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I. INTRODUCTION

This statement of investment policies and objectives governs the investment management of Furman University's Endowment Fund (the "Endowment") and will be effective until modified as conditions warrant by the Investment Committee of the Board of Trustees and presented to the full Board of Trustees. Both the Investment Committee and investment advisors are expected to propose revisions in the guidelines whenever the existing guidelines would impede meeting the Endowment's investment objectives. The policies and objectives provided below apply to the pooled endowment funds; specific guidelines for individual accounts managed by investment advisors may be attached as appendices. This statement is designed to serve as a framework for a disciplined process that seeks to enhance one of the University's most strategic assets.

All investment managers shall conform to this Statement. If any assets are not currently managed in accordance with this Statement, the investment manager in violation shall conform within a reasonable period (60 days) or risk termination. The Statement of Investment Policies and Objectives will be reviewed at least annually.

II. INVESTMENT OBJECTIVES

The overall financial objectives of the Endowment are (1) to preserve and enhance the purchasing power of the University's Endowment, and (2) to support, within bounds, the current and future operations of Furman University. To accomplish these goals, the Endowment must generate real returns from investments greater than its spending rate over the long term.

Thus, the main investment objective of the Endowment is to attain an average annual net real total return (net of investment management fees adjusted for inflation), in excess of the spending rate over the long term (rolling five-year periods). It is recognized that the real return objective may be difficult to attain in every five-year period, but should be attainable over a majority of five-year periods. A secondary objective is to exceed the return of the blended custom benchmark illustrated in section IV, within an acceptable risk level.

III. CORE BELIEFS

The Investment Committee has adopted a diversified approach to investment management that balances its total return goals with an acceptable risk level in order to preserve the Endowment's purchasing power. By diversifying among different asset classes and periodically rebalancing toward policy target allocations, the Investment Committee expects to enhance the real market value and provide an adequate funding source for the University's spending requirements.

Rebalancing asset allocations towards policy targets is essential for maintaining the risk profile adopted by the Investment Committee. Transaction costs and liquidity must be considered within a rebalancing framework. Implementation of rebalancing activities will be covered within Section IV.

The costs associated with managing the Endowment must be considered vis-à-vis the ability to add value. Passive investment vehicles will be considered in highly efficient asset classes. Active strategies should be utilized in inefficient asset classes, where outperformance over the appropriate benchmark is probable over long periods of time.

The Investment Committee and staff support the University's sustainability initiatives within the context of seeking long-term, risk-adjusted returns as outlined in this policy. While performing research and diligence, investment staff and the consultant will monitor impact opportunities and seek to understand how external investment managers incorporate environmental, social and governance (ESG) factors within the overall investment process.

All transactions involving Endowment assets should be managed in a prudent manner reflecting best execution and industry-wide best practices. Proxy and Corporate action items should be voted in such a manner that reflects the University's best interests.

IV. ASSET ALLOCATION & PORTFOLIO COMPOSITION

Since the selection and weighting of asset classes is the primary determinant of investment return and volatility, they will be periodically reviewed in accordance with a systematic allocation process. The approved asset classes, target weightings and policy ranges are shown below. The weightings and indices will be utilized for the Endowment's custom blended benchmark.

	% Target Allocation	% Range	Index Benchmark
Equity			
US Equity	**18.0**	**13-23**	**Russell 3000**
Developed Non-US Equity	**17.5**	**12.5-22.5**	**MSCI EAFE**
Emerging Markets Equity	**8.0**	**4-12**	**MSCI Emerging Markets**
Global Private Capital	**9.0**	**5-13**	**C.A. All Private Equity**
Global Fixed Income	**11.0**	**7-15**	**Fixed Income Composite***
Flex Capital/Hedged Strategies	**22.0**	**17-27**	**HFR Fund of Funds Index**
Real Assets	**13.5**	**8.5-18.5**	**Real Asset Composite****
Cash / Liquidity	**1.0**	**0-5**	**Citi Treasury Bills 3-Months**

*Fixed Income Composite= 35% Citi WGBI, 15% JPM GBI EM, 35% 3-Month LIBOR, 8% BAML Global HYI, 7% CS LLI
**Real Asset Composite= 15% S&P 500 Energy, 35% S&P GSCI Index, 20% NCRIEF, 30% CPI+5%

If the actual allocation breaches the ranges noted above, the portfolio should be rebalanced as quickly as practicable by the University's investment staff to bring it back into compliance within this policy framework.

The primary purpose of publicly traded equity investments, domestic and international, is to provide capital appreciation, with the recognition that this asset class has higher volatility than flex capital or fixed income over most multi-year periods. As some equity subclasses are highly efficient, use of index funds and/or exchange-traded funds (ETFs) can result in management fee savings. Equity strategies should be broadly diversified in terms of style and market capitalization characteristics.

Within the flex capital / hedged strategies class, there are two types funds utilized. The primary purpose of directional or long/short hedge funds is to earn equity-like returns with less volatility over time. The primary purpose of absolute return hedge funds is to earn returns superior to fixed income with similar or less volatility. Additionally, both kinds of hedge funds increase diversification by not being perfectly correlated to equity and fixed income markets, thereby lowering the risk/volatility of the portfolios in aggregate. Where possible, hedge fund investments should be in offshore vehicles to minimize unrelated business taxable income (UBTI).

The primary purpose of private capital investments (including venture capital and private equity) is to provide long-term appreciation of principal and diversification. These investments are expected to be implemented via fund-of-funds and direct strategies, as the portfolio of private capital investments grows and matures. Returns are typically negative in the first several years of such investments, as capital is called and fees exceed income. Then, as private capital investments mature, distributions in the later years typically make the net internal rate of return (IRR) exceed public equity returns because of the illiquidity premium.

The primary purpose of traditional fixed income investments is to provide diversification, a dependable source of income, and a deflation hedge, when appropriate. Holding a globally diversified basket of high quality notes and bonds coupled with a smaller amount of high yield and emerging market debt will produce desired income while reducing the overall volatility of the fixed income portfolio.

The primary purpose of real assets / natural resources (including commodities, commodity-related equities, TIPS and global real estate) is to provide a hedge against unexpected inflation. Real assets have a low correlation to traditional securities and should achieve a total return of at least inflation plus treasury bills over a full market cycle.

V. LIMITATIONS & RESTRICTIONS

Not more that 15% of the total Endowment Pool may be invested in a single-manager investment strategy.

At least 70% of the total Endowment Pool must be in liquid (0-30 days) or semi-liquid (monthly, quarterly, or annually) vehicles, defined as "able to be converted to cash and disbursed to the University" within the time periods listed.

With the exception of U.S. Government/Agency securities or cash equivalents, not more than 10% of any manager's portfolio, at market value, may be invested in the securities of one issuer.

VI. FIDUCIARY DUTY

In seeking to attain the investments objectives set forth, the Committee shall exercise prudence and appropriate care in accordance with the South Carolina Uniform Prudent Management of Institutional Funds Act (UPMIFA).

VII. ROLE OF THE INVESTMENT COMMITTEE

The role of the Investment Committee of the Board of Trustees of Furman University is to maintain oversight of, and be responsible for, developing and recommending policies governing the investment management of the Endowment pool. Furthermore, the Investment Committee will provide input regarding market conditions, asset allocation, investment manager recommendations and opportunities, strategy implementation and best practices to enhance the risk-adjusted return of the endowment pool.

VIII. ROLE OF THE UNIVERSITY INVESTMENT STAFF

Under the direction of the Chief Investment Officer, the University's investment staff is responsible for the implementation of and conformity to, the guidelines and policies developed by the Investment Committee. Within the framework of the approved Investment Policy and any items discussed and approved by the Investment Committee during regularly scheduled meetings, the staff should execute in a timely manner all transactions approved by the Investment Committee. Periodic rebalancing (between strategies already in existence), as described in Section IV above, may be conducted by investment staff. Significant other transactions (terminations, new manager hires, follow-on investments, etc.) within the previously discussed and approved investment structure will be electronically communicated to Investment Committee members at least 5 days prior to execution. This gives Investment Committee members time to request further information or object.

Investment staff cannot disburse cash from Endowment accounts without the involvement and authorization of the University's Department of Financial Services, per current operating procedures.

IX. ROLE OF INVESTMENT CONSULTANT & ADVISORY GROUP

The University investment office has retained the services of an independent investment consultant to serve as a collaborative extension of staff. The consultant will assist in the creation of general investment policies, make recommendations involving asset classes, structure and managers, assist in the implementation and monitoring of investment accounts, report performance, and perform other services as needed. The consultant will be available to staff via telephone or in-person as required under the normal course of business.

Additionally, the investment office has created an advisory group, the Endowment Consulting Group "ECG", to act as an additional resource for Furman. A diverse and complementary group of industry experts, the ECG will consist primarily of alumni and others that have a strong link to the school. Recommendations, suggestions, comments regarding market conditions, asset allocation, emerging investment strategies, manager selection, and best practices provided by the ECG will be thoughtfully considered.

X. COMMUNICATION & REPORTING

At least on a quarterly basis, each investment manager or fund shall communicate the following to the University and its investment consultant, who in turn may provide a summary for the University: (i) major changes in the manager's investment outlook, strategy or portfolio structure; (ii) significant changes in the manager's ownership, organizational structure, financial condition or senior personnel; and (iii) transactions, holdings and performance reports. Managers of long-only security strategies should be prepared to report corporate action and proxy voting records, if requested.

Quarterly evaluations of assets under management shall be supplied by the investment managers in the form requested by the consultant. Managers should make themselves available for phone and in-person discussions with University representatives and the investment consultant.

Monthly summary level account data (with the exception of private capital investments) shall be provided to the University and its investment consultant.

Investment managers should be available for conference calls as needed and for on-site visits at least annually.

After each University fiscal year-end (June 30), each manager will provide documentation and materials as requested in conjunction with the annual audit, performed by a qualified third party accounting firm.

The Investment Committee will report to the full Board of Trustees at normally scheduled meetings or as requested.

XI. SPENDING POLICY

The spending policy is meant to ensure that endowment purchasing power (real value) is maintained over time by keeping the long-term rate of annual spending from the Endowment equal to or less than the long-term real (inflation-adjusted) investment returns of the Endowment. The Investment Committee notes that the spending rate is a lever in which it can exercise balance between current and future generational support.

The following was adopted by the Investment Committee and approved by the Board of Trustees:

Spend from the Endowment 4.5% of the "spending base" (which is established as the market value of the pool as of June 30, 2000 plus gifts and reclassifications through December 31, 2000). The base amount will be increased at the rate of 4% annually, plus the nominal value of endowment gifts received through December 31st of the previous year.

As a general matter, the Investment Committee will review spending policy and practices at least every two years to ensure that the policy remains aligned with financial objectives. The Committee should be mindful of adjusting the spending base if market movements result in spending at a level more than 6% or less than 3% of the Endowment's market value at the end of the previous fiscal year.

XII. CONFLICT OF INTEREST

The University has in its bylaws a comprehensive conflict of interest policy (see appendix A). Trustee members of the Investment Committee are subject to the University's conflict of interest policy. In addition, non-trustee Investment Committee members, University investment staff, investment consultants/advisors, and advisory group members must receive, understand and adhere to the conflict of interest policy. Investment staff will also adhere to the CFA Institute Code of Ethics.

Appendix A

FURMAN UNIVERSITY
BYLAWS
Article I, Section 9

Section 9. Trustees shall disclose to the Chair possible conflicts of interest at the earliest practicable time. No Trustee shall vote on any matter in which such Trustee has a conflict of interest; and the Chair shall report to the Board that the Trustee has reported the conflict of interest prior to taking a vote. A detailed policy regarding conflict of interest appears as an Addendum to the Bylaws. A Disclosure Statement will be completed by each trustee at the first board meeting of each academic year.

ADDENDUM
to Article I, Section 9
Conflict of Interest Policy

1. **Scope**. The following statement of policy applies to each member of the Board of Trustees of Furman University.

2. **Fiduciary Responsibilities**. Board members serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the Board and officers of the administration are to be made solely on the basis of a desire to advance the best interests of the institution and the public good. The integrity of Furman University must be protected at all times.

3. **Duty of Loyalty**. Trustees of Furman University are required to exercise the utmost good faith in all transactions and matters concerning their duties to the University and its property. They shall not use their position, nor use or disclose knowledge gained there from, in any way that might give rise to a conflict between the interests of the University and their own. They shall not, at any time, act in a manner that is contrary to the interests of the University.

4. **Independent Decision Making**. Such individuals may not accept gifts valued at more than $100.00, gratuities, or entertainment from sources other than Furman University that might influence their decision making or actions on behalf of the University.

5. **Disclosure of Any Duality of Interest or Possible Conflict of Interests**. Prior to consummating a transaction or acting upon a matter involving the possible existence of a duality or conflict of interest, the individual involved shall make a full disclosure of all relevant facts to the Chairman of the Board of Trustees. In addition, such individuals shall periodically report in a similar manner all affiliations, whether as an owner, director, officer, partner, management employee, consultant or other significant relationship involving ownership or governance, with any other for-profit or non-profit entity,

(i) from which the University obtains or may be expected to obtain goods or services;

(ii) to which the University provides or may be expected to provide goods or services; or

(iii) which competes or may be expected to compete in any respect with the University.

Any such existing or potential relationship with a subsidiary, joint venture or the like should be disclosed as well. The term "goods or services" includes commercial, industrial, banking and professional services or goods.

6. **Members of Immediate Family**. Trustees of Furman University will be asked to report affiliations, positions, and material financial interests (as outlined in Section 5) held by members of their immediate families. Similarly,

gifts valued at more than $100, gratuities, or entertainment held or accepted by members of immediate families from sources other than Furman University must be reported. For purposes of this policy, "immediate family" is defined as spouses, domestic partners, parents, siblings, and children.

7. **Annual Update**. Each such individual shall update the disclosure regarding any such interests annually at the first board meeting of each academic year.

8. **Restraint on Participation**. Trustees who have declared a conflict of interest, or who have been found to have a conflict of interest, shall refrain from participation in consideration of proposed transactions unless the board or administration requests information or interpretation for special reasons. Should a conflict of interest matter require an executive committee or board vote to resolve, those concerned shall not be present at the time of the vote.

9. **Documentation**. Any discussion or decision regarding a conflict or potential conflict should be documented, including, but not limited to, senior staff conversations, trustee meetings and executive committee meetings.

FURMAN UNIVERSITY
Conflict of Interest Policy
Disclosure Form

1. I hereby certify that neither I nor any member of my immediate family holds any position, affiliation of material financial interest, direct or indirect, in any entity as described in Section 5 of the Board of Trustees Conflict of Interest Policy, except as follows:__________________________

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2. I hereby certify that neither I nor any member of my immediate family is engaged in, or expects to be engaged in, any other activities that might be regarded as a conflict of interest, except as follows:

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3. I hereby certify that neither I nor any member of my immediate family has accepted gifts valued at more than $100.00, gratuities, or entertainment from any source other than Furman University that might influence my decision making or actions on behalf of the University or its subsidiaries, except as follows:

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4. I hereby agree to report promptly, in accordance with section 5 of the Board of Trustees Conflict of Interest Policy, any additional matters which may develop or come to my attention within the scope of this Disclosure Form between now and the next annual request for disclosure.

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Please Print Name

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Signature **Date**