

THE OHIO ASSOCIATION OF GERONTOLOGY AND EDUCATION, INC. (OAGE)

INVESTMENT POLICY¹

POLICY

It is the policy of the Ohio Association of Gerontology and Education (OAGE) to maintain an Investment Policy.

PURPOSE

The Investment Policy is intended to assist the Finance Committee in the oversight of OAGE investments and to ensure that investment-related decisions are made in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the fund investments and investment managers. The Investment Policy will be reviewed annually, and if appropriate, can be amended to reflect changes in the capital markets or other factors affecting investment objectives.

PROCEDURE

1. The Executive Committee shall present an Investment Policy for review/approval of the Board of Trustees.
2. Upon Board approval, the Policy shall be posted on the organization web site.
3. The Policy shall be reviewed by the Board of Trustees for approval at the board meeting following the annual meeting.
4. The Investment Policy initially presented to the OAGE Board of Trustees in 2009 is presented below.

INVESTMENT POLICY

Investment Objectives

The investment objective of the Operating Fund is to maintain liquidity, preserve capital and generate income over a short-term horizon. The assets within the funds shall be invested with all the care a prudent person would take.

Responsibilities

The Finance Committee is responsible for establishing and maintaining the Investment Policy, for maintaining reasonable investment decisions consistent with the guidelines presented in the Investment Policy, and for evaluating investment performance and reporting investment results to the Board of Trustees twice annually.

Selection of Investments

Investments should be selected based upon performance that is equal to or greater than the median return for an appropriate, style-specific benchmark and peer group over a three to five year time period. Specific risk and risk-adjusted return measures should be established and agreed to by the Finance Committee and be within a reasonable range relative to an appropriate, style-specific benchmark and peer group.

Asset Allocation

The asset allocation plan is based upon a well diversified, balanced investment approach that uses a broad range of asset classes including domestic and foreign equities and fixed income investments. The target mix of assets may not be attainable at a specific point in time since actual asset allocation will be dictated by current and anticipated market conditions. The portfolio will be rebalanced when appropriate.

The following Asset Allocation target ranges will remain the guideline until recommended changes are made by the Finance Committee and approved by the Board of Trustees.

Operating Fund:

Short-term, Liquid Investments	Target 50%	Range 45% to 55%
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Fixed Income

Target 50%

Range 45% to 55%

Foreign equities are not to exceed 25% of the total equity portfolio. The foreign equities may include an allocation to emerging markets. Fixed Income may include high grade domestic and foreign corporate bonds with a rating of no less than A by a major ratings service, taxable bond funds and cash equivalents.

Investment Restrictions

Investments shall be restricted to the following:

Short-term, Liquid Investments

Money Market Funds

Type – Major Bank or Investment Banker

Quality – Minimum rating of A-1 by Standard & Poor's or P-1 by Moody's

Commercial Paper

Type – Financial or Corporation that is actively traded

Quality – Minimum rating of A-1 by Standard & Poor's or P-1 by Moody's

Maturity – 1 year or less

Bank Certificate of Deposit

Type – FDIC insured U.S. banks

Position Target -- \$100,000 maximum per bank

Maturity – 1 year or less

Bankers Acceptances

Type – FDIC insured U.S. banks

Quality – Minimum rating of A-1 by Standard & Poor's or P-1 by Moody's

Maturity – 1 year or less

Performance Benchmarks

Fund performance will be monitored and evaluated by the Finance Committee twice annually. Absolute returns should meet or exceed the benchmarks. Performance benchmarks include the following:

Domestic Large Cap Equities or Mutual Funds	Russell 1000 Growth Index Russell 1000 Value Index Russell 1000 Index
Domestic Mid Cap Mutual Funds	Russell Mid Cap Growth Index Russell Mid Cap Value Index Russell Mid Cap Index
Domestic Small Cap Mutual Funds	Russell 2000 Growth Index Russell 2000 Value Index
Foreign Equity Mutual Funds	MSCI EAFE Index
Fixed Income	Lehman Bros Aggregate Bond Index

Performance of mutual funds will also be evaluated on the basis of peer groups universe benchmarks and the risk and return profile provided by Morningstar, Inc.

Investment Monitoring and Reporting

The on-going monitoring of investments must be a regular and disciplined process. It is the mechanism for revisiting the investment selections and confirming that the criteria originally satisfied remains so and that the investment continues to meet the investment objectives. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a quarterly basis and utilize the criteria that were the basis of the investment selection decision. The Finance Committee should consider the firm's economic review, a review of recent and anticipated investment activity, an analysis of investment performance compared to the appropriate benchmarks, and a summary of major changes that have occurred in the investment markets and in the portfolio. Unusual, notable or extraordinary events (e.g., portfolio or team departure, violation of investment guidelines, or departure from the strategy and/or style that was the basis for mutual fund selection or material litigation against a portfolio manager) are to be considered areas of dissatisfaction.

If overall satisfaction with the investment performance is acceptable, no further action is required. If areas of dissatisfaction exist, the Finance Committee must evaluate the efficacy of investment retention or change in investment. Investment funds may be placed on "watch" status, replaced or terminated whenever the Finance Committee loses confidence in the management of the fund, when the characteristics of the fund are no longer consistent with the fund's intended role or the current style is no longer deemed appropriate. Funds will generally be placed on watch status for a period of time before a decision to terminate the investment is made. There may be circumstances under which the Finance Committee may determine to terminate a fund without placing it on watch status.

A fund may be placed on watch or terminated if the fund's strategy or portfolio characteristics no longer fit the desired portfolio structure or style, if a fund falls below a Morningstar 3-star rating, if a fund under performs both the median in the peer universe and market index over the most recent three-year period, if the investment team leaves the firm, if there is a significant change in investment philosophy, or if any known gross negligence, willful misconduct, or breach of federal and state securities laws exists.

¹Adapted from RSVP of Greater Cleveland, adopted February, 2009.