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BREWTON-PARKER COLLEGE

Investment Policy

1. Purpose

The purpose of this Investment Policy is to assist Brewton-Parker College (herein after referred to as the “College”), the Board of Trustees (herein after referred to as the “Trustees”) and the Property and Finance Committee (herein after referred to as the “Committee”), and to effectively supervise and monitor the investments of the College. In addition, this Investment Policy is to provide a guideline by which current investments and contributions received by the College not otherwise needed for current operating expenses shall be invested.

2. Assignment of Responsibilities

The Trustees shall have final approval of the Investment Policy. The Committee will meet at least quarterly and hold special meetings as deemed necessary by the Chairman of the Committee to formulate investment strategy; review investment results; interview, hire and terminate the investment manager(s) (hereinafter referred to as the “Investment Manager”); review and approve alternative investments, and make recommendations to the Trustees as such reviews would dictate.

Each Investment Manager has the responsibility to invest the portion of the funds entrusted to them in accordance with the objectives stated in this Investment Policy, or in any other separate guidelines issued by the Committee. The Investment Manager will be given full discretion regarding portfolio management decisions within the guidelines of the College’s Investment Policy and objectives. Quarterly, the Investment Manager will provide the Committee and, if requested, the Trustees, an accounting of the manner in which funds have been invested and the returns generated by such investments.

3. General Policies

- A. Gifts of Individual Securities, or other assets, shall be sold as soon as practical after receipt of such asset and the proceeds shall be invested in accordance with the Investment Policy in effect as of the date of the receipt of the asset, unless instructed otherwise by Donor of the gift. The purpose of this guideline is to ensure that the College’s assets are invested according to an approved Investment Policy.
- B. Gifts of Individual Securities, or other assets, restricted from diversification by the Donor shall be accounted for separate from assets the Investment Manager utilizes

discretion over. The Investment Manager shall be held harmless as to any such restriction on gifts.

- C. Unless directed otherwise by the Committee, the Investment Manager is authorized to execute proxy statements and/or attend shareholder meetings and exercise the voting rights of stock owned by the College on behalf of and in the best interest of the College.

4. Investment Objectives

The investment of the College's assets should be balanced among equity, fixed income, and cash equivalents in accordance with the following investment objectives:

Preservation of Assets – Assets should at all times be well diversified so as to minimize the risk of large losses. It is expected that over time asset growth should exceed the rate of inflation in order to preserve the purchasing power of the College's assets.

Growth of Capital – The assets of the College, exclusive of contributions and withdrawals, should grow in the long term at a rate equal to or in excess of appropriate market indices.

Income – The generation of current income is a secondary objective for the Foundation's assets; however, the investment structure of the portfolio should be flexible enough to allow for shifting from growth to income producing assets to fund operations as needed.

5. Investment Guidelines

A. Types of Investments Allowed:

- Fixed Deposits
- Certificates of Deposit
- U. S. Treasury Securities
- U. S. Government Agency Securities
- Corporate Bonds
- Mortgage/Asset-backed Bonds
- Preferred Stocks
- Domestic Stocks
- Foreign Stocks
- Exchange Traded Funds (ETF's)
- American Depository Receipts (ADR's)
- Commodities
- Real-Estate

Mutual Funds which only invest in the foregoing.

B. Allowed Asset Classes:

Asset Class	Comparative Index	Maximum % of Total Portfolio
Large-Cap Stocks	S&P 500	50%
Mid-Cap Stocks	Russell Mid Cap	10%
Small-Cap Stocks	Russell Small Cap	10%
International Stocks	MSCI-EAFE	20%
Fixed Income	Lehman Bros Govt/Credit Interm	55%
Gold/Real Estate	Various	10%
Cash	Lipper Money Market	10%

C. Asset Allocation

	Acceptable Range	Optimal Target
Short Term Reserves	0 – 10%	5%
Fixed Income Securities	25 – 55%	35%
Equities	45 – 65%	60%

Subject to the constraints of the above ranges, the Investment Manager may shift assets among equities, Fixed Income Securities, and Short Term Reserves at their discretion. It is the responsibility of the Trustees to communicate in writing any changes in the income needs of the College.

D. Investment Restrictions

1. Recognizing the strong religious and moral precepts of Brewton-Parker College, investments shall not be made in the equity or debt securities of any corporation that derives significant revenue from any of the following:
 - The production or sale of alcoholic beverages.
 - Gambling or gaming activities.
 - The production or sale of sexually explicit materials.
 - The production or sale of tobacco products.
 - The promotion of abortion.
 - The promotion of homosexual lifestyles.
 - Any activity not compatible with basic Christian values

The assets contributed to the College, to trust funds or to endowments shall be disposed of as soon as practical should they not conform to the established guidelines.

2. For individual bonds in the portfolio the investments must be obligations of an entity, the outstanding debt of which is rated 'BBB/Baa' by S&P and/or Moody's. High Yield Bond exposure will be made through the use of mutual funds, not to exceed 10% of the portfolio.
3. Only U.S. dollar denominated investments can be purchased.
4. The size of the holding in any one non-mutual fund security will not exceed 10% of the market value of the total portfolio excluding securities held subject to Section 3B, nor will it apply to securities held subject to Section 3B.
5. All assets purchased in the portfolio must have a readily available market value and be marketable within thirty days. Due to the risks involved and potential adverse tax consequences, no investments are to be made with borrowed funds or through a margin account representing borrowed funds.

6. Review of Policy

- A. The Committee has the right to alter the guidelines outlined in this statement at any time to meet the needs of the College or to comply with all applicable regulations including state and federal laws.
- B. The Committee shall review the Investment Policy and performance of investments at least annually and submit any revisions to the Board of Trustees for approval.
- C. Investment returns shall be calculated on a quarterly basis and related to objectives and standard performance benchmarks.
- D. The Investment Manager will keep the Committee informed of any conflicts or potential problems associated with his statement and the management of the College's assets. The Investment Manager will also be responsible for recommending an appropriate course of action, or Investment Policy statement revision, for the Committee's consideration.

7. Endowment Payout Policy

Consistent with the overriding intent to encourage the growth of the College Endowment assets through reinvestment of a portion of the annual earnings and to provide support for college priorities, projects, and programs at a level consistent with the intentions of the donors, the initial annual payout shall be 4% (four percent) of the market value of the discretionary Endowment assets as of December 31 of each year. The payout rate shall be reviewed at least annually.

This Investment Policy has been approved and adopted by the Brewton-Parker College Board of Trustees, Mount Vernon, Georgia this 17 day of June, 2011.

Attest:

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Chairman

This policy statement supersedes all previous policy statements on this subject.