**Northport Dollars for Scholars**

**Investment Policy**

**2022**

**Introduction**

The management of the **Northport Dollars for Scholars** investment portfolio is the primary responsibility of the Investment/Finance Committee as well asthe Board of Directors. The Investment/Finance Committee adopts investment objectives and policies, selects investment advisors, and monitors policy implementation and investment performance.

**Management and Investment Objectives**

The primary *management* objective of the portfolio is to preserve the real purchasing power of the Northport Dollars for Scholars invested assets, while providing a predictable, stable, and constant stream of support to meet Northport Dollars for Scholars scholarship needs. New gifts and bequests will be used to enhance the portfolio's purchasing power.

The primary *investment* objective of the portfolio is to produce a consistent stream of investment returns, when adjusted for inflation, such that it will fund Northport Dollars for Scholars scholarship needs on an on-going basis.

**Asset Allocation and Portfolio Composition**

Portfolio assets will be diversified and evaluated on a risk/return basis given the fiduciary responsibility of the Investment/Finance Committee and the Board of Directors.

The Investment CommitteeandBoard of Directors may change any of the assets within the portfolio at its discretion, but it is anticipated that such changes will be infrequent.

**Equities**

The purpose of the equity allocation, if pursued, is to provide long-term appreciation of principal that more than offsets inflation. It is recognized that pursuit of this objective entails the assumption of greater market variability and risk in comparison to fixed income investments.

Decisions as to individual security selection, security size and quality, number of industries and holdings, current income levels, turnover, and the other tools employed by active stock managers are left to broad manager discretion, subject to the usual standards of fiduciary prudence.

**Fixed Income**

The purpose of the fixed income allocation is to provide a hedge against deflation, reduce the overall volatility of the portfolio, and produce current income in support of spending needs.

**Investment Manager Structure**

The portfolio will be managed by one or more external professional investment management firms. Each manager will be monitored on an ongoing basis for return relative to objectives, consistency of investment philosophy, investment risk and cost. The Investment CommitteeandBoard of Directorswill monitor and review individually managed portfolios on an ongoing basis.

**Other Guidelines**

Managers are authorized to vote proxies on the Corporation’s behalf. Investments in commodities or private placements, short sales, and purchases on margin require the prior consent of the Board of Directors.

**Amendments to the Investment Policy**

This Investment Policy will be reviewed annually by the Investment Committeeand theBoard of Directorsprior to the annual meeting of Corporation. Any amendments to this policy must be provided to Scholarship America within ten (10) days of being approved by the Corporation’s Board of Directors and documented in the Board of Directors’ meeting minutes.