE S&P SMALL CAP I	437.00	437.00	ETF	---	27,355.63	27,355.63	0.00	0.00	6,297.74	77.0100	33,653.37	33,653.37
464288612	ISHARES INT GOV CREDIT BOND	4,253.00	4,253.00	ETF	---	474,967.68	474,967.68	0.00	0.00	(14,452.84)	108.2800	460,514.84	460,514.84
78462F103	SPDR S&P 500 ETF	2,268.00	2,268.00	ETF	---	487,946.05	487,946.05	2,487.49	0.00	108,878.15	263.1500	596,824.20	596,824.20
97181C704	WILMINGTON:US G MM;SEL	75,234.55	75,234.55	MMFUND	03/31/2018	75,234.55	75,234.55	73.81	0.00	0.00	1.0000	75,234.55	75,234.55
CCYUSD	Receivable	2,561.30	2,561.30	CASH	03/31/2018	2,561.30	2,561.30	0.00	0.00	0.00	1.0000	2,561.30	2,561.30
---	---	87,139.85	87,139.85	---	06/26/2021	1,228,230.25	1,228,230.25	2,561.30	0.00	127,445.24	167.0608	1,355,675.49	1,355,675.49

Report: GAAP Balance Sheet by Position  
Account: WT-NHT Harriman State (109970)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	2,201.00	2,201.00	ETF	02/13/2023	153,624.96	153,624.96	0.00	0.00	(259.28)	69.6800	153,365.68	153,365.68
464287507	ISHARES CORE S&P MID CAP ETF	177.00	177.00	ETF	---	32,520.65	32,520.65	0.00	0.00	679.24	187.5700	33,199.89	33,199.89
464287804	ISHARES CORE S&P SMALL CAP I	435.00	435.00	ETF	---	32,234.59	32,234.59	0.00	0.00	1,264.76	77.0100	33,499.35	33,499.35
464288612	ISHARES INT GOV CREDIT BOND	4,282.00	4,282.00	ETF	---	473,716.81	473,716.81	0.00	0.00	(10,061.85)	108.2800	463,654.96	463,654.96
78462F103	SPDR S&P 500 ETF	2,296.00	2,296.00	ETF	---	593,929.97	593,929.97	2,518.20	0.00	10,262.43	263.1500	604,192.40	604,192.40
97181C704	WILMINGTON:US G MM;SEL	71,838.32	71,838.32	MMFUND	03/31/2018	71,838.32	71,838.32	70.47	0.00	0.00	1.0000	71,838.32	71,838.32
CCYUSD	Receivable	2,588.67	2,588.67	CASH	03/31/2018	2,588.67	2,588.67	0.00	0.00	0.00	1.0000	2,588.67	2,588.67
---	---	<b>83,817.99</b>	<b>83,817.99</b>	---	<b>07/11/2021</b>	<b>1,360,453.97</b>	<b>1,360,453.97</b>	<b>2,588.67</b>	<b>0.00</b>	<b>1,885.30</b>	<b>167.9213</b>	<b>1,362,339.27</b>	<b>1,362,339.27</b>

Report: GAAP Balance Sheet by Position  
Account: WT-NHT Harriman Nature (109971)  
As of: 03/31/2018

Identifier	Description	Original Units	Current Units	Security Type	Maturity	Orig Cost	Book Value	Interest/Div	Accrued Balance	Unrealized G/L	Market Price	Market Value	MV + Accrued
464287465	ISHARES MSCI EAFE ETF	815.00	815.00	ETF	02/13/2023	56,885.20	56,885.20	0.00	0.00	(96.00)	69.6800	56,789.20	56,789.20
464287507	ISHARES CORE S&P MID CAP ETF	66.00	66.00	ETF	---	12,126.35	12,126.35	0.00	0.00	253.27	187.5700	12,379.62	12,379.62
464287804	ISHARES CORE S&P SMALL CAP I	161.00	161.00	ETF	---	11,930.50	11,930.50	0.00	0.00	468.11	77.0100	12,398.61	12,398.61
464288612	ISHARES INT GOV CREDIT BOND	1,586.00	1,586.00	ETF	---	175,458.86	175,458.86	0.00	0.00	(3,726.78)	108.2800	171,732.08	171,732.08
78462F103	SPDR S&P 500 ETF	850.00	850.00	ETF	---	219,878.26	219,878.26	932.26	0.00	3,799.24	263.1500	223,677.50	223,677.50
97181C704	WILMINGTON:US G MM;SEL	26,633.88	26,633.88	MMFUND	03/31/2018	26,633.88	26,633.88	26.13	0.00	0.00	1.0000	26,633.88	26,633.88
CCYUSD	Receivable	958.39	958.39	CASH	03/31/2018	958.39	958.39	0.00	0.00	0.00	1.0000	958.39	958.39
---	---	<b>31,070.27</b>	<b>31,070.27</b>	---	<b>07/11/2021</b>	<b>503,871.44</b>	<b>503,871.44</b>	<b>958.39</b>	<b>0.00</b>	<b>697.84</b>	<b>167.9005</b>	<b>504,569.28</b>	<b>504,569.28</b>

Summary of Changes to NHT Investment Policies (Adopted 6/26/18)

- 1) Investment Management Discretion. Provides Wilmington Trust Investment Advisors (WTIA) full discretion in managing the portfolios in accordance with each Investment Policy Statement. WTIA agrees to provide a letter to NHT within 2 business days of any purchase or sale summarizing the trade and gives the reason for the trading activity (e.g. rebalancing the portfolio, sale of stock gift) allowing for WTIA to manage the portfolio most efficiently while also ensuring NHT retains reasonable fiduciary oversight of funds.
- 2) Eligible Investments. Updates the list of investment products WTIA is authorized to utilize to manage the funds. Some of the investment vehicles included on the old Investment Policy Statements are no longer offered (FDIC Guaranteed Bonds, for example) and have been deleted, and investment-grade Asset Backed Securities have been added.
- 3) Asset Allocations. Distribution of fixed income to equity exposure on the Long-term Endowment and Capital/Reserve IPS's have been modified to include some cash and are more aligned with WTIA's "best thinking" and how they are managing similar client portfolios.
- 4) Benchmarks. Benchmarks used to compare performance of the funds have been modified to weighted indices that are more representative the NHT's investment allocations than the previous benchmarks.

**NATURAL HERITAGE TRUST**  
**BANKING & INVESTMENT POLICY**  
(Revised June 26, 2018)

THE BANKING & INVESTMENT POLICY OF THE NATURAL HERITAGE TRUST REGARDING INVESTMENT OF ALL FUNDS, PROVIDING FOR THE SECURITY OF THOSE INVESTMENTS AND PROVIDING FOR PERIODIC REPORTS ON THE INVESTMENTS.

**ARTICLE I**

**STATEMENT OF PURPOSE AND INVESTMENT OBJECTIVE**

101. This Policy is adopted pursuant to the provisions of Section 2925 of the Public Authorities Law and shall be reviewed and approved by the Members of the Board at least annually.
102. The investment objective of the Trust is to obtain maximum return on available funds while maintaining a prudent cash position and protecting against loss of principal.
103. The goals, objectives and guidelines applicable to specific investment accounts shall be set forth in Investment Policy Statements (IPS) established by the Trust upon the advice of its Investment Advisor.

**ARTICLE II**

**DEFINITION OF TERMS**

201. Definitions. The following terms shall, for all purposes of this Policy, have the following meanings unless the context shall clearly indicate some other meaning:

“Board” shall mean the Board of Directors of the Natural Heritage Trust.

“Trust” shall mean the Natural Heritage Trust.

“Chief Financial Officer” or “CFO” shall mean that officer as such term is defined in the By-Laws of the Trust or her/his designee.

“Counsel” shall mean that officer as such term is defined in the By-Laws of the Trust.

“Custodial Account” shall mean the bank and investment account(s) of the Natural Heritage Trust.

“Custodian” shall mean the Executive Director of the Natural Heritage Trust.

“Deliver” or “Delivered” shall mean either (1) the voluntary transfer of possession to the Custodian or a custodial bank designated by the Custodian, or (2) the registration of transfer by the appropriate book entry procedure by a member of the Federal Reserve System.

“Depository Bank” shall mean a bank designated by the Executive Director to hold deposits of the Trust’s funds. The obligation on the part of the Depository Bank is that it keeps the deposit and, upon request, restores it to the depositor or otherwise delivers it according to the original trust.

“Investment Advisor” shall be the person or entity to provide advice to the Trust and to invest the funds of the Trust at the direction of the Investment Officers.

“Investment Obligations” shall mean U.S. Treasury Obligations, Federal Government Agency Obligations, Certificates of Deposit, Corporate Debt Obligations and Other Obligations Authorized under SFL 98, as set forth in Section 302 of this Policy.

“Investment Officer” shall mean the Trust’s Executive Director or her/his designee.

“Investment Policy Statement” or “IPS” shall mean the document setting forth the goals and objectives, and the management guidelines applicable to the Trust’s investment portfolios. Each IPS shall create the framework for an appropriately diversified asset mix that can be expected to generate acceptable returns at a level of risk suitable to the Trust. Each IPS shall be approved by the Board after consultation with the Investment Advisor prior to signature by the Investment Officer.

“Members” shall mean the Board of Directors of the Trust.

“Officer” shall mean any person holding an office of the Trust as defined in the Trust’s By-Laws.

### **ARTICLE III**

### **INVESTMENT AUTHORIZATION, PERMITTED INVESTMENTS AND SECURITY THEREFOR**

### 301. Investment Authorization.

- (1) The Investment Advisor shall invest the funds of the Trust in accordance with the terms of this Investment Policy at the direction of the Investment Officer.
- (2) The Investment Officer shall, after arriving at an investment decision in accordance with the Trust's investment policy, authorize the Investment Advisor to invest the funds of the Trust.
- (3) The Investment Advisor shall have full discretion to invest the funds of the Trust in accordance with the associated IPS and shall within 2 business days provide a letter to the Trust Investment Officer and CFO detailing the trade and reason for the trading activity.

### 302. Permitted Investments and Required Security Provisions.

- (1) All Funds of the Trust must be initially deposited in Negotiated Order of Withdrawal (NOW), comparable demand or money market accounts secured as described below. All proceeds of maturing investments must be immediately redeposited in NOW, comparable demand or money market accounts unless reinvested in accordance with the instructions of the Trust's Investment Officer.
- (2) Investment of funds of the Trust or any other monies under its custody and control not required for immediate use or disbursement, at the discretion of the Board, may be made in accordance with the applicable Investment Policy Statement applicable to each investment account. The Trust may establish an IPS for individual investment account types (e.g. operating, capital projects, reserve, long-term, endowment). Each IPS shall be appended to and incorporated in this Policy.
- (3) Notwithstanding any other provision herein, permitted investments may only be placed through firms approved by the Investment Officer or CFO.
- (4) The maturity of any authorized investment obligation shall not exceed the term provided for in the IPS applicable to such investment.
- (5) In the event that a change in market conditions alter the rating of any investment obligation held by the Trust such that that the investment obligation would no longer be permissible under these guidelines, the Investment Advisor shall dispose of such investment obligation and reinvest the proceeds thereof as quickly as is reasonably practicable.

### 303. Collateral

- (1) All secured deposits and investments must be fully secured by the Federal Deposit Insurance Corporation (FDIC) or equivalent or fully collateralized at all times except as provided in Section 303(3).
  - (2) Demand deposits, time deposits, and certificates of deposit issued by a commercial bank having a long term rating of “Aa3” or higher by Moody’s or “AA-“ or higher by S&P Global Ratings do not require collateralization unless otherwise required by the Trust Investment Officer or CFO. All other demand deposits, time deposits, and certificates of deposit shall be collateralized for amounts over and above Federal Deposit Insurance corporation coverage. All collateral shall be authorized Investment Obligations, exclusive of Corporate Debt Obligations. Collateral shall be delivered to the Investment Advisor or its custodial bank. The market value of collateral shall at all time equal or exceed the principal amount of the funds deposited. Collateral shall be monitored and valued to market by the Investment Advisor in accordance with its policies.
  - (3) Collateral shall not be required with respect to the direct purchase of obligations of New York State, obligations the principal and interest of which are directly guaranteed by New York State, obligations of the United States, and obligations of federal agencies the principal and interest of which are guaranteed by the United States Government.
304. All investments shall be reviewed by the Trust Investment Officer and CFO in consultation with the Investment Advisor on a monthly basis and reported to the Board of the Trust at least quarterly.

#### **ARTICLE IV**

##### **RESPONSIBILITIES OF INVESTMENT ADVISOR**

#### 401. Responsibilities of Investment Advisor.

- (1) The Investment Advisor shall invest Custodial Account funds in accordance with law and this investment policy at the direction of the Investment Officer.
- (2) The Investment Advisor shall invest Custodial Account funds into highest yielding instruments permissible while maintaining security and liquidity consistent with this policy.

#### **ARTICLE V**

## **OTHER REQUIREMENTS OF INVESTMENTS**

501. Written Contracts. In accordance with Section 2925, Subdivision 3(c) of the Public Authorities Law, all investments of the Trust's funds must be made pursuant to a written contract between the Trust and its Investment Advisor.
502. Security Provisions. Each investment shall provide for sufficient security of the Trust's financial interest as stated in Sections 301 and 302 of this Policy. The Investment Advisor shall maintain a description of the use, type and amount of collateral or insurance for each investment, the method for valuation of that collateral and of control, deposit and retention of investments and any required collateral, including, where appropriate, physical delivery or other action necessary to obtain title or a perfected security interest.

## **ARTICLE VI**

### **REPORTS**

601. Quarterly Reports. The Trust shall prepare and deliver to the Members of the Board Quarterly reports on the Trust's Investments. Such reports shall include a description of new investments, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers or auditors. The report of investments included in the financial report submitted by the CFO at Board Meetings will be deemed to meet this requirement.
602. Annual Report. Within ninety (90) days after the close of each fiscal year, the Members of the Board shall approve an annual investment report. Such report shall include the Policy and any supplemental resolutions, the results of an annual independent audit of the investments, the annual investment income record of the Trust and a list of the total fees, commissions or other compensations by payee for all investment advisors, and an annual consolidation of other material contained in the annual report. This annual investment report, after being approved by the Members, shall be submitted to the Governor's Office, Division of the Budget, Office of the State Comptroller, the Senate Finance Committee and the Assembly Ways and Means Committee. Copies of the annual investment report shall also be posted to the Trust's website.

## **ARTICLE VII**

### **MISCELLANEOUS PROVISIONS**

701. Powers of Amendment. Any modification or amendment of this Policy may be made by a supplemental resolution adopted at any duly constituted meeting of the Members of the Board; provided, however, that no such modification or amendment to this Policy shall abrogate the rights and duties of then existing Trust contracts with third parties

702. No Recourse Under this Policy

- (1) No provision in this Policy shall be the basis of any claim against any Member, officer or employee of the Trust in their individual or official capacity or against the Trust itself.
- (2) Members, officers, or employees of the Trust Shall be deemed to be acting within the Public Officers Law in the discharge of their duties pursuant to this Policy

703. Effect of Failure to Comply.

Failure to comply with this Policy shall not invalidate any investment or affect the validity of the authorization of the Members or their designees to make such investments.

**INVESTMENT POLICY STATEMENT for**  
**NATURAL HERITAGE TRUST – Endowment/Long-Term Investment Accounts**  
**MANAGED by WILMINGTON TRUST INVESTMENT ADVISORS, INC.**

**PURPOSE**

The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding between **Wilmington Trust Investment Advisors, Inc. (“Advisor”)** and **Natural Heritage Trust (“Client”)** regarding the investment goals and objectives, and the management guidelines applicable to the Client’s investment portfolio (“Portfolio”). This Investment Policy Statement will:

- Establish reasonable expectations, goals, objectives and guidelines in the investment of the Portfolio’s assets.
- Create the framework for an appropriately diversified asset mix that can be expected to generate acceptable returns at a level of risk suitable to the Client, including:
  - specifying the investment strategy and target asset allocation policy
  - establishing investment guidelines regarding the permissible securities and diversification of assets
  - specifying the criteria for evaluating the performance of the Portfolio’s assets
- Encourage effective communication between the Advisor and Client

This IPS is intended to reflect the Client’s investment philosophy and guidelines governing the investment of the Portfolio under normal market conditions. This IPS should reflect the Client’s current status and philosophy, and should be reviewed and revised periodically to ensure it adequately reflects significant changes related to the Client’s circumstances, investment goals and objectives, or the capital markets. It is understood that there can be no guarantee about the attainment of the goals or investment objectives outlined herein.

**A. Investment Objective**

- The Portfolio will use a Total Return approach intended to generate returns from both capital appreciation and income over the specified time horizon.
- Risk, measured in terms of portfolio volatility, is anticipated to be similar to that of the broader financial markets.
- Portfolio performance should exceed the benchmark performance over a 5-year moving time period (average market cycle).

The Client-defined level of preferred risk and return for the Portfolio is characterized by selection of one of the following MTBIA investment objectives and/or as modified by *(E.) Portfolio Profile* or *(G.) Asset Allocation Guidelines*:

Conservative:\_\_\_ Income & Growth:\_\_\_ **Growth & Income: X** Growth:\_\_\_ Aggressive Growth:\_\_\_

**B. Asset Allocation Strategy: Traditional Asset Classes**

This strategy utilizes an extensive range of traditional asset classes. “Traditional asset classes” include domestic & international: stocks, bonds and cash securities. A wide variety of structures may be used to represent this range of asset classes such as: Closed/Open-end Mutual Funds, Exchange Traded Funds, Separately Managed Accounts or Strategies. Where Funds are used, they shall have a fundamental investment policy that is in general accordance with the intent of this statement.

**C. Prohibited Investments**

Currently excluded from “Traditional Asset Classes” are illiquid asset classes and vehicles that do not have daily liquidity. This includes, but is not limited to, most hedge funds, private equity, physical real estate, and physical commodities. Also excluded are individual investment in private placements, letter stock, short sales and margin transactions. Collars, forwards, futures, options and other hedging strategies will not be utilized without Client’s prior approval.

**D. Client Profile**

**Organization** [Corporate, Individual, Limited Partnership, Public, Not For Profit, Union]: Not-For-Profit/Public

**Industry/ Line of Business** [NAICS sectors]: \_\_\_\_\_

**Fiscal Year End:** March 31st

**Marginal Tax Rate:** \_\_\_\_\_

**Publicly Traded-Ticker** (if applicable): \_\_\_\_\_

**E. Portfolio Profile**

**Purpose of Portfolio Funds** [Bond Issue, Self Insurance, Employee Benefit, Housing, Community Foundation, Private Foundation, Foundation-Other, Endowment, Long Term Investment (IMA), Operating funds (IMA), NUG Trust, Corporate Trust, CRUT, Other]: Trust

**Time Horizon** [short (< 3 years), medium (3-5 years), long-term (> 5 years)]: Long-term

**Liquidity Needs/Income Needs** (payment/time period): As Requested

**Tax Consequences** (taxable, tax-exempt): Tax-exempt

**Amortize/Accrete Premium/Discount securities:** Yes \_\_\_ No X

**Fiscal Year End of Portfolio** (if different): \_\_\_\_\_

**Retirement** [Deferred Comp, Defined Benefit, Defined Contribution/Profit Sharing, Health & Welfare/VEBA, IRA, Not Retirement, Other]: \_\_\_\_\_ ERISA: Yes \_\_\_ No X

**Required Actuarial or Spending Policy Rate:** \_\_\_\_\_

**Trading Constraints:**

Full Investment Manager discretion: Yes \*X No \_\_\_\_\_

Other: \*Trade letter is provided by Advisor within 2 business days of any purchase or sale. Client may disapprove of the transaction within 5 business days. Gains and losses from transactions completed in compliance with the IPS will be for the account.

**Other Objectives/Special Concerns :**  
\_\_\_\_\_

**F. Advisor Separately Managed Fixed Income Parameters**

**1. Investment/Credit Restrictions shall be at time of purchase and use the lower of the allowable credit ratings:**

- Single issuer concentration shall be limited to 5% of the portfolio, other than for U.S. Treasuries, Government Agencies and MBS, **limited to 20% per GSE.**
- For Municipal Securities, the single security issue shall be limited to 5% of the portfolio.

**2. Maturity Restrictions shall be at time of purchase:**

- The Maximum Final Maturity for any single issue will not exceed 10 years.
- The Portfolio Average Effective Duration will not exceed 7 years and will be within +/- 20% of the specified performance benchmark.

**3. Bond Ratings:**

Bonds must be rated at least “BBB/Baa” at time of purchase by S&P or Moody’s. If individually managed fixed income securities fall below the credit quality restrictions applied at time of purchase, the Investment Manager will notify the client in a reasonable period of time following the rating downgrade. This will extend to any obligation that has been downgraded 1 level from the minimum required long-term credit rating. If the obligation is downgraded more than 1 level from the minimum the Investment Officer has 120 days to dispose of that obligation.

**4. Prohibited Investments not included in Section C. shall be:**

- Non U.S. dollar-denominated securities

**5. Eligible Fixed Income Investments include:** Portfolio concentrations shall use *Market Values at Time of Purchase* and use the *Lower of the allowable credit ratings*. **Note:** Fixed Income mutual funds and ETF’s are also eligible that are consistent with the parameters below.

	<i>ITEM</i>	<b>Portfolio % Limit</b>
1.	<b><u>Treasury Securities:</u></b> U.S. Treasury obligations, including Bills, Notes and Bonds. Both Nominal and TIPS.	<b>100%</b>
2.	<b><u>Government Sponsored Agencies:</u></b> U.S. Government-guaranteed and Government sponsored corporations and agencies, including mortgage-backed securities (MBS) and collateralized mortgage obligations (CMO) *no more than 20% in any specific GSE.	<b>35%*</b>
3.	<b><u>Asset-Backed Securities (“ABS”):</u></b> ABS collateralized by, but not limited to, credit card, auto, home equity and student loans; both fixed and floating rate. At the time of purchase must have a minimum credit rating by <u>at least one</u> of the NRSROs (i.e. S&P, Moody’s) of: Long Term: A- or A3 Short Term: A1 or P1	<b>25%</b>
4.	<b><u>Corporate Bonds</u></b> U.S. dollar-denominated debt obligations of corporations including, but not limited to, floating rate notes, medium-term notes, bonds, debentures, and repurchase agreements. At the time of purchase corporate bonds must have a minimum long-term credit rating by <u>at least one</u> of the NRSROs (i.e. S&P, Moody’s) of “BBB/Baa”. Total corporate bonds maximum of 60%. A-/A3 BBB/Baa2	<b>60%</b> <b>25%</b>
5.	<b><u>Taxable Municipal Bonds:</u></b> Obligations of the U.S. states, local governments, and other municipal entities, that are taxable, including General Obligation and Revenue bonds, commercial paper, and Variable Rate Demand Notes (VRDNs). At the time of purchase must have a minimum credit rating by <u>at least one</u> of the NRSROs (i.e. S&P, Moody’s) of “BBB/Baa”.	<b>25%</b>
6.	<b><u>Money Market Funds:</u></b> Money Market Fund (includes Corporate Securities) At the time of purchase must have a credit rating by the NRSROs (i.e. S&P, Moody’s) of “AAAm”.	<b>100%</b>

## **G. Asset Allocation Guidelines**

Advisor combines a diversified, asset allocation strategy with periodic rebalancing in order to seek optimal returns commensurate with assumed levels of risk while meeting the client's investment objectives. In its role as discretionary investment manager, Advisor may adjust the Benchmark Target for Sub-Asset classes from time to time as it deems appropriate. Advisor makes "Tactical" (near-term) allocations which fall within the Minimum-Maximum ranges noted below and may be higher or lower than the "Benchmark Target". Tactical allocations are based upon Advisor's judgment given the prevailing economic and market conditions.

<b>Asset Classes Sub-Asset Classes</b>	<b>Minimum</b>	<b>Benchmark Target</b>	<b>Maximum</b>	<b>Benchmark Index</b>
<b>Cash Equivalents</b>	<b>0%</b>	<b>2%</b>	<b>15%</b>	<b>Citigroup 1 Month Treasury Bill</b>
<b>Total Fixed Income:</b>	<b>20%</b>	<b>38%</b>	<b>50%</b>	<b>ICE BofAML 1-10 Yr AAA-A Govt/Corp</b>
<b>*Total Equity:</b>	<b>45%</b>	<b>60%</b>	<b>70%</b>	<b>Blend</b>

\*Eligible Equities – Mutual Funds and Exchange Traded Funds (ETFs)

## **H. Performance Benchmark**

The Performance Benchmark will be a weighted blend of the Benchmark Indexes noted below, utilizing the Benchmark Target as determined by Advisor.

### **Primary Benchmark:**

**Cash Equivalents -** Citigroup 1 Month Treasury bill

**Fixed Income -** ICE BofAML 1-10 Yr AAA-A Govt/Corp: 38%

**Equity -** Russell 1000: 32%, Russell 2000: 8%, MSCI EAFE (net) 14.8%, MSCI Emerging Markets (net): 5.2%

## **I. Client Communications**

The Advisor shall keep the Client apprised of any material changes in Advisor's outlook, recommended investment policy and strategy, and credit quality downgrades. In addition, Advisor shall issue reports, meet with the Client, and give notification as specified below.

### **1. Reports:**

The Advisor will provide to the Client in writing a quarterly economic analysis and performance report for each Portfolio unless otherwise specified.

### **2. Meetings:**

The Advisor will offer to meet in person annually with the Client at a mutually agreeable time and place unless otherwise specified, to review and explain the Portfolio's investment results and related information. Additional communications may be made by telephone and email.

**SCHEDULE A**  
**ACCOUNT LISTING**

**ENDOWMENT/LONG-TERM ACCOUNTS**

- Huttleston - #1040702
- Emma Treadwell Thacher - #1040703
- Mount Loretto - #1040706
- Four Freedoms Memorial - #1040911
- Minnewaska State Park - #1044619
- Rockefeller State Park Preserve - #1046870
- Sampson Veteran's Museum - #1046871
- Hempstead Lake - #1047530
- Humphrey Letchworth NC - #1048124
- Hallock State Park - #1040707
- Harriman State Park Stewardship - #124706
- Harriman Nature Museum & Environmental Education Center - #124707
- Main LTI - #1041359

**Approval for: NATURAL HERITAGE TRUST – Endowment/Long-Term Accounts**

By: Sarah Purcell  
Name

Deputy Director & Chief Financial Officer  
Title



\_\_\_\_\_  
Signature

6/26/2018  
Date

**INVESTMENT POLICY STATEMENT for**  
**NATURAL HERITAGE TRUST - Operating Account**  
**MANAGED by WILMINGTON TRUST INVESTMENT ADVISORS, INC.**

The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding between **Wilmington Trust Investment Advisors, Inc.** (“Advisor”) and **Natural Heritage Trust** (“Client”) regarding the investment goals and objectives, and the management guidelines applicable to the Client’s investment portfolio (“Portfolio”). This Investment Policy Statement will:

- Establish reasonable expectations, goals, objectives and guidelines in the investment of the Portfolio’s assets.
- Create the framework for an appropriately diversified asset mix that can be expected to generate acceptable returns at a level of risk suitable to the Client, including:
  - specifying the investment strategy and target asset allocation policy
  - establishing investment guidelines regarding the permissible securities and diversification of assets
  - specifying the criteria for evaluating the performance of the Portfolio’s assets
- Encourage effective communication between the Advisor and Client

This IPS is intended to reflect the Client’s investment philosophy and guidelines governing the investment of the Portfolio under normal market conditions. This IPS should reflect the Client’s current status and philosophy, and should be reviewed and revised periodically to ensure it adequately reflects significant changes related to the Client’s circumstances, investment goals and objectives, or the capital markets. It is understood that there can be no guarantee about the attainment of the goals or investment objectives outlined herein.

**A. Investment Strategy: Intermediate Fixed Income**

Customized investment strategy of actively managed intermediate fixed income securities to preserve principal, maximize the total return, and achieve a desired level of liquidity.

**B. Investment Objectives:**

1. Safety of Principal
2. Total Return
3. Liquidity

**C. Client Profile:**

**Organization** [*Corporate, Individual, Limited Partnership, Public, Not For Profit, Union*]:

**Not-For-Profit/Public**

**Business** [*charitable, community, cultural, endowment, foundation, health related, educational, insurance, governmental, religious, other, N.A.*]: **Trust**

**Fiscal Year End:** **March 31st**

**Publicly Traded-Ticker** (if applicable): \_\_\_\_\_

**Marginal Tax Rate:** \_\_\_\_\_

**Account Type** [*IMA, Corp Trust, Deferred Comp, Defined Benefit, Defined Contribution, Health & Welfare/VEBA, Self Insurance Trust*]: **Investment Management Account**

**Retirement:** ERISA: \_\_\_\_\_ Non-ERISA: \_\_\_\_\_ Non-Retirement: **X** Other: \_\_\_\_\_

**Amortize/Accrete Premium/Discount securities:** Yes \_\_\_\_\_ No **X**

**Purpose of Portfolio Funds:** **Operating Account**

**D. Investment Constraints:**

1. Trading Constraints: Full Investment Manager discretion: **Yes\*** Other: **\*Trade letter is provided by Advisor within 2 business days of any purchase or sale. Client may disapprove of the transaction within 5 business days. Gains and losses from transactions completed in compliance with the IPS will be for the account.**

2. Other Objectives/Special Concerns:

<b>E. <u>Asset Allocation:</u></b>	<u>Minimum</u>	<u>Maximum</u>	<u>Target</u>
Fixed Income	50%	100%	95%
Cash/Money Market	0%*	50%	5%

\* It is the responsibility of the Client to maintain an average daily balance of at least 5% of operating assets in cash equivalents, however, such assets may be maintained in deposit accounts outside the purview of the Advisor (e.g. checking accounts with other financial institutions).

**F. Eligible Separately Managed Investments:** Portfolio concentrations shall use *Market Values at Time of Purchase* and use the *Lower of the allowable credit ratings*. Note: Fixed Income mutual funds and ETF's are also eligible that are consistent with the parameters below.

	<b>ITEM</b>	<b>Portfolio % Limit</b>
<b>1.</b>	<b><u>Treasury Securities:</u></b> U.S. Treasury obligations, including Bills, Notes and Bonds. Both Nominal and TIPS.	<b>100%</b>
<b>2.</b>	<b><u>Government Agencies:</u></b> U.S. Government-guaranteed and Government sponsored corporations and agencies, including mortgage-backed securities (MBS) and collateralized mortgage obligations (CMO) *no more than 20% in any specific GSE.	<b>35%*</b>
<b>3.</b>	<b><u>Corporate Bonds:</u></b> U.S. dollar-denominated debt obligations of corporations including, but not limited to, floating rate notes, medium-term notes, bonds, debentures, and repurchase agreements. At the time of purchase, corporate bonds must have a minimum long-term credit rating by at least one of the NRSROs (i.e. S&P, Moody's) of "A".	<b>60%</b>
<b>4.</b>	<b><u>Commercial Paper:</u></b> Corporate debt obligations whose maximum maturity by definition is less than 270 days. At time of purchase, commercial paper must have a minimum credit rating of A1/P1.	<b>25%</b>
<b>5.</b>	<b><u>Asset-Backed Securities ("ABS"):</u></b> ABS collateralized by, but not limited to, credit card, auto, home equity and student loans; both fixed and floating rate. At the time of purchase must have a minimum credit rating by <u>at least one</u> of the NRSROs (S&P, Moody's) of: Long Term: AAA or Aaa or Short Term: A1 or P1 <b><u>Long Term: AA- or Aa3</u></b>	<b>40%</b> <b>25%</b>

7.	<p><b><u>Taxable Municipal Bonds:</u></b>  Obligations of the U.S. states, local governments, and other municipal entities, that are taxable, including General Obligation and Revenue bonds, commercial paper, and Variable Rate Demand Notes (VRDNs). At the time of purchase must have a minimum credit rating by <u>at least one</u> of the NRSROs (i.e. S&amp;P, Moody's) of "A".</p>	<b>25%</b>
8.	<p><b><u>Money Market Funds:</u></b>  Money Market Fund (includes Corporate Securities) at the time of purchase must have a credit rating by the NRSROs (i.e. S&amp;P, Moody's) of "AAAm".</p>	<b>100%</b>

**G. Maturity Restrictions:** Maturity restrictions shall be at *Time of Purchase*.

**1. Individual Security Maturity:**

For any single issue the maximum final maturity will not exceed **5 years**, with the exception of single issue treasuries which may have a maximum final maturity of 7 years.

**H. Investment/Credit Restrictions:** Investment/Credit Restrictions shall be at *Time of Purchase*

**1. Bond Ratings:**

Bonds must be rated at least "A" at time of purchase by S&P or Moody's. If individually managed fixed income securities fall below the credit quality restrictions applied at time of purchase, the Investment Manager will notify the client in a reasonable period of time following the rating downgrade. This will extend to any obligation that has been downgraded 1 level from the minimum required long-term credit rating. If the obligation is downgraded more than 1 level from the minimum the Investment Officer has 120 days to dispose of that obligation.

**2. Client Notification and Approval:**

If securities fall below the credit quality restrictions applied at time of purchase, the Investment Manager will notify the client (email or writing) in a reasonable period of time following the rating downgrade.

**3. Single Issuer:**

- Single Corporate issuer concentration of a portfolio's aggregate market value shall not exceed 5% at time of purchase.
- Single Corporate issuer includes the issuer parent, subsidiaries, and affiliates included in the consolidated financial statements of the ultimate parent company.

**I. Performance Benchmark:**

- Investment performance will be analyzed on a quarterly basis.
- The performance benchmark will be:
  - Fixed Income: **ICE BofAML 1-5 Yr AAA-A, Government/Corporate**
  - Cash/Money Market: **Citigroup 1 Month Treasury Bill**

**J. Client Communications:**

The Advisor shall keep the Client apprised of any material changes in Advisor's outlook, recommended investment policy and strategy. In addition, Advisor shall issue reports and meet with the Client as specified below.

**1. Reports:**

The Advisor will provide to the Client in writing a quarterly economic analysis and performance report concerning each account unless otherwise specified.

**2. Meetings:**

The Advisor will offer to meet in person annually with the Client at a mutually agreeable time and place unless otherwise specified, to review and explain the Portfolio's investment results and related information. Additional communications may be made by telephone and email.

**SCHEDULE A**  
**ACCOUNT LISTING**

**OPERATING ACCOUNT**

- Main Management - #1040701

**Approval for: NATURTAL HERITAGE TRUST – Operating Account**

By: Sarah Purcell  
Name

Deputy Director & Chief Financial Officer  
Title



\_\_\_\_\_  
Signature

6/26/2018  
Date

**INVESTMENT POLICY STATEMENT for**  
**NATURAL HERITAGE TRUST – Capital Projects/Reserve Accounts**  
**MANAGED by WILMINGTON TRUST INVESTMENT ADVISORS, INC.**

**PURPOSE**

The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding between **Wilmington Trust Investment Advisors, Inc.** (“Advisor”) and **Natural Heritage Trust** (“Client”) regarding the investment goals and objectives, and the management guidelines applicable to the Client’s investment portfolio (“Portfolio”). This Investment Policy Statement will:

- Establish reasonable expectations, goals, objectives and guidelines in the investment of the Portfolio’s assets.
- Create the framework for an appropriately diversified asset mix that can be expected to generate acceptable returns at a level of risk suitable to the Client, including:
  - specifying the investment strategy and target asset allocation policy
  - establishing investment guidelines regarding the permissible securities and diversification of assets
  - specifying the criteria for evaluating the performance of the Portfolio’s assets
- Encourage effective communication between the Advisor and Client

This IPS is intended to reflect the Client’s investment philosophy and guidelines governing the investment of the Portfolio under normal market conditions. This IPS should reflect the Client’s current status and philosophy, and should be reviewed and revised periodically to ensure it adequately reflects significant changes related to the Client’s circumstances, investment goals and objectives, or the capital markets. It is understood that there can be no guarantee about the attainment of the goals or investment objectives outlined herein.

**A. Investment Objective**

- The Portfolio will use a Total Return approach intended to generate returns from both capital appreciation and income over the specified time horizon.
- Risk, measured in terms of portfolio volatility, is anticipated to be similar to that of the broader financial markets.
- Portfolio performance should exceed the benchmark performance over a 5-year moving time period (average market cycle).

The Client-defined level of preferred risk and return for the Portfolio is characterized by selection of one of the following investment objectives and/or as modified by *(E.) Portfolio Profile or (G.) Asset Allocation Guidelines*:

**Conservative:**  X     Income & Growth:         Growth & Income:         Growth:         Aggressive Growth:    

**B. Asset Allocation Strategy: Traditional Asset Classes**

This strategy utilizes an extensive range of traditional asset classes. “Traditional asset classes” include domestic & international: stocks, bonds and cash securities. A wide variety of structures may be used to represent this range of asset classes such as: Closed/Open-end Mutual Funds, Exchange Traded Funds, Separately Managed Accounts or Strategies. Where Funds are used, they shall have a fundamental investment policy that is in general accordance with the intent of this statement.

### C. Prohibited Investments

Currently excluded from Traditional Asset Classes are illiquid asset classes and vehicles that do not have daily liquidity. This includes, but is not limited to, most hedge funds, private equity, physical real estate, and physical commodities. Also excluded are individual investment in private placements, letter stock, short sales and margin transactions. Collars, forwards, futures, options and other hedging strategies will not be utilized without Client's prior approval.

### D. Client Profile

**Organization** [Corporate, Individual, Limited Partnership, Public, Not For Profit, Union]: Not-For-Profit/Public

**Industry/ Line of Business** [NAICS sectors]: \_\_\_\_\_

**Fiscal Year End:** March 31st

**Marginal Tax Rate:** \_\_\_\_\_

**Publicly Traded-Ticker** (if applicable): \_\_\_\_\_

### E. Portfolio Profile

**Purpose of Portfolio Funds** [Bond Issue, Self Insurance, Employee Benefit, Housing, Community Foundation, Private Foundation, Foundation-Other, Endowment, Long Term Investment (IMA), Operating funds (IMA), NUG Trust, Corporate Trust, CRUT, Other]: Trust

**Time Horizon** [short (< 3 years), medium (3-5 years), long-term (> 5 years)]: Medium/Long-term

**Liquidity Needs/Income Needs** (payment/time period): As Requested

**Tax Consequences** (taxable, tax-exempt): Tax-exempt

**Amortize/Accrete Premium/Discount securities:** Yes \_\_\_ No X

**Fiscal Year End of Portfolio (if different):** \_\_\_\_\_

**Retirement** [Deferred Comp, Defined Benefit, Defined Contribution/Profit Sharing, Health & Welfare/VEBA, IRA, Not Retirement, Other]:   

ERISA: Yes \_\_\_ No X

**Required Actuarial or Spending Policy Rate:** \_\_\_\_\_

#### Trading Constraints:

Full Investment Manager discretion: Yes X No \_\_\_\_\_

Other: Trade letter is provided by Advisor within 2 business days of any purchase or sale. Client may disapprove of the transaction within 5 business days. Gains and losses from transactions completed in compliance with the IPS will be for the account.

**Other Objectives/Special Concerns** (i.e. social screening, etc.): \_\_\_\_\_

### F. Advisor Separately Managed Fixed Income Parameters

**1. Investment/Credit Restrictions shall be at time of purchase and use the lower of the allowable credit ratings:**

- Single issuer concentration shall be limited to 5% of the portfolio, other than for U.S. Treasuries, Government Agencies, and MBS, **limited to 20% per GSE.**

- For Municipal Securities, the single security issue shall be limited to 5% of the portfolio.

**2. Maturity Restrictions shall be at time of purchase:**

- The Maximum Final Maturity for any single issue will not exceed 10 years.

- The Portfolio Average Effective Duration will not exceed 7 years and will be within +/- 20% of the specified performance benchmark.

**3. Bond Ratings:**

Bonds must be rated at least “BBB/Baa” at time of purchase by S&P or Moody’s. If individually managed fixed income securities fall below the credit quality restrictions applied at time of purchase, the Investment Manager will notify the client in a reasonable period of time following the rating downgrade. This will extend to any obligation that has been downgraded 1 level from the minimum required long-term credit rating. If the obligation is downgraded more than 1 level from the minimum the Investment Officer has 120 days to dispose of that obligation.

**4. Prohibited Investments not included in Section C. shall be:**

- Non U.S. dollar-denominated securities

**5. Eligible Fixed Income Investments include:** Portfolio concentrations shall use *Market Values at Time of Purchase* and use the *Lower of the allowable credit ratings*. **Note:** Fixed Income mutual funds and ETF’s are also eligible that are consistent with the parameters below.

	<i>ITEM</i>	<b>Portfolio % Limit</b>
1.	<b><u>Treasury Securities:</u></b> U.S. Treasury obligations, including Bills, Notes and Bonds. Both Nominal and TIPS.	<b>100%</b>
2.	<b><u>Government Agencies:</u></b> U.S. Government-guaranteed and Government sponsored corporations and agencies, including mortgage-backed securities (MBS) and collateralized mortgage obligations (CMO) *no more than 20% in any specific GSE.	<b>35%*</b>
3.	<b><u>Asset-Backed Securities (“ABS”):</u></b> ABS collateralized by, but not limited to, credit card, auto, home equity and student loans; both fixed and floating rate. At the time of purchase must have a minimum credit rating by <u>at least one</u> of the NRSROs (i.e. S&P, Moody’s) of: Long Term: A- or A3 Short Term: A1 or P1	<b>25%</b>
4.	<b><u>Corporate Bonds:</u></b> U.S. dollar-denominated debt obligations of corporations including, but not limited to, floating rate notes, medium-term notes, bonds, debentures, and repurchase agreements. At the time of purchase corporate bonds must have a minimum long-term credit rating by at least one of the NRSROs (i.e. S&P, Moody’s) of “BBB/Baa”. Total corporate bonds maximum of 60%. A-/A3 BBB/Baa2	<b>60%</b> <b>25%</b>
5.	<b><u>Taxable Municipal Bonds:</u></b> Obligations of the U.S. states, local governments, and other municipal entities, that are taxable, including General Obligation and Revenue bonds, commercial paper, and Variable Rate Demand Notes (VRDNs). At the time of purchase must have a minimum credit rating by <u>at least one</u> of the NRSROs (i.e. S&P, Moody’s) of “BBB/Baa”.	<b>25%</b>

6.	<b><u>Money Market Funds:</u></b> Money Market Fund (includes Corporate Securities) At the time of purchase must have a credit rating by the NRSROs (i.e. S&P, Moody's) of "AAAm".	<b>100%</b>
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**G. Asset Allocation Guidelines**

Advisor combines a diversified, asset allocation strategy with periodic rebalancing in order to seek optimal returns commensurate with assumed levels of risk while meeting the client's investment objectives. In its role as discretionary investment manager, Advisor may adjust the Benchmark Target for Sub-Asset classes from time to time as it deems appropriate. Advisor makes "Tactical" (near-term) allocations which fall within the Minimum-Maximum ranges noted below and may be higher or lower than the "Benchmark Target". Tactical allocations are based upon Advisor's judgment given the prevailing economic and market conditions.

Asset Classes Sub-Asset Classes	Minimum	Benchmark Target	Maximum	Benchmark Index
<b>Cash Equivalents</b>	<b>0%</b>	<b>2%</b>	<b>15%</b>	<b>Citigroup 1 Month Treasury Bill</b>
<b>Total Fixed Income:</b>	<b>45%</b>	<b>70%</b>	<b>85%</b>	<b>ICE BofAML 1-10 Yr AAA-A Govt/Corp</b>
<b>*Total Equity:</b>	<b>15%</b>	<b>28%</b>	<b>40%</b>	<b>Blend</b>

\*Eligible Equities – Mutual Funds and Exchange Traded Funds (ETFs)

**H. Performance Benchmark**

The Performance Benchmark will be a weighted blend of the Benchmark Indexes noted below, utilizing the Benchmark Target as determined by Advisor.

**Primary Benchmark:**

Cash Equivalents – Citigroup 1 month Treasury Bill: 2%

Fixed Income - ICE BofAML 1-10 Yr AAA-A Govt/Corp: 70%

Equity - Russell 1000: 18.3%, Russell 2000: 1.4%, MSCI EAFE (net) 7.3%, MSCI Emerging Markets (net): 1%

**I. Client Communications**

The Advisor shall keep the Client apprised of any material changes in Advisor's outlook, recommended investment policy and strategy, and credit quality downgrades. In addition, Advisor shall issue reports, meet with the Client, and give notification as specified below.

1. **Reports:**

The Advisor will provide to the Client in writing a quarterly economic analysis and performance report for each Portfolio unless otherwise specified.

2. **Meetings:**

The Advisor will offer to meet in person annually with the Client at a mutually agreeable time and place unless otherwise specified, to review and explain the Portfolio's investment results and related information. Additional communications may be made by telephone and email.

**By signing below**, the Client acknowledges an understanding of these guidelines and agrees that they will remain in effect until Advisor receives written notice from the Client to the contrary. Client agrees that the IPS of this Portfolio shall be governed by the Investment Management Agreement (“Agreement”) by and between Advisor and Client. In the event of a conflict or discrepancy between this IPS and the Agreement, the Agreement shall be controlling.

**SCHEDULE A**  
**ACCOUNT LISTING**

**CAPITAL PROJECTS/RESERVE ACCOUNTS**

- Bayard Cutting Arboretum - #1050088
- Main Reserve - #1041360

**Approval for: NATURTAL HERITAGE TRUST – Capital Projects/Reserve Accounts**

By: Sarah Purcell  
Name

Deputy Director & Chief Financial Officer  
Title



\_\_\_\_\_  
Signature

6/26/2018  
Date

**NHT Banking Account Activity 4/1/17 - 3/31/18**

<b>Account</b>	<b>Beginning Balance 4/1/17</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Interest Income</b>	<b>Bank Fees</b>	<b>Transfers</b>	<b>Ending Balance 3/31/18</b>
Key Bank (Main Operating)	\$ 1,548,231	\$ 10,358,924	\$ (13,688,661)	\$ 284	\$ (6,531)	\$ 3,670,500	\$ 1,882,747
M&T Bank	\$ 72,316	\$ 607,425	\$ (596,395)	\$ -	\$ (44,342)	\$ -	\$ 39,005
Capital One	\$ 96,307	\$ 2,497,385		\$ -		\$ (2,390,000)	\$ 203,692
<b>Totals</b>	<b>\$ 1,716,853</b>	<b>\$ 13,463,735</b>	<b>\$ (14,285,056)</b>	<b>\$ 284</b>	<b>\$ (50,873)</b>		<b>\$ 2,125,444</b>