

## **Dwelling Place Foundation**

### **Statement of Spending and Investment Policies**

#### **Introduction**

The Dwelling Place Foundation ("Foundation") is a separate non-profit corporation that was established in 2004 "to solicit, collect, receive, and administer funds exclusively to further the purposes of Dwelling Place of Grand Rapids, Inc..." The name of the Dwelling Place of Grand Rapids, Inc. has been changed to Dwelling Place of Grand Rapids Non-Profit Housing Corporation and will be referred to as "Dwelling Place" in this statement.

Dwelling Place is the sole "member" of the Foundation and the Foundation is operated and managed by a board of trustees, the voting members of which are the chair, vice-chair, treasurer, secretary, and CEO of Dwelling Place, and such other voting members as may be appointed by the board of directors of Dwelling Place. In addition to the voting members listed in the previous sentence, the board of trustees of the Foundation also includes the COO, CFO and Director of Development of Dwelling Place who serve as non-voting members.

The Trustees of the Foundation are responsible for managing the operations and investments of the Foundation in accordance with the spending and investment policies adopted by the Trustees and approved by the Board of Dwelling Place. The Trustees will select a custodian and investment manager for the assets of the Foundation, and monitor their performance. The assets will be invested by the investment manager in accordance with this Investment Policy. The current custodian and investment manager is Northern Trust Company.

#### **Spending Policy**

Each year, the Board of Dwelling Place will determine the amount the Foundation will distribute to Dwelling Place to be used to further the mission of Dwelling Place. Dwelling Place will determine the manner in which the distributions will be expended. The Foundation will, to the extent possible, limit distributions to the income of the Foundation in the previous year, but the trustees may make distributions from the principal of the Foundation to the extent necessary to sustain the operations of Dwelling Place. Notwithstanding the foregoing, the Foundation may distribute to Dwelling Place the amounts needed for resident support services and other programs, but not to exceed 4% of the average of the Foundation's assets as of the beginning of the three (~~5~~) previous years.

## Investment Policy

Investment Objectives. The Foundation's primary investment objectives are to preserve and grow the value of its assets and earn a reasonable and stable current income. The Foundation will invest its assets within acceptable limits of risk for optimum long-term "total return" which will include both income and appreciation in value.

Asset Allocation. The Foundation will invest in the following broad asset classes:

<u>Asset Class</u>	<u>Allowable Range</u>
Equities	40% to 60%
Fixed-Income	40% to 60%
Other	0% to 10%
Cash and Cash Equivalents	0% to 10%

### Asset Class Guidelines

Equities – will consist of publicly traded common stocks and convertible securities, individually or in mutual funds, common funds, or collective funds. Investments will be broadly diversified among major market classifications to include large U.S corporate stocks (up to 50% of total equities), mid and small capitalization U.S. stocks (up to 15%) and international stocks with an emphasis on developed economy investments (up to 50%). The primary objective of such broad diversification is to dampen portfolio volatility (risk) and enhance long-term returns.

Fixed-income – will be diversified among debt obligations of the U.S. Government and federal governmental agencies, and investment grade (BBB-rated or better) debt obligations of corporations. In addition, not more than 5% of the total fund may be invested in "high yield" debt obligations that do not qualify as investment grade. Debt maturities will be staggered between one and ten years.

Other – will consist of mutual funds or other common funds that are invested in real estate, natural resources, or other investment opportunities as may be recommended by the investment manager for the Foundation.

Prohibited Transactions – Commodities, option contracts, derivative securities, selling short and use of margin credit. The Foundation will sell all equity donations as soon as practicable and invest the proceeds as prescribed above.

## **Responsibilities**

The Dwelling Place Directors will review this policy statement annually and approve changes as may be appropriate.

*(Spending and Investment Policy: Amended on October 7, 2015)*

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