

# The Society of Mayflower Descendants in the State of California

## Policy Manual

Revised March 2022



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## **Mission**

The Society of Mayflower Descendants in the State of California, Inc. (hereinafter the California Mayflower Society, California Society, or the Society) is dedicated to preserving the history of our Mayflower heritage through education and research as follows:

- Aiding in genealogical research related to the descendants of the Mayflower passengers;
- Maintaining a comprehensive research library for members and prospective members;
- Educating young scholars by providing scholarships to our children and grandchildren;
- Preserving and protecting documents and items related to Mayflower ancestry including genealogical records of our members;
- Educating the general public about the Mayflower legacy through public speakers and presentations.

The procedures to be followed in the California Mayflower Society are governed by the bylaws, standing rules, and these policies.

## **Code of Conduct**

Every person representing the California Mayflower Society in any official capacity, such as participation in Society programs or activities, service as an elected or appointed officer or committee member, or in any capacity identifying the individual as a representative of the California Society, shall conduct himself or herself in a manner that reflects commitment to the Society's heritage and historic values and espouse only the highest ethical standards of conduct. All such representatives shall:

- Act with integrity, dignity, and honor, and refrain from behaviors or expressions intended to be harmful such as abusive language or threatening behaviors;
- Treat others with respect and consideration regardless of race, religion, gender, sexual orientation, marital or family status, disability, national origin, opinions, or traditions different than those of the representative;
- Cooperate and collaborate with other representatives of the Society and publicly support official actions, decisions, and policies adopted by the Society;
- Prior to meetings at which deliberation will occur, prepare to actively engage in the business of meeting by offering respectful, well-informed opinions about the issues under debate and discussion;

- Refrain from public or open criticism of other Society members;
- Respect the confidentiality of information received in the course of official action and that is not for public distribution, including information in membership applications;
- Avoid conflicts of interest, i.e. undisclosed financial interests, which might be affected by the representative's vote or conduct;
- Abide by all policies and procedures adopted by the Society;
- Support the bylaws of the California Mayflower Society.

## **Job Descriptions Not Provided in the Bylaws**

### **Junior Membership Chair**

The Junior Membership Chair nurtures a new generation of Mayflower descendants who will honor the courage of their ancestors and celebrate their Pilgrim heritage. Duties include:

#### **Record Maintenance**

- Enrolling Junior Members (Juniors).
- Keeping a clear and accurate record for each Junior including a copy of the application, date of membership, assigned state number, and other documentation the Chair deems pertinent.

#### **Communication**

- Sending each new Junior a welcome packet and certificate;
- Communicating with Juniors via email or regular mail;
- Sending an annual Thanksgiving greeting by regular mail and emailing quarterly newsletters;
- Providing Juniors with information about the Mayflower heritage through books, videos, newsletters; programs, and appropriate websites;
- Notifying Juniors about scholarship opportunities;
- Urging each Junior member to apply for full Society membership upon reaching the age of 18.

#### **Cooperating Within the Society**



- Selecting a Society member to be an Assistant Junior Membership Chair or recruiting several members for a Junior Membership Committee;
- Staying current with the General Society of Mayflower Descendants (GSMD) Junior Committee website;
- Encouraging each Junior's sponsor to notify the colony nearest the Junior's residence so the colony can include the Junior in its activities.

### **Librarian**

The Librarian maintains the Society's library collection, orders new books, and catalogs materials held in the library.

### **Office Manager**

The office manager manages the Society office, which houses the Society library and is our official address. Duties include:

- Serving as the primary contact with the landlord and building manager;
- Managing the office function. This includes arranging volunteer staffing to keep the office and library open during designated hours;
- Ensuring that the mail and telephone calls are received and attended to;
- Keeping the application files up to date.

### **State Historian**

The State Historian is the official genealogist of this Society. Duties include:

- Being responsible for examination, approval, or rejection of all original and supplemental applications ;
- Registering all incoming original and supplemental applications and assigning ledger numbers to each application; Enquiries from potential new members may come via email or regular mail.
- Requiring each prospective new member to provide a signed Preliminary Review Form with contact information and setting out the proposed lineage from the Mayflower passenger to the applicant;
- Keeping a complete list of applications; this includes maintaining a record of all outstanding applications both before and after submission to Plymouth for verification and approval;

- Sharing information about paid application fees with the State Treasurer to ensure current and accurate tracking of fees;
- Assigning responsibility for original and supplemental applications to Assistant Historians.
- Training Assistant Historians as needed;
- Training Colony Membership Chairs, as appropriate;
- Maintaining communication with Assistant Historians, the State Treasurer, Colony Membership Chairs, and the colonies regarding new member approvals and supplemental application approvals;
- Regularly reporting the status of all applications (both before and after submission to Plymouth for verification) to the Board of Assistants (BOA).

### **Assistant Historians**

The BOA may appoint Assistant Historians to serve under direct supervision of the State Historian. Assistant Historians are not State officers, but are authorized to examine, approve, or reject original and supplemental applications, collect application fees, and to submit the applications to the General Society for verification. Their duties also include:

- Keeping the State Historian informed of progress on assigned applications;
- Notifying the State Historian when an application is submitted to Plymouth. Such notification must include the applicant's name, type of application, ancestor, colony, assigned ledger number, application fee amount paid, and form of payment;
- Maintaining communication with colony Governors and Membership Chairs regarding approved new members and supplemental application approvals to keep the colonies informed and facilitate maintenance of their membership rosters.

### **Newsletter Editor/s**

The newsletter is entitled *The California Mayflower Quarterly*. The Editor/s solicit, collect, and edit articles, including a quarterly report of approved new members and approved supplemental applications, and are responsible for newsletter layout, format, printing, publication, and distribution

## **Policies & Procedures**

### **Life memberships**

Effective February 27, 2021, life memberships and junior life memberships are no longer offered. Those who held life membership before that date remain life members in good standing.

### **State Scholarships**

Each year, the California Mayflower Society awards scholarships to eligible high school seniors through the state Scholarship Program.

Eligible applicants must document a lineage connection to a living, current member of the California Mayflower Society. Specific eligibility requirements are set by the BOA. Currently, recipients must be either a member in good standing of the California Mayflower Society or have a blood line connection as a child, grandchild, great-grandchild, niece, nephew, grandniece, grandnephew, great-grandniece or great-grandnephew of a living, current member of the California Mayflower Society. There is no restriction regarding the residence of the member or the residence of the scholarship applicant. The number and monetary value of scholarships are set by the BOA. Currently, three scholarships are awarded.

Initial funding for the scholarships is from Scholarship Fund contributions made when members pay their annual dues or other donations earmarked for scholarships. Money needed to fund the scholarships approved by the BOA is allocated from the general fund.

The Scholarship program is administered by the Scholarship Chair, appointed by the Society Governor for a two year term. The Scholarship Chair appoints a Scholarship Committee of three members, drawn from both northern and southern California, to serve a two year term. This committee works with the Scholarship Chair to modify application materials and evaluation procedures, as needed. Each year, Scholarship Committee members apply an independent assessment process to evaluate scholarship applications and select recipients. The Scholarship Chair does not take part in the evaluation process, unless a tie occurs or a committee member becomes unable to fulfill evaluation responsibilities during the judging stage.

### **Transfers and Dual Memberships**

A request for dual membership or transfer into the California Society may be initiated by any GSMD member who wishes to transfer or become a dual member, using whatever method is convenient, i.e. email, letter, etc., directed to the Membership Secretary. When a request is received, the Membership Secretary verifies that the prospective member is in good standing in his or her current Society and collects the California Society dues. Once the transfer or dual membership is authorized, the State Historian obtains a PDF of the member's original approved application, assigns a California membership number, and adds the new member to the California database.

### **Travel While on Society Business**

The Deputy Governor General and the Assistant General represent the California Mayflower Society to the GSMD and are each entitled to a travel allowance for GSMD meeting attendance. The amount will be determined by the BOA.

State officers, committee chairs, colony governors, or delegates living 150 miles or more from a Society meeting may fly to that meeting at the lowest available air fare.

Those choosing not to fly, or living fewer than 150 miles from the meeting, may be reimbursed for mileage in accordance with Internal Revenue Service guidelines at the rate set forth in the Standing Rules, and may also be compensated for parking fees and tolls.

Reimbursement for lodging at the most economical rate available may be made when it is necessary to attend an early morning meeting.

Those traveling on other Society business, including staffing the Society library, are entitled to the same rate of mileage, parking, and toll reimbursement.

All individuals traveling by vehicle on Society business must be covered by an automobile insurance liability policy that includes liability, medical expense, and comprehensive coverage at the minimum liability level required by state law.

**The Society of Mayflower Descendants Corporation**  
**A California Non-Profit Mutual Benefit Corporation**  
**Investment Policy and Procedures**  
**for the Investment Committee**

**STATEMENT OF PURPOSE**

The Mayflower Society of California (CS) established a California Society Investment Account (CSIA) to provide perpetual financial support. The purpose of this Investment Policy Statement is to establish guidelines for the CSIA's investment portfolio. The statement also incorporates *accountability standards that will monitor the progress of the portfolio's investment program and evaluate the contributions of the manager(s) hired on behalf of the CS.* The Society's Board of Assistants creates an Investment Committee (IC). Using the Best Practice Investment Committees, published in 2011 in Portfolio Management, stresses that the investment committee's job is to ensure those responsible for investing the institution's assets are doing so in compliance with the investment policy

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**CSIA PORTFOLIO INVESTMENT POLICY STATEMENT**

**3.1** In the spirit of the Mayflower venture, the original mandate from the CS was to invest primarily in the United States-defined Assets and to achieve growth through investing in individual large-corporate equities. The Policy now expands the initial direction to investing in a broader class of assets. Those assets include equities, domestic and foreign, corporate and government bonds, and other assets such as Real Estate Investment Trusts. However, investments in tangible property assets are prohibited. All investments shall require diligence of analysis before making a purchase or sale of any asset. The management organization (Investment Advisor) shall conduct the research and present to the IC for its approval any recommended changes to the portfolio. All transactions shall be through recognized US trading exchanges. The focus will continue to invest in assets that have growth and income potential with concern for the safety of these investments. The IC shall direct strategies to those investments in well-established companies with solid management. Capitalization, cash flow, and earnings are prime considerations, but other factors such as management, industry analysis, and market position are also an essential part of the decision process. Income including dividends is another consideration for the portfolio assets and maintaining a balance of investment-grade assets. The goal shall be to ensure the safety of the assets which maximizing the actual and potential return on investment.

**3.2** The preceding explains the current directive governing the management of the CSIA. This directive has been primarily responsible for the growth of the CSIA over the past several years; however, the primary duty of IC Trustees acting as fiduciaries for the Society's assets is preserving the capital with managed exposure to risk. Although IC Trustees are not full-time professional investment managers, their fiduciary responsibility requires that they make investment decisions based on professional guidance and their own experience.

#### **ROLE AND RESPONSIBILITY OF THE INVESTMENT IC**

**4.1** The IC is acting in a fiduciary capacity concerning the CSIA and is accountable to the CS Board of Assistants for overseeing the investment of specifically defined assets owned by, or held in trust, for the CSIA Portfolio. Members of the IC comprise are Trustees

**4.2** Although a professional firm (Investment Advisor) manages the stocks, bonds, mutual funds, or other assets, the five Trustees must guide the Investment Advisors who maintain the CSIA investments to ensure the assets meet the rate of return established as measured against the established IC benchmarks. The Trustees shall establish suitable oversight procedures but retain ultimate responsibility for investment outcomes. The IC will have five voting Trustees, each having one vote.

#### **TRUSTEE INSURANCE POLICY**

**5.1** The Investment Trustees are Officers of the CS. Therefore, they are insured Officers on the CS nonprofit insurance policy, that is, listed explicitly on the Director and Officers (D&O) and the Errors and Omissions (E&O) policy.

#### **TREASURER**

**6.1** The State Society Treasurer is an ex officio member of the IC; an ex officio member is a member of a body (IC) who is included as a result of holding another office, in this case, Treasurer. The Treasurer will act as a Trustee on the IC and serve until a newly elected Treasurer replaces them. The Treasurer's service on the IC is not limited to a specific period or cycle, other than a State Society elected official.

#### **QUALIFICATIONS OF THE TRUSTEES**

**7.1** Ideally, each of the four appointed Trustees should have at least five years of experience in finance, accounting, stock or mutual fund management, trading, or other relevant activities. The experience may include Certified Financial Planner, Certified Stock Trader, Stock Analyst, Certified Public Accountant, or positions in Corporate Finance or Private Asset Management.

#### **TRUSTEES TERM OF OFFICE**

**8.1** With IC formation October 2021, the first terms of the appointed IC Trustees will be staggered as follows:

Two members will serve Four-year Terms

Two members will serve Two-year Terms

**8.2** After these initial terms, all future appointed Members of the IC have four-year terms. When a vacancy occurs on the IC resulting from an appointed Trustee leaving before their term is complete, the CS Governor will promptly appoint a replacement to complete the unexpired portion of their term. No person shall serve as an appointed Trustee for more than two consecutive terms. A person may be eligible for reappointment after one full term of non-service has elapsed. For reappointment eligibility, serving two (2) or more years of an unexpired term shall be considered the equivalent of a full term. Upon completing the term as CS Treasurer, the incumbent may apply for an IC Trustee if an open appointed Trustee position is available.

#### **APPOINTMENT PROCESS FOR TRUSTEES**

**9.1** The State Governor shall appoint chairmanships (bylaws: Article VII, Section 3) of the approved and ad hoc committees. Trustees, except the Treasurer, are selected (bylaws: Article VIII) by the State Governor. The Governor shall consult with the Executive Board (EB), Colony Governors, and other qualified individuals.

**9.2** The CS Governor selects the Chair of the IC from the four Appointed Trustees. The Chair is the only Trustee authorized to implement IC decisions with the Investment Advisors for changes in the investments.

**9.3** The staggered terms for Trustees provide continuity of prior experience.

**9.4** Terms shall begin at the first regularly scheduled October EB and Board of Assistants (BOA) meetings, following the election of a new administration at the June Membership Meeting held each odd year. Terms shall end with the appointment of successor Trustees.

#### **DUTIES AND RESPONSIBILITY OF THE IC TRUSTEES**

1. The Trustees will have primary fiduciary responsibility for the CS's investment assets and shall exercise prudent and appropriate care; all actions taken by the Trustees shall be in the best interest of the CS.
  - 1) The IC shall meet as they determine necessary but at least quarterly or on a regular schedule as the IC determines.
  - 2) The IC may use electronic means to conduct business with the approval of all of the members.
  - 3) Review and evaluate the performance of the CSIA Portfolio.

- 4) Prepare a detailed semiannual report to the Board of Assistants and provide quarterly summaries. See section 19.2 for the precise requirements of the information reported.
- 5) Assure that investments of the CSIA are consistent with and in compliance with the Investment Policy.
- 6) Establish and review investment policies and objectives of the CSIA.
- 7) Determine asset allocation strategies to meet agreed-upon investment and return objectives.
- 8) Select investment options.
- 9) Control and account for all expenses associated with the account.
- 10) Retain highly qualified professional investment personnel to manage CSIA assets.
- 11) Report to the EB, BOA, and at the biennial State Membership Meeting.
- 12) Establish suitable oversight procedures and retain ultimate responsibility for investment outcomes.
- 13) Elect a Trustee annually to prepare minutes documenting IC meetings and actions.
- 14) Three (3) Committee members will constitute a quorum for the transaction of business at any meeting, which shall follow Robert's Rules of Order.
- 15) Each member of the IC shall have viewing access to the CSIA Portfolio held by the Investment Advisor.

#### **TRUSTEE VOTING RULES**

**11.1** The decisions by the IC shall be by a majority vote of the members in attendance at a meeting. The Chair of the IC is responsible for ensuring that decisions by the IC are implemented on a timely basis. A majority of the IC members attending the meeting shall constitute a quorum. No voting is possible unless a quorum is present. Each IC member shall have one vote. Vote abstentions shall be counted as a negative vote for the vote count.

#### **ETHICS DISCLOSURE AND CONFLICTS OF INTEREST**

**12.1** IC members have the ethical responsibility to follow the CS Investment Policy and protect the CS from harm and to work in a collegial manner regarding discussion and making decisions. Any situation involving an IC member or their family members that could reasonably be considered a conflict of interest must be disclosed to the IC as soon as the potential conflict arises or can be anticipated. Under no circumstances shall the IC members vote on an IC matter with a known or possible conflict of interest.



## **IC MEETING, AGENDAS, AND MINUTES**

**13.1** Each scheduled meeting of the IC requires an agenda. Responsibility for the agenda shall be the Chair of the IC. The agenda shall set forth those items the IC anticipates taking action or discussing. The recorder chosen by the Trustees of the IC shall prepare and maintain a copy of the minutes detailing a record of deliberations and decisions. Minutes will be approved at the meeting following the meeting of record. Three (3) Committee members will constitute a quorum for the transaction of business at any meeting, which shall follow Robert's Rules of Order.

## **INVESTMENT ADVISOR--PROFESSIONAL INVESTMENT MANAGEMENT**

**14.1** The IC will retain a professional Investment Advisor to manage the CSIA assets. After a diligent search and evaluation, the IC will select the Investment Advisor (IA). The IA shall have access to no transaction charge for buying and selling of assets. If any legal or administrative issues against the IA exist, they shall be investigated to determine the relevance to their selection. Also, assessments from present and former clients will be sought. Once decided, a periodic review of their performance of daily activities and administration of the CSIA Portfolio shall be produced by the committee at least annually and shared with the EB.

**14.2** The advisor's responsibilities are:

- 1) Implement the approved CSIA asset allocation.
- 2) Recommend individual investments for consideration to be added or removed from the CSIA Portfolio.
- 3) Provide monthly summaries and quarterly investment performance reports to the IC.
- 4) Answer any inquiry made by the IC
- 5) Manage daily operational aspects of the investment portfolio.

## **CS FINANCIAL DISTRIBUTION POLICY**

**15.1** The investment directive for the CSIA contained herein has been formulated consistent with the CS's anticipated financial needs and in consideration of the CS's tolerance for assuming investment and financial risk, as reflected in the Investment Policy intent as determined by the IC majority opinion.

**15.2** The IC will prepare a detailed annual report first reviewed by the EB and then sent to the Board of Assistants. The information will provide decisions and outcomes for the fiscal year. A review and recommendation for any suggested changes to the Investment Guidance Statement shall be a part of the Report. Approval of modifications to Investment Guidance Statement is by EB.

**15.3** The CSIA Portfolio is invested in preserving assets' long-term, real purchasing power while providing a relatively predictable and growing stream of annual distributions supporting the CS.

**15.4** To make distributions, the IC shall use a total-return-based spending policy, meaning that it will make distributions from net investment income, then net realized capital gains, and finally from proceeds from the sale of investments.

**15.5** The EB request to distribute CSIA Portfolio assets shall require presentation with justification to the IC. The IC may seek advisory input concerning the decision to the extent that such distributions do not exceed a level that would erode the CSIA Portfolio's tangible assets over time. The IC will seek to reduce the variability of annual distributions by factoring past spending and CSIA Portfolio asset values into its current spending decisions.

**15.6** Periodic cash flow, either into or out of the CSIA Portfolio, will be used to better align the investment CSIA Portfolio to the target asset allocation outlined in the asset allocation policy in the next section.

#### **CSIA PORTFOLIO INVESTMENT POLICIES**

##### **16.1** Asset Allocation policy

- 1) The IC recognizes the strategic allocation of CSIA Portfolio assets across the broadly defined financial asset and sub-asset categories. Also, the IC understands that varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and CSIA Portfolio asset value stability.
- 2) The IC expects actual returns and volatility to vary from expectations and objectives across short periods. While the IC wishes to retain flexibility for making periodic changes to the CSIA Portfolio's asset allocation, it expects to do so only in the event of material changes to the CSIA.
- 3) CSIA assets will be managed as a balanced CSIA Portfolio composed of two major components: equity and fixed income. The expected role of CSIA equity investments will be to maximize the real long-term growth of the Portfolio assets, while the part of fixed-income investments will be to generate current income. In addition, the fixed-income investments provide for more stable periodic returns and protection against a prolonged decline in the market value of CSIA Portfolio equity investments.
- 4) Under normal circumstances, cash investments will only be considered temporary CSIA Portfolio holdings. They may be used for CSIA liquidity needs or to facilitate a possibly planned program of dollar-cost averaging into investments in either equity or fixed income asset classes.
- 5) Dividends and other income shall be reinvested in the investment assets or held in a cash account for future needs.

## **INVESTMENT SECURITY RESTRICTIONS**

**17.1** The Investment Advisor will adhere to the security restrictions when implementing the IC asset allocation strategies for CSIA Portfolio.

- 1) Corporate stocks and ETFs holdings are a minimum of 10% of the total CSIA Portfolio value. No single one of these investment securities shall represent more than 5% of total CSIA Portfolio assets.
- 2) Except passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total CSIA Portfolio assets.
- 3) Other allowable investments include money market funds, certificates of deposit, direct obligations of the US Government, corporate bonds, master limited partnerships (MLPs), and real estate investment trusts (REITs).
- 4) For fixed-income investments, the minimum average credit quality shall be investment grade (Standard & Poor's BBB or Moody's Baa or higher) for individual bonds.
- 5) According to the Global Industry Classification Standard (GICS), Stock market industry sectors shall represent investments. However, no one industry shall exceed 30% of the CSIA Portfolio value.
- 6) Investment Advisor's research must rate all securities. Other rating organizations, such as Morning Star, may also evaluate the individual investment securities or industry sector.
- 7) Unregistered securities; physical commodities or contracts; selling uncovered put or call options; leveraged or margined transactions are restricted.
- 8) Nontraditional, illiquid, nonmarketable securities, venture capital, hedge funds, or investment in real property are restricted.

## **LONG-TERM STRATEGIC ASSET ALLOCATION GUIDELINES**

**18.1** The IC's long-term strategic asset allocation guidelines are the most appropriate, given the CSIA's long-term objectives and short-term constraints. CSIA Portfolio assets will, under normal circumstances, be allocated across the broad asset class and sub-asset classes. With the advice of the Investment Advisor, the IC will develop a guideline for the investment asset classes.

## **BENCHMARK AND PERFORMANCE MONITORING**

2. Indexes that measure both broad market and specific segments are used to assess and modify portfolios on an ongoing basis. The IC shall select the Benchmark Indexes to assess and evaluate

the CSIA Portfolio performance. The Investment Adviser will consult with the IC on the best benchmarks to judge the performance of the asset classes in the portfolio.

## **19.2 Description of Investment Committee Report Content**

- 1) Monthly report to the Executive Board
  - a. Brief commentary accompanied by copy of Investment Managers report.
- 2) Quarterly report to the Executive Board (provided every third month)
  - a. Chart of investment targets and ranges by sector, including current position within sector.
  - b. Narrative and list of committee portfolio actions in the prior quarter.
  - c. Broad market comments and recommendations from Investment Manager
  - d. Investment performance spreadsheet including capital gains and income return rates, P/E ratios, measures vs benchmarks.
- 3) Annual Analysis and report (provided approximately 30 days following fourth Quarterly report). Building on the Quarterly, this report, covering the past year and two additional years for comparison, may include:
  - a. Income yield from the portfolio
  - b. Portfolio beta to measure the portfolio's volatility
  - c. Asset Allocations by Asset Class
  - d. Historical Data - Value of the portfolio and the level of cash withdrawals
  - e. Forward strategy and forecast discussion.

The areas covered by the Report may change as the IC determines to add to the clarity and transparency of the report.

### **INVESTMENT DIVERSIFICATION POLICY**

**20.1** The IC expects that diversification across and within asset classes will protect the CSIA Portfolio against undue risk of significant losses over long periods. To protect the CSIA Portfolio against unfavorable outcomes within an asset class due to the assumption of substantial risks, the IC will take reasonable precautions to avoid excessive investment concentrations, which are in concert with the *Investment Security Restrictions*.

## **PORTFOLIO REBALANCING**

**21.1** It is expected that the CSIA Portfolio's actual asset allocation will vary from its target asset allocation due to the varying periodic returns earned on its investments in different asset and sub-asset classes. The Investment Advisor shall make rebalancing recommendations to the IC. The Investment Advisor will use incoming cash flow (contributions) or outgoing money movements (disbursements) of the CSIA Portfolio to realign the current weightings closer to the target weightings for the CSIA Portfolio. The IC may either accept the recommendations, consider alternatives within the rebalance criteria or change the targets.

**21.2** The CSIA Portfolio will be rebalanced to its target average asset allocation. The Investment Advisor will review the CSIA Portfolio semiannually (June 30 and December 31) to determine the deviation from target weightings. During each semiannual review, the following parameters will be applied:

- 1) If any asset class (equity or fixed income) within the CSIA Portfolio is +/-5 percentage points from its target weighting, the CSIA Portfolio will be rebalanced.
- 2) If any asset within the CSIA Portfolio has increased or decreased by greater than 20% of its target weighting, then rebalance the CSIA portfolio
- 3) The Investment Advisor may provide a rebalancing recommendation at any time.
- 4) The Investment Advisor shall act within a reasonable period to evaluate deviation from these ranges.

## **OTHER INVESTMENT POLICIES**

**22.1** The IC and the Investment Advisor are prohibited from:

- 1) Purchasing securities on margin or executing short sales.
- 2) Pledging or hypothecating securities, except for loans of securities that are fully collateralized.
- 3) Purchasing or selling derivative securities for speculation or leverage.
- 4) Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of the CSIA Portfolio.