INVESTMENT POLICY OF THE NORTHFIELD LEAGUE, INC.  
(the “Organization”)

PURPOSE OF INVESTMENT POLICY

The purpose of this Investment Policy is to provide a clear statement of the Organization’s investment objectives, to define the responsibilities of the Board of Directors and any other parties involved in managing the Organization’s investments, and to identify or provide target asset allocations, permissible investments and diversification requirements.

INVESTMENT OBJECTIVE

The overall investment objective of the Organization is to maximize the return on invested assets while minimizing volatility and expenses. This is done through prudent investing and planning, as well as through the maintenance of a diversified portfolio. This portfolio should reflect the values of the League.

GENERAL PROVISIONS

● All transactions shall be for the sole benefit of the Organization.

● The Directors shall review the Organization’s investment policy on an annual basis.

● The Treasurer and President shall conduct an annual review of the Organization’s investment assets to verify the existence and marketability of the underlying assets

● Any investment that is not expressly permitted under this Policy must be formally reviewed and approved by the Directors.

● The Directors will endeavor to operate the Organization’s investment program in compliance with all applicable state, federal and local laws and regulations concerning management of investment assets [including IRC §4944 if the Organization is classified as a private foundation for federal tax purposes.]

● Investments shall be diversified with a view to minimizing risk.

DELEGATION OF RESPONSIBILITY; RELIANCE ON EXPERTS AND ADVISORS
The Board of Directors has ultimate responsibility for the investment and management of the Organization’s investment assets.

The Board may delegate authority over the Organization’s investments to a properly formed and constituted Investment Committee, being a Board Committee comprised only of directors.

The Board or Board Committee may hire outside experts as investment consultants or investment managers.

The Board will also establish an advisory committee (which may include non-directors) to provide investment advice to the Board or to the Board Committee. Advisory committees have no authority to act for the Board, but may monitor compliance with the investment policy, recommend changes, and assist the Board or Board Committee in selecting and retaining Investment Managers to execute this Investment Policy.

RESPONSIBILITIES OF THE BOARD, OR IF AUTHORITY IS DELEGATED, THE INVESTMENT COMMITTEE

The Board, or if authority is delegated, the Investment Committee, is charged with the responsibility of managing the investment assets of the Organization. The specific responsibilities of the Board or the Investment Committee, as applicable, include:

1. Communicating the Organization’s financial needs to the Investment Managers on a timely basis.

2. Determining the Organization’s risk tolerance and investment horizon and communicating these to the appropriate parties.

3. Establishing reasonable and consistent investment objectives, policy guidelines and allocations which will direct the investment of the assets, to be reviewed by the Board on an annual basis.

4. Prudently and diligently selecting one or more qualified investment professionals, including investment managers(s), investment consultant(s), and custodian(s).

5. Regularly evaluating the performance of investment manager(s) to assure adherence to policy guidelines and to monitor investment objective progress.
6. Developing and enacting proper control procedures; e.g., replacing investment manager(s) due to a fundamental change in the investment management process, or for failure to comply with established guidelines.

RESPONSIBILITIES OF INVESTMENT MANAGERS

- Each investment manager will invest assets placed in his, her or its care in accordance with this investment policy.

- Each investment manager will have responsibility to make investment decisions for the assets placed under his, her or its care and management, while operating within all policies, guidelines, constraints, and philosophies outlined in this Investment Policy. All purchases and sales of securities must be approved by the Treasurer either on an individual basis or as part of an ongoing program (e.g. dividend reinvestment, bond rollover). Specific responsibilities of investment manager(s) include:

  1. Discretionary investment management, including decisions to buy, sell, or hold individual securities, and to alter allocation within the guidelines established in this statement.

  2. Reporting, on a timely basis, monthly investment performance results.

  3. Communicating any major changes in the economic outlook, investment strategy, or any other factors that affect implementation of investment process.

  4. Informing the Board, or if authority is delegated, the Investment Committee, regarding any changes in portfolio management personnel, ownership structure, investment philosophy, etc.

  5. Voting proxies, if requested by the Board, or if authority is delegated, the Investment Committee, on behalf of the Organization.

  6. Administering the Organization’s investments at reasonable cost, balanced with avoiding a compromise of quality. These costs include, but are not limited to, management and custodial fees, consulting fees, transaction costs and other administrative costs chargeable to the Organization.

GENERAL INVESTMENT GUIDELINES

- A copy of this Investment Policy shall be provided to all Investment Managers.
● The Organization is a tax-exempt organization as described in section 501(c)(3) of the Internal Revenue Code. This tax-exempt status should be taken into consideration when making Organization investments.

● The Organization is expected to operate in perpetuity; therefore, a 10 year investment horizon shall be employed. Interim fluctuations should be viewed with appropriate perspective.

● A cash account shall be maintained with a zero to very low risk tolerance to keep cash available for current year expenses.

● Transactions shall be executed at reasonable cost, taking into consideration prevailing market conditions and services and research provided by the executing broker.

● Permitted investments include: Cash and cash equivalents, marketable securities including equities and fixed income securities, partnership interests listed on US exchanges, and mutual funds.

● The Treasurer may meet asset allocation guidelines through the investment of funds in one or more diversified mutual funds. These assets may be held as part of a brokerage account otherwise managed by an investment manager or may be held in accounts directly with the mutual fund.

● No fixed income security shall have an equivalent credit quality below investment grade at the time of purchase, defined as:
  1. BBB by Standard & Poors for straight bonds and convertibles
  2. Baa3 by Moody’s Investor Service for straight bonds and convertibles
  3. A1 by Standard & Poors for short term securities
  4. P1 by Moody’s Investor Service for short-term securities
  5. AAA for money market accounts

● The following transactions are prohibited: Purchase of non-negotiable securities, derivatives, high risk or junk bonds, private placements, precious metals, commodities, short sales, any margin transactions, straddles, warrants, options, life insurance contracts, leverage or letter stock.

● The Organization desires to not own investments that it finds morally or ethically in conflict with its values and thus prohibits the purchase of securities of
companies in the principal business of weapons as well as companies with environmental or labor practices significantly worse than their peer competitors. This does not limit passive ownership as part of broad-based sector or index funds or as part of an actively managed mutual fund. The Board is responsible for the timing of divestments necessary due to securities received as gifts or due to changes in guidance.

**DIVERSIFICATION**

- The Organization will maintain a reasonable diversification of investment assets between asset classes and investment categories at all times.
- Investments in the equity securities of any one company shall not exceed 10% of the portfolio nor shall the total securities position (debt and equity) in any one company exceed 15% of the portfolio.
- Reasonable sector allocations and diversification shall be maintained. No more than 40% of the entire portfolio may be invested in the securities of any one sector.
- Investments within the investment portfolio should be readily marketable.
- The investment portfolio should not be a blind pool; each investment must be available for review.

**ASSET ALLOCATION**

- The asset allocation policy shall be predicated on the following factors:
  1. Historical performance of capital markets adjusted for the perception of the future short and long-term capital market performance.
  2. The correlation of returns among the relevant asset classes.
  3. The perception of future economic conditions, including inflation and interest rate assumptions.
  4. Liquidity requirements for projected expenditures.
  5. The relationship between the current and projected assets of the Organization and projected liabilities.

**ALLOCATION RANGE**
<table>
<thead>
<tr>
<th>Asset Allocation Range</th>
<th>Target</th>
<th>Authorized Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Equivalents</td>
<td>5%</td>
<td>0 – 20%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>40%</td>
<td>20 – 60%</td>
</tr>
<tr>
<td>Equities: US Large Cap</td>
<td>30%</td>
<td>20 – 40%</td>
</tr>
<tr>
<td>Equities: Domestic Small/Mid Cap</td>
<td>15%</td>
<td>10 – 25%</td>
</tr>
<tr>
<td>Equities: International</td>
<td>10%</td>
<td>5 – 15%</td>
</tr>
</tbody>
</table>

- The Board shall review the Asset Allocation on an annual basis and the Treasurer shall report on portfolio movements in relation to the sector Targets.