

Title: INVESTMENT POLICY
Number: FC 040
Effective: January, 2000
Revised: March 23, 2005
February 15, 2007
Review Schedule: Annually at regularly scheduled February meeting
Last Review: February, 2007
Responsible Committee: Finance Committee

I. Purpose and Coverage

- A. The purpose of this document is to set forth:
1. The basic investment objectives of the Society,
 2. Specific investment guidelines, and
 3. Provisions for the management of the investments.
- B. The stipulations of this document shall apply to all non-tangible assets in the General Fund of the Society including short-term investments but excluding amounts needed in checking accounts to pay day-to-day expenses including salaries.

II. Investment Objectives

- A. Working Capital
1. Keep available in “cash equivalents” (money market funds, Treasury bills, short term certificates of deposit, etc.) such part of the investable assets as is deemed necessary by the CFO in conjunction with the Finance Committee, to be available as working capital to ensure the ready operation of the Society’s annually budgeted program chargeable to the General Fund. As a general goal, the amount of “cash equivalents” should not fall below an amount equal to 5 percent of the ANS annual operating budget.
- B. Maintenance and Growth of Purchasing Power
1. Maintain and, to the extent possible within the limitations imposed by this policy, increase the purchasing power of the principal of the investable assets on a long-term basis.

III. Investment Guidelines

A. Asset Mix

1. The investable assets (except working capital) shall be balanced between the superior stability of fixed-income assets on the one hand and equities with inflation-resistant characteristics on the other. The acceptable equity weighting normally shall be between 35% and 65% at current market value. Fixed-income securities, totaling 65%-35% of the portfolio shall comprise a blend of maturities and be subject to the same management as the equity portion of the portfolio.
2. In special circumstances such as when a major shift in the relative markets for equities and fixed income securities is anticipated, the Finance Committee may increase or decrease the percentage for equities and correspondingly decrease or increase the percentage for fixed income securities, reporting its action to the next meeting of the Board.

B. Equity Selection

1. Primary emphasis in the selection of equities shall be on stocks of high-grade companies having inflation hedge characteristics – i.e. companies whose growth in earnings and dividends shall offer a significant offset to inflation. Weight should be placed on seasoned companies with proven records, favorable prospects, and sound financial positions.
2. No single industry group, as defined by Standard and Poor's Corporation, shall constitute, more than 30% of the equity portion; and no single equity shall account for more than 5% of the total fund or more than 10% of the equity portion of the fund.

C. Fixed-Income Securities Selection

1. Additions to the fixed-income portfolio shall be limited to government securities and diversified corporate securities having ratings of not less than A from the major rating services, but excluding convertible securities. The maturities of the fixed-income portfolio shall be diversified, but the emphasis should be on short or intermediate maturities (i.e. five to ten years). Convertible fixed-income securities shall be considered equity holdings.

D. Environmental Objectives

1. The Investment Manager shall be mindful of the broad environmental objectives of the Society and shall avoid investing in companies whose activities are known to be in serious conflict with those objectives. In general, investments in companies rated as superior by CERES or in stocks included in "socially responsible" mutual funds (such as the Sierra Club Mutual Funds, the TIAA-CREF Social Choice Equity Fund, or the Calvert Funds) are acceptable.

2. The Investment Manager should avoid investments in the following sectors, particularly for companies operating in the mid-Atlantic region, without obtaining prior approval from the Finance Committee:
 - a. Land development and real estate
 - b. Electric power generation
3. The Finance Committee may, from time-to-time, identify other specific sectors that should be avoided.

IV. Investment Management

A. Investment Manager

1. The Society's Investment Account, with such limited exceptions as the Finance Committee may establish for special reasons, shall be managed by a professional Investment Manager selected by the Finance Committee, to serve at its discretion and with such compensation as it shall agree to. The Finance Committee shall review the performance of the selected investment manager annually.
2. Within the provisions of this statement the Investment Manager shall be fully responsible for the management of the investable assets entrusted to him or her, subject to the application of the "prudent man" rule, as generally understood. The Investment Manager shall report quarterly in writing to the Finance Committee on the performance of the portfolio and shall render special reports to the Committee at its request or on his or her own initiative. The Investment Manager shall be prepared to discuss any report with the Finance Committee. The Committee shall consider each report, normally at a meeting, and shall transmit a copy to the Board, with such observations and recommendations as it deems appropriate.

B. Withdrawals from the Investment Account

1. The CFO may make withdrawals from the investment account after receiving approved in writing or by email from two of the following officers:
 - a. The President,
 - b. The Vice President,
 - c. The Treasurer
 - d. The Executive Director.
2. The CFO will be responsible for notifying the Finance Committee and any of these officers not available at the time the withdrawal was made of the amount and reasons for the approved withdrawal.

V. Review Of Policy

These guidelines shall be reviewed by the Finance Committee in consultation with the Investment Manager annually at the Committee's regularly scheduled winter meeting or more frequently if changing circumstances dictate.

Approval

Finance Committee Kathleen Malloy Date: 10/24/07
(chair)

Board of Directors: [Signature] Date Nov 14 2007