

SOUTH DAKOTA SOCIETY FOR RESPIRATORY CARE INVESTMENT POLICY

Adopted by Board of Directors

Objectives

The objective of the South Dakota Society for Respiratory Care (SDSRC) Investment Policy is to allow maximum investment return without assuming undue risk on those assets available for investment consistent with liquidity needs and preservation or principal.

The overall financial objective of the investment policy is to provide support for the activities of the SDSRC and, if required, to provide reserves to finance new activities, unanticipated revenue shortfalls, and major unexpected expenses.

The primary investment objective is to provide a satisfactory return on investment for the support of the above objective based upon the Prudent Investor Rule.

Asset Allocation

The portfolio structure will be determined by the Budget and Audit Committee and the funds invested with the approved investment advisor. The funds shall normally be invested with the approved investment advisor. The funds shall normally be invested up to 25% in common stock equities of publicly traded corporations and at least 75% in fixed income bonds and notes, either in the form of individual securities or mutual funds. Although the actual percentage may fluctuate with market conditions, the allocation will be closely monitored by the Budget and Audit Committee.

All investments are to be held in the name of the SDSRC.

Authorized Financial Dealers and Institutions

1. Financial institutions insured through the Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Insurance Corporation (FSLIC).
2. Security broker/dealers insured through the Securities Investor Protection Corporation (SIPC).
3. Financial institutions such as bank trust departments and insurance companies.

Authorized and Suitable Investments

1. Checking Account
2. Savings Account

3. Certificates of Deposit
4. Money Market Funds
5. U.S. Government Securities
6. Securities issued by Agencies of the U.S. Government
7. Corporate bonds rated A or better by Standard and Poor's or Moody's rating systems
8. Common stock of publicly traded corporations
9. Preferred stock of publicly traded corporations
10. Mutual funds or a diversified mutual fund of bonds or stocks.

Diversification

No more than 5% of the market value of the portfolio may be invested in the securities of any single issuer. This restriction does not apply to U.S. Government or Agency securities or a diversified mutual fund of bonds or stocks.

Non-cash Assets

Non-cash assets which are received through donation or assignment will be considered on an individual basis as to whether they shall be retained for income or sold and proceeds from sale re-invested as directed by the Budget and Audit Committee and approved by the Board of Directors.

Investment Administration

The Budget and Audit Committee shall be responsible for engaging investment managers (with Board approval), reviewing their performance periodically and reporting on the investment results to the Board.

Implementation

The approved Investment Manager will be responsible for the security transactions at his/her discretion within the Investment Policy of the SDSRC.

Prohibited Transactions

Investments will not be made in companies whose activities or interests are inconsistent with those of the SDSRC.

Investment in warrants, options (including puts, calls and straddles), commodity futures, oil and gas wells, securities with limited transferability, purchases of securities on margin and short selling are prohibited.

An Investment Manager may not invest in publicly traded securities such as common stock, preferred stock, or corporate debt issued by its parent company.

An Investment Manager may not mortgage, pledge or otherwise hypothecate securities in the portfolio under management.

Performance Review and Recommendation to the Board

The Budget and Audit Committee will review investment performance at least quarterly. In addition, the Committee will review the Investment Manager's performance and make a recommendation to the Board at least annually regarding the retention of the Investment Advisor.

Policy Review

The Policy will be reviewed annually before the Annual Meeting of the SDSRC with any revision presented to the Board of Directors for their approval.

Board Approval

This Investment Policy shall be effective as of May 8, 2000 and continue until revised.

Revised and approved by the SDSRC Board of Directors at their meeting February 1, 2005.

Revised and approved by the SDSRC Board of Directors at their meeting September 20, 2010.