

THE JUNIOR LEAGUE OF RENO

STATEMENT OF INVESTMENT POLICY

(Adopted April, 2016)

INTRODUCTION:

This is the Statement of Investment Policy (the "Policy") governing the management of the invested assets of the Junior League of Reno.

PURPOSE:

The purpose of this Policy is to establish a clear understanding of the philosophy and investment objectives for the investments of the Junior League of Reno. This Policy shall serve to provide guidance for the investment of assets, which include the restricted assets (the "Endowment") and unrestricted assets (the "Arlington Garden Fund") of the Junior League of Reno.

RESPONSIBILITIES OF THE BOARD:

Board of the Junior League of Reno (the "Board") is charged with establishing and carrying out the Policy, reviewing it quarterly, recommending changes as circumstances dictate, monitoring and evaluating the performance of the investments, and employing or terminating Investment Managers/Investment Advisors. This Policy has been approved by the Board and may be amended from time to time as deemed appropriate. It is expected that these guidelines will be reviewed annually by the Board, and the Board will acknowledge its acceptance of responsibility as a fiduciary in Board Minutes. This policy may be revised when necessary to meet new conditions.

RESPONSIBILITIES OF THE INVESTMENT ADVISOR:

The Investment Advisor shall meet with the Junior League of Reno Board of Directors annually to discuss their annual needs and vision. The Investment Advisor is responsible for establishing and implementing investment strategies within the guidelines set out by this Policy, including selecting investment managers, determining and rebalancing asset allocations, establishing appropriate benchmarks, and monitoring and reporting performance. In seeking to attain investment objectives, the Investment Advisor has been granted investment discretion. Assets shall be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor, acting in like capacity and familiar with such matters, would use in the investment of a fund of similar character and goals.

The investment Advisor must also clearly disclose and detail all fees and expenses to the portfolio. These expenses include the gross advisory fee; trading costs and if such costs are paid separately or are part of the advisory fee, and underlying management fee of and funds that are used. Fees and expenses should be broken out separately and also as cumulative fee to the portfolio.

INVESTMENT PHILOSOPHY & OBJECTIVES:

The primary investment objectives for the Junior League of Reno's portfolios are to provide for growth of principal and income, yet maintain the liquidity necessary to meet annual cash flow needs, and/or fund projects, as approved by League policies and procedures. Due to the fact that we are a nonprofit and fiduciary, the Junior League of Reno funds need to be invested with an emphasis on preservation of principal with moderate growth.

The investment priority is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. The primary objectives in the investment management for assets shall be:

1. Preservation of Purchasing Power: To ideally achieve minimum net returns of 2-3% over inflation as measured by CPI.
2. Long-Term Growth of Capital: To emphasize long-term growth of principal consistent with the stated investment objectives.
3. Generate Current Income: To generate reasonable investment income (interest and dividends).

4. Avoidance of Excessive Risk: Risk control is an important element in the investment of assets.
 - Assets shall be so diversified as to minimize the risk of large losses.
 - Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.
 - All investments shall adhere to such federal and state laws as now apply or may be applicable to investments in the future.

INVESTMENT HORIZON:

The investment time horizon for the Endowment portfolio is greater than 10 years (Long-Term horizon) and shall be invested with an income with moderate growth investment objective.

The investment time horizon for the Arlington Garden Fund portfolio is approximately 5 years (Intermediate-Term horizon) and shall be invested with a conservative growth investment objective.

If an appropriate project arises in less than 5 years, and is approved per League policies and procedures, the Board is able to pull funds as needed to finance aforementioned project.

INVESTMENT GUIDELINES:

ALLOWABLE ASSETS:

Cash Equivalents
Fixed Income Securities
Equity Securities
Exchange Traded Funds (ETF's)
Mutual Funds
Bonds
Fixed Annuities

PROHIBITED ASSETS:

Prohibited investments include but are not limited to the following:

1. Commodities and Futures Contracts
2. Private Placements
3. Options, except covered calls for income purposes or buying puts for risk management.
4. Limited Partnerships
5. Venture-Capital Investments
6. Interest Only (IO), Principal Only (PO), and Residual Tranche CMOs
7. Derivative Investments
8. Collectibles
9. Subscription rights
10. Subscription warrants

PROHIBITED TRANSACTIONS:

Prohibited transactions include but are not limited to the following:

1. Short Selling
2. Margin Transactions

GUIDELINES FOR FIXED INCOME FOR FIXED INCOME INVESTMENT:

Funds may be invested only in investment grade bonds rated BBB (or equivalent or better).

- Funds may be invested only in commercial paper rated A1 (or equivalent) or better.
- Fixed income maturity restrictions for the Endowment Portfolio are as follows:
 - Maximum maturity for any single security is 15 years.
 - Weighted average portfolio maturity may not exceed 12 years.

Fixed income maturity restrictions for Arlington Garden Fund Portfolio are as follows:

- Maximum maturity for any single security is 5 years.
 - Weighted average portfolio maturity may not exceed 3 years.
- Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poors and/or Moody's.

LIQUIDITY:

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Board will periodically provide the Investment Advisor with an estimate of budgeted cash flow. The Board will notify the Investment Advisor in a timely manner, to allow sufficient time to build up necessary liquid reserves.

COMMUNICATION & REPORTING:

Performance reports generated by the Investment Advisor shall be compiled at least quarterly and communicated to the Board for review. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement.

EVALUATION:

The Board intends to evaluate the portfolio(s) over at least a five-year period, but reserves the right to terminate the Investment Manager for any reason including the following:

1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this statement of investment policy, including communication, reporting requirements, and compliance with the Policy.
3. Significant qualitative changes to the Investment Advisor and/or the Investment Advisor's Firm.

The Investment Advisor shall be reviewed with respect to performance, personnel, strategy, research capabilities, organizational and business matters and other qualitative and quantitative factors that may impact their ability to achieve desired investment results annually.

ADOPTION:

This statement of investment policy is adopted on _____ by the Board of Directors of the Junior League of Reno, whose signatures appear below.

President, Board of Directors

Treasurer, Board of Directors

This statement of investment policy is adopted on _____ by the membership of the Junior League of Reno.

Recording Secretary, Junior League of Reno

Investment Advisor

Date