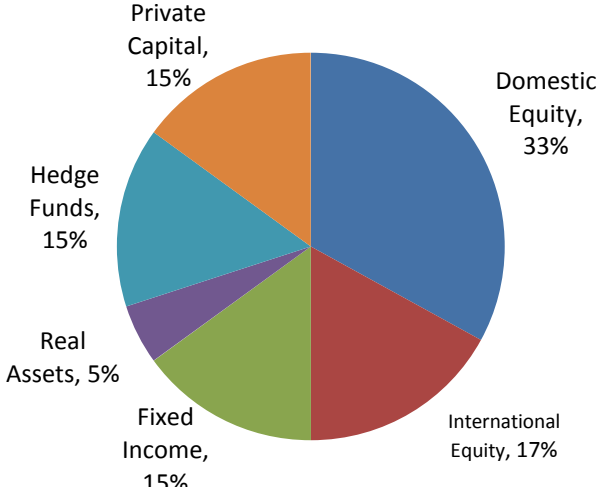
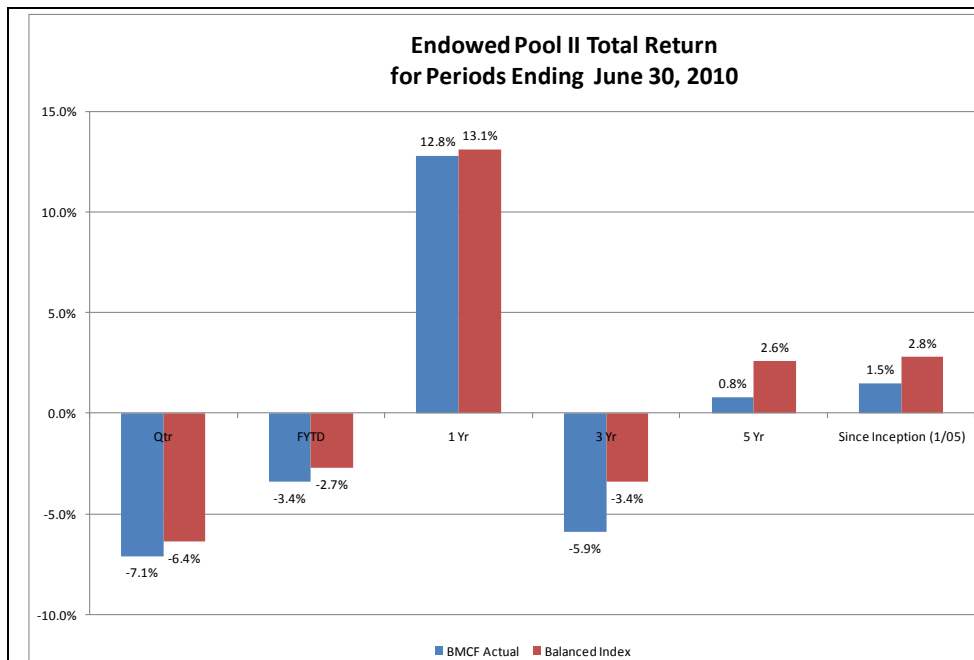


Overview	Asset Allocation
Trustee: Baker Boyer Bank IMT	Domestic Equity – 33.0% International Equity – 17.0% Alternative – 15.0% Fixed Income – 20.0% Real Assets – 5% Private Capital – 15.0% Includes Endowment Corpus Only
<p>It is the practice of the Foundation that no member of the Investment Committee 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>	 <p>Investment Policy Asset Class Targets</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.

Investment Managers
<p>Domestic Equities:</p> <ul style="list-style-type: none"> Black Rock, Federated, Fairholme – Large Cap Goldman Sachs – Midcap Kaufman, Goldman Sachs – Small Cap <p>International Equities</p> <ul style="list-style-type: none"> Federated, Goldman Sachs, Dodge & Cox, Wells Fargo <p>Fixed Income</p> <ul style="list-style-type: none"> Baker Boyer, Federated, Black Rock, Vanguard, Dodge & Cox <p>Real Assets</p> <ul style="list-style-type: none"> Goldman Sachs <p>Alternative Investments</p> <ul style="list-style-type: none"> Goldman Sachs <p>Private Capital</p> <ul style="list-style-type: none"> No Investments at this time

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, 2010

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

Steve Johnson

Detour Farms Publishing

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

May, 2010 – Affirmed new asset classes and targets

March, 2010 – Added the Fairholme Fund, Large-cap U.S. Equities manager

December, 2009 – Added Wells Fargo Advantage Asia Pacific & Blackrock GNMA Portfolio

November, 2009 – Added Goldman Sachs Absolute Return Tracker; November, 2009 – Terry Nealey resigned from Committee to support his work as State Representative of Washington's 16th District; Jim Hobkirk's term expired on the Board of Trustees

May, 2009 – Added Federated Capital Appreciation Fund

June, 2008 – Added Black Rock 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