

Livonia Community Foundation
Investment Policy and Duties for Vice President of Investments

This statement provides for the establishment of an investment policy, establishment of cash and investment categories, establishment of accepted definitions and investment vehicles, and the organization and role of the Vice President of Investments.

- I. **General policy statement:** The Livonia Community Foundation (hereinafter 'Foundation') shall maintain a conservative approach toward the protection of and the investment strategy involving all funds and properties of the Foundation. The objective in the administration of all funds of the Foundation is to maximize the total return on the investments, subject to prudent management and the preservation of capital.
- II. **Cash and Investment categories:** The finance committee recommends the following categories in which the Foundation funds may be held and the cash or dollar range that may be placed in each:

- (1) **Short Term Asset Allocation** (checking and saving accounts): Twelve (12) to eighteen (18) months of the expected grants and expense allocations should be held in the money market investments.
- (2) **Long Term Asset Allocation:** In order to achieve the investment objective, a balanced asset allocation approach shall be followed in managing the investments of the Foundation. Accordingly, the portfolio shall be reviewed by the committee at least annually subject to the allocation restrictions outlined as follows:
 - i. **Equities:** Maximized portfolio allocation target 60% of the total portfolio value.
 - ii. **Fixed Income:** Maximum portfolio allocation 40% of the total portfolio value.

The long-term target allocation objective is 60% equities and 40% fixed income.

- (3) **Permissible Securities:**
 - i. **Equities:** The Committee will not invest in individual holdings, but will invest in appropriate mutual funds diversified consistent with the Investment Company Act of 1940.

Equities shall be diversified utilizing primarily domestic mutual funds. The domestic mutual funds will be comprised of equity investments chosen from the New York Stock exchange, regional exchanges and the National Over-the Counter (OTC) markets, and can include the following categories with target caps.

International Equity Funds	15%
Global Equity Funds	20%

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Emerging Market Equity Funds	5%
Alternative Investment Funds	5%
Real Estate Funds	5%

- iii. Fixed Income: The fixed income component of the portfolio will be diversified utilizing domestic investment grade fixed income mutual funds and certificates of deposit, government bonds, savings, and can include the following categories within target caps.

Municipal Bond Funds	20%
Global Fixed Income Funds	5%
International Fixed Income Funds	5%
High Yield Bond Funds	5%

- III. **Vice President of Investment:** The Vice President of Investment will be appointed by the President with approval by the board of trustees. The Vice President of Investment will be the point of contact with the investment management firm(s) and the Livonia Community Foundation. If the Vice President of Investment is not available or is not able to fulfill their responsibilities, another officer of the Foundation may fill in. This individual will receive and review statements and verify that the Investment Policy is being implemented and reasonably adhered to. The Vice President of Investment will also monitor the cash investments not being held by the investment management firm brokerage accounts to ensure that the percentage in cash equivalents in total does not exceed the Investments Policy guidelines. He/she will also communicate with the investment firm to facilitate their attendance and reports when required at Foundation meetings and will work in concert with the Treasurer.

Adopted December 12, 2002

Amended September 18, 2003 to incorporate modified investment categories and investment ranges.

Amended June 23, 2005 upon recommendations of the Investment Committee to deemphasized fixed income and expand the use of long term equities.

Amended April 10, 2008 upon recommendations of the Investment Committee to adjust asset allocations in conformance with the recommendations of the Council of Michigan Foundations (document of 8/2002) and to create the position of Vice President - Investments and to eliminate the Investment Committee and provide miscellaneous clarifications.

Amended February 21, 2019 upon recommendation of the Investment Committee to adjust the asset allocations to a more conservative target and provide additional categories of investments. Also made a few changes to the Vice President of Investments role.