

Investment Policy Statement

For

*American Society of Ichthyologists
and Herpetologists*

June 3 , 2013

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CLIENT INFORMATION (As of June, 2013)

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EXECUTIVE SUMMARY

Type of Plan	Endowment
Current Assets:	About \$700,000
Time Horizon:	5-10 Years
Expected Return:	4% annual return or greater
Risk Tolerance:	Moderate
Spending Policy:	2-4% of Trailing 3 Years Average Market Value

Asset Allocation

	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
Equities	0%	50%	100%
Fixed Income	0%	49%	100%
Cash & Equivalents	0%	1%	100%

PURPOSE OF THIS INVESTMENT POLICY STATEMENT

This statement of investment policy is set forth by the Endowment and Finance Committee of the ASIH in order to:

1. Define and assign the responsibilities of all involved parties.
2. Outline the Fund's purpose, the investment objectives of Fund assets, and spending policy of the Fund.
3. Provide guidance on selection of Investment Managers who invest Fund assets.
4. Establish a basis for evaluating investment results.
5. Manage Fund assets according to prudent standards as established in common trust law.
6. Establish the relevant investment horizon for which the Fund assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

DEFINITIONS

1. "Fund" shall mean the ASIH Endowments. These comprise the General Endowment, awards funds, and the reserves of the General Operating Fund, which are commingled in the accounts held by Smith Barney Citigroup.
2. "ENFC" shall refer to the ASIH Endowment and Finance Committee, which is empowered by the governing board of the ASIH to administer the Fund.
3. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over fund management or any authority or control over management, disposition or administration of the Fund assets.
4. "Investment Manager" shall mean any individual, or group of individuals, employed to manage the investments of all or part of the Fund assets.
5. "Investment Management Consultant" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring.
6. "Securities" shall refer to the marketable investment securities which are defined as acceptable in this statement.
7. "Investment Horizon" shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for this Fund is 5-10 years.
8. "Risk" is defined for the purpose of this statement as high volatility (fluctuation) of investment returns.

AUTHORITY AND RESPONSIBILITIES

DELEGATION OF AUTHORITY

The ENFC of the ASIH is a fiduciary, and is responsible for directing and monitoring the investment management of Fund assets. As such, the ENFC is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Investment Management Consultant. The consultant may assist the ENFC in: establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
2. Investment Manager. The investment manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Fund's investment objectives.
3. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Fund accounts.
4. Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the ENFC to assist in meeting its responsibilities and obligations to administer Fund assets prudently.

The ENFC will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications which they deem appropriate.

If such experts employed are also deemed to be fiduciaries, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable, and will be borne by the Fund as deemed appropriate and necessary.

Recommendations made by the ENFC for major changes in investment policy will be reviewed by the Executive Committee, and at their recommendation, the Board of Governors.

RESPONSIBILITY OF THE INVESTMENT MANAGEMENT CONSULTANT(S)

The Investment Management Consultant's role is that of a non-discretionary advisor to the ENFC. Investment advice concerning the investment management of Fund assets will be offered by the Investment Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the Investment Consultant include:

1. Assisting in the development and periodic review of investment policy.
2. Conducting investment manager searches when requested by the ENFC.
3. Providing "due diligence", or research, on the Investment Manager(s).

4. Monitoring the performance of the Investment Manager(s) to provide the ENFC with the ability to determine the progress toward the investment objectives.
5. Communicating matters of policy, manager research, and manager performance to the ENFC.

RESPONSIBILITY OF THE INVESTMENT MANAGERS

1. Preservation of Capital - Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, the ENFC recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Fund's objectives. However, the investment managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. Adherence to Investment Discipline - Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

GENERAL INVESTMENT PRINCIPLES

1. Investments shall be made solely in the interest of the beneficiaries of the Fund.
2. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
3. Investment of the Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. The ENFC may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.
5. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

GOAL OF ENDOWMENT

The purpose of the Fund is to support the programs of the American Society of Ichthyologists and Herpetologists. Grants made by the Endowment will include, but may not be limited to, achievement awards and travel awards to members and support for symposia at annual meetings. The grant-making capacity of the Fund will be preserved by balancing income production and capital appreciation in the portfolio.

In order to meet its needs, the investment strategy of the Fund is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. The primary goal in the investment management for Fund assets is:

Growth and Income -To maintain both capital appreciation and income generation.

Specifically, over the investment horizon established in this statement, the aggregate Fund assets shall:

Achieve at least a total rate of return of 4% per annum. After fees this would then mean a return to the Fund of 3%, per annum.

ATTITUDE TOWARD GIVING TO ENDOWMENT AND SPENDING FROM ENDOWMENT

Future giving (contributions) to the Fund is expected to be inconsistent, and therefore, unpredictable. As a result, the ENFC has set an investment strategy with the objective of maintaining purchasing power of Fund assets before consideration of gifts. Accordingly, future giving will serve to increase purchasing power.

The ENFC places highest emphasis on meeting its grant making obligations. As such, the ENFC regards spending in dollar terms from year to year as relatively inflexible. While spending is relatively consistent and predictable, expected investment returns from "riskier" portfolios are not consistent and predictable. Therefore, the ENFC must tend toward a more "conservative" investment strategy than might be the case if grant making from year to year were more flexible.

GOALS OF INVESTMENT MANAGERS

Each investment manager, over the investment horizon, is expected to:

1. Meet or exceed the market index, or blended market index, selected and agreed upon by the ENFC that most closely corresponds to the style of investment management.
2. Display an overall level of risk in the portfolio which is consistent with the risk associated with the benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.

LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the ENFC will periodically provide the investment management consultant with an estimate of expected net cash needs in a timely manner, to allow sufficient time to build up necessary liquid reserves.

SPENDING POLICY

The ENFC will target spending from the Fund to be equal to a maximum of 2% of the Fund's average three year portfolio value. However, distributions from the Fund will be made as needed.

ASSET GUIDELINES

The ENFC requires that all of Fund assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Fund, with minimal impact on market price.

ALLOWABLE ASSETS

1. Cash Equivalents and Other Holdings
 - Treasury Bills
 - Money Market Funds
 - STIF Funds
 - Commercial Paper
 - Banker's Acceptances
 - Repurchase Agreements
 - Certificates of Deposit
 - Real Estate Investment Trusts
 - Commodities
2. Fixed Income Securities
 - U.S. Government and Agency Securities
 - Corporate Notes and Bonds
 - Mortgage Backed Bonds
 - Preferred Stock
 - Fixed Income Securities of Foreign Governments and Corporations
 - Planned Amortization Class Collateralized Mortgage Obligations (PAC CMOs) or other "early tranche" CMOs
3. Equity Securities
 - Common Stocks

- Convertible Notes and Bonds
 - Convertible Preferred Stocks
 - American Depository Receipts (ADRs) of Non-U.S. Companies
 - Stocks of Non-U.S. Companies (Ordinary Shares)
4. Mutual Funds
 - Mutual Funds which invest in securities as allowed in this statement.
 5. Other Assets
 - Guaranteed Investment Certificates

PROHIBITED ASSETS

Prohibited investments include, but are not limited to the following:

1. Futures Contracts
2. Private Placements
3. Options
4. Limited Partnerships
5. Venture-Capital Investments
6. Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs
7. Derivative securities

PROHIBITED TRANSACTIONS

Prohibited transactions include, but are not limited to the following:

1. Short Selling
2. Margin Transaction

ASSET ALLOCATION GUIDELINES

Investment management of the Fund shall be in accordance with the following asset allocation guidelines:

1. Aggregate Fund Asset Allocation Guidelines (at market value)

	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
Equities	0%	50%	100%
Fixed Income	0%	49%	100%
Cash & Equivalents	0%	1%	100%

2. The Investment Management Consultant must consult with the ENFC prior to a major change in allocation among these three asset classes, amounting to 10% of total assets in the Fund.

DIVERSIFICATION FOR INVESTMENT MANAGERS

The ENFC does not believe it is necessary or desirable that securities held in the Fund represent a cross section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 10% of the Fund, and no more than 30% of the Fund should be invested in any one industry. Individual treasury securities may represent 40% of the total fund, while the total allocation to treasury bonds and notes may represent up to 100% of the Fund's aggregate bond position.

GUIDELINES FOR FIXED INCOME ASSETS AND CASH EQUIVALENTS

1. Fund assets may be invested only in investment grade bonds rated BBB (or equivalent) or better.
2. Fund assets may be invested only in commercial paper rated A1 (or equivalent) or better.
3. Fixed income maturity restrictions are as follows:
 - Maximum maturity for any single security is 30 years.
 - Weighted average portfolio maturity may not exceed 15 years.
4. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poors, and/or Moody's.

PERFORMANCE REVIEW AND EVALUATION

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to the ENFC for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The ENFC intends to evaluate the portfolio(s) over at least a three year period, but reserves the right to terminate a manager for any reason including the following:

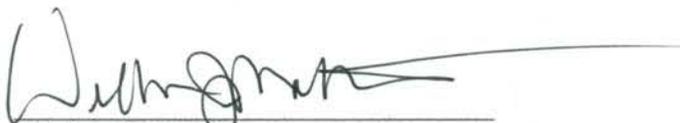
1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

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 ENFC plans to review investment policy at least annually.

This statement of investment policy is adopted on July 10, 2013 by the President of the American Society of Ichthyologists and Herpetologists whose signature appears below.



William J. Matthews