Mission:
"Expanding your world through voices and sounds that inform and inspire."

Vision:
"We are bridging artistic expression and diverse perspectives of our community."
INTRODUCTION

Valley Public Radio is a leading provider of news, music and entertainment content for California's San Joaquin Valley. The station serves residents of Fresno, Kern, Kings, Madera, Merced, Mariposa and Tulare counties over KVPR 89.3 (Fresno) and KPRX 89.1 (Bakersfield). The station's programming includes local and NPR News, classical music and entertainment programming. The station was founded in 1975, is a community licensee, and is operated by White Ash Broadcasting, Incorporated. Valley Public Radio is a NPR member station. The station celebrated the opening of its new broadcast center in Clovis, CA in May 2016.

The White Ash Broadcasting Board of Directors (Board) has established the following investment policy statement (IPS) for the Endowment Fund (Fund) after evaluating the organization’s cash needs and considering the responsibilities of all parties, investment alternatives, historic risk and returns, implications of variability of return, the overall money management process, monitoring, and reporting. This policy works in concert with the organization’s Endowment Policy, and governs the activities of the Investment Committee (Committee).

The Fund provides a “longer-term” accumulation portfolio for future expenditures, as well as current operations. The goal is to produce a reasonable investment return, while not exceeding a prudent level of risk.

Spending Policy
No less than once during the fiscal year of Valley Public Radio’s planning and budgeting, the Board of Directors shall review permanently restricted funds and approve the transfer of annual income to temporarily restricted fund status. Temporarily restricted funds will be reviewed and approved by the Board of Directors for their use in operations or other purposes limited by any and all restrictions and terms that the original donor intended.

“Income” for the purpose of this policy shall include all earnings from interest, ordinary dividends, capital gains distribution, net rental, or other passive income. The Board of Directors shall comply with state and federal laws requiring minimum distributions applicable to non-profit organizations as well as the laws relating to maximum distributions that are presumptively excessive. Under this policy the Board of Directors retains full discretion with respect to principal and income of the endowments that are consistent with the laws governing such funds.

PURPOSE OF THE INVESTMENT POLICY STATEMENT

A. Establish formal policies and procedures that govern all present and future investments. The IPS reduces the organization’s fiduciary risk and liability by memorializing prudent investor rules, investment objectives, constraints, and the ability to retain the services of professional advisors. The IPS provides a defined process to all parties.

B. Define the responsibilities of all parties, investment horizons, return objectives, investment criteria, diversification, investment alternatives, liquidity, cash flow, turnover, fees, performance evaluation, selection criteria, and benchmarks.

This policy is reviewed at least annually. Revisions will be made by the Board as necessary. All revisions will be in writing and distributed to all appropriate parties on a timely basis. The IPS should be reviewed by an attorney knowledgeable in this specific area of the law.

A reasonably prudent person is an individual who uses good judgment or common sense in handling practical matters. The actions of a person exercising common sense in a similar situation are the guide in determining whether an individual's actions were reasonable.

RESPONSIBILITIES OF THE BOARD

A. The Board has primary responsibility for the Fund.

B. The Board is responsible for the development, adherence, and any future modification to the IPS.
C. The Board is responsible to set an appropriate asset allocation and investment objective.

D. The Board is responsible for hiring an outside Advisor and other vendors to provide professional expertise. The Committee will monitor the performance of the Advisor and other vendors and report regularly to the Board. The Board has the sole authority to terminate the services of the Advisor, or other vendors, for violating the IPS, or for any other pertinent reason.

E. The Board is authorized to retain the services of a consultant to assist in the duties and responsibilities described above.

RESPONSIBILITIES OF THE ADVISOR

A. The Advisor adheres to the language in the IPS, as well as future amendments.

B. The Advisor is responsible for making buy/hold/sell decisions on a discretionary basis. Any Board directed investments may be held in an “unmanaged” position and are not the responsibility of the Advisor; this practice is discouraged because it increases the fiduciary liability of the Board by placing the group in the position of Advisor and falls under the same scrutiny of the IPS.

C. The Advisor reports and educates the Board on market conditions, investment and asset allocation recommendations, and report any material changes in the organization, investment philosophy, and personnel.

INVESTMENT HORIZON

The Fund has no investment horizon and is considered a perpetual entity.

RETURN OBJECTIVE

The investment return should be consistent with the overall objective. The Fund’s primary objective is to balance income and growth. The expected total return of the investment portfolio is 3.5% annually over inflation. Expected returns should be evaluated over a full market cycle, or every 3 to 5 years.

INVESTMENT PORTFOLIO CONSIDERATIONS

I. ASSET ALLOCATION

Asset allocation is an investment strategy that attempts to balance risk and return by apportioning a portfolio's assets according to goals, risk tolerance and investment horizon. The asset allocation of the Fund, as established by the Board, is as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Allowable Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>50%</td>
<td>30-70%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>40%</td>
<td>20-50%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>6%</td>
<td>0-20%</td>
</tr>
<tr>
<td>Alternatives</td>
<td>4%</td>
<td>0-30%</td>
</tr>
</tbody>
</table>

The asset allocation decisions within the above asset classes are created by the Advisor and ratified by the Board.
II. DIVERSIFICATION

The Fund will be diversified. Diversification is a risk management technique. Diversification reduces risk by allocating investments among various financial instruments, industries, and other categories. It aims to maximize returns by investing in different areas that would each react differently to the same event. Diversification is beneficial to many fiduciaries because it produces results that are more predictable.

III. INVESTMENTS

The following are permitted investments:

a. Domestic equity and fixed income mutual funds/ETF
b. Foreign equity and fixed income mutual funds/ETF
c. Real estate, commodity and alternative asset/strategy mutual funds/ETF
d. US Government and agency fixed income securities
e. Money market funds
f. Certificates of deposits

The following are prohibited investments:

a. Individual stocks and corporate fixed income individual issues
b. Private placements
c. Precious metals
d. Collectibles
e. Margin purchases
f. Short sales
g. Investment without a readily ascertainable market value
h. Illiquid investments
i. Any other investment not on the permitted list

IV. LIQUIDITY

Investments are readily marketable and trade at the end of each market day. Donated securities may have different liquidity characteristics and should be discussed by the Board and Advisor prior to acceptance.

V. CASH FLOW FROM INVESTMENTS

Dividends and capital gains are reinvested in the portfolio, unless otherwise instructed by the Board.

VI. TURNOVER AND FEES

Every effort should be made to maximize performance and minimize risk with the disciplined buying and selling of securities. The Advisor understands turnover and is responsible for determining the turnover needed to achieve the performance objectives. Higher turnover and lower performance will be closely scrutinized. Transaction costs, short-term redemption fees, and other fees will be monitored by all parties. Advisor will seek best execution on all trades and the lowest underlying fees in regards to mutual funds.

VII. ADVISOR AND PERFORMANCE EVALUATION

A. The Advisor will meet with the Committee as per the IPS. The reviews will focus on the Advisor’s compliance with the IPS, material changes in the organization, investment philosophy, and personnel.
B. Each investment will be evaluated relative to the appropriate index and peer group. It is understood, there will be periods of short-term underperformance versus the appropriate indexes and greater emphasis shall be placed on peer-performance comparisons. Account performance will be measured on a time-weighted basis which recognizes the changes in market value, as well as income received and takes into account any appreciation/depreciation occurring during the period examined, whether realized through the sale of securities, or left unrealized; this method minimizes the influence of cash flows (contributions, withdrawals, and transfers) that are essentially beyond the control of the Advisor.

C. SELECTION AND MONITORING CRITERIA FOR MUTUAL FUNDS

- **Assets Under Management**: the fund must have at least $75 million in assets under management
- **Expense Ratio**: the fund’s expense ratio should be above the bottom quartile (most expensive) of the peer group
- **Minimum Track Record**: the fund must have a minimum track record of 3 years
- **Stability of the Organization**: the portfolio management team of the fund must have a tenure of at least 2 years
- **Correlation to Style or Peer Group**: the fund’s category and current style box must be the same
- **Holdings Consistent with Style**: at least 80% of the fund’s holdings should be consistent with the peer group’s asset class
- **Performance Relative to Peer Group**: the fund’s 1, 3, & 5-year trailing performance must be above the peer group’s median at the time of selection
- **Performance Relative to Assumed Risk**: the fund’s Alpha and Sharpe Ratio must be above the peer group’s median at the time of selection
- **The Board has the ability to choose a fund that may not meet one or more of the above criteria (i.e. because of miscategorization).**

Note: The selection and monitoring criteria represents the optimal characteristics of current and future holdings. Investments may be selected and held that do not meet every criteria, although the Advisor must report any shortcomings to the Committee.
### D. BENCHMARKS

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The above Investment Policy Statement was adopted as amended by the Board of Directors on February 11, 2020. Any deviations from this IPS must be approved by the Board and communicated with all parties.