

**The Indian Hill Historical Society**  
**Investment Policy Statement**  
Effective October 13, 2021

### **Purpose**

The Indian Hill Historical Society (“IHHS”) is a non-profit [501(c)(3)] corporation dedicated to the preservation of the rich heritage of the Village of Indian Hill. The Society is dedicated to preserving the past and the present history of the Village of Indian Hill for future generations. IHHS has established a managed investment account (the “Fund”) to provide support of IHHS’s mission. The Fund will provide distributions to IHHS on an annual basis of approximately 3% (\$9,000 per month in 2021) of the market value as of the most recent start of the fiscal year. The annual distributions are primarily taken from the income generated by the portfolio and secondarily from the principal as needed.

The purpose of this Investment Policy Statement (IPS) is to establish a clear statement of the investment objectives of the Fund and to set guidelines for the Investment Advisor (Bartlett Wealth Management) of the Fund. This Investment Policy Statement describes the standards that are to be utilized by the Finance Committee to evaluate the Investment Advisor on a continuing basis. The investment policies described herein are intended to reflect the Fund’s current status and philosophy, yet be dynamic in nature. These policies will be reviewed and revised as necessary to ensure they adequately reflect any changes IHHS financial needs to the Fund or the capital markets.

### **Investment Objective**

The primary investment objective of the Fund is to support operating and capital expenses to support IHHS’s mission as well as to provide long-term capital appreciation in a risk-controlled manner.

### **Constraints**

1. Time Horizon: The investment strategies are based upon an investment horizon of five years or longer. The Fund’s time horizon is considered long-term; therefore, interim fluctuations should be viewed from an appropriate perspective.
2. Risk Tolerance: The Finance Committee recognizes and acknowledges that some risk must be assumed in order to achieve its long-term investment objectives, and that there are uncertainties associated with investments in the capital markets. In establishing the Fund’s risk tolerance, the Finance Committee will consider short and long-term volatility.
3. Liquidity Needs: The only anticipated liquidity needs are those necessary to meet the monthly distribution of approximately 3% of the market value as of the most recent start of the fiscal year. At the outset, this amount will be \$9,000 per month but this will be adjusted based on IHHS’s needs.
4. Tax Considerations: As a tax-exempt organization, there are no tax consequences to investment decisions.

## **Asset Allocation**

Research suggests that asset allocation plays a primary role in determining the long-term returns and risks of any investment portfolio. In light of the objectives of the Fund and taking into consideration its time horizon, liquidity requirements, financial condition, and risk posture, the following asset allocation guidelines have been established:

| <b>Asset Class</b>  | <b>Allocation Range</b> |
|---------------------|-------------------------|
| Equities            | 70 – 100%               |
| Fixed Income & Cash | 0 – 30%                 |

The asset allocation ranges listed above illustrate the degree by which the Investment Advisor may alter the allocation of the portfolio in the course of a market cycle, based on economic conditions and its outlook for particular types of investments. Within each of the broad asset classes listed in the table, all of the investments that are used for the Fund must be publicly traded, liquid investments listed on a major U.S. exchange. The specific types of investments allowed within each of the broad asset classes are outlined below.

- |               |  |
|---------------|--|
| Cash:         | High-Quality Money Market Funds  |
| Fixed Income: | High-Quality U.S. Corporate Bonds, U.S. Treasuries and Agencies, Preferred Securities, Floating Rate Bonds, High Yield Bonds (Mutual Fund/Exchange Traded Funds “ETF” Only). |
| Equities:     | U.S. Large Cap (primarily), U.S. Mid Cap, U.S. Small Cap, Developed International, and Emerging Markets  |

## **Rebalancing Procedures**

From time to time, market conditions may cause the value of the Fund’s asset classes to deviate from the established asset allocation ranges. The Finance Committee, along with the Investment Advisor, will review the market values and corresponding asset allocation percentages periodically and rebalance as appropriate.

## **Review**

At least annually, the Finance Committee, along with the Investment Advisor, will revisit the key business and investment assumptions used to determine the asset allocation ranges. Changes in capital market conditions, IHHS’s liquidity needs, cash flow trends, or capital spending may signal adjustments that should be reflected in the Fund’s investment objectives and asset allocation.

## **Guidelines**

1. General Guidelines: The Fund will be invested in individual securities and/or funds by the Investment Advisor. Separately managed accounts, SEC registered commingled funds (e.g., mutual funds, limited partnerships or similar pooled investment vehicles), and exchange traded funds (ETFs) may be utilized to complement individual securities. To the extent possible, mutual funds and other commingled vehicles are expected to comply with the intent of the guidelines and restrictions below.
  - The entire Fund shall be invested in liquid securities, defined as securities that can be sold quickly with minimal impact on market price. There shall be no investments in non-marketable securities, including unregistered or restricted stock.
  - The use of leverage is prohibited. No strategies based on leverage such as margin buying or short selling may be employed with the exception of mutual funds.
  - There shall be no securities lending, financial futures or other specialized investment activity without prior written approval from the Finance Committee.
  - The Investment Advisor shall not utilize derivative securities to increase the actual or potential risk posture of the portfolio. The use of primary derivatives, including, but not limited to, structured notes, lower class tranches of collateralized mortgage obligations, principal only or interest only strips, inverse floating securities and such other specialized investment activity is prohibited with the exception of mutual funds.
  - No investment will be made in which the Investment Advisor or any affiliate has an underwriting or ownership interest.
2. Equity Guidelines: The primary purpose of U.S. equity investments is to provide appreciation of principal with the recognition that this requires the assumption of greater market volatility and risk of loss. Guidelines for equity investments include the following:
  - The Investment Advisor is given broad discretion with respect to security selection. All securities must be traded on a recognized U.S. exchange. No more than 10% of the market value of the equity portfolio may be invested in a single company unless restricted by the donor or authorized by the Finance Committee and no more than 30% in a single sector. The equities will focus on high quality US large cap stocks. The Investment Advisor may recommend diversification into US mid, US small cap, and/or international companies. Any asset allocation changes will need to be reflected in the IPS document and approved by the Finance Committee and Board of Trustees.
  - There shall be no purchase which would cause a position in the Fund to exceed 5% of a single company's stock issue outstanding.
3. Fixed Income Guidelines: The primary purpose of fixed income investments is to provide a highly predictable and dependable source of income, preserve capital and reduce the total volatility of the Fund. Specific holdings will conform to the following criteria:
  - The securities of any one corporate issuer should be limited to 5% of the Fund's portfolio with the exception of securities issued or guaranteed by the U.S. Government or its agencies.
  - Any individual fixed income securities will be investment grade, with a minimum rating of BBB by Standard & Poor's or similar rating by another rating agency with the exception of mutual funds or ETFs. No credit with a rating lower than BBB or similar rating, known as high-yield credit, may be held or purchased.

## **Review and Evaluation of Fund**

The ongoing monitoring of the investment portfolio must be a regular and disciplined process. It is the mechanism for revisiting and validating that the investment structure and implementation continues to be appropriate. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specific guidelines is an ongoing process, which includes the following:

- The Finance Committee will review all policies, objectives and guidelines periodically and no less than annually.
- The Investment Advisor will review with the Finance Committee the results of the Fund no less than annually to ensure conformity with the prescribed asset mix and performance standards.
- Performance of the Fund and its manager(s) will be measured net of fees and compared to appropriate benchmark market indexes on an absolute and risk-adjusted basis over a full market cycle (generally three to five years).
- The total return of the Fund is expected to exceed a custom portfolio benchmark, composed of the designated benchmark indexes, weighted according to the target asset allocation.

| <b>Asset Class</b> | <b>Benchmark</b>   |
|--------------------|--|
| Fixed Income       | Barclays Capital U.S. Short-Term Gov't/Credit Bond Index                           |
| U.S. Equities      | S&P 500 Index  |
| Combined Portfolio | 90% S&P 500 Index and 10% Barclays Capital U.S. Short-Term Gov't/Credit Bond Index |

- The Finance Committee of the IHHS and the Investment Advisor will from time to time jointly agree upon appropriate benchmarks for the different sectors of the Fund.

## **Roles and Responsibilities**

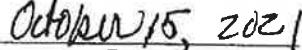
The following is a summary of the primary investment-related responsibilities of various parties involved in the management of the Fund.

1. Board of Trustees: The Board provides broad guidance and direction to the Finance Committee with respect to IHHS's organizational goals and issues that should be reflected in the policies, procedures and practices of managing the Fund including:
  - Approving this Investment Policy Statement and any modifications or additions.
  - Approving asset allocation ranges.
  - Approving the selection and retention of the Investment Advisor.
2. Finance Committee: The Finance Committee will be responsible for the strategic oversight of the Fund. The Finance Committee will act prudently and in the best long-term interests of the IHHS. The Finance Committee is responsible for the following functions:
  - Establishing the Investment Policy Statement and recommending any modification or additions to the Board of Trustees.
  - Communicating to the Board of Trustees as needed any information relating to investment strategies and investment performance.

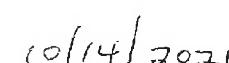
- Recommending investment objectives so that appropriate return and risk parameters are considered.
  - Evaluating the performance of the Fund and its Investment Advisor.
  - Recommending selection, retention and termination of outside related professionals including custodian, accountants, and others as needed.
3. Investment Advisor: The Investment Advisor is responsible for the following functions:
- Managing the assets under its supervision in accordance with the guidelines and objectives established herein.
  - Exercise full investment discretion with regards to buying, managing and selling assets held in the Fund, subject to any listed restrictions.
  - Vote promptly all proxies and related actions in a manner consistent with the long-term interest and objectives of the IHHS. The Investment Manager shall keep detailed records of the voting of proxies and related actions and will comply with all applicable regulatory obligations.
  - On a timely basis, but not less than quarterly, the Investment Advisor will be expected to provide appropriate information to the Finance Committee.
  - The Investment Advisor is encouraged to provide any suggestions regarding appropriate adjustments to this Investment Policy Statement.
  - Use the same care, skill and prudence under the circumstances then prevailing that experienced investment professionals acting in a like capacity and fully familiar with such matters would use in similar activities for like clients with like aims in accordance and compliance with all applicable laws, rules and regulations.
  - Transactions should be entered into on the basis of best execution, which is interpreted normally to mean best-realized price. In some cases, commissions may be used in payment of research and other services rendered to the client but these cases are infrequent.
  - Provide quarterly reports, which will include measurements against appropriate benchmarks.

The Investment Policy Statement set forth is approved by:

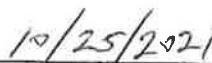
  
IHHS, President, Rosemary D. Welsh

  
October 15, 2021  
Date

  
IHHS, Treasurer, Oliver H. Hunter, III

  
10/14/2021  
Date

  
Bartlett, Principal, Brian F. Antenucci, CFA

  
10/25/2021  
Date