Manhattan Beach Education Foundation
INVESTMENT POLICY & GUIDELINES

Adopted April 2019

1) INTRODUCTION AND PURPOSE

a. This statement of the Board of the Manhattan Beach Education Foundation (the "Foundation") sets forth the policies governing investment of the Foundation's assets.

b. The purpose of this statement is to insure the prudent management of the assets of the Foundation. Additionally, this statement is meant to foster a clear understanding of the Foundation's investment objectives, policies and guidelines among the Board, the Finance Committee and the staff.

c. The Finance Committee (the "Committee") is responsible for recommending and implementing the investment objectives and policies for the financial assets of the Foundation. The objectives and policies described here will be used as the criteria for selecting and evaluating the appropriate investment vehicles, and/or investment funds for the management of the assets of the Foundation. The Committee has the responsibility to:

    i. Recommend changes in investment policy to the Board;

    ii. Implement approved policy, guidelines, and objectives;

    iii. Implement and monitor asset allocation strategy;

    iv. Perform other finance and investment-related tasks as assigned by the Board.

d. The assets governed by this statement include all of the Foundation's financial assets.

e. The Treasurer shall act as the primary contact between the Foundation and its financial advisors.

f. No person who sits on the Committee may have a conflict of interest with respect to investment of the Foundation's assets or implementation of the Foundation's investment strategy, and Committee members shall avoid even the appearance of a conflict. It is not possible to define in advance all circumstances that might constitute a conflict of interest or the appearance of a conflict. By way of example only, a person has such a conflict of interest if the person or a family member would incur a material financial gain or loss as a result of any Committee decision. No Committee member should be employed by any person or firm who serves as an investment manager for the Foundation. A person does not have a conflict of interest merely because that person is an employee of a public company, holds less than 5% of the stock of a public company, owns any fixed income security, or owns shares of a mutual fund, in which the Foundation is or may be invested.

g. The Committee will review this statement as needed, but at least annually, to ensure its continued appropriateness. Any changes to this policy must be approved by the Board.

h. It is the intent of this statement to be sufficiently specific to be meaningful, yet flexible enough to be practical. These policies should reflect funding needs, financial status, and philosophy of the Foundation.

2) MANAGEMENT AND INVESTMENT OBJECTIVES

a. Investments will be made in keeping with the overall mission of the Foundation to support and fund ongoing programs and activities as approved by the Board. These programs and activities supplement public funding of the Manhattan Beach United School District and are designed to benefit public education in Manhattan Beach.

b. Investments are to be made in accordance with the overall risk and return objectives of the Foundation, namely capital preservation.

c. The primary long-term financial objective of the Foundation is to fund current programs and activities. Accordingly, the risk of principal loss should be minimized. Consideration should also be given to the short-term liquidity needs of the Foundation.

3) ASSET ALLOCATION GUIDELINES

The asset allocation guidelines for the Foundation are outlined in the table below and are designed to achieve the overall investment objectives of the account.

	Minimum	Target Allocation	Maximum
Equities	0	0	0
Fixed Income	0	---	50
Alternative Investments	0	0	0
Cash & Cash Equivalents	50	---	100

Allocation between fixed income (>1 year maturity as defined below) and cash and equivalents (<1 year maturity as defined below) will vary and should be evaluated on the basis of the anticipated liquidity needs of the Foundation.

4) GUIDELINES FOR FIXED INCOME INVESTMENTS

a. Allowable Fixed Income investments are limited to fixed or variable rate guaranteed debt obligations of the U.S federal government with a maturity typically exceeding one year but less than thirty years.

5) GUIDELINES FOR CASH AND CASH-EQUIVALENT INVESTMENTS

a. The following debt instruments, with a maturity of one year or less, are to be considered permissible cash and cash-equivalent investments:

   i. Treasury Bills;
   ii. Money Market Mutual Funds that invest only in US Treasury securities;
   iii. CD's; and
   iv. Savings and checking accounts.

b. Bank issuer of CDs, savings and checking accounts should carry a minimum Deposit Credit Rating of single-A (S&P/Moody's).

c. Credit quality of the Foundation's primary banking relationship ("Relationship Bank") should be monitored on an ongoing basis by the Treasurer and Finance Committee.

6) GUIDELINES FOR TRANSACTIONS/TRADING

a. Except under unusual circumstances, all transactions should be entered into on the basis of best execution, which means best realized net price given the prevailing market circumstances at the time of the trade. Notwithstanding the above, the Committee may authorize payment of appropriate commissions as payment for services rendered.

7) MONITORING OF OBJECTIVES AND RESULTS

a. The Committee shall formally review the financial position, including cash position(s) and investments, s of the Foundation on a regular basis, but no less than quarterly. Formal reviews should include, but not be limited to, a review of the Foundation's cash flows, bank accounts, and securities holdings.

8) INVESTMENT RESTRICTIONS

a. Investments not explicitly identified herein as permissible are prohibited.