

Gift of Adoption

Investment Policy Statement

PURPOSE

This Investment Policy Statement (IPS) sets forth the goals, objectives and criteria to guide the Finance Committee in prudent investment management of GOA assets. GOA will invest assets in a manner reasonably prudent to both preserve principal of assets and also provide income and growth—The Total Return Concept. This IPS will also serve to guide the Finance Committee in effectively supervising, monitoring, and managing GOA investments. The IPS is designed to allow for sufficient flexibility in the management oversight process, as well as providing a framework for selection of investments, a procedure for the ongoing evaluation of investments, as well as guidelines for replacing any investments.

DELEGATION OF RESPONSIBILITIES

The Finance Committee is responsible for developing the Investment Policy. The National Board of Governors approves the Investment Policy and authorizes the Finance Committee to monitor compliance of the investment program within this policy. The Treasurer of the National Board of Governors is the chairperson of the Finance Committee. The CFO/COO is the staff liaison to the Finance Committee. The Finance Committee is responsible for selecting and monitoring the performance of the external Investment Manager.

INVESTMENT OBJECTIVE AND STRATEGY

The primary investment objective of the Foundation is to outperform the Morningstar relevant benchmark for each owned fund, net of fees, expenses, over a complete market cycle—defined as five years. The Endowment’s benchmark is comprised of the returns of the designated indices for each asset class in the portfolio, in proportion to the target allocations. The assets are to be managed in a manner that is designed to:

- The long-term objective of the portfolio(s) is preservation of capital. The investment portfolio should not be greater than 5x the annual operating budget.
- Produce long-term prudent growth of the assets with a secondary focus on income
- Preserve long-term purchasing power of the assets
- Balance short-term spending stability with preservation of capital and total return objectives
- Maintain transparency and adhere to restrictions and parameters of all investments in the portfolio
- Achieve an average annual target rate of return of 5.5% over a 5-year market cycle.