



Summary of Brandeis University Endowment Fund Investment Policy

Introduction

The Brandeis University Endowment Fund has been established to fund scholarships, fellowships, faculty salaries, programs, activities, and facilities designed to promote and advance the mission of Brandeis University. A smaller portion of the Fund consists of the University's liquid reserves.

The Investment Policy is set by the Investment Committee of the Board of Trustees for the guidance of the Committee, the Administration, the Fund's investment managers and other fiduciaries in the course of investing the monies of the Fund. The policy sets forth an appropriate set of goals and objectives for the Fund's assets. The Committee reviews these goals and objectives at least once a year.

Goals and Objectives

The investment goals and objectives for the Fund are as follows:

1. The Fund's investment objective is to maximize risk-adjusted returns over a long-term horizon. The Fund aims to achieve its objectives using strategy of investing in multiple asset classes. These assets classes may include traditional assets (such as marketable equity and fixed income securities) and alternative assets (such as private equity/venture capital, hedged equity/absolute return strategies, and inflation hedging assets including but not limited to REITS, real estate, commodities, timber, and TIPS).
2. To meet the primary investment goal of the Fund, the average annual net total return over an extended period, after adjusting for inflation, should be sufficient to support a prudent spending rate as determined by the Board and sufficient to maintain the inflation-adjusted value of spending for the future. To have a reasonable probability of achieving the Fund's primary investment goal at an acceptable risk level, the Committee has adopted a long-term asset allocation policy, detailed below.

Brandeis University Endowment
Asset Allocation Policy
(revised 12/6/06, reviewed 12/04/07)

ASSET CLASS	<u>TARGET %</u>	<u>TARGET RANGE %</u>
<u>EQUITY</u>		
US Large Capitalization	---	10 - 35
US Small/Mid Capitalization	---	0 - 10
Total U.S. Equity	17.5	10 - 35
Global ex. US Developed Market	---	10 - 35
Emerging Markets / Opportunistic	---	0 - 10
Total Global ex U.S. Equity	17.5	10 - 35
Long/Short	---	0-20
Absolute Return	---	0-20
Total Marketable Alternative	35	0 - 40
Total Inflation Hedging	10	0 - 15
Private Equity	---	0 - 5
Venture Capital	---	0 - 5
Total Non Marketable Alternative	10	0 - 15
TOTAL EQUITY	90	65 - 90
<u>FIXED INCOME</u>		
Core	10	10 - 30
Opportunistic	---	0 - 10
TOTAL FIXED INCOME	10	5 - 25
CASH	0	0 - 15

Equity Investments: The purpose of the equity allocation, including domestic and foreign stocks, is to provide real appreciation of principal over the long run.

Marketable Alternative Investments: The role of marketable alternative investments, often referred to as hedge funds, is to increase portfolio diversification through offering sources of return that are generally less correlated with traditional equity and fixed income markets. Also, marketable alternative investments are expected to provide relatively consistent returns and principal protection in significantly down equity markets, while reducing overall volatility of the portfolio.

Inflation Hedging Investments: The purpose of inflation hedging investments (private real estate, real estate investment trusts, TIPS, energy and other commodities) is to protect the purchasing power of the Fund against unexpected or severe inflation.

Non-Marketable Alternative Investments: The purpose of non-marketable alternative investments, such as venture capital, private equity and distressed securities, is to provide increased return potential and reduce overall volatility of the Fund through greater diversification. These investments are less liquid and require a longer investment horizon than traditional investments.

Fixed Income Investments: The purposes of the fixed income allocation are to provide a hedge against deflation, to provide current income, and to reduce the overall volatility of the Fund.

Proxy Voting

Responsibility for the exercise of ownership rights through proxy solicitations shall rest solely with the investment managers, who shall exercise this responsibility strictly for the benefit of the Fund.

-- February 2008