

# **NAVY SEABEE VETERANS of AMERICA, Inc.**

## **Investment Policy**

**Date of Member Approval:**

### **Mission Statement**

The **Navy Seabee Veterans of America (NSVA) Inc.** is a National Organization, perpetually incorporated in the State of Illinois under the "General Not for Profit Corporation Act". The NSVA is organized for the purpose that "We, the Veterans of the Naval Construction Forces and the Civil Engineer Corps of the United States Navy, who have Honorably served our Country during time of war and peace, recognizing that service to God and Country is the foundation on which our Nation was founded, do hereby rededicate ourselves to that service, and further pledge our lives and actions to preserve the fundamental ideals of American Government, which we believe are Justice, Freedom, and Equality for all".

The purpose of this Investment Policy statement is to establish a clear understanding of the investment objectives of the NSVA and will be utilized by NSVA in monitoring the investment performance on a continuing basis. This Investment Policy statement defines NSVA's investment objectives and will guide the ongoing monitoring of investment performance.

### **Objectives**

The primary objectives for the investments of the NSVA is the preservation of capital while providing for the long-term growth of the principal amount. The objectives shall be accomplished by utilizing a strategy of equities, fixed income and cash equivalents conducive to participation in a rising market while allowing for adequate protection in a falling market.

This Investment Policy will be subject to a bi-annual review, conducted by the Investment Committee. A report detailing the results of the review and any suggested addendums required by the circumstances of the organization and financial conditions will be distributed to the National Executive Board.

The primary objectives should be consistent with a total return, over a moving 5 year period. This is because short-term market fluctuations, which may cause variations in the investment performance.

### **Goal**

The investment goal is to achieve a total return (income and appreciation) of 5% after inflation, over a full market cycle (3-5 years).

### **Fiduciary Considerations**

In accordance with the NSVA's understanding of the New York State Prudent Management of Institutional Funds Act (NYPMIFA), the Investment Committee must consider the purpose of the NSVA assets in managing and investing institutional funds. All individuals responsible for managing and investing institutional funds must do so in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. In making any major decision relative to the management of institutional funds, each of the following factors must be considered, and documented, in the minutes or other records of the applicable decision-making body:

1. General economic conditions;
2. Possible effect of inflation or deflation;
3. Expected tax consequences, if any, of investment decisions or strategies;
4. Role that each investment or course of action plays within the overall investment portfolio of the fund;
5. Expected total return from the income and appreciation of investments;
6. Other resources of the organization;
7. The needs of the organization and the fund to make distributions and preserve capital; and,
8. An asset's special relationship or special value, if any, to the organization's purposes.

### **Investment Advisor(s)**

Investments will be managed by one (1) or more Investment Advisor(s) recommended by the Investment Committee and Approved by the National Executive Board.

### **Money Market Funds:**

Should be used as a tool to transfer money in and out of Investment funds. Balances should be kept at a minimum amount to keep the fund open.

### **Equities:**

Optimal goal: 50%; Allowable Range Minimum 44%; Maximum 56% of total assets.

No more than 5% of the equity portion of the account will be invested in any one issuer. Also, not more than 20% of the equity portion of the account will be invested in stocks contained within the same industry. There shall be no investments in private placements or letter stock, except for those given as gifts.

Prohibited equity investments include initial public offerings, restricted securities, private placements, derivatives, options, futures, digital currency and margined transactions.

### **Fixed Income:**

Optimal goal: 50%; Allowable Range Minimum 44%; Maximum 56% of total assets.

No more than 5% of the fixed income portfolio will be invested in corporate bonds of the same issuer. Not more than 20% of the fixed income portfolio will be invested in bonds of issuers in the same industry.

Prohibited securities include private placements, derivatives (other than floating-rate coupon bonds), digital currency, margined transactions and foreign denominated bonds.

## **Performance Measurements Standards**

It will be the responsibility of the Investment Committee which consists of the NSVA Treasurer, the Life Membership Chair and the Chairperson of the Budget and Finance Committee to meet semi-annually and review the performance of the investment accounts and investment policy guidelines, and report to the National Executive Board with updates and recommendations as needed.

The benchmarks to be used in evaluating the performance of the two main asset classes will be:

Equities: Russel 2000- Goal: exceed the average annual return of the index over a full market cycle (3-5 years)

Fixed Income: Bloomberg Aggregate- Goal: exceed the average annual return of the index over a full market cycle (3-5 years).

## **Investment Advisor Review**

Portfolios will be reviewed by the Investment Committee on a semi-annually basis, but results will be evaluated over the prior five years. The Investment Committee will review each Investment Advisor to confirm that factors underlying performance expectations remain in place.

Each Investment Advisor will report total return net of all commissions and fees on a semiannual basis.

The purpose of the review process is to evaluate the current ratio of equities and fixed income investments to ensure they fall within this investment policy guideline. If adjustments need to be made, the investment manager will advise the investment committee on recommended changes in the portfolio to bring the equities/fixed income investments back into acceptable guidelines.

This Investment Policy was submitted on 05 March 2025 by the NSVA Investment Committee.

Charles G. Lombardi (Chair)

Jack F. Tangen (Past National Commander)

Gerald Schmuck

John Cubit

Anthony Amesquita

Gerald A. Kissinger (Treasurer)