



Investment Policy Statement

Implemented 9/10/18
Last Revision Date: 9/10/18

POLICY: The investment policy should be implemented and administered in accordance the following procedures and conditions:

- **Purpose:**
 - a. To enable the DSA to fulfill its obligation to prudently manage its investments.
 - b. To assure donors and prospective donors that funds donated will be managed effectively and prudently.

- **Overall Objective:** Investment objective of the fund is to do what is reasonably possible to protect principal from inflationary erosion and to achieve long term growth of principal, averaging around 5% per year net of plus the long term inflation rate as determined by the CPI.
 - a. To provide income and capital gains to be paid periodically, as necessary to meet operating expenses of the Association.
 - b. To diversify the asset base to protect the assets.

INVESTMENT GUIDELINES:

Duties and Responsibilities of Finance Committee

- a. Committee should be comprised of min. of 2 voting board members and the Executive Director.
 Duties Include:
 - Prepare and maintain Investment Policy Statement to achieve Investment Objectives.
 - Monitor the services provided by the Investment Advisor on a quarterly and annual basis and report to Board of Directors.
 - Oversee accounts of investment, and administrative expenses associated with the accounts.
- b. Investment Advisor:
 - DSA shall retain an objective, third party Advisor or Advisors to assist in managing the overall investment process.
- c. Asset Allocation:
 - The Advisor shall maintain an asset allocation limiting Fund exposure to any one asset class

US Large Cap Equities	Range 25-45	Target= 35%
US Small & Mid Cap Equities	Range 8-15	Target= 10%
International Equities	Range 10-20	Target= 15%
Fixed Income	Range 25-45	Target= 35%
Cash Equivalents	Range 3-10%	Target= 5%

- Applicable benchmarks will be identified upon the hiring of the Investment Manager.
- d. Asset Concentration:
- Equity - The Funds assets shall be well diversified to avoid undue exposure to any single economic sector, industry group or individual security. No more than 5% shall be invested in any one equity security.
 - Fixed Income- The minimum rating of any individual fixed income security will be BBB, slightly higher than the investment grade minimum rating. Standard & Poors will provide the rating assignment. The security will be sold if its rating falls below BBB.

Spending Policy:

1. DSA will distribute no more than 5% a year from this account for use in achieving DSA's mission to promote and enhance historic downtown Sheridan.
2. With 2/3 DSA board vote, more than 5% of the account can be distributed to pay other expenses including operating and other emergency expenses that may arise.

General Guidelines:

- a. Investments and business transaction shall be made in accordance with the following:
 - i. This Investment Policy and guidelines set forth in this document.
 - ii. The signed Investment Manager agreement.
 - iii. The signed fee schedule agreement.
 - iv. The Investment Manager's investment strategy and policies as presented to the DSA.
- b. It is understood that from time to time these investment policies and guidelines may have to be changed. Investment Advisor and Investment Managers will be notified of these changes in writing.
- c. Investment Advisor will report to the Board any significant changes in advisory personnel, personnel responsibilities, or company ownership.
- d. Termination of Investment Manager's services will be in accordance with the Investment Manager Agreement.

Acceptance of Investment Policy Statement

Accepted this 11 day of September, 2018

Print Name: Peg Martin

Signature:



Title: President

Print Name: James Mowry

Signature:



Title: Secretary