INVESTMENT POLICY STATEMENT

For

Oakland Community College Foundation

LJPR, LLC
Registered Investment Advisor

As of September 2, 2010

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PURPOSE

The purpose of this Investment Policy Statement (IPS) is to assist the Finance Committee in effectively supervising, monitoring and evaluation the investment of the Foundation assets. The Foundation's investment program is defined in the various sections of the IPS by:

- Stating in a written document the Finance Committee's attitudes, expectations, objectives and guidelines for the investment of all assets.

- Setting forth an investment structure for managing all Foundation assets. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce a sufficient level of overall diversification and total investment return over the long-term.

- Providing guidelines for each investment portfolio that control the level of risk and liquidity assumed in that portfolio, so that all assets are managed in accordance with stated objectives.

- Encouraging effective communications between the Finance Committee, and the investment consultant.

- Establishing formalized criteria to monitor, evaluate and compare the performance results achieved by the mutual funds.

- Complying with all fiduciary, prudence and due diligence requirements that experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state federal and international political entities that may impact Foundation assets.

This IPS has been developed upon consideration by the Finance Committee, of the financial implications of a wide range of policies, and describes the prudent investment process that the Finance Committee deems appropriate.

RESPONSIBILITES

The Finance Committee is charged with the responsibility for the engagement of investment consultants for the management of the assets of the Foundation. The Finance Committee shall discharge duties solely in the interest of the Foundation, with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The specific responsibilities of the Finance Committee relating to the investment management of the assets include:

1. Adhering to the guidelines as defined in all applicable regulations.
2. Determining the Foundation's risk tolerance and investment horizon, and communicating these to the appropriate parties.
3. Establishing reasonable and consistent investment objectives, policies and guidelines, which will direct the investment of the Foundation's assets.
4. Prudently and diligently selecting qualified investment professionals and organizations including, Money Managers (Mutual Funds), Investment Consultant(s), and Custodian(s).
5. Annually evaluating the performance of the mutual funds and investment consultant to assure adherence to policy guidelines and monitor investment objective progress.
6. Developing and enacting proper control procedures: For example, replacing mutual funds due to a fundamental change in investment management process, or failure to comply with established guidelines.

The Finance Committee is a fiduciary, and is responsible for directing and monitoring the investment management of foundation assets. As such, the finance committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

Investment Consultant

The investment consultant's role is that of an advisor, and may assist the finance committee in: establishing investment policy, objectives, and guidelines; searching for appropriate managers/funds; reviewing such managers/funds over time; measuring and evaluating investment performance; and other tasks as deemed appropriate. The investment consultant's responsibilities are defined in a separate written agreement.

Money Managers/Mutual Funds

The money manager/mutual fund has discretion to purchase, sell, or hold the specific securities that will be used to meet the foundation's investment objectives as provided by this IPS. The money manager(s)/mutual fund(s) will be evaluated based on criteria established in this written IPS and separate account money managers will be provided with performance criteria after the money manager selection process. Mutual funds are considered to be Money Managers.

Custodian

The custodian will physically maintain possession of securities owned by the foundation, and collect dividend and investment payments. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the foundation accounts.

Additional specialist such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the Finance committee to assist in meeting its responsibilities and obligations to administer foundation assets prudently.

If such experts employed are also deemed to be fiduciaries, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable, and will be borne by the foundation as deemed appropriate and necessary.

BACKGROUND

The Foundation is a Michigan non-profit public benefit corporation organized exclusively for charitable purposes and qualifying as a tax-exempt entity under Section 501(c) of the Internal Revenue Code of 1986, as amended.

The Finance Committee of the Foundation is responsible for the charge and management of all funds of the foundation.

Key Information:

Name of Foundation:	Oakland Community College Foundation
Tax ID:	38-2282180
Finance Committee Members:	Treasurer, Foundation Director, and members appointed by Foundation Board Chair
Custodian:	Charles Schwab & Co.
Investment Consultants:	LJPR, LLC

STATEMENT OF OBJECTIVES

The objectives of the foundation have been established in conjunction with a comprehensive review of the current and projected financial requirements. The objectives are:

1. To maintain the purchasing power of the current assets and all future contributions.
2. To generate sufficient income from current investments to cover the costs of maintaining existing programs without utilizing principal, contributions or the income from new contributions.
3. To maintain balance between growth with inflation protection and income with stability of principal in the portfolio.
4. To maximize return within reasonable and prudent levels of risk and to provide exposure to a wide range of investment opportunities in various markets while limiting risk exposure through prudent diversification as to asset classes (e.g. stocks, bonds, and cash) and specific securities within each class.
5. To maintain an appropriate asset allocation policy that is compatible with the spending policy while still having the potential to produce positive real results.
6. To control costs of administering the foundation and managing the investments.
7. To maintain adequate cash reserves.
8. To monitor foundation investments periodically in order to make timely decisions as to policy and strategy.
9. To provide for adequate safeguarding of assets by utilizing independent custodians.

Investment results are the critical element in achieving the investment objectives. The investment earnings from future contributions are expected to be used to support new programs.

Spending Policy

The Foundation's Spending Policy will be adhered to under normal conditions. If special circumstances occur (such as severe market downturn) and may interfere with the Foundation's regular spending policy regarding disbursements for scholarships or other programs, spending decisions will be brought before the Finance Committee for review, and then to the Board of Directors for approval.

GUIDELINES AND INVESMENT POLICY

Time Horizon

The investment guidelines are based upon an investment horizon of greater than five years, so that interim fluctuations should be viewed with appropriate perspective. Similarly, the foundation's strategic asset allocation is based on this long-term perspective.

There is a requirement to maintain sufficient liquid reserves to provide for disbursements.

Risk Tolerance

The Finance Committee recognizes the difficulty of achieving the investment objectives in light of the uncertainties and complexities of contemporary investment markets. The finance committee also recognizes that some risk must be assumed to achieve the long-term investment objective.

In establishing risk tolerance, the ability to withstand short and intermediate term variability were considered, leading the finance committee to conclude that our risk tolerance is moderate. We desire a portfolio that is balanced between lower risk investment with lower potential returns and more volatile investments with higher potential returns.

Performance Expectations

In general, the finance committee performance expectation is to earn a targeted return of 7.7% based on a 30-year time horizon and commensurate with the return of a benchmark consisting of a similar asset allocation and investment composite. This expectation is based in part on the actual historical long-term 30 year rate of return, as well as a modeled return and range of return expected for a portfolio with weightings similar to our target policy as summarized here:

	Historical
1 year range	(29.71%) to 49.41%
3 year range	(8.39%) to 29.50%
Mean Return	7.7%

Past results may not be indicative of future results. Future inflation levels will likely affect future fixed income returns.

Asset Allocation

The finance committee has reviewed the long-term performance characteristics of various asset classes, focusing on balancing the risks and rewards of market behavior. Based on the Foundation's time horizon, risk tolerance, performance expectations and asset class preferences, the following asset allocation was constructed:

	Strategic Allocation	
Fixed Income	30%	
Total Fixed Income		30%
Domestic Equities	45%	
International Equities	20%	
Total Equities		65%
Cash	5%	

Changes to the strategic allocation specified above will warrant a new investment policy statement. Quarterly performance reports will be furnished by the investment consultant and reviewed by the Finance Committee.

Asset Allocation Constraints

Rebalancing will be strongly considered when the actual percentage allocation to fixed income and equities varies by 5 percentage points or more from the strategic allocation. Subject to practical constraints, rebalancing will also be strongly considered when the actual percentage allocation of a sub-asset class varies by more than 20% from the strategic percentage identified in Addendum A. When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the strategic asset allocation.

Unique Circumstances

It is the goal of the Foundation and its Board to protect the Historic Dollar Value (HDV) of endowed funds, and does not want its endowed fund assets to fall below $1,000,000 plus any amounts added to its corpus. The Finance Committee will review performance regularly and at least annually and/or under special circumstances.

SECURITIES GUIDELINES

The finance committee intends to implement the Investment Policy Statement (IPS) with mutual funds and individual fixed income securities with the assistance of LJPR, LLC, if desired. Each mutual fund selected is expected to adhere to the terms and conditions set forth in its prospectus. Each mutual fund selected should have sufficient assets under management so that the Foundation's position within the mutual fund does not represent more than 0.1% of the mutual funds assets. Fixed Income securities allowable are: US Treasury, US Government Agency, and Dollar denominated corporate bonds with a minimum rating of single A- or equivalent by one of the three major US rating agencies (Standard & Poors, Moody's, & Fitch). They may be floating rate, variable coupon, or principal repayment (i.e. GNMA, mortgage-backed. Each individual security will comprise no more than 7% of the total portfolio at the time of purchase. The purchase of High Yield (fixed income securities rated below BBB- or equivalent by one of the previously mention rating agencies), is allowed thru an investment in a well diversified mutual fund or combination of mutual funds, such that the total investment (at cost) in High Yield does not represent more than 5% of the total portfolio.

Mutual funds should meet the following minimum criteria:

1. Funds should correspond to the asset classes outlined in the IPS. For example, the domestic large capitalization equity component of the IPS

should be implemented with a mutual fund invested primarily in that asset class.

2. The fund's manager should have been in place for three years or more, or should have a long-term track record managing assets with a similar style at another mutual fund or investment management firm.
3. The funds should have been following the same investment strategy for at least three years (or the fund manager should have been following the same strategy for at least three years).
4. Mutual Fund fees shall be evaluated on a cost benefit basis, and excessive fees should be avoided.
5. The investment consultant shall receive no compensation other than the asset based fee charged to the Foundation.

The following securities and transactions are not authorized (unless receiving prior approval from the Foundation or authorized in a mutual fund prospectus): antiques, coins, stamps, art work, precious metals, oils and gas interests, equipment leases, letter stock and other commodity contacts; and short sales or margin transactions, securities lending, pledging or hypothecation securities. Options and futures are restricted, subject to prior approval.

CONTROL PROCEDURES

Reporting and Monitoring Requirements

Investment custodians will provide monthly statements for assets and transactions. The custodians will send or electronically transmit duplicate copies to LJPR, LLC. Annual performance reports should be prepared by LJPR, LLC to summarize the activity of the investments during the period, including investment performance and current asset allocation compared to desired asset allocation. Annual performance of the Foundation portfolio and LJPR, LLC will be evaluated to test progress toward the attainment of longer term targets. It is understood that there are likely to be short term periods during which performance deviates from market indices. During such times, greater emphases shall be placed on peer-performance comparison with managers employing similar styles.

The finance committee assumes responsibility for adherence to this Investment Policy Statement.. LJPR is available to assist in a periodic review of the investment plan.

Statement Review/Authority

This IPS should be reviewed at least annually and changed as needed. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS. Changes to the IPS may only be made by the Finance Committee.

Prepared by:	Reviewed and accepted by:
______________________________	______________________________
LJPR, LLC Date	Finance Committee Date
Leon LaBrecque, CEO	Chair