

The Florida Baptist Foundation, Inc.

Statement of Investment Policy, Objectives, and Guidelines

Opportunity Fund

October, 2008

SCOPE OF THIS INVESTMENT POLICY

This statement of investment policy reflects the investment policy, objectives, and constraints of the Opportunity Fund.

PURPOSE OF THIS INVESTMENT POLICY STATEMENT

This statement of investment policy is set forth by The Florida Baptist Foundation, Inc. under the direction of the Board of Directors in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals, constraints and objectives of Fund assets.
3. Offer guidance and limitations to all Investment Managers regarding the investment of Fund assets.
4. Establish a basis for evaluating investment results.
5. Manage Fund assets according to prudent standards as established in common trust law.
6. Establish the relevant investment horizon for which the Fund assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude that will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practicable.

DELEGATION OF AUTHORITY

The Foundation, under the direction of the Board, is a fiduciary and is responsible for directing and monitoring the investment management of Fund assets. As such, the Board is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Investment Management Consultant. The consultant may assist the Board in: establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
2. Investment Manager. The investment manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Fund's investment objectives.
3. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. 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 Fund accounts.

4. Additional specialists such as attorneys, auditors, and others may be employed by the Board to assist in meeting its responsibilities and obligations to administer Fund assets prudently.

The Board will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications that they deem appropriate.

DEFINITIONS

1. "Fund" shall mean the Opportunity Fund.
2. "Board" shall refer to the governing board established to administer the Fund.
3. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over fund management or any authority or control over management, disposition or administration of the Fund assets.
4. "Investment Manager" shall mean any individual or group of individuals, employed to manage the investments of all or part of the Fund assets.
5. "Investment Management Consultant" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring.
6. "Securities" shall refer to the marketable investment securities, which are defined as acceptable in this statement.
7. "Investment Horizon" shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for this Fund is 10 years.

ASSIGNMENT OF RESPONSIBILITY

Responsibility of the Investment Consultant(s)

The Investment Consultant's role is that of a non-discretionary advisor to the Board of the Foundation. Investment advice concerning the investment management of Fund assets will be offered by the Investment Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the Investment Consultant include:

1. Assisting in the development and periodic review of investment policy.
2. Conducting investment manager searches when requested by the Board.
3. Providing "due diligence", or research, on the Investment Manager(s).
4. Monitoring the performance of the Investment Manager(s) to provide the Board with the ability to determine the progress toward the investment objectives.
5. Communicating matters of policy, manager research, and manager performance to the Board.
6. Reviewing Fund investment history, historical capital markets performance and the contents of this investment policy statement to any newly appointed Board member.

Responsibility of the Investment Manager(s) Each Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Specific responsibilities of the Investment Manager(s) include:

1. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
2. Reporting, on a timely basis, quarterly investment performance results.
3. Communicating any major changes to economic outlook, investment strategy, or any other factors, which affect implementation of investment process, or the investment objective progress of the Fund's investment management.
4. Informing the Board regarding any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
5. Voting proxies, if requested by the Board, on behalf of the Fund, and communicating such voting records to the Board on a timely basis.

GENERAL INVESTMENT PRINCIPLES

1. Investments shall be made solely in the interest of the beneficiaries of the Foundation.
2. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
3. Investment of the Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. The Board may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.
5. Recognizing the strong religious and moral precepts of the Florida Baptist Foundation, Inc., investments shall not be made in the equity or debt securities of any corporation (see Equity, Fixed Income and Cash Equivalent below) that derives significant revenue from any of the following:
 - The production or sale of alcoholic beverages.
 - Gambling or gaming activities.
 - The production or sale of sexually explicit materials.
 - The production or sale of tobacco products.
 - The promotion of abortion.
 - The promotion of homosexual lifestyles.
 - Any activity not compatible with basic Christian values.
6. The assets contributed to the Foundation, to trusts funds or to endowments shall be disposed of as soon as practical should they not conform to the established guidelines.

INVESTMENT MANAGEMENT POLICY

1. Preservation of Capital — Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Risk Aversion — Understanding that risk is present in all types of securities and investment styles, the Board recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Fund's objectives. However, the investment managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. Adherence to Investment Discipline — Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

INVESTMENT OBJECTIVES

In order to meet its needs, the investment strategy of the Fund is to emphasize total return; that is, the aggregate returns from capital appreciation and dividend and interest income.

Specifically, the primary objective in the investment management for Fund assets shall be:

Balanced — To achieve a balanced return of current income and modest growth of principal consistent with the preservation of the purchasing power of the Fund.

CAPITAL MARKETS EXPECTATIONS

The specific investment goals below are based on the following expectations of return from the capital markets:

<u>Asset Class</u>	<u>Expected Return</u>
Large Stocks (S&P 500)	10.0%
Small / Mid Stocks	10.9%
International Stocks	10.0%
Intermediate Govt. Bonds	4.8%
Cash	3.5%
CPI	2.5%

SPECIFIC INVESTMENT GOALS

Over the 10-year investment horizon established in this statement, it is the goal of the aggregate Fund assets to meet or exceed:

- Absolute annual rate of return of 7%.
- Base return 4.5%+ trailing three year average CPI.

The investment goals above are the objectives of the Opportunity Fund, and are not meant to be imposed on each investment account. The goal of each investment manager, over the investment horizon, shall be to:

1. Meet or exceed the market index, or blended market index, selected and agreed upon by the Board that most closely corresponds to the style of investment management.
2. Display an overall level of risk in the portfolio that is consistent with the risk associated with the benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.

Specific investment goals and constraints for each investment manager, if any, shall be incorporated as part of this statement of investment policy. Each manager shall receive a written statement outlining their specific goals and constraints as they differ from those objectives of the entire Fund.

VOLATILITY OF RETURNS

See attached: FBF Opportunity Fund Asset Allocation Analysis.

LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Board will periodically provide the investment consultant with an estimate of expected net cash flow. The Board will notify the investment consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

MARKETABILITY OF ASSETS

The Board requires that all Fund assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Fund, with minimal impact on market price.

INVESTMENT GUIDELINES

Allowable Assets

1. Cash Equivalents
 - Treasury Bills
 - Money Market Funds
 - Commercial Paper
 - Banker's Acceptances
 - Repurchase Agreements
 - Certificates of Deposit

2. Fixed Income Securities
 - U.S. Government and Agency Securities
 - Corporate Notes and Bonds
 - Mortgage Backed Bonds
 - Preferred Stock
 - Fixed Income Securities of Foreign Governments and Corporations (Investment Grade)
 - Collateralized Mortgage Obligations
 - Treasury Inflation Protected Securities
 - ◆ Church loans

3. Equity Securities
 - Common Stocks
 - Convertible Notes and Bonds
 - Convertible Preferred Stocks
 - American Depository Receipts (ADRs) of Non-U.S. Companies
 - Stocks of Non-U.S. Companies (Ordinary Shares)

4. Other Assets
 - Alternative Investments
 - Managed Futures

Managed Futures

Managed futures are typically private investments, generally structured as limited partnerships. Managed Futures funds provide access to global futures and commodity markets by employing professional money managers called Commodity Trading Advisors (CTAs). CTAs use proprietary trading methods and management techniques to establish positions in commodity, financial futures and foreign currency markets worldwide.

The committee understands that investing in managed futures is speculative, can be volatile and that the ability to redeem is typically limited to a monthly redemption basis. When investing in managed futures, offering memorandums must be reviewed to ensure that such investments would not constitute any violations with the Fund's Investment Policy.

The Fund may invest in a diversified strategy of managed futures CTAs, including but not limited to Fund of Fund opportunities. The Trustees may consider investments in managed futures strategies within the context of an overall investment plan. The objective of such strategies will be to diversify the Fund's portfolio, complementing traditional equity and fixed-income investments as well as alternative investments and improve the overall performance consistency of the Fund. There is no guarantee that this objective will be realized.

Stock Exchanges

To ensure marketability and liquidity, investment managers will execute equity transactions through the following exchanges: New York Stock Exchange; American Stock Exchange; and NASDAQ over-the-counter market. In the event that an investment manager determines that there is a benefit or a need to execute transactions in exchanges other than those listed in this statement, written approval is required from the Board.

Prohibited Assets

Prohibited transactions include, but are not limited to the following: Private placements, letter stock, commodities, venture capital, speculative options, short sales, unregistered issues, thinly-traded issues not positioned by at least two market makers, transactions on margin, derivatives, and illiquid real or tangible property. (The above prohibited transactions do not apply to a hedge fund-of-fund(s), managed futures manager(s), private equity or structures alternatives manager(s).

Asset Allocation Guidelines

Investment management of the assets of the Fund shall be in accordance with the strategic asset allocation parameters set forth in attached asset allocation addendum. The Board may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate Fund, such disciplines must fit within the overall asset allocation guidelines established in this statement. Such investment managers will receive written direction from the Board regarding specific objectives and guidelines.

Guidelines for Equity Managers

1. Over a full market cycle (5-7 years), it is the objective of the equity portion of the Fund to achieve a minimum real return of 11% (6% plus trailing 3 year average CPI). The equity portion of the Fund is expected to meet or exceed the S&P 500 Index total return on a risk-adjusted basis. The absolute return is expected to be in line with the level of risk taken. To measure return on a risk-adjusted basis, the assets managed by the money manager should consistently rank above the security market line, anchored by the average return and volatility of both the 91-day Treasury Bill and the S&P 500 Stock Index or such custom indices (benchmarks) that are mutually established.
2. The Board does not believe it is necessary or desirable that securities held in the Fund represent a cross section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company should not exceed 5% of the total fund, and no more than 15% of the total fund should be invested in any one industry group or 25% in any sector without written Board approval.
3. No purchase of equity securities of the portfolio manager's organization or of any firm with controlling interest of the manager's organization is to be made.

Guidelines for Fixed Income Investments and Cash Equivalents

1. The objective of the fixed income components is to equal or exceed, on a risk-adjusted basis, the Lehman Brothers Intermediate Government/Credit Bond Index over a full market cycle. For purposes of establishing risk-adjusted return, the Fund should consistently rank above the security market line, anchored by the average return and volatility of the 91-day Treasury Bill and the Lehman Brothers Intermediate Government/Credit Index unless other specific criteria, constraints or indices are mutually established.
2. Fund assets may be invested only in publicly traded investment grade bonds (excluding convertible debentures) rated BBB or better by Standard and Poor's or Moody's. Securities that are not rated will be, in the judgment of the Investment Advisor, of credit quality equal or superior to the standards described above. They shall be from debt issues of at least \$100 million in original face value to ensure adequate marketability and liquidity. No single industry group, as defined by Standard and Poor's, shall constitute more than 25% of the fund; and, no single company shall constitute more than 5% of the total fund with the exception of direct or indirect obligations of the United States government in which investment is unrestricted. Managed accounts investment grade only – is investment grade by at least one of the major rating agencies at the time of purchase; Should an existing holding fall below investment grade by a major rating service, or in the unlikely event the investment manager desires to buy a split-rated issue where one service has it rated non-investment grade, then the manager would provide the consultant and plan sponsor with an analysis and rationale on our transacted purchase and the recommended course of action regarding the issue.
3. Fixed income portfolio's average maturity shall not exceed 15 years, or individual holding more than 30 years.
4. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor's, and/or Moody's. Cash may be invested only in readily marketable and diversified securities with maturities averaging not more than 91 days with a maximum maturity of 270 days at the time of purchase. Investments may be made in money market funds, U.S. Treasury and Federal Agency obligations, commercial paper, or other money-market instruments rated A-1/P-1 by Moody's or Standard and Poor's. No issue or issuer shall constitute more than 5% of the total value of the Fund, with the exception of U.S. Treasury and Federal Agency obligations in which investment is unrestricted.

5. Treasury Inflation Protected Securities (TIPS) may be utilized on an opportunistic basis when they are deemed to be at an attractive valuation in the opinion of the investment manager, as an alternative to other Government securities. No minimum level of TIPS is required to be invested at any given time.

SELECTION OF INVESTMENT MANAGERS

The Board's selection of Investment Manager(s) must be based on prudent due diligence procedures. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940, or a bank or insurance company. The Board requires that each investment manager provide, in writing, acknowledgment of fiduciary responsibility to the Fund.

INVESTMENT MANAGER PERFORMANCE REVIEW AND EVALUATION

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to the Board for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Board intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to terminate a manager for any reason including the following:


1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

INVESTMENT POLICY REVIEW

To ensure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Board plans to review the investment policy at least annually.

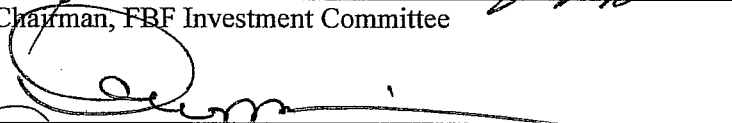
This statement of investment policy is adopted on October 2, 2008 by the Board of Directors of the Florida Baptist Foundation, Inc. whose signatures appear below:



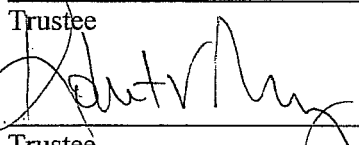
FBF Executive Director



Chairman, FBF Investment Committee



Trustee



Trustee