

UNDERSTANDING YOUR

Investment Management Options

Investing charitable dollars is an important part of our work. We offer investment strategies to match your giving goals and provide clear, transparent information about our financial position.

/ 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 advisor, Fiducient Advisors, the committee formulates overall investment policy, determines strategic asset allocation and choice of asset classes, hires investment managers, monitors, and evaluates investment performance.

/ 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 in the short-term 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 recommend 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. Long-term options below will ensure endowment funds, are maintained in perpetuity, and can support this spending.

/ To learn more

austincf.org/investments

	Time Horizon of >10 Years		Time Horizon of 5-7 Years		Time Horizon Varies
	Endowed (permanent)		Quasi-endowed (not permanent)		Endowment type varies
Investment Policy	Long-Term Active Management*	Long-Term Passive Management	Medium-Term Active Management**	Medium-Term Passive Management**	Separately Managed
Your goal	Growth over the next 10 years or to maintain a permanent endowment	Growth over the next 10 years or to maintain a permanent endowment while seeking cost efficiency	Maximize your fund growth over the next 5-7 years	Maximize your fund growth over the next 5-7 years while seeking cost efficiency	Maximize your fund growth by working with your current investment manager
Description	Since some of the investments in this pool may be illiquid, 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.	This pool will invest in liquid lower cost, passive investments 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.	This pool is best suited for 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.	This pool is best suited for 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.	The objective of a Separately Managed Fund is to enable funds to be invested with an outside investment advisor in a manner that suits your time horizon and grant making intentions. This option requires a \$500k fund minimum.
Average Investment Expense	0.65% – 0.75%	0.20% – 0.25%	0.35% – 0.50%	0.20% – 0.25%	Varies
Typical Asset Allocation	20% Fixed income 60% Equity 20% Alternatives	20% Fixed income 80% Equity	40% Fixed income 60% Equity	40% Fixed income 60% Equity	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

Of note

* Distribution limited to the greater of 25% of fund assets or \$200,000 per quarter

** Option not recommended for endowed funds. ACF cannot guarantee the preservation of the fund principal if the standard spending policy is applied. If endowed funds select this pool they will be required to adhere to a custom spending policy.

/ Endowment Types

Endowed funds are permanent funds. Only a portion of the assets are available for distribution in order to maintain and grow the initial gift. Each year ACF will determine the amount allowed for distributions by applying its spending policy. The remaining funds are preserved and reinvested for the future.

Quasi-endowed funds are meant to maintain and grow assets while providing flexibility for distributions. Any portion of the fund can be distributed and at any time, the donor can advise our staff that their intention is to distribute the entire fund balance and close the fund.

Non-endowed funds are not invested and are ideal for donors who intend to spend down their fund within a 2–3-year time frame, whose balance fluctuates significantly throughout the year or who want to eliminate all market risk.

/ FundATX



We offer a place-based mission investing opportunity for donors. You may allocate a portion of your charitable assets to FundATX, the Foundation's portfolio of investments intended to create a positive social outcome along with a financial return. FundATX aims to improve economic security and access to affordable housing in Central Texas. The investments take the form of low-cost loans to nonprofit organizations or community development institutions. Learn more at

FundATX.org

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