MINUTES

of the

JANUARY 2013 MEETING

of

THE TRUSTEES

of

THE ROTARY FOUNDATION

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DATE AND PLACE

The Trustees of The Rotary Foundation of Rotary International met on 12–13 January 2013 in San Diego, CA, USA.

ATTENDANCE

Present were Chairman Wilfrid J. Wilkinson, Chairman-elect Dong Kurn (D. K.) Lee, Vice-Chairman Stephen R. Brown, other Trustees Antonio Hallage, Lynn A. Hammond, John Kenny, Ray Klinginsmith, Ashok M. Mahajan, Michael K. McGovern, Samuel F. Owori, Kazuhiko Ozawa, Ian H.S. Riseley, Julio Sorjús, Stephanie A. Urchick, and General Secretary John Hewko. Anne L. Matthews attended as director liaison. Trustee Jackson San-Lien Hsieh could not attend due to International Assembly responsibilities.

At the chairman's invitation, incoming Trustees Monty J. Audenart, Noel A. Bajat, and Kalyan Banerjee attended the meeting as observers.

Alice Baehler served as secretary of the meeting with assistance from Laura Tell. Other staff present were Michele Berg, Lori Carlson, Peter Markos, Andrew McDonald, Abby McNear, John Osterlund, Carol Pandak, James Robinson, Eric Schmelling, and Jennifer Willbanks.

AGENDA

The general secretary had prepared a memorandum of items for consideration at this meeting. Items from that memorandum, as well as other items considered during the meeting that were acted upon, constituted the meeting's agenda as follows:

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* Filed only with the official copy of these minutes.

54. Minutes of the October 2012 Meeting

Statement: The general secretary distributed the October 2012 meeting minutes to each trustee.

DECISION: The Trustees approve the minutes of the October 2012 meeting and request the chairman to sign the official copy of those minutes.

55. Decisions Taken on Behalf of the Trustees

Statement: Rotary Foundation Bylaws section 5.9 states that any officer acting on behalf of the Trustees shall report such action to the Trustees at their next scheduled meeting.

DECISION: The Trustees ratify the decisions as summarized in Appendix A, the complete copy of which is filed only with the official copy of these minutes, taken on their behalf between 5 October and 14 December 2012 by those authorized to do so.

56. Report of the General Secretary

Statement: The general secretary presented an update to the Trustees on the work at the Secretariat since their October 2012 meeting.

DECISION: The Trustees receive the general secretary's report on the activities at the Secretariat, including an update on the Secretariat reorganization.

57. Report of the Foundation General Manager and Chief Programs and Member Services Officer

Statement: The Foundation general manager and the chief programs and member services officer presented a report to the Trustees regarding the Foundation's recent activities.

DECISION: The Trustees receive the report of the general manager and the update from the chief programs and member services officer on the activities of The Rotary Foundation since the October 2012 Trustees meeting.

58. Communications from the RI Directors

Statement: At its October 2012 meeting, the RI Board took several decisions of interest to the Trustees.

DECISION: The Trustees

1. note the following decisions from the October 2012 RI Board meeting:

    35. Communications from the Trustees
    42. Report on Comely Bank
    44. General Secretary Review Committee
    45. General Secretary Key Performance Indicators
    47. Election of Foundation Trustees
    70. Withdrawn Council on Legislation Resolution: To Request the Trustees to Consider Amending the Terms for Foundation Grants to Permit the Purchase of Land and Buildings
    71. Withdrawn Council on Legislation Resolution: To Request the Board to Consider Adopting Sustainable Development as a Goal
    72. Withdrawn Council on Legislation Resolution: To Request the Trustees to Consider Making Children and Grandchildren of Rotarians and their Spouses Eligible for Foundation Awards Programs
    100. Spouse Program Facilitators Recognition Pins
    103. 2016 RI (Seoul) Convention Status Report
    105. 2020 RI (Honolulu) Convention Status Report
    110. Database and Tracking System for TRF Alumni and RI Program Participants
    115. Minimum Membership for Establishing a New Club
    121. Communications Committee Report
    122. Report of Working Group to Strengthen Rotary's Brand
    128. Possible Travel Policy Amendment

2. while fully supporting one committee to evaluate the general secretary as provided in Board decision 44, October 2012, believe it is important for the evaluation process to include input from the Trustees in developing KPIs relating to the Foundation and in evaluating the progress in achieving the same;

3. request the Board to consider modification of Rotary Code of Policies section 30.060.5. to provide a means to secure such input.

59. Tentative Future Agenda

Statement: Trustee procedures require at each meeting the submission of a tentative agenda for the next Trustees meeting.

DECISION: The Trustees receive the tentative agenda for their April 2013 meeting.

60. Updates to The Rotary Foundation Code of Policies

Statement: The Rotary Foundation Code of Policies section 2.040.6. requests the general secretary, at the conclusion of each Trustees meeting, to review the decisions taken by the Trustees at that meeting and prepare a report listing the decisions that might be added to The Rotary Foundation Code of Policies. The general secretary also suggested additional amendments to the Foundation Code to reflect earlier decisions of the Trustees.

DECISION: The Trustees, to record the decisions taken at their October 2012 meeting and previously, amend the Rotary Foundation Code of Policies as shown in Appendix B and the Rotary Foundation Code of Policies Future Vision Version as shown in Appendix C, both filed only with the official copy of these minutes.

61. Election of 2013–14 Trustees Vice Chairman

Statement: Foundation Bylaws section 5.2 provides that the Trustee vice chairman shall be annually elected by the Trustees for a one-year term. In decision 9, October 2012, the Trustees deferred election of the vice chairman to this meeting.

DECISION: The Trustees elect Trustee Michael K. McGovern as their vice chairman to serve during 2013–14 as an officer of The Rotary Foundation of Rotary International, an Illinois not-for-profit corporation.

62. Selection of 2012–13 Distinguished Service Award Recipients

Statement: The Trustees annually recognize up to fifty Rotarians worldwide for their outstanding efforts on behalf of The Rotary Foundation. The Rotary Foundation Code of Policies section 16.050.5. requires the chairman to annually appoint a committee of trustees to meet during their January meeting to review the nominations for the Distinguished Service Award. The committee met on 11 January 2013 in San Diego, California, USA, and selected 43 recipients for the award.

DECISION: The Trustees select the Rotarians listed in Appendix D, filed only with the official copy of these minutes, to receive The Rotary Foundation Distinguished Service Award in 2012–13.

63. Alumni Awards Selection Committee Report

Statement: Rotary Foundation Code of Policies sections 13.050.1. and 13.050.2. describe the procedures for selecting the recipients of the Global Alumni Service to Humanity Award and the Rotary Foundation Alumni Association of the Year Award. The process calls for all 34 zones to provide the names of the zone-level award recipients to the Trustee selection committee and for the Trustee committee to select one worldwide recipient for each award. The committee met on 11 January 2013 in San Diego, California, USA, and reviewed detailed information on each candidate. It also recommended a review of the criteria and application process for both awards to provide more consistency in the nomination and selection process.

DECISION: The Trustees

1. select the individuals recommended by the selection committee as the primary recipient and alternate recipient of The Rotary Foundation Global Alumni Service to Humanity Award for 2012–13, as shown in Appendix E, filed only with the official copy of these minutes;

2. request the general secretary to notify the award recipient and confirm the recipient's commitment to receive the award at the 2013 RI (Lisbon) Convention;

3. authorize the general secretary, on behalf of the Trustees, to designate the alternate as the award recipient if the primary award recipient cannot make the commitment to receive the award at the 2013 Lisbon convention and provided that no special circumstance could be identified to grant an exception;

4. select the alumni associations shown in Appendix F, filed only with the official copy of these minutes, to be the primary and alternate recipients of The Rotary Foundation Alumni Association of the Year Award for 2012–13;

5. request the general secretary to notify the award recipient and confirm the association's commitment to receive the award at the 2013 RI (Lisbon) Convention;

6. request the general secretary to

    a. conduct a review of the criteria and applications for both awards to provide more consistency in

nominations and their use in the selection process, for report to the Trustees' April 2013 meeting;

b. revise TRF Code of Policies to change the deadline for submission of nominations for these awards to 1 October, which will allow more time for advance review by the selection committee;

c. revise TRF Code of Policies to provide that one committee shall be appointed to select both the alumni awards and the Distinguished Service Award in order to streamline these two processes.

64. Rotary Foundation Alumni Advisory Committee Report

Statement: In decision 39, October 2010, the Trustees requested the Alumni Advisory Committee to evaluate the Rotary Alumni Celebration pilot during 2012–13. The committee met on 7 December via webinar and reviewed data from the five alumni celebration events held since 2008. The committee discussed the importance of recognizing alumni at the annual RI convention and considered three options for future alumni celebration events: hold the event in conjunction with the Rotary World Peace Symposium; replace the celebration with alumni-specific programming as part of the peace symposium; or hold several smaller regional alumni events around the world.

DECISION: The Trustees

1. thank the Alumni Advisory Committee for its report;

2. encourage the development of regional alumni events hosted by Rotary Foundation alumni associations worldwide and request the general secretary to include partial funding in the 2013–14 budget of US$15,000 for these regional events, and to budget accordingly in future years;

3. agree that an alumni event at an RI convention is an important way to recognize the value of Rotary alumni;

4. agree to hold a Rotary Alumni Celebration as an official one-day preconvention event within the next three years, at a time that is not in conflict with the Rotary Peace Symposium;

5. agree to hold a one-day Rotary Alumni Celebration in conjunction with the Rotary Peace Symposium as a preconvention event at the 2017 RI Convention in Atlanta, Georgia, USA to help celebrate the centennial of The Rotary Foundation.

65. 2013–14 Joint Committee on Alumni Relations

Statement: Chairman-elect Lee requested the Trustees to consider appointing a joint committee on alumni relations to identify strategies to keep Foundation alumni and RI programs alumni engaged in Rotary.

DECISION: The Trustees

1. look with favor upon a 2013–14 Joint Committee on Alumni Relations and request the RI Board to concur;

2. upon the Board's approval

   a. request the 2013–14 Trustee chairman, in consultation with the 2013–14 RI president, to appoint the committee to serve in 2013–14;

   b. request the general secretary to allocate US$20,000 in the 2013–14 budget for this committee to meet.

66. Revised Terms of Reference for RRFCs, Assistant RRFCs, and Major Gifts Advisers

Statement: In decision 22, October 2012, the Trustees requested the general secretary to propose revised job descriptions for regional Rotary Foundation co-ordinators, assistant regional Rotary Foundation coordinators, and a new job description for major gifts advisers, for review at this meeting. The general secretary, working with Trustees Brown and Urchick, Past RI Vice President Germ, and Past Director Netzel developed revised job descriptions for the Trustees' consideration. It was noted that since major gift advisers are primarily charged with promoting and securing financial support for the Foundation's endowment, the position's official title should be changed to reflect this.

DECISION: The Trustees

1. replace the terms of reference for regional Rotary Foundation coordinators and assistant regional Rotary Foundation coordinators as shown in Appendix G, subject to further review at their April 2013 meeting;

2. change the name "major gifts adviser" to "endowment/major gift adviser";

3. approve the terms of reference for endowment/major gift advisers as shown in Appendix H, subject to further review at their April 2013 meeting;

4. request the general secretary to incorporate the revised terms of reference into the Rotary Foundation Code of Policies.

67. Training for 2013–14 Endowment/Major Gifts Advisers

Statement: In decision 22, October 2012, the Trustees requested the general secretary to develop a centralized training for the 2013–14 major gifts advisers, for review at this meeting. The general secretary proposed a training model and timeline for the Trustees' consideration.

DECISION: The Trustees

1. agree to hold a centralized training for the 2013–14 endowment/major gift advisers at a venue near One Rotary Center on 9–10 April 2013;

2. request the general secretary to complete an agenda and training materials with team leader and Past RI Vice President John Germ and Trustees Stephen Brown and Stephanie Urchick, who will serve as assistant team leaders;

3. authorize a 2012–13 budget variance of US$250,400 for this training.

68. Terminology for the Funds of the Foundation

Statement: The general secretary noted that there has been inconsistent terminology for the funds of The Rotary Foundation, and that the terms have not been revised for nearly 20 years. The general secretary recommended several changes to terminology regarding Foundation funds.

DECISION: The Trustees

1. amend Rotary Foundation Code of Policies section 15.040., regarding funds of the Foundation as follows:

   15.040. Terminology for the Funds of the Foundation

   The following terms have been adopted with respect to the funds of the Foundation:
   - ~~Annual Programs Fund~~ Annual Fund
   - Donor Advised Fund
   - ~~Rotary Foundation Permanent Fund~~ Endowment Fund
   - PolioPlus Fund
   - ~~Restricted Fund~~
   - ~~Bequest Society Funds~~
   - Other funds

2. confirm that any contribution or commitment designated to the Permanent Fund shall be placed into the Endowment Fund.

69. Unrestricted Estate Gift

Statement: The Rotary Foundation Code of Policies section 15.050.2. requires the general secretary to inform the Trustees of all unrestricted estate gifts of US$250,000 or more at the next meeting of the Trustees occurring after the receipt of such a gift, so that the Trustees can determine the most appropriate use of the gift.

DECISION: The Trustees

1. receive with appreciation the October 2012 distribution of $250,000 from the estate of Mary Kay McMunn, formerly of the Rotary Club of Montreal, QC, Canada (District 7040);

2. confirm that this and future distributions from the Mary Kay McMunn estate shall be designated to the Endowment Fund to support global grant scholarships in District 7040.

DECISIONS 70–77

International PolioPlus Committee Report

The International PolioPlus Committee met on 9–10 January 2013 in San Diego, California, USA and made several recommendations to the Trustees.

70. Special India National PolioPlus Committee Grant

Statement: At their April 2010 meeting, the Trustees approved a PolioPlus grant of up to US$1,036,934 to the India National PolioPlus Committee (INPPC) for operational support. At their September 2011 meeting, the Trustees approved an additional $500,000 to provide more human resources in the high risk endemic areas in

India from April 2012 through March 2013. The Trustees received a report on this grant and the activities carried out to-date at their October 2012 meeting, and requested a further update at this meeting. As of 15 December, 2012, the INPPC had received $1,200,000 and expended $1,117,360 of the grant funds.

DECISION: The Trustees

1. agree to extend the term of the grant to the India National PolioPlus Committee for operational support to 30 September 2013;

2. request an update on this grant at the June 2013 Trustee meeting.

71. Continuing Relationship with the Gates Foundation

Statement: The Global Polio Eradication Initiative (GPEI) is working on a *Polio Eradication and Endgame Strategic Plan* for 2013–18 that has financial requirements of US$5.5 billion. These requirements are based on the assumption that the interruption of the transmission of the wild poliovirus will occur by the end of 2014, with certification three years later. The Bill & Melinda Gates Foundation informed the GPEI that it will commit $1.8 billion over the six-year period to the plan. Rotary has signed agreements for $405 million in grant funding from the Bill & Melinda Gates Foundation, beginning with $100 million in 2007, $255 million in 2008, and $50 million in 2011. Rotary has pledged US$25 million per year for the next three years to support the GPEI.

At its October 2012 meeting, the IPPC considered a proposal from the Gates Foundation for additional funding for the PolioPlus program. The committee agreed that further negotiations were necessary. IPPC Chairman Scott presented the results of these negotiations that could bring up to $70 million per year through 2018 in matching funds from the Gates Foundation to the PolioPlus program.

DECISION: The Trustees

1. approve the terms of a supplemental agreement with the Gates Foundation as noted below:

    a. the Gates Foundation will match Rotary 2:1 for disbursement of up to US$35 million annually to WHO and UNICEF;

    b. the Gates Foundation will only match funds that Rotary raises from sources other than the Gates Foundation;

    c. all Gates Foundation matching funds will be paid to Rotary in the first quarter of the following calendar year of when the Rotary funds were spent;

    d. the full amount of Gates Foundation funding must be disbursed by Rotary to the Global Polio Eradication Initiative for activities that reduce the financial resource requirements (polio eradication funding gap) within six months of when it is received;

    e. PolioPlus Partners, PolioPlus communications, and PolioPlus administrative expenses are not eligible to be matched;

2. request the concurrence of the RI Board on the terms of this agreement;

3. upon concurrence of the RI Board, request the general secretary to develop a supplemental proposal to the Gates Foundation for the period 2013–18;

4. request the general secretary, in consultation with the IPPC chairman and vice chairs, to develop a plan to announce the new agreement to the Rotary world, for consideration at the April 2013 Trustees meeting.

72. Recognition for District Designated Funds Contributions to PolioPlus

Statement: To encourage districts to give 20 percent or more of their available District Designated Funds to PolioPlus until the certification of polio eradication, the International PolioPlus Committee suggested that the Trustees consider establishing a district recognition program.

DECISION: The Trustees

1. agree to recognize districts giving 20 percent or more of their available District Designated Funds (to PolioPlus as a way of securing financial support until such time that polio has been certified eradicated;

2. request the general secretary, in consultation with the IPPC chair and vice chairs, to develop a

recognition plan and budget, for consideration at the April 2013 Trustee meeting.

73. 2012–13 Service Awards for a Polio-free World

Statement: Rotary Foundation Code of Policies section 16.050.2. provides criteria and guidelines for international and regional service awards to honor Rotarians who have contributed active, personal service toward the goal of polio eradication. Nominations for the 2012–13 awards were presented to the International PolioPlus Committee for review. Award recipients must be approved by the Trustees.

DECISION: The Trustees approve the following 10 nominations for the International Service Award for a Polio-Free World:

Kalyan Banerjee
Cynthia Covington
Serge Gouteyron
Reginald S. Ling
Aziz Memon
P. Narayana
William Patchett
K.R. Ravindran
Bernard Rodgers
Ajay Saxena

74. Combined World Health Organization/African Regional Office (WHO/AFRO) and UNICEF Grant Request

Statement: The World Health Organization's African Regional Office and UNICEF requested grants for technical assistance in the Horn of Africa and Democratic Republic of the Congo.

DECISION: The Trustees

1. approve a PolioPlus grant of up to US$2,781,000 to UNICEF for technical assistance in the following countries:

   - Horn of Africa: $1,085,481
   - DR Congo: $1,695,519

   this grant to be released in accordance with Trustee policies;

2. authorize the general secretary to execute an agreement letter with UNICEF to convey the funds on a scheduled basis. UNICEF will apply the funds to appropriate projects under such controls and conditions as the agreement specifies;

3. note that these are one-year grants that must be fully expended by 31 March 2014, or one year after the transfer of funds to the grantee, whichever comes later;

4. note that these grants, if fully expended, will increase total PolioPlus grants as follows:

   - Horn of Africa from $26,141,557 to $27,227,038;
   - DR Congo from $24,038,232 to $25,733,751.

75. Combined World Health Organization/Eastern Mediterranean Regional Office and UNICEF Grant Request

Statement: The World Health Organization/Eastern Mediterranean Regional Office and UNICEF requested grants for technical assistance in Afghanistan and Pakistan.

DECISION: The Trustees

1. approve a PolioPlus grant of up to $610,633 to UNICEF for technical assistance in Pakistan, this grant to be released in accordance with Trustee policies;

2. approve a PolioPlus grant of up to $2,200,000 to WHO for technical assistance in Afghanistan, this grant to be released in accordance with Trustee policies;

3. approve a PolioPlus grant of up to $2,790,000 and reallocate $1,060,000 from unspent funds to WHO for technical assistance in Pakistan, this grant to be released in accordance with Trustee policies;

4. authorize the general secretary to execute agreement letters with WHO and UNICEF to convey the funds on a scheduled basis. WHO and UNICEF will apply the funds to appropriate projects under such controls and conditions as the agreement specifies;

5. note that these are one-year grants that must be fully expended by 31 March 2014, or one year after the transfer of funds to the grantee, whichever comes later;

6. note that these grants, if fully expended, will increase total PolioPlus grants as follows:

- Afghanistan from $37,223,595 to $39,423,595;
- Pakistan from $78,911,272 to $82,311,905.

76. Combined World Health Organization/South-east Asia Regional Office (WHO/SEARO) and UNICEF Grant Request

Statement: The World Health Organization's Southeast Asia Regional Office and UNICEF requested grants for social mobilization support in India.

DECISION: The Trustees

1. approve a PolioPlus grant of up to US$1,516,820 to UNICEF for social mobilization support in India, this grant to be released in accordance with Trustee policies;

2. authorize the general secretary to execute an agreement letter with UNICEF to convey the funds on a scheduled basis. UNICEF will apply the funds to appropriate projects under such controls and conditions as the agreement specifies;

3. note that this is a one-year grant that must be fully expended by 31 March 2014, or one year after the transfer of funds to the grantee, whichever comes later;

4. note that this grant, if fully expended, will increase total PolioPlus grants to India from $153,917,080 to $155,433,900.

77. Compensation for Families of Pakistan Health Care Workers

Statement: The International PolioPlus Committee recommended that the Trustees approve a grant for compensation to the families impacted by the recent killing of health care workers during polio immunization campaigns in Pakistan.

DECISION: The Trustees

1. express their condolences to the families impacted by the recent killings of health care workers during polio immunization campaigns in Pakistan;

2. approve a grant of up to US$18,360 to the Pakistan National PolioPlus Committee to compensate the families impacted by the recent killings of health care workers during polio immunization campaigns in Pakistan.

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78. Rotary Peace Centers Strategic Planning Workgroup Report

Statement: In October 2012, a Rotary Peace Centers Strategic Planning Working Group was created to develop strategic, marketing, and recruitment plans for the Peace Centers program. The group met by webinar in December 2012 and made three recommendations to the Trustees.

DECISION: The Trustees

1. agree to forgo an external evaluation of the Rotary Peace Centers program to allow the Rotary Peace Centers Strategic Planning Workgroup to formulate proposed strategic, marketing, and recruitment plans for the Rotary Peace Centers program;

2. authorize reallocation of US$8,000, which was originally designated to the external evaluation ($25,000) to support a March 2013 meeting of the Rotary Peace Centers Strategic Planning Workgroup, to develop plans noted in point 1 above, for preliminary report at the April 2013 Trustees meeting and final report at the October 2013 Trustees meeting;

3. note the Rotary Peace Centers Strategic Planning Workgroup reviewed the Rotary Peace Center Director's report on marketing and recruitment for the Rotary Peace Center's program, and request the committee to incorporate final conclusions and recommendations in plans noted above.

79. Rotary Peace Symposiums

Statement: In decision 38, October 2012, the Trustees agreed to hold a Rotary Peace Symposium in 2015 in accordance with an earlier agreement to hold such meetings every three years. The Trustees also responded favorably to a request for an additional symposium at the 2014 RI (Sydney) Convention, contingent upon funding from RI. While the Board agreed in concept to adding a 2014 symposium, it noted difficulties in planning and promoting two symposiums in consecutive years.

DECISION: The Trustees

1. agree to maintain the current Rotary Peace Symposiums schedule and hold the next Rotary Peace Symposium in 2015 in conjunction with the

Rotary International convention in São Paulo, Brazil;

2. request the general secretary to prepare a preliminary plan and budget for a Rotary Peace Symposium in Brazil, for report to the Trustees at their April 2013 meeting.

80. Travel Insurance for Grants-funded Travelers

Statement: To help create operational efficiencies for travelers and staff, and to ensure that uniform insurance is provide with centralized emergency and insurance claims assistance, the general secretary recommended that the Trustees provide blanket travel insurance for those traveling on Rotary Foundation grants and Rotary peace fellowships.

***DECISION*:** The Trustees agree to budget up to US$255,000 in 2013–14 for blanket travel insurance coverage for individuals traveling on Rotary Foundation grants and Rotary peace fellowships.

81. Potential Partnership with the Peace Corps

Statement: Rotarians have long expressed an interest in developing a partnership with the US Peace Corps program. The general secretary presented potential areas of collaboration between the two organizations for consideration by the Trustees.

DECISION: The Trustees receive the general secretary's update on a potential partnership with the Peace Corps.

82. Report on Leadership Meetings with Oikocredit and UNESCO-IHE

Statement: In decision 115, April 2010, the Trustee approved a strategic partnership with Oikocredit to facilitate packaged grants in the Economic Development area of focus. In decision 25, September 2011, the Trustees approved a strategic partnership with UNESCO-IHE Institute for Water Education in the Water and Sanitation area of focus. Trustee Brown, President Tanaka, and Directors Di Costanzo, Jagger, Knyff, and Peiper met with leadership from these partner organizations in the Netherlands. Trustee Brown presented a report on this meeting to the Trustees.

DECISION: The Trustees thank Trustee Brown for his update on the partnerships with Oikocredit and UNESCO-IHE.

83. Investment Committee Report

Statement: The Investment Committee met on 4 December 2012 via webinar to review investment performance for TRF and RI's investment funds. The committee also discussed a new investment policy statement for planned giving assets, and the search for a new global equity manager.

DECISION: The Trustees

1. thank the Investment Committee for its report;

2. note that the TRF Finance Committee approved the new investment policy statement for planned giving assets, as shown in Appendix I, on behalf of the Trustees.

84. Changes to TRF Resolutions on Financial Accounts and Services

Statement: The TRF resolutions on financial accounts and services delegate authority to specific Secretariat staff regarding the establishment and operation of TRF's bank accounts. Due to the recent Secretariat reorganization, the Trustees were required to update specific position titles.

DECISION: The Trustees amend the resolutions on financial accounts and services for The Rotary Foundation as shown in Appendix J.

85. RI/TRF Cost Allocation Review Committee Report

Statement: The Rotary Code of Policies section 68.060.2. and Rotary Foundation Code of Policies section 21.010. require the RI president and TRF trustee chairman to each appoint two members annually from their respective boards to a joint committee of directors and trustees to review and recommend to the Board and Trustees any changes required to RI's methodology and allocation of costs to the Foundation. This meeting was held on 27 October 2012 in Evanston, Illinois, USA. The committee reviewed the 2011–12 allocation results compared to the 2011–12 budget, discussed the 2012–13 allocation budget, and reviewed amendments to the administrative services agreement.

DECISION: The Trustees

1. receive the RI/TRF Joint Cost Allocation Review Committee's report;

2. recognize that the changes to the allocation resulting from management's restructuring will have a net zero impact on the budget of Rotary International and the Rotary Foundation;

3. approve the updates to schedules A, B, and C of the administrative services agreement;

4. agree to eliminate from the RI/TRF allocation all costs associated with the intellectual property and Rotary history and archives cost centers beginning in 2013–14;

5. request the RI/TRF Cost Allocation Review Committee to review at its next meeting the default methodology relating to headcount and the allocation of costs associated with the Investment Committee;

6. request the general secretary to review the allocation of expenses for the international offices during the 2013–14 budget process, for recommendation to the TRF Finance Committee.

86. Restricted Currency in Brazil

Statement: At the Trustees' October 2012 meeting, Trustee Hallage reported on his consultation with the Brazilian Ministry of the Exterior regarding possible alternatives for managing Brazil's restricted currency. In decision 50, October 2012, the Trustees requested the general secretary to assist Trustee Hallage in reviewing alternatives for spending TRF and ABTRF funds held in Brazil and to explore the feasibility of entering into a relationship with the Brazilian Ministry of the Exterior for such purposes, for report at this meeting.

DECISION: The Trustees receive the general secretary's update regarding restricted currency in Brazil and request the general secretary to provide an update regarding a possible relationship with the Brazilian Ministry of the Exterior at their April 2013 meeting.

87. Update on TRF Funding Model

Statement: In decision 49, October 2012, the Trustees requested their chairman to appoint a subcommittee of trustees to work with the general secretary on the development of a new TRF funding model and reserve policy. Trustee Riseley provided a progress report at this meeting.

DECISION: The Trustees thank Trustee Riseley for his update on the TRF Funding Model.

88. Modifications to the Budget

Statement: The Trustees reviewed decisions taken at this meeting with current and future budget impact.

DECISION: The Trustees

1. note no modifications to the 2012–13 budget:

	2012–13
Revenues	US$249,056,000
Program Awards	145,338,000
Program Operations	21,138,000
Fund Development	18,275,000
General Administration	5,009,000
Total Expenses	189,760,000
Change in net assets	US$59,296,000

2. note budget variance for 2012–13:

June 2012 meeting:	2,500,000
October 2012 meeting:	302,000
January 2013 meeting:	
Dec. 65- Training for 2013–14 Major Gifts Advisers:	250,400
Dec. 77 – Compensation For Pakistan Health Care Workers Grant Request	18,360
Dec. 78 - Rotary Peace Center Strategic Plan Working Group	(17,000)
Subtotal:	**251,760**
Total 2012–13 variances:	**US$3,053,760**

3. note items with future budget impact:

	2013–14	**2014–15**	**2015–16**
October 2012 Meeting	19,767,000	25,000,000	25,000,000
January 2013 Meeting			
Dec. 64- Rotary Foundation Alumni Committee Report:	15,000		40,000
Dec. 65- 2013–14 Joint Alumni Committee	20,000		

	2013–14	2014–15	2015–16
Dec. 80- Travel Insurance for Grants-funded Travelers	255,000		
Dec. 80- Travel Insurance for Grants-funded Travelers	(255,000)		
Total	**US$1,802,000**	**25,000,000**	**25,040,000**

ADJOURNMENT

The foregoing is a true record of the proceedings of the meeting of the Trustees of The Rotary Foundation of Rotary International held 12–13 January 2013 in San Diego, CA, USA.

Wilfrid J. Wilkinson, Chairman
The Rotary Foundation

Alice A. Baehler
Secretary of the Meeting

ATTEST:

John Hewko
General Secretary

APPENDIX A

SUMMARY OF DECISIONS TAKEN ON BEHALF OF THE TRUSTEES (Decision 55)

- Exhibit a – Citation for Meritorious Service Awards
  Forty-five recipients of the award.
- Exhibit b – TRF Cadre of Technical Advisors
  Twenty-two grants reviewed by cadre.
- Exhibit c – Foundation Programs
  Educational Programs- Rotary Peace Centers: 60 finalists selected to participate in 2013–15 master's degree program and 44 finalists to participate in professional development certificate program. Ambassadorial scholarships: Four endowed Scholarships awarded at a cost of $84,590. Group Study Exchange: 382 teams approved for a total cost of $2,011,500 in DDF and $1,412,000 in World Fund.
  Humanitarian Grants- District Simplified Grants: 46 grants awarded for a total of $809,882 in DDF. Matching Grants: 259 grants awarded for a total of $3,348,488 in World Fund and $2,442,158 in DDF. Chairman Wilkinson approved 5 Competitive Matching Grants for a total of $259,452. Administrative decision: The Rotary Club of Billimora, Gujarat, India requested reinstatement of 3-H Grant #1102, with the condition that remaining funds will be paid out by TRF only if the water system is completed by 31 March 2013, otherwise the grant will be permanently cancelled.
- Exhibit d – Future Vision Grants
  District Grants: 22 awarded for a total of $1,404,817.
  Global Grants: 33 awarded for a total of $841,568.
  Per TRF Code of Policies section 1.040.1. (Delegation of Authority), the general secretary issued a waiver of Trustee policy for Global Grant #25311. The grant supports a basic education and literacy project in Belize. While the project is nearly complete, the sponsors have US$15,000 in unused funds. There are several outstanding issues with the project and the sponsors feel that one last Vocational Training Team (VTT) visit is necessary to complete the work. They proposed sending a team of two Rotarians and one non-Rotarian to Belize in December 2012 using a portion of the remaining funds. The team's composition is a violation of TRF Code, which requires VTTs to consist of a team leader and at least three members. Rather than ask the sponsors to send another person who may or may not be needed, the general secretary waived this requirement because the proposed team meets the requirements for a VTT that will be in effect on 1 July 2013.

APPENDIX G

REGIONAL ROTARY FOUNDATION COORDINATOR TERMS OF REFERENCE (Decision 66)

5.010. Purpose

The regional Rotary Foundation coordinator (RRFC) reports to the chair of The Rotary Foundation trustees, and is responsible for disseminating information to district governors, district governors-elect and district Rotary Foundation chairs. District leadership shall disseminate this information to the club members.

5.020. Functions

Regional Rotary Foundation coordinators serve as a key volunteer resource on all general Foundation matters, program and financial, and serve as a vital link between Rotarians and the Secretariat. Regional Rotary Foundation coordinators shall be concerned with the promotion of The Rotary Foundation and its various programs and fundraising initiatives, shall actively work in support of Rotary goals, and shall be responsive to requests by the Trustees and the general secretary. The Trustees recognize the importance of coordinated and consistent efforts in providing the most effective training possible to all Rotarians. The regional Rotary Foundation coordinator will confer and cooperate with the Rotary coordinator (RC), and the Rotary public image coordinator (RPIC) for their assigned regions with the goal of strengthening of clubs and districts.

5.030. Responsibilities

General

- Assist the Trustees and the general secretary in explaining Foundation grants and the need for funding to district and club leaders.
- Support district leadership in establishing their district Foundation goals for grant participation and Foundation giving.
- Monitor the progress of their districts' Foundation goals throughout the Rotary year.
- Keep Rotary alumni involved in Rotary through membership, contributions and service opportunities.
- In collaboration with Rotary's alumni group, assist with the development and promotion of alumni associations.
- Complete reports as necessary and forward them to the general secretary in a timely manner.

Training

- Attend annually appropriate orientation and instruction at the Regional Rotary Foundation Coordinator Training Institute.
- Plan and conduct an annual zone team training for zone-level Foundation volunteers following the regional Rotary Foundation coordinator Training Institute and prior to 1 July.
- Plan, promote and conduct a Regional Rotary Foundation Seminar annually.
- Conduct zone-level training for governors-elect on the Trustee-recommended Foundation subjects at sessions held in conjunction with Rotary Institutes, when invited by the appropriate authority.
- Assist district governors and their Foundation committees to plan district or multidistrict Rotary Foundation seminars.
- Train existing district leadership to inform club membership on the Foundation's grants, programs and fundraising.
- Conduct, when invited to do so, special sessions on the Foundation at Rotary Institutes.

Grants and Programs

- Provide continued support of Rotary's top priority – a polio free world.
- Actively support district leaders to achieve their service goals by conducting information training sessions on Foundation grants and activities, and monitoring progress toward goals throughout the year.
- Promote the importance of stewardship, oversight and reporting in the use of TRF funds to governors, district Rotary Foundation committee chairs, and district subcommittee chairs.

- Encourage clubs and districts to remain involved with alumni.

Fundraising
- Lead by example and make a personal contribution each year to the Annual Fund.
- Educate Rotarians, alumni, and friends of Rotary on all giving opportunities including but not limited to the Annual Fund, PolioPlus, term gifts, Rotary's endowment and the Rotary Peace Centers.
- Lead by example through a major gift, Bequest Society commitment, and/or Benefactor commitment according to his or her own financial capacity.
- Encourage personal contributions from every Rotarian, every Year and 100 percent club participation in Foundation giving each year.
- Promote Rotary's recurring giving program, Rotary Direct, and the Paul Harris Society.
- In collaboration with fund development staff, including Gift Officers where applicable, Endowment/Major Gift Advisors and district leadership, personally assist in identification, cultivation and solicitation of major gifts, with an emphasis on gifts of US$25,000 or more.
- Host or support, when invited to do so, cultivation events for important Foundation donors at Rotary Institutes or at other Rotary events.

ASSISTANT REGIONAL ROTARY FOUNDATION COORDINATOR TERMS OF REFERENCE

5.120.1 Purpose

The Assistant RRFC reports to the regional Rotary Foundation coordinator and assists the RRFC in promoting and supporting all aspects of The Rotary Foundation. Assistant RRFCs are given specific district responsibilities by the RRFC.

Assistant RRFCs are appointed by the chair of The Rotary Foundation trustees in consultation with the RRFC, for a one-year term, renewable up to a maximum of three years.

5.120.2 Responsibilities

General
- Be assigned a maximum of four districts within the RRFC's region of responsibility.
- Work closely with district leadership on an ongoing basis to support district Foundation service and giving goals, and provide strategies for goal achievement.
- Promote the importance of Rotary alumni as potential Rotary club members and as potential contributors to The Rotary Foundation.
- In collaboration with the RRFC and Rotary's alumni group, assist with the development and promotion of Rotary Foundation alumni associations.
- Monitor monthly fundraising progress in assigned territories and provide support, encouragement and strategies to clubs and districts in meeting or exceeding established goals.
- Provide regular progress reports to RRFCs and Foundation staff as requested.

Training
- Attend the annual zone team training for zone-level Foundation volunteers, conducted by the regional Rotary Foundation coordinator.
- Assist the RRFC in educating, motivating and training Rotarians about The Rotary Foundation grants, programs and giving opportunities at Rotary Institutes, regional seminars, President-Elect Training Seminars, Foundation Seminars, and other Rotary events as requested.
- Assist the RRFC with regional seminars.
- Assist district leadership with Foundation seminars in assigned districts.
- In collaboration with Rotary's alumni group, help organize district and multidistrict orientation seminars for Rotary scholars or vocational training teams, involving program alumni as appropriate.

Grants and Programs
- Provide continued support of Rotary's top priority – a polio free world.

- Work regionally as a Foundation resource to assigned districts concerning all grants and activities of The Rotary Foundation.
- Monitor grant activity and promote stewardship in assigned districts and provide support to district leaders.
- Encourage clubs and districts to remain involved with alumni.

Fundraising

- Lead by example and make a personal contribution each year to the Annual Fund.
- Educate Rotarians, alumni, and friends of Rotary on all giving opportunities including but not limited to the Annual Fund, PolioPlus, term gifts, Rotary's endowment and the Rotary Peace Centers.
- Lead by example through a major gift, Bequest Society commitment, and/or Benefactor commitment according to his or her own financial capacity.
- Encourage districts to develop and maintain strong fundraising committees to establish and exceed goals.
- Assist the district leadership in promoting Every Rotarian, Every Year and Rotary's recurring giving program, Rotary Direct.
- Encourage personal contributions from every Rotarian, every Year and work with district leadership to achieve 100 percent club participation in Foundation giving each year.
- Work with district leaders to appoint and train a Paul Harris Society coordinator to assist in the administration and promotion of those contributing US$1,000 or more annually to The Rotary Foundation.
- In collaboration with fund development staff, including Gift Officers where applicable, RRFCs, Endowment/Major Gift Advisors and district leadership, personally assist in identification, cultivation and solicitation of major gifts, with an emphasis on gifts of US$25,000 or more.
- Assist with the stewardship of major donors as requested.

APPENDIX H

ENDOWMENT/MAJOR GIFT ADVISER
TERMS OF REFERENCE
(Decision 66)

Purpose
The Endowment/Major Gift Adviser reports directly to the Trustee Fund Development Committee, and assists with the identification, cultivation and solicitation of major gifts, including gifts to Rotary's endowment.

Functions
Endowment/Major Gift Advisers serve as a key volunteer resource for all major gift and endowment matters in his or her region of responsibility. In general, Endowment/Major Gift Advisers assist districts in developing fundraising committees and identifying strategies for encouraging major and planned gifts.

Number and Term of Appointment
There shall be 41 Endowment/Major Gift Advisers, appointed by the chair of The Rotary Foundation Trustees in consultation with the Trustee Fund Development Committee and Fund Development staff. The term of appointment for each Endowment/Major Gift Adviser shall be for one-year, renewable up to a maximum of three years.

Responsibilities

General
- Lead by example and make a personal contribution each year to the Annual Fund.
- Lead by example through a major gift or Bequest Society commitment to the Foundation according to his or her own financial capacity.
- Reinforce to districts the importance of Rotary's endowment.
- Educate Rotarians, alumni and friends of Rotary on major giving opportunities to The Rotary Foundation, with emphases on Rotary's endowment, PolioPlus, the Rotary Peace Centers and the areas of focus.
- Complete regular progress reports as requested and forward them to the general secretary in a timely manner.

Training
- Attend appropriate orientation and instruction for Endowment/Major Gift Advisers as scheduled.
- Work with the Trustee Fund Development Committee in training district leaders on major gifts, Rotary's endowment and Bequest Society commitments at Rotary Institutes, regional seminars, President-Elect Training Seminars, Foundation Seminars, and other Rotary events as requested.
- Assist districts in establishing a structure for the identification and cultivation of potential endowment and major gift donors.
- Where applicable, identify members of the Gift and Estate Planning Professionals group (CPA's, estate planning attorneys, financial advisers, etc.) within his or her assigned region, and provide opportunities for enhanced involvement in the districts' fundraising activities.

Fundraising
- In collaboration with fund development staff, including Gift Officers where applicable, RRFCs and district leadership, develop personalized cultivation and solicitation plans for at least fifteen (15) prospective major gift donors each year.
- Personally participate in the solicitation of at least ten (10) major gifts each year, with an emphasis on gifts of US$25,000 or more.
- Work with RRFCs and district leadership to plan cultivation events for Foundation supporters and prospective supporters, including the identification of potential guests who may be interested in making a major or planned gift.

APPENDIX I

INVESTMENT POLICY STATEMENT FOR PLANNED GIVING ASSETS (Decision 83)

Purpose
The Investment Policy Statement ("IPS") outlines and prescribes a prudent investment philosophy for the management of The Rotary Foundation's planned giving assets, including Charitable Remainder Trusts ("CRTs"), a Pooled Income Fund ("PIF") and Charitable Gift Annuity ("CGA") pools. The purpose of this IPS is to establish a clear understanding between The Rotary Foundation ("Foundation") and Boston Private Bank ("Manager") as to the investment goals and objectives and management policies applicable to the Foundation's planned giving assets.

Delegation of Responsibilities
The Trustees of the Rotary Foundation (hereinafter referred to as "Trustees") are responsible for setting overall investment policy; including the investment objectives and asset allocation strategies, and for approving any changes to this IPS.

The Investment Committee (IC) is responsible for reviewing and monitoring investment results, reviewing and recommending changes to the IPS, reviewing and recommending hiring and termination of investment managers, approving the termination and hiring of investment managers by the investment staff, and actively participating in meetings with the investment managers.

The investment staff ("Staff") is responsible for the daily operation of and compliance with the IPS on behalf of the Trustees. Such daily operations and compliance shall include implementation of Trustee decisions and termination and hiring of investment managers with the approval of the IC.

Boston Private Bank, is the investment manager for the Foundation's planned giving assets and has been appointed to execute the policy and invest the planned giving assets in accordance with the guidelines established herein.

Planned Giving Vehicles
- Straight (Standard) payout CRTs—beneficiary payments are based on the trust payout rate applied to an annual market value. Payments can be made from income or principal and a total return investment approach can be applied.
- Net Income payout CRTs—beneficiary payments are based on the income (dividends and interest) earned by the portfolio up to but not exceeding the payout rates. Trusts established with a "make up provision" can use excess income in a given year to meet prior year short falls. If specified in the trust document, realized capital gains may be considered distributable income. Due to the need to generate income, an income-oriented or balanced investment approach is typical.
- Charitable Gift Annuity—beneficiaries are paid fixed payments based on original gift value, and payments can be made from principal or income. Assets from multiple gifts are pooled for investment purposes and a total return investment approach can be applied.
- Pooled Income Fund—beneficiary payments are based on the income (dividends and interest) earned by the portfolio. Assets from multiple gifts are pooled for investment purposes and an income-oriented or balanced investment approach is typical.

Investment Goals and Objectives
CRTs: The primary investment objective is to provide both income and growth for the income beneficiaries and for the charitable remainderman. The goal is to provide a stable stream of income to the beneficiary and to preserve and grow the value of the principal.

Because the tax consequences of investment activity in the trusts affect the non-charitable beneficiaries of these trusts, every effort should be made to minimize the short-term capital gains generated in the accounts. In the first year of

investment, trusts will typically hold up to 12 months of payments in cash to minimize the potential for short-term capital gains.

Investments may not include any investment vehicle that would create Unrelated Business Taxable Income.

CGA: The primary investment objective is to provide funds necessary to meet the CGA's payment obligations while preserving the real (inflation-adjusted) purchasing power of any surplus amounts in the fund. A secondary objective is to achieve the returns while assuming an amount of risk that is consistent with an above average risk profile for the CGA assets. The CGA's investments must at all times be managed in a manner that conforms to applicable state regulations. Although the CGA pool consists of accounts with varying time horizons, the overall combined portfolio is long-term in nature and expected to exist in perpetuity.

PIF: The primary investment objective is for a balanced approach to principal appreciation. A secondary objective is to generate income for the participants. The PIF program is long-term in nature and expected to exist for the duration of the expected life of the income beneficiaries.

Performance Objectives
The performance objective of the planned giving vehicles is to achieve a rate of return consistent with the expected return of the policy allocation for the planned giving vehicle. Over a three-to-five year period, the rate of return earned by the planned giving vehicle should approximate the annualized total return of the appropriate Policy Index. The Policy Index for each planned giving vehicle is defined by the following indices:

CRTs:
38% Russell 3000 Index
32% MSCI ACWI-ex US Index
30% Barclays Capital Aggregate Index

CGA – Multistate:
38% Russell 3000 Index
32% MSCI ACWI-ex US Index
30% Barclays Capital Aggregate Index

PIF:
27% Russell 3000 Index
23% MSCI ACWI-ex US Index
50% Barclays Capital Aggregate Index

For performance evaluation purposes, all rates of return will be examined on a net-of-fee basis.

Total portfolio risk exposure and risk-adjusted returns will be regularly evaluated and compared with other comparable total funds. Risk-adjusted returns are expected to consistently rank favorably relative to comparable funds.

Normally, results are evaluated over a three-to-five year time horizon. However, shorter-term results will be regularly reviewed and earlier action taken as required.

Risk Tolerance
Investment theory and historical capital market return data suggest that over long periods of time, there is a positive relationship between the level of risk and return that can be expected in an investment program. In general, higher risk (volatility) is associated with higher return. There are two primary factors that affect an investor's risk tolerance:

- Financial ability to accept risk within the investment program
- Willingness to accept return volatility

Taking these two factors into account, the risk tolerance for the planned giving vehicles is as follows:

- **CRTs and Multistate CGA**: Willing to accept an above average level of risk with the expectation of long-term growth in assets.
- **PIF**: Willing to accept a moderate level of risk with the expectation of a balance between long-term growth in assets and income generation.

Investment Vehicles
The Manager will implement the investment program outlined below through the use of Exchange Traded Funds (ETFs) These vehicles offer the benefits of transparency, tax efficiency, low expenses, attractive liquidity and predictable tracking of the underlying asset class. In terms of tax efficiency, ETFs tend to have low turnover and seldom distribute capital gains; a pronounced advantage versus mutual funds.

Target Asset Allocation
The portfolios shall be invested in equities, fixed income and cash equivalents based upon an acceptable asset mix which is conducive to participation in rising markets, while providing adequate protection in falling markets. In addition, the investment mix will take into consideration factors such as the type of planned giving vehicle, the payout requirements, beneficiary income requirements, and overall investment policy for the planned giving assets.

Charitable Remainder Trusts
Over the long-term, the asset allocation policy will be the key determinant of the returns generated by the CRT and the associated volatility of returns. Based on the CRT's objectives and circumstances, the Trustees have developed the following asset targets and ranges.

Asset Class	**Min**	**Target**	**Max**
Equity	**50%**	**70%**	**80%**
U.S. Total Market	25%	35%	45%
Global REITs	4%	6%	8%
International Equity	21%	29%	39%
Fixed Income	**10%**	**30%**	**50%**
US Investment Grade	8%	12%	40%
US High Yield Bond	0%	7%	10%
Emerging Market Bond	0%	9%	12%
Cash	**0%**	**2%**	**10%**
		100.0%	

Investing New Trusts
New trust portfolios will be invested upon receipt of the cash or proceeds from the sale of gifted securities. Exceptions can be made in specific donor circumstances or in periods of extremely volatile financial markets.

Trust Exception Situations
There may be exceptions to the asset allocation policy for CRT's from time to time. These exceptions will be decided on a case by case basis and agreed upon by the Foundation and the Manager

Charitable Gift Annuity
For the CGA, it is the responsibility of the Foundation to notify the Manager of the state insurance departments with which it files. The Foundation is registered in several states. As a result, the Foundation maintains a "Multistate Gift Annuity Fund as well as separate charitable gift annuity funds for California and Florida that are subject to those states' investment restrictions. These restrictions generally require a more conservative investment strategy with a portion of required reserve assets invested in government bonds.

Over the long-term, the asset allocation policy will be the key determinant of the returns generated by the CGA and the associated volatility of returns. For the Multistate Gift Annuity Fund, the Trustees have developed the following asset targets and ranges.

Asset Class	**Min**	**Target**	**Max**
Equity	**50%**	**70%**	**80%**
US Total Market	22%	32%	42%
Global REITs	4%	6%	8%
International Equity	22%	32%	42%
Fixed Income	**10%**	**30%**	**50%**
U.S. Investment Grade Bond	8%	12%	40%
US High Yield Bond	0%	7%	10%
Emerging Market Bond	0%	9%	12%
Cash	**0%**	**2%**	**10%**
		100.0%	

Pooled Income Fund

Over the long-term, the asset allocation policy will be the key determinant of the returns generated by the PIF and the associated volatility of returns. Based on the PIF's objectives and circumstances, the Trustees have developed the following asset targets and ranges.

Asset Class	**Min**	**Target**	**Max**
Equity	**35%**	**50%**	**65%**
US Total Market Equity	10%	15%	20%
US Dividend Equity	7%	10%	13%
Global REITs	2%	4%	6%
International Equity	14%	21%	28%
Fixed Income	**35%**	**50%**	**65%**
U.S. Investment Grade Bonds	24%	36%	55%
US High Yield Bond	0%	5%	7%
Emerging Market Bond	0%	7%	10%
Cash	**0%**	**2%**	**10%**
		100.0%	

Rebalancing Policy

Planned giving vehicles typically make quarterly payments to beneficiaries. CRTs will be rebalanced by the Manager on a quarterly basis to raise cash for payments. The PIF and CGAs will be rebalanced by the Manager periodically when an asset class reaches the minimum or maximum allocation specified above. Cash flows, including contributions and beneficiary payments, will be used to maintain the allocation as close as practical to the target allocations. If routine cash flows are insufficient to maintain the allocation within the permissible ranges as of any calendar quarter-end, balances should be transferred as necessary between the asset types to bring the allocation back within the permissible ranges.

Control Procedures

Standards of Conduct for Manager
The expected standards of conduct for the Manager are derived from the CFA Institute Code of Ethics and Standards of Professional Conduct.

Review of Investment Objectives
The achievement of investment objectives will be reviewed on an annual basis. This review will focus on the continued feasibility of achieving the objectives and the continued appropriateness of the IPS. It is not expected that the investment policy will change frequently; in particular, short-term changes in the financial markets should generally not require an adjustment in the investment policy.

Review of Investment Manager
The IC will review results of the Manager at least semi-annually. With a perspective toward three-year and five-year time horizons, the IC will evaluate whether the Manager has:

- Performed satisfactorily to meet the specific objectives for the planned giving vehicles
- Performed in line with the Policy Indices
- Made portfolio management decisions that were reasonable and effective in view of capital market developments
- Adhered to the relevant policies and objectives

Among the events that the IC will examine closely in their review of the Manager are:

- Poor results relative to objectives over a fairly short period of time (e.g., one year);
- Poor absolute performance over a three-to-five year period;
- The departure of one or more key investment professionals
- Violation of an investment guideline; and
- Material changes in the Manager's organization, such as philosophical and personnel changes, acquisitions or losses of major accounts, a change in ownership or control of the investment management organization, etc.

The IC will evaluate the Manager and events in light of the current situation and other related factors.

Reporting Requirements
The Manager will be required to submit within three weeks after the end of each calendar quarter a quarterly report containing:

1. A summary of cash flows (interest, dividends, realized and unrealized gains or losses, additions, distributions to the Foundation's Permanent Fund, payments to beneficiaries and fees) by planned giving vehicle* for the fiscal year-to-date period (30 June);
2. A performance summary (net of fees) for the quarter, fiscal year-to-date and since inception periods for each planned giving vehicle*;
3. A performance summary for the quarter, fiscal year-to-date, and since inception periods for each ETF;
4. The asset allocation for each planned giving vehicle* as of the end of the quarter;
5. A return summary for each CRT, including ending market values, for the quarter, calendar year-to-date, one year and three year periods.

Additionally, the Manager has the responsibility to promptly advise Staff and the IC of any material change in personnel, investment strategy, or other pertinent information potentially affecting performance.

*Composite for the CRTs

APPENDIX J

RESOLUTIONS ON FINANCIAL ACCOUNTS AND SERVICES
(Decision 84)

RESOLVED, that the General Secretary (or in his absence, the Deputy General Secretary), acting in concert with any one of the General Manager & Chief Financial Officer for Rotary International; Controller; ~~Manager~~ Director of Investments and Treasury ~~Division~~; or Manager, Treasury ~~Department~~, have the authority on behalf of the Rotary Foundation (hereinafter the "corporation") to:

- open and close accounts at bank, trust companies, savings associations, safe deposit companies, custodians, brokers, brokerage firms, investment companies, and other financial institutions (hereinafter collectively referred to as, "financial institutions") as needed and arrange for all necessary services with respect to the financial assets of the corporation or with respect to such accounts of any branches or affiliates, or any trusts, investment agreements, partnerships, or common or pooled income funds that it may manage or administer as trustee or agent or in any related capacity;
- open, rent, hold surrender, or exchange the lease on safe deposit boxes, on behalf of and in the name of the corporation or as agent or as trustee of any trusts or similar relationships;
- enter into any financial institution agreement or provide instructions concerning the operation of the corporation's accounts or safe deposit boxes;
- enter into any agreement with respect to the management of the corporation's assets or investments;
- appoint, change, modify, or revoke the naming and authority of designated persons to execute checks, drafts, electronic funds transfers, or orders against funds of the corporation by delivery to the financial institution in written or approved electronic form notification of such appointments, changes, modifications, or revocations.

RESOLVED, that any two of the General Secretary; Deputy General Secretary; General Manager & Chief Financial Officer for Rotary International; Controller; Director of Investments and Treasury ~~Division~~; Manager, Treasury ~~Department~~; or any other person(s) appointed by the General Secretary (or in his absence, the Deputy General Secretary) acting in concert with the General Manager & Chief Financial Officer for Rotary International have the authority on behalf of the Rotary Foundation to:

- make, sign, draw, accept or endorse checks, drafts, notes, bills of exchange, acceptances, undertakings, and orders for the payment of money from any financial account of the corporation and use facsimile signatures or stamps in connection with banking transactions;
- authorize, issue, and execute any written, telephonic, oral, or electronic banking and financial services transactions;
- deposit into and withdraw from, electronically or otherwise, financial institutions any moneys or other property and examine or receive related records, including canceled checks;
- purchase, sell, and exchange foreign currencies, or enter into foreign exchange contracts, letters of credit, travelers checks, export instruments and similar instruments and, on behalf and in the name of the corporation, incur liabilities in connection therewith and in connection with the purchase, sale or negotiation of any bills of exchange, letters of credit, travelers checks, acceptances, drafts, and bills of lading and similar instruments;
- receive and receipt, sign, execute, and deliver orders, applications, and agreements in connection therewith, which orders, applications, and agreements may contain such provisions as shall seem proper;
- borrow or obtain a loan from and give security for such borrowings or loans to any source for the purpose of short-term overdrafts or other short-term treasury needs; pay principal and interest wholly or in installments on such borrowings or loans; and commit the corporation for liabilities related to planned gift vehicles, such as, but not limited to, annuities and life income agreements;
- purchase, retain, transfer, convert, endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, subscription warrants, evidences of indebtedness, participations or other certificates, or other securities, now or hereafter standing in the name of or owned by the corporation; and make, execute and deliver any and all written instruments of assignment and transfer necessary or proper to perform the foregoing; and to

guarantee signatures and endorsements thereon, or on powers of attorney executed in connection therewith, and to authorize or direct charges to the corporate accounts at any bank for the cost of the purchase of such securities;

- retain, invest in, acquire by purchase, subscription, lease, or otherwise to manage, sell, contract to purchase or sell, grant, obtain or exercise options to purchase, options to sell or conversion rights, assign, transfer, convey, deliver, endorse, exchange, pledge, mortgage, abandon, improve, repair, maintain, insure, lease for any term and otherwise deal with all property, and exercise or relinquish any powers and exercise or release and waive any rights or interests in property pursuant to such transaction.

RESOLVED, that each of the foregoing resolutions shall continue in force and effect until express written or electronic notice of rescission or modification thereof has been received by such financial institutions;

RESOLVED, that the General Secretary, or in his absence the Deputy General Secretary, or the General Manager & Chief Financial Officer, may deliver certified copies of these resolutions, certificates of incumbency, or any other documents as necessary to confirm the authority granted herein.

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