

THE PARK CITY FOUNDATION POOLED INVESTMENT FUND

INVESTMENT POLICY STATEMENT DECEMBER 18, 2007

INTRODUCTION

This Investment Policy Statement governs the investment management of The Park City Foundation (the "Foundation") pooled investment assets (the "Fund"). This policy is subject to change by the Board of Directors, as recommended by the Investment Committee of the Board (the "Investment Committee"). The Investment Committee shall have the delegated authority from the Board to make and execute investment decisions within this policy. Any planned investment which falls outside of this policy must be referred to the Board.

A. POLICY OBJECTIVES

The long term financial objective of the Fund is to provide the Foundation's ongoing programs with a relatively stable stream of spendable revenue that increases over time at least as fast as the general rate of inflation, as measured by the Consumer Price Index. If this objective is to be achieved over the long term, the value of the Fund, net of withdrawals, must also increase at least as fast as the rate of inflation.

In order to achieve the aforementioned financial objective, the long term return objective for the Fund is to attain an inflation-adjusted total return (net of investment management fees) at least equal to the contemplated spending rate which is expected to average 5% over time, within the agreed Risk Parameters. As investment returns are cyclical, the Fund will have to exceed the objective substantially during some periods in order to compensate for shortfalls during other periods; hence evaluation of progress toward this objective should be made with a long term perspective. It is recognized that this objective implies an investment portfolio with a material component of equity securities and consequent market price volatility.

B. FOUNDATION SPENDING POLICY

During the initial five years from the inception of the Foundation, all overhead and operating expenses have been provided for and, therefore, there will be no withdrawals needed for these expenses. Thereafter, annual withdrawals from the Fund for the Foundation's operating and program expenses will be determined annually based on budget needs, but is expected to average no more than 5.0% of the Fund's market value, calculated as an average over the trailing twelve quarters, and for individual years to fall within a range of 4.75% and 5.25% of the Fund's twelve-quarter average market value. Investment related expenses are charged separately to the Fund and deducted from investment returns. The Board may approve withdrawals from the Fund for capital projects or other exceptional expenses, but it is recognized that these withdrawals will reduce the Fund's ability to provide perpetual support for ongoing programs.

C. ASSET ALLOCATION POLICY

1. The Fund will be diversified both by asset class (e.g., global equities, fixed income, absolute return, real assets, venture capital/private equities and bonds) and within asset class (e.g., within equities by capitalization size, economic sector, industry, geography and security). The purpose of diversification is to provide reasonable assurance that no class of securities or single security will have a disproportionate impact on the total Fund. Specific diversification guidelines for investments are provided below.

2. To achieve its investment objective, the Fund will be divided into the following asset classes to insure that the overall asset allocation between these asset classes remains under the regular scrutiny of the Committee:

Global Equities (U.S., Non-U.S. Developed Market and Emerging Market equities, Value, Growth and/or Income)
Absolute Return
Real Assets (e.g. real estate, energy, minerals/mining, timber, etc.)
Venture/Private Equities
Fixed Income and Cash Equivalents

3. The Fund's Asset Allocation Policy Targets and Ranges for each asset class are to be established by the Investment Committee and are to be reviewed at least annually by the Investment Committee which may recommend changes, subject to approval by the Board. The Investment Committee has full discretion to shift allocations within the Policy Ranges. It is understood that market volatility may cause the Fund's actual allocation to deviate from the Policy Ranges temporarily, but the Investment Committee is expected to correct these deviations as quickly as reasonably possible without incurring undue costs.
4. The Global Equities allocation may be diversified among U.S. stocks, Non-U.S. Developed Market stocks and Emerging Market stocks in proportions determined by the Investment Committee. Within these categories, the Investment Committee will further balance the portfolio with a mix of value stocks, growth stocks and income stocks. The target of the Global Equities allocation is to achieve a total return that over the long term exceeds the inflation rate by at least 6% per year over the long-term (rolling ten years or longer) and a blend of stock indices determined by the Investment Committee over short term (rolling five-year) periods. While the investment performance of the global equity allocation will always be measured against equity standards, equity managers are given discretion to hold cash equivalent or fixed income securities.
5. The Absolute Return allocation is intended to employ a range of event-driven, arbitrage, hedged equity and special situation investment strategies to produce a relatively stable, positive return that reduces the volatility of the total Fund's returns and provides a buffer during periods of stock market declines. The Absolute Return allocation is expected to earn a long-term of at least 5% over the rate of inflation with volatility considerably less than that of stocks.
6. The purpose of Real Assets is to enhance the diversification of the Fund, provide a hedge against periods of escalating inflation and to earn a long-term return similar to that of stocks. Real Assets include a range of strategies that derive their returns from the ownership of tangible assets, such as real estate, energy, mineral/mining operations, commodities and timber. Investments may be made through publicly traded securities or private partnerships. The Investment Committee will determine the Fund's allocation among different types of Real Assets and will establish specific investment return objectives for individual Real Asset managers, depending on their strategies. However, the Real Asset allocation as a whole is expected to earn an average annual return of at least inflation plus 6% over long-term periods (rolling 10 years or longer).
7. The purpose of the Venture Capital/Private Equity allocation is to earn a long-term (rolling 10 years or longer) return that exceeds that provided by public equities, or at least inflation plus 10%. It is understood that returns from this asset class are highly cyclical and hence it is particularly important to take a long-term perspective. Further, it is understood that the Investment Committee will not be able to control the allocation to venture capital/private

equity precisely, but is expected to try to maintain it within the approved Policy Range on a best efforts basis. It is further understood that investments in venture capital and private equity carry higher risks and liquidity characteristics than publically traded equities and the Investment Committee will be cognizant of this when making decisions regarding allocations to this class of assets.

8. The purpose of the Fixed Income allocation is to provide a hedge against severe deflation and to reduce the overall volatility of the Fund's market value. At the Investment Committee's discretion, the Fixed Income allocation may be invested in U.S. and Non-U.S. fixed income and cash equivalent government and corporate securities but equities should not be held in this allocation. All Fixed Income securities must be of Investment Grade with a weighted average credit quality that should be high (typically A or better as determined by recognized credit rating agencies) in order to ensure that it provides a reasonable hedge against deflationary risks. The investment return objective for the Fixed Income allocation is to exceed the rate of inflation by at least 2% per year over the long-term (rolling ten years or longer) and to exceed an appropriate index benchmark as established by the Investment Committee over shorter, rolling five-year, periods.
9. The Investment Committee will recommend the initial Asset Allocation guidelines to the Board for Board approval. As indicated above, these guidelines will be reviewed at least annually by the Investment Committee and if adjustments are needed, the recommended changes to the guidelines will be presented to the Board for approval.

D. MONITORING OF ADHERENCE TO POLICY AND RESULTS

1. This Investment Policy is in effect until modified by the Board, as recommended by the Investment Committee. The Investment Committee will review this policy periodically for its continued appropriateness relative to the long-term objectives and risk tolerance of the Foundation.
2. Investment performance will normally be evaluated over running periods of five years or longer. The Investment Committee will evaluate manager performance from a long-term perspective, recognizing that the results of even the best active managers tend to be cyclical. However, the Investment Committee will evaluate continuously whether the factors that led to initial performance expectations remain in place and whether each manager's investment philosophy is still appropriate for the Fund's overall objectives. Based on these considerations, the Investment Committee may decide to reduce assets under management with or terminate a manager at any time.
3. Each investment manager is required to provide the Foundation with whatever account reports it may reasonably request, including total return net of fees, additions and withdrawals from the account, current holdings at cost and market value, and purchases and sales for the quarter. Managers may be required to reconcile records of holdings, transactions and dividend and interest income with the Fund's custodian on a quarterly basis. Regular communication concerning investment strategy and outlook is expected. Additionally, all managers are required to inform the Investment Committee on a timely basis of any change in their organization or that may materially effect the management of their account, such as a change in firm ownership, organizational structure, professional personnel or fundamental investment strategy.
4. Conflicts of Interest between Fund Managers and the recommended investment by the Manager and/or between a Fund Manager and any Director, Officer or Employee of the Foundation are to be scrupulously avoided. Should any conflict be identified, the Manager is to be terminated immediately.