



Shin Shin Educational Foundation

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Shin Shin Educational Endowment Fund Investment Policy

A. Endowment Fund Committee:

Committee Chair, CFO - Kristen Lyn
Chairman of the Board - David Tsang
Audit/Finance board member - Michelle Hu
President - Wen Yuan
Legal Counsel - Stephanie Wang
Outreach Advisor - Steve Ting

B. Investment Objective:

Endowment investment objective is to provide reasonable assurance that the future growth of each endowment fund is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and provide a steady income stream. The investment objective is subject to annual Board of Directors' review and approval.

C. Withdrawing Policy:

The guideline of withdrawing policy is 4% per year which is subject to annual Board of Directors' review and approval. The withdrawal amount cannot exceed the income allocation projection for the fiscal year.

D. Investment Guidelines:

1. Current Assets: \$1,000,000
2. Expected Return: 5.5% net of fees per annum.
3. Risk Tolerance: Moderate
4. Asset Allocation:
(The percentage below indicates percentage of the whole portfolio)

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Preferred</u>
Cash	0%	15%	8%
Total Fixed income	20%	50%	35%
Total Equity	35%	75%	57%

5. PROHIBITED ASSETS

The Endowment Fund shall not be invested in any of the following assets:

- a. Commodities and Futures Contracts
- b. Private Placements
- c. Options
- d. Limited Partnerships
- e. Venture-Capital Investments

- f. Real Estate Properties
- g. Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs

6. PROHIBITED TRANSACTIONS

The Endowment Fund shall not be directly invested via any of the following transactions:

- a. Short Selling
- b. Margin Transactions

E. Periodic Investment Policy Review

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Endowment Committee shall review, and if necessary, revise the investment policy at least annually.

This statement of investment policy is adopted on April, 2015 by the Endowment Committee of the Shin Shin Educational Foundation.