

INVESTMENT POLICY

ULYSSES PHILOMATHIC LIBRARY

Applicability

This policy applies to all invested funds (sometimes referred to below as “funds” or “investments”) held by the Ulysses Philomathic Library (UPL). This includes funds that have been restricted by either donor or UPL Trustee action (“restricted funds”) as well as funds that are unrestricted (“unrestricted funds”). The policy does not apply to accounts used for the UPL operating budget or accounts held to comply with UPL’s obligations pursuant to the USDA mortgage.

Delegation of Authority and Reporting

The UPL Trustees delegate primary oversight for investments to the Internal Committee (IC), which in turn is authorized to delegate responsibility to individual committee members to complete transactions authorized by the IC. The IC shall provide a report of the invested funds on a monthly basis for distribution at regular UPL Trustee meetings.

Investment and Allocation Objectives, and Reserve Fund

The UPL Trustees intend that invested funds be managed prudently in a way that directly benefits the UPL but also preserves capital. Invested funds are to be invested with the objective of growing and preserving the long-term, real purchasing power of assets while providing a relatively predictable stream of annual distributions in support of the UPL, including support for the operating budget, capital projects, and other projects.

In support of this, a portion of the overall value of invested (unrestricted) funds will be designated as “reserves.” This amount, which shall be an amount equal to three times the UPL’s then-current projected operating budget, shall serve as an emergency reserve against significant unexpected economic or operational developments and shall not be available for routine distribution for the UPL operating budget, or for non-emergency capital projects and other projects. The remainder of invested (unrestricted) funds (“non-reserve funds”) will be available for allocation as designated below.

Up to the extent that sufficient unrestricted non-reserve funds are available, the target amount for regular allocation to general operating funds will no more than 7.5% percent of the average monthly value of unrestricted funds for the previous 36 months, calculated as of August 31st of the applicable year. The distribution schedule and amount will be recommended by the IC in consultation with the UPL Treasurer and Library Director during the normal budgeting process. The IC will review the above allocation formula periodically in order to consider if adjustments are necessary. Allocations for capital and other projects, if any, will be reviewed and considered by the Trustees on a case-by-case basis.

Investment Goals/Authorized Investments

The investment goal for the funds is to achieve a total return (income and appreciation) of at least 4% after inflation, over rolling 5-year periods. Investments will be made in a portfolio of high-quality mutual or exchange traded funds managed by The Vanguard Group. These investments will be managed so that the overall allocation of funds will be in the following ranges for the three main asset classes: Short-term/cash – 0-30%; Equities – 20-60%; Fixed Income -- 30-75%. The IC is authorized to review investments periodically and to take such actions as are deemed necessary to rebalance and adjust the portfolio within these ranges. Additions to investments shall be allocated by the IC in a manner that preserves the then-current portfolio investment blend. Changes in the applicable asset allocation ranges, or investments in funds not managed by Vanguard, shall be approved by the Trustees.

First approved as amended by Board of Trustees 09/18/2018

Approved as amended by Board of Trustees 11/14/2023