

Your Investment Management Options



Investment Options

We realize that every donor’s situation is unique. That’s why we offer investment options designed for people who want to give immediately and for those who want to grow their fund over the long-term. Our investment committee has designed four investment pools to suit a variety of donor goals—or you may choose to retain your current investment manager. Some limitations apply.

Spending Policy for Endowed Funds

Endowed funds are subject to the Foundation’s spending policy established by the board of governors with the goal of maintaining the endowment’s purpose in perpetuity. The spending policy provides for a maximum amount available for granting each year and is calculated as 4% of the average trailing 20 quarters of the fund’s market value.

Investment Oversight

Our investment committee is comprised of seasoned investment and business professionals drawn from our board of governors and the larger business community. With the aid of our investment counsel, DiMeo Schneider & Associates, the committee formulates overall investment policy, determines strategic asset allocation and choice of asset classes, hires money managers, monitors and evaluates investment performance and makes changes in policy and portfolio distribution. Money managers regularly make presentations to the investment committee on portfolio performance and strategy implementation.

To learn more: AustinCF.org/AboutUs/FinancialInvestmentInformation

| Investment Policy | Long-Term Active Management | Long-Term Passive Management | Medium-Term Active Management | Medium-Term Passive Management | Separately Managed/ Active Management |
|--|--|--|--|--|---------------------------------------|
| Typical Asset Allocation | 20% Fixed Income 65% Equity 15% Alternatives | 20% Fixed Income 80% Equity | 40% Fixed Income 60% Equity | 40% Fixed Income 60% Equity | Varies |
| Horizon | >10 years | >10 years | 5-7 years | 5-7 years | Varies |
| Manager Average Expense (estimated) | 0.65 - 0.75% | 0.20 - 0.25% | 0.45 - 0.60% | 0.20 - 0.25% | Varies |
| Endowment Type | Endowed/Permanent | Endowed/Permanent | Quasi-endowed (not permanent) | Quasi-endowed (not permanent) | Varies |
| Investment Characteristics | Globally Diversified Use of Alternative Investments, including Private Equity and Hedge Funds | Globally Diversified No Alternative or Private Market Investments | Globally Diversified No Alternative or Private Market Investments | Globally Diversified No Alternative or Private Market Investments | Varies |

What Investment Option Fits Your Giving Goals?

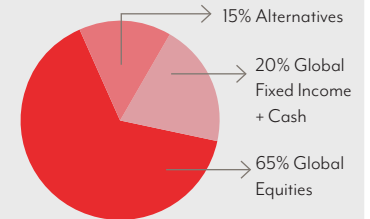
Investment Pool

Investment Allocation

If your goal is . . .
Maximizing your fund growth over the next 10 years or more

Long-Term Endowment Pool (Active Management)

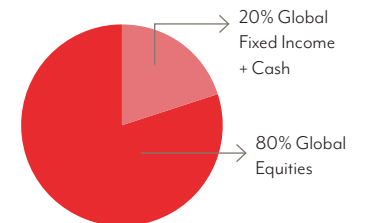
This investment pool is a well-diversified portfolio which may invest in global equities, global fixed income, and alternative investments, including private equity, private real estate, real assets, and hedged strategies. The pool is also invested in a select mix of both active and passive investment managers designed to maximize long-term, after-all-cost performance for each asset class. Because of the likely illiquidity of some underlying investments, this pool is best suited for those funds which are permanently endowed or similarly restricted in their liquidity requirements, have an investment time horizon of 10 years or greater, and seek higher long-term returns as compared to a more moderately-balanced, passive investment portfolio.



If your goal is . . .
Maximizing your fund growth over the next 10 years or more while seeking cost efficiency

Long-Term Endowment Pool (Passive Management)

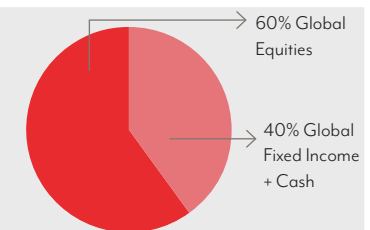
Similar to the actively managed Long-Term Endowment Pool, this investment pool is a well-diversified portfolio which may invest in global equities and global fixed income. In contrast to the actively managed pool, this pool will not invest in alternative investments (private equity, private real estate, real assets, or hedged strategies) and therefore will maintain a higher degree of liquidity. Further, this pool will invest exclusively in lower cost, passive and passive-like investment managers across the various equity and fixed income asset classes. This pool is best suited for those funds which are permanently endowed, have an investment time horizon in excess of 10 years, and seek simplicity along with higher long-term returns compared to a more moderately balanced investment portfolio.



If your goal is . . .
Maximizing your fund growth over the next 5-7 years

Medium-Term Pool (Active Management)

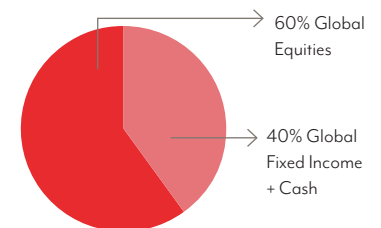
This investment pool is a well-diversified portfolio which will invest in a moderate allocation of global equities and fixed income. This pool will not invest in alternative investments (private equity, private real estate, real assets, or hedged strategies) and therefore will maintain a higher degree of liquidity for donors. The pool is invested in a select mix of both active and passive investment managers designed to maximize long-term, after-all-cost performance for each asset class. This pool is best suited for donors and funds that desire a more moderate balance between global equities and fixed income, seek simplicity with potential for market outperformance, and desire more moderate long-term returns with less equity market volatility.



If your goal is . . .
Maximizing your fund growth over the next 5-7 years while seeking cost efficiency

Medium-Term Pool (Passive Management)

This investment pool is a well-diversified portfolio which will invest similarly to the Long-Term Endowment Passive Pool, but with a more moderate allocation to global equities relative to global fixed income. This pool will not invest in alternative investments (private equity, private real estate, real assets, or hedged strategies) and therefore will maintain a higher degree of liquidity for donors. This pool will also invest exclusively in lower cost, passive and passive-like investment managers across the various equity and fixed income asset classes. This pool is best suited for donors and funds that desire a more moderate balance between global equities and fixed income, seek simplicity along with more moderate long-term returns, and are less comfortable with short-term equity market volatility.



If your goal is . . .
Maximizing your fund growth by working with your current investment manager

Separately Managed Fund

The objective of a Separately Managed Fund is to enable charitable funds such as donor advised funds to be invested with an outside investment advisor in a manner that fits your fund's time horizon and grant making intentions. When the Foundation establishes a separately managed fund on behalf of a donor with a qualified investment manager, we work with the advisor to ensure proper communication between the donor's grant requests and the managed assets needed to satisfy these requests.