Investment Policy Statement

I. Introduction

The Canine Concierge Corporation Nonprofit Fund (hereinafter referred to as the "Fund") was created to provide perpetual financial support to Canine Concierge Corporation (the "Institution"). The purpose of this Investment Policy Statement is to establish guidelines for the Fund's investment portfolio (the "Portfolio"). The statement also incorporates accountability standards that will be used for monitoring the progress of the Portfolio's investment program and for evaluating the contributions of the manager(s) hired on behalf of the Fund and its beneficiaries.

II. Role of the Investment Committee

The Investment Committee (the "Committee") is acting in a fiduciary capacity with respect to the Portfolio and is accountable to the Board of Canine Concierge Corporation and to the Executive Committee, for overseeing the investment of all assets owned by, or held in trust for, the Portfolio.

A. This Investment Policy Statement sets forth the investment objectives, distribution policies, and investment guidelines that govern the activities of the Committee and any other parties to whom the Committee has delegated investment management responsibility for Portfolio assets.

B. The investment policies for the Fund contained herein have been formulated consistent with the Institution's anticipated financial needs and in consideration of the Institution's tolerance for assuming investment and financial risk, as reflected in the majority opinion of the Committee.

C. Policies contained in this statement are intended to provide guidelines, where necessary, for ensuring that the Portfolio's investments are managed consistent with the short-term and long-term financial goals of the Fund. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions and in the financial circumstances of the Institution.

D. The Committee will review this Investment Policy Statement at least once per year. Changes to this Investment Policy Statement can be made only by affirmation of a majority of the Committee, and written confirmation of the changes will be provided to all Committee members and to any other parties hired on behalf of the Portfolio as soon thereafter as is practical.

III. Investment objective and spending policy

A. The Fund is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the Institution.

B. For making distributions, the Fund shall make use of a total-return-based spending policy, meaning that it will fund distributions from net investment income, net realized capital gains, and proceeds from the sale of investments.

C. The distribution of Fund assets will be permitted to the extent that such do not exceed a level that would erode the Fund's real assets over time. The Committee will seek to reduce the variability of annual Fund distributions by factoring past spending and Portfolio asset values into its current spending decisions. The Committee will review its spending assumptions annually for the purpose of deciding whether any changes therein necessitate amending the Fund's spending policy, its target asset allocation, or both.

D. Periodic cash flow, either into or out of the Portfolio, will be used to better align the investment portfolio to the target asset allocation outlined in the asset allocation policy in Section.

IV. Portfolio investment policies

A. Asset allocation policy:

1. The Committee recognizes that the strategic allocation of Portfolio assets across broadly defined financial asset and sub asset categories with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and Portfolio asset value stability.

2. The Committee expects that actual returns and return volatility may vary from expectations and return objectives across short periods of time. While the Committee wishes to retain flexibility with respect to making periodic changes to the Portfolio's asset allocation, it expects to do so only in the event of material changes to the Fund, to the assumptions underlying Fund spending policies, and/or to the capital markets and asset classes in which the Portfolio invests.

3. Fund assets will be managed as a balanced portfolio composed of two major components: an equity portion and a fixed income portion. The expected role of equity investments will be to maximize the long-term real growth of Portfolio assets, while the

role of fixed income investments will be to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of equity investments.

4. Cash investments will, under normal circumstances, only be considered as temporary Portfolio holdings and will be used for Fund liquidity needs or to facilitate a planned program of dollar-cost averaging into investments in either or both equity and fixed income asset classes.

B. Asset Allocation Guidelines:

Outlined below are the long-term strategic asset allocation guidelines determined by the Committee to be the most appropriate, given the Fund's long-term objectives and short-term constraints. Portfolio assets will, under normal circumstances, be allocated across broad asset and sub asset classes in accordance with the following guidelines:

- Equities: Allowable Range- Minimum 20%; Maximum 70% of total assets.
  - The equity component of the portfolio will consist of low-cost index funds and ETFs traded on the New York, NASDAQ, or American Stock.
  - Prohibited equity investments include initial public offerings, restricted securities, private placements, derivatives, options, futures and margined transactions.

- Fixed Income: Allowable Range- Minimum 30%; Maximum 80% of total assets. Bond investments will consist solely of taxable, fixed income securities that have an investment-grade rating (BBB or higher by Standard & Poor's and Baa or higher by Moody's) that possess a liquid secondary market. No more than 5% in corporate bonds of the same issuer and no more than 20% invested in bonds of issuers in the same industry.

  - Prohibited securities: private placements, derivatives, margined transactions, foreign denominated bonds.

B. Diversification policy:

1. Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses over long time periods. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the Committee will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:

   a) Except for fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Portfolio assets.

   b) With respect to fixed income investments, the Portfolio may not allocate more than 10% to investments that are below investment grade (Standard & Poor's BBB or Moody's Baa or higher).

C. Rebalancing:

It is expected that the Portfolio's actual asset allocation will vary from its target asset allocation because of the varying periodic returns earned on its investments in different asset and sub- asset classes. The Portfolio will be rebalanced to its target normal asset allocation under the following procedures:

1. The investment manager will use incoming cash flow (contributions) or outgoing money movements (disbursements) of the Portfolio to realign the current weightings closer to the target weightings for the Portfolio.

2. The investment manager will review the Portfolio semiannually (June 30 and December 31) to determine the deviation from target weightings. During each semiannual review, the following parameter will be applied: a) If any asset class (equity or fixed income) within the Portfolio is +/–5 percentage points from its target weighting, the Portfolio will be rebalanced.

3. The investment manager may provide a rebalancing recommendation at any time.

4. The investment manager shall act within a reasonable period to evaluate deviation from these ranges. D. Prohibited Investment policies:

1. Purchasing securities on margin or executing short sales.

2. Pledging or hypothecating securities, except for loans of securities that are fully collateralized.

3. Purchasing or selling derivative securities for speculation or leverage.

4. Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of their Portfolio.

V. Performance Measurements Standards

The Committee will monitor the Portfolio's investment performance against the Portfolio's stated investment objectives. The benchmarks to be used in evaluating the performance of the two main asset classes will be:

- Equities: S&P 500 Index- Goal: exceed the average annual return of the index over a full market cycle (3-5 years)

- Fixed Income: Lehman Brothers Government/Corporate Index- Goal: exceed the average annual return of the index over a full market cycle (3-5 years).

VI. Expenditure Considerations

The Board of Directors and the Finance Committee are responsible for the establishment of a balanced reserve fund spending policy to:

- ensure that over the medium-to-long term, sufficient investment return shall be retained to preserve and grow its economic value.

- provide funds for the annual operating budget in an amount which is not subject to large fluctuations from year-to-year to the extent possible

A. Reserve Fund Expenditures
Each year, the nonprofit is authorized to withdraw up to 5% of the total market value of the reserve investment account for the organization's operating purposes. Using a three-year market value average will help to even out any fluctuations that may occur in the value of the account. The dollar amount and timing of any distribution(s) from the investment account will be left up to the discretion of the Chief Executive Officer and the Treasurer.

B. In keeping with the Portfolio's overall long-term financial objective, the Committee will evaluate Portfolio and manager performance over a suitably long-term investment horizon, generally across full market cycles or, at a minimum, on a rolling five-year basis.

C. Investment reports shall be provided by the investment manager(s) on a (calendar) quarterly basis or as more frequently requested by the Committee. Each investment manager is expected to be available to meet with the Investment Committee once per year to review portfolio structure, strategy, and investment performance.

VII. Donor Restrictions

In all instances, donor intent shall be respected when decisions are rendered concerning the investment or expenditure of donor restricted funds. If a donor, in the gift instrument, has directed that appreciation is not spent, Canine Concierge Corporation shall comply with that directive.

CANINE CONCIERGE℠

ON-DEMAND SMILE DELIVERY

REGISTERED & CERTIFIED ANIMAL-ASSISTED THERAPY (AAT) DOGS

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