

Ethical Investment Constraints & Return Mandate Addendum (EIA-1) of Ghosts Worth Chasing

Ghosts Worth Chasing is a Pennsylvania nonprofit corporation recognized under Section 501(c)(3) of the Internal Revenue Code. This Ethical Investment Constraints & Return Mandate Addendum establishes the standards and principles governing the investment of endowment-designated assets, including the application of ethical constraints alongside the Organization's objective of long-term capital growth. The Addendum is intended to ensure that investment activities are conducted in alignment with the Organization's values while maintaining a disciplined, return-oriented approach to stewardship and sustainability.

Table of Contents

TABLE OF CONTENTS	2
1. PURPOSE	3
2. RELATIONSHIP TO ENDOWMENT & INVESTMENT POLICY	3
3. GUIDING PRINCIPLES	3
4. INVESTMENT CLASSIFICATION FRAMEWORK.....	4
4.1 PROHIBITED INVESTMENTS.....	4
4.2 SCREENED INVESTMENTS	5
4.3 INCIDENTAL EXPOSURE THROUGH DIVERSIFIED INVESTMENT VEHICLES	5
5. REVIEW, ADJUSTMENT, AND AMENDMENT	6
6. CERTIFICATION	6

1. Purpose

This Ethical Investment Constraints & Return Mandate Addendum (“EIA-1”) supplements the Endowment & Investment Policy of Ghosts Worth Chasing (the “Organization”) by articulating ethical considerations and mission-aligned constraints applicable to the investment of endowment-designated assets.

This Addendum is intended to guide responsible stewardship without imposing rigid or impractical limitations that would undermine long-term sustainability.

2. Relationship to Endowment & Investment Policy

This Addendum operates in conjunction with the Organization’s Endowment & Investment Policy.

In the event of any inconsistency, the Endowment & Investment Policy shall govern investment objectives and fiduciary structure, while this Addendum shall govern ethical and mission-alignment considerations.

This Addendum is incorporated by reference into the Endowment & Investment Policy and shall be considered part of the Organization’s overall investment governance framework.

3. Guiding Principles

Ethical investment decisions shall be guided by the following principles:

- Long-term stewardship over short-term optimization
- Alignment with the Organization’s charitable mission and values
- Recognition of tradeoffs between purity and practicality
- Avoidance of activities that materially conflict with the Organization’s purpose or reputation

The Organization acknowledges that perfect alignment is not always achievable and prioritizes thoughtful judgment over absolutism. The Organization applies these principles using a values-constrained, return-maximizing approach to investment decision-making.

4. Investment Classification Framework

The Organization classifies potential investments into defined categories to guide ethical decision-making while maintaining a disciplined, return-oriented approach.

These categories are intended to provide a consistent framework for decision-making while preserving flexibility and practical judgment in real-world investment scenarios.

Investment decisions shall be evaluated based on:

- the nature of the underlying activities
- the level of control over capital allocation
- the distinction between intentional and incidental exposure

The Organization distinguishes between direct or intentional investments, over which it exercises control, and incidental exposure obtained through diversified investment vehicles, where such control is not present.

4.1 Prohibited Investments

The Organization shall not knowingly make direct investments, or otherwise intentionally allocate capital, to companies or entities whose primary business activities or material sources of revenue are derived from activities that are inherently harmful, exploitative, or structurally misaligned with the Organization's mission and values.

These activities include, but are not limited to:

- Illegal activities under applicable law
- Exploitation through forced labor, human trafficking, or comparable abuses
- Weapons manufacturing and distribution
- Tobacco production
- Gambling operations
- Private prisons or detention services
- Predatory financial practices
- Fossil fuel extraction
- Activities that directly and materially undermine the Organization's charitable mission

For purposes of this Addendum, "material" generally refers to a meaningful or non-trivial portion of a company's revenue, as determined in good faith by the Organization.

Determinations regarding prohibited activities shall be made in good faith based on reasonably available information at the time of investment.

4.2 Screened Investments

The Organization may, at its discretion, evaluate certain industries, activities, or practices that present ethical considerations but do not rise to the level of prohibited investments.

These considerations are intended to inform decision-making and allow for contextual judgment, proportionality, and alignment with the Organization's broader objectives.

Examples of screened considerations may include:

- Alcohol production
- Environmental considerations beyond core prohibitions
- Governance failures or deficiencies
- Other industries or practices evaluated on a case-by-case basis

Screened considerations are not subject to automatic exclusion and shall be evaluated in the context of overall portfolio construction, long-term sustainability, and mission alignment.

4.3 Incidental Exposure Through Diversified Investment Vehicles

The Organization may invest in diversified funds, pooled vehicles, or market instruments that include indirect exposure to activities that would otherwise fall within Prohibited or Screened categories.

Such exposure is permissible where:

- the investment is broadly diversified
- the Organization does not control the selection of underlying holdings
- the exposure is incidental rather than intentional
- the investment remains consistent with fiduciary obligations and long-term return objectives

Indirect exposure obtained through diversified investment vehicles shall not, in itself, constitute a violation of this Addendum when undertaken in good faith.

The Organization is not required to immediately divest from any investment that subsequently falls within a prohibited category, provided that such exposure was compliant at the time of investment. Such situations shall be evaluated in good faith and in accordance with fiduciary responsibilities.

5. Review, Adjustment, and Amendment

Ethical investment considerations shall be reviewed periodically by the Board of Directors or its authorized designees to ensure continued alignment with the Organization's mission, values, and evolving standards.

The Board of Directors may amend, modify, or repeal this Addendum at any time to reflect changes in law, investment practice, or organizational priorities. All amendments shall be documented and retained in accordance with the Organization's governance and recordkeeping policies.

The Board of Directors may delegate responsibility for monitoring and applying this Addendum to an investment committee, officer, or advisor, provided that ultimate fiduciary responsibility remains with the Board.

6. Certification

This **Ethical Investment Constraints & Return Mandate Addendum** (EIA-1) was adopted by the Board of Directors of Ghosts Worth Chasing and remains in effect until amended or repealed.