

INVESTMENT POLICY STATEMENT

FOR

ALBANY STATE UNIVERSITY FOUNDATION

TABLE OF CONTENTS

I.	INTRODUCTION.....	3
II.	PURPOSE.....	3
III.	ROLES AND RESPONSIBILITIES	4
IV.	INVESTMENT OBJECTIVES – LONG TERM FUNDS.....	5
V.	INVESTMENT OBJECTIVES – OPERATING RESERVE FUNDS	5
VI.	ASSET ALLOCATION.....	6
VII.	APPROVED INVESTMENTS	7
VIII.	ADJUSTMENT TO THE TARGET ALLOCATION	8
IX.	BENCHMARKS.....	8
X.	RESTRICTIONS ON PERMITTED INVESTMENTS.....	8
XI.	EVALUATION AND REVIEW	8
XII.	COMMUNICATIONS AND CLIENT SERVICE	9
XIII.	COORDINATION WITH FOUNDATION DOCUMENTS	9

ABC COLLEGE FOUNDATION INVESTMENT POLICY STATEMENT

I. INTRODUCTION

Albany State University Foundation, Inc. (“the Foundation”) is a nonprofit organization established and maintained as a 501(c)(3) organization in accordance with the Internal Revenue Code.

II. PURPOSE

The purpose of this Investment Policy Statement (“IPS”) is to establish a clear understanding of the investment objectives and policies applicable to the Foundation’s long term and operating reserve investments (the “Assets”). This IPS is not a contract but is intended to be a summary of an investment philosophy that provides guidance for the Foundation and appointed investment manager or managers (“Investment Manager”).

This IPS will:

- Outline the Foundation’s goals and provide the framework for a disciplined approach to investing;
- Establishes reasonable expectations, objectives and guidelines for the investment of the Assets;
- Set forth an investment structure detailing permitted asset classes and expected allocation among asset classes;
- Create a well-diversified asset mix that can be expected to generate acceptable long-term returns consistent with the Foundation’s risk tolerance and time horizon;
- Establish the criteria for monitoring performance of the Assets; and
- Encourage effective communication between the Foundation’s Board, Investment Committee and Investment Advisor(s).

This IPS will also provide a set of general guidelines that will define the roles and responsibilities of the Foundation, the Investment Committee and the Investment Advisor. The guidelines and objectives contained herein are broad in scope; more detailed information may be required for designated accounts with specific operational needs.

It is the Foundation’s intent to create an IPS that promotes sound and prudent management of the Assets in accordance with the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), adopted by the State of Georgia, and any other such laws and regulations that may apply now or in the future to the prudent investment of assets and the application of an appropriate spending policy for the Foundation.

III. ROLES AND RESPONSIBILITIES

A. THE INVESTMENT COMMITTEE

The Foundation, through its by-laws, has created an Investment Committee (the Committee”) which is charged with the responsibility of overseeing and monitoring the investment of all Assets under its stewardship. The Committee shall monitor adherence of the Investment Advisor to this IPS and any such laws and regulations that may apply now or in the future to the prudent investment of assets. The Committee shall be composed of not less than three and not more than seven members of the Board of Trustees of the Foundation, in addition to the President of the Board and President of the College.

The Committee will review this IPS at least annually to ensure that it still reflects the needs and circumstances of the Foundation. The IPS may be amended from time to time by the Foundation after consideration of the advice and recommendations of the Committee and Investment Advisor. Any modifications of this IPS, including changes to spending policies, shall be promptly communicated to the Board and the Investment Advisor.

B. THE INVESTMENT ADVISOR

Upon the recommendation of the Committee, the Foundation may delegate some or all of its responsibility for managing the Foundation’s Assets to one or more Investment Advisors, duly appointed by the Board and selected with care in accordance with the Foundation’s by-laws and all applicable laws. Investment Advisors selected by the Foundation must be either (1) registered under the Investment Company Act of 1940, (2) registered under the Investment Advisors Act of 1940, (3) a bank, as defined in that Act, (4) an insurance company qualified under the laws of more than one state to perform the services of managing acquiring or disposing of the Foundation’s assets, or (4) such other person or organization authorized by applicable law or regulation to function as an investment manager.

The Investment Advisor shall have full discretion in managing the Assets in accordance with this IPS, as may be amended periodically. The Investment Advisor shall be specifically responsible for:

- Assisting the Foundation in developing an appropriate investment policy based on the Foundation’s needs, objectives, and risk tolerance, and making appropriate recommendations to the Committee for modifying any provisions of this IPS;
- Reviewing the appropriateness of specific investment strategies for the Assets;
- Identifying and selecting specific investment managers for each approved asset class;
- Managing and rebalancing asset allocations to selected investment strategies and managers;

- Monitoring and reporting on the performance of the total portfolio, all asset classes and investment managers;
- Preparing and presenting appropriate investment performance reports;
- Meeting with the Committee at least annually, and at other times deemed necessary at the Foundation's request; and
- Recommending and implementing changes to any of the above.

IV. INVESTMENT OBJECTIVES – LONG TERM FUNDS

The primary investment objective of these Assets are to provide long term growth of principal to meet the Foundation's current and future spending obligations and to protect the Assets from the long term effects of inflation. Another objective is to prudently manage risk by fully diversifying the Assets to achieve lower overall portfolio volatility..

A. TIME HORIZON

The Foundation's expected time horizon for these funds is in excess of ten years. The Foundation recognizes the possibility of principal loss due to the fluctuation of asset values over shorter periods of time. However, historical asset class return data suggests that the risk of principal loss over a longer holding period can be minimized with the long-term investment strategy employed under this IPS.

B. RISK TOLERANCE

The Foundation recognizes that higher returns require an acceptance of the potential for higher volatility. The Foundation has indicated a willingness to accept a moderate level of volatility, based on the target allocation of the Assets, in order to optimize total return within an acceptable risk tolerance. In order to reduce volatility, the Assets will be fully diversified across a broad range of approved asset classes, including asset classes with low correlation to traditional asset classes.

V. INVESTMENT OBJECTIVES – OPERATING RESERVE FUNDS

To protect against the impact of potential large market declines on the Foundation's spending, a spending reserve account may be maintained at a level of at least one times the Foundation's annual spending rate in accordance with the Foundation's current spending policy. From time to time, the Foundation will also have a need to invest temporarily restricted and longer term operating reserves. The primary investment objective for these assets is preservation of principal with sufficient income to meet current operating needs.

A. TIME HORIZON

The Foundation's expected time horizon for these funds is one to five years. It is anticipated that liquidity needs will generally be met through maturities and investment income.

B. RISK TOLERANCE

The Assets will be invested with the objective of achieving a stable net asset value with limited principal volatility consistent with permitted investments. The portfolio will have an average duration of one year or less and be limited to short term domestic fixed income investments with a maximum maturity of 3 years. All investments will be highly liquid with readily determinable valuations.

VI. ASSET ALLOCATION – LONG TERM FUNDS

The asset class targets and ranges shown below are the currently approved investment levels consistent with the Foundation's investment objectives. Within each of the major asset classes, sub asset classes and strategies will be deployed to achieve full diversification. The portion of the Assets invested in each asset class and sub-asset class will change periodically to reflect the Investment Advisor's tactical asset allocation strategy so long as it is within the acceptable ranges listed. Any proposed investment changes outside these ranges must be approved by the Investment Committee in writing prior to being implemented.

- A. The portfolio's equity allocation will typically range between 50%-75%, with a target of 65%, and have the following characteristics:
 - 1. Broadly diversified among large, mid and small cap domestic equities, public REITs and international and emerging market equities;
 - 2. Exposure to both growth and value styles.

- B. The portfolio's fixed income allocation will typically range between 10%-30%, with a target of 20%, and have the following characteristics:
 - 1. Allowable investments include investment grade domestic bonds, high yield bonds and dollar and non-dollar denominated global and emerging market bonds;
 - 2. The portfolio will be well diversified as to issuer and maturity;
 - 3. Maturities should generally be intermediate to longer term but may periodically emphasize shorter or longer maturities depending on yield curve differentials;
 - 4. The maximum maturity of any individual issue shall not exceed thirty years

at the time of purchase;

5. The average duration of the portfolio shall not exceed ten years;
 6. The total fixed income portfolio should have an average credit quality rating of investment grade (at least BBB/Baa).
- C. In order to enhance investment results, the Foundation may elect to invest in liquid alternative investment strategies such as hedge funds and commodity/real asset funds that are structured as SEC registered mutual funds. The portfolio's alternative investment allocation will typically range between 0%-25%, with a target of 15%. The following alternative asset classes are permitted investments:
1. Multi-Strategy – Depending on the assignment, investments may be both long and short in various markets, such as stocks, bonds, and currencies. Possible mandates may include: global macro, multi-strategy arbitrage, event arbitrage, distressed arbitrage, and credit/capital secured arbitrage;
 2. Equity Hedge Funds – These portfolios may include both long and short equity investments in various global equity markets;
 3. Credit Long/Short Funds – These portfolios may include both long and short fixed income investments in various global fixed income markets;
 4. Real Assets – The Foundation's only approved strategy is commodity mutual funds that passively track a broad range of commodities.
- D. Reserves for contingencies and asset purchases are expected to comprise the balance of the fund:
5. Cash reserves should be invested at all times in appropriate overnight investment vehicles.
 6. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short term debt instruments rated at least AA+.

VII. APPROVED INVESTMENTS

The following investments and investment vehicles may be utilized for the investment of the Assets: registered mutual funds, exchange traded funds, collective trust funds, unit trusts, separately managed accounts, publicly traded partnerships, registered investment companies, and individual securities that meet the above criteria including, but not limited to, money market instruments, stocks and bonds.. The actual weightings of these investments can and will vary.

VIII. ADJUSTMENT TO THE TARGET ALLOCATION

From time to time, market conditions may cause the portfolio's investments to vary from the established allocations. To remain consistent with the asset allocation guidelines established by this IPS, each broad asset class in which the Foundation invests shall be reviewed regularly by the Investment Advisor for potential rebalancing back to target or initial allocations. The Investment Advisor shall have the flexibility to not rebalance the portfolio back to target or initial allocations based on market conditions, economic events or account activity unless expressly stated in writing by the Foundation.

IX. BENCHMARKS

The objective of the total long term portfolio is to achieve a total return, net of fees, that exceeds a blended benchmark comprising the following indices:

50% Russell 3000 Index
15% MSCI ACWI ex US Index
20% Barclays Capital U.S. Aggregate Bond Index
15% HFRX Global Hedge Index

The objective of the domestic equity portfolio is to achieve a total return, net of fees, exceeding that of the Russell 3000 Index.

The objective of the international equity portfolio is to achieve a total return, net of fees, exceeding that of the MSCI ACWI ex. US Index.

The objective of the fixed income portfolio is to achieve a total rate of return, net of fees, exceeding that of the Bloomberg Barclays U.S. Aggregate Bond Index.

The objective of the alternatives portfolio is to achieve a total rate of return, net of fees, exceeding that of the Hedge Fund Research (HFRX) Global Hedge Index.

X. RESTRICTIONS ON PERMITTED INVESTMENTS

Under normal circumstances, the Foundation will not invest in illiquid assets, defined for this purpose as assets that cannot be liquidated for cash within three months. The Foundation will also not engage in borrowing for purposes of enhancing returns.

XI. EVALUATION AND REVIEW

The objective of the evaluation and review process is to monitor the progress of the Foundation's Assets. Performance will be reviewed by the Foundation quarterly. With a view toward a three to five year performance horizon, the Investment Advisor will review and report to the Foundation, no less often than annually, that:

- The total portfolio of the Fund is achieving its stated objectives;
- The Investment Advisor is performing satisfactorily in relation to both objectives set forth herein and other investment organizations managing similar pools of capital and the recognized market indices;
- The Investment Advisor is adhering to the IPS and its stated objectives; and
- The overall policies and objectives continue to be appropriate, reasonable and achievable.

XII. COMMUNICATIONS AND CLIENT SERVICE

The Investment Advisor shall provide to the Foundation quarterly the following information:

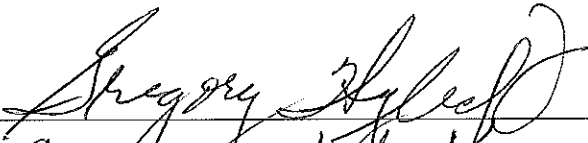
- Portfolio performance results over the most recent quarter and year-to-date basis, and rolling one, three, five and ten year periods (if applicable);
- Performance results of each individual investment or manager for the same periods;
- Performance results of comparative benchmarks and blended benchmarks for the same time periods;
- Performance results calculated on a time-weighted rate of return basis; and
- An overview of the current market environment and the Investment Advisor's current investment strategy.

XIII. COORDINATION WITH THE FOUNDATION'S DOCUMENTS


Notwithstanding any of the foregoing, if any term or condition of this IPS conflicts with any term or condition of the Foundation's by-laws or other governing documents, the terms and conditions of the Foundation's by-laws and governing documents shall control.

APPROVED on March 22, 2019 (date) BY ALBANY STATE UNIVERSITY FOUNDATION:

Authorized Signer
#1:

 (signature)
Gregory Hylck (printed name)

Authorized Signer
#2:

 (signature)
A.L. Fleming (printed name)

APPROVED on 4/1/2019 (date) BY INVESTMENT ADVISOR:

SunTrust Bank

 (signature)
Armond R. Reese (printed name)