GEORGIA STATE UNIVERSITY FOUNDATION, INC.
INVESTMENT POLICY

Contents

I. Revisions

A. September 2005
B. June 2012
C. December 2012
D. March 2014
E. August 2016
F. December 2017
G. June 2018
H. June 2021

Note: the revision dates for the appendices and exhibits are shown on the applicable appendices and exhibits.

II. Introduction

The Georgia State University Foundation (the "Foundation") Investment Policy is approved by the Foundation Board of Trustees (the "Board"), which has fiduciary responsibility for the prudent and effective investment of the assets of the Foundation.

The Board has delegated to the Foundation Investment Committee (the "Committee") the fiduciary responsibility to oversee the management of the investment programs of the Foundation and its affiliates.

This policy is to guide the Board, Committee, and Investment Advisors or Consultants (the "Advisor") in effectively supervising, monitoring and managing investments of the Foundation and its affiliates.

This Investment Policy is designed to allow for sufficient flexibility in the management oversight process, while setting forth reasonable parameters to fulfill the Board's fiduciary obligation to manage the investments program in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. Nevertheless, it is understood that no part of this policy is to be construed as a promise or guarantee by the Foundation to attain investment goals and objectives, to achieve a particular rate of return, or to prevent a decrease in the value of investments.

The Investment Policy was established initially and is revised periodically based on research and discussion involving Committee members, outside Advisors, and staff. Such discussion focuses on liquidity needs and perceived risk tolerance, as well as the projected behavior of asset classes and strategies deemed worthy of consideration for potential use. This Investment Policy is reviewed regularly by the Committee and modified as needed in light of experience and changing circumstances.

III. Approvals

A. The Board approves the Investment Policy.

B. The Committee shall review this Investment Policy at least once a year, and make revisions as needed. Revision to this Investment Policy shall be communicated to and approved by the Board, expect as noted in C below.

C. The Committee shall approve revision to the investment target allocations, as long as they are within the asset allocation ranges set forth in this Investment Policy. Changes to the target allocation will be communicated to the Board.

IV. Scope

A. **Assets Governed by this policy**

This document governs the management of funds listed below, referred to hereafter as the "Pools". Each pool has a separate strategy and asset allocation as defined in the appendices to this Investment Policy.

1. Endowment Pool and Spending Policy (Appendix A)
2. Operating Restricted and Unrestricted Pools (Appendix B)
3. Affiliate Pools (Appendix C)
4. Charitable Trust and Gift Annuity Pools (Appendix D)
5. Property Pools (Appendix E)
6. Opportunistic Investments: At the request of the Executive Committee and/or the Board, the Committee may invest in assets that are considered opportunistic because of their valuation and/or their location. Assets may consist of, but not limited to, direct investment in real estate property. These investments may be

managed in a separate pool or included as part of the existing pools noted above.

B. **Assets Not Governed by this policy**

This Investment Policy does not cover the following:

1. **Bank account and other similar funds**
The Foundation uses SunTrust Bank for the business operations banking relationship. These funds are demand deposits held and invested conservatively. Excess funds, not needed to meet current operations, are transferred to the appropriate investment pool.

2. **Student Investment Portfolio Fund**
The student investment portfolio was established in 1972 from contributions to allow GSU business students to gain practical experience in the investment field. The students form a Portfolio Management Team (PMT) with faculty advisors from the GSU J. Mack Robinson College Department of Finance. The purpose of the PMT is to help students advance their understanding of equity research and investing by applying knowledge learned in their finance and business classes. The PMT also strives to outperform the market on a risk-adjusted basis. The funds are traded in an account held at Bank of America Merrill Lynch.

3. **Bond financing funds**
Bond funds governed by the applicable bond indenture and other related documents are held by the bond trustee. Funds related to bond funded projects that are not required to be held by the trustee, will be placed in the appropriate pool, such as a Property Pool.

V. Committee Responsibilities

The Board has delegated to the Committee the fiduciary responsibility to oversee the management of the investment programs of the Foundation and its affiliates.

The Board believes that the Committee functions best when committee deliberations are confined to persons who are closely familiar with an organization's investment policies and practices. It is required that Committee members and Advisors will have read this document, recently and in its entirety, before playing an active role in Committee discussions.

The chair of the Committee shall be an elected Board Trustee and the Committee shall be composed of 3 (three) to 9 (nine) Board Trustees appointed by the Foundation Chair. Ex-officio Board Trustees cannot be a majority of the Committee members and ex-officio Board Trustees cannot comprise the quorum majority. At all meetings, the presence of at least fifty percent (50%) of the members of the Committee shall constitute a quorum to transact business, but any lesser number shall be sufficient to adjourn the meeting.

A. **Georgia Uniform Prudent Management of Institutional Funds Act (UPMIFA).**

In seeking to attain the investment objectives set forth, the Committee shall exercise prudence and appropriate care in accordance with the Georgia Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Summarized for the purposes of this Investment Policy, UPMIFA requires fiduciaries to manage and invest funds in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, considering the purposes, terms, distribution requirements, and other relevant circumstances.

In managing and investing funds, the Committee will consider the following factors, if relevant:

1. General economic conditions;
2. The possible effect of inflation or deflation;
3. The expected tax consequences, if any, of investment decisions or strategies;
4. The role that each investment or course of action plays within the overall investment pool portfolio;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation;
7. The need to make distributions;
8. The need to preserve capital; and
9. An asset's special relationship or special value, if any, to the charitable purposes of the Foundation or to the donor.

In the interests of efficiency, and in accordance with UPMIFA, the Board has approved the Committee to delegate co-responsibility for some investment decision-making and oversight to an Advisor. The Advisor(s) will be expected to take fiduciary responsibility for investment manager selection and oversight of assigned Pool(s) and the Committee will take primary responsibility for approving asset target allocations set forth in the appendices.

The Committee will act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in:

A. Selecting an Advisor;

B. Establishing the scope and terms of the delegation;

C. Periodically reviewing the Advisor's actions and monitoring the Advisor's performance and compliance with the scope and terms of the delegation.

The specific Committee responsibilities include:

A. Define and establish the Foundation Investment Policy, including asset allocation ranges and endowment spending policy, for Board approval.
B. Make or authorize decisions regarding the custody and management of investments, and the investment of assets toward the policy objectives.
C. Monitor, evaluate and update the investment process and policy, taking policy changes to Board for approval.
D. Retain, evaluate, and terminate investment Advisor(s) to assist the Committee in meeting its responsibilities.
E. Oversee the Advisor(s)' fulfillment of its responsibilities as specified below for setting and approving the asset allocation, and for reviewing, on an ongoing basis, the performance of the overall Pool(s) assigned to the Advisor(s).
F. Ensure the fees of Advisors, investment custodians, and other investment specialist are customary and reasonable and shall be borne by the Pools as deemed appropriate and necessary by the Committee.
G. Make regularly scheduled reports to the Foundation Board of Trustees, and educate the Board on investment management issues and the reasons behind its policy decisions.

VI. Advisor(s) Responsibilities

The Advisor(s) include, but are not limited to, investment consultants, investment managers, investment custodians, and other specialists whose expenses must be customary and reasonable and shall be borne by the Pools as deemed appropriate and necessary by the Committee.

In performance of the delegated function, an Advisor owes a duty to the Foundation to exercise reasonable care to comply with the scope and terms of the delegation. Specific Duties of the Advisor include:

A. Manage the assigned Pool(s) on a day-to-day basis.
B. Select managers of assigned Pool(s).
C. Implement assigned Pool policy and objectives.
D. Rebalance assigned Pool(s) as required ensuring compliance with asset allocation ranges as set forth in the Appendix of assigned Pool(s). These rebalancing shifts may be tactical in nature. The advisor may not execute rebalancing that would result in an allocation outside the guidelines in this policy statement without the prior approval of the Committee.
E. Advise the Committee regarding investment opportunities, asset allocation and risk/return assumptions.
F. Provide investment performance measurement for each assigned Pool, and the Pool's managers.
G. Update the Committee on due diligence review of investment managers and any on the watch list report.
H. Review target allocation against capital market assumptions, risk and return assumptions, and investment correlations.
I. Advise the Committee on the inclusion of new asset classes and/or removal of current asset classes.
J. Advise the Committee on the Investment Policy review and revisions.
K. Implement approved Policy revisions.
L. Provide quarterly reports to the Committee, and other information as reasonably requested.

The Foundation will not be liable for the decisions or actions of the Advisor for the performance of the delegated function.

VII. Appointed Advisors

The Advisors assigned to and responsible for managing each Pool are outline in Exhibit 1.

VIII. Meeting Frequency

The Committee will meet annually to review, and if needed to update, the Investment Policy, Appendices and Exhibits. Other meetings will be scheduled so that, including the annual meeting, there are four quarterly meetings.

The Advisor(s) will provide asset allocation reviews and make recommendations for the annual meeting, and at other times as needed. Advisor(s) shall provide reports at the other quarterly meetings including but not limited to performance reports, reports of manager reviews, sector analysis, etc.

IX. Investment Manager Selection

With the exception of hedge funds, private equity, private real estate or similar illiquid investments, advisor(s) has discretion to hire or terminate all managers of assigned Pools, provided that Advisor obtains all necessary signed investment management agreements/amendments from an authorized signer of the Foundation. The illiquid investments noted above require Investment Committee approval prior to any investment.

Committee may determine that it is appropriate to implement this Investment Policy with active management in an attempt to outperform the return of its passive benchmark. If so, the Committee, or the Advisor, shall seek to identify qualified Investment Managers in asset classes that provide sufficient opportunity for active management to add value, net of fees and expenses.

X. Asset allocation

Asset allocation – the apportioning of investment funds among asset classes (stocks, bonds, real estate, fixed income, etc.) is the primary determinant of a Pool's portfolio risk and return characteristics. Unless otherwise delegated by the Board, the Committee will establish, for approval by the Board, investment policies and a target asset allocation that is appropriate for each Pool's return requirement and risk tolerance.

The Board approves the Investment Policy and the overall asset allocation ranges set forth in the Appendices. The Committee is responsible for setting and monitoring the asset allocation targets within the allocation ranges of each Pool and communicating changes to target allocations to the Board.

The asset allocation for each Pool represents the highest expected return asset mix that, in the Committee's opinion, is likely to satisfy the objectives and risk parameters set forth for each Pool. Because each Pool's assets allocation entails benchmarks for each of its segments, and hence also for the Pool as a whole, it constitutes an appropriate standard by which to measure progress toward achieving of the objectives. The Committee shall also review performance against peers on a regular basis.

See the Appendices A thru E for the asset allocation ranges, targets and benchmarks for each Pool. Each Pool's asset allocation ranges and target mix shall be formally reviewed at least annually to determine whether any modifications are necessary.

XI. Rebalancing

The purpose of rebalancing is to ensure the actual Pool asset allocation does not drift too far from the predetermined allocation targets. The actual asset allocation of a Pool may vary from the current asset allocation targets because of market movements. Consequently, it may be necessary to rebalance a Pool portfolio by moving from one asset class to another to maintain the desired risk and return characteristics and to remain within the Pool allocation policy.

It is understood that, at times, the portfolio may vary from its allocation target weights due to normal market movements and/or funding opportunities (i.e. private equity). The allocation to private equity type investments can cause the actual weight to vary from the target because this type of investment requires an upfront commitment of funds that are not actually invested until the investment manager request the funds. At no time should the portfolio fall outside of the allowable asset allocation ranges; however, should this occur, the Advisor will consult with the Committee Chair in a reasonable time and provide the Committee with an action plan.

Tactical rebalancing, which represents portfolio positioning to opportunistically capture short term market anomalies, is permissible as long as the shifts do not violate the stated ranges for each asset class. Hedge funds, private equity and other nontraditional assets will be excluded from tactical rebalancing due to the illiquid nature of these assets. If there is a material tactical change, beyond normal rebalancing, the Advisor will notify the Foundation's CFO and the Committee Chair within two business days.

The asset allocation target mix shall be formally reviewed at least annually to determine whether any modifications are necessary.

XII. Acceptable Asset Classes

The Foundation is a tax-exempt organization, but certain investments may be subject to Unrelated Business Income Tax (UBIT). Given that net risk-adjusted returns are the primary objective, potential tax ramifications must be considered during the investment analysis and investment process. The Committee and Advisors shall seek to minimize the UBIT impact on the portfolio by selecting investment structures and geographic locations most beneficial to the Foundation.

Prior to requesting Board approval to invest in partnerships, joint ventures, for-profit taxable entities, or similar complicated and sophisticated financial products, the Committee and Advisor shall evaluate the participation in such an investment arrangement and take steps to safeguard the Foundations (and Affiliates) assets and tax-exempt status if they could be affected by the investment arrangement. The Committee or Advisor may wish to have related investment agreements reviewed by independent legal counsel. Should any of the investment arrangements currently held become an issue subsequent to the original engagement, the Advisor is required to notify the Committee immediately and make every effort to divest of the investment arrangement. At least annually the Advisor will review and evaluate and then report to the Committee on the status of these types of investments. In general, the Committee does not invest in these types of assets. If, after review by the Committee and Advisor, there is a compelling interest in participating in such an investment, the Committee will request approval from Board to make the investment.

The acceptable asset can vary depending on each Pool's investment objectives. Therefore, the acceptable asset classes for each Pool are set forth in the Appendices.

XIII. Proxies

The Board will allow the Advisor or each individual investment manager to vote all proxies as assigned at the time hired. The Committee will retain the right to vote proxies at its discretion. If the Committee desires to take proxy action, in a case when the Advisor or investment manager is otherwise assigned to vote proxies, they must notify the Advisor or investment manager within a reasonable time period.

XIV. Watch List

The Advisor shall maintain and monitor a Watch List of investment managers that manage funds in their assigned Pool. The Advisor will develop an action plan for managers on the Watch List and report to the Committee.

XV. Measurement Periods

Measurement periods used to assess results will reflect a balancing of the return objectives with the risk tolerance as outlined in the Appendices for each Pool.

XVI. Return Expectations

It is expected that the returns achieved will be accompanied by capital market risk, but that the returns, adjusted for this risk, will compare to the returns of the capital markets.

The investment objective is to generate a long term return, net of investment management fees equal to, or greater than, that of a benchmark index. The benchmark index will consist of a combination of capital market indexes weighted in the same proportions as the target asset allocation (as defined in the Appendices), net of fees associated with passively investing in the benchmark.

There can be no assurance that risk/return objectives can be met or met simultaneously. Market performance and historical performance is no guarantee of future performance. Returns are compared to peers on a regular basis.

XVII. Benchmark Selection

As a means of promoting regular and rigorous consideration of each Pool's progress toward achieving its objectives, the Advisor shall propose and the Committee shall approve the specification of a relevant benchmark for assessing the performance of each sub-segment of their assigned Pool. Benchmarks will be chosen at the asset class level (sub-segment) and at the individual investment strategy level (manager/fund).

XVIII. Derivatives and Leverage

Except for investments in commingled vehicles (such as LLP's and LLC's) in which the maximum loss is limited to the amount invested, derivatives shall not be used to magnify overall Pool exposure to an asset, asset class or interest rate. The Committee has discretion to purchase assets using borrowed money, provided that such debt financing does not exceed 5% of the total Pool when any such purchases are consummated or 10% of the total Pool's assets at any subsequent valuation date. As defined here, leverage shall not include derivatives or similar securities held for purposes of equitizing cash or short positions.

XIX. Conflict of Interest

According to the Foundation's Conflict of Interest Policy, all Responsible Persons have a fiduciary responsibility for the decisions they make with regard to the Foundation including: avoiding conflicts of interest; acting in the best interest of the Foundation rather than in pursuit of a personal interest; providing oversight to assure all Foundation business is transacted legally; and promoting the best interest of the Foundation and the University at all times.

The term "Responsible Person" includes members of the Foundation Board, officers, committees, management and key employees of the Foundation and University who are in a position to influence the actions of the Foundation.

Responsible Persons described above are precluded from serving as investment advisors, acting as investment managers, or providing significant brokerage services, unless specifically disclosed in accordance with the conflict of interest disclosure process and approved by the Board.

Financial services provided by local, regional or national institutions which employ any Responsible Person are not precluded from holding or managing invested assets as long as the services are competitive and the Responsible Person is not directly involved with a transaction between the Foundation or any of its affiliates. Any financial services provided that fall under this provision shall be reviewed and approved by the Board.

The Foundation Advisor(s) must disclose all interest or potential conflicts of interest, if any, which they may have with any party providing investment services to the Foundation or its affiliates.

The Committee members should be sensitive to concerns about the appearance of conflicts of interest in other situations as well. These may involve instances in which the manager or principal of a fund or other entity has significant ties to the Foundation or to the University. While it is neither feasible nor prudent to try to identify every circumstance that might entail appearance of conflict, the risk of a perceived conflict and the attendant reputational risks to the Foundation or to the University are among the considerations that the Committee members should weigh.

XX. Policy Violations

The Pools will be monitored on a continual basis by the Advisor(s) for consistency of investment philosophy, investment risk/return objectives, and exposure to economic conditions and market volatility. The Committee has the responsibility to monitor the Advisor(s) and this Investment Policy.

Violations of this policy must be immediately brought to the attention of the Committee to identify a course of action to remedy the violation. In determining the course of action, the Committee shall consider all the relevant facts including the cause and severity of the violation, and the cost and ease of remedying the violation.

GEORGIA STATE UNIVERSITY FOUNDATION, INC.

INVESTMENT POLICY

Appendix A

Endowment Pool and Spending Policy

I. Revision

A. September 2005
B. June 2012
C. December 2012
D. March 2014
E. June, 2018
F. June 2021

II. Objectives

The long-term objective is to maintain, and if possible increase, the purchasing power of the Endowment Pool by exceeding the rate of inflation and to produce a relatively predictable and stable spending allocation that increases over time.

The primary long-term investment objective of the Endowment Pool is to earn an average annual total return net of fees and expenses (including Advisor and Foundation fees), though appreciation and income, equal to or greater than the spending allocation rate, plus the rate of inflation as measured by the Consumer Price Index for all Urban Consumers (CPI-U), over long time periods (rolling ten or fifteen-year periods). Over shorter time periods (rolling five-year periods), the Endowment Pool will seek to outperform a composite market index benchmark reflecting the Endowment Pool's asset allocation policy, and perform on par with other institutional endowment funds with broadly similar investment objectives and policies.

It is recognized that the real return objective may be difficult to attain in every market cycle, but should be attainable over a series of market cycles.

UPMIFA requires the assets of an endowment fund be donor restricted until allocated for spending, unless otherwise specifically stated in the gift instrument. The

Foundation classifies permanently restricted net assets as assets that, under the terms of the gift instrument, are permanent endowments not wholly expendable by the Foundation on a current basis until a portion is allocated for spending. In accordance with this Investment Policy and UPMIFA, with the exception of certain restricted assets that are separately invested, all restricted endowment assets are invested in the Endowment Pool on a pooled basis until allocated for spending. The amount allocated for spending, based on the Spending Policy stated below, is then transferred from the Endowment Pool to the Operating Pool.

The Endowment Pool may also include donor-restricted funds that are restricted and designated for a particular college or unit of Georgia State University, but not designated as permanently restricted endowment funds. Requests from a college or unit to invest a portion of these funds in the Endowment Pool must be approved by the Foundation President to ensure the college/unit understands the investment risks and long-term nature of the Endowment Pool. These funds are designated as quasi endowments or funds functioning as endowments, subject to the Spending Policy like all other endowments.

The total return of the Endowment Pool including appreciation/inflation, depreciation/deflation, income, expenses and fees shall be allocated to each endowment based on the ratio of that endowment's investment balance to the total Endowment Pool and included as part of the endowment net asset classification. To the extent that the Endowment Pool's total return is greater or less than the allocations made for spending, the fair value of each endowment increases or decreases accordingly.

III. Risk

The Committee understands the long-term nature of the Endowment Pool and believes investing in assets with higher return expectations outweighs the short-term volatility risk. In order to achieve the objectives, historically funds have had to exceed the objective substantially during some periods in order to compensate for inevitable shortfalls during other periods. Hence, the evaluation of progress toward the objectives should be made with a long-term perspective. It is recognized that this objective implies a high average allocation to equity or equity-like securities, exposing the Endowment Pool to consequent market volatility. It is also recognized that the objectives to grow the endowment, produce a predictable spending allocation, and to provide an administrative fee to the Foundation, involves tradeoffs that must be balanced in establishing the investment and spending policies.

The Foundation stands prepared to incur risks consistent with its pursuit of the return objectives set forth above, subject to two overarching limits. The Endowment Pool should be deployed in a manner that reduces to tolerable levels (defined as 25% or below) the probabilities that it will suffer (1) peak-to-trough declines in purchasing power exceeding 20% or (2) a shortfall exceeding 3% annualized total return relative to those of a Committee-approved peer group of other institutional endowment funds, measured over rolling five-year periods. These two overarching risk parameters are a means of reducing the probability that the Committee or the Board will undermine the Foundation's capacity to achieve its return objectives by modifying its investment policies or practices at inopportune times. The advisor will provide a risk analysis at least annually to the Committee.

IV. Illiquid Assets

The Foundation may invest without limitation in illiquid assets, defined for these purposes as assets that cannot be liquidated for cash within 53 weeks, except that new agreements to purchase such assets shall not be executed if the aggregate market value of all such illiquid assets exceeds 50% of the aggregate market value of the Endowment Pool's investable assets. The purpose of this cap is to ensure that the sufficient amounts of cash can be withdrawn from the Endowment Pool without triggering the sale of holdings at depressed prices.

V. Spending Policy

The Board has approved a 1% annual endowment fee, which is used to help fund the Foundations operating budget. Each month 1/12th of 1% is charge to the endowment pool based on the previous month end market value.

As a publicly supported organization, the Foundation is not legally obliged to spend a stated percentage of its endowment assets in any given year. However, in order to achieve both reasonable stability in budgeting and a reasonable balance between near-term and distant programmatic priorities, the Board has adopted the following Spending Policy:

A. The annual endowment spending allocation rate shall equal 4%.

B. The annual 4% spending allocation rate is applied to each individual endowment fund based on its twelve month average market value during the calendar year. The spending allocation is made by transferring funds from the individual endowment principal account to the endowments operating spending account.

C. In the event an individual endowment has accumulated more than 8% of its market value (i.e., more than 2 times its annual spending allocation) in the operating spending account, the spending allocation will be suspended unless otherwise specifically stated in the agreement. Exceptions to this will be made on a case by case basis as determined by the Vice President for Advancement. Appeals should be made in writing via email with reasoning for the exception and a documented plan to spend the funds by a specific date.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to allocate assets for spending or to accumulate assets of an endowment fund:

A. The duration and preservation of the fund.
B. The purposes of the Foundation and the endowment fund.
C. General economic conditions.
D. The possible effect of inflation and deflation.
E. The expected total return from income and the appreciation of investments.
F. Other resources of the Foundation.
G. The investment policies of the Foundation.

VI. Asset Allocation

The allocation and diversification of assets will likely be the key determinate of the Endowment Pool's return over the long-term. The diversification of assets across multiple asset classes and markets should lower the volatility of returns over time and provide assurance that no single security or class of securities will have a disproportionate impact on the total Endowment Pool. In determining the appropriate asset allocation, the inclusion or exclusion of an asset class shall be based on the impact to the total Endowment Pool, rather than judging asset classes on a standalone basis.

The target asset allocation should provide an expected total return to meet the primary objective of the Endowment Pool, while avoiding undue risk concentrations in any single asset class.

To achieve its objective, the Endowment Pool asset allocation will be set with the following target percentages within the following ranges.

Endowment Pool

Asset Allocation Targets, Ranges and Benchmarks

	Target Allocation	Min	Max	Benchmark
Global Equity				
US Domestic Equity	27%	15%	40%	Russell 3000
International Developed Market Equity	17%	7%	30%	MSCI EAFE
International Emerging Market Equity	9%	0%	18%	MSCI Emerging Markets
Global Equity	**53%**	**26%**	**75%**	
Alternative Assets				
Real Estate & Infrastructure	5%	0%	10%	FTSE EPRA NAREIT
Natural Resources & Commodities	8%	0%	14%	Bloomberg Commodity Index
Private Equity	9%	0%	15%	Cambridge Private Equity Index
Hedge Funds	6%	0%	12%	HFR Fund of Funds Composite
Alternative Assets	**28%**	**0%**	**35%**	
High Yield Bonds	**6%**	**0%**	**12%**	BB Barclays US Corp HY 2% Cap
Risk Assets	**87%**	**60%**	**95%**	
Risk Control Assets				
Investment Grade Bonds	11%	5%	40%	Barclays Aggregate
Treasury Inflation Protected Bonds	1%	0%	10%	iBoxx 3 Yr Target Duration TIPS
Cash	1%	0%	10%	90 Day T-Bill
Risk Control Assets	**13%**	**5%**	**40%**	
Grand Total	**100%**			

GEORGIA STATE UNIVERSITY FOUNDATION, INC.

INVESTMENT POLICY

Appendix B

Operating Restricted and Unrestricted Pools

I. Revisions

A. September 2005
B. June 2012
C. August 2016
D. December 2017
E. June, 2018

II. Objectives

The objective is to provide a liquid source of funds ensuring that both principal and interest are available to meet anticipated operating needs.

The inflow of new contributions and other revenue, on a year over year basis, tends to equal or exceed the amount of drawdowns from the Operating Pools, which has allowed the Operating Pools to maintain a steady balance over a rolling 5 year period.

The primary objective the Operating Pools are to preserve capital and attain an annual real total return (net of fees). Real total return is the sum of capital appreciation (or depreciation) and current income (interest dividends and interest) adjusted for inflation by the Consumer Price Index for all Urban Consumers (CPI-U). It should be recognized that the primary objective may be difficult to obtain in short-term periods.

III. Risk

A. Operating–Restricted Pool

The Operating–Restricted Pool represents non-endowed assets that have been designated to a specific university college/unit or purpose that can be called by the university at any time. The Operating-Restricted Pool is treated as a non-interest bearing pool because the net return (gain or loss) from the Operating-Restricted Pool provides a source of funding (or a drain on funding in the case of losses) for the Foundation's annual operations.

B. Operating–Unrestricted Pool

The Operating-Unrestricted Pool represents non-endowed assets that are unrestricted, have not been designated to a specific college/unit or purpose, and can be used by the Foundation at any time. The net return (gain or loss) from the Operating-Unrestricted Pool also provides a source of funding (or a drain on funding in the case of losses) for the Foundation's annual operations.

Because of the short term nature of a portion of the assets in the Operating Pools, the GSUF Investment Committee will review the short term cash needs at least [annually/semi-annually/as needed] to determine the amount that will be held in money market type instruments. The remaining assets will be allocated to asset classes similar to those used in the Endowment, however, additional asset classes are permitted if approved by the Board. It is expected that the underlying funds used will have sufficient liquidity in order to meet any unexpected cash needs. Less liquid asset classes such as hedge funds and private equity are limited based on special circumstances that are approved by the GSUF Investment Committee. The risk parameter limit (Standard Deviation) for the Operating Pools is expected to be equal to or less that of the Endowment pool but may fluctuate based on the percent of cash allocation set by the Board.

IV. Asset allocation

The allocation and diversification of assets will likely be the key determinate of the Operating Pools return over the long-term. In determining the appropriate asset allocation, the inclusion or exclusion of an asset class shall be based on the impact to the Operating Pools, rather than judging asset classes on a standalone basis.

The target asset allocation should provide an expected total return to meet the primary objective of the Operating Pools, while minimizing undue risk.

The asset allocation of both the Operating Restricted and Operating Unrestricted Pools will be set with the following target percentages within the following ranges:

Operating Restricted and Unrestricted Pools

Asset Allocation Targets, Ranges and Benchmarks

	Target Allocation	Min	Max	Benchmark
Global Equity				
US Domestic Equity	14%	0%	25%	Russell 3000
International Developed Market Equity	9%	0%	25%	MSCI EAFE
International Emerging Market Equity	4%	0%	10%	MSCI Emerging Markets
Global Equity	**27%**	**0%**	**60%**	
Alternative Assets				
Real Estate & Infrastructure	2%	0%	10%	FTSE EPRA NAREIT
Natural Resources & Commodities	3%	0%	10%	Bloomberg Commodity Index
Alternative Assets	**5%**	**0%**	**10%**	
High Yield Bonds	**3%**	**0%**	**10%**	BB Barclays US Corp HY 2% Cap
Risk Assets	**35%**	**0%**	**60%**	
Risk Control Assets				
Investment Grade Bonds	24%	10%	40%	Barclays Aggregate
Limited Duration Donds	15%	0%	30%	Barclays 1-3 Yr Credit Bond
Treasury Inflation Protected Bonds	6%	0%	10%	iBoxx 3 Yr Target Duration TIPS
Cash	20%	10%	100%	90 Day T-Bill
Risk Control Assets	**65%**	**40%**	**100%**	
Grand Total	**100%**			

GEORGIA STATE UNIVERSITY FOUNDATION, INC.

INVESTMENT POLICY

Appendix C

Affiliate Pools

I. Revisions

A. September 2005
B. June 2012
C. December 2012
D. August 2016
E. June 2018

II. Objectives

The Foundation may enter into agreements with affiliated organizations of the Foundation or the University to provide investment management services. The Foundation charges a fee for administration and record keeping services.

A. Georgia State University Alumni Association (the "Alumni Association")
The Foundation also entered into an agreement with the Alumni Association to provide investment management services for a fee.

1. Alumni Association Pool
The Alumni Association Pool invests Alumni Association excess general funds. The objective for Alumni Association Pool is managed in a manner consistent with the management of the Endowment Pool, excluding any allocation to illiquid assets such as private equities.

III. Spending Policy

A. Alumni Association Pool
The spending allocation from the Alumni Association Pool is determined by the Alumni Association. Historically, the Alumni Association has left the funds invested and not made an annual spending allocation because they typically have had other sources of revenue to fund their operations. Annually, the Alumni Association will review its cash needs and inform the Committee and/or the Advisor if any of the Pool assets should be allocated for spending.

IV. Asset Allocation

A. Alumni Association Pool

The Alumni Association Pool is to be managed in a manner consistent with the management of the Endowment Pool, excluding any allocation to illiquid assets such as private equities.

To meet the objectives, the Alumni Association Pool asset allocation will be set with the following target allocation percentages within the following allocation ranges:

Alumni Association Pool
Asset Allocation Targets, Ranges and Benchmarks

	Target Allocation	Min	Max	Benchmark
Global Equity				
US Domestic Equity	30%	16%	40%	Russell 3000
International Developed Market Equity	19%	9%	30%	MSCI EAFE
International Emerging Market Equity	10%	0%	20%	MSCI Emerging Markets
Global Equity	**59%**	**26%**	**75%**	
Alternative Assets				
Real Estate & Infrastructure	5%	0%	10%	FTSE EPRA NAREIT
Natural Resources & Commodities	7%	0%	12%	Bloomberg Commodity Index
Hedge Funds	6%	0%	12%	HFR Fund of Funds Composite
Alternative Assets	**18%**	**0%**	**30%**	
High Yield Bonds	6%	0%	12%	BB Barclays US Corp HY 2% Cap
Risk Assets	**83%**	**60%**	**95%**	
Risk Control Assets				
Investment Grade Bonds	14%	5%	40%	Barclays Aggregate
Treasury Inflation Protected Bonds	2%	0%	10%	iBoxx 3 Yr Target Duration TIPS
Cash	1%	0%	10%	90 Day T-Bill
Risk Control Assets	**17%**	**5%**	**40%**	
Grand Total	100%			

GEORGIA STATE UNIVERSITY FOUNDATION, INC.

INVESTMENT POLICY

Appendix D

Charitable Trust and Gift Annuity Pools

(Split-Interest Agreements)

I. Revisions

A. June 2012

II. Objectives

The Foundation is Trustee for two types of split-interest agreements which are irrevocable charitable remainder trusts and charitable gift annuities, whereby donors contribute assets to the Foundation in exchange for the right of a named beneficiary to receive a fixed dollar amount or a specific percentage of the fair value of the trust assets during the beneficiary's lifetime.

A. **Charitable Trusts**

The assets of each charitable trust may be invaded in cases where investment earnings are not sufficient to make the required periodic payments. If the assets of the charitable trust are invaded to the extent that the trust assets are depleted, the Foundation has no further financial obligation to donors, beneficiaries or, if any, other remainderman. When the trust matures, any remaining assets of the trust revert to the Foundation as specified in each agreement.

The asset allocation of each Charitable Trust should be determined by analyzing the participants and taking into consideration their age and respective payment percentages.

B. **Charitable Gift Annuity**

The charitable gift annuities consist of assets donated to the Foundation through an agreement under which the Foundation is obligated to pay the beneficiary a fixed amount for the remainder of their lives even if the assets of the charitable gift annuity have been depleted.

The primary objective is to earn a total return that is appropriate based on the time horizon, liquidity needs and risk tolerance.

III. Risk

To help mitigate the risk of short-term volatility, the Trust and Annuity Pools will be diversified across multiple asset classes and markets which should lower the volatility of returns over time and provide assurance that no single security or class of securities will have a disproportionate impact on the total Pool. In determining the appropriate asset allocation, the inclusion or exclusion of an asset class shall be based on the impact to the total Pool, rather than judging asset classes on a standalone basis.

IV. Spending Policy

The spending policy for each trust and annuity is based on the terms of individual agreements to pay a named beneficiary a fixed dollar amount or a specific percentage of the fair value of the trust assets during the beneficiary's lifetime.

V. Asset Allocation

The target asset allocation should provide an expected total return to meet the primary objective of the Pools, while avoiding undue risk concentrations in any single asset class.

To achieve the objective, the asset allocation for the Charitable Trust and the Gift Annuity Pools will be set with the following target percentages within the following ranges:

Charitable Trust and the Gift Annuity Pools

Asset Allocation Targets, Ranges and Benchmarks

Asset Class	Target Allocation	Allocation Range Min	Allocation Range Max	Benchmark
U.S. Stocks	**40.0%**			
Large Cap	25.0%	0.0%	30.0%	S&P 500 Index
Mid Cap	10.0%	0.0%	15.0%	S&P 400 Mid-Cap Index
Small Cap	5.0%	0.0%	15.0%	Russell 2000 Index
Foreign Stocks	**18.0%**			
Developed Markets	13.0%	0.0%	20.0%	MSCI EAFE Index
Emerging Markets	5.0%	0.0%	5.0%	MSCI Emerging Markets
Absolute Return/Hedge Funds	**6.0%**	0.0%	10.0%	Custom (cash plus premium)
Fixed Income	**33.0%**			
Investment Grade	28.0%	0.0%	100.0%	Barclay's Bond Index
High Yield Bonds	5.0%	0.0%	7.0%	Barclay's High Yield Index
Inflation Hedges	**0.0%**			
Real Estate	0.0%	0.0%	10.0%	Custom (Dow Jones REIT)
Commodities	0.0%	0.0%	5.0%	D Jones UBS Commodity Index
Cash Equivalents	**3.0%**	0.0%	100.0%	Citigroup 3 month T-Bill
TOTAL	**100%**			

GEORGIA STATE UNIVERSITY FOUNDATION, INC.

INVESTMENT POLICY

Appendix E

Property Pools

I. Revisions

A. June 2012

B. August 2016

II. Objectives

A. Property Pools

The Property Pools hold funds related to various Foundation property projects. Property Pools also include funds related to bond funded projects that are not required to be held by the trustee.

Funds from these pools may be called on at any time for property purchase, improvements, repairs, maintenance, or other related expenses.

The objective is to provide a liquid source of funds ensuring that both principal and interest are available to meet anticipated operating needs.

III. Risk

Because of the short term nature of the assets in the Property Pools, the allocation of assets are limited to fixed income type securities to help mitigate the risk of short-term volatility and decline the market value of the pools. The risk parameter limit (Standard Deviation) for the Property Pools cannot be greater than 5%.

IV. Asset Allocation

Because of the short term nature of the assets in the Property Pools, the allocation of assets are limited to fixed income type securities.

The asset allocation of the Property Pools will be set with the following target percentages within the following ranges:

Property Pools
Asset Allocation Targets, Ranges and Benchmarks

Asset Class	Target Allocation	Allocation Range Min	Allocation Range Max	Benchmark
Fixed Income	**0.0%**			
US Bonds	0.0%	0.0%	75.0%	Barclay Aggregate Bond Index
Non-US Bonds	0.0%	0.0%	15.0%	Citi World ex-US Bond Index
Convertible Bonds	0.0%	0.0%	15.0%	Merrill All Convert Bond Index
High Yield Bonds	0.0%	0.0%	15.0%	Barclay's High Yield Index
TIPS	0.0%	0.0%	15.0%	Consumer Price Index (CPI)
Cash Equivalents	**100.0%**	25.0%	100.0%	Citigroup 3 month T-Bill
TOTAL	**100%**			

GEORGIA STATE UNIVERSITY FOUNDATION, INC.

INVESTMENT POLICY

Exhibit 1

Appointed Advisors

I. Revisions

A. September 2005
B. June 2012
C. August 2016
D. March 2017
E. June 2018

II. Appointed Advisors

The Advisors assigned to and responsible for managing each Pool are as follows:

A. **Northern Trust,** Foundation and Institutional Advisors, Atlanta, GA 30327

1. Endowment Pool, Appendix A.
2. Operating, Restricted and Unrestricted, Pools, Appendix B.
3. Affiliate Pools, Appendix C
4. Property Pools, Appendix E.

B. Charitable Trust and Gift Annuity Pools, Appendix D

1. SunTrust Bank, Foundations and Endowments Specialty Practice, Atlanta, GA 30302.
2. State Street Global Advisors, Charitable Asset Management, Boston, Ma 02111.
3. Wells Fargo Advisors, Englewood, FL 34223.