



Article X: Investment Policy

Section 1: Purpose

The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding of the investment objectives and guidelines for the Missouri STEM Initiative (MSI). This policy aims to ensure prudent management of MSI's financial assets, aligning with the organization's mission to support STEM programs across Missouri.

Section 2: Scope

This policy applies to all financial assets of MSI, including but not limited to operating reserves, endowment funds, and any other funds held for long-term purposes.

Section 3: Roles and Responsibilities

- **Board of Directors:** Holds ultimate fiduciary responsibility for MSI's investments, ensuring adherence to this policy and alignment with organizational goals.
- **Investment Committee:** A subcommittee may be appointed by the Board, responsible for overseeing investment activities, recommending investment strategies, and monitoring performance.
- **Investment Advisor/Manager:** An external professional or firm engaged by MSI to manage investments in accordance with this policy and applicable laws.

Section 4: Investment Objectives

MSI's investment objectives are to:

1. **Preserve Capital:** Safeguard the principal value of investments.
2. **Generate Income:** Produce a reasonable return to support MSI's programs and operations.
3. **Ensure Liquidity:** Maintain sufficient liquidity to meet operational needs and grant commitments.
4. **Align with Mission:** Invest in a manner consistent with MSI's commitment to promoting STEM education.



Section 5: Investment Guidelines

- **Asset Allocation:** Investments shall be diversified across asset classes to mitigate risk. The Investment Committee shall establish target allocations and permissible ranges for each asset class.
- **Permissible Investments:** Include, but are not limited to, U.S. Treasury securities, high-quality corporate bonds, mutual funds, and equities. Investments in instruments that conflict with MSI's mission are prohibited.
- **Prohibited Investments:** Speculative investments, such as derivatives for non-hedging purposes, commodities, and investments in companies that contradict MSI's values, are not allowed.

Section 6: Spending Policy

MSI may adopt a spending policy that determines the annual distribution from investment funds to support operations and grants. This policy should balance current needs with the goal of preserving capital for future use.

Section 7: Monitoring and Reporting

- **Performance Review:** The Executive or Investment Committee shall review investment performance quarterly, comparing results against established benchmarks.
- **Reporting:** The Executive or Investment Committee shall provide the Board with regular reports detailing portfolio performance, asset allocation, and compliance with this policy.

Section 8: Policy Review

This Investment Policy shall be reviewed at least annually by the Investment Committee and updated as necessary to reflect changes in MSI's financial status, objectives, or market conditions.