INVESTMENT POLICY GUIDELINES ("Guidelines")

NEW YORK FOUNDATION

I. GENERAL

The New York Foundation is a private foundation which invests its assets in order to support its philanthropic mission. The Foundation's Board of Trustees ("Board") has delegated to the Investment Committee ("IC") the authority to determine investment objectives, policies, asset allocation and guidelines for the management of the Foundation's assets and to prudently manage, monitor and evaluate the Foundation's investment portfolio.

The Board recognizes that New York State adopted as law the New York Prudent Management of Institutional Funds Act on September 17, 2010 (as amended from time to time, "NYPMIFA") and that NYPMIFA has requirements and guidance for the management of not-for-profit endowments. These Guidelines are intended to comply with and supplement NYPMIFA.

It is specifically contemplated that the IC will retain an investment consultant ("Consultant") to advise, among other things, on the selection of investment managers for the Foundation's assets and the composition and balance of the Foundation's overall investment portfolio ("Portfolio"), and to receive communications from and monitor and report on the results of the investment managers. The IC shall exercise prudence in (a) selecting, continuing, or terminating the Consultant; (b) establishing the scope and terms of the delegation to the Consultant; and (c) monitoring the Consultant. The Consultant may have such level of discretion as the IC specifically delegates in writing, but otherwise shall be retained in an advisory capacity only. Accordingly, the IC and/or the Consultant, as applicable, will make decisions affecting the hiring and firing of investment managers for separately managed funds or other accounts and allocations among various pools of assets.

The IC will periodically report to the Board on investment performance and the compensation and performance of the Consultant, as well as seek Board approval for changes in these Guidelines, except as noted in Sections IV and V.

Subject to the last paragraph of Section III, it is the intention of the Board that the Foundation's assets be held in perpetuity to support its activities. However, the IC and the Board recognize that all of the objectives may not be achieved in all periods or across all assets, but will generally be targeted over the long term.

II. FUND STRUCTURE

It is the intention of the IC that the overall Foundation assets will have a diversified portfolio structure. This will be achieved by having a number of investment managers, each one having its own individual investment specialty or strategy, which may include equity, fixed income, long/short or other orientations (including fund of funds). Managers may be active or passive (e.g., index funds). It is expected that each investment manager will comply with its related fund prospectus and the specific guidelines set forth pertaining to their particular specialty, strategy or asset class(es) under management and be responsible for achieving the specific market and comparative benchmark(s). Mutual funds, limited partnerships and other pooled vehicles may also be selected with strategies generally consistent with these Guidelines and the target asset allocations defined below or otherwise as the IC determines. The overall Foundation Portfolio is expected to benefit through diversification from a mix of asset classes and investment management styles while avoiding over-concentrations and reducing overall portfolio risk. These investments will have four primary components: domestic equity, international/global equity, fixed income and alternative investments. Cash equivalents may be used as the IC deems appropriate and consistent with the guidelines below.

To facilitate the general objectives, the IC should meet with the Consultant when and as deemed necessary by the IC, but generally at least three times a year, for the purpose of reviewing overall Portfolio investment performance, strategy and asset allocations, as well the specific performance of (or changes in) any of the selected investment managers.

III. LONG RANGE OBJECTIVES

The IC has established the following long range objectives which are intended as a guide to both the IC and the Consultant when weighing investment strategies. They are not intended to be used as a standard for analyzing results over short time periods. The IC also acknowledges that conditions within the economy and capital markets may influence the ability to achieve the desired objectives.

The IC generally relies on three metrics for purposes of considering strategies and evaluating performance: the Foundation's spend rate, the Portfolio's real rate of return and the Portfolio's performance relative to a custom composite index.

The Foundation's spending policy, as determined from time to time by the full Board, presently is to pay out 6.5% per annum of the Portfolio's rolling 3-year average market value, measured each year as of September 30th. The 6.5% is intended both as a target and a maximum level, with 6.0% set as a minimum level. The calculated spending policy amount is then used, consistent with other Board guidelines, to set the Foundation's budget for the following calendar year, and covers expenditures for grant-giving, administration and investing.

The Foundation seeks to earn a "real rate of return" (i.e., a rate of return in excess of the inflation rate) of at least 5.0% per year over the period of a market cycle, recognizing the reality of year-to-year variations in rates of return. The total investment return, including capital appreciation and income, will be the basic measure of investment performance.

The IC assesses the total investment return, for periods of various duration (e.g., 1 month, 3 months, Year-to-Date, 1 year, 3 years and 5 years) against a Portfolio Allocation Index. The Portfolio Allocation Index reflects the performance return that would have been achieved if the Foundation's Portfolio had been invested in similar percentages in five primary asset classes and earned the benchmark returns of the defaults indices for these classes of investments (e.g., S&P 500 for domestic equity, MSCI EAFE for international/global equity, Bloomberg Barclays U.S. Aggregate Bond for fixed income, HFRI Fund of Funds Composite for alternative investments, and 91 Day T-Bills for cash equivalents). Among other things, this comparison informs the IC whether its selected investment managers are over- or under-performing their respective benchmarks over any given period. The IC may also, from time to time for purposes of assessing the total investment return, choose or create other indices for comparison or benchmarking purposes.

It is recognized by the Board and the IC that the above target real rate of return may not always be achieved and, in any event, may be less than the Foundation's then-current spending guidelines. Accordingly, the Board and the IC recognize that the real value of the portfolio may decrease over time. The Board has acknowledged this possibility and is willing to select spending guidelines based on its perception of current needs and circumstances, even if the spending may exceed targeted or historical rates of return for the Foundation's assets.

IV. ASSET ALLOCATION POLICIES

The IC recognizes that, to a large degree, decisions about long term asset allocation mix will determine the Foundation's investment experience. Since the IC believes equity investments and certain alternative investments will earn more than fixed income and other lower risk investments over time, it is felt that such investments should represent a larger portion of the portfolio. The following represents targeted allocation ranges for broad asset categories within the Foundation's assets:

Asset Category	Min	Max
Total Liquidity*	**--**	**10.0%**
Total Fixed Income	**10.0%**	**40.0%**
Total Equity	**40.0%**	**80.0%**
Total Alternative	**10.0%**	**40.0%**

*Liquidity includes cash, cash equivalents and short-term bond funds with T+1 availability. Typically, the Foundation maintains enough liquidity to cover three to nine months of operating expenses.

The IC expects equity investments to be the highest returning sector of the Foundation's assets over a market cycle. In order to mitigate part of the risk and cycles of the equity markets, the IC, in consultation with the Consultant, will generally invest with multiple equity managers, including index products, each with their own distinct style, emphasis or strategy. The IC will also allocate its equity investments between domestic and international equities, including emerging markets, as world-wide economic conditions and prospects, in its judgment, warrant. It is hoped that this structure will lead to high returns and yet only moderate overall risk because of the added diversification.

The IC expects fixed income investments to be the stable, income producing part of the Foundation's assets over a market cycle. The objective of these assets is to preserve capital and generate predictable income streams, while, together with any cash position, providing sufficient liquidity for the Foundation's grant-making strategies.

The IC expects the Alternative Investment area to widen the diversification of investments within the Foundation's portfolio, while also earning healthy returns, particularly on a risk-adjusted basis, over a market cycle. The universe of alternative investments generally includes illiquid vehicles such as real estate, private equity, natural resources, venture capital, as well as structures based on more liquid investments generally tied to the financial markets such as merger/arbitrage, long/short equity, distressed securities, etc.

It is expected that the IC and the Consultant will monitor the Foundation's Portfolio performance, spending needs and mix of assets, together with general market conditions and performance, in order to, from time to time, re-evaluate and, if deemed appropriate, re-set any of the above asset allocation ranges, as well as bring the Portfolio's various asset classes back in line with the above (or reset) ranges. As part of such monitoring, resetting and rebalancing, the IC may also take into consideration any and all risk considerations as it deems appropriate, such as:

- general economic conditions and return environments;
- the possible effect of inflation or deflation;
- the expected tax consequences, if any, of investment decisions or strategies;
- the role that each investment or course of action plays within the overall Portfolio;
- the expected total return from income and the appreciation of investments;
- other resources of the Foundation;
- the needs of the Foundation to make distributions and preserve capital; and
- an asset's special relationship or special value, if any, to the purposes of the Foundation.

The IC and the Consultant may also consider manager concentrations, position concentrations within individually managed funds or accounts, institutional risk at managers and total or specific groups of values at risk, as well as liquidity needs of the Foundation.

The IC reserves the right from time to time to adjust these Guidelines themselves, including based on its perception of changing long-term market expectations or long-term Foundation needs. Additional asset categories may be added from time to time as well.

V. TARGET ASSET ALLOCATION

Within the above broad expected allocation ranges, it is expected that the IC on a periodic basis, as conditions in its judgment warrant, set narrower target asset allocation ranges, which, together with the Consultant, the IC should review and monitor and, if desired, adjust, from time to time or otherwise as the IC determines. Ideally, such review should be performed no less frequently than annually, with any determinations recorded in the IC's minutes of meetings.

VI. COMMUNICATIONS

The following are specific communications the IC may expect of the Consultant and/or its specific investment managers to maintain awareness of the Portfolio's investment activities.

1. Written

   The Foundation should receive written (including email or other electronic) communications from the Consultant, at least quarterly, of investment performance and, to the extent possible, at least annual listings from each investment manager of all holdings with all current market values (or their fair value equivalents).

2. Meetings

   As deemed necessary or desirable by the IC, the IC may hold meetings with investment managers to discuss performance results, recent or anticipated changes in organization or investment approach and any other pertinent matters.

3. Telephone Communications

   The Foundation should be informed promptly by telephone of any significant changes affecting an investment management company, its parent, company management, individual portfolio managers, etc. If necessary for purposes of assessment, this information should be timely followed up in writing or by a further conversation or meeting.

VII. GUIDELINES ONLY

These Guidelines are a statement of policy and guidelines only, and are not intended to divest the IC of the ability to vary from the presumptions set forth herein when, in the business judgment of the IC, circumstances warrant. Nor shall these Guidelines heighten, reduce or otherwise vary the standard of care, duties or responsibilities of IC members that otherwise exist under applicable law, including NYPMIFA.

It is understood that in discharging its duties, including interpreting and applying these Guidelines, the IC is entitled to rely upon the advice of and information conveyed by its professional advisors, including the Consultant, and/or management of the Foundation.

VIII. CONFLICTS OF INTEREST

The IC will take reasonable measures to assess the independence of the Consultant. Any actual or potential conflicts of interest possessed by a member of the IC or any other Trustee of the Foundation with respect to the Consultant, or any transaction materially affecting the Portfolio, must be disclosed and resolved pursuant to the Foundation's Conflict of Interest Policy.