**Investment Program Policy**

It is the policy of the investment program to invest according to an asset allocation strategy that is designed to meet the goals of the Fund Investment Objective. The strategy will be based on a number of factors, including:

- The projected participant commitments;
- The maintenance of sufficient liquidity to meet spending payments;
- Historical and expected long-term capital market risk and return behaviors;
- The relationship between current and projected assets of the Fund and its participant commitments.

This policy provides for diversification of assets in an effort to maximize the investment return and manage the risk of the Fund consistent with market conditions. Asset allocation modeling identifies asset classes the Fund will use and the percentage each class represents in the total fund. Due to the fluctuation of market values, positioning within a specified range is acceptable and constitutes compliance with the policy. It is anticipated that an extended period of time may be required to fully implement the asset allocation policy, and that periodic revisions will occur.

**Investment Program Strategy**

As a result of the above process, the Investment Committee has adopted the following asset allocation targets and ranges, exclusive of amounts transferred to the Fund’s operating account:

**ASSET ALLOCATION TARGETS AND RANGES**

Over the long-term, asset allocation is the single greatest contributor of return and risk management to the Fund portfolio. The target asset allocation embodies the Investment Committee's decisions about what proportions of the Fund shall be invested in domestic and international equity and fixed income securities, commodities, hedge funds of funds, REITs and cash. The Investment Committee shall examine the Asset Allocation Targets annually, and shall consider adjustments to the targets as may be appropriate given the Fund's long-term nature and objectives.
Aggregate Fund Asset Allocation Guidelines

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Min Wt.</th>
<th>Target Wt.</th>
<th>Max Wt.</th>
<th>Representative Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Oriented Securities</td>
<td>50.00%</td>
<td>75.00%</td>
<td>90.00%</td>
<td>S&amp;P 500 Index</td>
</tr>
<tr>
<td>Fixed Income Oriented Securities</td>
<td>10.00%</td>
<td>25.00%</td>
<td>50.00%</td>
<td>Lehman Aggregate Bond</td>
</tr>
</tbody>
</table>

Target Asset Allocation – Broad Asset Classes

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Min Wt.</th>
<th>Target Wt.</th>
<th>Max Wt.</th>
<th>Representative Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Large Growth</td>
<td>7.50%</td>
<td>10.00%</td>
<td>12.50%</td>
<td>Russell 1000 Growth Index</td>
</tr>
<tr>
<td>Domestic Large Value</td>
<td>7.50%</td>
<td>10.00%</td>
<td>12.50%</td>
<td>Russell 1000 Value Index</td>
</tr>
<tr>
<td>Domestic SMID Growth</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>Russell 2500 Growth Index</td>
</tr>
<tr>
<td>Domestic SMID Value</td>
<td>3.00%</td>
<td>4.00%</td>
<td>5.00%</td>
<td>Russell 2500 Value Index</td>
</tr>
<tr>
<td>Domestic Convertible</td>
<td>3.00%</td>
<td>4.00%</td>
<td>5.00%</td>
<td>ML Convertible Sec Index</td>
</tr>
<tr>
<td>International Developed Growth</td>
<td>4.75%</td>
<td>6.50%</td>
<td>8.25%</td>
<td>MSCI EAFE Index</td>
</tr>
<tr>
<td>International Developed Value</td>
<td>4.75%</td>
<td>6.50%</td>
<td>8.25%</td>
<td>MSCI EAFE Index</td>
</tr>
<tr>
<td>International Emerging Mkts</td>
<td>3.00%</td>
<td>4.00%</td>
<td>5.00%</td>
<td>MSCI Emerging Mkts Index</td>
</tr>
<tr>
<td>Domestic Inv Grade Fi</td>
<td>9.75%</td>
<td>13.00%</td>
<td>16.25%</td>
<td>Barclays Aggregate Bond Ind</td>
</tr>
<tr>
<td>Domestic High Yield Fi</td>
<td>3.25%</td>
<td>4.50%</td>
<td>5.75%</td>
<td>ML High Yield Index</td>
</tr>
<tr>
<td>International Fixed Income</td>
<td>5.50%</td>
<td>7.50%</td>
<td>9.50%</td>
<td>Citigroup World Gov't Bond</td>
</tr>
<tr>
<td>Commodities</td>
<td>3.75%</td>
<td>5.00%</td>
<td>6.25%</td>
<td>DJ UBS Commodity Index</td>
</tr>
<tr>
<td>Hedge Funds of Funds</td>
<td>7.50%</td>
<td>10.00%</td>
<td>12.50%</td>
<td>HFRI Funds of Funds</td>
</tr>
<tr>
<td>Managed Futures Fund</td>
<td>3.75%</td>
<td>5.00%</td>
<td>6.25%</td>
<td>CS/Tremont Managed Futures</td>
</tr>
<tr>
<td>Real Estate Investment Trusts</td>
<td>3.75%</td>
<td>5.00%</td>
<td>6.25%</td>
<td>Dow Wilshire Global REIT</td>
</tr>
<tr>
<td>Cash and Equivalents</td>
<td>3.75%</td>
<td>5.00%</td>
<td>6.25%</td>
<td>Citigroup 3-Month T-Bill</td>
</tr>
</tbody>
</table>

The Investment Committee will implement the asset allocation policy through the use of a qualified external professional investment consultant and investment managers. The investment consultant will work closely with the Investment Committee in performing ongoing due diligence review of the investment strategy, asset class allocation and timing, subject to Policy guidelines and the minimum and maximum weightings above.

All investment managers must either be (1) registered under the Investment Company Act of 1940, (2) a bank, as defined in that Act or (3) such other person or organization authorized by applicable law or regulation to function as an Investment Manager.

The Investment Committee will implement the asset allocation policy through the use of a qualified external professional investment advisor and broker-dealer. The external investment advisor will work closely with the investment committee, which will have full discretion and authority for determining investment strategy, security selection and timing subject to Policy guidelines and any other guidelines specific to their portfolio.
Rebalancing Policy

It is the Fund’s policy to rebalance within the stated ranges on a uniform basis so as not to cause undue expense to be allocated to the portfolio. The purpose of rebalancing is to control portfolio risk and maintain the policy asset allocation within the targeted ranges as defined in the “Target Asset Allocation” table. Policy requires the portfolio to be rebalanced at least annually or more frequently if desired by the members of the committee charged with the oversight of the portfolio’s investments. Tactical rebalancing, which represents portfolio positioning to opportunistically capture short term market anomalies, is also permissible as long as the trades do not violate the stated ranges for each asset class.

Although the actual percentage of investments in classes of assets will vary with market conditions, the target allocation variance limit is + or – 20% of the target weight.

Exception for Major Capital Projects

It is recognized that the Foundation may occasionally hold for a relatively short period of time, a large amount of donated assets for large capital projects. Because these projects occur irregularly, require deposits and withdrawals of large amounts over a short time frame, and may subject the Foundation to specific contractual obligations / contingencies, it is determined that these funds shall be held outside of our investment pool. Specifically:

- This applies to capital projects in excess of $250,000 which may require a payout of $250,000 or more by the Foundation.
- A separate “capital project pool” of investments will be established.
- The primary investment objective of this pool shall be the maintenance of principal.
- These assets shall be held within the general fund and reported on the general fund balance sheet, but remain separate from the investment pool.
- The Finance Committee will review large capital projects activities at least annually.
Investment Management Policies and Procedures

**Equity Securities**

The purpose of equity investments, both domestic and international, in the plan is to provide capital appreciation, growth of income, and current income, with the recognition that this asset class carries with it the assumption of greater market volatility and increased risk of loss. This component includes domestic and international common stocks, American Depository Receipts (ADRs), preferred stocks, and convertible stocks traded on the world’s stock exchanges or over-the-counter markets.

Public equity securities shall generally be restricted to readily marketable securities of corporations that are traded on established stock exchanges, including NASDAQ and similar networks. Equity holdings must generally represent companies meeting a minimum market capitalization requirement of $50 million with reasonable market liquidity. Decisions as to individual security selection, number of industries and holdings, current income levels and turnover are left to broad manager discretion, subject to the standards of fiduciary prudence. However, no single major industry shall represent more than 20% of the Fund’s total market value, and no single security shall represent more than 5% of the Fund’s total market.

The “Traditional Long-Only” Investment Managers are prohibited from borrowing money or pledging assets, or trading uncovered options, commodities or currencies without the advance approval of the Investment Committee. The Managers are also restricted from investing in private placements and restricted stock unless otherwise permitted by the Investment Committee. It is expected that no assets will be invested in securities whose issuers are or are reasonably expected to become insolvent, or who otherwise have filed a petition under any state or federal bankruptcy or similar statute.

Within the above guidelines and restrictions, the Managers have complete discretion over the timing and selection of equity securities.

**Fixed Income Securities**

The purpose of fixed income investments, both domestic and international, is to provide diversification, and a predictable and dependable source of current income. It is expected that fixed income investments will not be totally dedicated to the long term bond market, but will be flexibly allocated among maturities of different lengths according to interest rate prospects. Fixed income instruments should reduce the overall volatility of the Fund’s assets, and provide a deflation hedge. This component includes both the domestic fixed income market and the markets of the world’s other developed economies. It includes but is not limited to U.S. Treasury and government agency bonds, foreign government and supranational debt, public and private corporate debt, mortgages and asset-backed securities, and non-investment grade debt. Fixed income also includes money market instruments, including, but not limited to, commercial paper, certificates of deposit, time deposits, bankers’ acceptances, repurchase agreements, and U.S. Treasury and agency obligations.

Investments in fixed income securities should be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums. These investments will be subject to the following limitations:
• The weighted average duration of their portfolio should be within 20% of the duration of the index to which the portfolio is benchmarked;

• Investments of a single issuer, with the exception of the U.S. Government and its agencies (including GNMA, FNMA and FHLMC), may not exceed 5% of the total market value of the Fund;

• No more than 25% of the fixed income portfolio may be rated below-investment grade.

Within the above guidelines and restrictions, the Managers have complete discretion over the timing and selection of fixed income securities.

**Cash and Equivalents**

The Investment Managers may invest in the highest quality commercial paper, repurchase agreements, Treasury Bills, certificates of deposit, and money market funds to provide income, liquidity for expense payments, and preservation of the Fund’s principal value. Commercial paper assets must be rated at least A1 or P-1 (by Moody’s or S&P). No more than 5% of the Fund’s total market value may be invested in the obligations of a single issuer, with the exception of the U.S. Government and its agencies.

Uninvested cash reserves shall be kept to a minimum; short term, cash equivalent securities are usually not considered an appropriate investment vehicle for investment. However, such vehicles are appropriate as depository for income distributions from longer term investments, or as needed for temporary placement of funds directed for future investment to the longer term capital markets. Also, such investments are the standard for contributions to the current fund or for current operating cash.

Within the above guidelines and restrictions, the Managers have complete discretion over the timing and selection of cash equivalent securities.

**Other Securities**

**Real Estate Investment Trusts (REITs)** - Investments may also include equity real estate, held in the form of professionally managed, income producing commercial and residential property. Such investment may be made only through professionally managed pooled real estate investment funds, as offered by leading real estate managers with proven records of superior performance over time.

**Commodities** - Investments may also include a broad range of commodity oriented strategies. These strategies will include but may not be limited to futures, options on futures and forward contracts on exchange traded agricultural goods, metals, minerals, energy products and foreign currencies. The use of swap transactions will be permitted to access this market strategy. Investments may be held in the form of professionally managed pooled funds, segregated and limited liability or corporate investments.

**Hedge Funds of Funds** - Investments may also include equity-oriented, fixed income or market-neutral hedge funds (i.e. Long/Short, Macro Event Driven, Convertible Arbitrage, and Fixed Income strategies) which can be both domestic and international market oriented. Hedge funds represent a distinctive investment style that is different from traditional, long only funds. A fundamental difference is that
hedge fund managers emphasize absolute, rather than relative returns. They also use a much wider range of investment techniques, such as leverage, short selling and derivatives to achieve their objectives. A properly constructed portfolio of hedge funds is expected to deliver an absolute return with lower risk than equities. It should have a low correlation with other asset classes. In order to retain a portfolio of managers that employ strategies constituting a well-diversified hedge fund portfolio, the Plan shall invest in fund of hedge fund managers, which are organizations that construct portfolios of hedge funds on behalf of investors.

Managed Futures Funds - Investments may also include actively managed portfolios of futures, forwards, and options in global markets. Managed futures funds represent a distinctive investment style that is different from traditional, long only funds. These investments typically provide attractive opportunities to diversify portfolios as they have shown to have low to negative correlation to traditional markets. The objective of these investments is to have satisfactory returns in rising and falling markets at a reasonable level of risk.

Hedge fund managers and managed futures fund managers shall (1) exhibit expertise and experience in utilizing applicable investment techniques; (2) demonstrate that such usage is strategically integral to their security selection, risk management, or investment processes; and (3) demonstrate acceptable internal controls regarding these investments.

Restrictions

The investment committee is authorized to waive or modify any of the restrictions in these guidelines in appropriate circumstances. Any such waiver or modification will be made only after a thorough review of the manager and the investment strategy involved. Such waivers should be reported to the Board of Directors at its earliest convenience.

For mutual and other commingled funds, the prospectus or Declaration of Trust documents of the fund(s) will govern the investment policies of the fund investments. While the Committee understands that such funds have their own stated guidelines which can not be changed for individual investors, in principle and spirit those guidelines should be similar in nature to the guidelines stated above. To the extent that a fund allows any or all of the above stated restrictions, the Committee must be aware of their possible use and be confident that the Investment Managers thoroughly understand the risks being taken, have demonstrated expertise in their usage of such securities, and have guidelines in place for the use and monitoring of those securities.