

*Virginia Press Women Foundation, Inc.*

Investment Policy Statement

January 29, 2016

# INVESTMENT POLICY DISCUSSION

## *Investment Policy Statement of Purpose*

An investment policy outlines and prescribes a prudent and acceptable investment philosophy and defines the investment management procedures and long-term goals for the Foundation.

## *Benefits of a Written Policy*

The principal reason for developing a long-term investment policy and for putting it in writing is to enable you and us to protect your portfolio from *ad hoc* revisions of sound long-term policy. The written investment policy will help you maintain a long-term policy when short-term market movements may be distressing and the policy is in doubt.

The development of an investment policy follows the basic approach underlying financial planning: assessing your financial condition, setting goals, developing a strategy to meet the goals, implementing the strategy, regularly reviewing the results and adjusting the strategy or the implementation as circumstances dictate. Having and making use of an investment policy encourages you to become more disciplined and more systematic, thus improving the probability of satisfying your investment goals. The formal requirement for written investment policies originally arose out of regulations relating to company retirement plans (ERISA) and was later supported by the adoption of the Uniform Prudent Investors Act.

The net effort of the written policy is to increase the likelihood that the portfolio will be able to meet the financial needs of the Foundation.

# INTRODUCTION

This Investment Policy Statement (IPS) describes the type of investment choices available for use by the Virginia Press Women Foundation, Inc. (VPWF). The selection of investments is intended to allow the allocation of VPWF's funds in a manner that is consistent with their goals.

This IPS is not a contract. This investment policy has not been reviewed by any legal counsel. This IPS is not intended to be a summary of an investment philosophy but to provide procedures that offer guidance for the VPWF. This statement will be reviewed and revised periodically to ensure they adequately reflect any changes related to the Portfolio, to the needs of the Board, or to the capital markets.

## INVESTMENT OBJECTIVES

These policy guidelines suggest that the VPWF's Foundation has a time horizon of at least five (5) years with annual funding needs provided through a combination of withdrawals of the investment account and/or annual donations.

The fund has been established to provide scholarships to students in both undergraduate and graduate degree programs. The scholarships will be awarded at the discretion of the VPWF's board.

To mitigate market fluctuations, any investment selections should be viewed within the context of an even longer planning horizon than five (5) years. It is important to understand that all investment accounts entail a certain amount of risk and might not achieve the desired results.

## ASSET ALLOCATION

Academic research suggests that the decision to allocate total assets among various asset classes will far outweigh security selection and other decisions that import portfolio performance. After reviewing the long-term performance and risk characteristics of various asset classes and balancing the risk and rewards of market behavior, you have agreed to an asset allocation of 65% equities and 35% fixed income.

While decisions regarding specific securities are made considering historical performance no guarantees can be given about future performance, and the Investment Policy Statement should not be construed as offering such a guarantee.

## PERMITTED SECURITY TYPES

Investment selections will be limited to the items listed below until such time that the nature of the goals and objectives for these accounts are modified:

1. Cash and cash equivalents
2. Fixed Income Investments- Short term and intermediate term direct and indirect bonds or bond funds (rated A or better by Standard and Poor's)
3. Equities- US Large Cap, mid cap, and small caps may be held

4. The Foundation Board has determined that any gift of securities received will not be held but sold with the proceeds allocated according to its current policy allocation
5. Mutual Funds and Exchange Traded Funds- the account will investment primarily in US custody index funds and international funds
6. Bank or Brokered Certificates of Deposit

## **PROHIBITED SECURITY TYPES OR TRANSACTIONS**

Due to volatile nature and ability for improper use, the following securities or transactions are hereby prohibited from the Foundation's investment accounts:

1. Options
2. Direct Commodities transactions
3. Limited Partnerships
4. Direct Precious Metals
5. Venture Capital
6. Short Sales
7. Private Placements- these transactions are usually small offers and illiquid
8. Leveraged Transactions
9. Foreign Securities purchased as ordinaries
10. Any individual stock position that constitutes a greater than 10% ownership for the portfolio

## **REBALANCING STRATEGY**

This account will be monitored on an ongoing basis; however, the portfolios will be traded for compliance to the stated asset allocation at the discretion of the Board.

## PERFORMANCE REVIEW

### *Reports*

Vanguard Mutual Funds and/or their custodian will mail a report no less than quarterly that lists all assets held in the account.

### *Meetings and Communications*

As a matter of course VPWF's Board of Directors shall meet no less than annually to adopt this IPS and or modify it for required changes. This document remains inforce until a new written document, signed by the Board of Directors, is created.

## DUTIES AND RESPONSIBILITIES

### *VPWF's Board of Directors*

**VPWF's Board of Directors** shall be responsible for:

1. The oversight of the Portfolios.
2. Defining the investment objectives and policies of the Portfolios.
3. Reviewing monthly and quarterly statements and asking questions regarding any activity requiring further clarification.
4. Directing changes in this investment policy and to oversee the portfolios' activity with regards to policy, guidelines, objectives and specific investments on a timely basis.

# EXECUTIVE SUMMARY

Trustee: ***Virginia Press Women Foundation, Inc.***  
1819 Floyd Avenue  
Richmond, VA 23220-4513

Custodian:  
**Vanguard Mutual Funds**  
**455 Devon Park Drive**  
**Wayne, PA 02205-5111**

**Date Adopted: April 9, 2016**

**VPWF's Board of Directors:**

\_\_\_\_\_ Pamela Stallsmith, President  
\_\_\_\_\_ Cathy Jett, Secretary  
\_\_\_\_\_ Louise Seals, Treasurer  
\_\_\_\_\_ Mary Jane King, Member  
\_\_\_\_\_ Melodie Martin, Scholarship