



Bloomington-Normal
Young Men's Christian Association
(YMCA)
Foundation
Investment Policy Statement

Introduction

The purpose of this statement is to provide a clear understanding of the investment objectives, policies, and guidelines for the foundation's board of trustees. This statement will outline an overall philosophy that is specific enough to allow investment managers or consultants to know what is expected and allowed, while at the same time be general enough to give flexibility to enhance performance and reduce risk through varying economic times.

I. Investment Policy

The portfolio seeks to provide current income with capital preservation foremost and long-term growth of capital is secondary. This objective is in accordance with the mission of the foundation which is to provide income to the YMCA to help meet their operating budget. The allowed maximum percent of the portfolio to fixed income shall be (100 %.) The allowed maximum percent of the portfolio to equities shall be (25 %.)

The trustees will determine on an ongoing basis the asset allocation based upon their best judgment, but remaining within the investment policy parameters. The portfolio's current income will be derived from interest and dividends received from bonds, notes, insured certificates of deposit, mutual funds, and other allowed securities.

The portfolio is to be invested in quality assets. Individual fixed income investments will be kept in the investment grade securities rated (A) or better by Standard and Poor's or Moodys. Professional money management shall be conducted by reputable and well-known managers who achieved above benchmark total returns for 3, 5, and possibly 10-year periods of time.

II. Risks

Risks are inherent in all types of investments. Fixed income securities to default and inflation risk. Equities are exposed to numerous variations of risk from systematic to unsystematic. The portfolio will attempt to reduce risks by investing in quality securities and maintaining diversification among asset classes and securities within each class.

III. Restrictions and Asset Classification

Allowed

A. Equities-up to (25%)

- a. Professionally managed portfolio of stocks
- b. Balanced funds
- c. Long-term bond funds
- d. Intermediate term bond funds
- e. Multi-class bond funds
- f. High yield and preferred bond funds

B. Fixed Income-up to (100%)

- a. U.S. government and agency securities
- b. Insured Certificates of Deposit
- c. Money markets
- d. High quality corporate obligations (No more than (25%)of the fixed income portion shall be invested in this asset class.)
- e. Conservative Fixed Income Funds (No more than (25%) of the fixed income portion shall be invested in this asset class.)
 - i. Floating rate funds
 - ii. Adjustable rate funds
 - iii. Short term funds

- iv. Principal guaranteed funds
- v. Limited duration funds
- vi. Senior loan funds
- vii. Preservation funds
- viii. Or, similar funds with capital preservation and income as the investment objective

C. Real Estate

A real estate investment policy statement with guidelines separate from this one shall be utilized by the trustees.

Prohibited Transactions and Assets

- a. Commodity trading including all futures and option contracts
- b. Short selling
- c. Options
- d. Private placements
- e. Individual stocks not professionally managed