TROUP COUNTY RECREATION
ENDOWMENT FUND INVESTMENT POLICY

I. Preamble

The main goal of the Troup County Recreation Endowment Fund (TCREF) is to preserve and responsibly grow the principal so that future needs can be met, while at the same time providing sufficient resources for current programs. Hence, the Endowment should be invested in such a manner as to create a stream of returns that treat equitably in inflation adjusted dollars, current and future needs of the Troup County Recreation projects constructed with Special Purpose Local Option Sales Tax (SPLOST) funds, and does so at a level of risk that is prudent.

II. Introduction

Purpose of this Policy Statement

This Policy Statement outlines the goals and investment objectives of the Troup County Recreation Endowment Fund as administered by the Board of Trustees. Since this policy statement is intended to provide guidelines for the Trustees responsible for monitoring the assets, this document outlines certain specific investment policies which will govern how those goals are to be achieved. This statement:

- Specifies the target asset allocation policy
- Establishes investment guidelines regarding diversification and permissible securities

These policies will be reviewed and revised periodically to ensure they adequately reflect changes related to the TCREF, and the capital markets.

Investment Objective

The TCREF is long-term in nature; consequently, the investment of the Endowment should have a long-term focus. The funds shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. The investment objective for the fund is to maintain a moderate level of current income and achieve an above average growth in principal over the long-term in excess of inflation. This objective can be obtained through a well-diversified portfolio structure in a manner consistent with this policy.

It is understood that there can be no guarantees about the attainment of the goals or investment objectives outlined here.

Spending Policy

During the first three (3) years that the Fund is in existence, the Trustees shall distribute funds from the Fund to Troup County, Georgia annually on July 1, in an amount the Trustees deem appropriate, but the amount of said distribution shall not exceed five percent (5%) of the fair market value of the trust assets at the end of the previous calendar year. During the fourth, fifth, sixth and seventh year that the Fund is in existence, the Trustees shall distribute funds from the Fund to Troup County, Georgia annually on July 1, in an amount they deem appropriate, but said amount shall not exceed five percent (5%) of the average fair market value of the trust assets at December 31 since the end of the third year of the Fund's existence. After the Fund has been in existence for seven years, the amount of each annual distribution on July 1 shall not exceed five percent (5%) of the average fair market value of the trust assets over the preceding five (5) years, determined at December 31 of each year.

III. Information about the Troup County Recreation Endowment Fund

The exclusive purpose of the Fund is to contribute to and support the expenses of Troup County, Georgia in operation and maintaining those proposed recreational additions and improvements enumerated in a joint letter dated May 11, 2001, from Ben Thompson, Jr., Chairman, Troup County Board of Commissioners and H. Speer Burdette, III, Chairman, Troup County Parks and Recreation Commission, a copy of which is attached as Schedule "A" and made a part hereof. TCREF is intended to qualify as an exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code (the "Code") and to be classified as a public charity that is a supporting organization as defined in Section 509(a)(3) of the Code.

IV. Responsibilities of TCREF

TCREF acknowledges its responsibility as a fiduciary. In this regard, it must act prudently.

More specifically, the Trustees' responsibilities include:

- Developing investment goals, objectives and performance measurement standards that are consistent with the needs of the Endowment.
- Communicating the investment goals, objectives and standards to the investment manager, including any material changes that may subsequently occur.
- Determining, with the advice of the investment manager, how the assets should be allocated among various asset classes.

- Reviewing and evaluating the results of the investment manager in context with established standards of performance.

The Trustees will notify the investment manager of:

1. Significant changes in cash flow and/or cash flow needs.
2. Any matter that bears upon the proper investment management of the Endowment, including pertinent financial, legal, and other information involving the fund.

V. Responsibilities of the Investment Manager

Fiduciary Responsibilities

The investment manager is expected to manage the assets in a manner consistent with the investment objectives, guidelines, and constraints outlined in this statement and in accordance with Federal and State law.

This would include discharging responsibilities with respect to the Endowment consistent with the "Prudent Expert" and all other fiduciary responsibility provisions and regulations. The investment manager shall at all times be registered in good standing as an investment adviser under the Investment Advisers Act of 1940. The assets will be managed by an experienced investment management firm with a proven track record.

Security Selection/Asset Allocation

The overall portfolio is expected to operate within an overall asset allocation strategy defining the mix of asset classes. This strategy, described below, sets a long-term percentage target for the amount of the Endowment's market value that is to be invested in any one asset class. The allocation strategy also defines the allowable investment shifts between the asset classes, above and below the target allocations.

VI. Investment Objectives

The trustees have adopted an overall investment objective for the Endowment of income and growth, that is, a total return approach, emphasizing both current income and growth in principal over a relatively long period.

The Trustees will monitor the Endowment's performance on a semi-annual basis, or more frequently if needed, and will evaluate the investment manager's contribution toward meeting the investment objectives outlined below over a five year time period or a full market cycle, whichever is longer.

The real return objective is Inflation +5(4 is replaced as historical spending back to 2001 has been at 5%).0% (the proxy for inflation shall be the Consumers Price Index or "CPI"), annualized over a five-year time period or a full market cycle. However, this real return objective should never be less than 5%.

VII. Risk Tolerance

Investment theory and historical capital market return data suggest that, over long periods of time, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. In general, higher risk, (i.e., volatility of return) is associated with higher returns.

Given this relationship between risk and return, a fundamental step in determining the investment policy for the Endowment is the determination of an appropriate risk tolerance. The trustees examined two important factors that affect the Endowment's risk tolerance:

Financial Ability to accept risk within the investment program and, willingness to accept return volatility.

The Trustees examined the Endowment's risk tolerance by considering several relevant factors. A positive factor that contributes to the risk tolerance is the stable financial foundation of the TCREF. Offsetting this positive characteristic is the uncertainty of the cash flows in and out of the Endowment over the long-term and unanticipated capital market volatility. The Trustees are comfortable with a moderate risk strategy. This is a goal of relatively more stable returns over the longer term. However, the Trustees acknowledge that the target asset mix could result in substantial short-term volatility.

VIII. Asset Allocation Strategy

In line with the Endowment's return objectives and risk parameters, the mix of assets should be maintained as follows:

Asset Class	Min.	Target Avg.	Max.
Equity			
Large Cap Com Stock	20%	40%	50%
Mid Cap Com Stock	0%	5%	15%
Small Cap Stocks	0%	5%	15%
International Stocks	0%	15%	20%
Total Equity		65%	
Alternative Inv-Hedge Funds	0%	0%	10%
-Commodities	0%	0%	5%
-REITS	0%	0%	10%
Fixed Income-Domestic	20%	30%	40%
-High Yield	0%	2%	10%
Cash Equivalents	0%	3%	5%
Total Other Investments		35%	
		100%	

Variances from the above return objectives and risk parameters will be allowed with approval of the Board of Trustees.

IX. Investment Policies and Constraints

Equity Capitalization (Individual Stocks) Stocks

1. High overall quality.
2. Reasonable diversification, no position larger than 5% of the individual equity portion.
3. Fixed income securities convertible into equities are considered stock for purposes of asset allocation and performance.
4. The performance benchmark for this position will be for:

• Large Cap Com Stock	S&P 500 Index
• Mid Cap Com Stock	Russell Mid Cap
• Small Cap Com Stock	Russell 2000
• International Stocks	MSCI EAFE Index

Fixed Income

1. Quality to be above average with heavy emphasis on issues at least "BBA" by Moody's and or BBB Standard & Poor's. This excludes any allocation to high Yield Bonds.
2. Well diversified as to issue and maturity. No single issue will exceed 10% of the fixed income holdings.
3. Maturities should generally be of short to intermediate length but, may emphasize shorter or longer maturities depending on yield differentials.
4. The performance benchmark for fixed income will be:

• Domestic Bonds	Barclays G/C Intermediate Index
• High Yield Bonds	Merrill Lynch High Yield Index

Alternative Investments

1. Alternative Investments are limited to Hedge Funds (Fund of Funds), Commodities and REITS.
2. The performance benchmark for alternative investments will be:
   - Hedge Funds — HFRI Funds of Funds Composite
   - Commodities — DJ UBS Commodity Index
   - REITS — FTSE REIT

Cash Equivalents

1. Reserves and excess income should be invested at all times in practical amounts.
2. Reserves can be invested in the reserve funds of the financial institutions, other institutional par-value funds, or other high quality money market instruments.

Exclusions

The assets may not be used for the following purposes; except as a part of a hedge fund strategy:

- Short Sales
- Purchases of letter stock, private placements, or direct payments
- Leveraged transactions
- Purchases of securities not readily marketable
- Commodities transactions

- Puts, calls, Straddles, or other option strategies
- Investment in tax-exempt securities

X. Review of Policy

The Investment Policy will be evaluated at least annually by the Board of Trustees of the Fund.

Date reviewed by Trustees	February 25, 2002
	August 11, 2003
	September 24, 2004
	October 18, 2005
	October 17, 2006
	October 16, 2007
	October 14, 2008
	October 20, 2009
	October 19, 2010
	February 7, 2017

H. Spear Burdett III
CHAIRMAN