

Boys Town National Alumni Association Scholarship Fund

Investment Policy and Standards

Approved on January 18, 2022 – Amended April 24, 2022

PURPOSE: The purpose of this document is to define the policy under which the funds available to the Boys Town National Alumni Association are invested and the standards which must be met in investing such funds.

BACKGROUND: The Boys Town National Alumni Association Scholarship Fund (the “Fund”) is comprised of amounts that have been donated or accumulated for the express purpose of providing scholarships for further education to alumni of Boys Town. It is intended that the Fund be administered in perpetuity, such that scholarships could be provided to Boys Town alumni so long as Boys Town exists. The governing body for the Fund is its Board of Directors (the “Board”). The board shall be required to not have annual scholarship distributions that exceed 5% of the total fund prior year end value. The purpose is to work to avoid depletion of the asset base over time.

INVESTMENT PHILOSOPHY: With an intent to provide scholarships so long as Boys Town exists, the investment horizon of the Fund is necessarily long term, likely more than thirty years. In addition, it is believed by the Board that to achieve the goal of providing scholarships well into the future, a return must be realized by the Fund approximating or more preferably in excess of its annual payout of scholarships. In many environments, this cannot be accomplished by only or primarily investing in very low-risk investments. We as a board oversee management of and handle administrative responsibilities for the Boys Town National Alumni Association Scholarship Fund. Within this fund there are a number of “subaccounts” (smaller accounts representing individual donations with specific goals); the subaccounts need to be segregated from the “General Scholarship endowment fund”. These subaccounts are not as large so instead of segregating these portfolios into separate accounts they may be each managed with a 70/30 split regarding equity and debt investments. The general fund, however, we want managed in two separate portfolios: 70% Moderately aggressive with a growth and income objective and 30% conservatively allocated.

The first account, the “Conservative” portfolio, should consist of short-term high quality fixed income investments. The purpose of this account is to provide the annual distribution of scholarship proceeds and maintain a very conservative posture with it’s asset base being focused on preservation of capital and income. The second account should consist of equities, this portfolio should have a growth and Income focus and it’s purpose is to

provide growth in the base of our assets. These accounts should be maintained in the following proportion. The conservative portfolio: 30% of Assets. The Equity portfolio: 70% of assets. Annual rebalancing of the asset bases should occur the first month of the new year. The board should review with the asset manager, annually, the performance of the two accounts next to their relevant benchmarks. The fund should seek a request for proposal from at least three asset managers every (5) five-years.

STANDARDS OF CUSTODY AND INVESTMENT DECISIONS OF THE FUND: All amounts under the jurisdiction of the Fund should be maintained at a financial institution of known quality and under appropriate regulatory scrutiny.