

FUNDING AND INVESTMENT GUIDELINES FOR:

Rotary Foundation of Washington, D.C.

It is the desire of the (RFW) Board that the investment manager provide a “hands-on” approach and follow policies that are prudent and based on sound investment practices. The objective is to generate above average growth with ABOVE AVERAGE income and provide a hedge against price inflation. IT IS RFW'S ASPIRATION THAT ITS FUNDS GENERATE DIVIDEND AND INTEREST INCOME SUCH THAT THE TOTAL AMOUNT IS ENOUGH TO FUND 80% OR MORE OF ANNUAL RFW GIVING. RFW REQUIRES FULL TRANSPARENCY, SUCH THAT ALL ACCOUNTS AND ALL INDIVIDUAL SECURITY HOLDINGS MAY BE VIEWED AT ANY TIME. RFW EXPECTS PERFORMANCE REPORTING AT LEAST QUARTERLY. The manager is required to follow the investment guidelines. However, the manager is expected to advise the Board when a change in the guidelines would be in the Foundation's (RFW) interest.

The guidelines are as follows:

The fund may be invested in domestic and foreign securities to include common stocks, preferred stocks, master limited partnerships, real estate investment trusts, INVESTMENT GRADE BONDS, EXCHANGE TRADED FUNDS (ETF'S) and money market instruments.

There shall be no use of letter stock, private placements, commodities, margin purchase, short sales, futures, derivatives, private equities, collateralized mortgage obligations, interest only obligations, principal only obligations OR ILLIQUID SECURITIES/INVESTMENTS.

At the discretion of the manager, equity investments shall be no less than 40% nor greater than 70 % of the total market value of the account. FIXED income investments shall be no less than 20 % nor greater than 50% of the total value of the account. Cash and equivalents shall be between 0 and 10% of the total value of the account.

Any one individual issue shall not represent more than 5% of the market value of the account.

Core investments will represent companies with capitalizations typically counted among the S&P 500 Index and THE S&P GLOBAL 100 INDEX.

Small and mid capitalization companies may be purchased up to 30% of the equity portion of the portfolio. Notification of the Foundation Board is required if the aggregate of small and mid capitalization stocks appreciate to 29% of the equity portfolio.

ALL BONDS PURCHASED MUST BE INVESTMENT GRADE AT THE TIME OF PURCHASE.

The average life of the BOND portion of the portfolio should average no more than five years. For this calculation, floating rate notes will be viewed as short-term. Swap and secondary trading can be used to take advantage of market inefficiencies and to adjust maturities.

Note: This does not preclude purchases of long term bonds, but shorter term bonds laddered for annual cash flow needs (1,2,3 and 4 year maturities) should lower the average duration to adhere to the guidelines.

The Foundation (RFW) Board expects long-term (3 year) performance to be at least the performance of the S&P 500 Stock Index AND THE S&P GLOBAL 100 for equity investments. THE FUND'S OVERALL PERFORMANCE SHOULD BE AT LEAST THAT OF EITHER OF THOSE EQUITY INDICES BLENDED WITH THE BARCLAY'S Aggregate U.S. Bond Index.