OKLAHOMA CITY
COMMUNITY FOUNDATION
Helping you help the community

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OKLAHOMA CITY COMMUNITY FOUNDATION
GENERAL POOL
INVESTMENT OBJECTIVES AND POLICIES
Approved August 2014

I. THE MISSION

The mission of the Oklahoma City Community Foundation is to receive and prudently administer charitable funds, to distribute earnings on those funds to further the advancement of health, education, social services and civic organizations in the Oklahoma City area, and to provide an ongoing source of support for such charitable activities. To further this mission, the Board of the Foundation has appointed an Investment Committee and has authorized that committee to administer the investment of the Foundation's assets through the selection and review of Investment Managers and the allocation of assets among them. The investments will be governed by the following policies and guidelines.

II. INVESTMENT OBJECTIVES - GENERAL

A. Capital Preservation. The portfolio of securities should be of high quality, with only a moderate but assumable level of risk of loss of principal. Diversification between and within asset classes is essential to this objective, and any significant exposure to high-risk investments is to be avoided.

B. Inflation Protection. The long-term nature of the Foundation, which for investment purposes should be considered perpetual, requires as an investment objective the protection from inflation of the purchasing power of the principal of, and the income earned on, the invested assets. It is believed that a significant exposure to the equity markets is essential to meeting this objective.

C. The Community Foundation, by accepting charitable funds which are intended to provide annual, endowment-type support for a number of charitable organizations, requires a continuing source of investment income to provide this support.

D. Performance. The total return, including both income earned and market appreciation, measured over a three- to five-year period, should place the Foundation's investment performance in the top one-third of a universe of similarly-managed peer funds. Total General Pool quarterly and annual performance will be compared to a blended benchmark comprise of the Russell 3000 Index (50%), MSCI ACWI Index minus US (15%) and Barclays Government/Credit Intermediate Index (35%).

III. INVESTMENT OBJECTIVES - MANAGER SPECIFIC

The investment portfolios of individual Investment Managers will be judged over a three- to five-year period against the following performance objectives.

A. Equities - The following indices will be used for each equity class or such other index as selected and approved by the Investment Committee.

Domestic		
	Large Cap Value	Russell 1000 Value Index
	Large Cap Growth	Russell 1000 Growth Index
	Large Cap Core	Russell 1000 Index
	Mid Cap Value	Russell Mid Cap Value Index
	Mid Cap Growth	Russell Mid Cap Growth Index
	Mid Cap Core	Russell Mid Cap Index
	Small Cap Value	Russell 2000 Value Index
	Small Cap Growth	Russell 2000 Growth Index
	Small Cap Core	Russell 2000 Index
	High Yield Bonds	Merrill Lynch US High Yield Master II
International		
	Developed Markets	MSCI EAFE Index
	Emerging Markets	MSCI Emerging Market Index

B. Fixed Income - ***The Barclay's Intermediate Government Credit Bond A or Better Index (Index (BIGC A+) or such other index as selected and approved by the Investment Committee.***

IV. ASSET ALLOCATION AND ISSUE SELECTION - GENERAL.

A. The asset allocation between investment classes and styles is the responsibility of the Investment Committee. Unless and until changed, the allocation will comply with the following guidelines.

Total Equities (including International)	40 - 70% of the total account.
International Equities	0 – 15% of the total account.
Total Fixed Income and Cash (including International)	30 - 60% of the total account.
High Yield Fixed Income	0 - 10% of the total account.
International Fixed Income	0 - 5% of the total account.

B. The selection of individual issues is the responsibility of the Investment Manager, subject, however, to the following guidelines:

a. Domestic Stocks. Investments will be restricted to issues of companies with an identifiable three-year operating record that is meant to include, but not be limited to, firms that either were private, were the subsidiary of another company, or were the predecessor of a merged entity. Issues of non-U.S. companies trading on a major U.S. exchange will be considered as domestic equities. Equity investments will be limited to publicly-traded, unrestricted stock listed on one of the following major exchanges: New York Stock Exchange (NYSE), American Stock Exchange (AMEX) or NASDQ National Market System. Managers may additionally invest in publicly traded, unrestricted stock listed on other exchanges provided that notice is given to the Investment Committee or its Investment Counsel, prior to the initial investment. Such additional investments are expected to be consistent with the Manager's normal investment criteria, including research access, quality and liquidity. The maximum allocation to such additional investments shall be no more than 10 percent of the manager's portfolio.

b. Domestic Fixed Income. Investments will be restricted to U.S. Treasury and Agency obligations, corporate debt issues rated in the top three ratings of one or more of the following services: S&P, Moody's, and Fitch Ratings (Duff & Phelps); taxable and tax-exempt municipal securities rated in the top three ratings of one or more of the following services: S&P, Moody's, and Fitch Ratings (Duff & Phelps) and commercial paper rated A-1 or P-1. Investments held in an account which are down-graded to a category less than allowed by this policy should be disposed of within a time-frame which is reasonable and prudent and which protects the overall value of the portfolio. Convertible bonds held primarily for their equity potential should be considered equity-type investments. A substantial degree of interest rate risk is to be avoided; the effective duration of the fixed income portfolio, assessed on a quarterly basis, should not exceed ± 20% of the BIGC Index's duration or any such index as might be selected by the Committee.

c. Domestic High Yield Fixed Income. This portfolio is designed to take advantage of opportunities in lower quality, high yield fixed income securities predominantly rated "non-investment grade" by Nationally Recognized Statistical Rating Organizations (NRSROs) such as S&P, Moody's and Fitch and for which the average credit quality ranges between B-/B3/B- and BB+/Ba1/BB+. Investments in unrated securities will be limited to 10% of the portfolio's assets and these securities shall be assumed to be rated below B3. A substantial degree of interest rate risk is to be avoided; the effective duration of the fixed income portfolio should not exceed ± 20% of the Credit Suisse First Boston (CSFB) High Yield Index's duration. The debt issues of any one corporation, including subsidiaries thereof, shall not exceed 5% of the manager's 'total portfolio at the time of purchase.

d. International Fixed Income. Issues representing direct or indirect obligations of foreign ***sovereigns, agencies, supras and quasis*** and the direct obligations of corporations domiciled outside of the U.S. will not be permitted unless they are U.S. dollar pay and unless they otherwise qualify under these guidelines. ***Investments will be restricted to issues rated in the top two ratings of one or more of the following services: S&P, Moody's and Fitch Ratings (Duff &Phelps.) Allocation to any individual issuer will be limited to an aggregate value of $1 million. Finally, not more than 5% of the portfolio market value in the aggregate may be allocated to issues in this category.***

e. International Equities. All equity-type issues of any company domiciled outside of the U.S. and not trading on a major U.S. exchange, but including open-end or closed-end investment companies with over 25% of their portfolio invested in companies domiciled outside of the U.S., whether or not these issues trade on a major U.S. exchange, shall be considered international equities. Such investments will, however, be restricted to issues of companies or funds with an identifiable three-year operating record that is meant to include, but not be limited to, firms that either were private, were the subsidiary of another company, or were the predecessor of a merged entity. Restrictions equivalent in substance to those applicable to Domestic Equities shall apply to International Equities.

f. Unusual Assets. With respect to holdings of mineral interests, real estate and other assets not commonly traded on recognized exchanges, the long-term policy shall be to convert such assets to general market investments over a reasonable length of time. It is recognized, however, that such assets may, from time to time and for several reasons, constitute a significant and important holding for the Foundation because of their importance to the community.

V. ASSET ALLOCATION - MANAGER SPECIFIC.

A. Domestic Equity. Unless otherwise approved by the Investment Committee, and making allowances for temporary trading float and initial investment programs, domestic equity portfolios are never to be less than 90% invested and to be no less than 95% invested in stocks or convertible bonds as defined in Section IV., B., and a. for more than two consecutive month ends. The portfolio shall be prudently diversified by industry, and the investment at cost in any one company shall not exceed 5% of the portfolio's market value at the time or times of purchase. At no time should the market value of the securities in any one company exceed 10% of the market value of the portfolio.

B. International Equity. Unless otherwise approved by the Investment Committee, and making allowances for temporary trading float and initial investment programs, international equity portfolios are never to be less than 90% invested and to be no less than 95% invested in stocks or convertible bonds as defined in Section IV., B., and d. for more than two consecutive month ends. The portfolio shall be prudently diversified by country, and the investment at cost in any one company shall not exceed 5% of the portfolio's market value. At no time should the market value of securities in any one company exceed 10% of the market value of the portfolio. Currency hedging is permitted, but the amount of any individual currency hedge shall not exceed 50% of the value of the securities held in that currency.

C. Fixed Income. Unless otherwise approved by the Investment Committee, or unless specifically structured to manage portfolio duration, fixed income portfolios shall be no less than 80% invested in obligations with maturities in excess of one year. There shall be no limit on the percentage of the portfolio which may be invested in U.S. Treasury or Agency obligations, but the debt issues of any one corporation, including subsidiaries thereof, shall not exceed 5% of the total fixed income portfolio at the time of purchase.

D. Balanced Portfolios. It is recognized that, from time to time, Investment Mangers may be instructed to manage balanced portfolios. In those cases, the Investment Committee shall assign the Manager specific equity and fixed income ratios. The Manager will be expected to manage the portfolio consistent with those assignments, but subject also to the other restrictions and objectives set forth herein.

E. Cash Equivalents. Subject to the limitations set for in Sections V. A. – D., there shall be no restrictions as to the amount that can be invested in any one cash equivalent investment.

VI. OTHER

A. Mutual Funds and Exchange Traded Funds. With the permission of the Investment Committee, investments may be made in shares of Exchange Traded Funds and no-load Regulated Investment Companies. Mutual Funds should have an identifiable three-year operating record and no less than 75% of the assets of such funds should be invested in issues which would otherwise qualify as domestic equities, domestic fixed income or international equities as defined above. In addition, manager fees should be adjusted by an amount equal to the total management fees, including 12b-1 fees, charged by the Investment Company.

B. No investments shall be initiated by any Manager in any venture capital fund or other high-risk, speculative investment which would violate the objective of capital preservation.

C. Investments in derivatives are permitted, but shall be limited to the following:

   a. Equities.

      i. Shares of tracking stocks trading on a major U.S. exchange.

ii. Exchange-traded Index Put and Call Options used specifically to protect general market position during implementation of major buy or sell programs.

b. Fixed Income. Callable bonds, government-sponsored agency mortgage-backed securities (MBS) pass-throughs, zero coupon bonds or synthetic bonds composed of U.S. Treasury STRIPS. Also, a maximum of 25% of a managed fixed income portfolio may be invested in government-sponsored agency collateralized mortgage obligations (CMO's). In addition, a maximum of 15% of a managed fixed income portfolio may be invested in non-agency CMO's and asset backed securities (ABS). Non-agency MBS, CMO's & ABS purchased may not be rated below AAA by any Nationally Recognized Statistical Rating Organization (currently Moody's, S&P, Fitch, AM Best, and Dominion.) All non-agency securities purchased must have at least 18 months seasoning or be designated super-senior. Super-senior refers to a bond tranche whose principal and/or interest distributions have priority over other senior bond tranches in a mortgage/asset backed issue. In addition, the following tranche types are not permissible investments: accrual (Z) bonds, inverse floaters, interest or principal only, and residuals. Finally, no MBS or CMO's backed by subprime, home equity loans, or home equity lines of credit are permitted

VII. MANAGER SELECTION, MONITORING AND EVALUATION.

A. The Investment Committee shall meet as required to interview prospective new Investment Manager Candidates and to make recommendations regarding the addition of new Managers or the termination of existing Managers to the Board for its approval and consent. In addition to recommending a new Manager to whom the Committee might allocate assets from the Pooled Investment Account, it may also recommend a Manager to whom it might allocate assets of an Affiliated Fund, but not the Pooled Account, if it believes that allocation best serves the investment objectives of the respective Affiliated Fund.

B. The Committee shall meet no less often than quarterly to review the then current allocation of assets, valued at market, as between asset classes and styles, and to make whatever transfers might be required to adjust the allocation to a position consistent with the Investment Policy Guidelines and the investment outlook as determined by the Committee.

C. The Committee intends to meet with each manager on an annual basis and shall meet no less often than once every two years to review the activities in the portfolio since the last report; to discuss the Manager's strategy for meeting its investment objectives; and to monitor the Manager's compliance with the guidelines.

D. The Committee shall meet at least annually to review the list of unusual assets held outside of the Investment Manager's portfolios.

E. The Investment Committee will receive and rely upon performance reports prepared by its custodian bank and reviewed by its Investment Consultant and staff.

SPENDING POLICY APPENDIX

As has been the Foundation's policy since 1990, as stated in our investment publications and in most of our fund policies, as well as allowed for in our Articles of Incorporation, the Foundation exercises a spending policy of 5% of the average market value of the fund over the past twelve quarters unless special circumstances exist and the fund agreement has established a different spending policy.

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