US SAILING ASSOCIATION & US SAILING FOUNDATION INVESTMENT POLICY

BACKGROUND

The US Sailing Foundation's (the "Foundation") board of directors (the "Board") formed its Investment Oversight Committee (the "IOC") to provide stewardship of the investable funds held by the Foundation and the US Sailing Association ("US Sailing). The dividends, interest, and other income derived from the invested funds are meant to support US Sailing's initiatives. This Investment Policy ("IP") establishes guidelines for the management and implementation of the investment portfolio (the "Portfolio") that is comprised of the above-mentioned assets.

The primary goals of US Sailing for its Portfolio are as follows:

- Preservation of capital with appropriate liquidity for its short-term funding needs;
- Sufficient growth of capital to offset the effects of inflation and provide for future needs;
- Support its various initiatives that promote and help grow the sport of sailing

The primary goals of the Foundation for its Portfolio are as follows:

- Preservation of capital with appropriate liquidity for its short-term funding needs;
- Sufficient growth of capital to offset the effects of inflation and provide for future needs;
- To fund both the short- and long-term funding needs of Unites States Olympic and youth sailing.

ROLE OF THE INVESTMENT COMMITTEE

The IOC acts in a fiduciary capacity with respect to the Portfolio and is accountable to the Foundation's Board of Directors (the "Board") for overseeing the investment of all assets in the Portfolio.

A. The IOC, ever mindful of their stewardship duties, has caused this Investment Policy Statement to be prepared. This IP sets forth the investment objectives, distribution policies and investment guidelines that govern the activities of the IOC and any other parties to whom the IOC has delegated investment management responsibility for Portfolio assets.

B. The investment policies for the Portfolio have been formulated with the understanding of the Foundation's anticipated financial needs, and with consideration of the tolerance for investment and financial risk, as reflected in the majority opinion of the IOC.

C. The policies and guidelines in the IP are intended to provide for the consistent management of the Portfolio to meet the short- and long-term financial goals of US sailing and the Foundation, while also providing for sufficient investment flexibility to respond to changes in capital market conditions and in the financial circumstances of the Foundation and US Sailing.

D. The IOC will review this IP at least once per year. Changes to the IP can only be made by the affirmation of a majority of the voting members of the IOC, followed by ratification of the Board. All Board and IOC members shall have access to the IP performance reports. The current IP portfolio information will be promptly provided to any other parties hired the IOC, on behalf of the Foundation, to manage any portion of the Portfolio.

INVESTMENT OBJECTIVES

The investment objective for the Portfolio is to provide for a disciplined short-term low-risk investment strategy for short-term funding needs and a longer-term and higher risk and return investment program that is consistent with the long-term needs of the Foundation and/or US Sailing. Careful management of the Portfolio is designed to ensure a total return (income plus capital change) necessary to preserve and enhance (in real dollar terms) the principal of the Portfolio and, at the same time, to provide a dependable source of monies when needed by the Foundation. The Portfolio is generally comprised of listed domestic and global equity securities, domestic and global fixed income securities and cash and cash equivalents. Asset allocation guidelines are set forth in the section below.

DISTRIBUTION POLICY

Periodically as required by the activities of the Foundation, the Board will inform the IOC of the amount needed to fund Foundation and/or US Sailing initiatives. The IOC will set the procedures by which some or all of the Portfolio is liquidated in order to meet the needs of the Foundation and US Sailing.

PORTFOLIO INVESTMENT POLICIES

A. ASSET ALLOCATION POLICY

Since the selection and weighting of asset classes comprising the Portfolio is the primary determinant of investment return and volatility, asset choice will be carefully considered by the IOC in accordance with a systematic allocation process derived from IOC policy. The Portfolio shall be invested to achieve sufficient growth of capital to offset the effects of inflation and provide for future needs by investing in a broadly diversified mix of asset classes and styles.

The long-term Portfolio will be implemented and managed as a growth-oriented portfolio composed of two major components: an equity portion and a fixed income portion. The equity allocation is expected to provide the long-term real growth of the Portfolio assets. The fixed income portion is expected to generate current income and provide for more stable periodic returns while providing some protection against a prolonged decline in the value of the equity investments of the Portfolio. The equity portion of the portfolio shall consist of broadly diversified domestic and global securities held in no-load mutual funds (including broad indexed funds), exchange traded funds (ETFs), diversified separately managed investment strategy, and similar listed funds. The fixed income portion of the portfolio should consist of domestic and global fixed income securities (including bonds convertible into equities) held in no-load mutual funds, ETFs, diversified separately managed investment strategy, and similar listed funds, such as money market funds.

Investment performance will be viewed on a "total return" basis. Meaning that dividends, interest, and net appreciation or depreciation will be combined when evaluating investment performance and when considering the expenditure of funds in pursuing the objectives of the Foundation and US Sailing.

The IOC should give preference to investments that have the lowest cost or investment fees. While not excluding actively managed equity or fixed income funds, the IOC should ensure that the extra costs involved have a strong probability of being offset by higher returns from such a fund.

Outlined in the table below are the strategic asset allocation guidelines for the long-term Portfolio as determined by the IOC to be appropriate to meet the long-term financial goals and objectives, of the Foundation:

Major		**Percentage of Total EP Assets**	
Asset Class	**Sub asset Class**	**Minimum**	**Maximum**
Equity		50%	70%
	US domestic	25%	70%
	Non-US	0%	35%
Fixed Income		30%	50%
	US domestic	15%	50%
	Non-US	0%	15%
	Below investment grade	0%	10%
Cash & Equivalents		0%	10%

The target allocations to the major asset classes and sub asset classes will be set within the minimum and maximum ranges detailed above. The target asset allocations will be reviewed and established by the IOC at its regularly scheduled meetings, which occur quarterly, or reviewed more frequently by the IOC at the discretion of the IOC Chair should unusual circumstances arise between the scheduled meetings. As part of this process, rebalancing or shifts in major asset and sub asset class weightings may be considered. After establishing the target allocations, the

IOC will select the specific qualifying investment funds within the sub asset classes such that the target allocation to the sub asset class is fulfilled. The Diversification Policy set forth below shall be applied to the Portfolio.

Any changes to the Portfolio must be approved by a majority of the voting members of the IOC. Approved changes shall be implemented by the IOC Chair by delivery of a signed Asset Allocation Form specifying the approved changes and implementation instructions to the Chairman of the Foundation. The Asset Allocation Form will be attached to the Minutes of the IOC Meeting and made available to all members.

B. ALTERNATIVE ASSETS

It is not anticipated that the Portfolio will be invested in alternative assets such as hedge funds, venture capital funds, directly held real estate, and other real assets such as commodities, timber and energy. Many of these investments do not meet the liquidity, risk and return, and low-cost investment management fee objectives of the IOC. As the Portfolio increases in size over time, the IOC will monitor the performance of the alternative assets class through publicly available information and periodically review this policy. However, it is anticipated that in no event should the maximum allocation to Alternatives exceed 15% of the total Portfolio.

The IOC will be under no obligation to maintain allocations to any alternative asset and may sell, reduce and eliminate such investments from the Portfolio as permitted by liquidity events, redemptions, and contractual terms and provisions of such alternative investments.

C. REBALANCING

It is expected that the Portfolio's actual asset allocation will vary from its target asset allocation as a result of varying returns earned on its investments in different asset and sub asset classes. The Portfolio will be rebalanced to its approved target asset allocation under the following procedures:

Incoming cash from additional funds dedicated to capital improvements and outgoing money movements for capital expenditures may be used to realign the current weightings closer to the target allocations for the Portfolio.

The IOC will review the Portfolio at each of its scheduled meetings to assess the deviation from target allocations. In the event that any asset class (equity or fixed income) in the Portfolio is +/- 5 percentage points from its target weighting then the Portfolio will be rebalanced. If any individual sub asset category investment is +/- 20 percent from its target weighting, then that investment can be rebalanced at the discretion of the IOC to a weighting closer to its target allocation.

The IOC may provide a rebalancing recommendation at its scheduled meetings or at any time between meetings. The Chair of the IOC will use best efforts to consult the IOC should a rebalancing need arise from unusual events or capital markets developments between meetings. Pursuant to majority approval of the IOC, the IOC Chair shall undertake a rebalancing of the Portfolio, and subsequent to such rebalancing, the Chairman of the Foundation shall be advised of such changes in written form (including electronic mail).

The IOC will act in a timely manner to address deviations in which the equity and fixed income asset classes are above their stated maximums or below their stated minimums in the asset allocation guidelines set forth above.

D. DIVERSIFICATION OF INVESTMENTS

In recognition of the prudence required of fiduciaries, reasonable diversification will be sought at all times. Experience has shown financial markets and inflation rates are cyclical and therefore, control of volatility will be sought through diversification of asset classes and selection of investments that are diverse in nature.

The IOC will take reasonable precautions to identify and avoid excessive investment concentrations in the Portfolio. Specifically, no single underlying investment security shall represent more than 5% of the total Portfolio assets, with the exception of fixed income investments explicitly guaranteed by the U.S. government. No single investment pool or mutual fund shall comprise more than 25% of total Portfolio assets, with the exception of passive managed investment funds seeking to match the returns of a broadly diversified market index (for example an S&P500 Index fund).

The IOC shall be responsible for setting the average maturity, duration, credit quality and diversification of the overall fixed income asset class in the Portfolio after taking into consideration the prevailing interest rates and market expectations.

E. INVESTMENT MANAGEMENT

Investment managers may be appointed following a systematic search for those with demonstrated quality in the style desired. To optimize access to such managers, while minimizing management fees and transaction costs assessed to the Portfolio, no-load mutual funds and pooled funds may be considered together with separate account management. Managers shall be given discretion to manage funds entrusted in accordance with the style for which they are employed provided they comply with the restrictions and limitations as may be determined by the IOC from time to time.

The IOC is delegated the responsibility of choosing among the various investment managers, funds, and separate accounts to carry out its responsibilities pursuant to this IP. When selecting a manager, the IOC shall inquire as to the custodial arrangements for the investment. The custodian should be independent of the manager, with no conflicts of interest, and preferably have national stature in its industry.

The IOC intends to use a broker who provides low cost services to the Foundation and US Sailing as custodian of the Portfolio, and it shall rely upon such broker's core implementation program for the provision of professional investment management of the Portfolio. The IOC will select a broker that is among the lowest cost providers of investment advice and mutual funds and ETFs, and has an excellent performance record. Further, the selected broker shall offer a variety of funds and provide convenient cash administration and changes in investment allocations within asset and sub asset classes. The IOC further recommends that index funds be used where practical, due to their low cost, superior long-term performance, low turnover and fully invested position.

The IOC may appoint outside managers for funds within the Portfolio, subject to the approval of the Board. The funds assigned to an outside manager must represent a meaningful portion of the Portfolio.

F. EVALUATION OF INVESTMENT MANAGERS

Active equity manager(s) will be expected to achieve an annualized total rate of return over a three-year period that exceeds an appropriate market index rate of return by at least 150 basis points compounded annually, net of costs and fees. Total return is defined as dividend or interest income plus realized and unrealized capital appreciation net of costs and fees. Evaluation of investment managers shall generally be for a three-year trailing period after funds are deposited with the manager, unless decided otherwise by the IOC.

The investment manager(s) will maintain an investment portfolio characterized by their respective management style when selected to manage a portion of the Portfolio. If a change in such style is contemplated, the investment manager(s) is required to make advance written notification to the IOC explaining the reasons for changing the style.

G. PERFORMANCE MEASUREMENT

Investment performance of the Portfolio will be measured net of investment management fees and transaction costs, taking into consideration investment policy and total return objectives. The investment performance measurement technique shall be consistent with generally accepted practices within the investment industry.

The IOC will evaluate the composite performance of the Portfolio against (a) the short- and long-term return objectives for the Portfolio, and (b) such benchmarks established by the IOC, comprised of unmanaged market indexes alone or weighted into a composite benchmark, as to be representative of the Portfolio's composition.

The IOC shall be responsible for periodically reviewing the performance measurement process.

H. LIMITATIONS AND RESTRICTIONS

As a general matter, individual equity or fixed income securities shall not be selected by the IOC, with the exception of U.S. Government securities.

Certain categories of investments that are not approved for use by the IOC for use in the Portfolio are set forth in Appendix A: List of Restricted Investments to this IP.

Last IOC Review/Approval: *August 11, 2020*
Last Board Approval: ____*November 12, 2020*_____________

IP: APPENDIX A

LIST OF RESTRICTED INVESTMENTS

The IOC will not be permitted to invest in or cause the Portfolio to hold investment strategies or securities of the types listed below without the express approval of the Board, and may do so only after receipt by the Board of a written recommendation from the IOC setting forth the reasons justifying the exception:

- Unregistered or restricted
- Hedge funds;
- Venture Capital funds or direct investments in early stage companies;
- Leveraged buy-out or illiquid private equity funds
- Uncovered options and options used for speculative purposes or leverage;
- Short sales or margin purchases or purchases with debt;
- Transferable certificates of participation in business trusts and limited partnerships;
- Securities of the investment managers or their respective parents, subsidiaries or affiliates;
- Commodities and Futures Contracts- including energy, precious and other metals, currency, cryptocurrency, and agricultural and other commodities;
- Private placement debt - except as may be positioned in a commingled fund which does not specifically emphasize private placements;
- Tax exempt securities issued by states or municipalities;
- Conditional sales contracts and mortgages;
- Trust Deeds;
- Collectibles- including but not limited to: art, coins, precious gems, and stamps;
- Securities in violation of California law; and
- Any investment that would give rise to Unrelated Business Income Tax "UBIT" as defined by the Internal Revenue Code.

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