

**INVESTMENT POLICY**  
**THE COLORADO MOUNTAIN CLUB FOUNDATION**  
May, 1999

**Purpose**

It is the purpose of this policy to guide and control the investment of The Colorado Mountain Club Foundation's (CMCF) funds for both its short term and long term operational and capital investment needs.

**Policy**

It is the policy of The CMCF to invest all funds in a manner that will, without undue risk, result in the highest reasonable return on the total principal amount and that will concurrently provide for the shorter term liquidity needs determined from time-to-time by the Board of Directors.

- ◆ Preservation of principal shall not be construed to limit possible short-term reductions by losses if the long-term benefits will be positive.
- ◆ As a target, the return on the total principal shall be no less than two (2) percentage points greater than the average return on thirty year U.S. Treasury Bonds, or three (3) percentage points greater than the inflation rate determined by the U.S. Department of Commerce, whichever is greater. The actual performance will be measured typically against the proceeding three (3) year period.

**Investment Committee**

The Board of Directors shall appoint an Investment Committee of no less than three members to oversee investment activities. A Director shall be elected by the Committee to be its Chairman for one year, commencing with the annual meeting of the CMCF.

Members of the Committee shall be relieved of any personal responsibility for investment decisions made with prudence and in accord with other members of the Committee.

The Committee shall:

1. Make at least annual written recommendations to and receive the approval of the Board of Directors for its proposed investment goals and asset allocations; and changes, if any, in policies,
2. Meet at least semi-annually or more frequently as market and investment conditions dictate,

3. Prepare and submit at least semi-annual status reports to each Director, which reports will normally be presented at a regular meeting of the Board of Directors, and,
4. Monitor all investment activities and results monthly (this duty may be delegated to a member of the Committee, or some other individual).

The Committee shall be empowered in accordance with the policies, authorizations and constraints contained herein:

- ◆ To set current investment targets, including the determination of and allocations to various funds and investments classes, percentage growth targets, holding times, and all other actions that will guide decisions regarding the actual investment of the funds of the CMCF. No one investment vehicle shall be used to invest more than one third of the combined total of the funds at any one time.
- ◆ To periodically establish minimum return criteria to guide and monitor all investment classes. Such criteria shall be expressed primarily in terms of the highest grades established by Standard and Poors and/or Moody's Investment Service for debt instruments, Morningstar for mutual funds, and policy targets for short term liquid investments.
- ◆ To make investments directly.
- ◆ With the prior approval of the Board of Directors, to manage, employ and terminate investment professional advisors or managers and to establish criteria for monitoring their performance.
- ◆ To intervene on behalf of the Board of Directors at any time it deems that the policies, goals and targets of the Foundation are not being met, or are in danger of not being met.

### ***Prudence***

All investments shall be made with the same care and judgment that knowledgeable and intelligent people of prudence exercise in the management and investment of personal financial resources. This standard shall apply to any person, whether members of the Investment Committee or hired professional managers, involved in any manner with the investment of the Foundation's funds.

### ***Authorized Investment Types*** ***Direct Investments***

1. Checking accounts for immediate operations needs (preferably interest bearing).

2. Money market funds which comply with the rules and regulations of the U.S. Securities and Exchange Commission. Such investments shall be primarily used for the short periods required to effect the movement of funds between investment vehicles and as a standby quick access source of approximately \$20,000 of operating capital.
3. Direct and indirect obligations of the United States government, including short term Bills and Notes for liquidity, and long-term Bonds for longer term investment returns.
4. Certificates of Deposit in institutions that are insured by the Federal Deposit Insurance Corp. The aggregate amount invested with one institution shall be restricted to less than \$100,000.01.
5. Debt instruments issued by commercial enterprises (known as corporate bonds), including banks and other financial institutions, that meet the minimum investment grade criteria established from time-to-time by the Investment Committee. In general, these will be rated BBB or above by the S&P rating service.
6. Mutual funds of both the equity and fixed income type, including balanced funds, which are rated at least three stars by Morningstar rating service, or a service of equivalent quality and experience.
7. Publicly traded investment vehicles.

Amended 3/27/08