## AMERICAN QUARTER HORSE FOUNDATION INVESTMENT/SPENDING POLICIES AND PROCEDURES

## **OBJECTIVES**

The primary investment objectives are the provision of a reasonable steady stream of current income while preserving the principal value of the investment portfolios, providing liquidity for operations and covering the effect of inflation.

## **GOALS**

The primary investment goal of AQHA is to maintain one year's operating budget in reserve in order to assure the ability of AQHA to:

- a) withstand adverse economic downturns without disruption of present programs and services;
- b) provide new and expanded programs and services to improve the breed and provide education about and promotion of the quarter horse; and
- c) replace property, plant and equipment as needed.

The primary investment goal of AQHF and other programs is to provide the highest possible portfolio return for use in operations and programmatic endeavors while avoiding undue risk of capital.

## **SPENDING POLICY**

The Board has established a spending policy ("Spending Policy") for certain funds. These policies are as follows:

Association Fund: 5% per year of the fund balance or such other fixed amount as

determined at a date approved by the IOC and Executive Committee

Foundation

Endowment Fund: 5% of trailing thirty-six month average principal market value of the

invested funds. (fund includes investments for the operation of all

Foundation related program administration and facilities)

Foundation

Program Funds: 5% of trailing thirty-six month average principal market value of the

invested funds. (funds include investments for the purpose of grant

making to all Foundation programs)

**Incentive Fund** 

& Racing Challenge: Distributions from each fund equals the yearly allocated percentage

fund balances plus allocated earnings on the fund balance