

GEORGIA COLLEGE & STATE UNIVERSITY FOUNDATION INVESTMENT OBJECTIVES, PHILOSOPHY, AND POLICIES

PURPOSE

The purpose of this statement is to set forth the investment objectives, philosophy, and policies governing the investment management of the endowed assets of the Georgia College & State University Foundation Endowment Fund, herein referred as "the portfolio." The policy set out herein refers only to the portfolio.

OBJECTIVES

- A. The management objective is to preserve and to enhance the purchasing power of the portfolio while providing distributions as exclusively set out in the spending policy attached hereto and made a part hereof.
- B. The investment objective shall be to generate long-term average total returns equal or superior to the market as measured by the Standard & Poor's 500 and other applicable indices to be determined by the Investment Committee (the "Committee") weighted in accordance with the Asset Allocation Guideline utilized during the period. The level of risk assumed in the pursuit of this investment objective should be commensurate with the weighted average risk of the indices.

PHILOSOPHY

The portfolio shall be diversified in such a manner as prudence would indicate in accordance with Uniform Prudent Management of Institutional Funds Act (UPMIFA), throughout time among a variety of investment vehicles determined by the Committee. The purpose of the diversification is to provide reasonable assurance that no single security will have a significant negative impact on the market value of the total portfolio.

POLICIES

- A. Equities:
 - 1. To achieve diversification the Foundation shall invest across various equity styles, foreign and domestic, and various capitalization sizes and industry sectors. The portfolio shall be diversified among different industries, with a concentration in any single industry and in any single company of not greater than twenty (20) percent and five (5) percent respectively, unless specifically approved as an exception by the

Investment Committee. Futures and derivatives as investments shall not be used except by majority vote of the Committee.

2. The maximum equity target shall be defined by the Committee and communicated to the investment manager in the form of an Asset Allocation Guideline. The Committee may alter the equity target by providing a newly executed Asset Allocation Guideline to the investment manager.
3. Upon specific approval by the Committee, investments in income-producing real estate shall be permitted and shall be treated as an equity investment.
4. The portfolio shall be invested in accord with the Asset Allocation guideline as set out below. The Investment Committee may modify these guidelines at any time by a majority vote. The manager(s) shall be required to rebalance the portfolio every January.

Asset Allocation Guideline

Cash and Cash Equivalent	1-15%
Fixed Income	25-35%
Equities	50-70%
Domestic	70-100%
International	0-30%
Large Cap	35-55%
Mid Cap	15-35%
Small Cap	5-15%
Alternative Investments	0-15%

B. Fixed Income:

1. Fixed income investments shall be limited to government, government agency, and corporate instruments having minimum investment grade credit ratings of "Baa" by Moody's, "BBB" by Standard & Poor's, unless specifically approved as an exception by the Committee.
2. Except for government and agency issues, no more than ten (10) percent of the market value of the portfolio should be invested in any one issue, nor more than twenty (20) percent of the market value in any one industry, unless specifically approved as an exception by the Committee.

C. Cash Equivalents:

1. Cash reserves may be invested in money market mutual funds, bank deposits, or bank common trust funds designed for such purposes. Cash

and equivalent vehicles have an objective of absolute preservation of principal with no more than nominal fluctuation in principal market value.

D. Alternative Investments:

1. Alternative investments can be considered as an asset class. They may include investment vehicles such as hedge funds, hedged strategies, private and/or public equity real estate, energy and natural resources, private equity, and other investment strategies whose underlying securities are traded on public exchanges or are otherwise readily marketable. No more than 15% of the total market value of the entire portfolio shall be invested in alternative investments as defined above.

E. Other Policies:

1. The investment manager and/or custodian shall be permitted to rely upon verbal or written instructions from those individuals authorized by the Committee. The authorized individuals who shall issue instructions and convey these policies to the investment manager(s) shall be the chair of the Committee and the Executive Director of the Foundation. Verbal instructions shall be acknowledged or confirmed in writing. Such instructions shall be deemed to be those of the Committee.

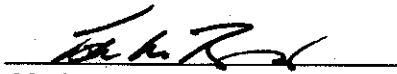
F. Investment Management:

1. The investment manager(s)'s performance shall be compared regularly with the performance of the appropriate equity or fixed income market indices, performance of peers, industry benchmarks and other reasonable peer performance guidelines
 - a. Equity management will be expected to achieve at least average total rates of return, net of fees, over rolling three (3) year periods that equal or exceed the rates of return of the applicable indices.
 - b. Fixed income management will be expected to achieve at least average total rates of return, net of fees over rolling three (3) year periods that equal or exceed the Shearson Lehman Government Corporate Bond Index.
2. The investment manager(s) can be responsible for custody of securities. If the investment manager does not generally offer custodial services, the Committee shall name a custodian.
3. All transactions shall be entered into on the basis of best execution, which means best-realized net price.

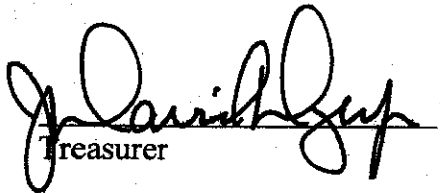
4. The Investment Committee shall conduct regular evaluations of the investment manager(s). Notwithstanding the foregoing, a formal request for proposals (RFP) shall be issued to the current investment manager(s), custodians and no fewer than three (3) qualified managers at an interval of not more than five (5) years from date of hire.
5. If at any time during the management of the portfolio, a realized loss of 25 basis points or more against the total portfolio value is realized, the investment manager(s) shall notify the Executive Director within two (2) business days of the realized loss.
6. The Committee shall conduct a formal review of the portfolio performance quarterly with the investment manager(s).

Adopted by the Finance Committee on November 7, 1995
Adopted by the Board of Trustees on November 17, 1995
Amended by the Investment Committee on January 16, 2002
Adopted by the Board of Trustees on October 4, 2002
Adopted by the Investment Committee on April 29, 2005
Adopted by the Board of Trustees on July 12, 2005
Adopted by the Investment Committee on July 17, 2006
Adopted by the Investment Committee on April 17, 2008
Adopted by the Board of Trustees on June 20, 2008
Adopted by the Investment Committee on January 26, 2011
Adopted by the Board of Trustees on February 24, 2011

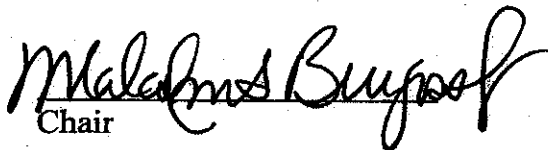
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