



The Petroleum Marketers Association of America Investments and Reserves Policy

PHILOSOPHY

The policy of Petroleum Marketers Association of America (PMAA) is to maintain an investment portfolio consistent with the mission of the organization and that recognizes the need for liquidity of resources for operation of the organization. This policy is expressed through the following investment objectives, authorized investment descriptions, procedures and responsibilities. It is required to be reviewed and re-adopted by the PMAA Investments and Reserves Subcommittee and the PMAA Executive Committee annually.

PMAA OBJECTIVES

The primary objective of the policy is preservation of capital. Growth is a secondary objective. The investment portfolio may be comprised of both equity and fixed income securities.

Equity positions should be broadly diversified:

- Geographically (US - foreign)
- By development of market (developed markets - emerging markets)
- By market capitalization (large companies - small companies)
- By objective measure of company price (low - high book-to-market ratio; i.e., growth - value)

Fixed income positions should be broadly diversified among issuers in order to reduce default risk. Recognizing this requirement, fixed income mutual funds are preferred over individual bonds as a means of reducing cost of purchase. Such funds will have average maturities of ten years or less and average credit quality of "A" or higher.

Individual bonds, if held, to maturity will not exceed seven years or less from the purchase date. Credit quality will be "A" or higher. Instruments acquired are intended to be held to maturity. Sale prior to maturity may be warranted if the credit quality of the issuer has deteriorated or as capital requirements dictate.

All investments held in the portfolio are intended to be immediately marketable upon PMAA request. No illiquid investments are to be held in the portfolio.

INVESTMENT MIX

EQUITIES

- Target Allocation - 60%
- Acceptable range - 50% to 70%

FIXED INCOME

- Target Allocation - 40%
- Acceptable range - 30% to 50%

AUTHORIZED INVESTMENT DESCRIPTIONS

1. Commercial paper, rated "A" or higher and not exceeding 270 days maturity
2. Certificates of deposit (including brokered) of FDIC- or NCUA-insured US financial institutions, in amounts less than, or equal to, the prevailing coverage limits
3. U.S. Treasury bills, notes or bonds, including inflation-indexed meeting stated fixed income requirements
4. US Government Agency notes, bonds, and debentures meeting stated fixed income requirements
5. Corporate bonds meeting stated fixed income requirements
6. Fixed income mutual funds meeting stated fixed income requirements
7. Diversified equity mutual funds meeting stated equity requirements

Individual stocks are not to be held in the portfolio. In the event of a stock gift, the issue should be liquidated and invested per the policy.

Reserve Policy

The association should maintain between 80-150 percent of annual operating expenses as a reserve fund that would be available to continue normal operations of the association in the event of an economic or industry downturn. The PMAA Investments and Reserves Subcommittee with the approval of the PMAA Executive Committee can at any time make adjustments to this target range based upon strategic investments for programming or other areas deemed appropriate. Any adjustments shall be reported to the PMAA Board of Directors. The reserves will be considered part of total assets of the association and should be invested consistent with the rest of this policy.

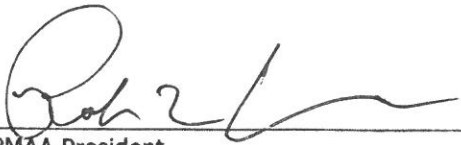
PROCEDURES AND RESPONSIBILITIES

All investments and investment accounts will be registered in the name of PMAA and will be held by an independent custodian.

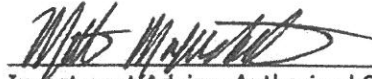
Monthly custodian statements and other correspondence will be forwarded to PMAA President for processing. The President will forward the information to the PMAA Investments and Reserves Subcommittee.

The Investment Advisor will maintain an accurate daily record of all securities held in PMAA account(s). For equity securities, information should include the name of the security, trading symbol, the number of shares held, cost basis, most recent closing price and the total value of the position. For fixed income securities, information should include the name of the issuer and the issue, CUSIP, cost basis, maturity value, purchase date, maturity date, interest rate and interest payment frequency. Premiums or discounts, if applicable, will be detailed. Appropriate documentation of investments will be maintained as part of PMAA accounting records.

The Investment Advisor will report as requested, but at least quarterly, to PMAA's Investments and Reserves Subcommittee regarding investment actions and the status of the investment portfolio. The Investment Advisor shall immediately rebalance the portfolio at any time the allocation of the account is outside the acceptable ranges of the Investment Policy. The Investment Advisor shall report to PMAA any adjustments made in order to comply with the Investment Policy.



PMAA President



Investment Advisor Authorized Signature



PMAA 2nd Vice Chair

Matt Mowbristad, Lead Advisor
Print Name and Title

6-10-2019

Date

5/24/19
Date

