

# Endowment Investment Information Statement

1. The United Way of South Hampton Roads Foundation (the Foundation) has established a pooled endowment fund (the Fund) in which it and other institutions and foundations may pool their respective endowments with one or more investment managers to achieve optimal investment returns and cost savings. The Fund will be operated and maintained exclusively for the collective investment and reinvestment of moneys and other assets assigned or delivered to the Fund by the Foundation and other institutions participating in the Fund. An institution participating in the Fund may invest in, or withdraw from, the Fund moneys and other assets in accordance with procedures established by the Investment Committee from time to time, subject to the terms of any agreement between the Foundation and that other institution.

Each participating institution agrees that the Fund will be invested by, and confers investment responsibility on, the Fund's Investment Manager or Managers, which will be selected by the Investment Committee of the Foundation's Board of Trustees (the Investment Committee). The Investment Committee will oversee the Investment Managers' performance and may designate, or terminate the designation of, Investment Managers for the Fund. The Investment Committee will meet at least quarterly to review investment performance, objectives, goals, and fund management of the Fund and the Investment Managers.

An initial Investment Manager for the Fund provides all investment services and information that will be the basis for disclosure materials. Institutions participating in the Fund may invest funds in the Fund by making checks payable to "Wachovia Bank" as Investment Manager or to "The United Way of South Hampton Roads Foundation," as agent for Wachovia Bank, and forwarding the same to the Foundation or directly to Wachovia Bank.

2. Participation in Fund. Participation in the Fund will be expressed in units, which may be purchased at any time, and which may be redeemed as of the last day of a calendar month by giving written notice to the Investment Committee by the 15th day of that calendar month of the amount to be withdrawn. Withdrawals may be made at other times by mutual agreement of the Foundation and an organization participating in the Fund. The Foundation shall keep an accurate record at all times of all moneys of each participating organization to the Fund and the interest of each participating institution therein.

3. Valuation of Composite Fund Units. Each Investment Manager will value the assets of the Fund under its control as of the close of business on the last business day of each calendar month. Deposits or withdrawals of funds to or from the Fund shall be made by purchasing or redeeming units of the Fund at prices determined by the fair market value thereof on the most recent valuation date. Market fluctuations may require segregated accounting for funds

contributed between valuation dates until the next succeeding valuation date if such fluctuations are considered material by the Investment Committee in its sole discretion. The value on any valuation date of each unit shall be determined by dividing the then value of the Fund by the number of units then outstanding. However, the Investment Committee may agree in writing to use an alternate method of valuation as appropriate.

4. Fund Assets. No participating institution in the Fund shall be deemed to have any individual ownership of any asset of the Fund, but each participating institution shall have a proportionate undivided interest therein and shall share proportionately with all other participating institutions in the income, profits or losses thereof, except that the Foundation may establish separate investment funds for special circumstances in which participating institutions invest separately from the Fund. No participation unit shall have any prior or preferential interest over any other participation unit in the Fund.

5. Fund Expenses. The Fund shall pay all expenses incurred in the operation thereof, including all fees charged by the Investment Managers, all custodial and transaction fees incurred with respect to the purchase and sale of securities within the Fund, and the expenses of the Foundation in providing administrative and oversight services. As payment of the Fund's share of the Foundation's overhead and operating expenses attributable to administration and oversight services and other activities undertaken for the benefit of participating institutions in the Fund during each year, the Foundation has agreed to accept payment according to the following schedule: \$100 per year for an endowment fund balance of a participant below \$10,000; 1% per year for a balance of \$10,000 to \$1 million; and an amount determined by mutual agreement of the Foundation and a participating organization a balance of more than \$1 million. Payments of Foundation fees shall be made in quarterly installments, and for organizations paying expenses of 1% per year, the quarterly payment shall equal 1/4 of 1% of Fund balances as of the last day of the quarter.

6. Reporting. The Foundation shall furnish consolidated statements to the participating organizations reflecting investments, income, and expenses of the Fund, including the value of each participating organization's share of the Fund, at least quarterly.