



ONEOHIO RECOVERY FOUNDATION INVESTMENT POLICY

I. Purpose

The Board of Director believes a sound Investment Policy is essential to identifying objectives, establishing parameters and developing strategies that ensure the investment objectives and parameters of the Foundation are achieved.

The Foundation shall consult with a professional investment advisor to adopt a Foundation investment policy that will seek to assure that the Foundation's investments are appropriate, prudent, and consistent with best practices for investments of public funds. The investment policy shall be designed to meet the Foundation's long and short-term goals.

The Investment Policy shall:

- a. Identify Investment Goals and Objectives of the Foundation.
- b. Specify Investment Authority and Responsibility
- c. Establish Acceptable Investment Guidelines.

II. Goals and Objectives

- a. The goal of this policy is to ensure that investments selected meet the objectives for principal protection, liquidity maintenance, and yield maximization through portfolio returns over time.
- b. The primary investment objectives, in priority order, are as follows:
 1. Protection of principal.
 2. Maintenance of adequate liquidity.
 3. Prudent diversification to minimize market risk.
 4. Maximization of return on investment.

III. Authority and Responsibilities

- a. Board of Directors: The Board shall approve an Investment Policy consistent with the OneOhio MOU and the Foundation's code of regulations. The Board shall determine the amount, if any, that should be set aside for investment from each settlement payment.
- b. Investment Committee: The purpose of the Investment Committee is to assist the Board in approving and updating an Investment Policy designed to meet the Foundation's long and short-term goals.
 1. Hire an investment manager(s)/broker(s) and investment firm(s).
 2. Monitor the Foundation's investments and returns.

3. Ensure the Foundation's investments are appropriate, prudent, and consistent with best practices in compliance with this Policy.
 4. Invest and manage funds not set aside for investments to meet the short-term goals of the Foundation.
- c. Investment Manager/Advisor/Broker: Assist the Foundation with recommendation on investment strategies, amount and timing of disbursements as Regional Shares. Advisors shall monitor investments and recommend adjustments to their portfolio based on changing market conditions.
 - d. Foundation Staff: The CFO (Chief Financial Officer) shall monitor cash positions and make recommendations to the Investment Committee regarding necessary transfers of funds to comply with payment schedules.

IV. Investment Guidelines

- a. The Investment Policy will allow funds to be invested only in the following investment types: U.S Government Securities (Treasuries and Agencies), CDs, AAA rated Money Market Mutual Funds with a stable NAV, Commercial Paper and Corporate Bonds and other obligations of Ohio and its subdivisions.
- b. No securities shall be rated below A3/A- at time of purchase. Regularly published rating services, primarily Moody's Investor Services (Moody's), Standard and Poor's Corporation (S&P) and other available resources (i.e., prospectuses, annual reports, Bloomberg, etc.) will be used to verify investment ratings.
- c. For Commercial Paper, the investments must be rated at least A1/P1, and no more than 40% of the portfolio should be invested in commercial paper.
- d. For Ohio municipal bonds, no more than 20% of the portfolio should be invested in Ohio munis.
- e. For non-government issuers, no more than 5% of the portfolio shall be invested in one issuer at the time of purchase.
 1. Private Placements are not permitted.
 2. There is no limit on holdings in U.S Government securities.
- f. Duration restrictions
 1. The maximum maturity for any individual security is two years.
 2. The maximum average portfolio duration is one year.
- g. Review and Modification – Annually, the Investment Committee will review the Investment Policy and modified as conditions warrant.