

**Investment Philosophy Statement**  
**Rotary International General Fund**

Adopted October 2011

The primary objective in managing the General Fund is to provide for the long-term financial security of Rotary International (RI). Other objectives include (1) meeting RI's financial goal of maintaining a reserve, (2) providing investment earnings to supplement revenue from other sources so that RI can produce a balanced budget and generate sufficient income to pay for operating expenses; and (3) provide liquidity, if needed, for working capital purposes.

To achieve these objectives, RI manages the General Fund in a manner to achieve returns which, over multi-year periods, but not necessarily over shorter time periods, exceed the returns on a passively investable benchmark. In approaching asset allocation, RI will construct and maintain a well diversified portfolio. RI does not believe in market timing; instead, RI recognizes that certain actions, such as adjusting asset allocation, acting to preserve capital or altering liquidity in times of unusual market or economic conditions, can improve performance and/or reduce risk. To implement these objectives, RI seeks managers who are flexible in their investment approach in addition to those focused on benchmark indices. RI does not impose moral, ethical, and/or environmental constraints in the investment process in an effort to align the organization's investments with its mission. Instead, RI prudently invests its operating reserve so funds are available to deliver the necessary services and tools to Rotarians to enable them to carry out the organization's mission.