STATEMENT OF INVESTMENT POLICY

This Policy addresses the investment objectives and activities of:

Rotary Club 29 Foundation

Effective Date:

July 1st, 2019

INVESTMENT POLICY STATEMENT for the Rotary Club 29 Foundation

I. SCOPE OF THE INVESTMENT POLICY

This investment policy reflects the investment policies, objectives, and constraints of the Rotary Club 29 Foundation Fund (the "Fund"). This asset allocation policy is only intended to encompass the assets managed by BOK Financial over which the Foundation's Board has direct control. However, assets held at Bancfirst for liquidity purposes should be considered by the Board in the overall asset allocation policy. To the extent possible, the Board should also take into consideration the asset allocation and investment strategies pursued by managers of portfolios for which the Foundation is the beneficiary of at the Oklahoma City Community Foundation and the Leonhardt Trust.

II. PURPOSE OF THE INVESTMENT POLICY:

This investment policy is set forth by the Investment Committee ("the Committee") under the direction of the Board of Directors of the Rotary Club 29 Foundation in order to:

A. Define and assign the responsibilities of all involved parties;
B. Establish a clear understanding for all involved parties of the Fund's investment goals and objectives;
C. Offer guidance and limitations to all investment advisors, consultants and managers regarding the investment of the Fund's assets;
D. Establish a basis for evaluating investment results;
E. Manage the Fund's portfolio according to prudent standards;
F. Establish the relevant investment horizon for which the Fund's assets will be managed.

In general, the purpose of this policy is to outline a philosophy and attitude which will guide the investment management of the Fund's assets toward desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

III. ROLES & RESPONSIBILITIES

It is generally expected that management of the Fund will involve the cooperative efforts of the Board of Directors, the Investment Committee, key internal staff members, and outside professionals in various fields of expertise who may be engaged by the Board to provide professional services. To provide clarity, a general description of the roles and specific responsibilities of certain key stakeholders has been provided.

A. **BOARD OF DIRECTORS:** The Board of Directors serves as a fiduciary for the assets of the Rotary Club 29 Foundation. In that capacity, the Board has a legal responsibility for enacting the investment policies that govern the Fund and overseeing management of the Rotary Club 29

Foundation's assets. In its role as a fiduciary the Board is held accountable for procedural prudence, or the process by which decisions are made, not less than desired outcomes. In seeking to attain the investment objectives set forth, the Board shall exercise prudence and appropriate care in accordance with the principles set forth in the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

B. **INVESTMENT COMMITTEE:** The Investment Committee is authorized by the Board to determine the strategic investment objectives of the Fund. The Committee is also tasked with the adoption and implementation of the Rotary Club 29 Foundation's investment policies; approving the overall investment strategy; selection of investment consultants/advisors, investment managers and custodians; monitoring and evaluating performance of the Fund; and maintaining sufficient knowledge of the Fund and its consultants/advisors/managers to be reasonably assured of their compliance with the Fund's Investment Policy Statement. Specific responsibilities of the Investment Committee include:

i. Adopt and maintain the investment policies that will govern the Fund;
ii. Determine the broad investment objectives of the Fund;
iii. Select strategic asset allocation targets consistent with the Fund's investment objectives;
iv. Determine appropriate liquidity policies for the Fund;
v. Determine appropriate benchmarks and time horizon for evaluating the Fund's performance;
vi. Meet with Investment Consultant/Advisor at least annually or more frequent as deemed necessary to review the Fund's investment performance relative to objectives and monitor compliance with investment policies.
vii. Annually provide a report to the Board describing the performance and holdings of the Foundation and the performance of each investment manager.
viii. Initiating action involving retaining or changing investment managers (subject to ratification by the board).

C. **INVESTMENT MANAGEMENT CONSULTANT/ADVISOR:** The consultant/advisor should advise the Investment Committee on the adoption and implementation of the appropriate investment policies, procedures and strategies that will govern the management of the Fund and achieve desired results. In this capacity the consultant/advisor will assist the Committee in fulfilling its fiduciary responsibilities. The consultant/advisor may or may not assume discretionary management of the Fund's portfolio. Specific responsibilities of the consultant/advisor include:

i. Advise the Investment Committee on the appropriate investment objectives, policies and overall strategy to be adopted;
ii. (If granted full discretion) Provide discretionary investment management of the Fund's portfolio, including decisions to buy or sell individual securities, determining the short-term

tactical asset allocation of the portfolio within long-term strategic targets established by the Committee, and selection of the Fund's investment managers;

iii. Serve as a Fiduciary as it relates to those investment decisions;
iv. Prepare, on a timely basis, investment performance reports as requested;
v. Provide a monthly or quarterly valuation of the investment portfolio as requested;
vi. Communicate any material changes to the economic and/or capital markets outlook, investment strategy, or any other factors which may affect the implementation or achievement of the Fund's investment objectives;
vii. Inform the Committee of any qualitative change in the investment management organization; examples include changes in portfolio management personnel, ownership structure, and investment philosophy;

D. **INVESTMENT MANAGER(S):** Investment managers are generally selected to manage allocations of the Fund's portfolio to a particular asset class or asset subclass. The investment manager(s) has discretion to purchase or sell the specific securities that will be used to meet the Fund's investment objectives while maintaining compliance with investment policies at all times.

E. **CUSTODIAN:** The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Rotary Club 29 Foundation, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets, owned, purchased, or sold as well as movement of assets into and out of the Rotary Club 29 Foundation's accounts.

IV. GENERAL INVESTMENT PRINCIPLES

A. Investments shall be made solely in the interest and purposes of the Rotary Club 29 Foundation;
B. Assets shall be invested with the care, skill, prudence, and diligence that a prudent person in a similar situation would exercise under the circumstances then prevailing, and in a manner the Committee reasonably believes to be in the best interest of the Rotary Club 29 Foundation;
C. Investment of the assets shall be so diversified as to mitigate the risk of large losses, unless under extraordinary circumstances, it is clearly prudent not to do so;
D. A long-term view should be adopted regarding the Fund's investment strategy;
E. Asset allocation of the Fund's portfolio to multiple and various asset classes and asset subclasses will be the primary driver of returns over the long-term;
F. Investment decisions regarding an individual asset or asset subclass should not be made in isolation, but rather in the context of the Fund's investment portfolio as a whole and as part of an overall investment strategy;
G. The Board has defined risk as the permanent impairment of the Fund's capital to achieve stated investment objectives;

H. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

V. INVESTMENT GUIDELINES

A. Allowable Assets/Security Types

i. Cash Equivalents
- Treasury Bills
- Money Market Mutual Funds
- Repurchase Agreements
- Certificates of Deposit
- FDIC Insured Deposits

ii. Fixed Income Securities
- U.S. Government and Agency Securities
- Corporate Notes and Bonds
- Inflation Protected Bonds
- Mortgage Backed Securities (MBS)
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- Foreign Bonds
- Preferred Stocks
- Other appropriate fixed income securities

iii. Equity Securities
- Common stocks of companies listed on a U.S. exchange
- American Depository Receipts (ADRs) of non-U.S. companies listed on a U.S. exchange
- Other appropriate domestic or international equity securities

iv. Liquid Alternative Investments - Alternatives are broadly defined as asset classes and/or investment strategies that do not meet the conventional definition of traditional equity and fixed income assets or strategies and are generally perceived to provide diversification benefits to the Fund's investment portfolio. **Investments in this asset class shall be restricted to mutual funds and/or ETF's with daily liquidity.** These mutual funds or ETF's may utilize investment strategies in the following categories:
- Real Estate Investment Trusts (REITs)
- Commodities
- Master limited partnerships (MLP's)
- Long/short or other hedged equity strategies
- Covered call strategies
- "All asset" strategies

- Global infrastructure strategies

v. Mutual Funds / Pooled Funds
- Mutual Funds, Exchange Traded Funds (ETF's), and Closed End Funds (CEF's) which invest in securities or assets as allowed by this policy.

B. Restricted Assets & Activities

i. Derivative Securities: options and future contracts (except covered call writing or protective put purchases, or within a Fund as described in V., A., iv.);

ii. Short Sales of Individual Securities (except short sales executed within a mutual fund or other pooled investment vehicle as part of an approved alternatives strategy described in V., A., iv.);

iii. ***Direct investments*** in the following assets are prohibited:
- Commodities
- Futures contracts
- Short sales
- Naked option contracts
- Real estate
- Precious metals
- Currencies
- Non-publicly traded REIT's
- Private placements
- ETF's that are leveraged or inverse
- Cannabis Industry Margin purchases/leverage;

iv. This is not intended to prohibit ***indirect investments*** in the assets or transactions listed above via mutual funds or other pooled investment vehicles with daily liquidity as part of an approved alternatives strategy described in V., A., iv.

v. Investments not specifically permitted within this Policy are forbidden without the written consent of the committee.

vi. The Investment Committee may apply certain additional restrictions to any or all investment managers.

vii. The Investment Committee may modify or eliminate restrictions for any or all investment managers.

VI. INVESTMENT OBJECTIVES

The investment objectives shall be determined for each type of Board designated funds as follows:

A. SHORT TERM FUNDS – The investment objectives for Short-Term funds shall be preservation of capital, liquidity, and current income.

A. LONG TERM FUNDS – The investment objectives for Long-Term Funds shall be growth and income.

In order to achieve desired results for long term funds, the investment strategy of the Rotary Club 29 Foundation should emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Specifically, the primary investment objective for the Fund shall be:

RATE OF RETURN: Measured over a Market Cycle (generally defined as 7-10 year rolling periods)

A. To equal or exceed a total return equal to the Fund's spending rate[1] plus the 10-year rolling average Consumer Price Index (CPI) over a full market cycle.
B. To equal or exceed the relative return of a static, blended market index benchmark as determined by the Funds' strategic asset allocation targets:
   i. Market Indices by Asset Class
      - Cash – 30-Day T-Bills
      - Fixed Income – Barclays U.S. Aggregate Bond Index (U.S. Core Bonds), Barclays High Yield Corporate Index (High Yield Corporate Bonds), Barclays Global ex-U.S. Index (International Bonds)
      - Equities – Russell 3000 Index (U.S. Equities), MSCI All Country World ex-U.S. Index (Developed International & Emerging Market Equities)
      - Alternatives – HFRI Fund of Funds Composite Index

   Additional standard market indices may be substituted where appropriate should data become unavailable or timely.

C. To equal or exceed the return of a static, simple balance benchmark comprised of 60% S&P 500 and 40% Barclay's U.S. Aggregate Bond Index.

VII. VOLATILITY OF RETURNS

The Committee understands that in order to achieve the Fund's investment objectives, the Fund will experience volatility of returns and fluctuations in market value. It further understands that the Fund could experience significant market value losses in any 1-year period, but expects that losses over a full market cycle (7-10 years) to be a low probability. Therefore, the Committee supports an investment strategy that minimizes the probability of large losses while acknowledging that the Fund's total return objective is its primary concern, and there is no guarantee that the Fund will not sustain larger than expected short-term losses in value.

VIII. LONG TERM FUND ASSET ALLOCATION GUIDELINES

A. The following strategic asset allocation targets and ranges have been identified as appropriate in order to meet the investment objectives of the Long Term Funds:

[1] Currently 5%

ASSET CLASS	Minimum	Strategic Target	Maximum
Cash & Equivalents	0%	2%	10%
Fixed Income	10%	13%	20%
Equities	60%	70%	80%
Alternatives	0%	15%	25%

B. No more than 5% of the value of the principal should be invested in any individual investment unless such investment is a direct obligation of the U.S. Government. Mutual Funds are not considered to be an individual holding since they are diversified among many holdings. If an individual stock rises in value and exceeds 7% of total market value of the equities held by that manager, the manager must reduce that holding below 7% or get written approval from the Investment Committee to exceed that level.

C. The portfolio's allocations will be reviewed quarterly and rebalanced when any asset class is outside the minimum or maximum policy allocation.

D. Asset Class Guidelines

  i. Equities – It is expected that the equity portfolio will be diversified by market capitalization (large, mid & small cap), and global geography (U.S., developed international & emerging markets).

  ii. Fixed Income – Investments in individual fixed income securities will be limited to securities that are rated within the four investment grade rating categories (AAA, AA, A, BBB) at the time of purchase by a nationally recognized securities rating organization or, if unrated, found by the manager to be of comparable quality.

    a. In the event that a security rating drops below BBB-, said security should be sold unless it is determined that holding the security would be the best course of action. The Investment Consultant/Advisor shall advise the Investment Committee regarding the justification to hold a downgraded security rather than sell.

    b. Non-Investment Grade Securities ("High Yield") – For purposes of diversification, investments in non-investment grade or "high yield" securities are allowed with the following limitations: 1) investments are limited to mutual funds and ETF's with daily liquidity; and 2) the allocation to non-investment grade securities shall not exceed 15% of the Fund's fixed income allocation.

c. Further, the weighted average maturity of the fixed income portions of a manager's portfolio shall not exceed 10 years.

E. Strategic targets are based upon long-term (10 years) capital market expectations, and are intended to be the normal asset class mix. The Investment Consultant/Advisor may overlay tactical target allocations based upon near-term (12-18 month) forecasts within the established strategic ranges for each asset class. Strategic targets should be reviewed annually by the Committee, however may remain unchanged for extended periods.
F. Further diversification within the above broad asset classes is considered prudent and should be considered as part of ongoing risk management by the Investment Consultant/Advisor.

IX. LIQUIDITY SPENDING POLICY

The Committee will periodically provide the Investment Consultant/Advisor with an estimate of any expected liquidity needs or changes in spending policy that exceed the strategic target allocation for cash.

X. INVESTMENT MANAGER PERFORMANCE REVIEW AND EVALUATION

Performance reports shall be compiled periodically and distributed to the Committee for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this policy statement. The Committee intends to evaluate the portfolio(s) over at least a full market cycle, but reserves the right to terminate a manager for any reason including the following:

A. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
B. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
C. Significant qualitative changes to the investment management organization.
D. Investment managers shall be reviewed periodically regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.
E. Annual examination of fees

XI. INVESTMENT POLICY REVIEW

A. To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations established in this statement of investment policy, the Committee plans to periodically review this Investment Policy Statement.

B. Policy Revisions **-** The Committee may submit amendments to this Investment Policy Statement for consideration by the Board of Directors at any regularly scheduled meeting. Amendments may be adopted by majority vote of the Board.

XII. APPROVAL AND EFFECTIVE DATE

This Investment Policy Statement was approved by the Board of Directors on __________________, 20__ and shall be effective as of __________________, 20__.

Signatures,

Chair of the Rotary Club 29 Foundation Board: ____