

Investment Stewardship Service

*for Endowments, Foundations
and Institutional Portfolios*



*Comprehensive Investment Consulting
Including Non-Discretionary, Discretionary and
Outsourced Chief Investment Officer (OCIO) Services*



MASON
INVESTMENT ADVISORY
SERVICES, INC.

www.masoncompanies.com

“We are committed to objectivity, which keeps our focus exactly where it should be—on you.”

— SCOTT S. GEORGE

PRESIDENT AND CHIEF INVESTMENT OFFICER,
MASON INVESTMENT ADVISORY SERVICES, INC.

Methodology

ASSESSMENT - STRATEGY - IMPLEMENTATION - MANAGEMENT

Mason’s Investment Stewardship Service provides institutional investors with comprehensive discretionary or non-discretionary investment management and consulting. There are four equally important steps to our process:

1. ASSESSMENT

The first step of our process is to assess the organization’s current situation, including your goals and investment objectives, the current policy statement, risk profile, spending and projected cash flow needs, asset allocation plan and current investments.

2. STRATEGY

We will then discuss your organization’s investment philosophy—including the guidelines, goals, risk tolerance, performance expectations and withdrawal policy that will shape the investment strategy—and use this information to determine an appropriate asset allocation strategy to accommodate the unique financial circumstances and investment objectives of each organization. As part of our process, we will create a new and revised investment policy statement, if desired.

3. IMPLEMENTATION

Once the strategy is designed, we will evaluate the current portfolio and recommend and/or select new

investments. In addition, we will provide operational support by setting up new accounts and managing your portfolio transactions.

A thorough, professional research process is crucial, especially during the implementation phase. If the allocation is not implemented as accurately as possible, the results may be much different than anticipated.

We are not part of a large public financial services company and we do not design or promote our own (“proprietary”) products. This leaves us free to search the world for those we feel are the best managers to fit our asset allocation strategies.

4. MANAGEMENT

On an ongoing basis, we will manage the account through such activities as portfolio monitoring, rebalancing and regular reporting. We base our methodology on the belief that an important determinant of investment success is proper asset allocation. We will not try to time the market or follow short-term trends. As part of our process, we apply a formal rebalancing methodology that we believe will further enhance returns.

Typically, we meet with our clients’ committees on a quarterly basis to provide information on the latest quarter’s performance and education on current or predetermined topics. In addition, we provide donor education and assist with development.

About Mason

Mason Investment Advisory Services, Inc. (Mason), an SEC-registered investment advisory company, is a privately owned firm with a national scope. Mason is devoted to comprehensive investment management and consulting for endowments, foundations and other institutional portfolios and financial planning and wealth management for individuals. Mason's investment management service for endowments, foundations and other institutions is called "Investment Stewardship." Mason works with many types of institutional clients including: Community Foundations, Family Foundations, Higher Education Organizations, Social Services Entities, Religious Entities, Associations and for-profit Corporations. Mason manages short-term, intermediate-term and long-term portfolios as well as operating and reserve funds. Mason also manages pension funds and provides consulting services to 401(k) and 403(b) plans. Mason's investment management service for individuals is called "MIMS" (Mason Investment Management Service).

4-Step Consulting Process

1. ASSESS CURRENT SITUATION

- ▶ Assess goals and investment objectives
- ▶ Review payout/expected cash flows
- ▶ Discuss performance and current asset allocation
- ▶ Evaluate compliance with current policy

2. DESIGN STRATEGY AND REVIEW INVESTMENT POLICY

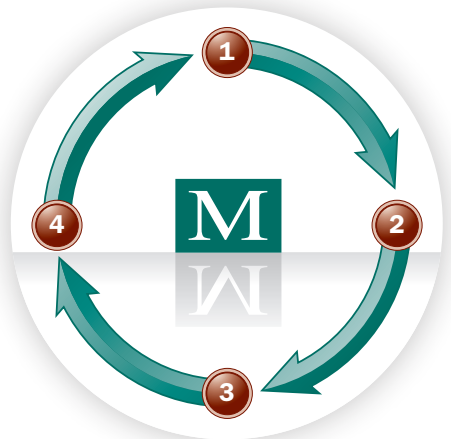
- ▶ Discuss risk tolerance
- ▶ Review performance expectations
- ▶ Design asset allocation
- ▶ Devise due diligence criteria

3. IMPLEMENT PORTFOLIO ADJUSTMENTS

- ▶ Evaluate current portfolio
- ▶ Recommend and/or select new investment vehicles
- ▶ Set up new accounts
- ▶ Manage transactions

4. MANAGE, MONITOR, REPORT AND EDUCATE

- ▶ Monitor and rebalance portfolio
- ▶ Provide monthly and quarterly reports
- ▶ Meet with committee in person
- ▶ Conduct education sessions



Asset Allocation

REDUCING RISK THROUGH DIVERSIFICATION

The objective of diversification is to assemble a portfolio of investment vehicles that perform differently in response to different economic circumstances. Through diversification, investors can attempt to reduce the volatility of a portfolio as circumstances change from economic prosperity to recession and back again or, in another example, from low inflation (and perhaps deflation) to high inflation.

Because many of these situations cannot be predicted and become clear only in retrospect, we classify investment assets into broad asset categories, with each broad category having important subcategory targets. We believe this to be an effective strategy for multiple types of investors in multiple types of economic environments.

With proper asset allocation, a portfolio holds asset classes with low correlation (movements in the opposite direction, at the same time or not at the same magnitude). For example, low inflation or deflation has a very positive influence on bonds but usually a negative influence on real estate and energy. If inflation takes over, the opposite effect is usually felt. Economic prosperity has a positive influence on stocks, but if that prosperity brings inflation, there is usually a negative impact on bonds.

With Mason's approach to asset allocation, our goal is to create high-performing, low-volatility portfolios that provide our clients with the results they expect.

Implementation

SELECTING THE MANAGERS WHO FIT THE OBJECTIVES

For an asset allocation strategy to be effective, professional guidance in the implementation phase is crucial. Unless each asset class is represented accurately by using investment managers who best represent the class objective, the results may be much different than anticipated, particularly during times of adversity or crisis.

To identify investment managers who fit your implementation objectives, we use a rigorous in-house research process that includes both a quantitative and a qualitative review. The goal is to identify those investment managers who offer both a strong performance track record and an accurate asset class fit. We perform a periodic review of new investment managers in our attempt to find who we believe to be the best investment managers possible for use in our clients' portfolios, and all investment managers are continuously monitored.

Portfolio Monitoring

ASSURING YOUR PORTFOLIO REFLECTS YOUR DESIRES

After your portfolio is implemented, we will continually monitor it, reviewing each investment manager's performance against our strict set of analytical criteria to look for timely indications of when an investment manager should be evaluated for possible replacement. In addition, we regularly review your actual portfolio allocation against your recommended targets to identify opportunities for rebalancing, which helps to reinforce the discipline of buying low and selling high.

We communicate frequently and provide detailed, comprehensive quarterly investment performance reports and additional monthly reports to enable you to track your organization's portfolio results. In addition, you will receive monthly brokerage account statements from your custodian. Throughout the process, you will have a dedicated Mason Investment Consultant to meet with on a regular basis, backed by a team of analysts and operational specialists.

Our goal: To ensure your organization receives the attention and responsiveness you expect—and the peace of mind you, your committee and your board deserve.

“An investment in knowledge pays the best interest.”

— BENJAMIN FRANKLIN

Our Defining Beliefs

A MESSAGE FROM SCOTT S. GEORGE

President and Chief Investment Officer, Mason Investment Advisory Services, Inc.

We understand that it takes time to get to know a client well enough to determine which of many directions will best reflect their unique needs and preferences. As a result, when you become a client, we begin with you and your committee, not with your assets. We make the effort and take the time to get to know your organization so that we can build a continuing relationship in which the investment management and consulting process will flourish.

If you do not wish to entrust your organization's funds to a small firm with limited resources and experience, but you are also uncomfortable with being just one of thousands of clients of a large institution, Mason Investment Advisory Services (MIAS) may be ideally suited to your needs. We have the services and capabilities of a larger company combined with the atmosphere and personal touch of a small firm.

The staff of MIAS is composed of an experienced group of professionals, allowing us to take a multidisciplinary approach to the formulation of ideas and recommendations. Members of our professional staff hold a variety of credentials, including Chartered Financial Analyst (CFA), Masters of Business Administration (MBA), Certified Public Accountant (CPA), Certified Financial Planner (CFP), Juris Doctor (JD), Accredited Investment Fiduciary (AIF) and others.

On an ongoing basis, our Mason Investment Committee, comprised of many of our professionals, meets to formally discuss all aspects of our investment management process. We function as a team to create a safeguard against trendy, impulsive or speculative advice. We are committed to objectivity, which keeps our focus exactly where it should be—on you.

Please contact us with any questions you may have. We look forward to building a relationship with you and your organization.

Why Choose Mason?

INDEPENDENT AND OBJECTIVE

We have no proprietary products, mutual funds or investment managers. This leaves us free to search the world of all investment managers for those who, in our judgment, are the best. We believe that if your consultant provides its own products there is an inherent conflict of interest.

PRODUCTIVE COMMITTEE MEETINGS

We prefer to meet with our clients' committees in person in order to provide education on many aspects of investments and fiduciary responsibility. As your committee changes, our education program will provide a long-term structure and coverage of topics of interest and importance to the committee.

TRACK RECORD OF INVESTMENT PERFORMANCE

We have a documented, historical, net-of-fee track record of results for clients with globally diversified portfolios. We feel that your committee should know the track record of the firm they plan to hire. Our track record shows how our clients' portfolios actually performed, not how we think a new strategy *might* perform.

LONG-TERM, STRATEGIC PERSPECTIVE

Your portfolio should be carefully allocated, managed and rebalanced, not pushed and pulled through investment vehicles in a reactive manner. We ignore "hot" trends and focus on time-tested principles in our approach to meeting your investment needs—for now and for the future.

DISCIPLINED DUE DILIGENCE

We identify investment managers who invest consistently within their stated style and compare favorably with their peers, so your allocation strategy is less likely to be corrupted by investment managers who, at times, may drift away from their stated investment style.

CUSTOMIZED SERVICE

We offer a customer service plan crafted specifically for you, one that includes efficient execution and timely reporting and that values one of your most precious resources—your time.

DONOR DEVELOPMENT SUPPORT

We assist our clients with donor development. Examples include presentations to existing donors, donor prospects and other individuals who have an influence on raising additional funds for your organization.

DATA AGGREGATION AND REPORTING

Our multi-advisor data aggregation and performance reporting service allows our clients to maintain their important strategic local advisor relationships and still have the ability to utilize the services of an investment consultant.

THE MASON PHILOSOPHY

Our disciplined approach focuses on reducing volatility, enhancing return potential, controlling your costs and generating consistent results.



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