



**Investment Summary
Pooled Endowment Fund II
\$2.54 Million as of March 31, 2006**

Overview	Asset Allocation
Trustee: Baker Boyer Bank IMT	Domestic Equity – 45.0% International Equity – 15.0% Alternative – 15.0% Fixed Income – 20.0% Real Estate – 5% Includes Endowment Corpus Only
<p>It is the practice of the Foundation that no member of the Investment Committee manages any part of the asset allocation or receives compensation for their advice. This ensures impartiality when reviewing money manager performance.</p> <p>The size of the Blue Mountain Community Foundation’s asset base allows the negotiation of fees on a wholesale basis increasing the overall investment return for all participants in each pool.</p> <p>The Foundation’s fiscal year is July 1 to June 30.</p>	
	Investment Policy Asset Class Targets

<p>Endowed Pool II Total Return for Periods Ended March 31, 2006</p> <table border="1"> <caption>Endowed Pool II Total Return Data</caption> <thead> <tr> <th>Period</th> <th>BMCF Actual</th> <th>Balanced Index</th> </tr> </thead> <tbody> <tr> <td>Qtr</td> <td>4.9%</td> <td>3.9%</td> </tr> <tr> <td>FYTD</td> <td>11.0%</td> <td>9.6%</td> </tr> <tr> <td>1 Yr</td> <td>13.0%</td> <td>12.0%</td> </tr> </tbody> </table>	Period	BMCF Actual	Balanced Index	Qtr	4.9%	3.9%	FYTD	11.0%	9.6%	1 Yr	13.0%	12.0%	<p>Investment Managers</p> <p>Domestic Equities:</p> <ul style="list-style-type: none"> • Merrill Lynch – Large Cap Core; • Merrill Lynch – Large Cap Value; • Goldman Sachs – Midcap; • Kaufman, Goldman Sachs – Small Cap <p>International Equities</p> <ul style="list-style-type: none"> • Dodge & Cox <p>Fixed Income</p> <ul style="list-style-type: none"> • Baker Boyer, Dodge & Cox, Federated <p>Real Estate</p> <ul style="list-style-type: none"> • Goldman Sachs <p>Alternative Investments</p> <ul style="list-style-type: none"> • EGM Capital
Period	BMCF Actual	Balanced Index											
Qtr	4.9%	3.9%											
FYTD	11.0%	9.6%											
1 Yr	13.0%	12.0%											
<p>The Foundation’s Balanced Index is a composite of indexes comprised of: 50% Russell 3000 Index, 15% MSCI AC World Free ex-US, and 35% LB Aggregate Bond Index.</p>													

Investment performance of individual funds may vary from the total pool return due to the timing of contributions and grants.



Investment Summary Endowment Funds March 31, 2006

Investment Committee Members

Jim Hayner, Chair
Attorney, Minnick-Hayner

Lloyd Baker
Chief Financial Officer, Banner Bank

Peter Harvey, CFA
Treasurer, Whitman College

Don Harwood
President, American West Bank, retired

Jim Hobkirk, DVM
Associated Veterinary Clinic

Terry Nealey
Attorney, Nealey-Marinella

Barbara Van Yserloo
Co-director, Birthright

Investment Philosophy

The Blue Mountain Community Foundation's endowment funds are invested in a "Balanced" portfolio, which is structured for long-term total return. To provide diversification and to moderate risk, the investments are divided into carefully-defined asset classes. Funding available for each asset classification is invested by professional money managers hired by the Foundation through a rigorous selection process. The investment performance of each money manager is monitored by an independent investment consultant retained by the Foundation.

Investment Committee Mission

The mission of the Investment Committee is to provide oversight, guidance and direction regarding the investment of the assets of the Foundation. The Investment Committee operates under guidelines of the Investment Policy Statement approved by the Board of Trustees of the Foundation. In accordance with this policy the Investment Committee is committed to:

1. Protecting the corpus of the endowment;
2. Preserving the spending power of the income from the fund;
3. Maintaining a diversified portfolio of assets in order to meet investment return objectives while keeping the level of risk commensurate with that of the median fund in a representative foundation and endowment universe; and
4. Complying with applicable law.

Recent Actions

March, 2006 – Added Goldman Sachs as Real Estate manager

February, 2006 – Replaced Vanguard in small-cap management with Kaufman

November, 2005 – Committee recommended a revised Investment Policy Statement to Board of Trustees with modifications to underlying asset allocation.