



*ROTARY FOUNDATION OF BEAVERCREEK*

*P.O. BOX 340475 ★ BEAVERCREEK, OHIO 45434*

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## **Investment Guidelines**

14 March 2008

### **Investment Objectives:**

The objective for investments for the Rotary Foundation of Beavercreek is preservation of capital and long-term growth in order to achieve an increasing stream of income.

### **Investment Guidelines:**

The portfolio of the Rotary Foundation of Beavercreek is to be managed under the following Guidelines:

- At no time will more than 60 percent of the portfolio be in stocks, Exchange Traded Funds (ETFs), or mutual funds which would take the account to more than 60 percent in stocks.
- The portfolio should have a minimum of 40 percent in high-grade bonds or ETF and mutual fund equivalents. U.S. Treasuries, Agencies or A rated or better corporate bonds would be appropriate. Mutual funds following these guidelines would also be appropriate.

### **Performance Guidelines:**

The objective of the portfolio management is to produce strong income, and as such, the secure portion of the portfolio should produce an income flow sufficient to meet needs designated by the Trustees.

The growth portion of the portfolio should approximate the performance of equities.

The portfolio performance shall be reviewed by the Trustees at least annually.

Investments decisions should be made with a five-year horizon in mind.

### **Selection and Portfolio Management:**

Until the portfolio reaches an appropriate size, mutual funds and/or ETFs will be used in the management of this portfolio.

Mutual funds and/or ETFs will be selected in accordance with the long-term objective of the Rotary Foundation investment policy.

The Foundation will seek no-load mutual funds and will try to select funds with reasonable annual fees or will seek Exchange Traded Funds (ETFs) with low management fees.

The Board of Trustees will make portfolio management decisions by a majority vote. The residing president of the Rotary Club of Beavercreek shall cast the final vote in the event of a tie vote.

**Board of Trustees Responsibilities:**

The Board of Trustees may designate individuals to give occasional reports about the status of the portfolio and the prospects for the future. These individuals may or may not be members of the Rotary Club of Beavercreek.

The ETFs and mutual funds the Foundation has invested in may be changed by a majority vote of the Trustees. However this can only take place within the context of looking at the five-year investment horizon. Short-term gains should not be considered.

Five to ten percent of the prior years investment balance should be distributed according to exempt purposes.

These objectives will be reviewed annually and may be changed by a two-thirds (2/3) vote of the Board of Trustees.

By: David L. Fleming  
Secretary

James L. Rudd  
President