The Marguerite L. Storch Memorial Garden Fund
Statement of Purpose and Investment Objectives and Policies

Purpose:
The fund was formed June 11, 1998 by agreement by and between Howard L. Storch and the Kenilworth Park District with an initial First National Bank of Chicago stock gift of approximately $1 million.

The Principal of the Gift is to be held for investment. The income is to be distributed and may be additive to the beautification budget of the Park District for its properties, not reducing the otherwise planned budget of the Park District, for beautification purposes. Any income that is not used for such purposes, may be either (a) accumulated and used in future years for such purposes or (b) distributed to Sears School, to be used to supplement the School's budget for programs to assist students with disabilities or "differences", as the Park District determines in its sole and absolute discretion.

Investment:
The original **Principal** value will be held in a separate account (Principal Fund). **Income** that is not utilized in the current year, will be held and invested in a separate account (Accumulated Distributions Portfolio).

The investment of the Principal Fund is to be made by the Park District in a "prudent manner". The donor *requests, but does not require*, the funds to be invested in a "diversified portfolio" of financial assets. The donor suggests utilizing assets of the "highest quality rating" which pay a "relatively high current income". The donor also stresses that it is desirable to produce sufficient appreciation to "keep pace with inflation".

Presently, the board seeks, within the context of the current investment environment and relative to generally acceptable fund management benchmarks for other exemplary endowment funds, to achieve quality, diversification, income, and appreciation goals that are balanced between these objectives. The Park District has entered into an agreement with Hartline Investment Corp. to manage the investments accordingly on a discretionary basis.

The second portfolio represents the Accumulated Income from the Principal portfolio, will be similar, with a greater focus on growth in the principal to preserve the purchasing power of the funds. The secondary goal will be current income and to provide stability of the assets. The initial asset mix ranges provided are as follows:

Asset Mix: **Principal Fund**

Asset Type	Minimum	Maximum	Target
Equities	40%	60%	50%
Real Estate (REIT)	0%	20%	5%
Fixed Income	20%	60%	40%
Money Market	0%	30%	5%

Asset Mix: **Accumulate Distributions Fund**

Asset Type	Minimum	Maximum	Target
Equities	50%	70%	60%
Real Estate (REIT)	0%	20%	10%
Fixed Income	0%	50%	25%
Money Market	0%	30%	5%

Whereas **Equities** generally provide both capital appreciation potential and dividend income and can be diversified by size, economic sector, domestic and international location, and degree of established business record, equities are most appropriate for the objectives.

Real Estate (publicly traded equity real estate investment trusts) is traded on the U.S. stock exchanges and represents high quality liquid assets that provide a balance between the high income that properties provide and a modest appreciation potential as well as being linked to inflation through asset pricing.

Fixed Income investments are focused on income generation, but no capital appreciation and are available from diversified issuers including governments and corporations. The investments in fixed income will be limited to Investment Grade securities as being the "highest quality" in today's context. Bonds also act to buffer the portfolio from volatility.

Money Market securities are highly liquid short-term fixed or variable income securities that provide both money available for distribution and for use as a safe harbor in turbulent times for protection of principal and to provide strategic funds available for opportunistic purchases in the other asset categories. The 5% target level is current set somewhat above the current anticipated overall account income generation expectation and be adjusted accordingly in the future.

Investments will be reviewed at the frequency and discretion of the Commissioners relative to several variables to evaluate that the character of the portfolio reflects the intent of the Board.