Gunnison Ranchland Conservation Legacy
Investment Policy

Preamble
All funds of the Gunnison Ranchland Conservation Legacy (GRCL) are held by the Board of Directors as a fiduciary. Therefore, even the legally unrestricted funds of the GRCL are held by the corporation as a steward for the sake of carrying out its mission and purposes. The following investment objectives and directions are to be judged and understood in light of the overall sense of stewardship.

Delegation
The Board of Directors has delegated supervisory authority over its financial affairs to the Finance Committee of the Board. The Finance Committee is responsible for regularly reporting on investments to the full board. In carrying out its responsibilities, the Finance Committee and its agents will act in accordance with the Investment Policies (the Policies) and all applicable laws and regulations. The Board reserves to itself the exclusive right to revise the Policies.

The Board of Directors and its Finance Committee are authorized to retain one or more Investment Counselors to assume the investment management of funds and assets owned or administered by the Organization. In discharging this authority, the Finance Committee can act in the place and stead of the Board and may receive reports from, pay compensation to, and enter into agreements with such Counselors. The Board may also grant exceptions to the Investment Policies when appropriate.

Standards

Objectives
The primary investment objective of the GRCL is to preserve and protect its assets, by earning a total return for each fund (e.g. Operating Reserves, Designated Funds, Charitable Trust Funds, Annuity Reserves, Endowments, etc.) appropriate to each fund’s time horizon, liquidity needs, and risk tolerance.

Asset Mix
To accomplish the GRCL’s investment objectives, the Counselor is authorized to utilize portfolios of equity securities (common stocks and convertible securities), fixed-income securities, and short-term(cash) investments. As a guide to accomplishing these objectives, the Counselor shall remain within the ranges provided in Exhibit A. These ranges can be modified from time to time by the Finance Committee with approval by the Board. The actual investment targets shall be set within those limits by the Counselor in conjunction with the GRCL’s designated financial officer.

Short-Term Reserves
For cash and notes, no more than $100,000 total may be kept on deposit at a single bank, savings and loan, credit union or other similar financial institution. Opportunities such as the Colorado Trust,
which holds large funds for nonprofits and public agencies within Colorado, or other acceptable secured funds, should be utilized where appropriate for short-term reserves.

**Gifts of Securities**

Donations of securities must be sold immediately and the cash transferred to the appropriate asset, dependent on the purpose for which the donation is made, unless mutually agreed by the donor and the Finance Committee.

**Gifts of Real Estate**

Real property donations not intended as part of a larger project strategy must be sold as soon as possible and the proceeds transferred to an appropriate asset, dependent on the purpose for which the donation is made, unless mutually agreed by the donor and the Finance Committee. Real property donations will be carefully scrutinized before being accepted or rejected.

**Exhibit A: Acceptable Ranges of Investment Per Fund or Category**

<table>
<thead>
<tr>
<th>Investment Fund</th>
<th>Equity securities (Common/convertible)</th>
<th>Asset Class</th>
<th>Fixed-income securities (US and corporate bonds)</th>
<th>Short-term reserves (Cash/1-year notes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserves</td>
<td>0%</td>
<td>0-50%</td>
<td>50-100%</td>
<td></td>
</tr>
<tr>
<td>Annuity Reserves</td>
<td>30-60%</td>
<td>35-75%</td>
<td>5-35%</td>
<td></td>
</tr>
<tr>
<td>Charitable Trusts</td>
<td>30-60%</td>
<td>35-75%</td>
<td>5-35%</td>
<td></td>
</tr>
<tr>
<td>Endowment</td>
<td>50-80%</td>
<td>15-50%</td>
<td>5-20%</td>
<td></td>
</tr>
<tr>
<td>Designated Funds</td>
<td>5-20%</td>
<td>5-50%</td>
<td>50-80%</td>
<td></td>
</tr>
<tr>
<td>Borrowed Funds</td>
<td>5-20%</td>
<td>15-50%</td>
<td>50-80%</td>
<td></td>
</tr>
</tbody>
</table>

**Asset Quality**

1. Common stocks – The quality of rating of at least 80 percent of common stocks should be B+ or better, as rated by Standard & Poor’s or other equivalent rating services. The Counselor may use nonrated common stocks at his or her discretion within the foregoing guideline.

2. Convertible preferred stock and convertible bonds – The Counselor may use convertible preferred stocks and bonds as equity investments. The quality rating of convertible preferred stock and convertible bonds must be BBB or better, as rated by Moody’s. The common stock into which both may be converted must be rated as specified in Section 1.

3. Fixed-income securities – The quality rating of bonds and notes must be AA or better, as rated by Standard & Poor’s or Moody’s. The portfolio may consist only of traditional principal and interest obligations (no derivatives) with maturities of seven years or less.

4. Short-term reserves – The quality rating of commercial paper must be A-1, as rated by Standard & Poor’s, P-1, as rated by Moody’s, or better. The assets of any money market mutual funds must comply with the quality of provisions for fixed-income securities or short-term reserves.
Asset Diversification

As a general policy, the Counselor will maintain reasonable diversification at all times. The Counselor may not allow the investments in the equity securities of any one company to exceed five percent of the portfolio nor the total securities position (debt and equity) in anyone company to exceed 10 percent of the portfolio. The Counselor shall also maintain reasonable sector allocations and diversification.

Investment Manager Accountability:

Transactions

All purchases of securities will be for cash and there will be no margin transactions, short selling, or commodity transactions.

Reporting Requirements

1. Monthly – The Counselor will provide the Finance Committee with a monthly written statement containing all pertinent transaction details for each separately managed portfolio for the preceding month, including:
   • the name and quantity of each security purchased or sold, with the price and transaction date.
   • an analysis for each security of its description, percentage of total portfolio, purchase date, quantity, average cost basis, current market value, unrealized gain or loss, and indicated annual income and yield (%) at market
   • an analysis for the entire portfolio of the current asset allocation by investment category (equities, fixed-income securities, and cash reserves)

2. Periodically – The Counselor shall provide the Finance Committee detailed information about (1) asset allocation, (2) investment performance, (3) future investment strategies, and (4) any other matters of interest to the Committee.

3. Annually – The Counselor shall provide an annual summary of all transaction in each fiscal year, together with a report of investment performance for the year by portfolio, to the full Board of Directors.

Cash Flow Requirements

The GRCL will be responsible for advising the Counselor in a timely manner of the GRCL’s cash distribution requirements from any managed account. The Counselor is responsible for providing adequate liquidity to meet the GRCL’s cash flow requirements in accordance with Board policy.

Allowable Fees

Total fees charged by the investment manager are not to exceed 1.5% of account value.