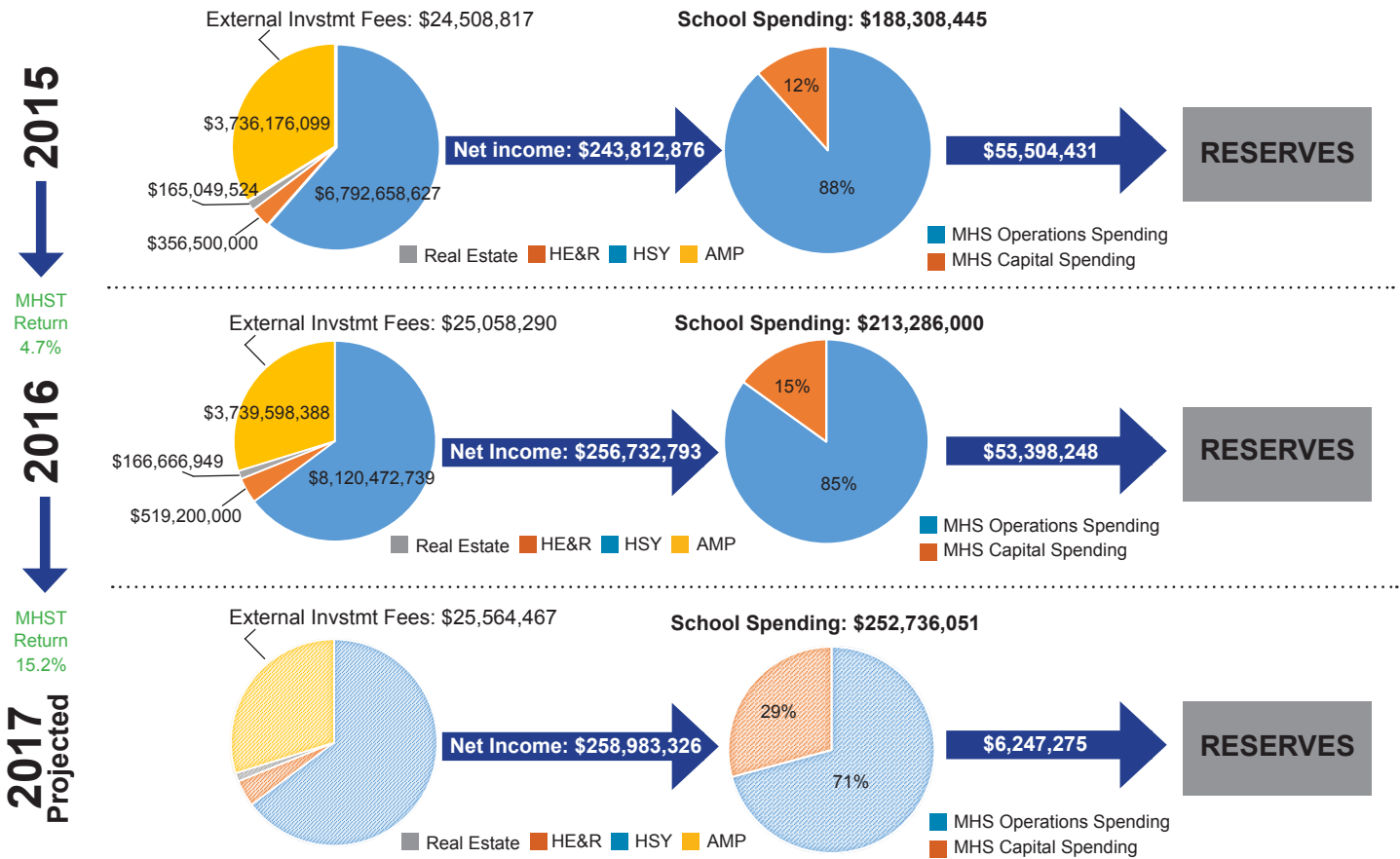


How We Fund the Milton Hershey School

As shown on the pie charts below, the School Trust now exceeds \$12 billion and is comprised of our strategic investment in The Hershey Company, a broadly diversified actively managed portfolio, commercial real estate, Hershey Entertainment & Resorts, and a rainy day fund sufficient to support the School through an economic downturn. Under the 1909 Deed of Trust, we can only spend net investment income to fund current School operations (as shown by the horizontal arrows). We also manage the School Trust to generate growth (as shown by the vertical arrows) to fund the School's long-term operations and expansion. Fortunately, in recent years, net investment income has exceeded School spending requirements and the excess has been set aside as reserves for the School.



The Value of the Rainy Day Reserve Fund

The Rainy Day Reserve Fund is part of our commitment to fiscal responsibility. We use money from the reserve only to fund the School and ensure the protection of our students and their education in times of financial uncertainty, as we did during the global economic turmoil in 2008 (illustrated below).

