

Jewish Funders Network

INVESTMENT POLICY STATEMENT

6/15/2008

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Jewish Funders Network
EXECUTIVE SUMMARY
6/15/2008

**Foundation/
Endowment Name:** Jewish Funders Network

Account Information Total Market Value as of 5/2/08:
10,000,000

Primary Objective: primary emphasis on income-generating investments

Target Rate of Return: return in excess of T-bills by 1%

Time Horizon: 1 to 3 years

Spending Policy: will be determined by client/donor requests.

Asset Allocation:

Asset Class	Minimum	Maximum	Preferred
Cash & Cash Equivalents	100%	100%	100%

The maximum allowable allocation of the aggregate portfolio to illiquid securities is 0%.

Rebalancing Procedures: Portfolio is rebalanced based upon current market yields for short term instruments

Cash Limits: Will be determined as needed.

Restrictions:
Bond quality rated AA or better
Maximum Average Bond Maturity: 1 year
Maximum Individual Bond Maturity: 1.5 years
Maximum Fund Portion: 20%
Maximum Security Portion: 5%

The Investor's investment guidelines prohibit investments in: No leverage in any of the portfolio. No CMO's or mortgage backed instruments.

Other investment considerations in the management of this portfolio are: Preservation of capital is the highest priority for this portfolio.

Meeting Frequency: quarterly

INVESTMENT POLICY DISCUSSION

What Is an Investment Policy Statement?

An Investment Policy Statement (IPS) describes the investment philosophies and investment management procedures to be utilized for the funds as further described below, as well as the long-term goals for the Jewish Funders Network.

The Need for an IPS

The principle reason for developing an investment policy and for putting it in writing is to enable you and us to protect your portfolio from ad hoc revisions of a sound long-term policy. Without an investment policy, in times of market turmoil, Investors are often inclined to make impromptu investment decisions that are inconsistent with prudent investment management principles. Your investment policy is intended to provide a well thought out framework from which sound investment decisions can be made.

Steps to Take to Establish an Investment Policy

1. Assess your financial situation—identify your goals and needs.
2. Determine your tolerance for risk and your time horizon.
3. Set long-term investment objectives.
4. Identify any restrictions on the portfolio and its assets.
5. Determine the asset classes and appropriate mix (the “Asset Allocation”) to maximize the likelihood of achieving the investment objectives at the lowest level of risk.
6. Determine the investment methodology to be used with regards to investment (manager) selection, rebalancing, buy-sell disciplines, portfolio reviews and reporting, etc.
7. Implement the decisions.

The Uniform Management of Institutional Funds Act ("UMIFA") was originally promulgated in 1972 with revisions in 2004 and provides guidance to institutional nonprofits of investment authority, permits delegation of authority to independent financial advisors, and authorizes the expenditure of appreciation of investment funds.

The Uniform Prudent Investor Act (“UPIA”) was approved for use in all states at the 1994 annual Conference of Commissioners on Uniform State Law and by the American Bar Association in 1995. The Act is applicable to all trusts (including irrevocable trusts, by-pass trusts, QTIPs, ILITs, CRTs, QPRTs, QDTs, and GRTs) and sets forth appropriate practices for the management of trust assets. Noncompliance with these rules can expose a trustee to significant personal liability.

Key provisions of the UPIA include:

- ❖ No investment is inherently prudent or imprudent, except in how its inclusion or exclusion impacts the portfolio as a whole.
- ❖ Trustees are expected to use all reasonably available strategies to improve the risk-reward relationship of the portfolio.
- ❖ Under most circumstances, the assets of the trust must be diversified.
- ❖ Trustees are obliged to spread portfolio investments across asset classes to enhance performance and reduce risk.
- ❖ The possible effect of inflation must be considered as part of the investment strategy. As a result, use of equities is encouraged to allow the possibility that the portfolio's growth will outpace inflation.
- ❖ Fiduciaries have a duty to either demonstrate investment skill in managing trust assets or to delegate investment management to another, more qualified party.

Definitions

1. "Investment Committee" shall refer to the decision making body established to administer the portfolio as specified by applicable ordinance.
2. "Investment Manager" shall mean any individual, or group of individuals, employed to manage the investments of all or part of the portfolio's assets.
3. "Advisor" shall mean any individual, or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search and performance monitoring.
4. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over the fund management or any authority or control over management, disposition or administration of portfolio assets.

This Investment Policy Statement:

- ❖ Establishes the Investment Committee's expectations, objectives and guidelines in the investment of the Portfolio's assets.
- ❖ Creates the framework for a well-diversified asset mix that can be expected to generate acceptable long-term returns at a level of risk suitable to the Investment Committee, including:
 - describing an appropriate risk posture for the investment of the Portfolio
 - specifying the target asset allocation policy
 - establishing investment guidelines regarding the selection of investment managers, permissible securities and diversification of assets
 - specifying the criteria for evaluating the performance of the Portfolio's assets
- ❖ Defines the responsibilities of the Investment Committee, Advisor and Investment Manager(s).
- ❖ Encourages effective communication between the Investment Manager(s) and the Investment Committee.

This IPS is intended to be a summary of an investment philosophy and the procedures that provide guidance for the Investment Committee. The investment policies described in this IPS should be dynamic. These policies should reflect the Investment Committee's current status and philosophy regarding the investment of the Portfolio. These policies will be reviewed and revised periodically to ensure they adequately reflect any changes related to the Portfolio, to the Investment Committee or the capital markets.

It is understood that there can be no guarantee about the attainment of the goals or investment objectives outlined herein.

INTRODUCTION

One of the important purposes of this Investment Policy Statement (IPS) is to establish a clear understanding as to the investment goals, objectives and management policies applicable to the Jewish Funders Network's investment portfolio ("Portfolio").

OVERVIEW COMMENTARY

Investor Information:

Endowment or Foundation Name: Jewish Funders Network

Trustees:

Mark Charendoff, President

mark@jfunders.org

Judy Mann, COO

judy@jfunders.org

Steve Geringer, Vice Chair/Treasurer

sigeringer@aol.com

Murray Galinson, Chair

mgalinson@price-entities.com

Authorized Decision Makers

The authorized decision maker(s) for the assets under this IPS and their capacity are: Judy Mann, Elizabeth Gerber, Mark Charendoff

Assets to be considered under this IPS

The investments being managed under this IPS have a current approximate value of 10,000,000.

Account Information

<i>Acct. Title</i>	<i>Acct. Number</i>	<i>Mkt. Value as of</i>
Scotttrade		5/2/08 10,000,000
	Total:	10,000,000

Tax Advisor:

Ken Cerini

Cerini and Associates

kenc@ceriniandassociates.com

Attorney:

Shira Leviin

Cooley Godward Kronish LLP

slevin@cooley.com

INVESTOR CIRCUMSTANCES

Factors that could impact the manner in which this money will be managed include: This IPS represents the short term cash management portion of the JFN.

The Investment Committee describes their own knowledge of investments as low.

The projected outlook for the Jewish Funders Networks' financial situation:

- ❖ Neutral over the next one-year period.
- ❖ Neutral over the next five years.
- ❖ Neutral over the next ten years.

The Investment Committee's expectation with regards to inflation is:

- ❖ Over the next year it will increase.
- ❖ Over the next five years it will increase.
- ❖ Over the next ten years it will increase.

INVESTMENT OBJECTIVES

The investment objectives addressed in this investment policy statement represent one component of the portfolio's overall objectives.

The Investment Committee's objective for this investment portfolio is primary emphasis on income-generating investments as well as protection of principal.

The long-term objective for the assets under this policy is to achieve after fees and expenses, a pre-tax: return in excess of T-bills by 1%.

TIME HORIZON

The Jewish Funders Network's objectives for this portfolio are currently anticipated to continue without significant modification for a period of: 1 to 3 years.

Attitude toward Gifts

Is based upon the donor /client's objectives and may not be consistent in nature.

Spending Policy/Distributions Amount

Highest emphasis should be placed on meeting grant making obligations. As such, the Investor regards spending in dollar terms from year to year as inflexible. While spending is inflexible, and therefore relatively consistent and predictable, expected investment returns from "riskier" portfolios are not consistent and predictable. Therefore, in order to reduce the likelihood of underperformance and excessive deterioration of real principal during such periods, the Foundation/Endowment must tend toward a more "conservative" investment strategy than might be the case if grant making from year to year were more flexible.

The spending policy for the endowment will be as follows:
Will be determined by J.F.N.

For the withdrawals beginning immediately, the frequency with which they will occur is currently indeterminable.

TAX POLICY

Tax minimization is not a concern for this investment portfolio.

RISK TOLERANCE

Investment theory and historical capital market return data suggest that, over long periods of time, there is a relationship between the level of investment risk assumed and the level of return that can be expected. In general, in order to attain higher returns one must accept higher risk (e.g. volatility of return).

Given this relationship between risk and return, a fundamental step in determining the investment policy for the Portfolio is the determination of the amount of risk the Investment Committee can tolerate.

Although the Investment Committee prefers to limit the portfolio's volatility, they cannot accept any loss of principal.

ASSET ALLOCATION

Academic research offers considerable evidence that the asset allocation decision far outweighs security selection and market timing in its impact on portfolio variability and performance. After reviewing the long-term performance and risk characteristics of various asset classes and balancing the risk and rewards of market behavior, the following asset classes were selected to achieve the objectives of Jewish Funders Network's portfolio.

Asset Class	Minimum	Maximum	Preferred
Cash & Cash Equivalents	100%	100%	100%

The maximum allowable allocation of the aggregate portfolio to illiquid securities is 0%.

Portfolio Returns and Volatility

The Investment Committee's willingness to accept risk and their expectation for investment growth have a direct bearing on the rate of return objective for this portfolio.

It should be recognized that the portfolio will invest in a variety of securities and that the actual weighting of these securities can and will vary. It is also important to note that future returns of the securities with the portfolio and the portfolio itself can be expected to vary from the historical returns.

The portfolio's historical rate of return is not a guarantee of future investment returns, nor an indication of expectation regarding future results. Future returns could differ significantly and capital loss is possible. This Investment Policy Statement shall not be construed as offering a guarantee.

Updated Allocations

Over time, it may be desirable to amend the basic allocation. When such changes are made, updates will be considered part of this Investment Policy Statement.

Rebalancing Procedures

From time to time, market conditions may cause the Portfolio's investment in various asset classes to vary from the approved allocation. To remain consistent with the asset allocation guidelines established by this Investment Policy Statement, the Advisor shall periodically review the portfolio and each asset class in which the Portfolio is invested.

This portfolio will be rebalanced periodically as follows: based upon current market yields for short term instruments

Adjustment in the Target Allocation

Modifications to the approved allocation may be needed from time to time for a variety of reasons. When such a change to the approved allocation needs to occur, it shall only be made with the concurrence of the Investment Committee.

FREQUENCY OF IPS REVIEW

The Investment Committee recognizes that all investments go through cycles and therefore there will be periods of time in which the investment objectives are not met or when specific managers fail to meet their expected performance expectations. The Investment Committee accepts the principle that, in the absence of specific circumstances requiring immediate action, patience and a longer-term perspective will be employed when evaluating investment performance.

The advisor and Investment Committee will meet at least annually to review and update this IPS.

LIQUIDITY

Investor's liquidity requirements are: determined from time to time and should be kept in cash/cash equivalents.

The length for which these needs apply is described as: This will be needed for at least the next 12 months.

DIVERSIFICATION AND INVESTMENT CONSTRAINTS

Investment of the Jewish Funders Network's funds shall be limited to securities in the following categories:

Assets Classes

Money Market Funds
U.S. Short Term Taxable Bonds
Government Agencies (FHLB<FNMA<FFCB)
US Government bonds and Treasury Bills
Commercial Paper
Taxable Municipal Bonds
Certificates of Deposit

Investment Types

Individual Bonds
Open-ended Mutual Funds
Closed-end Mutual Funds

Portfolio Limitations and Restrictions

The Portfolio may only be invested in bonds rated AA or better.

Maximum average bond maturities: 1 year(s).

Maximum individual bond maturities: 1.5 year(s).

Maximum portion of portfolio in a single diversified fund: 20%.

Maximum portion of portfolio in a single security: 5%.

The Investor's investment guidelines prohibit investments in: No leverage in any of the portfolio. No CMO's or mortgage backed instruments...

Other investment considerations in the management of this portfolio are: Preservation of capital is the highest priority for this portfolio.

SELECTION/RETENTION CRITERIA FOR INVESTMENTS

Investment Management Selection

Investment managers (including mutual funds, separate account managers and limited partnership sponsors) shall be chosen using the following criteria:

- ❖ Past performance, considered relative to other investments having the same investment objective. Consideration shall be given to both performance rankings over various time frames and consistency of performance
- ❖ Costs relative to other funds with like objectives and investment styles
- ❖ The manager's adherence to investment style and size objectives
- ❖ Size of the proposed fund
- ❖ Length of time the fund/manager has been in existence and length of time it has been under the direction of the current manager(s) and whether or not there have been material changes in the manager's organization and personnel
- ❖ The historical volatility and downside risk of each proposed investment
- ❖ How well each proposed investment complements other assets in the portfolio
- ❖ The current economic environment
- ❖ The likelihood of future investment success, relative to other opportunities

INVESTMENT MONITORING AND CONTROL PROCEDURES

Reports

- ❖ The investment custodian shall provide Investment Committee with monthly statements for each account held by Jewish Funders Network and subject to this Investment Policy Statement. Such reports shall show values for each asset and all transactions affecting assets within the portfolio, including additions and withdrawals.
- ❖ The Advisor shall provide Investment Committee the following management reports on a periodic basis:
 - Portfolio performance results over varying time periods
 - Performance results of comparative benchmarks over varying time periods
 - Review of current asset allocation versus policy guidelines
 - Any recommendations for changes of the above

Meetings and Communication between Investment Committee and Advisor

As a matter of course, the Advisor shall keep Investment Committee apprised of any material changes in the Advisor's outlook, recommended investment policy, and tactics.

In addition, Advisor shall meet with Investment Committee approximately quarterly to review and explain the Portfolio's investment results and any related issues. Advisor shall also be available on a reasonable basis for telephone and email communication as needed.

DUTIES AND RESPONSIBILITIES

The Advisor

The Advisor is a Registered Investment Advisor and shall act as the investment advisor to the Investment Committee until the Investment Committee decides otherwise.

Advisor shall be responsible for:

- ❖ Assisting in the development and periodic review of investment policy.
- ❖ Designing and implementing an appropriate asset allocation plan consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- ❖ Advising the Investment Committee about the selection of and the allocation of asset categories.
- ❖ Identifying specific assets and investment managers within each asset category.
- ❖ Providing “due diligence”, or research, on the Investment Manager(s)
- ❖ Monitoring the performance of all selected assets the advisor consults to.
- ❖ Recommending changes to this investment policy statement.
- ❖ Periodically reviewing the suitability of the investments for the Investment Committee.
- ❖ Being available to meet with the Investment Committee at least twice each year.
- ❖ Being available at such other times within reason at the Investment Committee's request.
- ❖ Preparing and presenting appropriate reports.

Discretion and Title

- ❖ Advisor will not have any discretionary control.
- ❖ Advisor shall have no authority to withdraw funds from Jewish Funders Network's accounts, except to cover payment of previously agreed to fees or at Investor's specific direction.
- ❖ Advisor may not change Jewish Funders Network's investment policy, including the targeted asset allocation, without Investment Committee's prior approval.

The Investment Committee

Investment Committee shall be responsible for:

- ❖ The oversight of the Portfolio.
- ❖ Defining the investment objectives and policies of the Portfolio.
- ❖ Directing Advisor to make changes in investment policy and to oversee and to approve or disapprove Advisor's recommendations with regards to policy, guidelines, and objectives on a timely basis.
- ❖ Providing Advisor with all relevant information on Jewish Funders Network's financial conditions and risk tolerances and shall notify Advisor promptly of any changes to this information.
- ❖ Reading and understanding the information contained in the prospectus and each investment in the Portfolio.
- ❖ Being responsible for exercising all rights, including voting rights, as is acquired through the purchase of securities.

Proxy Voting

The Investment Committee is responsible for and empowered to exercise all rights, including proxy-voting rights.

ADOPTION

Adopted by the below signed:

Date: _____

Investment Committee member's signature:

Investment Committee member's signature:

Investment Committee member's signature:
