

Management of the Endowment

The United Way Endowment is managed by the United Way Endowment Committee and Finance Committee with oversight from the United Way Board of Directors. The objective of the investment policy is to diversify investments in a broad base of securities, funds and accounts that are reasonably prudent and to maintain an expense ratio consistent with or lower than other funds of similar investment styles as measured by the Lipper and/or Morningstar rating services.

United Way Endowment Investment Policy

Policy Adopted: (March 21, 2012)

Policy Revised: (September 11, 2018) (Finance)

1. Purpose. The purpose of the following investment guidelines, which are to be reviewed annually by the Board of Directors, is to:
 - A. Establish the investment objectives, policies and eligible securities relating to any investments of the Endowment and the Restricted fund.
 - B. Identify the criteria against which investment performance of equities will be measured.
 - C. Communicate the objectives to the Board, staff, and donors.
 - D. Serve as a guide for the ongoing oversight of the management of the investments in the United Way Endowment.

2. Guidelines for Investing.
 - A. Diversification. The investment goal is to diversify investments in a broad base of securities, funds, and accounts and that are reasonably prudent.
 - B. The range would be 60-65% for Equities and 35-40% for Fixed Income.
 - C. Equities. A range of sixty to sixty-five percent (60-65%) of assets will be invested in; broad based mutual or index mutual funds or broad-based exchange traded funds (not individual stocks), designed to participate in small, mid and large capitalization stocks, in both growth and value equities (for example, the Vanguard Total Stock Market Index Fund or the Vanguard Total Stock Market ETF). Not more than one-quarter (1/4) of the equities' component can be invested in international mutual or

index mutual funds or exchange traded funds, and such portion must also be invested in a broad-based fund or funds.

- D. Fixed Income. A range of thirty-five to forty percent (35-40%) of the assets shall be invested in fixed income securities, funds, and accounts from among the following list:
 - (1) Savings and money market accounts that are FDIC insured.
 - (2) Certificates of deposit that are FDIC insured, including a ladder of CD maturities.
 - (3) United States Treasury bills, notes, bonds mutual funds, index mutual funds and exchange traded funds.
 - (4) Mutual funds, index mutual funds and exchange traded funds that invest predominately in "investment grade" bonds.
 - E. No Market Timing. Investment allocation and selection is not intended to involve market timing or timing strategies.
 - F. Investment Expenses. Whenever practical, investments that adhere to the characteristics described above shall be no-load funds, without 12(b)(1) charges, which maintain an expense ratio consistent with or lower than other funds of similar investment styles as measured by the Lipper and/or Morningstar rating services.
3. Transition to Professional Investment Manager. The United Way Endowment assets could be transferred to a professional investment manager, selected pursuant to a request for proposal process approved by the Finance Committee of the United Way of Portage County, Inc., when:
- A. The total assets in the Endowment exceed \$500,000, or
 - B. The performance of the equity portion of the portfolio trails the Vanguard Total Stock Market Index by more than 5% in any calendar year, or
 - C. The Board of Directors of the United Way of Portage County, Inc. directs such a change.

9/19/2018 (Investment Policy approval by Board of Directors)

6/20/2012 (Board approval of name change to United Way Endowment)

11/3/2021 (Transition to Prof Manager language adjusted per Endowment Committee)