

INVESTMENT POLICY STATEMENT

Adopted: March 9, 2026

I. Introduction

The purpose of this Investment Policy Statement (“IPS”) is to define the objectives, principles, and guidelines for the prudent management of the investment assets of the American Union of Crystallography (“AUC”), a non-profit organization operating in pursuit of 501(c)(3) status.

This IPS is intended to:

- Establish a clear understanding of the investment goals and objectives for all parties involved.
- Outline a governance structure, including roles and responsibilities, for those overseeing the investments.
- Define the asset allocation strategy and permissible investments to support AUC’s financial needs.
- Ensure that investment decisions are consistent with the AUC’s mission, values, and fiduciary responsibilities.

This statement is not a contract, but a governance document to guide the Finance Committee, the Treasurer, and any Investment Advisor(s) in making disciplined investment decisions that support AUC’s long-term financial sustainability and charitable mission.

II. Investment Objectives

The primary objectives of the AUC investment program are to:

- Preserve capital and maintain sufficient liquidity to meet operational and programmatic needs.
- Generate a stable and predictable income stream to support annual grantmaking and awards.
- Grow the investment portfolio over time to maintain the purchasing power of assets relative to inflation.

To accomplish these objectives, AUC seeks a total return strategy that balances income generation with long-term capital appreciation, while maintaining a moderate risk profile consistent with its charitable purpose.

III. Time Horizon

AUC maintains a long-term investment perspective, typically exceeding ten years, and acknowledges that short-term market volatility is inherent in investing. Because the organization does not anticipate needing to access a significant portion of the portfolio's principal in the near term, it can tolerate interim fluctuations in asset value.

IV. Risk Tolerance

AUC is a conservative, balanced investor. While seeking to achieve its long-term objectives, the organization prioritizes capital preservation and income over aggressive growth. The investment portfolio shall be constructed to manage risk through appropriate asset diversification and a prudent asset allocation framework.

Equity exposure shall not exceed 50% of the total portfolio, with the remaining allocated to fixed income and cash equivalents.

V. Asset Allocation

The strategic asset allocation shall reflect the AUC's investment objectives, time horizon, and risk tolerance. The portfolio will be broadly diversified across asset classes and geographies and rebalanced periodically to remain within policy targets. The general guidelines are:

- Short-Term (0–3 years): U.S. Treasury bills, money market funds, Federal Deposit Insurance Corporation “FDIC” insured certificates of deposit.
- Mid-Term (3–7 years): Investment-grade fixed-income funds, U.S. equity index funds, and international equity index funds.
- Long-Term (7+ years): Diversified low-cost U.S. and international equity and bond funds.

Target Allocation (across all horizons):

- 50% U.S. and international bond funds
- 50% U.S. and international equity funds
- Maximum equity exposure: 50%

VI. Permissible Investments

Preferred investments include passively managed mutual funds and Exchange Traded Funds (“ETFs”) with annual expense ratios below 0.30%. Permitted asset classes include:

- U.S. Equity Funds (mutual funds or ETFs)
- U.S. Bond Funds (mutual funds or ETFs)
- International Equity Funds (mutual funds or ETFs)
- International Bond Funds (mutual funds or ETFs)
- U.S. Treasuries, FDIC-insured deposits, high-yield savings accounts

Actively managed balanced funds may be included when cost-effective. AUC prohibits investment in speculative or illiquid assets, including but not limited to: digital currencies, hedge funds, private placements, real estate, limited partnerships, margin accounts, options, or futures contracts.

VII. Liquidity

Given the liquidity of mutual funds and U.S. Treasury instruments, the portfolio does not require substantial cash holdings, except where necessary for operational liquidity or to manage withdrawals and rebalancing needs.

VIII. Roles and Responsibilities

Finance Committee:

Responsible for overseeing the portfolio, ensuring alignment with the IPS, and recommending changes to the Board of Directors. Provides guidance to the Treasurer and any Investment Advisor(s).

Treasurer:

Implements approved investment decisions, reviews fund prospectuses, and monitors portfolio performance. Consults with the Finance Committee and Investment Advisor(s) as needed.

Investment Advisor(s):

If retained, must be registered with the US Securities and Exchange Commission and/or relevant state authorities. The advisor must operate on a fee-only, hourly basis, with no compensation based on the Assets Under Management (“AUM”). Responsibilities may include:

- Recommending adjustments to the IPS
- Supporting asset allocation and fund selection
- Monitoring portfolio performance and risk
- Providing periodic reports to the Finance Committee

IX. Conflict of Interest

No member of the Finance Committee, Executive Committee, or Council shall receive compensation for investment management or advisory services to the AUC. All decisions must adhere to the organization’s Conflict of Interest Policy and be made in the best interests of the AUC.

X. Review and Revisions

This Investment Policy Statement will be reviewed annually by the Finance Committee and may be amended upon recommendation to and approval by the Board of Directors.