THE BOARD OF DIRECTORS OF CITY TRUSTS

INVESTMENT POLICY

A. Background

The Board of Directors of City Trusts was created by an act of Assembly of the Commonwealth of Pennsylvania on June 30, 1869. The Act provides that all property and estate dedicated to charitable uses or trust, which become vested in or confided to the City of Philadelphia, shall be administered by a board composed of fourteen persons, including the Mayor of Philadelphia, the President of City Council and twelve other citizens, appointed by Judges (Board of Appointment) of the Court of Common Pleas of the City of Philadelphia. These citizens are to serve, during good behavior, as members of the Board, and vacancies are filled from time to time by the Board of Appointment. The directors, in discharge of their duties, and within the scope of their powers, shall be considered agents or officers of the City; but no compensation whatever shall be received for such services.

The Finance Committee is a standing committee of the Board. It is responsible for supervising and directing the Board's financial affairs. While the Finance Committee is responsible for making investment policy recommendations, Policy itself can only be enacted or revised through action(s) of the entire Board. The Board and its Finance Committee recognize that their respective roles are advisory as to investment strategy, and that the determination and selection of specific investments and securities is delegated to Outside Service Providers.

The Board pools money on behalf of the various testamentary trusts and staff retirement plans it manages. This pool is commonly referred to as the Collective Legal Investment Fund or CLIF. Through its CLIF investments, the Board is charged with exercising that degree of judgment and care that experienced investors of prudence, discretion, and intelligence employ in the management of their own affairs regarding permanent disposition of their assets, considering both probable income to be derived and probable safety of the capital. Implementation of this Prudent Investment Standard, commonly referred to as the Prudent Person test, requires the exercise of careful judgment in determining those investments that are appropriate for the CLIF based on distinct investment criteria such as income need, cash flow requirements, investment time horizons and risk tolerance.

The Board through its Finance Committee relies on Outside Service Providers such as an Investment Advisor and Investment Managers in executing its investment functions. Each entity's role as a fiduciary will be clearly delineated in this Investment Policy to ensure clear lines of communication, operational efficiency and accountability in all aspects of operation. The Board through its Real Estate Committee is responsible for evaluating and advising other Girard Estate specific investment activities that are related to such things as coal operations, real estate, alternative energy, and timbering. For purposes of this policy, the Board is focusing on its investment in the CLIF.

B. Definitions:

For the purposes of this Investment Policy, the following terms shall be defined as:

1. **Board** - will refer to the Board of Directors of City Trusts, collectively;
2. **CLIF** - shall mean the Collective Legal Investment Fund;
3. **Commingled Funds** - shall mean an account in which different investors' assets are combined. Commingled Funds are commonly offered by banks and insurance companies;
4. **Custodian** - shall refer to a bank, insurance company, brokerage firm, or other financial institution that keeps custody of stock certificates and other assets on behalf of the investor and trustee. Custodians send regular statements, usually monthly or quarterly, that detail the holdings, values and transactions made in the investor's portfolio during the period;
5. **Fiduciary** - shall mean caretaker of another's rights, assets and/or well being;
6. **Finance Committee** – shall refer to the governing board established to administer the CLIF as specified by the Board;
7. **Investment Advisor** - shall mean any individual or organization retained to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring;
8. **Investment Manager** - shall mean an entity and/or individual that acknowledges in writing its/his/her fiduciary status with respect to the CLIF, and that is duly appointed by the Trustees to manage, acquire, and dispose of CLIF assets;
9. **Mutual Fund** - shall mean any fund that is operated by an investment company that raises money from investors (shareholders) and invests the pooled assets as a whole in a variety of securities;
10. **Outside Service Providers** - shall mean Investment Advisors and Investment Managers;
11. **Policy** - means this Investment Policy;
12. **Portfolio(s)** - shall mean the notes, stocks, bonds, shares or units of mutual funds, shares or units of commingled funds, and/or other securities and property acquired with Portfolio assets for investment purposes;

13. **Prudent Investor Standard** - shall mean the exercise of that degree of judgment, skill and care under the circumstances then prevailing which persons of prudence, discretion and intelligence who are familiar with such matters exercise in the management of their own affairs not in regard to speculation, but in regard to the permanent disposition of the fund, considering the probable income to be derived there from as well as the probable safety of their capital;
14. **Staff** – shall mean employees of the Board of City Trusts/Girard Estate.

C. Statement of Investment Policy

The Board, in recognition of its fiduciary responsibility, has structured an investment policy to guide them in their investment decision making. This Policy is based on the following precepts:

1. Assets of the CLIF shall be invested in a fiduciary manner, such that: (a) all transactions undertaken must be for the sole interest of CLIF participants and (b) assets are to be diversified in order to minimize the impact of large losses in individual investments.

2. The Board recognizes the importance of preservation of the CLIF's assets and need to utilize those assets in producing appropriate investment return.

3. The Board recognizes that return achieved on the investment of CLIF assets is a significant factor.

4. The Board will be guided in its investment practices by a Policy which seeks to minimize the negative effects of inflation.

5. The Board will engage in investment practices which will, to the extent practical, prudent, reasonable and appropriate, permit achievement of capital appreciation.

6. The Board will engage in investment practices that will seek diversity among its vendors in a manner similar to the way in which it seeks the diversification of the CLIF, consistent with their fiduciary practices. By promoting "diversity", it is meant to describe efforts to expand opportunity to persons that reflect the racial, ethnic and other characteristics of those living in the community served.

D. **Distinction of Responsibilities**

1. Responsibilities of the Board

The Board recognizes its responsibility to:

- achieve or ensure that Investment Managers or other duly appointed fiduciaries achieve reasonable investment earnings within the specified risk parameters for the Portfolio; and
- select Investment Managers who will prudently invest assets in a high quality, diversified manner and adhere to the established Policy; and
- comply with all applicable Federal, State and Local laws and regulations.

Responsibilities of the Board as they relate to these duties include:

- selecting an Investment Manager(s) (individual portfolio managers, commingled funds and/or Mutual Funds) and monitoring the investment manager(s) on an ongoing basis;
- monitoring Investment Manager performance;
- undertaking such work and studies as may be necessary to keep adequately informed as to the status of the Portfolio investments;
- evaluating results to assure that the Policy is being adhered to and CLIF objectives are being met;
- taking appropriate action to discharge an Investment Manager for failure to perform and;
- informing the Investment Managers of any material changes to the CLIF that will have a significant impact on its asset allocation strategy and investment policy.

Any Board member may request in writing a recommendation from the Investment Manager(s) on any matter relating to the investment of CLIF assets so long as such request, and the response to it, are copied to the other Board members.

2. Responsibilities of the finance committee

The Finance Committee shall advise and assist the Board in the discharge of its duties. The Finance Committee shall meet with the Executive Director and/or Chief Financial Officer at least once each calendar quarter and, as necessary, the entire Committee as the Chairperson shall direct. Meetings will occur in person, by telephone conference call, or by such other means as the Chairperson deems to be appropriate. Responsibilities shall include:

- evaluating investment strategies and particular investment options;
- monitoring compliance with the Investment Policy;
- evaluating the performance of the Outside Service Providers;
- reviewing progress toward achieving investment objectives;
- formulating and adopting amendments to revise this Policy as necessary;
- performing other Policy related tasks and functions as directed by the Board.

3. Responsibilities of Investment Advisor

It will be the responsibility of the Investment Advisor to conduct the following services on an ongoing basis;

- assist the Board in understanding the investment markets and the implications of expected risk and return;
- respond to questions and inquiries from the Board regarding investment issues related to the CLIF;
- assist the Board in formulating an investment program that accomplishes the goals of the CLIF;
- assist the Board in developing a sound Policy consistent with its fiduciary obligations;
- regularly review and amend the existing Investment Policy statement based upon investment objectives adopted by the Board;

- prepare a detailed report for the Board that will include, among other things:

  (i) an asset diversification review, which will quantify, among other factors, (a) diversification among types of securities within a given investment fund, (b) value added to or subtracted from the Investment Manager's performance by the investment fund's portfolio management, and (c) possible changes over time in the investment style of the investment fund;

  (ii) an internally prepared investment fund analysis that describes in detail the current and historical characteristics of the fund's management, its portfolio, and other influences as may affect the returns and risk of the fund historically and potentially in the future;

  (iii)a detailed evaluation of each investment fund's performance (over at least the last five years) from several different perspectives which may help determine the source and pattern of historical returns and risk, including comparisons to relevant market indices.

- meet with the Board to review reports or otherwise provide the services described within the Investment Manager's agreement;

- continue to review the investment program to ascertain its relevance to the changing needs of the CLIF;

- continue to review the Policy to ascertain its relevance to the changing needs of the CLIF,

- provide the Board with sufficient information to monitor and evaluate the Investment Managers performance compared with the indices applicable to each managers investment objectives;

- make recommendation to the Board;

- notify the Board of any significant changes in the Investment Manager's investment outlook, strategy and/or Portfolio structure;

- notify the Board of any changes in ownership, organizational structure, financial condition or senior personnel staffing;

- provide an annual report on commissions generated, fees and brokers used;

- report on procedural, administrative and other matters.

4. Responsibilities of the Custodian

- safeguard the CLIF's assets in accordance with industry standards;
- value the assets per contract with the CLIF;
- collect all cash receivables (interest, dividends, sales proceeds);
- maintain accounting of all transactions including cost and market;
- take direction from the Investment Managers to implement security purchases and sales.

E. Investment Objectives

The objectives of the CLIF are: (1) to invest assets in a reasonable and prudent manner; (2) to maintain liquidity sufficient to pay ongoing distributions; (3) to diversify the investment of CLIF assets among varying asset classes and thereby achieve a return that is reasonable relative to the risk of capital loss; and (4) to maintain a moderate risk level.

Investment Managers are expected to meet or exceed the appropriate benchmark established for that Manager which is included in the Manager's addendum.

F. Allocation of Assets

All assets of the CLIF shall be allocated to and invested in one of the following basic forms of investments as listed in the following table:

Target Allocation of CLIF Assets
Measured at Market Value

Asset Class	**Target Allocation**	**Range**
Equity	50%	40 – 60%
International Equity	10%	5 – 15%
Fixed Income	30%	20 – 40%
Alternative Investments	10%	5 – 15%
Cash & Equivalents	0%	0 – 10%

The Board shall monitor, on a regular, periodic basis, the percentage allocation targets for each asset class, which may change from time to time.

The Board may appoint an Investment Manager or Managers to invest in any one or more of these asset classes.

G. Extenuating Circumstances

The Investment Manager may invest up to 100% of the assets of the CLIF under its management in marketable fixed income cash equivalents as the Investment Manager determines, consistent with market conditions and fiduciary standards, if the Manager perceives protracted adverse performance for the financial markets.

H. Standards and Measures of Performance

Performance of Investment Managers will be compared with the appropriate market index depending upon asset category, and with the returns of other managed funds with similar policies. The Board may be aided in this procedure through the services of an independent, impartial performance evaluation firm.

Performance will be reviewed on a quarterly basis, and will be based on total return—i.e., to include both realized and unrealized capital gains and losses, and after deduction of all fees. Measurement will recognize and adjust for cash flow and/or asset transfers that are beyond the control of the Investment Manager.

While performance of Investment Managers will be reviewed quarterly, especially as it relates to conformance to the investment guidelines and restrictions, specific quantitative evaluation will normally be considered of more importance over a three to five year investment horizon. The continuing compliance of all investment Portfolios with this Investment Policy Statement is the specific responsibility of the Investment Manager(s).

I. Fiduciary Standard

Board Directors and staff must act solely in the interests of the Testamentary Trusts and for the exclusive benefit of trust recipients. In performance of their duties, the Director and staff delegates with investment authority shall be held to the Prudent Investor Standard.

INVESTMENT POLICY GUIDELINES

Assets are to be managed with a view toward achieving the investment objectives previously described. To underscore these considerations, as well as to recognize fiduciary responsibilities associated with the management of the CLIF's assets, there are certain characteristics which are expected to be associated with the CLIF and which shall be viewed as guidelines in forming investment strategies.

Equity

General – Recognizing the investment objectives of the CLIF as outlined above, the equity assets should bear a higher return than fixed income securities over time.

Types of Securities

Equity issues shall mean common stocks, American Depository Receipts, preferred stocks, and convertible securities.

Minimum Requirements

Investment in common and preferred stocks shall be limited to marketable securities of corporations listed on the New York Stock Exchange, American Stock Exchange, and those over-the-counter securities of sufficient liquidity to be readily salable. Preferred stocks shall have a minimum rating of "BBB" as rated by Standard & Poor's.

Diversification

No more than five percent (5%) of the equity market value of an individual portfolio can be invested in any one company. Ownership of the outstanding voting stock of one company shall not exceed five percent (5%) in value of all outstanding shares of any class of stock of the issuer (on a fully diluted basis). No more than 25% of Portfolio assets may be invested in any one industry as defined by Standard and Poor's. Prudent diversification standards should be developed and maintained by the Investment Manager.

Commingled Equity and Equity Mutual Funds

The Portfolio and any Investment Manager(s) may invest in commingled equity and equity mutual funds that will, to the extent possible and practical given the diverse nature of commingled equity and equity mutual funds, permit the Portfolio to achieve capital appreciation. The Investment Manager(s) may invest in proprietary commingled equity and equity mutual funds with approval of the Board. Every effort shall be made to select commingled equity and equity mutual fund(s) that have investment objectives and policies that are consistent with this Statement. It is recognized that there may be deviations between this Statement and the objectives of the commingled equity and equity mutual fund(s).

International Equity

General – Again, recognizing the investment objectives of the Portfolio as outlined above, the international equity assets of the Portfolio should bear a higher return than fixed income securities over time.

Types of Securities

International equity issues shall mean common stocks, American Depository Receipts, preferred stocks, and convertible securities.

Minimum Requirements

Investment in common and preferred stocks shall be limited to marketable securities of corporations listed on the respective company's home country primary exchange. Preferred stocks shall have a minimum rating of "BBB" as rated by Standard & Poor's.

Diversification

No more than three percent (3%) of the equity market value of an individual Portfolio can be invested in any one company. Ownership of the outstanding voting stock of one company shall not exceed three (3%) percent in value of all outstanding shares of any class of stock of the issuer (on a fully diluted basis). No more than 25% of Portfolio assets may be invested in any one industry. Prudent diversification standards should be developed and maintained by the Investment Manager.

International Commingled Equity and Equity Mutual Funds

The Portfolio and any Investment Manager(s) may invest in international commingled equity and equity mutual funds that will, to the extent possible and practical given the diverse nature of international commingled equity and equity mutual funds, permit the Portfolio to achieve capital appreciation. The Investment Manager(s) may invest in proprietary international commingled equity and equity mutual funds with approval of the Board. Every effort shall be made to select international commingled equity and equity mutual fund(s) that have investment objectives and policies that are consistent with this Statement. It is recognized that there may be deviations between this Statement and the objectives of the international commingled equity and equity mutual fund(s).

<u>Marketable Fixed Income</u>

<u>Investment Grade</u>

Diversification

Except for Treasury and Agency issues of the United States Government, no more than five percent (5%) of the fixed income market value of an individual Portfolio can be invested in any one company. Ownership of the issues of one company shall not exceed five percent (5%) of those outstanding. Except for securities issued or expressly guaranteed by the United States Government or its agencies, the Investment Manager shall not purchase the securities of any issuer if the purchase would cause an individual Portfolio to have more than ten percent (10%) of the market value of assets at the time of purchase invested in the securities of such issuer. No more than 25% of Portfolio assets may be invested in any one industry as defined by Standard & Poor's. Prudent diversification standards should be developed and maintained by the Investment Manager.

Minimum Quality

Ratings of less than BBB-are prohibited. Issues falling below these minimum quality ratings while held in the Portfolio are to be eliminated on a timely basis at the discretion of the Investment Manager(s). These ratings shall be established by a recognized rating service (i.e., Fitch, Moody's or Standard & Poor's), and reinforced by independent in-house credit analysis. An issue which is split-rated will be governed by the lower quality designation. The average for the entire Portfolio shall be "A" or better.

Maturity/Duration

Duration of fixed income Portfolios should be within 80 to 110% of the Manager's assigned benchmark duration.

<u>Below Investment Grade</u>

Diversification

Except for Treasury and Agency issues of the United States Government, no more than three percent (3%) of the fixed income market value of an individual Portfolio can be invested in any one company. Ownership of the issues of one company shall not exceed three percent (3%) of those outstanding. Except for securities issued or expressly guaranteed by the United States Government or its agencies, the Investment Manager shall not purchase the securities of any issuer if the purchase would cause an individual Portfolio to have more than ten percent (10%) of the market value of assets at the time of purchase invested in the securities of such issuer. No more than 15% of Portfolio assets may be invested in any one industry as defined by Standard & Poor's. Prudent diversification standards should be developed and maintained by the Investment Manager.

Minimum Quality

Ratings of less than CCC are prohibited. Issues falling below these minimum quality ratings while held in the Portfolio are to be eliminated on a timely basis at the discretion of the Investment Manager(s). These ratings shall be established by a recognized rating service (i.e., Fitch, Moody's or Standard & Poor's), and reinforced by independent in-house credit analysis. An issue which is split-rated will be governed by the lower quality designation. The average for the entire Portfolio shall be "B" or better.

Maturity/Duration

Duration of fixed income Portfolios should be within 80 to 110% of the Manager's assigned benchmark duration.

Commingled Fixed Income Securities and Fixed Income Securities Mutual Funds

The Portfolio and any Investment Manager(s) may invest in commingled fixed income and fixed income mutual funds that will, to the extent possible and practical given the diverse nature of commingled fixed income and fixed income mutual funds, permit the achievement of maximum yield. The Investment Manager(s) may invest in proprietary commingled fixed income and fixed income mutual funds with the approval of the Board. Every effort shall be made to select commingled fixed income and fixed income mutual fund(s) that have investment objectives and policies that are consistent with this Statement. It is recognized that there may be deviations between this Statement and the objectives of the commingled fixed income and fixed income mutual fund(s).

Alternative Investments

General

Alternative investments, or non traditional asset classes, shall be defined as: (1) those asset classes that statistically exhibit lower standard deviations as compared to the traditional investment asset classes of equity and fixed income securities and/or low correlations to the traditional investment asset classes of equity and fixed income securities; or (2) investment strategies that employ the ability to generate returns from both buying long and selling short securities, that also exhibit lower levels of volatility and low correlations to the traditional investment asset classes of equity and fixed income securities. It is the intent that including alternative investments in a diversified portfolio of equity and fixed income securities, when viewed from a tradeoff of risk and return, will enhance the portfolio's risk/return characteristics. Examples of alternative asset classes include hedge funds, real estate (such as apartments, industrial, office and retail), natural resources (such as timberland, farmland and oil & gas), private markets (such as venture capital, leveraged buy-outs, and mezzanine financing and distressed debt), and global tactical asset allocation.

Hedge Funds

Hedge funds represent a distinctive investment style that is different from traditional, long only funds. A fundamental difference is that hedge fund managers emphasize absolute, rather than relative returns. They also use a much wider range of investment techniques, such as leverage, short selling and derivatives to achieve their objectives. A properly constructed portfolio of hedge funds is expected to deliver an absolute return with lower risk than equities. It should also have a low correlation with other asset classes and therefore help diversify the traditional, long only fund. The hedge fund of funds' goal is to retain a portfolio of managers that employ strategies constituting a well-diversified hedge fund portfolio. The traditional, long only fund's objective in launching a hedge fund strategy is to reduce the volatility of the total fund while continuing to maximize returns in a variety of market environments.

There are two options for gaining exposure to this asset class. First, invest in fund of hedge fund managers, which are organizations that construct portfolios of hedge funds on behalf of investors. Secondly, invest directly in hedge fund managers, effectively eliminating the layer of fees incurred with fund of hedge fund managers. Given the complexity of these investments and this asset class, fund of hedge funds would provide instant exposure, immediate knowledge base and access to top quality, closed funds through existing relationships.

Real Estate

Real Estate investments are traditional private market equity oriented investments in real properties or publicly traded real estate securities. Private market investments in real estate include direct ownership through separate accounts or indirect investments in commingled funds or other forms of collective investment vehicles which own underlying real estate. An example of publicly traded real estate securities is real estate investment trusts ("REITS"). A real estate portfolio is designed to provide stable income returns, with low risk, and added diversification based upon the historical low correlation between real estate and equity or fixed income investments.

Global Tactical Asset Allocation

Global Tactical Asset Allocation ("GTAA") is an investment strategy that seeks to add value by exploiting return differentials across asset classes, countries, sectors, and currencies. These managers evaluate various macroeconomic variables and factors such as valuation and momentum to develop top-down views across the global capital markets. Active views taken typically involve asset allocation decisions across a wide range of asset classes, country selection within the equity and bond markets, sector selection, and currency. The strategy is global in that it invests across the world and is tactical in that it shifts exposures from one market to another to take advantage of market inefficiencies and mispriced assets.

GTAA strategies take individual long and short positions, can be net long, short, or market-neutral, and typically use derivative instruments to take advantage of their transparency, high liquidity, low transaction costs, and capital efficiency. This compares to traditional long-only managers that seek to add value largely through bottom-up stock selection and are often restricted to investing in specific regions, markets, or sectors.

Cash Equivalents

Types of Securities

Cash Equivalents shall mean commercial paper, bankers' acceptances, certificates of deposit, savings accounts, and short-term investment or money market funds of institutional quality.

Minimum Quality

Commercial paper must be only of the highest quality (A-1 or P-1, as established by Moody's or Standard & Poor's). Bankers' acceptances, certificates of deposit, and savings accounts must be made of United States banks or financial institutions which are federally insured with unrestricted capital of at least $50 million.

Commingled Cash Equivalent and Cash Equivalent Mutual Funds

The Portfolio and any Investment Manager(s) or Custodian may invest in commingled cash equivalent and cash equivalent mutual funds that will, to the extent possible and practical given the diverse nature of commingled cash equivalent and cash equivalent mutual funds, permit the achievement of maximum yield. The Custodian may invest in proprietary commingled cash equivalent and cash equivalent mutual funds. Every effort shall be made to select commingled cash equivalent and cash equivalent mutual fund(s) that have investment objectives and policies that are consistent with this Statement. It is recognized that there may be deviations between this Statement and the objectives of the commingled cash equivalent and cash equivalent mutual fund(s).

General

Uninvested Assets

Assets of the CLIF held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts.

Compliance

If any of the parameters described in this Investment Policy Statement are violated as a result of market movements, changes in credit rankings or other events outside the Investment Manager(s)'s control, the Investment Manager(s) shall inform the Board of such violation as soon as reasonably practicable, and of the Investment Manager(s)'s recommendation to hold or sell the affected securities. If the Investment Manager(s)'s recommendation is to sell the securities, the Investment Manager(s) shall do so within a reasonable period of time, subject to market conditions. If the Investment Manager(s) recommendation is to hold the securities, the Investment Manager(s) may unless otherwise instructed by the Board in writing.

Investment Transactions

The following directions apply:

1. All transactions are to be governed by negotiation to achieve "best execution" (best price net of commissions). The lowest commission rate need not mean "best execution".

2. Firms which offer research services may be given preference as long as the principle of "best realized price" and the Investment Manager's option to "pay up" for research are compatible.

Proxies

Proxies must be intelligently voted in a manner that best serves the interest of the participants and beneficiaries of the CLIF. Where the Board has retained an Investment Manager(s), the Board will delegate to the Investment Manager(s) the authority to vote the proxies. If the Board does not delegate the voting authority for proxies to the Investment Manager(s), they shall delegate it to qualified third parties. The Board delegates this authority subject to the understanding that the Investment Manager(s) and qualified third parties in voting the proxies will consider only those factors that may affect the value of the CLIF's investment and not subordinate the interests of the participants to unrelated objectives. The Board will, in addition to monitoring the Investment Manager(s) and qualified third parties with respect to the management of CLIF assets, monitor the decisions made and actions taken with regard to proxy voting decisions. The Board will require the Investment Manager(s) and qualified third parties to maintain accurate records as to proxy voting and report annually to the Board a summary of all proxy voting decisions made by the Investment Manager on behalf of the CLIF. Investment Manager(s) and qualified third parties are prohibited from abstaining in voting proxies. Investment Manager(s) and qualified third parties are expected to be aware of corporate provisions that may adversely affect stockholdings, including but not limited to "golden parachutes," "super majorities," "poison pills," "fair price" provisions, staggered boards of directors, and other tactics. Proxies should be vigorously voted with the interest of preserving or enhancing the security's value.

The Investment Manager(s) of a pooled investment fund that holds the assets of the CLIF along with assets of other plans with conflicting proxy voting policies must reconcile the conflicting policies to the extent possible, and, if necessary, to the extent legally permissible, vote the proxies to reflect the policies in proportion to each Portfolio's interest in the pooled fund.

Investment Policy Restrictions

With the exception of the alternative investments made in accordance with this policy, the following categories of securities are not permissible for investment using the CLIF's assets without the Board's prior written approval:

1. Unregistered or restricted stock.
2. Commodities, including gold or currency futures.
3. Conditional sales contracts.
4. Options.
5. Futures.
6. Warrants.
7. Margin buying.
8. Short selling.
9. Leasebacks.
10. Direct investment in private debt or equity securities.
11. Partnerships.

IMPLEMENTATION

All monies invested for the Board by their Investment Manager(s) after the adoption of this Statement of Investment Policy shall conform to this Statement.

Adopted at

THE BOARD OF DIRECTORS OF CITY TRUSTS

Date: 11/30/10

By: ____________________
Secretary of the Board of Directors of City Trusts