

INVESTMENT POLICY STATEMENT

NAME:	Rich Lodge #1
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EFFECTIVE DATE:	June 3, 2016
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I. CLIENT DESCRIPTION:

Rich Lodge #1 maintains an investment portfolio to supplement the financial needs of the organization. The organization receives annual dues from its members to manage and support activities. Surplus funds may be segregated into an investment portfolio under the direction and oversight of the Trustees and invested for future use

II. STATEMENT OF OBJECTIVES:

The Trustees will act to invest and manage the portfolio's assets as a prudent investor would, considering the purposes, terms, distribution requirements, and other circumstances of the portfolio. This standard requires the exercise of reasonable care, skill, and caution and is to be applied to investments not in isolation, but in the context of the known portfolio as a whole and as a part of an overall investment strategy that should incorporate risk and return objectives reasonably suitable to the portfolio.

The Trustee's decisions and actions are to be judged in terms of their reasonable business judgment regarding the anticipated effect on the portfolio as a whole under the facts and circumstances prevailing at the time of the decision or action. The standard set forth in this paragraph and immediately above is a test of conduct and not of resulting performance.

The Trustees will review and select an independent custodian to secure, safeguard and account for the assets (investments) held in the portfolio.

III. INVESTMENT OBJECTIVES:

- **Fixed Income**

- The objective is to provide consistent annual income with minimal principal fluctuation and low amount of risk (volatility).

- **Equity**

- The objective is to provide long-term growth in assets.

- **Alternative**

- The objective is to further diversify the investment portfolio including assets that do not correlate with Fixed Income or Equities and that supplement long-term results.

- **Balanced (Combined Selected Fixed Income, Equity and Alternative Strategies)**
The objective is to balance the need for consistent annual income with the desire for longer-term growth while being thoughtful with respect to risk and volatility.

IV. ASSET ALLOCATION TARGETS:

Academic research suggests that the decision to allocate investments among various asset classes will outweigh security selection and other decisions such as market timing that impact portfolio performance. After reviewing the long-term performance of the risk characteristics of various asset classes in the previous section and evaluating the organizations goals and objectives, the following allocations and allocation ranges have been determined.

<u>Asset Category</u>	<u>Target Allocation</u>
Fixed Income	30% - 50%
Equity	40% - 70%
Alternative	0% - 10%
Cash	0% - 20%

Diversification Policy:

Fixed Income: (Domestic Investment-Grade \geq 30%; Domestic High Yield \leq 10%)

Mutual Funds

Exchange Traded Funds

Equity: (Domestic \leq 60%; Foreign \leq 25%; Emerging Markets \leq 10%)

Mutual Funds

Exchange Traded Funds

Alternative: (REITS \leq 5%; Commodities \leq 5%; Master Limited Partnerships (MLP) \leq 5%)

Mutual Funds

Exchange Traded Funds

Note: ETF's are Exchange Traded Funds that replicate broadly diversified indexes or market segments. They are structured similar to mutual funds but trade like individual stocks throughout each day. The result is an investment vehicle that provides a broadly diversified market exposure similar to a mutual fund with the liquidity and ease of transaction of a stock. ETF's provide a low cost investment alternative that deliver performance consistent with major market indices.

The above listed ETFs are provided for example purposes only with no intention of making any recommendation or endorsement of the suitability, volatility, risk or performance for any specific security or client.

V. MONITORING AND FEEDBACK:

The Trustees will review the portfolio performance and asset allocation at least twice a year. Deviations from the targeted asset allocation by more than 5% will be re-balanced back to the target allocation at the time of this review and more often as necessary. Appropriate market index returns will be utilized for comparison.

VI. NOTE:

Any changes to the investment policy statement must be communicated in writing immediately to the Trustees and voted upon prior to adoption.

VII. DISCLAIMER:

Past performance is not indicative of future performance. Investment values will fluctuate and are not guaranteed.

As Trustee of this portfolio I have read and understand the information presented above. I agree to the portfolio strategy described herein and agree to the statement contained herein and to any actions consequential to them.

VIII. ADDITIONAL NOTES:

The Trustees are authorized to obtain professional investment management advice to supplement their review and oversight of the portfolio.

Dated: _____

Dated: _____

Trustee Signature: _____

Trustee Signature: _____

Name (Print): _____

Name (Print): _____

Dated: _____

Dated: _____

Trustee Signature: _____

Trustee Signature: _____

Name (Print): _____

Name (Print): _____