Museum of Innovation and Science

INVESTMENT POLICY
AS OF SEPTEMBER 30, 2020
FIRST REVISION DATED
December 8th, 2022

PURPOSE OF INVESTMENT POLICY

The purpose of this Investment Policy is to provide a clear statement of the Organization's investment objective, to define the responsibilities of the Board of Trustees and any other parties involved in managing the Organization's investments, and to identify or provide target asset allocations, permissible investments and diversification requirements.

INVESTMENT OBJECTIVE

The overall investment objective of the Organization is to maximize the return on invested assets while minimizing risk and expenses. This is done through prudent investing and planning, as well as through the maintenance of a diversified portfolio.

The funds will be managed on a total return basis, consistent with the applicable standard of conduct set forth in the New York Prudent Management of Institutional Funds Act of 2010 (NYPMIFA). It is the intention that the total return (interest income, dividends, realized and unrealized gains) will be continually reinvested except where restrictions deem otherwise.

GENERAL PROVISIONS

- All transactions shall be for the sole benefit of the Organization.

- The Trustees shall consider updating the Organization's investment policy on a periodic basis as frequently as annually but in no event longer then every three years.
- The Trustees shall conduct an annual review of the Organization's investment assets to verify the existence and marketability of the underlying assets or satisfy themselves that such a review has

been conducted in connection with an independent audit of the Organization's financial statements.

- Any investment that is not expressly permitted under this Policy must be formally reviewed and approved by the Trustees.
- The Trustees will endeavor to operate the Organization's investment program in compliance with all applicable state, federal and local laws and regulations concerning management of investment assets.
- Investments shall be diversified with a view to minimizing risk.

DELEGATION OF RESPONSIBILITY; RELIANCE ON EXPERTS AND ADVISORS

- The Board of Trustees has ultimate responsibility for the investment and management of the Organization's investment assets.
- The Board may delegate authority over the Organization's investments to the Finance Committee, being a Board Committee comprised of Trustees and community members with financial acumen.

- The Committee may hire outside experts as investment consultants or investment managers.

RESPONSIBILITIES OF THE BOARD, OR IF AUTHORITY IS DELEGATED, THE INVESTMENT COMMITTEE

- The Board, or if authority is delegated, the Finance Committee, is charged with the responsibility of managing the investment assets of the Organization. The specific responsibilities of the Board or the Investment Committee, as applicable, include:
  1. Communicating the Organization's financial needs to the Investment Managers on a timely basis.

  2. Determining the Organization's risk tolerance and investment horizon and communicating these to the appropriate parties.

  3. Establishing reasonable and consistent investment objectives, policy guidelines and allocations which will direct the investment of the assets, to be reviewed by the Board on an annual basis.

4. Prudently and diligently selecting one or more qualified investment professionals, including investment managers(s), investment consultant(s), and custodian(s).

5. Regularly evaluating the performance of investment manager(s) to assure adherence to policy guidelines and to monitor investment objective progress.

6. Developing and enacting proper control procedures, e.g., replacing investment manager(s) due to a fundamental change in the investment management process, or for failure to comply with established guidelines.

RESPONSIBILITIES OF INVESTMENT MANAGERS

- Each investment manager will invest assets placed in their care in accordance with this investment policy.
- Each investment manager must acknowledge in writing acceptance of responsibility as a fiduciary.
- Each investment manager will have full discretion in making all investment decisions for the assets placed under his, her or its care and management, while operating within all policies, guidelines, constraints, and philosophies outlined in this Investment Policy. Specific responsibilities of investment manager(s) include:
  1. Discretionary investment management, including decisions to buy, sell, or hold individual securities, and to alter allocation within the guidelines established in this statement.

  2. Reporting, on a timely basis, monthly investment performance results.

  3. Communicating any major changes in the economic outlook, investment strategy, or any other factors that affect implementation of investment process.

  4. Informing the Board, or if authority is delegated, the Investment Committee, regarding any changes in portfolio management personnel, ownership structure, investment philosophy, etc.

  5. Voting proxies, if requested by the Board, or if authority is delegated, the Investment Committee, on behalf of the Organization.

  6. Administering the Organization's investments at reasonable cost, balanced with avoiding a compromise of quality. These costs include, but are not limited to, management and custodial fees, consulting fees, transaction costs and other administrative costs chargeable to the Organization.

GENERAL INVESTMENT GUIDELINES

- A copy of this Investment Policy shall be provided to all Investment Managers.

- The Organization is a tax-exempt organization as described in section 50l(c) (3) [or section 50l(c) (6), etc., as applicable] of the Internal Revenue Code. This tax- exempt status should be taken into consideration when making Organization investments.

- The Organization is expected to operate in perpetuity; therefore, a 10-year investment horizon shall be employed. Interim fluctuations should be viewed with appropriate perspective.
- A cash account shall be maintained with a very low risk tolerance to keep cash available for grant distributions, capital improvements and other anticipated expenses.
- Transactions shall be executed at reasonable cost, taking into consideration prevailing market conditions and services and research provided by the executing broker.
- Permitted investments include Cash and cash equivalents, marketable securities including equities and fixed income securities, mutual funds, and Exchange Traded Funds.
- No fixed income security shall have an equivalent credit quality below investment grade at the time of purchase, defined as:
  1. BBB by Standard & Poor's for straight bonds and convertibles
  2. Baa3 by Moody's Investor Service for straight bonds and convertibles
  3. Al by Standard & Poor's for short term securities
  4. PI by Moody's Investor Service for short-term securities
  5. AAA for money market accounts
- The following transactions are prohibited: Purchase of non-negotiable securities, derivatives, high risk or junk bonds, private placements, precious metals, commodities, short sales, any margin transactions, straddles, warrants, options, life insurance contracts, leverage, or letter stock.

DIVERSIFICATION

- The Organization will always maintain a reasonable diversification of investment assets between asset classes and investment categories.
- Investments in the equity securities of any one company shall not exceed [10%] of the portfolio nor shall the total securities position (debt and equity) in any one company exceed [10%] of the portfolio.

- Reasonable sector allocations and diversification shall be maintained. No more than [30%] of the entire portfolio may be invested in the securities of any one sector.

- Investments within the investment portfolio should be readily marketable.

- The investment portfolio should not be a blind pool; each investment must be available for review.

ASSET ALLOCATION

- The asset allocation policy shall be predicated on the following factors:

  1. Historical performance of capital markets adjusted for the perception of the future short and long-term capital market performance.
  2. The correlation of returns among the relevant asset classes.
  3. The perception of future economic conditions, including inflation and interest rate assumptions.
  4. Liquidity requirements for the projected grants and other charitable expenditures.
  5. The relationship between the current and projected assets of the Organization and projected liabilities.

ALLOCATION RANGE

Asset Allocation Range	Target	Upper limit
Cash & Equivalents	10%	0-25%
Fixed Income	15%	0 - 50%
Equities	75%	25-75%

- Rebalancing shall be done on a semi-annual basis or more frequently if deemed necessary.

PERFORMANCE

- Performance objectives are to be met on a net of fees basis. The investment performance of each asset allocation class will be measured on two levels: against inflation objectives for the total Organization and against index objectives for individual portfolio components. Investment performance shall be measured no less than quarterly on a net of fees basis. Perfo1mance shall be evaluated on a three to five-year basis to allow for market fluctuations and volatility.

Approved Finance Committee: July 22, 2022

Approved Board of Trustees: December 8th, 2022