

MISSOURI ENA INVESTMENT POLICY

- To establish the investment goals and objectives and policy guidelines for managing the short- and long-term investment funds of the Missouri State Council.

Approved: 11/2011

It is intended that these goals, objectives and guidelines provide meaningful guidance and expectations in the management and performance of the funds and to provide the flexibility to respond to given changing economic, business and investment conditions.

Investment Goals

- A. The state Council's funds should be invested in such a manner as to:
 1. Maximize total returns consistent with (1) acceptable levels of risk and (2) the liquidity needs of the Council; and
 2. Adhere to applicable statutes and policies related to fiduciary responsibility.

Short-term Funds and Long-term funds:

- A. Short-term Funds: The goals of investing short-term funds shall be preservation of principal. This should take into account liquidity, spending needs, reasonable current income, and any grant restrictions.
- B. Long-term Funds: The goals of investing long-term funds shall be to generate a reasonable rate of return at a relatively low level of risk, prescribing.

Investment Objectives

- A. The investment objective is to grow the value of the Council's investment funds over the long term and to earn total rates of return greater than those currently received by the Council's banking strategy, while avoiding undue risk and generating liquidity sufficient for the needs of the Council's operations. Although short-term fluctuations will affect portfolio performance, the Council expects: (a) the short-term investments to preserve principal and the invested portion thereof to generate current income equal to a market rate of return for short term fixed income securities; and (b) the long-term investments to provide for any emergency liquidity needs of the Council and to generate a total return net of investment expenses over a five-year moving time period that exceeds the rate of inflation plus three to five percent (3-5%) annually.

General Investment Policies

- A. Role of Investment Finance Committee—The Finance Committee shall make recommendations upon the advice of the investment managers, brokers and/or bankers with respect to investments within the policies set by the State Council. The State Council shall vote on the committee's recommendations.
- B. Role of the Treasurer-- The state council shall accept and act on investment recommendations made by the investment managers, brokers and/or bankers. The Treasurer shall advise the state council with respect to the status of investments and shall monitor the implementation of the decisions of the

state council and be the conduit between the state council and any investment managers, brokers and/or bankers.

Investment Selections Standards

- A. Investments will be made and held through mutual funds or other collective investment vehicles rather than individual securities.
- B. The Council may accept donations of marketable securities, which will be reviewed immediately to determine whether or not the investments fit within the guidelines of this policy, if not, it will be sold immediately. This may be done in conjunction with National ENA's guidance.

Prohibited Investments and Transactions

- A. The following investments and transactions are prohibited: direct investment on real estate, short sales, margin transactions, non-publicly traded securities and derivatives; except that investments in mutual funds that employ such strategies on a limited basis or only for hedging purposes are permitted.

Investments Performance Review Evaluation and Reporting

- A. The Finance Committee shall review and evaluate the performance results of the investments funds quarterly and at the end of each year and shall compare performance results to relevant benchmarks.

Policy Review and Exceptions

- A. The Finance Committee will review this statement on a periodic basis and make recommendations to the state council for modifications, as the Committee deems appropriate.
- B. This policy may be amended or any exceptions to it may be authorized by resolution of the Executive Council at any time.