



Purpose

This investment policy describes the long-term investment objectives of North Country Health Consortium, establishes investment principles for North Country Health Consortium's assets and creates guidelines for evaluating investment decisions.

Statement of investment objectives

The two primary investment objectives are:

1. to cause total value of assets to appreciate, over time with regard to liquidity and capital protection
2. to provide a continuing and dependable cash payout that is stable-preferably growing in real terms – after giving effect to inflation.

To accomplish these goals, North Country Health Consortium should maximize the return on its investments, consistent with the appropriate level of risk and subject to a generation of adequate current income.

Additionally, the assets should be diversified at all times to provide reasonable assurance that investment in a single security or class of securities will not have a significant impact on the assets. Specifically, North Country Health Consortium should have diversified investment options that have materially different risk and return characteristics.

The prudent person rule

In making investment decision and in supervising and managing assets, a person with investment responsibility for North Country Health Consortium should act with the care, skill, prudence, and diligence under the circumstances prevailing that a prudent persona acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of like character and with like aims.

Investments

In selecting investments, consideration will be given to the requirements for spending, liquidity, diversifications, safety of principal, yield, maturity, and the quality and capability of investment managers.

North Country Health Consortium will be permitted to invest in the following categories of investments:

- Equity-income investments- These investments seek current income and long-term growth of capital, primarily through dividends paid by stocks and/or interest paid by bonds.
- Balance investments- These investments seek conservation of capital and current income, as well as long-term growth of both capital and income by investing in stocks, bonds and other fixed-income investments.
- Bond Investments- These investments seek to provide current income. Their primary investment vehicle is bonds.
- Cash-equivalent investments- These investments are the most stable as they try to preserve the original investment but are limited in their ability to keep up with inflation.

North Country Health Consortium will not be permitted to invest in the following:

High or Medium Risk Growth Investments

Asset allocation and rebalancing

North Country Health Consortium asset allocation guidelines will be consistent with its investment objectives and risk tolerance. These guidelines are designed to provide the highest probability of meeting or exceeding Nonprofit's return objectives with the lowest possible risk.

North Country Health Consortium will rebalance its portfolio of investments periodically.

Review and monitor investments

Periodic reviews of the investments will be conducted at least annually. Among other things, such reviews will evaluate:

- The general conditions and trends prevailing in the economy, securities market, and mutual fund industry.
- Whether each investment remains consistent with North Country Health Consortium overall investment objectives.

- Whether the investments are adequately diversified.
- A comparison of the investment results with established indexes or benchmarks over a series of different time horizons.
- The fee structure and expense ratio of selected investments as compared with other alternatives available in the marketplace.
- The experience and qualifications of the personnel providing the investment management services.

Proxy voting

Responsibility for proxy voting rests with the board of directors or its delegate. The board or its delegate will review the proxy statements and vote in a manner that is consistent with the goals and interests of North Country Health Consortium.

Approved by the Board of Directors June 13, 2008