

I. INTRODUCTION

This policy statement provides a framework for the management, investment and spending of the investment assets (“Portfolio”) of High Hopes Therapeutic Riding, Inc. (“High Hopes”). Its purpose is to assist the Board of Trustees (the “Board”) and the Investment Committee (the “Committee”) in monitoring the Portfolio of High Hopes. These guidelines are designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they occur, while at the same time set forth reasonable risk control parameters to ensure prudent execution of the investment strategy.

The management of the endowment is expected to adhere to the following basic fiduciary responsibilities:

- Oversight will occur with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like aims.
- Investments of High Hopes will be diversified so as to minimize the risk of loss and to maximize the rate of return. Diversification is applicable to the deployment of the assets as a whole.

II. PORTFOLIO

The Portfolio is defined as those funds invested for the support of High Hopes. It includes:

- Unrestricted: funds that may be used at the discretion of the Board
- Temporarily Restricted: funds subject to donor-imposed stipulations that may or will be met over time; and
- Restricted: funds whose principal is not expendable and is to be maintained in perpetuity (Endowment).

III. OVERSIGHT RESPONSIBILITY

It is the responsibility of the Board of Trustees of High Hopes to establish investment policies, revised from time to time as necessary and appropriate. The Board has delegated the oversight and implementation of the Investment Policy to the Committee.

The Committee will have the following additional responsibilities:

- Monitor performance on a quarterly, annual and multi-year basis;
- Provide direction to the Investment Advisor on strategy and asset allocation within the guidelines herein;
- Review the Investment Policy annually and recommend changes as appropriate;
- Report at least annually to the Board on investment performance and asset allocation of the Portfolio; and
- Evaluate the Investment Advisor and recommend changes as appropriate.

The Investment Advisor will have discretion to act in accordance with the guidelines set forth herein excepting as directed from time to time by the Committee.

In the absence of an Investment Committee, the Finance Committee will assume these responsibilities.

IV. INVESTMENT GUIDELINES

Investment Objective

The portfolio will be invested in a manner that balances the preservation of principal with the goal of long-term growth of the real value of the portfolio over time. All dividends from the portfolio's investments will be reinvested. The target total return of the portfolio is 4% plus the average annual rate of inflation as measured by the Consumer Price Index, net of all fees.

Asset Allocation

The Investment Advisor is expected to employ a variety of investment strategies within the broad asset allocation categories. Asset allocation of the total portfolio shall follow the guidelines below, based upon current market values. All investments must be publicly traded securities.

	Target	Range
Global Equities	75%	65%-85%
Fixed Income and Cash Equivalents	25 %	15%-35%
Total	100 %	

Rebalancing

Rebalancing will be used to maintain compliance with the asset allocation ranges identified above. The Committee will review the Portfolio periodically to assess whether rebalancing is necessary. If, quarterly the asset allocation should fall outside of the range defined in the "Asset Allocation" section above, the Investment Advisor will notify the Committee to review whether rebalancing is needed and the amount and timing of rebalancing necessary to bring the asset allocation back within the stated limits. Tactical rebalancing, defined as Portfolio positioning to opportunistically capture short-term market anomalies, may be undertaken.

IV. SPENDING POLICY

A distribution may be made annually from the Portfolio to support the operating and capital expenditures of High Hopes. The distribution may be up to 4.0% of the total Portfolio market value as calculated at

High Hopes Therapeutic Riding, Inc.

Investment Policy
APPROVED JUNE 2014

December 31 of the year immediately preceding the High Hopes budget year (e.g. the budget for 2016-2017 may utilize up to 4% of the Portfolio market value as of December 31, 2015.). Distributions from the Portfolio in excess of 4% annually must be pre-approved by the Board. The Executive Director or Finance Director will notify the Investment Advisor of the amount and timing of distributions needed from the Portfolio.

V. ADVISOR REPORTING AND PERFORMANCE EVALUATION

The Investment Advisor will have the following responsibilities:

- Invest the Portfolio assets according to the guidelines set forth in this policy;
- Advise the Committee on the investment of the Portfolio assets;
- Report quarterly on the performance of the Portfolio, including comparative returns for the funds and their respective benchmarks, a complete accounting of all transactions during the quarter, and a statement of beginning market value, fees, capital appreciation, income and ending market value, for each account; and
- Meet with the Committee at least annually and attend other meetings as requested by the Committee.

The Committee will monitor performance using absolute, market, and peer group results over multiple time periods.

Review of investment results in absolute terms will be made based on the goal of meeting and/or exceeding the target total return (net of all fees) of 4.0%, plus inflation, over a rolling three- and five-year time period.

Review of investment results in relative terms will be made by comparing results to assigned weighted market indices over rolling one, three and five-year time periods. Indices are to be agreed upon by the Committee and the Investment Advisor.

Review of the investment results in comparative terms will be made through universe comparisons over rolling one, three, and five-year time periods, with target performance in the upper 50% of the respective peer groups. Universe data will be drawn from the National Association of College and University Business Officers (NACUBO); Wilshire Trust Universe Comparison Service (TUCS); Callan Associates; and Northern Trust and/or such other groups as may be mutually agreed upon.

VI. Changes to the Investment Policy

Any changes to the Investment Policy must be approved by a majority vote of the Board of Trustees.