

# International Trombone Association

## Investment Policy

The purpose of this investment policy is to establish a clear understanding of the investment management process for the investment assets of the International Trombone Association (ITA). This policy has been approved by the Executive Board.

**Objective – The investment objective is to prudently manage the investments, so that they grow, over the long term, in excess of the approved spending and the prevailing inflation rate. It is expected that these funds will maintain sufficient liquidity to comply with the ITA Spending Policy. It is also expected that the costs of asset management will be appropriate and reasonable.**

### A. Investment Policy

- a. The Audit & Finance Committee will be responsible for determining the investment policies. These policies will be subject to the approval of ITA Executive Board. The Audit & Finance Committee and the Secretary-Treasurer will be responsible to execute the policy.
- b. The assets are to be invested in a combination of liquid equity and fixed income holdings. The expected asset allocation is:

- Cash and cash equivalents:	10% to 40%
- Fixed income (bonds, etc.)	15% to 50%
- Equities (individual and Mutual Funds)	10% to 65%
- c. The investment strategy is expected to produce net investment returns equal to, or greater than, an appropriate blended benchmark over the course of an economic cycle. The blended benchmark will consist of the S&P 500 Index. Individual asset class performance will be measured by the above specific benchmarks and individual managers will be compared to these standards.
- d. The investment strategy is expected to produce investment returns equal to, or better than, the mid-point of a peer population of similar investment approaches, over the course of an economic cycle.
- e. The investment strategy will be sensitive to various measures of risk and will attempt to keep portfolio risk near market levels.
- f. The Audit & Finance Committee will select custodians and asset managers for the funds who will perform the task of investing the funds. These are subject to the approval of the Executive Board.
- g. The Audit & Finance Committee will be responsible to oversee the rebalancing of asset exposure to comply with the asset allocation minimums and maximums.
- h. At this point in time, illiquid assets will not be a target for investment. This determination will be reviewed from time to time.
- i. No members of the Executive Board or the Audit & Finance Committee will be compensated for any aspect of the ITA investment management process.

### B. Control Procedures

- a. The Audit & Finance Committee will meet at least semi-annually to review investment performance. A compliance report will be produced quarterly by the Audit & Finance Committee to confirm the investment process is consistent with

Policy. Summaries of that report will be supplied to the Executive Board quarterly and a detailed review will occur annually.

- b. The investment policies will be reviewed annually by the Executive Board to ensure appropriateness.
- c. Any changes to these policies must be submitted to the Executive Board for approval.

*Approved September 16, 2013*