
JANUARY CAPITAL ADVISORS

PREPARED FOR THE NORTH AMERICAN BASQUE ORGANIZATIONS, LLC.

PROPOSAL

Enclosed is a proposal and draft of an Investor Policy Statement for reallocating excess operating funds currently invested across multiple cash vehicles (checking and CD accounts) and into a risk-managed market based solution with the desire for returns greater than what is available in cash today.

ABOUT US

January Capital Advisors is an independent Registered Investment Advisor with a rich history of helping non-profits manage and grow their operating and endowment allocations. We combine a top-tier investment platform with our refreshingly straightforward approach to design and implement an investment program aligned with your goals and objective. We have no proprietary products, hidden agendas, or buried fees. Read more at www.januarycapital.co

EXISTING NON-PROFITS

Below is a list of the current non-profit organizations we are currently working with:

1. SF Basque Cultural Center
2. Les Faneurs, Inc
3. Franco American Lodge
4. Les Chasseurs, Inc
5. SF Opera
6. Philharmonia Baroque Orchestra and Chorale
7. Four Seasons Arts
8. UC Berkeley, Cal Performance
9. International Aids Society

INVESTMENT POLICY STATEMENT

EXECUTIVE SUMMARY

NORTH AMERICAN BASQUE ORGANIZATIONS, INC.

FEBRUARY 17, 2018

INVESTMENT COMMITTEE

<u>Name</u>	<u>Title</u>
Marie Petracek	Treasurer
Valerie Arrechea	Vice President
Victor Olano	Delegate
Pedro Urrutia	Delegate

PRIMARY OBJECTIVE

Put in place an investment strategy and management policy for the North American Basque Organizations' endowment and general reserve fund. The purpose of this investment program is both generate moderate growth for future operating activities and benefits while also growing the principal base over the next 15-20 years to build an endowment more capable of supporting the NABO's mission:

WHO: N.A.B.O. is a federation of Basque organizations that have chosen to individually and collectively promote Basque culture.

WHAT: Recreation + Education = Perpetuation. NABO is a service organization to member clubs that does not infringe on the autonomy of each member. NABO's function is to promote and preserve cultural, civic and social interests and activities of the Basque people; to cultivate understanding and friendship; to educate and enlighten the public in matters relating to the Basque people; and to promote and advance open communication and exchanges among Basques living in North America and the Basque country and Diaspora.

WHERE: Canada, Mexico & the United States

WHEN: Tri-annual formal meetings in rotating locations; regular communications and regular events including Udaleku, Gaztealde, Mus & Pilota tournaments, Kantari Eguna, etc.

WHY: Because we believe that being Basque can be special, we want to keep alive a culture that has endured across centuries because of what it teaches us about being better people; i.e, the importance of family, community, work ethic, perseverance, language, faith, honor and our roots in an agrarian past that still serve us in an urban, modern world.

RANKED OBJECTIVES

1. Moderate Growth – seeking principal growth

- 2. Safety of Principal – seeking to maintain the principal value of the investment
- 3. Liquidity – maintaining positions in vehicles that are readily liquid

EXPECTED RETURN

Target Real Return – 3% - 5% (in excess of inflation)

Expected Rate of Inflation – 2% or more

Target Total Return = 5% - 7% annualized

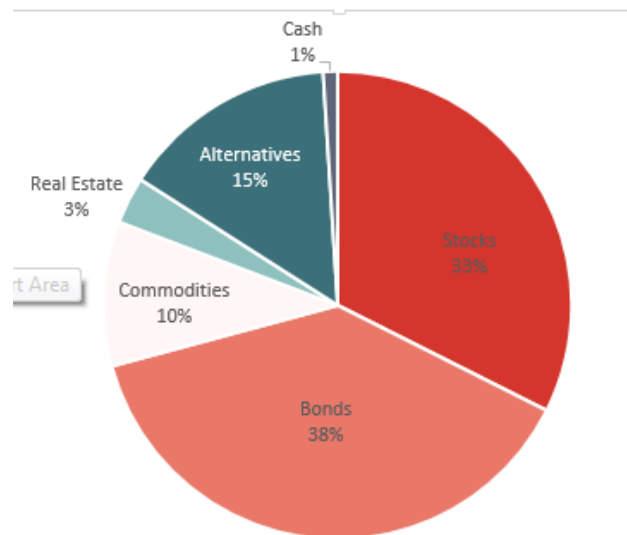
TIME HORIZON & INCOME NEEDS

Intermediate Term (1 – 5 years) – No current income needs at this time.

Long Term (6 – 20 years) – International Mus tournament in 5-10 years, general safety fund for emergencies and opportunities.

RISK TOLERANCE AND ASSET ALLOCATION

Conservative Growth. Willing to accept moderate risk to initial principal and tolerate some volatility to seek higher returns, and understand it's possible lose a portion of the money invested.



Return Range (95% Probability): -1.89% to 16.37% annually over the next 10 years.

ASSET MANAGEMENT GUIDELINES

Rebalancing Procedures – This Portfolio will be rebalanced periodically as follows: Broad asset classes are rebalanced when they reach a 30% variation from the target (positive or negative). For example, when the target is 10% of the portfolio, that asset class will be rebalanced when it reaches below 7.5% or above 12.5% of the total portfolio. New money deposited (dividends, capital gains, revenues from operations) will be utilized first when rebalancing to minimize tax consequences.

Liquidity Limits – Minimum liquidity of investments equal to two years of operating expenses must be available at all times.

Cash Limits – No operating cash needs from this portfolio (cash is handled separately). Withdrawals will be taken from current dividend distributions.

Restricted Investments – No investment restrictions are in place at this time.

GOVERNANCE

Meeting Frequency – Quarterly with the investment committee. Annually with the entire board of directors to review annual performance.

IPS Review Frequency – Every two years.

Performance Monitoring – A Quarterly performance report will be generated and reviewed with the investment committee. Annual reports showing comparisons to applicable peer-group investments over several time frames will also be provided.

Benchmarking – The blended benchmark below will be used to monitor relative performance

50% - S&P 500 Index

The index measures the performance of the large capitalization sector of the U.S. equity market. It is widely regarded as the best single gauge of the large cap U.S. equities market

50% - Barclays Capital U.S. Intermediate Government/Credit Bond Index

This index measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

Expense Monitoring – Annual reports showing comparisons to applicable peer-group will be provided. Surveys or other data provided in nonprofit or investment publications will be distributed when applicable.