



Ozark Swimming Investment Policy

Purpose

This policy sets forth the standards and guidelines governing the investment and management of Ozark Swimming, Inc.'s ("the Corporation") financial assets.

Executive Summary

Type of Client: Non-Profit

Corporation: Ozark Swimming, Inc.

Current Assets: \$267,000

Time Horizon: 2-5 years

Modeled Return: 1-6%

Portfolio Management: First Mid Wealth Management

Financial Assets of the Corporation

The Corporation's financial assets consist of (a) Undesignated Operating Funds intended to be used to cover its day-to-day operating and program expenses and (b) Board Designated Operating Funds intended to be maintained at 75% to 125% of the annual Program Funding and Operating Costs and used for investment purposes, to manage cash flow interruptions, minimize the need for working capital borrowing, and meet any unforeseen emergencies or other contingencies.

Investment Philosophy

The Investment philosophy of the Corporation is conservative with a strong inclination towards capital preservation, even at the risk of lower investment returns.

Investment Objectives--100% Fixed Income--Primary Concern: Production of current income is desired without regard for capital appreciation or inflation; Ozark Swimming, Inc. accepts the risk of erosion of purchasing power due to inflation over time. The primary objective of the portfolio is generation of income. Expectations are to produce income only with no capital appreciation.

- Time Horizon
 - Cash needs within the next 2-5 years
- Investment Objectives & Risk Tolerance
 - Safety-Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation

of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

- Credit Risk. The corporation will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by pre-qualifying the financial institutions, brokers, intermediaries, and advisors with which the corporation will do business; and increase holdings in cash and cash equivalents.
- Interest-Rate Risk. The corporation will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by: structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and investing operating reserve funds primarily in shorter-term securities.
- Liquidity. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated, by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in bank deposits or repurchase agreements that offer same-day liquidity for short-term funds.
- Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
 - A security with declining credit may be sold early to minimize loss of principal;
 - A security swap would improve the quality, yield, or target duration in the portfolio; and
 - Liquidity needs of the portfolio require that the security be sold.

Asset Allocation: Equities-0%

 Fixed Income-80%-100%

 Cash Equivalents-0%-20%

Governance

- If the Board Designated Operating Reserve has been less than 75% of the targeted reserve level for two consecutive quarters, the Finance Committee, in absence of any extraordinary circumstances, will adopt an operational budget that includes a projected surplus sufficient to rebuild the Funds to its targeted reserve level over the following year.

- If the Board Designated Operating Reserve is above 100% for two consecutive quarters, the balance above 100% will be transferred to the investment fund. The Finance Committee will review reserves for compliance quarterly and will report to the Board of Directors.

Review of Investment Policy

The Finance Committee will review this policy and shall amend the policy subject to approval by the Board of Directors from time to time, as necessary, to reflect developments affecting the Corporation's finances and activities.