



INVESTMENT BELIEF STATEMENT FOR MAIN POOL

The Foundation serves the investment needs of a variety of constituencies, including donor directed funds and the unrestricted funds of the Foundation. We seek investment excellence in order to deserve the confidence of our donors and to attract new donors to the Foundation. As such, we seek to provide outstanding, risk-adjusted returns recognizing an appropriate level of risk, diversification and the long-term nature of the funds under our care.

We are long-term, fundamental investors. Given that time horizon, performance is measured over three to five year periods. We are willing to tolerate short term volatility in order to achieve this longer term goal.

We define risk as the permanent loss of capital. Therefore, risk management to us involves good judgment as well as some diversification. Our goal of excellence cannot be achieved if the portfolio is over-diversified. We do not need to own a bit of everything - just everything we own needs to be excellent.

Our investments rely on the funds of third-party investment managers as a conduit for owning attractively priced assets. In general, we believe that manager skill drives this process and we want to partner with managers whose judgment we trust and who have a temperament and background that we believe positions them to be successful in the future.

We have hired gatekeepers to select these fund managers for us and we expect them to have the same judgment as the managers they select. We want to be sure that our gatekeeper is diligent in the process of selecting managers and in monitoring them. We would be willing to add assets to a manager in the face of negative short-term results, assuming nothing else had changed about the fund and that the long-term outlook for that manager was still positive.

Asset allocation can be flexible as long as it is adjusted consistent with our long-term investment horizon. We should not engage in short-term asset allocation: it is a fool's game and we are just as likely to get hurt as to gain from it.