Asset Mix

The following is a description of the valuation methodologies used for investment assets measured at fair value.

**Global Public Equity** – This investment class includes domestic and international equities, or shares of publicly traded companies, both long and short positions, that seek to provide long-term capital appreciation. Equity managers are selected with the objective of building a portfolio that is diversified by geographic region, economic sector, industry and market capitalization. The objective in selecting managers is to generate average annual compounded returns that exceed the relevant broad market indices, net of fees, over full market cycles (5-10 years).

**Global Private Equity** - This investment class consists of equity securities in operating companies that are not publicly traded on a stock exchange and seeks to provide long-term capital appreciation. Private equity managers provide capital to a target company to nurture expansion, new product development or restructuring of the company’s operations, management or ownership. These investments are characterized by potential higher returns, greater investment risk and heightened illiquidity than public equity and offer another opportunity to reach investment targets. However, since distribution of returns is wide, managers are selected carefully.

**Flexible Capital** – This investment class consists of hedge funds including absolute return, long/short equity, event-driven strategies and other opportunistic investments that seek to take advantage of dislocations in the markets and provide high returns with lower risk profiles. Hedge funds have the potential to reduce overall portfolio volatility in correlation to the general markets and provide better downside protection than in long-only equities.

**Credit Strategies** – This investment class includes domestic and international fixed income securities and seeks to provide current income as well as a hedge against deflation and equity market risk. Various types of debt typically offer lower volatility and, despite their lower expected return, bonds generally offer low correlation to the general markets.

**Liquid Capital** – This investment class includes cash and cash equivalents held for reinvestment purposes by the Foundation’s investment managers. Due to the nature of these funds, they have been classified as long-term investments. This investment class also includes money market funds that are valued based upon readily-available pricing sources for comparable instruments.

**Inflation Hedging** – This investment class provides exposure to oil, gas, timber, commodities and TIPS (Treasury Inflation-Protected) in an effort to protect against short-term interest rate spikes and long-term inflation.