



# INVESTMENT POLICY

East Georgia State College Foundation, Inc. 6/25/2018

## Investment Policy

### I. Objectives

Endowment and other long term funds should be invested in accordance with prudent investor fiduciary standards and the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The main objectives of the East Georgia State College long-term investment fund are to preserve the principal so that future needs can be met, while at the same time providing resources for scholarships and other programs.

Each year approximately 5% of the average market value of endowed funds from 3 previous fiscal year-ends may be distributed for funding of scholarships. The percentage is a discretionary amount that will be periodically reviewed by the Foundation, recognizing the objectives of the long-term fund. The amount distributed by the Foundation for scholarship can be increased/decreased year to year based on performances of the market and overall market conditions, as well as donor requests. Any exception to the 5% and 3 year standards will require

approval of a majority of trustees. At no time will the foundation spending encroach upon the corpus of endowed funds.

## II. Investment Guidelines

- A. The investment objective will be to emphasize long-term capital appreciation and growth of income and specifically to increase the principal value at a rate equal to or greater than the rate of inflation as measured by the consumer price index.
- B. The overall character of the portfolio should be one of above average quality, possessing at most an average degree of investment risk.

## III. Asset Allocation

- A. The equity portion shall range between 50-70% of the total portfolio and have the following characteristics:
  - 1. High overall quality
  - 2. Reasonable diversification
- B. The fixed income (bond) portion of the portfolio is expected to range between 30-50% of the total portfolio and have the following characteristics: (Realizing that mutual funds may have different percentages of bonds in their portfolio)
  - 1. High quality with most issues rated at least "BAA" or higher by Moody's and/or at least "BBB" by Standard & Poor.
  - 2. Well diversified as to issue and maturity.
  - 3. Maturities should generally be of short to intermediate length but may emphasize shorter or longer maturities depending on yield differentials.
- C. Reserves shall comprise the balance of the fund and should be invested in high quality money market instruments.

## IV. Management, Reporting, and Monitoring

The investment advisor will have full discretion to make investment decisions for the assets placed under its jurisdiction while observing and operating within the objectives and guidelines described above. It is understood that with portfolio managers, we will concede to their judgement in managing a fund. The advisor is responsible for:

- 1. Reporting quarterly investment performance results on a timely basis,
- 2. Communicating any major changes to economic outlook, investment strategy, or other factors which affect implementation of investment process,
- 3. Informing the investment committee of any qualitative changes to the Investment Advisor's organization.

V. The Investment Committee

The investment committee shall be charged with reviewing the portfolio performance, investment advisors and asset allocation. Furthermore, the committee shall review the investment policy annually and advise the Foundation accordingly. This will include evaluation of analysis of scholarship funding levels.

The investment committee shall be comprised of no less than five members of the Foundation Trustee Board, including the chairman of the Foundation. The EGSC President, Vice President for Business Affairs, and Vice President of Institutional Advancement will serve as ex-officio members. Any members of the Foundation Trustees will always be welcome at meetings. The investment committee will meet a minimum of two times annually, once in the last quarter of the calendar year and once in the second quarter of the calendar year and provide an annual report to the Foundation Trustees. Meeting minutes will be kept and distributed by the Vice President of Institutional Advancement. Financial information will be disseminated by the Vice President of Business Affairs. An investment committee chairman shall be elected by the committee. Additional meetings may be requested by any member as market conditions dictate.

VI. The investment committee will be bound by the Conflict of Interest policy of the EGSC Foundation Board of Directors.