

SANDY SPRINGS SOCIETY
ENDOWMENT INVESTMENT AND SPEND POLICY
January 2012 (Revised February 2013/May 2021/January 2024)

PURPOSE

The Endowment is established to provide a secure financial foundation for The Sandy Springs Society so that the organization may continue to provide support for selected 501c3 non-profits in accordance with the Philanthropic Committee guidelines in perpetuity.

OBJECTIVES

The objectives for the Endowment are: growth through contribution; appreciation through prudent investing; and stabilization of the annual amount of spend. Contributions must be in the form of cash or marketable securities or fixed-income assets.

ORGANIZATION

An Endowment Committee (the Committee) will be responsible for the oversight of all aspects of the Endowment and will report to The Sandy Springs Society Board at least semi-annually. The Committee has the authority to make the decisions related to the Endowment, including the risk, asset allocation, maturity and character of the investments, based on their knowledge of the purpose and future use of the Endowment, subject to the restrictions set forth in the section titled "Policy Changes."

The Committee will establish reasonable objectives, expectations and investment guidelines. The Committee shall choose a professional investment advisor to manage the portfolio. The Committee will be responsible for defining the responsibilities, objectives and expectations for the investment advisor as well as monitoring their performance. Investment advisors will be responsible for the day-to-day implementation of this policy for the assets under their management, as per the guideline set forth.

INVESTMENT GUIDELINES

Endowment assets will be invested in a range of investment options that span the risk/return spectrum. The broad asset classes may include:

- Cash or Cash Equivalents
- Fixed Income
- U. S. Equity
- International Equity

The financial vehicles that will be used to invest in the above broad asset classes include, but are not limited to, the following:

- Federally insured Certificates of Deposit, not to exceed the insurance limits, at commercial banks or savings and loan institutions.
- U. S. Treasury Securities
- Corporate bonds and notes rated A or better by Moody's and Standard and Poor's.
- Fixed income funds invested primarily in investment grade securities.
- Money market funds that invest in securities approved under these guidelines.
- Equity securities such as common and preferred stocks, including funds investing in these assets.

ASSET ALLOCATION

Asset allocation is a major determinant of the risk level of an investment program. Endowment assets shall be well diversified to avoid undue exposure to any single industry sector or individual security. All assets shall have a readily ascertainable market value and be readily marketable.

The asset allocation is intended to produce an annual return sufficient to cover inflation, fees, distributions and allows for growth of the corpus over the long term.

RESTRICTED INVESTMENTS

The following categories are not eligible for investment: unregistered or restricted stock, securities loans, direct loans to interested parties, direct real estate/mortgages, options or futures, derivatives, short sales, margin purchases, private placements or commodities.

INVESTMENT PERFORMANCE REVIEW AND EVALUATION

Performance results must be measured on a quarterly basis. The overall performance objective is to meet or exceed the total fund portfolio benchmark return over a market cycle, consistent with acceptable volatility characteristics.

Portfolio benchmarks may include:

Large Cap U.S. Equities – S & P 500

Mid Cap U.S. Equities – Russell Mid Cap Index

Small Cap U.S. Equities – Russell 2000 Index

Non –U.S. Equities – MSCI EAFE Index

U.S. Investment Grade Bonds – Lehman Aggregate Bond Index

INVESTMENT ADVISOR

A professional investment advisor shall manage the portfolio and report to the Endowment Fund Committee on a regular basis. The investment advisor may not be a member of or related to a member of The Sandy Springs Society. The investment advisor relationship should be reviewed on a three-year basis. The Investment Advisor shall perform the following:

- Obtain approval from the Committee on matters relating to the investment portfolio, including allocation of assets and performance measurement benchmarks
- Manage the portfolio consistent with the investment objectives and guidelines
- Initiate changes to the portfolio, including withdrawals, only at the request of designated members of the Committee
- Periodically rebalance assets to maintain proper asset allocation
- Measure and report performance of the portfolio
- Communicate with the Committee and provide written confirmation of every transaction, monthly statements, asset valuations and transaction listings

SPEND POLICY

This policy is intended to maintain the corpus of the endowment with regard to inflation and provide a steady annual source of funds for support of 501c3 non-profits selected by The Sandy Springs Society. The Endowment Committee shall determine the amount of funds available at the end of March for distribution in the fourth fiscal quarter of each fiscal year beginning in March 2013. The annual amount made available for support shall not exceed four percent (4%) of the twelve (12) quarter trailing average of the fund balance at quarter end, four (4) quarters in arrears. The Committee shall take into account various factors including maintenance of corpus, return on investments, inflation, etc. in determining the annual spend.

POLICY CHANGES

All material changes to this Investment and Spend Policy can be made on a recommendation from the Endowment Committee, and ratification by a majority vote of those in attendance at The Sandy Springs Society Board meeting.

To exceed the Spend Policy and/or encroach on the corpus, a motion must be presented in writing with rationales to the Board of Directors two weeks prior to a Board meeting. The motion must then be approved by a majority of the voting members of the Board of Directors present at a Board meeting. Proxy votes are not permissible. The motion must be proposed to the general membership in writing with accompanying rationale at least two weeks before a general meeting of The Sandy Springs Society. Encroachment(s) must be passed by a majority vote of those active members present at the general membership meeting.

The Investment and Spend Policy was voted on and approved by the Executive Committee, the SSS Board of Directors and the SSS General Membership. (February 2013)

January 2024

The revised Investment and Spend Policy was voted on and approved by the Endowment Fund Committee on May 18, 2021, and the SSS Board of Directors on June 29, 2021.

The revised Investment and Spend Policy was voted on and approved by the Endowment Fund Committee on December 6, 2023, and the SSS Board of Directors on January 23, 2024.