T.J. Martell Foundation
Music's Promise for Curing Cancer

INVESTMENT POLICY

A. Purpose

The purpose of this Investment Policy (this "Policy") is to set forth the responsibilities of the Board of Trustees (the "Board") of the T.J. Martell Foundation (the "Foundation") in managing and investing the Foundation's assets (hereinafter, "Institutional Funds").[1] This Policy is informed by and intended to meet the requirements of the New York Prudent Management of Institutional Funds Act, as codified in Sections 550-558 of the New York Not-for-Profit Corporation Law.

B. Responsibilities of the Board

The Board shall comply with the following requirements in managing and investing Institutional Funds:

1. Standard of Care. Members of the Board must act in good faith, and with the care an ordinarily prudent person in a similar position would exercise under similar circumstances. The Board must make a reasonable effort to verify facts relevant to the management and investment of the Institutional Funds. Any board member who has special skills or expertise has a duty to use those skills or expertise in managing and investing the Institutional Funds.

2. Overall Investment Strategy. The Board must develop an overall investment strategy with investment return objectives and a risk tolerance level reasonably suited to the particular characteristics of the Institutional Funds and to the Foundation's purposes and operational needs. Management and investment decisions about particular assets must be made not in isolation but instead in the context of the Foundation's portfolio of investments as a whole, and as a part of its overall investment strategy.

3. Specific Considerations. Except as otherwise provided by a gift instrument, in making specific investment decisions, the Board must consider the following factors, if relevant:

   a. General economic conditions;
   b. Possible effect of inflation or deflation;
   c. Expected tax consequences, if any, of investment decisions or strategies;
   d. The role that each investment or course of action plays within the overall investment portfolio of the Institutional Funds;

[1] Separate rules apply to any endowment funds, which are assets held by the Foundation that are restricted by the terms of the gift instrument from being wholly expended by the Foundation on a current basis.

e. The expected total return from income and the appreciation of investments;
f. Other resources of the Foundation;
g. The needs of the Foundation and the investment portfolio of the Institutional Funds to make distributions and to preserve capital; and
h. An asset's special relationship or special value, if any, to the purposes of the Foundation.

4. Reasonable Costs. The Foundation should incur only those investment fees and costs that are appropriate and reasonable in relation to its assets, the purposes of the Foundation, and the skills available to it.

5. Diversification. The Foundation shall diversify its investments unless the Foundation prudently determines that, because of special circumstances, the purposes of the Institutional Funds are better served without diversification. Decisions not to diversify shall be reviewed at least annually.

6. Timing of Investment Decisions. Within a reasonable time after receiving an asset, the Foundation shall make and carry out a decision to retain or dispose of such asset, or to rebalance the Foundation's portfolio of investments, in order to bring the Institutional Funds into compliance with the Foundation's overall investment strategy.

C. Delegation of Management and Investment Decisions

While the Board has the ultimate responsibility for the investment and management of the Institutional Funds, the Board may hire outside experts, such as investment consultants or investment managers, to assist the Foundation in making investment decisions. If the Foundation engages such outside advisors, the Board must act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in:

1. Selecting, retaining or terminating such investment advisors, including assessing any potential conflicts of interest or other factors affecting their independence.

2. Establishing the scope and terms of the delegation, including the payment of compensation, consistent with the purposes of the Foundation and the Institutional Funds.

3. Reviewing and evaluating an advisor's performance and compliance with the scope and terms of the delegation.

Any contract entered into between the Foundation and an investment advisor must provide that the Foundation may terminate the arrangement upon not more than sixty days' notice.

D. Review of Policy

The Board should review this Policy at regular intervals, and whenever a change in the Foundation's financial condition or other circumstances so require.