

B. AOA/AACS Investment Policy

The primary long-term objective of the Alabama Oilmen's Association/Alabama Association of Convenience Stores reserve fund is to achieve moderate capital growth with a secondary objective of investment income.

The finance committee has the authority within this investment policy to delegate to the investment manager routine transactions within the guidelines set out by the investment policy. The secretary/treasurer, who also serves as the finance committee chair, will also be responsible for the implementation of, and continued compliance with, this investment policy. Any substantial changes and/or revisions to this policy must be approved by the AOA/AACS Board of Directors. The finance committee is responsible for reporting to the board at quarterly meetings. In addition, the finance committee will be responsible for scheduling an annual review of the fund between the investment manager and the board. Monthly statements for reserve fund accounts shall be sent to the AOA/AACS office.

The AOA/AACS reserve funds may be invested in the following:

- U.S. Treasury direct obligations
- U.S. Government Agencies
- Mortgage Backed Securities
- Asset Backed Securities
- Corporate Obligations (rated A or higher by Moody's or Standard & Poor's)
- Certificates of Deposit in FDIC insured banks
- Commercial Paper rated A1-P 1
- Money Market Funds

The growth portion of the portfolio can be invested in Equities and/or Equity Mutual Funds at the discretion/recommendation of the investment manager.

Fixed income maturities will be structured to meet the fund's flow needs and be diversified to provide cash flow for investment in proportions determined by the investment manager. The maximum maturity for individual holdings is 30 years.

In order to maximize the fund's objectives, the portfolio will be invested as follows:

<u>Asset Allocation</u>	<u>Target Percentage of Portfolio</u>	<u>Acceptable Range</u>
Cash or equivalents	20%	0 — 30%
Fixed Income	40%	30 — 60%
Equities	40%	30 — 60%