

**Public Library of Brookline  
Trust Funds  
Investment Goals and Policies**

The Trustees of the Public Library of Brookline are legally responsible for the management of over thirty (30) named trust funds. These funds were given to the Trustees to enrich and enhance the quality of library services for this and future generations. It is recognized that these funds were not intended - and will never be able - to replace the Town's annual appropriation.

The Trustees of the Public Library of Brookline adopt the following investment goals and policies consistent with prudent standards.

- 1) The Trustees recognize the fact that many of the existing funds are restricted for a specific purpose. In every instance, these obligations will be honored.
- 2) Real Purchasing Power. A principal investment objective is to maintain and enhance, over time, the real dollar purchasing power of trust funds.
- 3) The objective of the trust fund investments will be to achieve a long-term competitive investment return vs. other comparably invested pools of assets and market indices.
- 4) The Board will hire a registered investment manager(s) who, on a discretionary basis, will invest the library's trust funds in accordance with the Trustees' Investment Goals and Policies.
- 5) All trust fund securities will be held by a third-party custodian and will be evidenced by safekeeping receipts that will be maintained by the Treasurer of the Board.
- 6) Specific guidelines under which these funds are to be managed are:
  - a. The portfolio shall consist of a generally high quality and broadly diversified list of investments.
  - b. Investment in each class of investment vehicle shall normally fall within the following suggested guidelines, which may be changed from time to time;
    - i. 0-5% cash or cash equivalents
    - ii. 35-50% fixed income securities (one year or longer)
    - iii. 50-65% equities
  - c. Emphasis will be on establishing a long-term investment program and should not be influenced by short-term market fluctuations.
- 7) These objectives and policies are to be reviewed at least annually and may be modified or abrogated by vote of the Board of Library Trustees.
- 8) Without in any way shifting responsibility from their investment advisors, the Trustees must pre-approve the use of options, futures, or any derivative investments by its managers.

- 9) The amount withdrawn from the trust funds for discretionary expenditures should be reviewed, on an annual basis, by the Trustees. It is suggested that a target figure be determined by applying a percentage to the average of the total fund balance of the prior three years. The percentage used for this calculation should be in keeping with the percentages used by major endowment funds.

Adopted by the Board of Library Trustees May 10, 1994

Amended by the Board of Library Trustees March 12, 1996

Amended 9/14/99