



INVESTMENT POLICY OBJECTIVES & GUIDELINES FOR MONEY MARKET POOL

INTRODUCTION

Within the broad framework of the Community Foundation of Greater Memphis Investment Policy Objectives & Guidelines (“the Investment Policy”), each active manager employed by the Foundation’s discretionary Money Market Pool is expected to pursue their stated investment strategy and follow the investment guidelines and objectives set forth herein. The coordination of these guidelines with the individual managers assures that the combined efforts of our managers will be consistent with the overall objectives of the Foundation.

In addition, these investment guidelines and objectives shall govern the management of individual donor funds where the donor has selected the investment advisor.

ROLE

To provide the Foundation with a diversified portfolio of publicly traded money market securities.

INVESTMENT OBJECTIVES

The objectives of this portion of the Fund are as follows:

- To provide a minimum total return consistent with US Treasury Bills.
- To provide returns with volatility, as measured by the standard deviation of rates of return, no greater than 10% of the Citigroup 3 Month Treasury Bill Index.
- To exceed the median return of a money market universe selected by the Foundation.

While progress toward meeting these objectives will be reviewed continuously, our primary focus will be on the attainment of goals over a three-year to five-year period.

ASSET MIX

Managers are expected to maintain a diversified portfolio of U.S. government, U.S. agency and corporate securities.

PERMISSIBLE SECURITIES

US Government or agency securities, commercial paper with an A-1 or P-1 or better rating, bank certificates of deposit, mutual funds (institutional shares where applicable) or government and corporate securities with less than one year to maturity or mutual funds.

PROHIBITED SECURITIES

U.S. Governments, U.S. agencies and Corporate securities with greater than one year to maturity, U.S. or international stocks, all option strategies, real estate, commodities, restricted stock, short selling, or derivatives.

DIVERSIFICATION

With the exception of US government securities, a maximum weighting, at cost, in one issue of 5%. If price appreciation causes a security to exceed the 5% limitation, a sale of the issue shall not be required except as warranted by investment considerations. No maximum weighting in any one industry.

INCOME

No minimum yield or dividend requirements.

MARKETABILITY

Securities held will be readily marketable.

POOLING

Commingled funds and mutual funds are acceptable. Where commingled or mutual funds are utilized as an investment vehicle, the rules and regulations set forth in the prospectus or offering memorandum will apply.

PERIODIC REVIEW

Standards established for the money market portfolios reflect the guidelines established by the Foundation. Guidelines will be reviewed at least annually, and more frequently as required. Money market advisors may request modifications to these guidelines, which will subsequently be taken under consideration by the Foundation.



INVESTMENT POLICY OBJECTIVES & GUIDELINES FOR FIXED INCOME POOL

INTRODUCTION

Within the broad framework of the Community Foundation of Greater Memphis Investment Policy Objectives & Guidelines (“the Investment Policy”), each active manager employed by the Foundation’s discretionary Fixed Income Pool is expected to pursue their stated investment strategy and follow the investment guidelines and objectives set forth herein. The coordination of these guidelines with the individual managers assures that the combined efforts of our managers will be consistent with the overall objectives of the Foundation.

In addition, these investment guidelines and objectives shall govern the management of individual donor funds where the donor has selected the investment advisor.

ROLE

To provide the Foundation with a diversified portfolio of publicly traded fixed income securities.

INVESTMENT OBJECTIVES

The objectives of the Fund are as follows:

- To preserve the principal of an investor’s capital;
- To provide a minimum total return equal to the rate of inflation plus 2.0 %¹;
- To exceed the return (net of fees) of the Lehman Brothers Aggregate Index or stated benchmark otherwise on a total fund and fixed income only basis;
- To provide returns with volatility, as measured by the standard deviation of returns, no greater than 25% of the Lehman Brothers Aggregate Index or stated benchmark otherwise;
- To exceed the median return of a fixed income universe selected by the Foundation.

While progress toward meeting these objectives will be reviewed continuously, our primary focus will be on the attainment of goals over a three-year to five-year period.

ASSET MIX

Managers have discretion over the allocation among fixed income and cash and equivalent investments in their portfolio. There is no minimum fixed income weighting.

PERMISSIBLE SECURITIES

¹ Inflation is currently projected at 3.0%.

Fixed income securities offered in both primary and secondary markets. Securities may include bonds, notes and pass-through securities issued or guaranteed by the US Government or its agencies, corporate bonds, notes, debentures, mortgage-backed securities, asset-backed securities, bonds issued by foreign governments, money market instruments or mutual funds (institutional shares where applicable). The minimum credit rating for corporate bonds is Baa by Moody's or BBB by Standard and Poor's, with the exception of government securities. Should the rating on a debt or preferred stock security purchased subsequently fall below the minimum rating, a sale of the issue shall not be required except as warranted by investment considerations.

PROHIBITED SECURITIES

U.S. or international common stock, convertible securities, real estate investment trust securities, uncovered options, commodities, restricted stock, short selling or derivatives.

DIVERSIFICATION

With the exception of government securities, the maximum weighting, at cost, in one issue is 5%. If price appreciation causes a security to exceed the 5% limitation, a sale of the issue shall not be required except as warranted by investment considerations. No maximum weighting in any one industry.

INCOME

No minimum yield or coupon requirements.

MARKETABILITY

Securities held will be readily marketable.

POOLING

Commingled funds and mutual funds are acceptable. Where commingled or mutual funds are utilized as an investment vehicle, the rules and regulations set forth in the prospectus or offering memorandum will apply.

PERIODIC REVIEW

Standards established for the fixed income portfolios reflect the guidelines established by the Foundation. Guidelines will be reviewed at least annually, and more frequently as required. Fixed income advisors may request modifications to these guidelines, which will subsequently be taken under consideration by the Foundation.



INVESTMENT POLICY OBJECTIVES & GUIDELINES FOR BALANCED POOL

INTRODUCTION

Within the broad framework of the Community Foundation of Greater Memphis Investment Policy Objectives & Guidelines (“the Investment Policy”), each active manager employed by the Foundation’s discretionary Balanced Pool is expected to pursue their stated investment strategy and follow the investment guidelines and objectives set forth herein. The coordination of these guidelines with the individual managers assures that the combined efforts of our managers will be consistent with the overall objectives of the Foundation.

In addition, these investment guidelines and objectives shall govern the management of individual donor funds where the donor has selected the investment advisor.

ROLE

To provide the Foundation with a diversified portfolio of publicly traded equity, fixed income, cash and equivalent securities. The fund’s composite index represents a weighted average of the S&P 500 Index, the Lehman Brothers Government/Credit Intermediate Bond Index and 3 Month Treasury Bills in the same allocation as the Foundation’s balanced fund. The allocation of the composite index changes with the allocation changes in the balanced fund.

INVESTMENT OBJECTIVES

The objectives of this portion of the Fund is as follows:

- To provide a minimum total return equal to the rate of inflation plus 4.0%²;
- To exceed the return (net of fees) of the fund’s composite index;
- To provide returns with volatility, as measured by the standard deviation of returns, no greater than 25% of the fund’s composite index;
- To exceed the median return of a balanced universe selected by the Foundation.

While progress toward meeting these objectives will be reviewed continuously, our primary focus will be on the attainment of goals over a three-year to a five-year period.

ASSET MIX

Managers have discretion over the allocation among equity-oriented, fixed income and cash and equivalent investments given the allocations fall within the ranges outlined in the Investment Policy.

PERMISSIBLE SECURITIES

² Inflation is currently projected at 3.0%.

Equity securities listed on the New York Stock Exchange, the American Stock Exchange, principal regional exchanges, and in over-the-counter securities for which there is a strong market providing ready liquidity of the specific security. Equity advisors are permitted to utilize American Depository Receipts (ADRs), international stocks, covered call options, protected put options, convertible securities and mutual funds (institutional shares where applicable). Fixed income securities may include bonds, notes and pass-through securities issued or guaranteed by the US Government or its agencies, corporate bonds (with minimum Baa Moody's or BBB Standard and Poor's rating), notes, debentures, mortgage-backed securities, asset-backed securities, bonds issued by foreign (dollar denominated) governments, US or international preferred stock, money market instruments, and mutual funds (institutional shares where applicable). In addition, other strategies such as hedged equity, absolute return, derivatives, and private market real estate may be utilized by the Foundation's balanced fund given approval by the Board of Governors.

PROHIBITED SECURITIES

Uncovered put and call options, commodities, restricted stock, short selling or derivative securities.

DIVERSIFICATION

Maximum weighting, at cost, in any equity security is 5%. If price appreciation causes a security to exceed the 5% limitation, a sale of the issue shall not be required except as warranted by investment considerations. No maximum weighting in any one industry, as defined by Standard and Poor's. There is no maximum weighting for government or government agency securities. The maximum weighting at cost for corporate bonds is 5%. If price appreciation causes a security to exceed the 5% limitation, a sale of the issue shall not be required except as warranted by investment considerations.

INCOME

No minimum yield or dividend requirements.

MARKETABILITY

Securities held will be readily marketable.

OPTIONS

Covered call options are permitted.

POOLING

Commingled funds and mutual funds are acceptable. Where commingled or mutual funds are utilized as an investment vehicle, the rules and regulations set forth in the prospectus or offering memorandum will apply.

PERIODIC REVIEW

Standards established for balanced portfolios reflect the guidelines established by the Foundation. Guidelines will be reviewed at least annually, and more frequently as required. Balanced advisors may request modifications to these guidelines, which will subsequently be taken under consideration by the Foundation.



INVESTMENT POLICY OBJECTIVES & GUIDELINES FOR EQUITY POOL

INTRODUCTION

Within the broad framework of the Community Foundation of Greater Memphis Investment Policy Objectives & Guidelines (“the Investment Policy”), each active manager employed by the Foundation’s discretionary Equity Pool is expected to pursue their stated investment strategy and follow the investment guidelines and objectives set forth herein. The coordination of these guidelines with the individual managers assures that the combined efforts of our managers will be consistent with the overall objectives of the Foundation.

In addition, these investment guidelines and objectives shall govern the management of individual donor funds where the donor has selected the investment advisor.

ROLE

To provide the Foundation with a diversified portfolio of publicly traded equity securities.

INVESTMENT OBJECTIVES

The objectives of this portion of the Fund are as follows:

- To provide a minimum total return equal to the rate of inflation plus 7.0%³;
- To exceed the return (net of fees) of the S&P 500 Index or stated benchmark otherwise on a total fund and equity only basis;
- To provide returns with volatility, as measured by the standard deviation of returns, no greater than 25% of the S&P 500 Index or stated benchmark otherwise.
- To exceed the median return of an equity universe selected by the Foundation.

While progress toward meeting these objectives will be reviewed continuously, our primary focus will be on the attainment of goals over a three-year to five-year period.

ASSET MIX

Managers have discretion over the allocation among equity and cash and equivalent investments. There is no minimum equity weighting.

PERMISSIBLE SECURITIES

Equity securities listed on the New York Stock Exchange, the American Stock Exchange, principal regional exchanges, and in over-the-counter securities for which there is a strong market providing ready liquidity of the specific security. Equity advisors are permitted to utilize American Depository Receipts (ADRs), U.S. and International common stocks,

³ Inflation is currently projected at 3.0%.

covered call options, protected put options, convertible securities, money market instruments, and mutual funds (institutional shares where applicable).

PROHIBITED SECURITIES

U.S. or international preferred stocks, U.S. and government agency bonds, foreign government bonds, corporate bonds, mortgage-backed or asset-backed securities or collateralized mortgage obligations uncovered call options, unprotected put options, commodities, restricted stock, dedicated short selling or derivative securities.

DIVERSIFICATION

Maximum weighting, at cost, in one company is 5%. If price appreciation causes a security to exceed the 5% limitation, a sale of the issue shall not be required except as warranted by investment considerations. No maximum weighting in any one industry, as defined by Standard and Poor's.

INCOME

No minimum yield or dividend requirements.

MARKETABILITY

Securities held will be readily marketable.

OPTIONS

Covered call options are permitted.

POOLING

Commingled funds and mutual funds are acceptable. Where commingled or mutual funds are utilized as an investment vehicle, the rules and regulations set forth in the prospectus or offering memorandum will apply.

PERIODIC REVIEW

Standards established for the equity portfolios reflect the guidelines established by the Foundation. Guidelines will be reviewed at least annually, and more frequently as required. Equity advisors may request modifications to these guidelines, which will subsequently be taken under consideration by the Foundation.