

COMMUNITIES FOUNDATION OF OKLAHOMA INVESTMENT POLICY

The Investment Policy of the Communities Foundation of Oklahoma, Inc. ("CFO") is developed by the Finance / Investment Committee and approved by the Board of Trustees ("Board"). The Finance / Investment Committee shall engage and oversee one or more professional consultants ("Consultant") and one or more professional money manager(s) ("Manager") to implement this Policy. In the case of nonpooled investments, the Consultant and the Manager may be the same individual/entity.

The Finance / Investment Committee shall administer the investment process of CFO funds ("Funds") in accordance with approved Policy. This Policy shall be reviewed annually by the Finance / Investment Committee and revised as necessary. Revisions are subject to approval by the Board.

I. PURPOSE OF THE INVESTMENT POLICY

The Finance / Investment Committee desires to use the investment policies and restrictions presented in this Statement as a framework to guide:

- the Consultant in recommending the retention or dismissal of the Managers and to evaluate the performance of the Managers.
- the Consultant in attaining the Investment Objective for the Funds and to define a level of risk that is deemed acceptable. The Consultant will communicate the investment policy and restrictions to the Managers.

These policies and restrictions are not intended to impede the efforts of the Manager to attain the CFO's overall objectives, nor should they exclude him from appropriate investment opportunities. The Manager is allowed reasonable discretion in the asset allocation and diversification of the Funds, subject to this policy.

II. GENERAL OBJECTIVES

Investments will be made for the sole interest and exclusive purpose of helping meet the funding needs of the CFO. Investments will be made in accordance with the Oklahoma Uniform Prudent Investor Act, currently found at 60 O.S. §175.60 et. seq.

CFO's Investment Objective is "Growth and Income". The intent of the objective is to provide both current income and future growth to accommodate CFO's spending policy plus normal inflation; thereby, preserving the constant dollar value and purchasing power of CFO for future generations.

III. PERFORMANCE EXPECTATIONS

Investment performance will be judged over a three-year time horizon or market cycle, using the most appropriate benchmarks for the types of investments held. The goal of each asset class is to achieve the total return of its benchmark while maintaining a risk level less than that of the benchmark. The comparative goal for performance is to rank in the top fifty percent (50%) of managers in similarly styled portfolios. The overall goal for CFO is to achieve a five percent (5%) real rate of return after inflation.

IV. ASSET ALLOCATION

The Board expects the CFO asset allocation policy to reflect and be consistent with the investment objectives and risk tolerance expressed throughout this Statement. The following guidelines will be used by the Manager in determining the allocation of CFO's assets.

CFO's assets will be divided between as many as four (4) different investment pools ("Pools"). The four pools will have the following allocations:

1. Aggressive Pool:

Equities – The equity component of the portfolio shall normally constitute 90% to 100% of total Fund assets.
Cash and Equivalents - Cash and equivalents, shall constitute the balance of the assets and shall be maintained at a level sufficient to accommodate expenses and distributions.

2. Growth Pool:

Equities – The equity component of the portfolio shall normally constitute 70% to 80% of total Fund assets.
Fixed Income - The fixed income component, including cash and equivalents, shall constitute the balance of the assets.

3. Balanced Pool:

Equities - The equity component of the portfolio shall normally constitute 40% to 70% of total Fund assets.
Fixed Income - The fixed income component, including cash and equivalents, shall constitute the balance of the assets.

4. Conservative Pool:

Equities - The equity component of the portfolio shall normally constitute 20% to 30% of total Fund assets.
Fixed Income - The fixed income component, including cash and equivalents, shall constitute the balance of the assets.

V. INVESTMENT AUTHORIZATION & RESTRICTIONS

A. Equities - The Board gives the Manager full discretion in security selection, sector selection, and portfolio turnover subject to this document and the following authorizations and restrictions:

1. The Manager is responsible for maintaining proper diversification of equities and sectors in the portfolio.
2. The Manager may invest in common stock, preferred stock, convertible preferred stock, and American Depository Receipts (ADRs) issued by corporations domiciled in developed countries.
3. The Manager may invest in shares of equity mutual funds or common trust funds, whose objectives are consistent with this policy.
4. Investments in securities of a single issuer shall not exceed 10% of the total market value of each respective pool.
5. Preferred stock and convertible preferred stock must have a rating of A or better by Standard & Poor's or Moody's.
6. The Manager is prohibited from investing in private placements, letter stock, and uncovered options, and from engaging in short sales, margin transactions or other speculative investment activities.
7. The Manager is permitted to invest in securities trading on foreign exchanges. Further the Manager is permitted to manage the dollar-denominated currency exposure inherent in owning those foreign equity securities through both active currency bets and hedges, using the following approaches: holding or selling real foreign currencies, buying or selling currency futures contracts, entering short or long forward currency commitments, entering currency swap contracts.

B. Fixed Income – The Board gives the Manager full discretion in security selection, sector selection, and portfolio turnover subject to this document and the following authorizations and restrictions:

1. The Manager may invest in obligations of, guaranteed by, or insured by the U.S. Government, its agencies, or government sponsored enterprises.
2. The Manager may invest in obligations of U.S. banks or Savings and Loan Associations that are fully insured by the Federal Deposit Insurance Corporation.
3. The Manager may invest in shares of fixed income mutual funds or common trust funds whose objectives are consistent with this policy.

4. The Manager may invest in corporate debt issues, which, at the time of purchase, are rated A or better by Standard & Poor's or Moody's with a maturity of 10 years or less.
5. Investments in securities of a single debt issuer, with the exception of the U.S. Government, its agencies, and government sponsored enterprises, shall not exceed 10% of the fixed income component's market value.
6. The weighted average maturity of the fixed income component shall not exceed 10 years.
7. The weighted average long-term credit rating of the portfolio will be maintained at a level of A or better, as rated by Standard and Poor's or Moody's.
8. The Manager may invest in fixed income mutual funds or common trust funds, which at the time of purchase have an average portfolio credit rating of A or better by Standard and Poor's or Moody's and an average portfolio maturity of 10 years or less.
9. The Manager is prohibited from investing in securities of any municipal debt issuer, as well as any mutual funds or common trust funds investing in any municipal debt issues.

C. Cash Equivalents – The Board gives the Manager full discretion in allocation to and security selection of the cash equivalents component subject to this document and the following authorizations and restrictions:

1. To provide income, liquidity and preservation of principal, the Manager may invest in commercial paper, repurchase agreements, U.S. Treasury Bills, certificates of deposit, as well as money market funds and short-term collective trust funds which contain the above securities.
2. All such assets must represent maturities of one year or less at the time of purchase.
3. Commercial paper assets must be rated A-1 or P-1 by Standard & Poor's or Moody's, respectively.
4. Uninvested cash reserves shall be kept at minimum levels.

D. Other Investment Restrictions

1. The Manager will not purchase assets other than those described above without the written consent of the Finance / Investment Committee.
2. Investments in contracts of commodities are prohibited without prior written consent of the Finance / Investment Committee.
3. Investments not specifically addressed within this Statement are forbidden without the written consent of the Finance / Investment Committee.
4. Investments of Donor Advised Funds may not exceed 20% of the voting stock or profit interest in any business entity when aggregated with the holdings of the donor, donor advisors, and related parties.

VI. MONITORING PROCEDURES & MANAGER EVALUATION

The Finance / Investment Committee shall meet with the Consultant not less than annually for the purpose of discussing actual and comparative investment performance and strategy for meeting investment objectives. More frequent meetings with the Consultant and/or Manager shall be on an as-needed basis. The Consultant or Manager shall provide a periodic statement, the frequency of which shall be determined by the Finance / Investment Committee, showing transactions and current asset values.

VII. CONFLICT OF INTEREST

For Trustees, Officer, Directors, Committee Members, Staff Members and certain Consultants:

None of the above shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with CFO. Each individual shall disclose any personal interest, which he or she may have in any matter pending before CFO and shall abstain from any vote on such matter.

Adopted by Trustee Action 1/22/2007