

**FLORIDA ORCHESTRA ASSOCIATION
INVESTMENT POLICY STATEMENT
August 2, 2013**

Introduction

This statement of investment policy has been adopted by the Board of Directors of the Florida Orchestra Association, Inc. (FOA) to provide guidelines for the investment of funds held by the association.

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the funds held will be divided into three separate investment pools. The process for determining the dollar amount in each pool is set forth in the "Procedures" section of this document. The two investment pools shall be referred to as the "**Operating Fund**" and the "**Investment Fund**".

Procedures

1. The following procedures will be followed to ensure the investment policy statement is consistent with the current mission of FOA and accurately reflects the current financial condition:
 - A. This investment policy shall be reviewed annually by the Finance Committee for any necessary revisions.
 - B. Recommendations for any revisions or modifications will be made by the Finance Committee to the Board of Directors for approval.

2. The services of an investment consultant will be sought to manage portions of FOA's funds. The following procedure shall be followed to engage a new or replace a current investment consultant.
 - A. The Executive Director will recommend the hiring or replacing of an investment consultant to the Finance Committee.
 - B. The Finance Committee will review the candidate(s) and make a recommendation to the Board of Directors, who shall have final approval.

FLORIDA ORCHESTRA ASSOCIATION OPERATING and INVESTMENT FUNDS

Purpose

The purpose of the Operating Fund is to provide sufficient cash to meet the financial obligations of the FOA in a timely manner. All cash not necessary in the short-term to meet obligations or maintain minimum fee free balances should be moved to interest bearing financial tools in the investment fund.

Investment Objectives

The investment objectives are:

1. Preservation of capital;
2. Minimize risk;
3. Liquidity; and
4. To optimize the investment return within the constraints of the policy.

Investment Guidelines

The Executive Director shall be authorized to invest the FOA Funds as follows:

1. Checking accounts in U.S. federally insured banks and savings and loans not to exceed federally insured amounts;
2. Money market funds that limit fees and meet investment objectives.
3. Federally insured certificates of deposit not to exceed \$100,000 per institution;
4. Mutual Funds with three, four, and five Morningstar ratings that limit fees and meet investment objectives;
5. Exchange Traded Funds (ETF) as approved by management based on risk and ETF type
6. Direct obligations of the U.S. Government, its agencies and instrumentalities;
7. Repurchase agreements in conjunction with bank sweep accounts collateralized by U.S. Government obligations;
8. Commercial paper rated A-1/P-1 by Standard & Poor's and Moody's.

MATURITY

The maturities on investments shall be limited based on projected cash flow needs.

REPORTING

The Executive Director shall prepare the following reports for presentation on a quarterly basis to the Finance Committee:

1. Schedule of investments,
2. Interest income year to date,
3. Current yield.