



Investment Policy:

I. General Investment Objectives:

- A. Any investment advisor(s) used must be registered by the SEC or be a bank as defined by the Investment Advisors Act of 1940. Investment advisors [the firm] must have been in continuous operation for at least five (5) years.
- B. It is the responsibility of the Board of Trustees to maintain cash or otherwise liquid balances at levels that enable MPL to meet current and near-term [1 year] obligations. Cash needed should be prudently invested to earn a reasonable rate of return under current market conditions.
- C. The Board of Trustees will invest cash exceeding an amount needed for daily operations according to a Liquidity/Preservation of Capital objective. A diversified mix of cash, money-market instruments, ETFs, Mutual Funds, and short-term fixed-income investments shall be established based on projected cash needs, the interest rate environment and outlook, market conditions, and other factors the Board of Trustees considers prudent and relevant. Capital preservation should always be the primary concern, and therefore, managed investments should follow a conservative allocation of funds.
- D. No more than 60% of reserve funds should be invested in equities through a management advisor, and of these managed funds, no more than 25% may be invested in the Delaware Community Foundation (DCF). Non-U.S. investments should be limited to no more than 10% of the total investments.

II. Duties and Responsibilities:

- A. Board of Trustees
 - 1. The President, Treasurer, and Library Director will serve as an investment committee whose duties and responsibilities are listed below.
 - 2. Oversee the management of the investment funds, which includes controlling administrative and investment fees.
- B. Investment Committee
 - 1. Prepare and maintain this investment policy statement.
 - 2. Initially prepare and annually update a ten-year projection of what the annual capital needs from the reserve funds will be and submit this report to the Board of Trustees and to the Investment Advisors who are managing the impacted funds.
 - 3. When the Board needs to consider a new Investment Advisor, solicit a minimum of two investment proposals for the Board's review and offer a recommendation to the Board for the new Investment Advisor.
 - 4. Serve as the point-of-contact for the Board between meeting communications with the Investment Advisors.
 - 5. Monitor the performance of the Investment Advisors and recommend termination of an Investment Advisor to the Board, when necessary.
 - 6. Review this IPS annually to determine whether the stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.



C. Investment Advisor

1. Serves as an objective, third-party professional retained to manage a portion of the MPL investment funds within the guidelines of the General Investment Objectives of this IPS.
2. Advise the Board/Committee of any changes to the investments currently held.

III. Acceptable Investments

A. Acceptable investments include the following:

1. Savings accounts, money market accounts, and certificates of deposit in banks and savings and loan institutions. The sum of all accounts at one institution should not exceed the Federal Deposit Insurance Corporation's [FDIC] limit of \$250,000 per institution unless the Board of Trustees approves a greater amount. Whenever more than \$250,000 is held in a single institution, the Board of Trustees must approve this allocation annually. This annual approval should be preceded by an examination of the institution's financial strength.
2. Funds invested in bonds may only be invested in bond funds, certificate of deposits, structured notes, U.S. Treasury bills, and securities issued by U.S. government agencies.
3. Funds invested in equities may only be invested in individual company stocks, including preferred and common stock, Index Funds, and Mutual Funds invested in U.S. and international companies, and Exchange Traded Funds [ETFs].
4. Unit Investment Trusts.

IV. Investment Reporting and Monitoring Performance Objectives

The Board acknowledges that returns from the Securities Markets fluctuate, particularly over short time periods. Recognizing that short-term fluctuations may not be indicative of long-term trends, the Board intends to evaluate investment performance from a long-term perspective.

MPL investments should be reviewed at least once every quarter, and the investment advisor must provide the necessary reports for the Board of Trustees' review. The investment advisor(s) must also report all administrative and investment fees to the Board on a quarterly basis.

V. Board of Trustees – Fiduciary Responsibilities

- A. Before selecting a company or individual to manage amounts greater than \$100,000, the MPL Board of Trustees must obtain and review a minimum of two proposals.
- B. In the event of a natural or man-made occurrence that could result in a significant negative impact on the financial markets, the Board of Trustees must have the Investment Committee revise the IPS, as necessary, in order to protect the investment assets of MPL.