

FRANKLIN COUNTY BAR ASSOCIATION INVESTMENT POLICY

Statement of Purpose

This statement of purpose is set forth to establish a clear understanding of the Association's investment policy and objectives; develop specific guidelines and limitations to ensure that the Association's assets are being managed in accordance with the policy and objectives; and provide a basis for the evaluation of the investment performance.

Investment Committee Responsibility

The membership of the Association assigns the responsibility of investing the investment assets of the Association, as designated by donors or by the Board of Directors, to the Investment Committee. The membership of the Association will approve appointments to the Investment Committee as recommended by the Board of Directors. The Investment Committee shall discharge its duties solely in the best interest of the Association and in a manner consistent with the safeguards and diversity to which a prudent investor would adhere. The Association understands that the Investment Committee members are not financial experts and would not be liable to the Association for underperformance of the investments or long-term objectives of the Association not being met.

Investment Management Guidelines

The Investment Committee shall use the services of an investment manager or independent advisor who possesses the necessary knowledge, experience and facilities to assist the Association in meeting the investment objectives and guidelines stated herein. Starting in December 2023, the Investment Committee shall engage the services of Orrstown Financial Advisors to manage the Association's investments. The Investment Committee may alter and change the investment manager as it deems appropriate.

Return Objectives

The objective of the Association's investment program is to obtain the maximum possible return while providing adequate protection of the invested assets. The long-term goals are to meet or exceed the S&P 500 on the equity portion of invested assets and to track with interest rates on the high-quality fixed income portion of invested assets. The investment strategy shall be a balanced strategy as defined by Orrstown Financial Advisors investment objectives, which includes money market, fixed income, equity and core diversifier investments. The goal of this investment strategy is to gain long-term capital appreciation with the understanding that income generation is secondary. It is further understood that there will likely be year to year fluctuations, especially with equity investments.

The Investment Committee recognizes the difficulty of achieving the Association's investment objective in light of the uncertainties and complexities of capital market investments. It must be recognized that these investments carry some degree of risk and volatility, not only as to the safety of the principal itself, but also in achieving an adequate return on invested assets. Therefore, the Investment Committee also recognizes that some risk and volatility must be assumed in order to achieve the Association's long-term objectives.

Investment Performance Review

The performance of the Association's investments shall be reviewed at least annually by the Investment Committee, which shall report to the Board of Directors on at least an annual basis. This review shall include the participation of the investment manager or advisor. Further, the Investment Committee shall, together with the investment advisor or manager recommend and execute such actions as may be required to comply with the long-term objectives of the Association.

Performance (both rates of return and risk) shall be measured against commonly accepted benchmarks. Such indexes include, but are not limited to, the S&P 500 stock index, the prime interest rate and related indexes, and the prevailing rates being paid for high-quality fixed income instruments.

Investment Guideline Review

The Investment Committee shall review these guidelines on a regular basis, with any and all changes properly recommended to and approved by the Board of Directors.

Approved by:

Board of Directors,
Franklin County Bar Association

Date