

Investment Policy Statement for American Radio Relay League, Inc. Regular & Life Membership Funds

Introduction

The investment portfolio has been established to support the activities of the American Radio Relay League (ARRL) and its Life Membership Program (LMP). The investment of funds will be made for the exclusive use of the ARRL. The Board of Directors has the ultimate responsibility for the funds. The Investment Management Committee (IMC) has the responsibility for overseeing the activities of the Investment Manager(s) (IM). The Treasurer may also act as the IM until a new IM is selected by the Board.

The Board, based on the recommendation of the IMC, approves the Investment Policy Statement (IPS) which is issued for the guidance of the IMC and the IM. The IPS is intended to set forth an appropriate set of goals and objectives for the assets managed and to define guidelines within which the IM may formulate and execute investment decisions. In addition to reviewing this IPS at least annually, the Board of Directors may amend it both upon their initiative and upon consideration of the advice and recommendation of the IMC and the IM. It is the responsibility of the IMC to review these goals and objectives periodically and communicate any material changes to the Board and the IM.

Statement of Goals and Objectives

1. Assets shall be invested to provide reasonable assurance that the principal is preserved and enhanced over time. A co-equal goal is a Total Return, consistent with prudent investment management. Total return includes income as well as realized and unrealized gains and losses.
2. A total return of at least 3% per year (after inflation) should be earned to protect and enhance the purchasing power of the assets.
3. For purposes of performance evaluation, total return will be compared to appropriate indices comprised of similar investments.
4. The IMC realizes that there will be deviations from these performance targets.
5. Normally, results are evaluated over a three- to five-year time horizon, but shorter-term results will be regularly reviewed, and earlier action taken if in the best interest of the ARRL.

Investment Guidelines

Full discretion, within the parameters of the guidelines described herein, is granted to the IM regarding asset allocation, the selection of securities, and the timing of transactions. See Appendix I for the Asset Allocation Policy.

The IM shall normally be fully invested, subject to the Asset Allocation Policy and the guidelines contained in the following paragraphs.

1. The IM may invest in Mutual Funds and exchange traded funds that are, in the opinion of the IM, in compliance with this IPS.
2. The IM may maintain reserve and cash equivalent investments. These investments should be made based on safety and liquidity and secondarily by yield.
3. Direct derivatives (securities) are not permitted unless specifically approved by the Board.
4. Excess operating cash, of a temporary nature, not transferred to the Investment Portfolio may be invested by the CFO in cash or cash equivalents.

Prohibited Investments

Unless specifically approved by the Board of Directors, the following securities, strategies, and investments are not eligible for inclusion within the ARRL Portfolio.

1. Direct investments in commodities. Publicly traded equity investments, which are intended to hold commodities as a material percentage of assets, are permissible investments; however, in aggregate, such investments shall not constitute more than 5% of the total investment portfolio.
2. Privately placed or other non-marketable debt.
3. Lettered, legend, or other so-called restricted stock
4. Direct investment in private placements, real estate, oil and gas, venture capital, collectibles, or other investments that cannot be liquidated without penalties within five business days are prohibited.
5. Cryptocurrency or other digital assets.

Spending Policy

The portfolio is used to support the operations of the ARRL. For budgeting purposes, the IM should assume annual withdrawals from the portfolio of 3% of the rolling average of the prior eight quarters ending market values of the investment portfolio. The Board of Directors may choose to exceed this value or to make no withdrawals, at its own discretion and without limitation.

Roles and Responsibilities

THE BOARD OF DIRECTORS

The Board of Directors shall review the entire investment program, approve the IPS, and provide overall direction to the IM. Any deviation from this IPS shall be approved in advance by the Board of Directors and those of a material nature must be promptly reported to the Board.

THE INVESTMENT MANAGER shall:

1. Manage the assets in accordance with policy guidelines and the objectives expressed herein.
2. Exercise investment discretion within the guidelines and objectives stated herein. Such discretion includes decisions to buy, sell or hold securities in amounts and proportions reflective of the IM's current strategy and compatible with the investment objectives.
3. Comply with all provisions pertaining to the IM's duties and responsibilities as a fiduciary. Assets should be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent professional investment manager, acting in a like capacity and familiar with such matters, would use in the investment of ARRL assets.
4. Use best efforts to ensure that transactions are placed on a "best execution" basis while taking into account the relationship with broker(s) supplying reports and research.
5. Meet with the IMC at least quarterly to review investment matters. Quarterly reports should be submitted in writing within 30 days of the end of each calendar quarter.
6. Acknowledge, in writing, the IM's intent to operate in compliance with the IPS.
7. Not use leveraged transactions.

IMPLEMENTATION

All monies invested by the IM after the adoption or revision of the IPS shall conform with its content.

Approved by: Administration & Finance Committee

Date: July 15, 2021

Approved by: Board of Directors

Date: July 17, 2021

Accepted by: Investment Manager

Date: July 17, 2021

Approved by: Administration & Finance Committee

Date: January 19, 2023

Approved by: Board of Directors

Date: January 20, 2023

APPENDIX I

Investment Policy Statement American Radio Relay League, Inc.

ASSET ALLOCATION POLICY

The asset allocation set forth below should be reviewed at least annually. Typically, readjustment of the portfolio will occur when a weighting is outside its target range; but of course, the Board may adjust the range itself.

Asset Class	Minimum	Target	Maximum	Benchmark
Cash & Cash Equivalents	0.0%	0.5%	5.0%	Bloomberg US Treasury Bills 1-3 Mon Index
Fixed Income	25.0%	34.5%	45.0%	Bloomberg Aggregate Bond Index
Global Equities	55.0%	65.0%	75.0%	
U.S. Equities		42.3%		Russell 3000 Index
International Equities		22.7%		MSCI ACWI ex-USA

*Cash includes cash and funds temporarily deployed in money market funds and money market instruments.

The allocation percentages noted above do not apply to those assets which have been set aside for a specific purpose. Exclusions and applicable allocation percentages must be specifically identified by the Board of Directors.