STATEMENT OF INVESTMENT POLICY OF THE
KANSAS CITY METROPOLITAN BAR ASSOCIATION

INTRODUCTION

The Finance/Investment Committee will consist of the KCMBA Treasurer, the KCMBF Treasurer, a person appointed by the KCMBA president, a person appointed by the KCMBF president and the Director of Finance and Administration. This Statement of Investment Policy, objectives and guidelines will govern the supervision, guidance and management of investments by the Association. This policy is to be reviewed by the Board of Directors at least once every two years. The Board of Directors must approve changes in the policy.

This Policy is set forth in order that there is a clear understanding of the policies, objectives, and guidelines to be employed in the management of Association assets. It is the intent of this Policy to establish an attitude and/or philosophy to guide the Investment Committee and any investment advisors who are employed. It is intended that objectives be sufficiently specific to be meaningful, yet sufficiently flexible to be practical.

OBJECTIVE

It will be the objective of the Investment Committee to attain a reasonable rate of return on investments while conserving principal.

GUIDELINES

The Investment Committee should select investment vehicles after a careful review of performance and risk. These investments can include money market accounts, certificates of deposit, Treasury Bills, investment grade stocks and bonds, and mutual funds, but will not include real estate other than currently owned real estate. As to long-term investments, a mix of 60% stocks and 40% bonds or a balanced mutual fund is recommended. An effort is to be made to minimize downside results within each calendar year. In order to achieve the Policy, the following guidelines are set forth:

1. **Investment Philosophy** - It is the investment philosophy of the Board of Directors that the investments should vary from time to time in response to changes in the economy and prospects for maximizing the return on these assets. The Investment Committee and any investment advisors who are employed may invest in assets of varying risk as long as risks are compatible with the Safety of Principal statement.

2. **Investments** — The Investment Committee will be responsible for investment of all cash assets of the Association, except those needed to meet current liabilities, which will be invested in an interest bearing checking account.

3. **Liquidity** - Since requirements for cash withdrawal change, no attempt is made herein to outline these conditions. However, the funds should be managed in such a manner as to provide at least 25% available liquidity for unforeseen contingencies as will be periodically defined.
4. **Safety of Principal** - The long term portion of the portfolio should be structured with a long term perspective of five years, emphasizing conservation of principal. The enhancement of capital growth is a secondary emphasis. The criterion of safety of principal will not be imposed on each portfolio commitment.

5. **Stability of Market Value** - Volatility of the equity portion of the portfolio should not exceed that of the S&P 500 for more than three months. Volatility of the fixed income portion of the portfolio should not exceed that of the Lehman Treasury Bond Index for more than three months.

6. **Current Income** – As a guideline, the fixed income portion of the portfolio should produce a minimum net current income of 3%.

7. **Review of Investments** - Performance reports generated by the Finance/Investment Committee will be compiled at least quarterly by the Director of Finance and Administration and communicated to the Association Board for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration will be given to the extent to which the investment results are consistent with the investment policies, objectives, and guidelines set forth in this Policy.

8. **Delegation of Authority** - The Finance/Investment Committee will make all investment decisions regarding the investments and will adhere to the objectives, specific limitations, guidelines and philosophies stated herein.

Adopted by the Board of Directors of the Kansas City Metropolitan Bar Association.

Date: _________________