

### **Recap of Foundation Investment Performance for the Quarter Ended September 30, 2007:**

For the 3-month period ended September 30, 2007, the Foundation's rate of return was 1.0%, which is equivalent to approximately \$1.4 million of realized and unrealized gains. During this period, the Foundation's total fund performance was in line with the comparable composite financial index, which was also up 1.0%. The Foundation's fiscal year-to-date gains are comprised of a 1.5% gain on equities, a 2.1% gain on fixed income investments, and a 1.0% loss on alternative investments.

### **Foundation Investment Policies:**

The Foundation's current asset allocation consists of 51.6% of the total amount invested in equities, 24.4% of the total amount invested in fixed income, and 24.0% of the total amount invested in alternative investments. This is in line with our asset allocation policy, which establishes a target allocation of 50% of the assets invested in equities (of which 10% are to be international equities), 25% of the assets invested in fixed income, and 25% of the assets invested in alternative investments.

In September 2007, the Foundation's Board of Directors approved a change to the asset allocation policy decreasing the target allocation to fixed income to 17.5% and increasing the target allocation to alternative investments to 32.5%. 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 to 15%. The Foundation expects to finish hire new investment managers, funding new investments and rebalancing its portfolio by December 31, 2007.

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.

### **Historical Data:**

The following are Foundation **annual** investment gains/losses made in previous years:

06/30/07:	16.7% (gain)
06/30/06:	8.77% (gain)
06/30/05:	9.3% (gain)
06/30/04:	14.55% (gain)
06/30/03:	3.7% (gain)
06/30/02:	- 4.66% (loss)
06/30/01:	- 10.9% (loss)
06/30/00:	11.7% (gain)
06/30/99:	11.6% (gain)
06/30/98:	13.6% (gain) *
12/31/97:	15.8% (gain)
12/31/96:	13.1% (gain)

\* The Foundation switched from a December 31<sup>st</sup> year-end to a June 30<sup>th</sup> fiscal year-end, resulting in a six-month fiscal year ended June 30, 1998.