Mansfield Foundation.
Investment Policy

The Board of Directors of the Mansfield Foundation is aware of its responsibility to manage efficiently the funds given to the Foundation. It is assumed that endowment funds will have permanent life and that investment policies will be followed which will protect the principal of the funds, preserve the purchasing power, and produce maximum total return without assuming undue risks.

The Finance Committee, appointed by the president of the Board of Directors, sets forth herewith its overall investment policy, objectives, and procedures for the assets of the Foundation entrusted to it for supervision, guidance, and investment management.

I. Objectives

A. Funds are to be invested with the objective of preserving long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of scholarships.

B. To maintain a position which permits the budgeting and expenditure of prior year income rather than anticipated income.

C. To adhere to a spending rule consistent with the donor's gift instrument, if specified. Spending Policy calculations are based on a five-year rolling average of the market value of the investment portfolio as of fiscal year- end.

II. Policies and Procedures

A. The president of the Board of Directors will appoint the Finance Committee and the chair in accordance with the procedures outlined in the Foundation's By-Laws. The Committee will be composed of a minimum of 6 voting directors including the treasurer, plus the executive director (non-voting) and the Foundation's accountant (non- voting, who will serve as the secretary). The Committee members will have staggered appointments of three- year terms which are renewable at the discretion of the President of the Foundation Board. Four voting members constitute a quorum.

B. The Finance Committee shall have full power and discretion to make investments and to change the investments of any of the funds of the Foundation within the guidelines established in this policy. The Finance Committee will have the authority to temporarily alter the implementation of the policy under radical changes in market conditions.

C. Investment managers will be engaged by the Finance Committee. The Committee will have the power to change investment managers as needed. The investment managers shall meet with the Finance Committee at least annually. The investment managers will provide the committee with the following:

1. A quarterly list of all securities held showing cost and market value.

2. A quarterly statement showing comparative measurement of performance using comparisons to mutually agreed upon measures.

3. A monthly list of all securities transactions.

4. A quarterly statement of fees and commissions for operating the portfolio.

5. A listing of current ratings of each fixed income security.

D. The Finance Committee will meet quarterly. The Committee will make reports consisting of the minutes of its meetings and an analysis of the investment portfolios to the board of directors at each of its meetings.

E. Diversification of assets will ensure that adverse or unexpected results from a security class will not have an excessive detrimental impact on the entire portfolio. Diversification is interpreted to include diversification by type, by characteristic and by number of investments, as well as by investment styles of the management organizations.

III. Policies Regarding Equity Investments

A. The equity component of the portfolio normally shall represent 60% and, normally, shall not be greater than 70% of the current market value, unless specifically approved by the Finance Committee. Levels below 50% for equities will be closely monitored by the Finance Committee and reallocations may be implemented when the ratio falls below 40%.

B. The equity component of the portfolio shall be diversified among different industries, with a concentration in any industry and in any company of not greater than 10% and 5% respectively, (including fixed income investments) unless specifically approved by the Finance Committee.

C. Private placements and venture capital are allowed, as long as it is a part of an investment program managed by CommonFund or other qualified investment manager. Security options and financial futures require prior approval by the Finance Committee.

D. For this purpose, real estate investments will be considered as equity investments. Such investments require prior approval of the Finance Committee.

E. Real estate investments that are managed and are directly owned property are excluded from the portfolio mix.

IV. Policies Regarding Fixed Income Investments

A. The fixed income component of the portfolio normally shall represent 40% and, normally, shall not be less than 30% of the current market value, unless specifically approved by the Finance Committee. Cash shall be considered a fixed income investment.

B. Commercial paper and corporate bonds, when purchased, shall have a Moody's rating of at least P-1 or a Standard and Poor's rating of at least A-1 unless specifically approved by the Finance Committee.

C. Investments shall be limited to U.S. Government, U.S. Government Agencies, and corporate instruments having investment grade credit ratings, as rated by Moody’s or Standard and Poor’s, unless specifically approved by the Finance Committee.

D. Except for government and agency issues, no more than 5% of the market value of the fixed income component (including equity investments) should be invested in any one issue, nor more than 10% of the market value in any one industry (including equity investments) unless specifically approved by the Finance Committee.

E. Private placements and direct mortgages require prior approval of the Finance Committee.

V. Policies Regarding Cash Investments

A. Up to 10% of the total endowment fund assets may be held in cash or maturities that are shorter than one year.

B. The term "cash" includes cash, U.S. government and U.S. government agency obligations, commercial paper rated A-1 by Standard and Poor’s or P-1 by Moody’s, certificates of deposit issued by quality U.S. banks, custodial banks’ short term reserve funds and no-load money market funds all having average maturities not exceeding one hundred and eighty days.

VI. Other Policies

A. All income (interest and dividends) may be required to be paid out quarterly to the Foundation.

B. Additions to the fund may be used to achieve a desired balance of 65 percent equities and 35 percent fixed income securities. Annually, the Finance Committee shall review asset allocations to determine if further rebalancing is needed.

C. Nothing in the above document will be construed to disallow the use of the Commonfund und investment vehicles which, in some circumstances, will not reflect specific investment policy guidelines within this investment policy statement. This applies as such time as funds are invested with the Commonfund.

D. The above limitations shall not apply to mutual funds, which may be utilized to further diversify the portfolio.

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