

Investment Policy
for
USA Swimming, Inc. (“USA Swimming”)

**Adopted via Board of Directors approval 5/4/2025 as recommended by the
Investment Committee and Investment Advisor**

Introduction

The purpose of this Investment Policy (this “Policy”) is to provide guidelines for the prudent management of USA Swimming’s investments (the “Portfolio”) and is intended to assist USA Swimming’s Board of Directors (the “Board”) in supervising and monitoring the Portfolio. A principal goal of this Policy is to ensure the creation and implementation of a sound long-term investment strategy. The Policy defines USA Swimming’s investment objectives and the responsibilities of and standards applicable to those involved in the investment and management of the Portfolio.

This Policy is not intended to constitute a legally binding agreement between USA Swimming and Investment Adviser or Investment Manager(s). Any agreement with Investment Adviser or Investment Manager(s) with respect to the Policy would be pursuant to a separate, written agreement with such party. It is recognized that from time to time the Board’s attitudes, expectations and objectives may change. Therefore, this Policy is intended to be used as a guideline rather than a rigid statement of policy from which there can be no deviation. This Policy is intended to be a summary of an investment philosophy and the procedures that provide guidance for USA Swimming, the Board, Investment Committee, Investment Adviser, and Investment Manager(s).

USA Swimming’s Mission and Portfolio

USA Swimming was established in 1981, as a non-profit corporation under the laws of the State of Colorado and is governed by the Board. USA Swimming has been recognized by the Internal Revenue Service as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) and is classified as a public charity. USA Swimming’s mission is to promote the culture of swimming by creating safe and healthy opportunities for athletes and coaches of all backgrounds to participate and advance in the sport through clubs, events and education. As the National Governing Body for the sport of swimming in the United States, USA Swimming administers competitive swimming in accordance with the Ted Stevens Olympic & Amateur Sports Act. USA Swimming provides programs and services for its members, supporters, affiliates, and the interested public. The organization values these members of the swimming community, and the staff and volunteers who serve them.

The Portfolio consists of funds to support USA Swimming’s future operations, serve as a resource during economic downturns and provide an additional source of support for USA Swimming. The Portfolio is designed to ensure long-term financial security to USA Swimming and to provide a source of funding for USA Swimming’s activities, programs, and operating expenses.

Investment Objectives

The Portfolio shall be invested with the objective of preserving the long-term real purchasing power of USA Swimming’s assets while seeking an appropriate level of investment return. More specifically, USA Swimming’s investment objectives and constraints for the Portfolio include the following:

- Preservation of Purchasing Power. USA Swimming aims to at least preserve the real purchasing power of its assets over time by seeking returns on its investments that are in

excess of the spending rate (described in the ‘Spending Policy’ section below) and the rate of inflation.

- Long-Term Growth. USA Swimming seeks to achieve growth in its assets in excess of inflation by emphasizing long-term investment fundamentals in structuring its investments.
- Time Horizon. USA Swimming intends to invest for the long-term, with the total return on the Portfolio evaluated on a five-year rolling basis. It is recognized that not every five-year period will meet USA Swimming’s objectives, but USA Swimming aims to attain its objectives over a series of five-year periods. USA Swimming will monitor shorter-term investment results and trends while focusing on long-term results.
- Risk Tolerance. USA Swimming seeks to control risk and reduce the volatility in its Portfolio through diversification. However, short-term volatility is characteristic of the securities markets and will be tolerated if such volatility is consistent with the volatility of similar investment portfolios (such as the volatility of performance benchmarks, described below). USA Swimming recognizes and acknowledges that some risk must be assumed in order to achieve the long-term investment objectives of the Portfolio. In establishing its risk tolerance, USA Swimming’s ability to withstand short- and intermediate-term variability is evaluated by the Investment Committee.
- Liquidity Requirements. USA Swimming seeks to maintain adequate liquidity to meet its obligations, including planned expenditures. The organization’s Chief Financial Officer (CFO) and Board of Directors Vice Chair, Fiscal Oversight will inform the Investment Adviser (as defined below) of any anticipated need for liquidity as such need becomes known. The Investment Adviser will presume no liquidity needs other than those provided by this Policy or the CFO/Board of Directors Vice Chair, Fiscal Oversight.

Responsibilities

The Board, or such members of the Board as so designated, has responsibility for investing and managing the Portfolio as well as the responsibility for establishing and modifying this Policy, including establishing the asset allocation for the Portfolio. The Board has delegated to the Investment Committee these responsibilities, but ultimate approval remains with the Board.

The Investment Committee, USA Swimming’s designated staff, USA Swimming’s investment adviser (the “Investment Adviser”), and the investment managers (the “Investment Managers”) are charged with implementing this Policy. Their respective responsibilities are set forth below.

Investment Committee

The Investment Committee is responsible for:

- Establishing, reviewing periodically, and modifying this Policy and its appendices from time to time.
- Setting the asset allocation targets and ranges for the Portfolio, and modifying them from time to time.
- Implementing this Policy, with input from USA Swimming staff and the Investment Adviser.
- Overseeing the Portfolio’s assets and reporting on the status of the Portfolio to the Board at least two times a year.
- Engaging the Investment Adviser to assist the Investment Committee in carrying out its investment responsibilities and to implement the investment strategy and decisions of the Investment Committee.

- Continuing or terminating the Investment Adviser and monitoring its performance.
- Monitoring the fees and other expenses associated with the management and administration of Portfolio.

Any applicable updates or changes within the above move be reviewed and approved by the Board.

Investment Adviser

The Investment Adviser is responsible for:

- Monitoring the investment environment and regularly communicating with the Investment Committee concerning issues that may impact the Portfolio.
- Guiding the Investment Committee with respect to the strategic asset allocation.
- Implementing rebalancing on a periodic basis or when otherwise appropriate.
- Implementing the Portfolio's asset allocation through the selection, continuation, and termination of Investment Managers.
- Selecting, continuing, or terminating Investment Managers based on appropriate criteria, including the following: investment philosophy, historical performance, experience of key personnel, and financial viability or changes in these factors. In selecting each Investment Manager, the Investment Adviser will take reasonable measures to assess the independence of the Investment Manager, including any conflicts of interest that the Investment Manager may have. (This Investment Manager selection responsibility also includes the ongoing monitoring of the Investment Managers for adherence to this Policy and his, her, or its stated investment strategy.)
- Reviewing Investment Managers, establishing the scope and terms of the delegation to Investment Managers, and monitoring their performance and compliance with the scope and terms of the delegation.
- Monitoring, analyzing the performance of, and recommending performance benchmarks for each Investment Manager.
- Preparing investment reports at least quarterly for the Investment Committee's review that contain the information necessary for the Investment Committee to exercise its judgment and carry out its investment responsibilities prudently.
- Attending meetings in person or by telephone conference with the Investment Committee and USA Swimming's staff as requested.
- Providing necessary information to and cooperating with the Investment Committee, USA Swimming staff, and USA Swimming's external auditors.
- Providing feedback regarding changes to this Policy when requested by the Board or the Investment Committee and proposing corresponding amendments to the relevant account documents, if necessary.

Investment Managers

Each Investment Manager is responsible for:

- Adhering to the investment strategy for which the Investment Manager was selected.
- Acting in accordance with the standard of care and restrictions on investment management set forth in this Policy.

- Preparing quarterly written statements, including a summary of the actions taken with respect to USA Swimming's assets under management.
- To the extent that the Investment Manager is authorized and directed by the Investment Committee, voting all proxies for USA Swimming's securities.
- Taking reasonable steps to promptly communicate significant changes in the Investment Manager's firm to the Investment Adviser, including: changes in senior management or high-level personnel; changes in the Investment Manager's ownership; and changes in the Investment Manager's investment strategy and/or style.
- Taking reasonable steps to promptly report to the Investment Adviser any violation of this Policy, and any material adverse determinations against the firm or its principals, either by a court, the Securities Exchange Commission, or any other regulatory authority.

Guidelines on Prudent Investing

Standard of Care

Each person responsible for managing and investing USA Swimming's assets will do so in good faith with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and will consider both the purposes of USA Swimming and the goals of the Portfolio.

A person with special skills or expertise, or selected in reliance upon his or her representation that he or she has special skills or expertise, will use those skills or that expertise in managing and investing USA Swimming's Portfolio.

In managing the Portfolio, USA Swimming will incur only those costs that are appropriate and reasonable in relation to the Portfolio, the purposes of USA Swimming, and the skills available to USA Swimming. USA Swimming will use reasonable efforts to verify facts relevant to the management and investment of the Portfolio.

Prudence Considerations

In managing and investing the Portfolio, the following factors, if relevant, will be considered:

- general economic conditions;
- the possible effect of inflation or deflation;
- the expected tax consequences, if any, of investment decisions or strategies;
- the role that each investment or course of action plays within the overall Portfolio;
- the expected total return from income and the appreciation of investments;
- other resources of USA Swimming;
- the needs of USA Swimming and of particular funds in the Portfolio to make distributions and to preserve capital;
- an asset's special relationship or special value, if any, to the purpose of USA Swimming;
- the requirement of diversification;
- liquidity considerations;
- the impact of management or administration costs; and
- risk management
- the relationship between the Investment Manager and the Investment Advisor

Management and investment decisions about an individual asset will be made not in isolation but rather in the context of the Portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the Portfolio and USA Swimming.

USA Swimming will diversify the assets in the Portfolio unless it prudently determines that, because of special circumstances, the Portfolio is better served without such diversification.

Delegation Standards

The Investment Committee will delegate to the Investment Adviser the management and investment of the Portfolio to the extent that it can prudently delegate under the circumstances, and will act in accordance with the standard of care described above in selecting, continuing, or terminating the Investment Adviser, establishing the scope and terms of the delegation, and monitoring the Investment Adviser's performance and compliance with the scope and terms of the delegation.

The Investment Committee will take reasonable measures to assess the independence of the Investment Adviser, both before and after the Investment Adviser is engaged. Investment Advisers will be selected based on competence, experience, past performance, and proposed compensation, without regard to business or personal relationships. Any actual or potential conflicts of interest possessed by a member of the Board or the Investment Committee must be disclosed and resolved in accordance with USA Swimming's conflict of interest policy.

Spending Policy

USA Swimming's spending policy is consistent with its investment objective of achieving long-term real growth in its assets. In order to achieve such long-term real growth, USA Swimming's expenditures should be less than USA Swimming's total inflation-adjusted return on investments. The Board (via its annual budget approval) will establish an annual spending policy which is consistent with USA Swimming's long-term investment objectives.

Asset Allocation

The Investment Committee will establish in writing USA Swimming's asset allocation, including minimum and maximum allocations for each asset class in the Portfolio, and will modify it from time to time, with recommendations from the Investment Adviser. The current asset allocation for USA Swimming is attached to this Policy as Exhibit A.

The Investment Committee will seek to achieve a diversified Portfolio, unless it prudently determines that, because of special circumstances, the Portfolio or a particular fund or funds within the Portfolio are better served without diversification.

Rebalancing and Cash Flows

The Investment Adviser should consider rebalancing at least once a quarter or more frequently, if necessary (e.g., large market moves). Rebalancing of the Portfolio may be delayed if, for example, prevailing market conditions are such that rebalancing may be detrimental to USA Swimming's long-term goals for the Portfolio.

The Investment Committee will identify the destination of all cash flows, including additional contributions to USA Swimming's assets, consistent with this Policy. USA Swimming's net cash flows may be used to implement the rebalancing activities in order to minimize transaction costs.

Performance Goals

Performance benchmarks are used by the Investment Committee to properly measure and evaluate the success of the Investment Adviser. The performance benchmarks selected by the Investment Committee (with recommendations from the Investment Adviser) should be representative of USA Swimming's long-term return objectives and risk tolerance and be calculated over the same time period as the returns on the Portfolio with which the performance benchmark is being compared. These performance benchmarks are intended as targets only and are no guarantee or assurance of the performance of any investment or of the Portfolio.

Reporting and Oversight

The Investment Committee will meet quarterly to review the reports of the Investment Adviser and the Investment Managers, and to evaluate the performance of the Portfolio and adherence by the Investment Adviser and the Investment Managers to this Policy. The performance of the Portfolio will be measured relative to appropriate and agreed upon performance goals (described above). The CFO and or Investment Committee will also make periodic reports to the Board regarding USA Swimming's investment performance.

Revisions

The Investment Committee will review this Policy periodically and recommend revisions to the Board for approval as needed. In conducting such review, the Investment Committee may consult with the Investment Adviser regarding the performance of USA Swimming's investments, the current asset allocation, USA Swimming's overall investment strategy, general economic and market conditions, and any other relevant information that may bear on this Policy.

EXHIBIT A

Asset Allocation

Asset Class / Subasset Class	Lower Limit	Target Allocation	Upper Limit
Investment Grade Fixed Income	10.5%	25.5%	40.5%
Other Fixed Income	0%	7.5%	17.5%
US Equity	24.5%	34.5%	44.5%
Non-US Equity	0%	8.5%	18.5%
Private Equity	0%	24%	39%