Alaska Rifle Club Investment Policy
Date of Board Resolution: May 7, 2022, Updated November 16, 2022

Purpose This policy establishes investment objectives, policies, guidelines and eligible securities related to all assets held by ALASKA RIFLE CLUB, and/or any of our subsidiary corporations, primarily for investment purposes. ('institutional funds") In doing so the policy:

- clarify the delegation of duties and responsibilities concerning the management of institutional funds.
- identifies the criteria against which the investment performance of the organization's investments will be measured.
- communicates the objectives to the Board, staff, investment managers, brokers, donors and funding sources that may have involvement.
- confirms policies and procedures relative to the expenditure of institutional funds.
- serves as a review document to guide the ongoing oversight of the management of the organizations' investments.

Guidelines for Investing

The club will maintain operating capital in a business checking account, sufficient to cover projected operational expenses in excess of revenue. The remainder of club capital will be invested in one or more investment or securities accounts, collectively referred to as "institutional funds". The institutional funds are intended to preserve capital and achieve a minimum total return (income and appreciation) of 2% after inflation, over a full market cycle (3-5 years).

Delegation of Responsibilities

The Board of Directors has a direct oversight role regarding all decisions that impact ALASKA RIFLE CLUB's institutional funds. The Board has delegated supervisory responsibility for the management of our institutional funds to the ARC Investment Committee. Specific responsibilities of the various bodies and individuals responsible for the management of our institutional funds are set forth below:

Responsibilities of the Board

The Board shall ensure that its fiduciary responsibilities concerning the proper management of ALASKA RIFLE CLUB's institutional funds are fulfilled through appropriate investment structure, internal and external management, and portfolio performance consistent with all policies and procedures. Based on the advice and recommendations of the ARC Investment Committee, the Board shall:

- select, appoint and remove members of the Committee.
- approve investment policies and objectives that reflect the long-term investment-risk orientation of the organization.

Strategic Responsibilities of the ARC Investment Committee

Members of the ARC Investment Committee are not held accountable for less than desirable outcomes, rather for adherence to procedural prudence, or the process by which decisions are made in respect to organizations assets. In consideration of the foregoing, the

Committee is responsible for the development, recommendation, implementation and maintenance of all policies relative to ALASKA RIFLE CLUB's institutional funds and shall:

- develop and/or propose policy recommendations to the Board with regard to the management of all institutional funds.
- recommend long-term and short-term investment policies and objectives for our institutional funds, including the study and selection of asset classes, determining asset allocation ranges, and setting performance objectives.
- determine that institutional funds are prudently and effectively managed with the assistance of management and any necessary investment consultants and/or other outside professionals, if any.
- monitor and evaluate the performance of all those responsible for the management of institutional funds.
- recommend the retention and/or dismissal of investment consultants and/or other outside professionals.
- receive and review reports from management, investment consultants and/or other outside professionals, if any.
- periodically meet with management, investment consultants and/or other outside professionals management, investment consultants and/or other outside professionals.
- convene regularly to evaluate whether this policy, investment activities, risk management controls and processes continue to be consistent with meeting the goals and objectives set for the management of institutional funds.

Management Responsibilities of the ARC Investment Committee

Club Officers shall be responsible for the day-to-day administration and implementation of policies established by the Board and/or the ARC Investment Committee concerning the management of institutional funds. Club Officers may also be members of the ARC Investment Committee. Club Officers shall also be the primary liaison between any investment consultants and/or other outside professionals that may be retained to assist in the management of such funds.

Specifically, Club Officers shall:

- oversee the day-to-day operational investment activities of all institutional funds subject to policies established by the Board and/or the ARC Investment Committee.
- contract with any necessary outside service providers, such as: investment consultants, investment managers, banks, and/or trust companies and/or any other necessary outside professionals.
- ensure that the service providers adhere to the terms and conditions of their contracts; have no material conflicts of interests with the interests of ALASKA RIFLE CLUB; and, performance monitoring systems are sufficient to provide the ARC Investment Committee with timely, accurate and useful information.
- regularly meet with any outside service providers to evaluate and assess compliance with investment guidelines, performance, outlook and investment strategies; monitor asset allocation and rebalance assets, as directed by the ARC Investment Committee and in accordance with approved asset allocation policies, among asset classes and investment styles; and, tend to all other matters deemed to be

consistent with due diligence with respect to prudent management of institutional funds.

- comply with official accounting and auditing guidelines regarding due diligence and ongoing monitoring of investments, especially alternative investments. Prepare and issue periodic status reports to the Board and the ARC Investment Committee.

Investment Considerations
The ARC Investment Committee must consider the purposes of both ALASKA RIFLE CLUB and our assets in managing and investing institutional funds. All individuals responsible for managing and investing ALASKA RIFLE CLUB's institutional funds must do so in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. In making any change in strategy relative to the expenditure of institutional funds, each of the following factors must be considered, and properly documented, in the minutes or other records of the applicable decision-making body:
1. general economic conditions;

2. possible effect of inflation or deflation;

3. expected tax consequences, if any, of investment decisions or strategies;

4. the role that each investment or course of action plays within the overall investment portfolio of the fund;

5. expected total return from the income and appreciation of investments;

6. other resources of the organization;

7. the needs of the organization and the fund to make distributions and preserve capital; and,

8. an asset's special relationship or special value, if any, to the organization's purposes.

Allowed Investment Types

Cash Equivalents: Allowable range: Minimum 5%; Maximum 100% of total assets
A quality money market fund will be utilized for the liquidity needs of the portfolio whose objective is to seek as high a current income as is consistent with liquidity and stability of principal. The fund will invest in "money market" instruments with remaining maturates of one year or less, that have been rated by at least one nationally recognized rating agency in the highest category for short-term debt securities. If non-rated, the securities must be of comparable quality.

US Government Securities: Allowable range: Minimum 5%; Maximum 80% of total assets
Treasury Bonds or Bills backed by the US Government.

Equities: Allowable Range- Minimum 0%; Maximum 80% of total assets
The equity component of the portfolio will consist of high-quality Exchange Traded Funds (ETFs) or Mutual Funds traded on the New York, NYSE Arca, NASDAQ or American Stock exchanges. No more than 30% of the total value of the fund will be invested in any one security. The portfolio will not contain stocks of individual companies.

ETFs and Mutual Funds will be selected based on professional investment recommendations and/or high performance rating compared to similar funds.
Prohibited equity investments include: initial public offerings, restricted securities, private placements, derivatives, options, futures and margined transactions. Exceptions to the prohibited investment policy may be made only when assets are invested in a ETF(s) or Mutual Fund(s) that periodically utilizes prohibited strategies to mitigate risk and enhance return.

Fixed Income: Allowable Range- Minimum 0%; Maximum 80% of total assets
Bond investments will consist solely of high-quality fixed income specific Exchange Traded Funds (ETFs) or Mutual Funds. No more than 30% of the total value of the fund will be invested in any one security. The portfolio will not contain bonds issued by individual companies. Treasury Bonds or Bills are considered Cash Equivalents, not Fixed Income.
ETFs and Mutual Funds will be selected based on professional investment recommendations and/or high performance rating compared to similar funds.
Prohibited securities include: private placements, derivatives (other than floating-rate coupon bonds), margined transactions and foreign denominated bonds. Exceptions to the prohibited investment policy may be made only when assets are invested in a Mutual Fund(s) that periodically utilizes prohibited strategies to mitigate risk and enhance return.

Precious Metals: Allowable range: Minimum 0%; Maximum 50% of total assets.
Precious Metals (Gold, Silver and/or Platinum Group Metals) purchased in physical form stored in a third-party safe deposit box, or physical metal held in allocated storage with a third party, or physical metal held in an unallocated (pooled) account stored with a third party. Any storage company selected must have been in continuous operation for at least 30 years.

Performance Measurements Standards
These benchmarks to be used in evaluating the overall performance of the institutional funds:

- 60% stocks, represented by the SPDR S&P 500 ETF Trust (SPY)
- 40% bonds, represented by the iShares Core US Aggregate Bond ETF (AGG).

Goal: exceed the average annual return of this 60/40 weighted index over a full market cycle (3-5 years)
It will be the responsibility of the ARC Investment Committee and the Board of Directors to regularly review the performance of the investment account and investment policy guidelines, and report to the Board of Directors at least quarterly with updates and recommendations as needed.

Expenditure Considerations
The Board of Directors and the ARC Investment Committee are responsible for the establishment of a balanced spending policy to:
(a) ensure that over the medium-to-long term, sufficient investment return shall be retained to preserve and grow its economic value as a first priority; and,
(b) the funds may be used for replacement of equipment such as target trailers and scoring systems; and,
(c) the funds may be used to support youth shooting sports through purchase of equipment, cash contributions to youth shooting clubs, or scholarships; and,

(d) the funds are not intended to be used for daily operating expenses of the club. Withdrawal of funds for operating expenses requires advanced disclosure to club members.

Expenditure of Institutional Funds
All decisions relative to the expenditure of institutional funds must assess the uses, benefits, purposes and duration for which the institutional fund was established, and, if relevant, consider the factors:
1. the duration and preservation of the institutional fund;

2. purposes of ALASKA RIFLE CLUB and the fund;

3. general economic conditions;

4. possible effect of inflation or deflation;

5. expected total return from income and appreciation of investments;

6. other organizational resources;

7. all applicable investment policies; and

8. where appropriate, alternatives to spending from the institutional fund and the possible effects of those alternatives.

For each decision to appropriate institutional funds for expenditure, an appropriate contemporaneous record should be kept and maintained describing the nature and extent of the consideration that the appropriate body gave to each of the stipulated factors.

Donor Restrictions
In all instances, donor intent shall be respected when decisions are rendered concerning the investment or expenditure of donor restricted funds. If a donor, in the gift instrument, has directed that appreciation not be spent, ALASKA RIFLE CLUB shall comply with that directive and consider it when making decisions regarding the management and investment of the fund. Any attempt to lift restrictions on any fund shall be conducted in full compliance with the law.

Reserve Fund Expenditures
The Reserve Fund has been established to maintain financial confidence in the club's ability to operate year over year into the future. Prior to withdrawals from the Reserve Fund, the account shall be reviewed to confirm an increase of value to cover the cost of inflation for the previous year (either from contributions and/or an increase in market value), this shall be considered the "High Water Mark". Each year once the High Water Mark has been met, the nonprofit is authorized to withdrawal up to 15% of the total market value of the institutional funds (market value to be determined as of the last business day of the preceding year) for the organization's operating purposes. This withdrawal is conditional based on meeting a minimum "High Water Mark" used to maintain an inflation tolerant reserve. That spending percentage is applied to the three-year average of the December market value. Using a three-year market value average will help to even out any fluctuations that may occur in the value of the account. Withdrawals of more than 15% of the total market value at any time or purpose requires a 4/5 affirmative vote by the Board of Directors. This vote will be documented in meeting minutes, posted on the club website,

and members informed of minutes location. The dollar amount and timing of any distribution(s) from the investment account will be left up to the discretion of the ARC Investment Committee.