



## **Investment Policy Statement**

### **Short Term Portfolio**

**Policy #:**  
**Version #:**

**Effective Date:** March 9, 2016  
**Updated:**  
**Category:** Finance & Accounting

## **Purpose of this Investment Policy Statement**

This investment policy statement is set forth by the Board of Directors of Community First Foundation (the Foundation) in order to:

- 1) Define the investment goals and objectives of the Foundation
- 2) Establish the overall investment parameters for the Short Term Portfolio (the Portfolio) including:
  - a. Downside risk limitations
  - b. Growth expectations
  - c. Liquidity guidelines
- 3) Delegate certain responsibilities to the Finance and Investment Committee
- 4) Establish reporting and monitoring requirements.

## **Goal of Foundation**

The Board of Directors believes that some funds have a time horizon of less than 5 years and should be invested in with the appropriate level of risk. While investment returns are desired and risk is to be accepted in the Portfolio, more emphasis should be placed on preservation of capital than on return. To attain this goal, the overriding investment objective for the Portfolio is to maintain purchasing power and generate investment returns, collectively total return, while carrying out the mission of the Foundation.

## **Investment Objectives**

To meet the needs of the Foundation, the investment strategy emphasizes capital preservation as defined above. Specifically, the objectives in the investment management of the Portfolio is:

- Preservation of Purchasing Power: to achieve returns equal to the rate of inflation over the investment horizon in order to preserve purchasing power of the Portfolio's assets.
- Maximizing the generation of investment returns in excess of purchasing power while avoiding excessive risk. Risk control is an important element in the investment of the Portfolio's assets.

**In general, the purpose of this statement is to outline a philosophy and attitude that will guide the investment management of the Portfolio toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.**



**Investment Policy Review**

To assure continued relevance of the guidelines, objectives, financial status, and capital-markets expectations as established in this Investment Policy Statement, the Board and FIC will review and evaluate this Investment Policy Statement at least annually.