

Lake Mills Area Community Foundation

Investment Policy- Summary Version

Purpose:

The purpose of the investment policy is to provide guidelines for the prudent investment of the long term assets of the Lake Mills Area Community ("LMACF") Inc. The Investment Policy provides a clear statement of the investment objectives, defines the responsibilities of the Board of Directors and other parties involved in managing the investments of LMACF, and identify or provide target allocations, permissible investments and diversification requirements.

Statement of Objectives:

The overall investment objective of the Foundation is to maximize the return on invested assets while minimizing risk and expenses. This is done through prudent investing and planning as well as through the maintenance of a diversified portfolio of growth and income investments.

Over all time periods, achieving the highest possible return, while preserving capital growth with income growth with income producing investments that are of moderate risk is the primary objective.

Investment Guidelines:

The Foundation is expected to operate in perpetuity, so therefore, a long term 10 to 20 year time horizon shall be employed with investments of all endowed funds.

The target asset allocation ranges of all Foundation assets are as following:

1. The equity portion of the portfolio will be managed within a band of 40-80%, with an underlying international equity band of 0-25%.
2. The fixed income portion will be managed within a band of 20-60%.
3. The alternatives portion of the portfolio will be managed within a band of 0-10%.
4. The cash reserve will be managed within a band of 0-10%.

Performance objectives are on a "Time Weighted Rate of Return" net of fees basis versus benchmark portfolios established by the Board.