

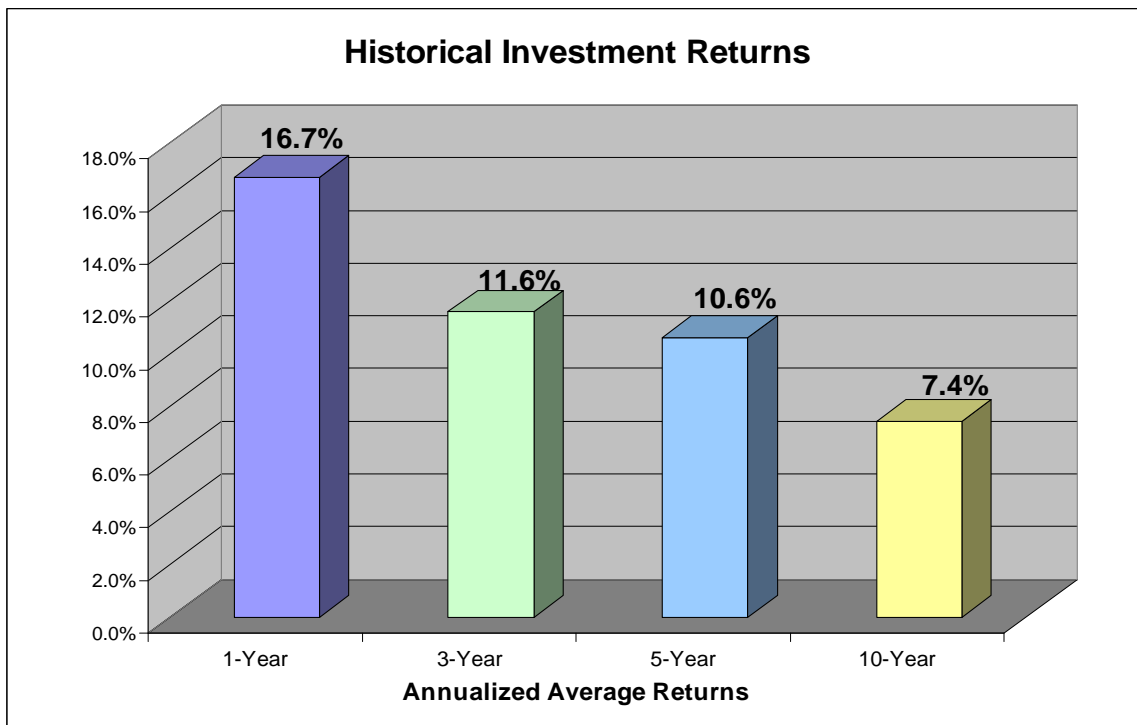
Recap of Foundation Investment Performance for the Quarter Ended March 31, 2008:

For the 9-month period ended March 31, 2008, the Foundation’s rate of return was (4.9%), which is equivalent to approximately \$6.6 million of realized and unrealized losses. During this period, the Foundation’s total fund performance slightly underperformed that of the comparable composite financial index, which was down (4.4%). The Foundation’s fiscal year-to-date gains are comprised of an (11.6%) loss on equities, a 5.9% gain on fixed income investments, and a (0.8%) loss on alternative investments.

Foundation Investment Policies:

The Foundation’s current asset allocation consists of 46.2% of the total amount invested in equities, 23.5% of the total amount invested in fixed income, and 30.3% of the total amount invested in alternative investments. In September 2007, the Foundation’s Board of Directors approved a change to its asset allocation policy decreasing the target allocation to fixed income from 25% to 18% and increasing the target allocation to alternative investments from 25% to 32%. This change encompasses the addition of the following new sub-asset classes: Global Bonds (2.5%), Global REITs (2.5%), Private Equity (5%) and Commodities (2.5%). Although the target allocation to equities remains the same (50%), the target allocation to international equities was increased from 10% to 15% (while the target allocation to domestic equities was decreased from 40% to 35%). Funding of the new investments as well as portfolio rebalancing was completed by December 31, 2007, with the exception of fully funding the private equity investment because it requires more time.

As a reminder, the Foundation’s unrestricted, temporarily restricted and permanently restricted funds are pooled together so that any gains/losses affect all funds in accordance to the ratio of those funds to the total amount invested. It is the Board of Directors’ policy to assume responsibility for the unrealized and realized gains/losses related to unrestricted and temporarily restricted accounts. In the same manner, all endowment gains/losses affect endowment balances.



Quarterly Commentary:

Economic

Ben Bernanke's warning that "A recession is possible" was well supported with March's economic data. With consumer confidence reaching its lowest level in 16 years (60.1), many Americans believe that his assessment is an understatement. The world concurred as the dollar reached an all time low. Though oil closed the month at an all time high and other inflationary forces are becoming more obvious, Bernanke cut the Fed Target rate by another 75 bps. The question is, "How many arrows does Ben have left in his quiver?"

Capital Markets

With the exception of domestic small cap core and value, equities posted another negative month. Large caps (S&P 500) were down 0.4%, while small caps (Russell 2000) gained 0.4%. The small cap value sector performed the best, up 1.5%. The worst performing sector was emerging markets, down 5.1%. Year to date, the best performing sector has been small cap value (-6.5%), and the worst performer was the small cap growth sector (-12.8%). Year to date, international equities continue to outperform domestic equities by about 70 bps (EAFE – Russell 3000).

Credit spreads continued to widen in March, reaching historic levels. Thanks to the Fed, the curve steepened and rates fell. The 3-month Treasury rate closed the month down over 50 bps while the 10-year fell 10 bps. As a result, Treasuries returned 0.7% this month, and are up 4.4% year to date. Falling rates aided the mortgage sector (up 0.6%), but they could not stop the credit sensitive corporates from falling 1.3%. Continuing the trend, global fixed income securities were up 2.0% (6.6% YTD), due to the falling dollar

E
C
O
N

MARKET PERFORMANCE

	Month	1-Year	3-Year	5-Year
S&P 500	(0.4%)	(5.1%)	5.9%	11.3%
Russell 1000	(0.7%)	(5.4%)	6.2%	11.9%
Russell 1000 Value	(0.7%)	(10.0%)	6.0%	13.7%
Russell 1000 Growth	(0.6%)	(0.7%)	6.3%	10.0%
Russell 2000	0.4%	(13.0%)	5.1%	14.9%
Russell 2000 Value	1.5%	(16.9%)	4.3%	15.4%
Russell 2000 Growth	(0.6%)	(8.9%)	5.7%	14.2%
Russell 3000	(0.6%)	(6.1%)	6.1%	12.1%
EAFE Gross	(1.0%)	(2.3%)	13.8%	21.9%
EMI Int Small	(0.2%)	(7.2%)	14.9%	26.7%
BMI Emerg Mkts	(5.1%)	23.1%	31.6%	36.3%
Lehman Aggregate	0.3%	7.7%	5.5%	4.6%
Lehman US Treasury	0.7%	12.2%	6.6%	4.8%
Lehman Corporate	(1.3%)	2.9%	3.8%	4.3%
Lehman High Yield	(0.3%)	(3.7%)	4.9%	8.6%
Lehman Mortgage	0.6%	7.8%	5.8%	4.8%
Lehman Global Aggregate	2.0%	15.2%	6.7%	7.3%

