

**Aspen Santa Fe Ballet Endowment, Inc
Endowment Fund
Investment Policy Statement**

**Article I
Investment Philosophy**

Section 1 Endowment Fund Origin, Definition, Authority & Uses

The Aspen Santa Fe Ballet Endowment, Inc. (ASFBE) holds the Endowment Fund of the Aspen Santa Fe Ballet (ASFB). It consists of the original principle of donor gifts plus interest (accrued or paid), dividends, appreciation or depreciation on the investments of these assets. It is the ASFBE Board's understanding that, unless expressly stated in a donor's gift, the historical value of the gift is not required to be maintained at its original nominal value. It is further understood that it is the responsibility of the ASFBE Board to determine, in its sole discretion, the best strategy to use the Endowment Fund's assets to support the operating needs of the ASFB consistent with the goal of maintaining a corpus at an adequate size to allow growth and support for the life of the ASFB.

Section 2 Endowment Fund Time Horizon

It is the intent of the ASFBE Board that the Endowment Fund will achieve a competitive net long term growth rate consistent with prevailing net total rates of return. The ASFBE Board is keenly aware of the risks associated with investing and states that all current and or potential investments must be reviewed and understood so that a potential full loss of the principle in a single fund, program or separately managed account will not materially damage the long-term viability of the Endowment Fund.

Section 3 Investment Manager

It is the intent of the ASFBE Board that either one or several Investment Managers be used to make the actual selection of investments and manage the assets of the Endowment Fund. The Investment Manager's fee may be paid from the fund. This fee must be competitive and appropriate for the size and complexity of the fund and should be reviewed annually by the Finance Committee.

**Article II
Purpose and Application**

Section 1 Purpose

The ASFBE Board manages the Endowment Fund to support the operating needs of the ASFBE. Both the corpus and any investment returns, whether from appreciation, interest income, dividends or any accrued or accumulated values from its investments are for the sole benefit and use of the ASFBE.

Section 2 Application

This policy applies to all funds under the direct investment control of the ASFBE Board.

Article III Management and Execution

Section 1 Execution and Authority

The ASFBE Board delegates all necessary and ordinary authority to execute this policy to its Finance Committee.

Section 2 Endowment Funds

All of the assets of the Endowment Fund are restricted and therefore must follow the distribution procedures identified in Article IV in this Investment Policy Statement (IPS).

Section 3 Investment Rules

The Finance Committee is authorized to establish all necessary policies, procedures and investment rules to execute the guidelines contained in this IPS for the Endowment Fund.

Section 4 Liquidity

It is the intent of the ASFBE Board that all investments in the Endowment Fund trade on an active exchange or on an internal custodian-maintained market allowing for accurate valuation and easy liquidation.

Section 5 Diversification

The ASFBE Board accepts that a well-diversified portfolio offers lower investment risk than a portfolio concentrated in any sector, class or management style. It is the intent of the ASFBE Board that the Finance Committee takes advantage of this safety feature. It is the responsibility of the Finance Committee to write and execute, or to verify that each investment manager uses, an allocation policy that allows for growth in the total value of the Endowment Fund while at the same time minimizing its exposure to an uncontrolled reduction in total value of the assets under its control due to a selloff in highly correlated investments.

Section 6 Leverage

The use of leverage is not authorized in the Endowment Fund. This includes the use of margin, derivatives or any device used to enhance or multiply the exposure to an investment or strategy.

Section 7 Endowment Fund Investment Objective

The investment objective of the ASFBE Endowment Fund is long term moderate to aggressive growth.

Section 8 Endowment Fund Risk Tolerance

The risk tolerance of the ASFBE Endowment Fund is moderate to aggressive.

It is the responsibility of the Finance Committee to monitor this by measuring the risk exposure of the Fund in its entirety. This means that an individual investment may be of a lower risk or a higher risk and may be included in the Endowment Fund as long as its inclusion does not alter the overall character of the Endowment Fund from a moderate to aggressive risk profile. Recognizing this, the board accepts the possibility of a material loss in principle in a portion of the Endowment Fund, if, in the judgment of the Finance Committee, the potential for long term return justifies the investment risk.

As further guidance; using a scale from one (1) to ten (10), where one (1) is the most conservative and ten (10) the most aggressive, the Finance Committee will be in compliance with this section of the policy if the overall risk character of the Endowment Fund falls between four (4) and seven (7).

Section 9 Reporting

It is the responsibility of the Finance Committee to report quarterly to the ASFBE Board on the performance of the Endowment Fund.

It is the responsibility of the ASFBE Board to report to the ASFB Board at least annually on the performance of the Endowment Fund.

It is expected that the ASFB Board would be notified, at its next regular meeting, if there is ever a material loss in the value of the Endowment Fund.

Section 10 Material Loss

A material loss is defined as anything greater than or equal to twenty percent (> or =20%) of the total value from the last fiscal year ending report.

If in any quarter, the Endowment Fund shows a material loss, the Finance Committee must confirm that its current investment strategy and allocation policy is appropriate and consistent with the guidance contained in this IPS and continues to offer the best opportunity for recouping the Fund's loss in value.

Article IV Distributions

Section 1 Endowment Fund Distributions

It is the intent of the ASFBE Board that the Endowment Fund will distribute annually to the operating needs of the ASFB. The distribution rate will be between one (1%) and six (6%) percent and will be calculated based on a moving average of the value of the Endowment Fund at the end of the trailing twelve (12) quarters. This calculation will be based on the total value of the Endowment Fund at the appropriate quarter ends and therefore, will not be restricted by the classifications of "income", "principle" or "corpus". The distribution decision will be made annually at the end of the fiscal year and will apply for the following fiscal year. The actual rate will be determined by the Finance Committee based on its best judgment to maintain the size of the corpus at a level that would allow continued growth and future support for the life of the ASFB versus the current financial needs of the ASFB.

The Finance Committee does have the authority to hold in abeyance, for up to two (2) fiscal years, distributions from the Endowment Fund if, in its best judgment, the long term needs of the ASFB would be better served by with-holding distributions.

Section 2 Endowment Fund Borrowing

The ASFBE is authorized to set up a short-term lending facility to the ASFB based on the assets of the Endowment Fund. All loans must be paid in full within three-hundred-and-sixty-four (364) days from their inception. A rate of interest will be applied appropriate to the needs of the ASFB and in compliance with any regulatory requirements.

A simple majority of the then serving members on the ASFBE Board has the authority to approve/disapprove a request for loan from the ASFB.

Article V Amendments and Review

Section 1 Amendments

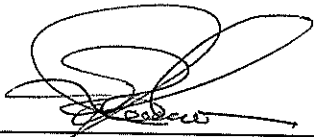
The ASFBE Board may, in its sole discretion, amend this IPS based on the guidance from its Finance Committee.

Section 2 Review

It is the responsibility of the Finance Committee to review this IPS, at a minimum, on a three-year cycle to ensure it continues to meet the needs of the ASFB. Recommended changes will be made to the ASFBE Board.

**Article VI
Authentication**

This Investment Policy Statement was accepted by the Aspen Santa Fe Ballet Endowment Board on November 15, 2017



Jay Lerner, President



A. Charles Forte, Secretary