The Community Foundation for Greater Atlanta, Inc.
Investment Policy for Individually Managed Fund Accounts

The Community Foundation for Greater Atlanta, Inc. ("TCF") permits donors with fund balances of $250,000 or more to recommend the investment advisor of their choice to manage the assets attributed to their funds. TCF will retain the recommended investment advisor to manage the assets for such a fund, if the investment advisor follows TCF's investment policy with regard to such funds. This document outlines TCF's investment policy with regard to individually managed fund accounts.

Rules and Restrictions

- TCF will set up a separate account to manage a fund only after receiving a written recommendation to do so from the donor listed on the fund.
- Each separately managed fund account shall be owned and titled in the name of "The Community Foundation for Greater Atlanta, Inc.", with a reference to the fund name.
- The investment manager shall take instructions (both written and verbal) only from authorized employees of TCF (never from the donor who created the fund).
- Each fund shall be invested in accordance with one of the six investment options listed and described below. It is permissible to consider allocations to cash the same as allocations to fixed income.
- The investment option must be acknowledged in writing by the donor listed on the fund.
- The assets of a fund may never be invested in the following: hedge funds, short positions, options, futures, private equity investments, or any investment where there is a risk of loss of more than the amount invested.
- Within 45 days of the end of the calendar year each investment advisor must provide TCF with a statement showing (1) the investment option with which the fund complies; (2) the consolidated return of the fund's investments for the calendar year; and (3) all fees attributable to the investment of the fund for the calendar year.
- Investment performance will be monitored by TCF staff on a monthly basis. Deviations of 15% or more, on an annual basis, will be discussed with the manager and reported to the Investment Committee of the Board.
- The Foundation retains the right to terminate the manager at any time.
- In no circumstances, may the donor and manager be related parties.

Approved Investment Options

I. Aggressive Growth Option

This investment option:

- Emphasizes very long-term capital appreciation as a primary source of return. Current income is not a consideration;

- Implies a willingness to risk significant principal loss so long as the investments are positioned to earn a high rate of return over the long term;
- Is expected to provide for asset growth at a rate substantially in excess of the rate of inflation, net of investment and administrative expenses;

- Diversifies the investments in order to provide opportunities for long-term growth;

- Requires a time horizon available for investment that is very long-term so as to benefit from opportunities for growth that can be realized from a patient investment strategy;

- Diversifies assets in order to reduce the risk of wide swings in market value from year-to-year, or of incurring large losses that may result from concentrated positions.

Required Debt/Equity Ratio: 100% Equity

Benchmark:
- 30% US Large Cap Growth—Russell 1000 Growth Index
- 30% US Large Cap Value—Russell 1000 Value Index
- 10% US Small Cap Growth—Russell 2000 Growth Index
- 15% US Small Cap Value—Russell 2000 Value Index
- 15% International Equity—MSCI EAFE Index

Appropriate Time Horizon: Perpetual

II. Growth Option

This investment option:

- Shall emphasize long-term moderate capital appreciation as a primary source of return. Current income is a supplementary source of gains;

- Recognizes that the assets are exposed to risk and may be subject to large fluctuations in market value from year-to-year. This volatile performance is acceptable, as long as the assets are invested primarily for capital appreciation over the long-term;

- Is expected to earn long-term returns sufficient to increase the purchasing power of assets over the long-term, net of investment and administrative expenses;

- Implies a long-term time horizon available for investment in order to benefit from total returns that would normally accrue to a patient investment strategy;

- Diversifies the investments in order to reduce the risk of wide swings in market value from year-to-year, or of incurring large losses that may result from concentrated positions.

Required Debt/Equity Ratio: 25% Fixed Income/75% Equity

Benchmark:
- 25% US Large Cap Growth—Russell 1000 Growth Index
- 25% US Large Cap Value—Russell 1000 Value Index
- 6% US Small Cap Growth—Russell 2000 Growth Index
- 9% US Small Cap Value—Russell 2000 Value Index
- 10% International Equity—MSCI EAFE Index
- 25% Investment Grade Fixed Income—Lehman Aggregate Bond Index

Appropriate Time Horizon: At least 20 Years

III. Growth & Income Option

This investment option:

- Is a balanced approach expected to achieve a positive rate of return for the over the long-term that could support on-going cash flow requirements;

- Is expected to earn a long-term returns from capital appreciation and a growing stream of current income;

- Recognizes that the assets are exposed to risk and the market value of the fund may fluctuate from year-to-year. This volatile performance is acceptable, as long as the assets are invested primarily for capital appreciation over the long-term;

- Is expected to earn long-term returns sufficient to equal or exceed the rate of inflation over the long-term, net of investment and administrative expenses;

- Implies a long-term time horizon available for investment in order to benefit from total return that would normally accrue to a patient investment strategy;

- Diversifies the investments in order to reduce the risk of wide swings in market value from year to year, or of incurring large losses that may result from concentrated positions.

Required Debt/Equity Ratio: 50% Fixed Income/50% Equity

Benchmark:

- 15% US Large Cap Growth—Russell 1000 Growth Index
- 15% US Large Cap Value—Russell 1000 Value Index
- 4% US Small Cap Growth—Russell 2000 Growth Index
- 6% US Small Cap Value—Russell 2000 Value Index
- 10% International Equity—MSCI EAFE Index
- 50% Investment Grade Fixed Income—Lehman Aggregate Bond Index

Appropriate Time Horizon: At least 10 Years

IV. Capital Preservation Option

This investment option:

- Is a risk-averse balanced approach that emphasizes a stable and substantial source of current income and some capital appreciation over the long-term;

- Implies a willingness to risk some declines in value over the short-term, so long as the assets are positioned to generate current income and exhibit some capital appreciation;

- Is expected to earn long-term returns sufficient to keep pace with the rate of inflation over most market cycles (net of investment and administrative expenses), but may lag inflation in some environments;

- Diversifies the investments in order to provide opportunities for long-term growth and to reduce the potential for large losses that could occur from holding concentrated positions;

- Implies a short-to intermediate-term time horizon available for investment.

Required Debt/Equity Ratio: 75% Fixed Income/25% Equity

Benchmark:

- 10% US Large Cap Growth—Russell 1000 Growth Index
- 10% US Large Cap Value—Russell 1000 Value Index
- 5% US Small Cap Blend—Russell 2000 Index
- 75% Investment Grade Fixed Income—Lehman Aggregate Bond Index

Appropriate Time Horizon: At least 5 Years

V. Current Income Option

This investment option:

- Is expected to generate on-going returns over the short-term and long-term principally from a stable and substantial source of current income. The investment may seek capital appreciation as a secondary source of return, so long as the primary objective of maintaining stable income is not jeopardized;

- The market value from year-to-year should be relatively stable even if it means sacrificing some opportunities for growth;

- The investments will be diversified by number of issues, issuers and issue type that emphasize a high degree of liquidity* in order to fund on-going cash requirements;

- Implies a short-to intermediate-term time horizon available for investment.

Required Debt/Equity Ratio: 100% Fixed Income

Benchmark:

- 100% Investment Grade Fixed Income—Lehman Aggregate Bond Index

Appropriate Time Horizon: At least 3 Years

VI. Cash Reserve Option

This investment option was established to receive and invest assets for temporary investment. The assets are invested in the money market fund that is expected to provide current income, preserve principal value over most market cycles and a high degree of liquidity.

Required Debt/Equity Ratio: 100% Cash and Cash Equivalents

Appropriate Time Horizon: Anything less than 3 Years

Policy Adoption:
This policy document was written October 15, 2003 and was adopted by the Board of Directors of The Community Foundation for Greater Atlanta, as recommended by the Investment Committee, on January 28, 2004.

The Community Foundation for Greater Atlanta
Attest: ____________________Date: ________