



Wind Haven Inc. d/b/a Wind Haven Foundation

Nonprofit Investment Policy

Date of Board Resolution: July 5, 2024

Purpose

The purpose of this investment policy statement (IPS) is to establish guidelines for the management and oversight of the investment portfolio of Wind Haven Inc., a 501(c)(3) organization. The primary objective of the investment portfolio is to maximize returns while managing risk appropriately and to support the social services and programs offered by the organization.

This policy establishes investment objectives, policies, guidelines, and eligible securities related to all assets held by Wind Haven Inc., and/or any of our subsidiary corporations, primarily for investment purposes.

(“institutional funds”) In doing so the policy:

- clarifies the delegation of duties and responsibilities concerning the management of institutional funds.
- identifies the criteria against which the investment performance of the organization’s investments will be measured.
- communicates the objectives to the Board, staff, investment managers, brokers, donors, and funding sources that may be involved.

- confirms policies and procedures relative to the expenditure of institutional funds.
- serves as a review document to guide the ongoing oversight of the management of the organization's investments.

Delegation of Responsibilities

The Board of Directors has a direct oversight role regarding all decisions that impact Wind Haven Inc.'s institutional funds. Specific responsibilities of the various bodies and individuals responsible for the management of our institutional funds are set forth below:

Responsibilities of the Board

The Board of Directors holds ultimate responsibility for the investment portfolio. They will approve the IPS and review it annually. The Board shall ensure that its fiduciary responsibilities concerning the proper management of Wind Haven Inc.'s institutional funds are fulfilled through appropriate investment structure, internal and external management, and portfolio performance consistent with all policies and procedures. Based on the advice and recommendations of the Board shall:

- approve investment policies and objectives that reflect the long-term investment-risk orientation of the endowment.

Members of the Board are not held accountable for less-than-desirable outcomes, but rather for adherence to procedural prudence, or the process by which decisions are made concerning endowment assets. In consideration of the foregoing, the Board is responsible for the development, recommendation, implementation, and maintenance of all policies relative to Wind Haven Inc.'s institutional funds and shall:

- develop and/or propose policy recommendations concerning the management of all institutional funds.
- recommend long-term and short-term investment policies and objectives for our institutional funds, including the study and selection

of asset classes, determining asset allocation ranges, and setting performance objectives.

- determine that institutional funds are prudently and effectively managed with the assistance of management and any necessary investment consultants and/or other outside professionals, if any.
- monitor and evaluate the performance of all those responsible for the management of institutional funds.
- recommend the retention and/or dismissal of investment consultants and/or other outside professionals.
- receive and review reports from management, investment consultants, and/or other outside professionals, if any.
- periodically meet with management, investment consultants and/or other outside professionals management, investment consultants and/or other outside professionals.
- convene regularly to evaluate whether this policy, investment activities, risk management controls, and processes continue to be consistent with meeting the goals and objectives set for the management of institutional funds.

Responsibilities of Management

Management is responsible for overseeing the implementation of the IPS, selecting investment managers, and monitoring portfolio performance. Management shall be responsible for the day-to-day administration and implementation of policies established by the Board concerning the management of institutional funds. Management shall also be the primary liaison between any investment consultants and/or other outside professionals who may be retained to assist in the management of such funds. Specifically, management shall:

- oversee the day-to-day operational investment activities of all institutional funds subject to policies established by the Board.
- contract with any necessary outside service providers, such as investment consultants, investment managers, banks, and/or trust companies, and/or any other necessary outside professionals.

- ensure that the service providers adhere to the terms and conditions of their contracts; have no material conflicts of interest with the interests of Wind Haven Inc.; and, that performance monitoring systems are sufficient to provide the Board with timely, accurate, and useful information.
- regularly meet with any outside service providers to evaluate and assess compliance with investment guidelines, performance, outlook, and investment strategies; monitor asset allocation and rebalance assets, as directed by the Board and by approved asset allocation policies, among asset classes and investment styles; and, tend to all other matters deemed to be consistent with due diligence concerning prudent management of institutional funds.
- comply with official accounting and auditing guidelines regarding due diligence and ongoing monitoring of investments, especially alternative investments. Prepare and issue periodic status reports to the Board.

Investment Managers

External investment managers may be hired to manage portions of the portfolio. They are expected to adhere to the guidelines and objectives outlined in this IPS and report regularly on portfolio performance and strategy.

Policy Review

This IPS will be reviewed annually by the Board of Directors to ensure its continued relevance and effectiveness in achieving the investment objectives of the organization. Adjustments may be made as necessary to reflect changes in the financial markets, the organization's objectives, or other relevant factors.

Conflict of Interest

All parties involved in the management of the investment portfolio must act in the best interest of the organization. Any potential conflicts of interest

must be disclosed and managed by the organization's conflict of interest policy.

Investment Objectives

1. Maximize Returns: The portfolio shall be managed with the goal of maximizing long-term returns to support the organization's mission.
2. Preserve Capital: While aiming for high returns, efforts will be made to preserve the capital and avoid excessive risk.
3. Ensure Liquidity: Sufficient liquidity must be maintained to meet the organization's operational and programmatic needs.

Investment Strategy

1. Asset Allocation: The portfolio will be diversified across a range of asset classes including, but not limited to, money markets, equities, fixed income, savings accounts, and alternative investments. The target allocation percentages will be reviewed annually.
2. Risk Management: Investments will be selected and managed to achieve an optimal balance between risk and return. This includes setting maximum exposure limits for high-risk investments and employing strategies to mitigate potential losses.
3. Ethical and Social Responsibility: Investments should align with the ethical values and mission of the organization. This includes avoiding investments in industries or companies that are contrary to the organization's social objectives. The intended use of Wind Haven Inc. is not to operate as a tax shelter for board members, committee members, management, or staff.

Investment Considerations

Following Wind Haven Inc.'s understanding of NYPMIFA, the Board must consider the purposes of both Wind Haven Inc. and our assets in managing and investing institutional funds. All individuals responsible for managing and investing Wind Haven Inc.'s institutional funds must do so in good faith and with the care that an ordinarily prudent person in a like position would

exercise under similar circumstances. In making any decision relative to the expenditure of institutional funds, each of the following factors must be considered, and properly documented, in the minutes or other records of the applicable decision-making body:

1. general economic conditions;
2. possible effect of inflation or deflation;
3. expected tax consequences, if any, of investment decisions or strategies;
4. the role that each investment or course of action plays within the overall investment portfolio of the fund;
5. expected total return from the income and appreciation of investments;
6. other resources of the organization;
7. the needs of the organization and the fund to make distributions and preserve capital; and,
8. an asset's special relationship or special value, if any, to the organization's purposes.

Guidelines for Investing

The investment goal of the total return fund is to achieve a total return (income and appreciation) of 5% after inflation, over a full market cycle (1-10 years). The following guidelines apply to the three main investment asset classes:

Money Market Funds:

A quality money market fund will be utilized for the liquidity needs of the portfolio whose objective is to seek as high a current income as is consistent with the liquidity and stability of the principal. The fund will invest in "money market" instruments with remaining maturates of one year or less, that have been rated by at least one nationally recognized rating agency in the highest category for short-term debt securities. If non-rated, the securities must be of comparable quality. The money market account will not exceed the budget for the fiscal year.

Equities:

The equity component of the portfolio will consist of high-quality equity securities traded on the New York, NASDAQ, or American Stock exchanges. The securities must be screened for above-average financial characteristics such as price-to-earnings, return-on-equity, debt-to-capital ratios, etc. Wind Haven Inc. requires that the dividend Annual Percentage Yield (APY) of any stock selected for investment must be no less than 5%.

Up to 10% of donations will be invested in equities. As this organization understands the intention of NYPMIFA and IRS 501(c)(3) tax code, all percentage values in the policies outlined are intended to maximize return and respect prudent spending. According to prudent investing, we intend to diversify across at least 3 industries in both monthly and quarterly dividend stocks. No more than 90% of the initial investment in the equity portion of the account will be allocated to any single stock, excluding dividend reinvestment.

We have established a mathematical formula that compares price per stock to dividend yield in the context of each stock's market stability.

Fixed Income:

Fixed income policies will be evaluated at the fiscal year policy review. This fixed-income policy only applies to donations. Fixed income from sales revenue is not subject to investment restrictions.

- CDs: Each CD will not exceed 1 fiscal year budget, excluding interest payments.
- Savings Accounts: Savings accounts will not exceed 1 fiscal year budget, excluding interest payments.

Performance Measurement Standards

The benchmarks to be used in evaluating the performance of the two main asset classes will be:

- Equities: The dividend return must be a minimum of 5% APY. If a monthly dividend stock fails to issue a monthly dividend for 4 out of 12 consecutive months, it will be sold when it is fiscally responsible to do so. If a quarterly dividend stock fails to issue a quarterly dividend in 2 out of 4 consecutive quarters, it will be sold when it is fiscally responsible to do so.
- Fixed Income: APY should be in the range of the top 10 APY offerings for CDs and savings accounts nationally.

Performance Management

1. Benchmarking: The portfolio's performance will be measured against relevant benchmarks for each asset class.
2. Review and Reporting: Management will review the portfolio's performance bi-annually and report to the Board of Directors. An annual review will be conducted to assess the adherence to the IPS and to make any necessary adjustments.

Donor Restrictions

Donors are not permitted to restrict the organization's right to reinvest or retain dividends or earned interest. All donations are subject to up to 10% invested at the discretion of the organization.