



# Conway Public Library

## Investments

**Purpose:** It shall be the purpose of this policy to direct the investment activity of the library income fund, trust funds and trust accounts in accordance with all applicable federal and New Hampshire state laws including, but not limited to, RSA 31:25, 35:9, 41:6, 202A:22 and 202A:23.

**General objectives:** The objectives of investment activities shall be as follows: first, safety and preservation of principal; second, liquidity; and third, maximizing the return for each fund and account. Foremost among these is safety of principal. With respect to return or yield, investment choices should be designed to attain a market rate of return, taking into account the primary objectives of safety and liquidity.

**Standards:** The standards of care in making investment decisions shall be those of "the prudent investor" as defined in RSA 564-B:9-901-906. Those investments that the Trustees oversee for the library should not be for speculation, but for investment, always considering the safety of capital as well as the probable income.

**Conflicts of interest:** Trustees shall refrain from personal business activity that could conflict with the library's investment program or could impair their ability to make impartial investment decisions. Library Trustees shall disclose any significant outside activity or interest that could be related to the Library's investment performance.

**Authorized financial institutions and depositories:** The types of institutions and depositories which may be used for investment, custody, or income are those contained in RSA 31:25, a copy of which is attached and has been made a part of this policy. Where possible, in selecting financial institutions, preference should be given to those in the local area when the standards and objectives of this policy are not otherwise compromised.

**Authorized investments:** Investments authorized by this policy are domestic and international common stock, preferred stock, U.S. government and corporate bonds, mutual funds, exchange traded funds, and cash equivalents.

Professional guidance: Whenever required or deemed necessary by the Board, professional guidance will be requested of licensed and experienced professionals in the investment field. The board will hire or employ the trust department or departments of a bank or banks or a brokerage firm to assist in the management and investment of trust fund resources, pursuant to RSA 31:38-A and in compliance with the investment guidelines outlined in this policy.

Diversification: Portfolios of investments shall be diversified. Excessive concentration in one instrument, institution, issues, or maturity is to be avoided. No single equity or fixed income instrument may constitute more than 10% of the market value of the investment portfolio.

Allocation: The investment management firm retained by the Board will target the following asset mix for the portfolio: 50% equities and 50% fixed income investments. Neither the fixed income nor the equity component of the portfolio will dip below 35% or exceed 65% of the total value.

Deviation from this policy: Any deviation from these policy guidelines shall require the approval of the Board of Trustees.

Approval of this policy: This policy shall be reviewed and approved at least annually by the Trustees.

