

## The Trinity Oaks Investment Policy & Objectives

The funds of Trinity Oaks (TO) are to be invested in a manner consistent with achieving the mission of TO. The Treasurer of the Board of Trustees of TO, acting in consultation with the Chairman of TO or such other trustee or committee of trustees as designated by the Chairman, is responsible for such investments. In fulfilling his or her responsibilities, the Treasurer is to be guided by the investment policy and objectives set forth herein.

TO funds are to be invested with the objectives of maintaining liquidity, preserving capital, achieving potential growth and earning a reasonable rate of return. Should a conflict appear to exist between these objectives, the maintenance of liquidity and the preservation of capital shall take precedence over the rate of return.

To assure the ready availability of funds for operations, TO will maintain approximately six (6) months operating expenses in unencumbered cash, cash equivalents, or US government securities six (6) months or less in maturity. Funds above this amount (Funds available for Investment) as determined no less than annually may be invested as set forth below and in accordance with the preceding paragraph.

TO may invest Funds Available for Investment in: U. S. government securities such as treasury bills, notes, bonds and securities issued by U.S. government agencies, investment grade securities of corporations (for example, common or preferred stock, commercial paper, or bonds); certificates of deposit, mutual funds, and money market funds. Funds Available for Investment may also be invested in real estate (including improved and unimproved properties) consistent with the mission of TO. Securities of corporations or mutual funds to be invested in must be actively traded on a major U.S. exchange such as the New York Stock Exchange or NASDAQ.

Under no circumstances may funds of TO be invested directly in options, futures, commodities, foreign currencies, instruments commonly known as financial derivatives, securities of foreign governmental units or corporations or mutual funds that invest primarily in such instruments of securities without the prior notification and approval of the Board of Trustees.

### Investment Categories

Consistent with the above objectives, the Board of Trustees has established the following investment categories:

#### 1. Cash and Cash Equivalents

**Operations** – This includes funds for the current operations of TO.

**Operations Reserve** – This includes funds representing approximately six (6) months of budgeted operating expenses to maintain liquidity and to protect TO in the event that short-term revenues are less than sufficient to cover short term expenses.

2. **Land Protection** – This includes funds invested both in real estate and available for investment in real estate. Such funds available for investment in real estate will be invested in a manner consistent with TO's objectives of having such funds readily available to support its land protection activities.

3. **Other Investments** – This includes funds invested on a longer term basis that are intended to provide operating income from interest, dividends, or capital gains as well as long-term growth.

4. **Conservation Easements** – This includes funds invested on a long-term basis that are intended to provide for the protection and enforcement of conservation easements held by TO. The principal and earnings of funds in this category are restricted for such protection and enforcement

Each of the above categories shall be separately accounted for in the books and records of TO and shall be separately disclosed in the financial statements of TO. Underlying investments may be commingled as appropriate. As an example the Treasurer may determine to invest \$10,000 in a five year certificate of deposit. The Treasurer may designate that \$5,000 of that investment and the earnings thereon, is for the Conservation Easements category and that the remaining \$5,000 and the earnings thereon is for Other Investments.

Land Protection investments in real estate involve the risk that TO may have to hold such real estate for longer than initially anticipated and that such investments may diminish in value. While every effort will be made to minimize the associated risks, such investments are consistent with the primary objectives of TO and, therefore, will be actively sought.

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