

What follows are two alternate Investment Policy Statements

- **The first is intended for use if the [JP Morgan](#) proposal is accepted**
- **The second is intended for use if the [Schwab](#) proposal is accepted**

Investment Policy Statement

Immediate Liquidity Account

version dated August 2, 2019

To be used if J.P. Morgan is chosen

Prelude

- The **Immediate Liquidity Account** is to be managed in a continuous and ongoing fashion so as to attempt to achieve the **Investment Objective** while at all times fully satisfying the **Investment Constraints**. In the event that one or more of the **Investment Constraints** is violated, then the **Violation Cure Procedure** is to be followed.

Investment Objective

- The objective is to maximize the total return of the **Portfolio** measured over rolling time windows of twelve months in length. Periods shorter than twelve months are to be ignored.

Investment Constraints

- At any and all times, the **Portfolio** is required to:
 - Have an **Average Effective Maturity** of less than 2.50 years,
 - Have an **Average Effective Duration** of less than 0.50 years,
 - Have an **Average Effective Credit Quality** that is “A+” or better,
 - Consist exclusively of daily-access mutual funds that provide settlement within one business day (or less), and
 - Consist of mutual funds that collectively provide indirect diversification across more than 900 individual securities (reflecting the securities contained inside the mutual funds).
- The **Portfolio** is prohibited from directly holding any security that:
 - Is not classified as a daily-access mutual fund,
 - Requires more than one business day for settlement,
 - Is classified by any one of the **Designated Investment Research Firms** as:
 - Something other than a domestic fixed income mutual fund,

- Providing inverse exposure,
 - Providing leveraged exposure,
 - Holding less than 150 individual securities (held inside of the mutual fund), or
 - Having an **Average Effective Duration** that is less than or equal to zero.
- Generates an annual K-1 tax statement,
- If the **Portfolio** strays outside of the **Policy Range**, then within three business days, the Portfolio is to be rebalanced back to **Policy Weights**.

Violation Cure Procedure

- If the **Portfolio** is in violation of one or more of the **Investment Constraints** described above, then:
 - The Chairman of the GVR Investment Committee is to be immediately notified,
 - The **Portfolio** is to be brought back into compliance within twenty business days, and
 - Once the Portfolio is back in compliance, the Chairman of the GVR Investment Committee is to be immediately notified.

Definitions

- “**Portfolio**” is defined to mean the entire **Immediate Liquidity Account** taken as a whole and in its totality.
- The calculation of “**Average Effective Maturity**,” “**Average Effective Duration**,” and “**Average Effective Credit Quality**” is to be based only on data and information provided by the “**Designated Investment Research Firms**”.
- The “**Designated Investment Research Firms**” are defined to be: Schwab, Morningstar, J.P. Morgan Private Bank, J.P. Morgan Asset Management, Portfolio Insights, and the mutual fund companies that comprise the **Portfolio**.
- “**Policy Weights**” is defined as:
 - 41% JP Morgan Prime Money Market Fund, VPMXX (a money market fund)
 - 41% JP Morgan Managed Income Fund L, JMGIX (a bond mutual fund)
 - 18% JP Morgan Floating Rate Income Fund, JPHSX (a bond mutual fund)
- “**Policy Range**” is defined as
 - 31% to 51% JP Morgan Prime Money Market Fund, VPMXX (a money market fund)
 - 31% to 51% JP Morgan Managed Income Fund L, JMGIX (a bond mutual fund)
 - 8% to 28% JP Morgan Floating Rate Income Fund, JPHSX (a bond mutual fund)

Investment Policy Statement

Immediate Liquidity Account

version dated August 2, 2019

To be used if Schwab is chosen

Prelude

- The **Immediate Liquidity Account** is to be managed in a continuous and ongoing fashion so as to attempt to achieve the **Investment Objective** while at all times fully satisfying the **Investment Constraints**. In the event that one or more of the **Investment Constraints** is violated, then the **Violation Cure Procedure** is to be followed.

Investment Objective

- The objective is to maximize the total return of the **Portfolio** measured over rolling time windows of twelve months in length. Periods shorter than twelve months are to be ignored.

Investment Constraints

- At any and all times, the **Portfolio** is required to:
 - Have an **Average Effective Maturity** of less than 2.00 years,
 - Have an **Average Effective Duration** of less than 0.49 years,
 - Have an **Average Effective Credit Quality** that is “AA-” or better,
 - Consist exclusively of daily-access mutual funds that provide settlement within one business day (or less), and
 - Consist of mutual funds that collectively provide indirect diversification across more than 750 individual securities (reflecting the securities contained inside the mutual funds).
- The **Portfolio** is prohibited from directly holding any security that:
 - Is not classified as a daily-access mutual fund,
 - Requires more than one business day for settlement,
 - Is classified by any one of the **Designated Investment Research Firms** as:
 - Something other than a domestic fixed income mutual fund,

- Providing inverse exposure,
 - Providing leveraged exposure,
 - Holding less than 150 individual securities (held inside of the mutual fund), or
 - Having an **Average Effective Duration** that is less than or equal to zero.
- Generates an annual K-1 tax statement,
- If the **Portfolio** strays outside of the **Policy Range**, then within three business days, the Portfolio is to be rebalanced back to **Policy Weights**.

Violation Cure Procedure

- If the **Portfolio** is in violation of one or more of the **Investment Constraints** described above, then:
 - The Chairman of the GVR Investment Committee is to be immediately notified,
 - The **Portfolio** is to be brought back into compliance within twenty business days, and
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Definitions

- “**Portfolio**” is defined to mean the entire **Immediate Liquidity Account** taken as a whole and in its totality.
- The calculation of “**Average Effective Maturity**,” “**Average Effective Duration**,” and “**Average Effective Credit Quality**” is to be based only on data and information provided by the “**Designated Investment Research Firms**”.
- The “**Designated Investment Research Firms**” are defined to be: Schwab, Morningstar, J.P. Morgan Private Bank, J.P. Morgan Asset Management, Portfolio Insights, and the mutual fund companies that comprise the **Portfolio**.
- “**Policy Weights**” is defined as:
 - 33⅓% Schwab Variable Share Price Money Fund, SVUXX (a money market fund)
 - 33⅓% Federated Ultrashort Bond Fund Institutional, FULIX (a bond mutual fund)
 - 33⅓% Calvert Ultra-Short Duration Income Fd Class I, CULIX (a bond mutual fund)
- “**Policy Range**” is defined as
 - 23⅓% to 43⅓% Schwab Variable Share Price Money Fund, SVUXX (a money market fund)
 - 23⅓% to 43⅓% Federated Ultrashort Bond Fund Institutional, FULIX (a bond mutual fund)
 - 23⅓% to 43⅓% Calvert Ultra-Short Duration Income Fd Class I, CULIX (a bond mutual fund)