



FULTON COUNTY CENTER FOR REGIONAL GROWTH

Statement of Investment Policy

2017/2018

I. BACKGROUND:

Fulton County Center for Regional Growth ("FCCRG") through its Board of Directors ("Directors") has assumed the fiduciary responsibility of preserving and augmenting the value of its assets to sustain its ability to support both current and future needs of the organization.

II. PURPOSE AND PRINCIPLES:

The following investment guidelines are set forth in order that:

- A. There is a clear understanding of the Directors investment objectives and policies.
- B. Third party investment advisor/s will be given specific requirements and restrictions so to insure that the assets are managed in accordance with the prescribed guidelines.
- C. A standardized and realistic plan for evaluation of the investment process and performance in accordance with commonly accepted standards of prudent investment practice be in place.
- D. Assets will be invested to meet the stated objectives desired and within the risk tolerance set forth by the organization.
- E. All aspects of FCCRG's operation must be carried out in accordance with State and Federal mandated standards of fiduciary conduct.
- F. Investments shall be made solely in the interest of the organization in accordance with all applicable covenants, restrictions, and guidelines.
- G. Assets invested shall be adequately diversified as to minimize the risk of losses. Short-term fluctuations in value shall be secondary to meeting the long-term performance goal or objectives.

III. UTILIZATION OF INVESTMENT ADVISOR:

The Directors may retain the services of an Investment Advisor/s to invest the funds of FCCRG per the directions of the Investment Policy ("Policy") and to advise the Directors on a continual basis with respect to the prudent discharge of their duties and responsibilities.

IV. INVESTMENT OBJECTIVES:

It is the intent of this policy to define investment objectives, which are sufficiently specific to be meaningful, yet flexible enough to be practical. These objectives are designed to establish an attitude and philosophy, which will guide the investment process toward the desired performance objectives.

The specific investment objectives are:

- A. To attain minimum long-term absolute rate of return (net of expenses) above the rate of inflation, as measured by the consumer price index (CPI) over a full market cycle. The targeted return is at least equal to the CPI increase, with a target of the CPI plus 2%. Expenses consist of investment advisor fees.
- B. To productively employ cash at all times by investment in short-term cash equivalents to provide safety, liquidity and a competitive return.
- C. In the pursuit of these stated objectives, more weight rather than less should be given to the preservation of the invested capital.

V. ASSET ALLOCATION:

The following guidelines apply to the FCCRG portfolio.

Account

Asset	Minimum	Target	Maximum
Cash	1%	10%	25%
Fixed Income	30%	40%	100%
Equities	40%	50%	60%

VI. ALLOWABLE INVESTMENTS:

- A. **Cash and Equivalents** – Short-term investments shall consist of cash and money market funds.
- B. **Fixed Income** – The fixed income portfolio shall consist of U.S. Treasury securities, U.S. Agency securities, corporate bonds, FDIC cd's, and bond mutual funds. Individual corporate bonds should carry an investment rating of "A" or higher as reported by Standard & Poor's and/or Moody's. Bonds held by FCCRG whose rating falls below "A" shall be divested unless it is deemed appropriate by the advisor, the rating is "BBB", and the maturity is less than six months.
The maximum ownership of any individual corporate issue shall equal 100% of the fixed income segment of the portfolio.
The maximum exposure within the corporate bond portfolio to an Industry Group (as defined by the Standard & Poor's Global Industry Classification Standard) shall not exceed 25% of the fixed income segment of the portfolio, unless it results from the purchase of a \$10,000 bond (minimum bond purchase value).
Maturities on all fixed income investments should not exceed 10 years.
- C. **Equities** – The equity portfolio should be well diversified and include exposure to a variety of market segments as defined by industry, and market capitalization. Allowable investments shall consist of common and preferred stock, convertible securities, FDIC cd's, and stock mutual funds.
The maximum ownership of any individually purchased stock should not exceed 5% of the equity segment of the portfolio.
The maximum exposure to an Industry Group (as defined by the Standard & Poor's Global Industry Classification Standard) shall not exceed 20% of the equity segment of the portfolio.

VII. INVESTMENT PROHIBITIONS:

Investment activities in the following are prohibited:

- Unregistered or restricted stock
- Companies predominately involved in the production of tobacco and alcohol products
- Oil royalties and venture capital
- Private Placement Debt
- Conditional sales contracts
- Commodities and futures
- Margin purchases
- Short sales
- Options and derivatives
- Tax-exempt securities
- Limited partnerships
- Securities in violation of state and federal law
- Securities of the investment managers or their respective parents, subsidiaries or affiliates

VIII. PERFORMANCE MEASUREMENT:

The portfolio's investment return will be compared to the following benchmarks: 90 Day US T-Bills (Cash), Bloomberg Barclays US Aggregate Bond Index (Fixed Income), and S&P 500 (Equities).

IX. COMMUNICATION AND REPORTING:

The Investment Advisor shall furnish FCCRG with a monthly statement containing all pertinent transaction details for the organization for the preceding month, to include:

- A position statement of the organization's holdings, to include a share/par value amount and description of securities held, cost of the securities, current market value of the securities, and estimated annual income.
- The name and quantity of each security purchased or sold, with the transaction date, and cost of the transaction.
- Transaction detail on all other account activity, such as the crediting of dividends or interest, and cash receipts and disbursements.

The Investment Advisor will participate in semi-annual meetings with the Directors to review portfolio status, investment performance, economic outlook, investment strategy, and review of this Policy to ensure that its guidelines remain valid and operative.

X. CONFLICTS OF INTEREST:

It is the policy of FCCRG to avoid conflicts of interest in its operations and in the selection of investment advisors or funds.

XI. REVIEW:

Directors will critique these policies and reviews, make changes if they desire, and finally approve the plan at least annually.