

(Attachment C)

NEBRASKA CHAMBER OF COMMERCE & INDUSTRY INVESTMENT POLICY

A. Classification of Investment Funds - Chamber funds available for investment will be classified as follows:

1. *Short-term funds & ready cash reserves:*

Operational account surplus funds in excess of the daily demand for cash flow but determined to be potentially required within the next sixty days. Also funds that may not be needed within the next sixty days, but potentially required prior to the close of the current fiscal year.

2. *Long-term funds:*

Those surplus funds generated as the cumulative effect of past years= operation surpluses and deemed to be long-term additions to the Chamber's cash reserves.

B. Statement of Investment Objectives - In the management of its investments, the objectives of the Nebraska Chamber of Commerce & Industry are to meet the following requirements:

1. Manage *short-term funds* to preserve the principal while maximizing interest earnings thereon and maintaining sufficient cash flow to meet the operational requirements of the State Chamber.

2. Manage *long-term funds* subject to assumption of acceptable levels of investment risk in order to protect the real value of these funds while providing a relatively stable flow of dividends, interest and appreciation with which to meet spending and/or distribution requirements as determined by the State Chamber.

C. Investment Guidelines - To achieve the investment objectives statement set forth above, the following guidelines are to be implemented:

1. *Operational account surplus funds* - Recognizing the variability of the demand for these funds, this class of funds shall be invested by way of a sweep account based investment. This sweep account will daily invest surplus funds above the determined floor amount in accounts fully collateralized by instruments and agencies of the United States government. A portion of these funds may be invested in insured certificates of deposit with a maturity of six months or less. Certificates of deposits are limited to a maximum of \$100,000 per issuer.

2. *Long-term funds* - This class of funds is defined to be permanent in nature and therefore utilizes a long-term approach to investments. These investments may include core domestic equities, small-company domestic equities, domestic fixed income securities, and cash

equivalents. Common, preferred and convertible equity holdings may be selected from the New York, American, and Regional Stock Exchanges as well as the NASDAQ markets. Core stock holdings should be in companies that have been rated in quality as AB@ or above by Value Line or companies that are actively followed by the portfolio manager and are rated on a quality basis equal to or greater than Value Line's rating of B.

Cash equivalents may be selected from commercial paper, repurchase agreements, US Treasury bills, certificates of deposits, and money market funds. Commercial paper must be rated A-1 by Standard and Poor's or P-1 by Moody's.

D. *Prohibited Securities* - Investments or trading in private placements, letter stock, commodities, venture capital, puts, calls, straddles, hedges, short sales, or transactions on margin are specifically prohibited.

E. Investment Management and Monitoring Performance

To administer the State Chamber's investment policies, the following levels of authority are established:

1. President & CEO of the Nebraska Chamber of Commerce & Industry - Investment of operational account surplus funds.
2. Executive Council of the Nebraska Chamber of Commerce & Industry - Oversees the investment management of long-term funds, periodically evaluates performance results and makes any recommendations for changes in the management of these funds. The Executive Council shall also approve the selection of any portfolio managers for long term funds.
3. Board of Directors of the Nebraska Chamber of Commerce & Industry - Approve policy guidelines and any amendments thereto.

F. Amendment

The Board of Directors may review this Investment Policy Statement at any time and may establish such committees as may be necessary to evaluate and recommend changes to this Statement.

G. Periodic Solicitation of Proposals

The Executive Council will consider alternate proposals from member firms to provide portfolio management services at an interval not to exceed every three years.