

## The Foundation

### Investment Policy Statement

February 3, 2005

The Foundation (“the Foundation”) has adopted the following statement of objectives to serve as a guide for the ongoing management of the Foundation’s assets.

#### Statement of Objectives

There are three basic long-term objectives to be applied to the assets of the Foundation:

1. Preservation of capital for carrying out the charitable purposes of the Foundation.
2. Maintenance of a qualifying payout equal to at least 5% of the asset value of the Foundation throughout the year. If the income is not sufficient to meet this requirement, the balance of the payout will come from principal.
3. Over time, the Foundation seeks to achieve asset growth in excess of inflation.

The Foundation may invest in a combination of common stocks, bonds, and convertible securities, money market instruments, fund of fund alternative investment partnerships and mutual funds, including index funds. Consistent with the above objectives, a maximum of 80% of the assets under management shall be invested in common stocks, fund of fund alternative investment partnerships and/or convertible securities and a minimum of 40% shall be invested in common stocks, fund of fund alternative investment partnerships and/or convertible securities.

The balance of the assets shall be invested in a portfolio of bonds and money market instruments. The Foundation shall maintain in cash at least one year’s worth of grants, or approximately 5% of its assets. Cash is included in the “Fixed Income” Asset Category.

<b>Asset Category</b>	<b>Allocation</b>
Equities (Common Stocks, fund of funds and Convertible Securities)	40-80%
Fixed Income (Bonds and Money Market)	20-60%

#### Quality and Diversification

High risk-taking above the normal risk associated with investing in inherently volatile capital markets is not in the best interests of the Foundation and will be avoided. The investment manager will attempt to reduce risk by using a balance of stocks, alternative investments and bonds and by using the following restrictions:

1. Bonds and other fixed-income securities should generally be investment grade quality (Moody’s BAA) or better.
2. Common stock investments shall be securities or mutual funds listed on major U.S. stock exchanges or the NASDAQ. No investments shall be made in venture capital, letter stock or real estate.
3. The investment manager may not hold or control through all managed portfolios more than 15% of any class of securities of that issuer.
4. No more than 6% of the Foundation’s assets shall be invested in one security at the time of purchase, and no more than 20% of either the common stock portion or fixed income portion of the Foundation’s assets shall be concentrated in a single industry. This restriction shall not apply to securities that are issued by or backed by the full faith and credit of the U.S. Government.
5. The Fund of fund investments must be well diversified with at least 15 different underlying investment managers and less than a 10% concentration with each manager.
6. The Foundation may not write or sell derivative securities (calls, puts, futures, or index options) nor may it sell securities not owned by the Foundation, nor purchase securities on margin except in the fund of fund investments.

### Performance

The performance of the Foundation, computed on a total annual rate of return basis, will be measured against and should meet or exceed each of the following standards over a rolling five year period and/or full market cycle:

Performance Evaluation Model: A balanced combination of Standard & Poor's 500 Stock Index, HFR Fund of Funds Composite Index, Lehman Brothers Intermediate Treasury Bond Index, and Vanguard Prime Money Market Fund (40-30-25-5).

### Reporting Guidelines

The investment manager shall provide portfolio performance reports to the Treasurer of the Foundation on a quarterly basis. Accompanying these reports will be narrative comments by the investment manager highlighting significant transactions, events, trends, or other information the investment manager determines are noteworthy and of interest to the Board.

The investment manager will meet with the Board and/or Treasurer of the Foundation on an annual basis to review investment performance and answer questions. Prior to these meetings, the investment manager will distribute portfolio performance reports and other information deemed appropriate to the Board Members for the most currently available reporting period.

### Other Details

The Foundation's assets shall continue to be held in an account at Charles Schwab & Co., Inc. The investment manager shall make investment strategy recommendations to the President and the Treasurer of the Foundation who will provide authorization before any changes in investment strategy are executed. Day to day portfolio management decisions are at the discretion of the investment manager and will not require authorization of the President and the Treasurer of the Foundation.

This Investment Policy was voted on and approved by the trustees of The Foundation on  
          September 10, 2005.