



American Guild of Organists
Indianapolis Chapter

Investment Guidelines for Mozingo Endowment Fund

(revised June 4, 2011)

Mozingo Endowment Investments Committee

- I. The Mzingo Endowment Investments Committee (Investments Committee) is an Advisory Committee appointed by the Executive Committee and charged with implementing investment objectives of the Mzingo Endowment as established by the Executive Committee.
- II. The Investments Committee shall meet at least quarterly to review investments.
- III. The Investments Committee shall meet at least annually with the Investment advisor.

Investment Objectives

- I. The preservation of capital relative to inflation will receive primary consideration in the management of the portfolio
- II. Consistent disposable income will be sought.
- III. Reasonable growth of the capital will be sought.

Investment Guidelines

- I. Portfolio asset allocation will be governed by the following guidelines:
 - A. The minimum investments in Cash and Equivalents, Fixed Income Securities and Equity Securities at Market Value are as follows

	<u>Minimum</u>	<u>Maximum</u>
Cash and Equivalents (CDs, Bank Account)	5%	75%
Fixed Income Securities (Bonds, Preferred Stock, Notes)	10%	60%
Equity Securities(Common Stock)	10%	80%

II. The Fixed Income portions of the portfolio shall be invested within the following Guidelines:

A. Quality Standards:

1. No fixed income investment shall be rated less than "A" by either Standard & Poors or moody.
2. Commercial paper and certificates of deposit must be rated Prime 1.

B. Portfolio Structure and Individual Issue Limitations:

1. A maximum of 100% of book value of the fixed income portion of the portfolio may be invested in obligations of the U.S. Government and in securities guaranteed as to payment of the principal and interest by the U.S. Government.
2. A maximum of 70 % of the book value of the fixed income portion of the portfolio may be invested in bonds or various agencies of the U.S. Government.
3. The fixed income portion of the portfolio may at all times hold up to 100% of its assets in commercial paper, certificates of deposit, and treasury bills.
4. Preferred Stock may be considered for purchase as a fixed income investment.
5. No mortgage-backed securities shall be included in the portfolio.
6. No repurchase agreements shall be included in the portfolio.

C. Maturity Standards: The maximum maturity of any fixed income security in the portfolio shall be fifteen (15) years.

III. The equity portion of the portfolio shall be invested within the following guidelines:

A. Purchases for this portion of the portfolio shall be authorized by the Investments Committee upon recommendation of the Investment Manager, who shall review the following factors:

1. Quality of the company management.
2. Superior marketing capabilities.

3. Balance sheet of the company.
4. Consistent return on equity.
5. Ability to partially or completely finance future growth through internal cash generation.
6. Favorable historic pattern of earnings and dividend growth and expected future favorable trends.

B. Quality Standards and Individual Issue Limitations:

1. All equity securities must be rated "A" or greater by Standard & Poors.
2. Each equity position held in the portfolio shall at purchase be no greater than 15% of the entire endowment principal.

IV. Authority and Procedures:

A. The Investments Committee shall have discretionary authority to purchase and sell investments with in these guidelines.

B. Reporting

1. Annual reports to the entire chapter or upon request of the Executive Committee.
2. Current report to the Executive Committee upon request.
3. Continuous records will be maintained of investment activity

C. The Investments Committee, by its chair shall be authorized to vote proxies.

D. Signatures shall be Dean, Treasurer and Mazingo Endowment Investments Committee Chair for withdrawal.