

**Overview**

**Trustee: Baker Boyer Bank IMT**

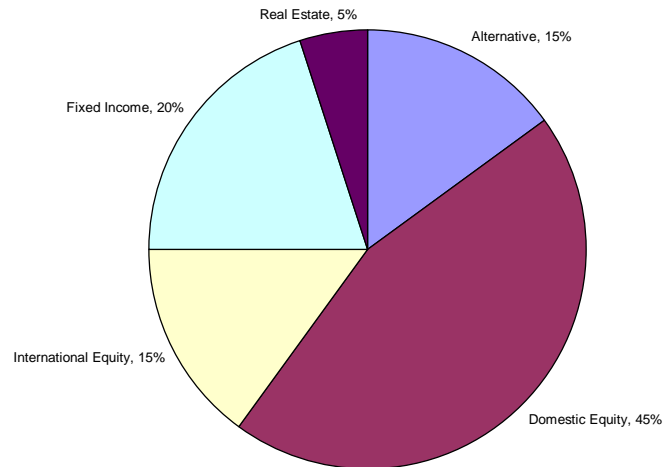
It is the practice of the Foundation that no member of the Investment Committee manages any part of the asset allocation or receives compensation for their advice. This ensures impartiality when reviewing money manager performance.

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.

The Foundation's fiscal year is July 1 to June 30.

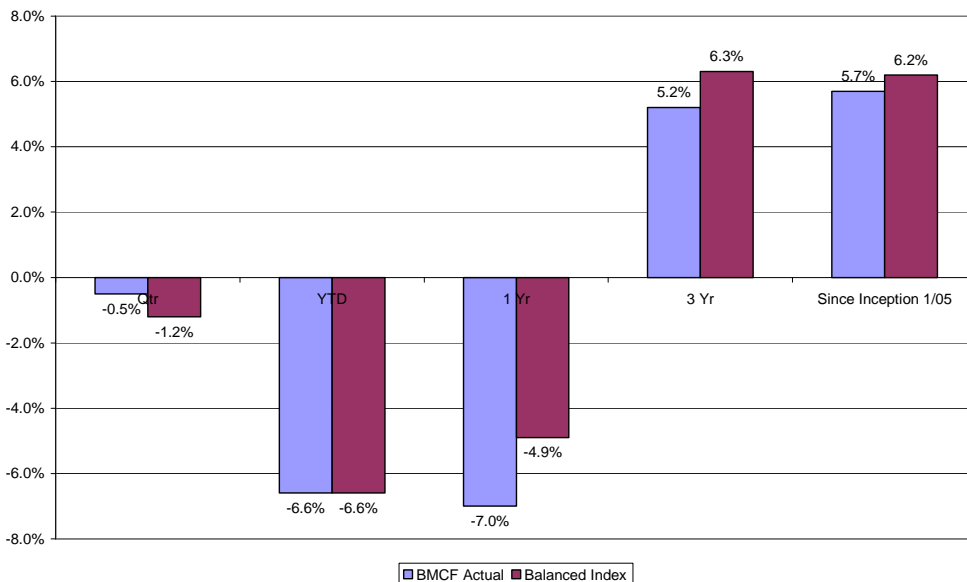
**Asset Allocation**

Domestic Equity – 45.0% International Equity – 15.0% Alternative – 15.0% Fixed Income – 20.0% Real Estate – 5% Includes Endowment Corpus Only



**Investment Policy Asset Class Targets**

**Endowed Pool II Total Return**  
for Periods Ended June 30, 2008



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.

**Investment Managers**

**Domestic Equities:**

- Black Rock – Large Cap
- Goldman Sachs – Midcap
- Kaufman, Goldman Sachs – Small Cap

**International Equities**

- Federated, Goldman Sachs, Dodge & Cox

**Fixed Income**

- Baker Boyer
- Dodge & Cox

**Real Estate**

- Goldman Sachs

**Alternative Investments**

- None, currently

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



## Investment Summary Endowment Funds June 30, 2008

### 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*

Steve Johnson  
*Detour Farms Publishing*

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 determined by Baker Boyer Bank Investment Management and Trust Services. 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

June, 2008 – Added BlackRock U.S. Opportunities Fund

May, 2008 – Reviewed Strategic Asset Allocation; Considering revisions to asset mix and targets

March, 2008 – Liquidated Falcon Point Capital (formerly EGM Capital) LASER and Technology High Yield Fund

November, 2007 – Liquidated Federated Fixed Income position and Dodge and Cox International. Added Black Rock Equity Dividend and Federated Intercontinental

February, 2007 – Welcomed Steve Johnson to the Committee

November, 2006 – Added Goldman Sachs as Emerging Markets manager

March, 2006 – Added Goldman Sachs as Real Estate manager

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