

ALTA Foundation Investment Policy
Created 5/30/07
(Approved by Investment Manager)

I. Purpose of Investment Policy

The purpose of the Alta Foundation Investment Policy is to maintain an effective level of funding for years to come through a total-return and long-term investment and spending strategy that enhances returns and limits risk.

II. Investment and Spending Goals

Investment Goals

We strive to set an investment strategy that will

- maintain or increase the size of the Foundation's assets without compromising any Spending Goals,
- increase the potential for gain without taking undue risk,
- guarantee that ear-marked funds are not put at risk,
- allow us to monitor and benchmark the Foundation's investments on a total-return and reward-to-risk basis,
- follow a long-term, portfolio-based investment strategy, and
- promote responsible investing by allocating a percentage of the Foundation's assets in environmental-friendly businesses.

Spending Goals

We strive to set a spending strategy that will

- not compromise any Investment Goals,
- not compromise the spending potential of the Foundation in future years,
- seek out opportunities to spend efficiently and wisely, and
- ensure that a minimum of 5% (or a 5% rolling-average over the first three years) is spent annually.

Risk will be measured at the portfolio level. A long-term investment strategy will endure short-term volatility and focus on growth over several years.

The Board reserves the right to spend more than 5% in any year and to spend more than was gained in any year. However, spending more than was gained in a given year may compromise a long-term investment strategy. In such cases, the Board of Directors will meet and decide a strategy that will best serve the overall mission of the Alta Foundation.

III. Roles and Responsibilities

The Foundation Board expects the following parties to discharge their respective responsibilities in accordance with accepted fiduciary standards, which require that they act in the sole interest of the Foundation, its beneficiaries and donors, with the care, skill, prudence, and diligence under the circumstances that a prudent person acting in a like capacity and familiar with such matter would use in the conduct of an enterprise with a similar character and objective.

Board – The Board of Directors shall approve all policies of the Foundation consistent with state and federal laws, rules, and regulations. Additionally, the Board shall define an optimum asset allocation of the investment portfolio, and as needed, to select, hire, monitor, evaluate, and dismiss the Investment Manager.

Treasurer – The duties of the Treasurer are to monitor and benchmark investments, monitor spending toward approved projects, and to report to the board and/or mail quarterly reports to the Board on both matters. The Treasurer may also work directly with the Investment Manager for items that do not require Board approval.

Investment Manager – The Investment Manager is responsible for the day-to-day investment management of assets in accordance with this Investment Policy. The Investment Manager may also work directly with the Treasurer for items that do not require Board approval. Quarterly, the Investment Manager will create and distribute investment reports to the Treasurer. Any large changes to the portfolio will be communicated to the Treasurer. The Investment Manager shall be available to meet with the Board of Directors as often as necessary. Any change in organization, personnel, or investment philosophy will be fully disclosed by the Investment Manager.

IV. Asset Allocation

The Board of Directors will adopt an asset allocation model to define a portfolio mix that relates an expected rate of total return with an expected risk profile of each investment category as well as the overall portfolio. Table 1 presents the asset allocation target percentages and limits adopted by the Board of Directors as of 6/15/2007.

	<i>Target</i>	<i>Min</i>	<i>Max</i>
Large Cap Domestic Stocks	25%	15%	35%
Small/Mid Cap Domestic Stocks	20%	10%	30%
International Stocks	10%	5%	15%
Domestic Fixed Income	30%	20%	40%
Green Fund	10%	5%	15%
Alternative Investments	5%	0%	10%
Total Portfolio	100%		

Table 1 excludes funds that have been placed in a money market account to fund ear-marked projects. The target mix represents a long-term asset allocation strategy for the endowment period. Although the Board of Directors will seek to maintain the target mix over the long-term, short-term deviations may occur due to market impact and cash flow. The timing and degree of re-balancing of the actual portfolio will be determined by the Investment Manager. The Investment Manger will advise that the Board change the thresholds if he or she feels a more optimal strategy should be adopted.

Under extraordinary circumstances (e.g., a market crash, natural disaster, etc.) the Investment Manager may temporarily liquidate or reallocate any or all investments as he or she sees fit. In this situation, the Investment Manager will ensure that the Purpose of the Investment Policy is continuously adhered to.

V. Investment Guidelines

The endowment generally will have sufficient marketability to be readily liquidated in the open market. The managed portfolios will be well diversified.

The funds shall be invested at the discretion of the Investment Manager without approval for each transaction, subject to the following guidelines.

- The investment objective of the Board of Directors is to realize capital appreciation, consistent with safety of principal. Philosophically, the Board believes long-term results will be determined largely by asset mix.
- Investment in fixed income securities may consist of investment grade securities and may include preferred stock. A minimum of 80% of the fixed income portfolio will be “A” rated or better by Moody’s, Standard and Poor’s and/or Fitch. A maximum of 10% of fixed income assets may include less than investment grade bonds.
- Investments may not be held on margin.
- Investments may not be short sold.

The following investments will be avoided:

- tax-exempt securities (since the Foundation only pays a minimal amount of taxes),
- options, futures, and other derivatives,
- currencies,
- revenue bonds,
- investments that have leveraged positions in other assets,
- individual stocks in the basic materials sector or in the lumber, petroleum, or chemical industries,
- mutual funds with a focus on the basic materials sector or a focus on the lumber, petroleum, or chemical industries, and
- investments that may appear as a conflict of interest to any member of the Board of Directors or to the Investment Manager.

VII. Ear-marked Funds

Once a project and a contribution level are approved, the Investment Manager will put the ear-marked funds into a money-market account. In the event a multi-year project is approved, only those contributions for the current year will be placed into a money-market account.

VIII. Monitoring/Benchmarking

Quarterly reports will detail the investment earnings and distributions over the past period. Investments will be benchmarked against indexes with comparable characteristics. An overall risk-to-reward statistic will compare the level of earnings to the level of inherent volatility in the investments. Distributions will be tracked to ensure that overall spending limits are met. All of these items will be communicated to the Board on a quarterly basis.

IX. Acceptance of Investment Policy Statement

The Board of Directors considers the Investment Manager's acknowledgement and agreement to the principles set forth in this or any revised Investment Policy by virtue of the Investment Manager's continued service to the Foundation for a period of thirty (30) days following receipt of a revised Investment Policy.

Approved this XXth day of XXXX, 2007 by the Board of Directors.