

LWVILEF ENDOWMENT FUNDS INVESTMENT AND SPENDING POLICIES

Introduction

The purpose of these policies is to provide guidelines for the investment, spending activities, and management of the endowment funds of the League of Women Voters of Illinois Education Fund, established by the LWVILEF Board of Directors in September 2001.

The Permanent Endowment Fund is intended to provide the LWVILEF with a dependable source of funds to support the work of the League. Gifts to the endowment funds are welcome and appreciated at all times.

Investment Objective

As an organization dedicated to meeting the changing needs of Illinois citizens, today and in the years to come, the LWVILEF has a responsibility to preserve its donated capital in a manner that assures its availability to support the work of current and future League members. To that end, the investment objective of the LWVILEF is to preserve, in perpetuity, the purchasing power of its endowment funds while providing a growing stream of income to be used in accordance with the intended purposes of these funds. The LWVILEF expects over time to achieve a total annual return which exceeds budgeted distributions plus an amount equal to inflation (the increase in the Consumer Price Index) during the preceding year.

Spending Objective

The annual spending objective shall be determined by the LWVILEF Board of Directors and shall be no greater than 5% of the three-year moving average of the market value of the endowment funds and no less than the current management fee of the endowment funds account. For budgeting purposes, the three-year average shall be calculated using monthly data from the previous two calendar years and an estimate of the monthly data for the current year. Distributions from the fund shall be net of applicable investment expenses.

Distributions from the combined Endowment Funds shall not begin until the fund balance reaches \$250,000. All distributions from the Permanent Endowment Fund shall be used to support the League, as determined by the LWVILEF Board of Directors.

Management

The LWVILEF Board of Directors has fiduciary responsibility for the assets of the Education Fund. Semi-annually, the board shall receive a report from the LWVILEF Investment Committee regarding the performance of the LWVILEF endowment fund.

The Investment Committee has the responsibility to oversee the management of the endowment fund and the administration of these policies. Members of the committee shall include the LWVILEF Treasurer, the LWVILEF Budget Committee Chair and/or another member of that committee, and at least one individual with professional investment management experience.

The Investment Committee is authorized to retain one or more investment managers to provide day-to-day oversight and make individual investment decisions with respect to the assets assigned to them. Monthly, the investment manager(s) shall provide a report to the Investment Committee. The committee shall review the performance results, adherence to the objectives, asset allocation and other provisions of these policies, and report to the board twice a year.

Asset Allocation

Consistent with the objective to preserve, in perpetuity, the purchasing power of its endowment fund, the LWVILEF takes a long-term view with regard to the investment time horizon. Given the requirement for appreciation and the long-term nature of the fund, the asset allocation target shall be a diversified portfolio of equities, fixed income securities, and cash (or other assets).

The approved asset classes, as of the date of adoption of these policies, are as follows:

Equities	45-70%
Fixed Income	25-50%
Other	0-25%

The assets of the portfolio shall be invested in a manner consistent with the values and beliefs of the LWVILEF.

In the ordinary course, upon receipt of a gift of securities or other property, it will be sold at the earliest opportunity and the proceeds invested, consistent with the strategies established in these policies.

Policy Review

The board may amend these policies at any time and shall review and readopt these policies every two years, or at an earlier date if circumstances require.

LWVILEF BOARD DESIGNATED FUNDS INVESTMENT AND SPENDING POLICIES

Introduction

The purpose of these policies is to provide guidelines for the investment, spending activities, and management of the Board Designated Funds of the League of Women Voters of Illinois Education Fund, established by the LWVILEF Board of Directors in September 2001.

Distributions from the Board Restricted Endowment Funds shall be used to support special projects, as determined by the LWVILEF Board of Directors, and/or to support the general work of the LWVIL Education Fund, including administrative costs related to the Endowment Fund. The principal of this fund shall only be withdrawn for special projects or needs, with the formal approval of the LWVILEF Board of Directors.

Management

The LWVILEF Board of Directors has fiduciary responsibility for the assets of the Education Fund.

The Investment Management Committee has the responsibility to oversee the investment of the Board Designated Funds in compliance with the LWVILEF Endowment Investment Policy. Semi-annually, the board shall receive a report from the LWVILEF Investment Committee regarding the performance of the LWVILEF funds.

The LWVILEF Board of Directors has responsibility for spending this fund in keeping with this policy.