INVESTMENT POLICY STATEMENT

Revised June 4, 2009
1. **Statement of Purpose**

The Board of Directors of the Campanile Foundation has adopted this Investment Policy Statement in recognition of their responsibility to supervise the investment of The Campanile Foundation (hereafter referred to as the Foundation) assets. The purpose of this Policy Statement is to set forth in writing: (1) an appropriate set of objectives and goals to be attained through the investment of the Foundation’s assets; (2) the position of the Board of Directors with respect to the Foundation’s risk/return posture, including allocation of assets, and establishment of investment guidelines; and (3) an overall system of investment policies and practices whereby the continuing financial obligation of the Foundation will be satisfied.

2. **Statement of Responsibilities**

The following parties associated with the Foundation shall discharge their respective responsibilities in accordance with all applicable fiduciary standards as follows: (1) in the sole interest of the Foundation’s contributors and beneficiaries; (2) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and of like aims; and (3) by diversifying the investments so as to minimize the risk of large losses.

   A. **Board of Directors**: The members of the Board of Directors are the fiduciaries of the Foundation and are ultimately responsible for the investments of the Foundation.

   B. **Finance and Investment Committee**: The members of the Finance and Investment Committee have been delegated the authority by the Board of Directors to manage the day to day administrative issues associated with the Foundation’s assets. They have recommendatory authority to the Board of Directors with respect to the implementation of this Investment Policy Statement and shall make detailed reports to the Board of Directors regarding the status of the Foundation’s investments.

   C. **Investment Consultant**: The investment consultant is charged with the responsibility of advising the Finance and Investment Committee on investment policy, the selection of investment managers, and providing performance analysis and monitoring services.

   D. **Investment Manager(s)**: The investment manager(s) are delegated the responsibility of investing and managing the Foundation’s assets in accordance with this Investment Policy Statement, and all applicable law. Each investment manager must either be (1) registered under the Investment Company Act of 1940, (2) registered under the Investment Advisors Act of 1940, (3) a bank, as defined in that Act, (4) an insurance company qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of the Foundation’s assets, or, (5) such other person or organization authorized by applicable law or regulation to function as an investment manager.
3. **Statement of Spending Policy**

The Foundation for fiscal 2009-2010 has established a spending rate of 4.35% of endowment principal market value on an annual basis. In the event that the Fair Market Value of an individual endowment falls below the permanently restricted amount of the endowment, the spending rate will not exceed the amount of dividends and interest earned by the endowment. The annual spending rate will be determined each year by the Board of Directors. The annual spending rate is applied against the endowment’s market value using a twelve quarter moving average. In accordance with this disbursement policy, the Finance and Investment Committee is committed to: (1) protecting the corpus of the Foundation; (2) preserving the real spending power of the assets; (3) maintaining a diversified portfolio of assets while obtaining maximum possible investment return commensurate with reasonable risk and operational considerations; and (4) complying with applicable law.

4. **Investment Objectives**

The Investment Objectives for the Foundation will be for the asset value, exclusive of contributions or withdrawals, to grow over the long run and earn, through a combination of investment income and capital appreciation, a rate of return (time-weighted total return gross of fees) in excess of the benchmarks established for the medium term (3 years) and long term (5 years).

**Medium Term Performance Objectives**

A. The objective of the total fund is to earn a return that exceeds the return of the indexes weighted in accordance with the current target asset allocation.

B. The objective of the U.S. large cap core equity segment is to earn a return that exceeds the rate of return of the Russell 3000 Index.

C. The objective of the U.S. large cap value equity segment is to earn a return that exceeds the rate of return of the Russell 1000 Value Index, as well as the median equity return in a representative large capitalization value performance universe.

D. The objective of the U.S. small cap equity segment is to earn a return that exceeds the rate of the Russell 2000 Value Index as well as the median equity return in a representative small capitalization value performance universe.

E. The objective of the international large cap equity segment is to earn a return that exceeds the rate of return of the MSCI ACWI ex U.S. Index as well as the median equity return in a representative international performance universe.
F. The objective of the international developed market equity segment is to earn a return that exceeds the rate of return of the MSCI EAFE Index as well as the median equity return in a representative international performance universe.

G. The objective of the international small cap equity segment is to earn a return that exceeds the rate of return of the MSCI EAFE Small Company Index as well as the median equity return in a representative international small capitalization performance universe.

H. The objective of the core fixed income segment is to earn a return that exceeds the rate of return of the Barclays Capital U.S. Aggregate Bond Index as well as the median fixed income return in a representative intermediate fixed income performance universe.

I. The objective of the alternate assets segment is to earn a rate of return that exceeds inflation, as measured by CPI, plus 5% as well as the median return in a representative alternative asset performance universe.

J. The objective of the real estate segment is to earn a return that exceeds the rate of return of the Wilshire REIT Index as well as the median return in a representative real estate performance universe.

K. The objective of the cash and equivalents segment is to earn a return that exceeds the rate of return of the 90-Day U.S. Treasury Bills as well as the median return in a representative cash and equivalents performance universe.

L. The objective of the U.S. TIPS segment is to earn a return that matches the rate of return of the Barclays Capital U.S. TIPS Index.

M. The objective of the high yield fixed income segment is to earn a return that exceeds the rate of return of the Barclays Capital High Yield Index as well as the median return in a representative high yield performance universe.

**Long Term Performance Objectives**

A. The objective of the total fund is to earn a minimum return that exceeds the spending policy by 410 basis points (60 basis points for administrative fees and 350 basis points for higher education inflation).

B. The objective of the total fund is to earn a minimum return that exceeds the rate of return of the indexes weighted in accordance with the target asset allocation.
C. The objective of the total fund is to earn a return that exceeds the annual change in the Higher Education Inflation Index by 495 basis points.

5. **Target Asset Allocation**

The Asset Allocation of the Foundation shall be reviewed at least quarterly to insure that the Target Allocation is in compliance with the following guidelines.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Fixed Income</td>
<td>18%</td>
<td>13%</td>
<td>22%</td>
</tr>
<tr>
<td>U.S. TIPS</td>
<td>5%</td>
<td>1%</td>
<td>10%</td>
</tr>
<tr>
<td>High Yield Fixed Income</td>
<td>3%</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>U.S. Large Cap Equity</td>
<td>30%</td>
<td>22%</td>
<td>37%</td>
</tr>
<tr>
<td>U.S. Small/Mid Cap Equity</td>
<td>5%</td>
<td>1%</td>
<td>10%</td>
</tr>
<tr>
<td>International Large</td>
<td>20%</td>
<td>15%</td>
<td>25%</td>
</tr>
<tr>
<td>International Small</td>
<td>4%</td>
<td>1%</td>
<td>10%</td>
</tr>
<tr>
<td>Alternative Assets</td>
<td>8%</td>
<td>3%</td>
<td>13%</td>
</tr>
<tr>
<td>Real Estate (REIT’s)</td>
<td>7%</td>
<td>2%</td>
<td>13%</td>
</tr>
<tr>
<td>Cash</td>
<td>0%</td>
<td>0%</td>
<td>10%</td>
</tr>
</tbody>
</table>

The asset mix policy and acceptable minimum and maximum ranges established by the Finance and Investment Committee represent a long-term view. Rapid and significant market movements may cause the fund’s actual asset mix to fall outside the policy range. Any such divergence should be of a short-term structure.

6. **Rebalancing Procedure**

A. **Cash Flow Rebalancing:** Where possible the target allocation will be maintained through these new cash flows. It will be the responsibility of the Chief Financial Officer to direct these cash flows to the appropriate managers.

B. **Quarterly Rebalancing:** On a quarterly basis, the portfolio will be automatically rebalanced to target allocations if the portfolio deviates 5% or greater from target.

7. **Investment Guidelines**

It is the intention of the Finance and Investment Committee to allow each investment manager the full investment discretion within the scope of these investment guidelines, the applicable Investment Manager Agreement, and any laws that supersede either of these documents. Each manager must adhere to the following investment guidelines as well as their specified guidelines in the attached appendices.
A. **Types of Securities:** The equity securities shall be domestic or foreign common stocks, American Depositary Receipts (ADR's), preferred stocks and convertible preferred stocks and bonds, depending on the manager's assignment. The fixed income securities shall be comprised of U.S. Treasuries, agencies of the United States Government, domestic corporations, domestic banks, and other U.S. financial institutions. Alternative assets shall consist of various hedging and arbitrage strategies and be invested utilizing a fund-of-funds approach. Real estate shall consist of equity participation in commercial, industrial and residential properties via commingled real estate funds.

B. **Diversification:** The equity, fixed income and alternative asset portfolios should be well-diversified to avoid undue exposure to any single economic sector, industry, or individual security. No more than 10% of the equity or fixed income portfolio based on market value shall be invested in the securities of any one issuer other than fixed income pools of investments such as U.S. Governments or U.S. Government Agencies. Except Treasuries, no more than 10% of the fixed income portfolio based on market value shall be invested in securities of anyone issuing corporation at the time of purchase. The alternative asset fund-of-funds shall not invest more than 20% in any individualized hedge fund. The real estate portfolio shall be reasonably diversified among geographic regions and property types.

C. **Prohibited Investments:** Categories of investments that are not eligible for investment in the fixed income and equity portfolios without prior approval of the Board of Directors include:
   a. Short sales
   b. Margin purchase or other use of lending or borrowing
   c. Commodities
   d. Security loans
   e. Leveraged derivatives
   f. Private placements
   g. Warrants.

The alternative asset portfolios may utilize the above categories so long as such investments are consistent with the portfolio's goal of stable returns with low volatility. The real estate portfolio may use leverage with respect to real estate ownerships.

D. **Liquidity:** The Finance and Investment Committee will monitor The Foundation's cash flow on a regular basis, and sufficient liquidity shall be maintained to fulfill the spending objectives and operational costs of the Foundation. When withdrawals become necessary, the Finance and Investment Committee will notify the investment manager(s) as far in advance as possible to allow them sufficient time to acquire the necessary liquid reserves.
E. **Proxy Voting:** The investment manager(s) shall have the sole and exclusive right to vote any and all proxies solicited in connection with the securities held by the Foundation. The investment manager(s) shall furnish the Finance and Investment Committee with a written proxy voting policy statement, and shall keep records with respect to its voting decisions and submit a report annually to the Finance and Investment Committee summarizing votes cast.

F. **Trading and Execution:** The investment manager(s) shall use their best efforts to obtain execution of orders through responsible brokerage firms at the most favorable prices and competitive commission rates.

8. **Investment Performance Review and Evaluation**

A. The Finance and Investment Committee will review the investment results of the investment manager(s) at least quarterly. Performance comparisons will be made against a representative performance universe and the performance objectives set forth in this policy statement. A comprehensive annual report from the Finance and Investment Committee will be presented to the full Board of Directors.

B. The Finance and Investment Committee, with the assistance of the investment consultant, shall periodically review the qualitative developments of each investment manager. This evaluation should include: changes in ownership, personnel turnover, adherence to investment style and philosophy, and any other qualities that the Finance and Investment Committee deems appropriate. This review should also include an assessment as to whether each investment manager has operated within the scope of this Investment Policy Statement.

C. The investment manager(s) must disclose all major changes in organization or investment philosophy to the Finance and Investment Committee members within 30 days. Further, all registered investment advisors must present updated ADV-2 forms on an annual basis to the Finance and Investment Committee.

9. **Corrective Action**

Corrective action should be taken naturally as a result of the ongoing review process for investment managers. While there may be unusual occurrences at any time, the following are instances where corrective action may be in order.

A. Any organizational change that may materially affect the management process will be noted by the investment consultant and discussed with the Finance and Investment
Committee. If the Finance and Investment Committee deems appropriate, the investment manager may be called upon to discuss changes.

B. A violation of terms of contract without prior approval of the Finance and Investment Committee constitutes grounds for termination.

C. As part of the overall asset allocation strategy, the Finance and Investment Committee will select managers with certain styles and approaches to portfolio diversification. Therefore, it is critical that managers adhere to the original intent of the Finance and Investment Committee. Should either the consultant or the staff ascertain that significant changes in investment style have occurred, this may be grounds for termination.

D. Managers may be replaced at any time as part of an overall restructuring.

10. Policy Changes

The investment consultant shall advise the Finance and Investment Committee of any restrictions within this Investment Policy Statement that may prevent the investment manager(s) from obtaining the objectives and goals set forth herein. Any violation of the investment guidelines or other sections of this Investment Policy Statement discovered by the investment consultant in the preparation of its regular performance review shall be reported immediately to the Finance and Investment Committee and discussed at their next regularly scheduled meeting.

11. Investment Policy Review and Revisions

The Board of Directors reserves the right to amend the Investment Policy Statement at any time they deem such amendment to be necessary, or to comply with changes in federal law as these changes affect the investment of the Foundation’s assets.

The Investment Policy Statement shall also be reviewed annually to ensure compliance and relevance to the current law, financial and economic trends and to meet cash flow requirements of the Foundation.

IN WITNESS HEREOF, the Board of Directors has approved the revised Investment Policy Statement by resolution adopted on the 4th day of June, 2009.

[Signature]
Secretary