

FOOD INDUSTRY ASSOCIATION EXECUTIVES

INVESTMENT POLICY AND OBJECTIVES STATEMENT

PURPOSE

This statement communicates the investment philosophy, goals and objectives, guidelines and restrictions for investing the assets of the Food Industry Association Executive (FIAE) as determined by the Board of Directors. Our strategy will adhere to the standards of fiduciary prudence.

ROLES AND RESPONSIBILITIES

The Board delegates to the Executive Committee the monitoring of the Association's investments and recommending to the Board changes to investment policies. Investment policies will be reviewed and approved annually by the FIAE Executive Committee. Consistent with this written investment policy the Executive Committee will set parameters on the amount invested and consult with FIAE's Investment Consultants on the purchase of financial instruments.

OBJECTIVES

Investments will achieve a total return that takes into account financial management, consulting fees and expenses. The primary objectives are as follows:

Ensure the safety and preservation of principal;
Maintain adequate liquidity to meet cash flow needs;
Achieve yields within the parameters of conservative investment guidelines, consistent with safety and liquidity as expressed above; and
Diversify into multiple investment categories with a portfolio composition that falls within the following guidelines:

| <u>Asset Class</u> | <u>Range</u> |
|---------------------------|---------------------|
| Fixed Income | 30% - 60% |
| Equities | 30% - 60% |
| Alternatives | 0% - 15% |

REBALANCING

In the event that the above aggregate asset allocation guidelines are violated by more than 5%, for reasons including but not limited to market price fluctuations, the Executive Committee will instruct the Investment Consultant(s) to bring portfolios into compliance with these guidelines as promptly and prudently as possible. In the event that any individual Investment Consultant's portfolio is in violation with these policy guidelines, for reasons including but not limited to market price fluctuations, the Executive Committee expects the Investment Consultant to bring portfolios into compliance with these guidelines as promptly and prudently as possible without instruction from the Executive Committee.

BENCHMARKS

At least annually, the FIAE President, Treasurer and Investment Consultants will review investment performance and compliance with policy. If concerns, questions or market trends are an issue, the Executive Committee will be informed and possibly called on to take action.

REPORTING

Monthly financial statements should be provided to the FIAE Treasurer from FIAE's President with an overview at every Executive Committee and Board of Directors' meeting. The Board of Directors will receive investment updates in the Treasurer's Report presented at each Board meeting to actively monitor the approved investments and to ensure they remain in compliance with this investment policy. The Executive Committee should review the performance of the investments, and report its recommendations for investment adjustments, if warranted, to the Board of Directors.

LIMITATIONS ON INVESTMENTS

Consistent with the portfolio composition outlined in this investment policy, investment of funds shall be limited to the following categories:

- Certificates of Deposit
- Money Market Accounts
- U.S. Government Bonds
- Corporate High Quality Bonds
- Corporate High Yield Bonds
- Global Bonds
- Growth/Income Mutual Funds
- Growth/Income Money Managers
- Company Stocks
- Alternative Funds

REINVESTMENT

The Board will, on an annual basis, continue to seek new initiatives and programs designed to assist the FIAE membership for the appropriate use of the reserves fund.

CONFIDENTIALITY

Financial investment shall be held in the strictest confidence by the Investment Consultant who should not be a member of FIAE.

[Approved at the January 25, 2017 FIAE Board of Directors Meeting]