

INVESTMENT POLICY OF GALLERY ONE VISUAL ARTS CENTER
Approved July 20, 2015

PURPOSE OF INVESTMENT POLICY

The purpose of this Investment Policy is to provide a clear statement of the Organization's investment objective, to define the responsibilities of the Board of Directors and any other parties involved in managing the Organization's investments, and to identify or provide target asset allocations, permissible investments and diversification requirements.

INVESTMENT OBJECTIVE

The overall investment objective of the Organization is to maximize the return on invested assets while minimizing risk and expenses. This is done through prudent investing and planning, as well as through the maintenance of a diversified portfolio.

GENERAL PROVISIONS

- All transactions shall be for the sole benefit of the Organization.
- The Directors *shall consider* updating the Organization's investment policy on an annual basis.
- The Directors shall conduct an annual review of the Organization's investment assets to verify the existence and marketability of the underlying assets or satisfy themselves that such a review has been conducted in connection with an independent audit (if any) of the Organization's financial statements.
- Quarterly reports shall be available to The Directors for review.
- Any investment that is not expressly permitted under this Policy must be formally reviewed and approved by the Directors.
- The Directors will endeavor to operate the Organization's investment program in compliance with all applicable state, federal and local laws and regulations concerning management of investment.
- Investments shall be diversified with a view to minimizing risk.

DELEGATION OF RESPONSIBILITY;

- The Board of Directors has ultimate responsibility for the investment and management of the Organization's investment assets.
- The Board may delegate authority over the Organization's investments to the Finance Committee, being a Board Committee comprised only of directors.
- The Board or Board Committee may hire outside experts as investment consultants or investment managers.
- The Board may also establish an advisory committee (which may include non-directors) to provide investment advice to the Board or to the Board Committee. Advisory committees have no authority to act for the Board, but may monitor compliance with the investment policy, recommend changes, and assist the Board or Board Committee in selecting and retaining Investment Managers to execute this Investment Policy.

RESPONSIBILITIES OF THE BOARD, OR IF AUTHORITY IS DELEGATED, THE INVESTMENT COMMITTEE

- The Board, or if authority is delegated, the Investment Committee, is charged with the responsibility of managing the investment assets of the Organization. The specific responsibilities of the Board or the Investment Committee, as applicable, include:
 1. Communicating the Organization's financial needs to the Investment Managers on a timely basis.
 2. Determining the Organization's risk tolerance and investment horizon and communicating these to the appropriate parties.
 3. Establishing reasonable and consistent investment objectives, policy guidelines and allocations which will direct the investment of the assets, to be reviewed by the Board on an annual basis.
 4. Prudently and diligently selecting one or more qualified investment professionals, including investment managers(s), investment consultant(s), and custodian(s).
 5. Regularly evaluating the performance of investment manager(s) to assure adherence to policy guidelines and to monitor investment objective progress.
 6. Developing and enacting proper control procedures; e.g., replacing investment manager(s) due to a fundamental change in the investment management process, or for failure to comply with established guidelines.

RESPONSIBILITIES OF FINANCE COMMITTEE

- The Finance Committee will invest any excess funds while operating within all policies, guidelines, constraints, and philosophies outlined in this Investment Policy. Specific responsibilities of the Finance Committee include:
 1. Selecting investments, and to alter allocation within the guidelines established in this statement.
 2. Reporting, on a timely basis, quarterly investment performance results.
 3. Communicating any major changes in the investments of the Gallery
 4. Informing the Board regarding any changes in investment strategy.
 5. Administering the Organization's investments at reasonable cost, balanced with avoiding a compromise of quality. These costs include, but are not limited to, management and custodial fees, consulting fees, transaction costs and other administrative costs chargeable to the Organization.

GENERAL INVESTMENT GUIDELINES

- A copy of this Investment Policy shall be provided to all Investment Managers.
- The Organization is a tax-exempt organization as described in section 501(c)(3) [or section 501(c)(6), etc., as applicable] of the Internal Revenue Code. This tax-exempt status should be taken into consideration when making Organization investments.
- A cash account shall be maintained with a zero to very low risk tolerance to keep cash available for grant distributions, tax obligations and other anticipated expenses.
- Transactions shall be executed at reasonable cost, taking into consideration prevailing market conditions and services and research provided by the executing broker.
- Permitted investments include: Cash and cash equivalents, marketable securities including equities and fixed income securities, but will primarily be mutual funds.
- The following transactions are prohibited: Purchase of non-negotiable securities, derivatives, high risk or junk bonds, private placements, precious metals,

commodities, short sales, any margin transactions, straddles, warrants, options, life insurance contracts, leverage or letter stock.

DIVERSIFICATION

- The Organization will maintain a reasonable diversification of investment assets between asset classes and investment categories at all times.
- Reasonable sector allocations and diversification shall be maintained. No more than [25%] of the entire portfolio may be invested in the securities of any one sector.
- Investments within the investment portfolio should be readily marketable.

ASSET ALLOCATION

- The asset allocation policy shall be predicated on the following factors:
 1. The perception of future economic conditions, including inflation and interest rate assumptions.
 2. Liquidity requirements for the projected grants and other charitable expenditures.
 3. The relationship between the current and projected assets of the Organization and projected liabilities.

ALLOCATION RANGE

Asset Allocation Range	Target	Upper limit
Cash & Equivalents	5%	0 – 15%
Fixed Income	20%	20 – 60%
Equities: Domestic Large Cap	45%	20 – 50%
Equities: Domestic Small/Mid Cap	10%	10 – 25%
Equities: International	20%	5 –25%

- Rebalancing shall be considered on an annual basis or more frequently if deemed necessary.
