

# The Mark and Emily Turner Memorial Library Charitable Trust

## Statement of Investment Policy

### Purposes and Objectives of the Investment Policy

1. To provide an adequate income to maintain or increase the long-term purchasing power of the trust.
2. To invest in a balance between equities and bonds so as to maximize return and to facilitate a reasonable expectation of growth.
3. To be conservative, by avoiding speculative and high-risk investments, with the understanding that this may at times limit potential income.

### Responsibilities

1. The ultimate responsibility for investment decision rests with Board of Trustees.
2. The Board of Trustees shall appoint an Investment Manager to manage the Charitable Trusts portfolio.
3. The Board of Trustees will meet with the Investment Manager at least annually.
4. The Investment Manager shall provide quarterly reports to the treasurer of the Trustees detailing all transactions, earnings (or losses) and expenses for the period.
5. The Investment manager shall be appointed for a three-year period subject to an annual review of performance.

### Investment Guidelines

1. Approximately 50% of the portfolio will be in equities. In general equities should represent not less than 40% or more than 60% of the portfolio.
2. Fixed Income and Cash Equivalents will be at the discretion of the Investment Manager.
3. **Bonds** Maintain a 7-10 year maturity ladder with approximately 10-15% of the bond portfolio maturing on an annual basis.
4. **Equities** Individual issues shall not exceed 5% of the equity portfolio at the time of purchase. No single industrial sector (as defined in the S&P 500) shall exceed 15% of the equity portfolio. We shall not be 50% over the sector weighting of S&P 500 on the upside.

### Acceptable Portfolio Investments

#### **Bonds:**

1. U.S. Government (bills, notes, bonds) and federal agencies backed by the full faith and credit of the U.S. Government.
2. Municipal – General Obligations – State, County, City/Towns with an “AA” rating.

3. Industrial Development Issues with an “AA” rating.
4. Corporate Obligations with an “AA” rating.
5. Municipal revenue guaranteed or insured with an “AA” rating.

**Stocks:**

1. Common Stocks with a rating of “B” or better from “Standard and Poor” or a comparable rating bureau.
2. All others are considered non-rated.

**Prohibited Investments**

Non-rated stocks, commodities, derivatives, private placements, options contracts and futures contracts. Transactions such as short selling are prohibited.

*This Policy will be reviewed at the discretion of the Library Board of Trustees.*