

HAROLD GRINSPOON FOUNDATION FUND

INVESTMENT POLICY STATEMENT

January 2009

INTRODUCTION

The Harold Grinspoon Foundation Fund (the "Fund") was established in order to support the activities of the Harold Grinspoon Foundation (HGF). The investments of the Fund will be made for the exclusive benefit of the HGF.

This policy statement is issued for the guidance of fiduciaries, including the members of the Investment Committee (the "Committee") and investment managers, in the course of investing the assets of the Fund.

The Investment Committee will review this Policy at least annually. Proposed modifications will be documented in writing by the Committee. The Board of Directors is responsible for approving all amendment to the Investment Policy Statement.

STATEMENT OF GOALS AND OBJECTIVES

This statement of investment goals and objectives is to set forth an appropriate set of goals and objectives for the Fund's assets and to define guidelines within which the investment managers may formulate and execute their investment decisions.

1. The primary investment objective of the Fund is to provide a real rate of return over inflation sufficient to support in perpetuity the mission of the HGF. Total return, consistent with prudent investment management, is the primary goal of the Fund. Total return, as used herein, includes income plus realized and unrealized gains and losses on Fund assets. The total return target is 8.5% net compounded annually, which is the sum of our spending policy of 5%, an inflation factor of 3.0%, and a real growth factor of 0.5%. At the last meeting of each calendar year, the Investment Committee will review the components of the formula and, if needed, reset the total return target. In addition, assets of the Fund will be invested with a long-term goal of protecting and enhancing the real value of the Fund.
2. The total return for the overall Fund shall meet or exceed the Fund's Policy Index (as described in Appendix I) and consistently rank in the top-half of total funds in the institutional universe used by our consultant.
3. Total portfolio risk exposure and risk-adjusted returns will be regularly evaluated and compared with a universe of similar funds for the Fund and each investment manager. Total portfolio risk exposure should generally rank in the mid-range of comparable funds. Risk-adjusted returns are expected to consistently rank in the top-half of comparable funds.
4. Investment managers' performance, net of fees, shall exceed the return of the designated benchmark index noted below and rank in the top-half of the appropriate asset class and style universe while utilizing acceptable risk levels over moving thirty-six month periods. Investment managers will sign off on their acceptance of the benchmark as our measure of their relative performance.

Asset Class	Benchmark	Asset Class Universe	Style Universe
Domestic Large Cap Equity	S & P 500, Russell 1000 Growth or Value Index	Equity Funds	Large Core, Growth or Value
Domestic Small Cap or SMID Equities	Russell 2000 or 2500 Core, Growth or Value Index	Equity Funds	Small/SMID Core, Growth or Value
Established International Equity	MSCI EAFE Index	Established Int'l Equity Funds	International Established
Established International Small Cap Equity	Citigroup EMI EPAC Index	Established Int'l Small Equity Funds	International Small Cap
Emerging International Equity	MSCI Emerging Markets Free	Emerging Int'l Equity Funds	Emerging Markets
Domestic Fixed Income (Core Bonds)	Lehman Aggregate	Fixed Income Funds	Core or Core Plus
Global Fixed Income	Citigroup World Government Bond Index	Global Bond Funds	NA
Treasury Inflation Protection Securities	Lehman TIPS	Fixed Income Funds	NA
Alternative Assets	Based on Investments	Absolute Return/Hedge Fund	Based on Investments
Alternative Assets	Based on Investments	Private Equity and Special Situation Funds	Based on Investments
Alternative Assets	Based on Investments	Real Assets (excluding real estate)	Based on Investments

5. The Committee is aware that there may be deviations from these performance targets. Normally, results are evaluated over a three to five year time horizon, but shorter-term results will be regularly reviewed and earlier action taken if in the best interest of the Fund.

GENERAL INVESTMENT CONSIDERATIONS AND CONSTRAINTS

- Risk:** The Committee will seek to limit the overall level of risk commensurate with the chosen policy asset allocation. The Committee believes that the Objective can be achieved while assuming acceptable risk levels commensurate with “market” volatility. “Market” volatility is defined as the trailing three-year standard deviation of investment returns (based on monthly data) of the benchmark indices.
- Liquidity:** At times, cash may be required to satisfy the needs of the HGF. Sufficient liquid assets to meet such foreseeable requirements should be considered as necessary.
- Time Horizon:** HGF has an infinite life. An investment Time Horizon of twenty years is appropriate.
- Taxes:** The HGF is tax-exempt.

INVESTMENT GUIDELINES

The overall capital structure targets and permissible ranges for eligible asset classes are detailed in Appendix I.

Full discretion, within the parameters of the guidelines described herein, is granted to the investment managers regarding the asset allocation, the selection of securities, and the timing of transactions.

1. Domestic Equity investments, i.e., common stocks, convertibles, warrants and rights are permitted; subject to the guidelines in Appendix I. Equity specialists may vary equity commitment from 90% to 100% of assets under management. The managers should determine that the securities to be purchased are of an investment grade suitable for this Fund. American Depository Receipts (ADRs), which are dollar denominated foreign securities traded on the domestic U.S. stock exchanges, may be held by each domestic stock manager in proportions which each manager shall deem appropriate.
2. International Equity investments, i.e., foreign currency denominated securities of companies domiciled outside of the United States and traded on either foreign or U.S. exchanges, including but not limited to ADRs, GDRs, private placements, warrants and rights are permitted, subject to the guidelines in Appendix I. Managers may engage in foreign currency transactions in both the spot and forward markets, to effect securities transactions, to hedge currency risk and for the purpose of managing currency. The managers may utilize options and futures on foreign currencies.
3. Domestic Fixed Income investments are permitted, subject to the guidelines in Appendix I, and may include U.S. Government and Agency obligations, corporate bonds, and other securities deemed appropriate by the investment managers. The overall weighted average quality of the investment grade portfolio shall be AA or higher as rated by Moody's, or an equivalent rating agency. The overall average quality of the high yield portfolio shall be B or higher. A Core fixed income portfolio may include high yield and global bonds. The ratings in this Policy Statement are for guidance only; the investment managers are responsible for making an independent analysis of the credit worthiness of securities and their suitability as investments regardless of the classifications provided by rating agencies. The portfolio duration shall remain in the "intermediate" range and shall not exceed 6 years.
4. Global Fixed Income investments are permitted, subject to the guidelines in Appendix I, and may include U.S. Government and Agency obligations, as well as U.S. and foreign currency denominated bonds, and other securities deemed appropriate by the investment managers. The overall weighted average quality of the portfolio shall be AA or higher as rated by Moody's, or an equivalent rating agency. The ratings in this Policy Statement are for guidance only; the investment managers are responsible for making an independent analysis of the credit worthiness of securities and their suitability as investments regardless of the classifications provided by rating agencies. The portfolio duration shall remain in the "intermediate" range and shall not exceed 10 years.
5. Alternative Assets are permitted, subject to the guidelines in Appendix I, and may include hedge funds, private equity investments, venture capital, real estate, timber, energy, commodities, etc. Alternative investments are typically made in a limited partnership format with limited liquidity.

6. Securities of an individual issuer, excepting the U.S. government and agencies and sovereign nations and their agencies, shall not constitute more than 10% of an investment manager's portfolio at any time, at market value. The Investment Committee waives this limitation with respect to Sands Capital Management, which utilizes a more concentrated portfolio as part of its strategy. The Committee also waives this limitation with respect to hedge fund managers or private equity managers which utilize a more concentrated portfolio as part of its strategy. Such managers will be subject to the proper due diligence to confirm the investment strategy deployed is appropriate for the HGF.
7. Investment managers may maintain reserve and cash equivalent investments. However, these investments should be made on the basis of safety and liquidity, and only secondarily by yield available. Such securities shall carry the equivalent of S&P A1 ratings.
8. There shall be no specific limitation to turnover. However, modest turnover is preferred.

Ineligible Investments

Other than in alternative asset investments (which may include various types of public and private securities), unless specifically approved by the Committee, certain securities, strategies and investments are ineligible for inclusion within this Fund's asset base. Among these are:

- Derivative instruments.
- Options
- Margin purchases
- Privately-placed or other non-marketable debt, except securities issued under Rule 144a.
- Lettered, legend or other so-called restricted stock.
- Commodities
- Straight preferred stocks and non-taxable municipal securities should not normally be held unless pricing anomalies in the marketplace suggest the likelihood of near-term capital gains when normal spread relationships resume.
- Short sales
- Direct investments in private placements, real estate, oil and gas and venture capital.

Spending Policy

The Fund is used to support the operations of the HGF. The current spending limitations are outlined in a letter from Harold Grinspoon to the HGF dated February of 2007 and agreed to by the HGF on March 6, 2007. For budget purposes, the annual spending policy target is a maximum of 5% of the sum of the market value of the Fund plus real estate and other assets of the HGF as of December 31 of the preceding year. However, this letter provides that with Harold Grinspoon's written consent, the HGF Trustees may waive the spending limitations. It is anticipated that this waiver will be exercised as he continues to make contributions to the HGF during his lifetime. Since the long-term objective is to maintain the spending power of the Fund over time, it is anticipated that the Board of Directors will need to update the spending policy from time to time. Once the HGF is relying substantially on the Fund for all of its spending needs, it will be critical to regularly review return assumptions and spending levels. This review should be completed at least every five years.

Investment managers will be given adequate notice of cash needs and an estimation of the liquidity requirements from their funds. They will be expected to manage their funds to provide for anticipated withdrawals without impairing the investment process.

Proxy Voting

Responsibility for the exercise of ownership rights through proxy solicitations shall rest solely with the investment managers, who shall exercise this responsibility strictly for the benefit of the Fund. Managers shall annually report to the Committee standing policies with respect to proxy voting, including any changes that have occurred in those policies.

Directed Commissions

Investment managers shall use their best efforts to ensure that portfolio transactions are placed on a "best execution" basis. Additionally, arrangements to direct commissions shall only be implemented by specific authorization of the Committee.

Commingled Funds

Notwithstanding the terms of this Investment Policy statement, when the Fund assets are invested in commingled or mutual funds, it is accepted that such assets will be managed in accordance with the objectives, policies and restrictions set forth in the Fund's investment guidelines.

Security Lending

With the exception of investments in Alternative Assets, investment managers are prohibited from lending securities owned directly by the HGF without express written permission.

ROLES AND RESPONSIBILITIES

Investment Committee

The Investment Committee is a committee appointed by the HGF Board of Directors. The Committee members are required to discharge their duties solely in the interest of HGF and for the exclusive purpose of meeting the financial needs of the HGF. The Committee shall review and propose updates to the total investment program, including the Investment Policy Statement and asset allocations. The Committee shall work with the investment consultant and provide overall direction to the staff in the execution of the investment policy. The Committee, with the assistance of the investment consultant, is responsible for evaluating, hiring, and terminating investment managers and custodian banks. The Committee will report periodically to the Board of Directors as to the status of the Fund's assets.

Board of Directors

The Board of Directors shall be responsible for appointing members of the Investment Committee, approving the Investment Policy Statement, and setting the spending policy.

Investment Consultant

The Investment Consultant shall assist the Committee in developing and modifying investment policy objectives and guidelines, including the development of asset allocation strategies, recommendations on long-term asset allocation and the appropriate mix of investment manager styles and strategies. The consultant shall also provide assistance in manager searches and selection, and in investment performance calculation, evaluation, and analysis. The consultant shall provide timely information, written and/or oral, on investment strategies, instruments, managers and other related issues, as requested by the Committee.

Investment Managers

The duties and responsibilities of each of the investment advisors retained by the Committee include:

1. Managing the Fund's assets in accordance with the policy guidelines and objectives expressed herein.
2. Meeting with the Committee at their request. Each manager shall report to the Investment Committee and the Investment Consultant as outlined in Appendix II. Quarterly reports should be submitted in writing within 60 days at the end of a quarter.
3. Working with the custodian bank to verify monthly accounting reports.
4. Acknowledging in writing to the Committee the investment manager's intention to comply with this Statement as it currently exists or as modified in the future.

Custodian Bank

In order to maximize the Fund's return, no money should be allowed to remain idle. Dividends, interest, proceeds from sales, new contributions and all other monies are to be invested or reinvested promptly.

The custodian bank(s) will be responsible for performing the following functions:

1. Accept daily instructions from designated staff.
2. Notify investment managers of proxies, tenders, rights, fractional shares or other dispositions of holdings.
3. Resolve any problems that designated staff may have relating to the custodial account.
4. Safekeeping of securities.
5. Collection of payments, which include interest and dividends, principal, and payments-in-kind. Take actions if payments due are not received on schedule.
6. Daily cash sweep of idle principal and income cash balances.
7. Processing of all investment manager transactions.
8. Collection of proceeds from maturing securities.
9. Disbursement of all income or principal cash balances as directed.
10. Providing monthly statements by investment account and a consolidated statement of all assets.
11. Working with the investment consultant and the Fund accountant to ensure accuracy in reporting.
12. Provide written statements revealing monthly reconciliation of custody and investment managers' accounting statements.

OTHER CONSIDERATIONS

It is the intent of the Committee to revise this statement of goals and objectives to reflect modifications and revisions to the Fund, which may develop from time to time. It is also the policy of the Committee to review these goals and objectives at least once per year and to communicate any material change thereto to the investment managers.

This policy statement is prepared to provide appropriate guidelines for the investment managers, consistent with the Fund's return objectives and risk tolerances. Should any investment manager believe that the guidelines are unduly restrictive or inappropriate; the Committee expects to be advised accordingly.

IMPLEMENTATION

All monies invested for the Fund by its investment managers after the adoption of this Investment Policy shall conform to this policy. The Committee realizes that any material change in the investment policy or manager structure will require a reasonable amount of time to properly implement the strategy and managers during the transition period. The quarterly investment reviews will note the actual asset allocation's variance to policy and highlight the underlying cause of such variance.

The Investment Policy statement was adopted by the Investment Committee as of the below date.

Accepted By:

Date: January 29, 2009

Investment Committee members:

HAROLD GRINSPOON FOUNDATION FUND

ASSET ALLOCATION POLICY

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Committee has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on regular basis.

<u>ASSET CLASS</u>	<u>TARGET %</u>	<u>Policy RANGE %*</u>	<u>TARGET BENCHMARK</u>
EQUITY	45		
Domestic Equity	23		Wilshire 5000
<i>Large Capitalization</i>	21	11-33	
<i>Small Capitalization</i>	2	0-12	
International Equity	22		MSCI AWCI ex. US
<i>Established</i>	18	8-28	
<i>Emerging</i>	4	0-14	
<i>International Small Cap</i>	0	0-10	
FIXED INCOME	20		Lehman Aggregate
<i>Core Bonds</i>	12	2-22	
<i>Global Bonds</i>	4	0-14	
<i>Treasury Inflation Protection Securities</i>	4	0-14	
ALTERNATIVE ASSETS	35		
<i>Absolute Return/Hedge Fund</i>	15	5-25	90-Day T-Bill plus 4%
<i>Private Equity</i>	13	3-23	S&P500 plus 5%
<i>Real Assets (ex Real Estate)</i>	7	0-17	CPI plus 5%
CASH	0		90-Day T-Bill

*A minimum of 20% of the Fund should be invested in fixed income or cash instruments at all times. The implementation of the private equity and real asset investment policy will incorporate the concept of vintage year diversification to reduce the risk of incurring a large loss in any one year. In addition, based on the long term illiquidity of private partnerships, the Investment Committee will only commit to opportunities that appear particularly compelling at the time. The uninvested portion of the private equity allocation may be invested in the domestic and international managers' portfolios, index funds, fixed income, or cash until the investment manager provides written notice of capital calls. The uninvested portion of the real asset allocation may be invested in the TIPS portfolio, a liquid real asset

strategy (natural resource stocks or ETFs), fixed income, or cash until the investment manager provides written notice of capital calls. The allocation to real estate is constrained to 0% of the real asset allocation.

The Fund's Policy Index is a custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement. It is useful in separating the impact of investment policy from execution of the investment strategy in evaluating the performance of the Fund's investment program.

The Fund's Policy Index is calculated by multiplying the policy target of each asset class by the rate of return of the appropriate market index, as listed above, on a monthly basis. During the implementation of the private equity and real asset policy, the Fund's Policy Index will be calculated by multiplying the "adjusted" policy target of each asset class by the rate of return of the appropriate market index. The adjusted policy target will reflect the current net asset value invested in private equity and real assets. The adjusted policy target will reflect the uninvested commitment of private equity and real assets as US equity, international equity and liquid real assets as allocated by the Committee. The Fund's Policy Index will be changed by whole number increments as necessary to reflect the current status of the private equity and real asset implementation models.

REBALANCING POLICY

The Committee may rebalance the Fund to achieve the Asset Allocation Policy Target or make changes within the policy ranges at any time. While the Target was established as a long term desirable portfolio, the Committee is granted the authority to use its judgment within allowable ranges to position the portfolio at any time based on market conditions, values, opportunities, etc. However, the HGF shall be rebalanced in the event any individual marketable asset class differs from policy ranges. Investments in private partnerships are not liquid and could therefore delay rebalancing in alternative asset classes. The investment consultant will inform the Committee at the close of any month in which rebalancing the portfolio is necessary. At regular meetings, the Committee will confirm that the Fund is in compliance with the policy ranges. The investment consultant will assist the Committee as needed with implementing all rebalancing.

DIVERSIFICATION POLICY

Liquid Securities: A Maximum of 10% of the Fund may be invested in any actively managed fund or separately managed account. A maximum of 15% of the Fund may be invested in any Index Fund. A maximum of 15% of the Fund may be invested with any fixed income investment manager and a maximum of 10% of the Fund may be invested with any equity manager. However, a maximum of 30% of the fund may be invested with Vanguard, subject to the individual fund limits above.

Private Partnerships: A maximum of 2% of the Fund (at the time of commitment) may be invested in any single direct hedge fund partnership. A maximum of 3% of the Fund (at the time of commitment) may be invested in other private partnership (such as private equity and special situations). A maximum of 7% of the Fund (at the time of commitment) may be invested with any single investment manager utilizing private partnerships. The maximum amount that may be invested with any fund of funds manager is 10%; however the Investment Committee will

attempt to reduce exposure to individual fund of funds managers to approximately 8% in the future.

HAROLD GRINSPOON FOUNDATION FUND
INVESTMENT MANAGER REPORTING REQUIREMENTS

As Necessary (based on occurrence)

1. Review of Organizational Structure
 - A. Organizational changes (i.e., ownership).
 - B. Discussion of any material changes to the investment process.
 - C. Departures/additions to investment staff.
 - D. Material changes in assets under management for the product managed on behalf of the Fund and for total firm.

Quarterly

1. Summary of Investment Guidelines
 - A. Discuss adherence to guidelines.
 - B. Comments, concerns, or suggestions regarding the policy statement.
2. Performance Review
 - A. Present total fund and asset class returns for last calendar quarter, year-to-date, last year, last three years, last five years and since inception versus designated benchmarks.
 - B. Discuss performance relative to benchmarks, provide attribution analysis which identifies returns due to allocation and selection decisions, as appropriate.
 - C. Provide portfolio characteristics relative to benchmark.
3. Provide Portfolio Holdings
 - A. Present book value and current market value.
 - B. List individual securities by sector, asset class, or country, as appropriate.
4. Other Comments or Information

Annually

1. Review of Investment Process and Evaluation of Portfolio Management Process
 - A. Brief review of investment process.
 - B. Investment strategy used over the past year and underlying rationale.
 - C. Evaluation (in hindsight) of strategy's appropriateness.
 - D. Evaluation of strategy's success/disappointments.
 - E. Current investment strategy and underlying rationale.