

Investment Policy Statement and Guidelines for The Prairie Enthusiasts

Adopted: May 17, 2019

I. Overview

This document has been created by The Prairie Enthusiasts (TPE) to establish investment policies, strategies and guidelines for use in conjunction with its investments in financial securities. The document provides the framework for an investment strategy focused on the needs of the organization. It is designed to provide clear guidance to TPE in its investment process in order to assure that the organization's objectives are achieved. The financial securities of TPE are invested in a single account: the TPE Portfolio (The Portfolio).

II. Fiduciary Standards

The Directors of TPE need to recognize the fiduciary responsibilities of directors with respect to The Portfolio. These duties can be summarized according to the duties enumerated in the model Uniform Prudent Management of Institutional Funds Act (UPMIFA). In addition, the TPE will follow the Duties and Responsibilities of Nonprofit Directors and Wisconsin Statute Chapter 121.11. The Directors must comply with the duty of loyalty; must manage and invest funds in good faith with the care an ordinarily prudent person in a like position would exercise under similar circumstances;

III. Delegation of Authority

Subject to any specific limitation set forth in a gift instrument or law we, as TPE Directors, delegate to TIAA (The Manager) the management and investment of The Portfolio. In doing so we shall act in good faith with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. We, as the Directors of TPE, shall establish the scope and terms of the delegation to be consistent with the purposes of TPE and The Portfolio; we must establish a policy for the periodic review of The Manager's actions to monitor performance and compliance with the scope and terms of the delegation. So long as we comply with the above requirements we are not liable for the actions of The Manager to which the function was delegated.

IV. Overall Investment Objective

The intention is that the majority of the portfolio is managed passively. Passive management is an investment strategy involving limited ongoing buying and selling actions. TPE will purchase investments with the intention of long-term appreciation and limited maintenance.

Within a passive management strategy, the basic philosophy governing the investments of TPE will be prudent growth of principal with the understanding that The Portfolio's values will fluctuate with the capital markets over shorter term time periods. Within this philosophical framework, this policy seeks to provide a competitive total return consistent with historical capital market conditions and subject to risk tolerances, liquidity requirements, and investment guidelines established throughout the remainder of this policy.

V. Spending Policy

Withdrawals from the investments will be in accordance to TPE's Accountant's Manual. For purposes of this spending policy, the amount to be spent will be determined using a rolling average of the 12 most recent quarter end market values of The Portfolio. The goal of this policy is to smooth spending patterns over time, limiting disruption to the TPE's budget during unfavorable market cycles.

VI. Investment Authority and Discretion

The guidelines will be implemented by The Manager. It is TPE's intention to allow The Manager full discretion within the scope of this mutually agreed upon Investment Policy Statement and Guidelines.

VII. Risk Tolerances and Control

Risk shall be defined as the expected standard deviation of return based on historical capital market data. Risk shall be evaluated in terms of the total portfolio, not each individual investment. To minimize risk, the portfolio should be well diversified across asset classes, economic sectors, industry groups and individual securities as allowed by the target asset allocation of the portfolio.

Within the risk framework established above this policy contemplates that The Manager will construct a portfolio that reflects a passive management approach, that is, management associated with mutual and exchange-traded funds where a fund's portfolio mirrors a market index. Passive management is the opposite of active management in which a fund's manager(s) attempt to beat the market with various investing strategies and buying/selling decisions of a portfolio's securities.

- Will be widely diversified by security type.
- Include a commitment to both investment grade and high yield fixed income to lower portfolio risk.
- Includes a commitment to international securities for added diversification and lower portfolio risk.
- Includes a commitment to real estate for added diversification, income and lower portfolio risk.
- Includes a commitment to such other securities as deemed necessary for added diversification and enhanced return potential.

VIII. Liquidity

The target asset allocation and asset allocation rebalancing policies established in section IX and X of this policy have been established to assure funding for foreseeable liquidity events. It is anticipated that the Portfolio will follow TPE's Accountant's Manual for withdraws. Withdrawals for liquidity needs may come from capital appreciation and income, and from assets upon approval of the trustees.

IX. Target Asset Allocation

The time horizon of the portfolio is between eight and ten years. The overall strategic asset allocation of The Portfolio is listed below. Proposed changes to the Index Fund lineup that is in this section have to be approved by the Investment Committee. Exposure to each asset class will be measured on market value and is subject to the rebalancing guidelines described in section X.

Our preliminary recommendation

Asset classes

Asset Class	Sub-Asset Class	Manager/Fund	Expense Ratio ¹	Est. Market Value	Target
Domestic Equity	Large Cap Growth Equity: Passive	TIAA-CREF Large Cap Growth Index	0.07%	\$70,240.00	8.0%
	Large Cap Value Equity: Passive	TIAA-CREF Large Cap Value Index	0.07%	\$122,920.00	14.0%
	Mid Cap Equity: Passive	IWR - iShares Russell Mid Cap Index	0.25%	\$70,240.00	8.0%
	Small Cap Equity: Passive	TIAA-CREF Small Cap Blend Index	0.18%	\$81,480.00	7.0%
	REIT: Passive	Vanguard REIT Index	0.10%	\$35,120.00	4.0%
International Equity	Int'l Large Cap Equity: Passive	TIAA CREF International Equity Index	0.07%	\$79,020.00	9.0%
	Int'l Small Cap Equity: Passive	iShares MSCI EAFE Small Cap Index	0.40%	\$26,340.00	3.0%
	Emerging Markets Equity: Passive	Vanguard Emerging Markets Index	0.15%	\$61,480.00	7.0%
	Total Equity				60.0%
Domestic Fixed Income	Short Term Fixed Income: Passive	Vanguard ShortTerm Bond Index	0.10%	\$87,800.00	10.0%
	Intermediate Fixed Income: Passive	Vanguard Intermediate Term Bond Index	0.10%	\$131,700.00	15.0%
	Inflation Protected Fixed Income: Passive	iShares TIPS Bond	0.20%	\$70,240.00	8.0%
	High Yield Fixed Income: Passive	Vanguard High Yield Corporate	0.13%	\$52,680.00	6.0%
	Total Fixed Income				39.0%
	Cash	TIAA-CREF Trust Company Cash Deposit Account	0.00%	\$8,780.00	1.0%
Total			0.13%	\$878,000.00	100.0%

X. Asset Allocation Rebalancing

The key objective of the portfolio rebalancing process is to minimize the loss of efficiency resulting when The Portfolio's actual asset allocations deviates from the target asset allocations. Rebalancing can also be used to enhance the risk adjusted return of a portfolio by the purchase/sale of asset classes at relative low/high valuations.

The Portfolio will be rebalanced coincident with material cash inflows or outflows. Additionally, The Manager will consider rebalancing whenever a single asset class's allocation exceeds +/- three percent (3%) of its target allocation. Rebalancing is ultimately at the discretion of The Manager.

XI. Performance Evaluation and Reporting

Investment return is to be measured in a manner consistent with TPE guidelines and as issued by the Global Investment Performance Standards (GIPS) or, if differently as TPE specifically directs in writing. Investment returns will be reported quarterly. This review will examine the Portfolio's total return as well as that of the separate asset classes or funds that comprise the Portfolio. Performance is to be compared to all relevant benchmarks. To aid in the evaluation of Portfolio trends, quarter, year to date, one year, three year, five year and since inception period ended returns will be reported.

XIII. Specific Prohibitions on Investments

The Portfolio may not at any time:

- Acquire any security subject to any restriction on the sale thereof, or subject to any investment representation.
- Acquire or sell any commodity or commodity contract.
- Acquire any security on margin, or otherwise utilize borrowed funds for the acquisition of any security including but not limited to the use of reverse repurchase agreements.
- Sell any security not part of the portfolio.
- Make any investment for the purpose of exercising control of any corporation.
- Acquire precious metals.
- Acquire options, futures, warrants and other derivatives.
- Acquire hedge funds, venture capital funds and limited partnerships.
- Acquire direct investment in real estate, including short sales.
- Acquire other financial instruments, which do not meet the “prudent person standard” of ERISA or other, stated objectives of this investment policy.

XIV. Policy Modification and Exceptions

Any changes to this Investment Policy Statement deemed necessary by The Manager will be fully discussed and agreed upon by both The Manager and the Directors before taking effect, and such changes will be incorporated in writing into the guidelines.