

TSC Alliance Endowment Fund California Gift Annuity Investment Policy

Approved by the Endowment Fund Board of Directors March 23, 2010, by email vote

California Account

The statutory requirements in the State of California require that a separate trust account for the state annuitants' reserves be maintained, and that those reserves be invested in accordance with California Insurance Code Sections 1170 through 1182. To comply, the TSC Alliance Endowment Fund will invest its California reserves in equity mutual funds (up to 50%) with the remainder in US Treasury or Agency obligations. Because state regulations require such a high allocation of the required reserves to fixed income obligations, the TSC Alliance Endowment Fund shall invest the surplus portion of the California account entirely in equity mutual funds to produce an overall asset allocation that is weighted more toward equities.

The target allocation for the California account is as follows:

	Long-term Target for the Overall Fund	Reserve Portion Only
Domestic common stock:		
Large cap	20%	13%
Small cap	10%	8%
International common stock:		
Developed countries	10%	8%
Emerging markets	10%	8%
Inflation hedging securities	10%	8%
Total equity	60%	45%
Fixed income investments	40%	55%
	<hr/> 100%	<hr/> 100%

With addition of new annuities or withdrawals upon termination, the investments will be reviewed and rebalanced as necessary.