



Fort Atkinson Community Foundation Investment Policy – Summary Version

PURPOSE:

The purpose of this Investment Policy is to provide guidelines for the investment management of the portfolio. This Investment Policy was developed with the long-term interests of the community in mind and adheres to accepted investment principles.

STATEMENT OF OBJECTIVES:

Our primary investment objectives are:

1. The Foundation is expected to exist in perpetuity. As such, the Foundation needs to maintain a long-term planning horizon consistent with the perpetual nature of the Foundation while maintaining adequate liquidity to meet any required short-term distributions.
2. To preserve and enhance the real purchasing power of income and principal. This means that the Foundation seeks a total rate of return that supports the Foundation’s grant making, expenses, investment fees, and inflation. The Foundation will normally measure whether it has achieved that objective over a rolling five-year period.
3. Diversification of the portfolio by asset class, country, market capitalization, maturity, industry, and credit quality.

INVESTMENT GUIDELINES:

Asset Allocation

The investment manager shall have full discretion with respect to allocation of assets among equities, fixed income securities, and cash reserves within the following guidelines:

Asset Class	Target	Minimum	Maximum
Equity	65%	40%	75%
<i>International Equity</i>		0%	30%
Fixed Income	30%	20%	50%
<i>Below Investment Grade</i>		0%	20%
<i>International Fixed Income</i>		0%	10%
Cash	2%	1%	10%
Alternatives/Diversifying Strategies	3%	0%	20%

If the manager deems it necessary to vary from these ranges, said variance shall be approved in advance by the Foundation’s Board of Directors.

Investment Guidelines

Each person responsible for managing and investing the assets of the fund shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

It shall be the responsibility of each investment manager to maintain a diversified portfolio. Each investment manager shall observe the following limits:

- No individual security shall exceed 5% of the total market value of the portfolio.
- For Interval Funds, the size of the holding as a % of the portfolio will be dependent on the dollar amount the FACF Board of Directors authorized pursuant to 1.f. below.
- Individual fixed income securities shall have an investment grade rating from S&P or an equivalent rating service.