

Pottstown Rotary Community Endowment Fund Policy

Accounts: Checking at Key Bank
 Brokerage at Charles Shwab

Checking Account

Balance limit: Used to fund the Big Ticket and Golf Outing events, pending scholarships and donations. Any excess of more than \$10,000 to be transferred to the brokerage account for investment proposal.

Brokerage Account

Financial Review: Quarterly report prepared by the Treasurer presented to the PRCEF Board. All changes/decisions are to be a majority vote.

Risk Profile: Conservative Growth and Income

Time Horizon: Long Term, 10+ years

Asset types: Limited to Stocks, Bonds, Mutual Funds, ETF's (no Options trading). Assets should have a 10 year historical annual average return of more than 10%, and the market price should not be more than 8% volatile to match our risk profile.

Portfolio Diversification: Investments are limited to no more than 20% of the portfolio in any one investment and not more than 30% in any one sector.

Distribution Limit: Not more than 50% of the prior year combined fund raising profit and investment gain.