

OKLAHOMA EDUCATIONAL TECHNOLOGY TRUST INVESTMENT POLICY

I. Investment Policy

The Investment Policy of the Oklahoma Educational Technology Trust ("OETT") is developed by the Investment Committee and approved by the Board of Trustees ("Board"). The Investment Committee shall engage and oversee one or more professional money manager(s) ("Manager") to implement this Policy.

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

II. Purpose of the Investment Policy

The Investment Committee desires to use the investment policies and restrictions presented in this Statement as a framework to guide the Manager in attaining the Investment Objective for the Funds and to define a level of risk that is deemed acceptable.

These policies and restrictions are not intended to impede the efforts of the Manager to attain the OETT'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.

III. General Objectives

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

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

IV. Performance Expectations

Investment performance will be reviewed 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 overall goal for the OETT is to achieve a five percent (5%) real rate of return after inflation.

V. Asset Allocation

The Board expects the OETT 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 the OETT's assets:

Equities - The equity component of the portfolio shall normally constitute 45 to 65% of total Fund assets.

Small Cap Equities – The small cap equity component may constitute up to 30% of total Fund assets.

International Equities – The international equity component may constitute up to 15% of total Fund assets.

Fixed Income - The fixed income component, including cash and equivalents, shall normally constitute 25% to 45% of total Fund assets.

Alternative Investments – Non-traditional assets, to primarily include fund of hedge funds, shall normally constitute 5% to 15% of total fund assets.

In the event that the allocations identified above should exceed the ranges allowed due to appreciation, the Manager is not required to automatically rebalance the asset class(es) that are out of compliance with the policy but must report any exception to the Investment Committee at least quarterly and obtain approval for the exception, which will be reflected in the minutes.

VI. Investment Authorization and 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. Preferred stock and convertible preferred stock must have a rating of A- or better by Standard & Poor's or A3 or better by Moody's.
5. The Manager is prohibited from investing directly in private placements, letter stock, and uncovered options, and from engaging in short sales, margin transactions or other speculative investment activities.
6. 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 or 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 corporate debt issues, which, at the time of purchase, are rated A- or better by Standard & Poor's or A3 or better by Moody's with a maturity of 12 years or less.
4. 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.
5. The weighted average maturity of the fixed income component shall not exceed 10 years.
6. The weighted average long-term credit rating of the portfolio will be maintained at a level of A- or better or A3 or better, as rated by Standard and Poor's or Moody's, respectively.
7. 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 A3 or better by Moody's and an average portfolio maturity of 10 years or less.
8. The Manager is prohibited from investing directly in private placements, fixed income or interest rate futures, and any other speculative investments.
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. Alternative Investments – The Board gives the Manager authority to invest in private market investments consisting of domestic and international hedge funds, real assets and private equity, subject to the explicit authorization by the Investment Committee.

1. Multi-strategy, multi-manager fund of hedge funds are intended to improve the risk-adjusted return of the Fund by providing greater diversification and risk reduction, and will serve as the primary alternative investments allocation.
2. Real assets are allowed to serve as an inflationary hedge.
3. Private equity is allowed to improve the Fund's overall return.
4. All restrictions in sections VI.A. and VI.B shall not apply to investment allocations in this section.

E.. Other Investment Restrictions

1. The Manager will not purchase assets other than those described above without the written consent of the Investment Committee.
2. Investments in contracts of commodities are prohibited without prior written consent of the Investment Committee.
3. Investments not specifically addressed within this Statement are forbidden without the written consent of the Investment Committee.

VII. Monitoring Procedures and Manager Evaluation

The Investment Committee shall meet with the Manager 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 Manager shall be on an as-needed basis. The Manager shall provide a periodic statement, the frequency of which shall be determined by the Investment Committee, showing transactions and current asset values.

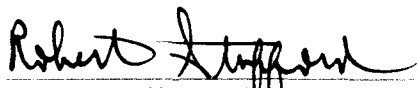
Annually, the Board shall receive a comprehensive report on the performance and holdings of the Funds, and on the performance of the Manager.

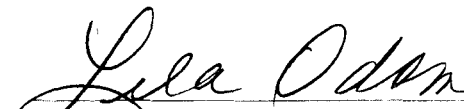
VIII. Conflict of Interest

For Trustees, Officers, 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 the OETT. Each individual shall disclose any personal interest, which he or she may have in any matter pending before the OETT and shall abstain from any vote on such matter.

**ADOPTED BY THE BOARD OF TRUSTEES OF THE
OKLAHOMA EDUCATIONAL TECHNOLOGY TRUST
on July 18, 2008**


Robert Stafford, Chair


Lela Odom, Secretary