

## INVESTMENT POLICY STATEMENT

For

Griffiss Utility Services  
Corporation (GUSC)

As amended and approved September 2016

### **Purpose**

GUSC is a not-for-profit corporation that manages the energy resources (electricity and steam distribution) for Griffiss Business & Technology Park. As such, GUSC customarily holds a large position in liquid assets to cover normal operating expenses. Cash in excess of those needs, as periodically determined by GUSC management, is deemed available for investment.

This Investment Policy Statement is intended to establish guidelines for the Investment Committee's use to:

1. Enlist an investment advisor/consultant/portfolio manager.
2. Make investment decisions.
3. Provide a written rationale for such decisions which can survive public scrutiny.

### **Objectives:**

1. Capital Preservation and Income
2. Preservation of Purchasing Power
3. Total return equal to or exceeding prevailing inflation

### **Liquidity Requirements:**

Current cash flow is not required.

Investments should be readily marketable to accommodate capital project needs or cash needs as a result of catastrophic events not covered by insurance.

**Risk Tolerance:** Low. minimum downside potential to preserve principal.

**Tax Concerns:** None. Griffiss Utility is a 501©3 not-for-profit organization

**Investment Guidelines:**

GUSC will maintain a reasonable diversification of investment assets between asset classes and investment categories at all times. Portfolio shall be rebalanced on an ongoing basis.

Investments may include: Stocks, Bonds, Mutual Funds, ETFs, Money Market Funds, and CDs.

Each category of investments should be within the following parameters:

**Cash and cash equivalents:** allowable range: minimum 5%; Maximum 25% of total assets

**Equities:** allowable range: Minimum 20%; Maximum 50% of total assets  
High quality securities traded on NASDAQ, NYSE or AMEX. No more than 10% of this category with one company, no more than 30% of this category in any industry sector.

**Fixed Income:** allowable range: Minimum 20%; Maximum 60% of total assets  
Investment grade bonds with a liquid secondary market. No more than 10% of this category with one issuer, no more than 30% of this category in any industry sector.

*Investments may not include:* non-negotiable securities, derivatives, high risk or junk bonds, private placements, precious metals, commodities, short sales, any margin transaction, straddles, warrants, options, life insurance contracts, leverage or letter stocks.

### **Performance Goals**

It is the goal of this investment policy to grow the invested portfolio by 10% total over 3 years net of all fees

Performance Monitoring: The Investment Advisor/Consultant/Portfolio Manager (Advisor) engaged by GUSC will create a portfolio conforming to the parameters above; report to GUSC Management and/or Committee on a quarterly basis; and provide written documentation of such monitoring reports.

### **Services Required:**

In addition to periodic monitoring reports, the Advisor will provide for automatic reinvestment of all investment earnings at no charge, as well as periodic (at least quarterly) statements of account.

The Advisor serves at the pleasure of the Committee, and the engagement may be terminated on a 30-day notice by either party.