

Helping charitable dollars grow

Investment Policy Endowed Funds



The Kalamazoo Community Foundation plays a unique role in our community. It exists to encourage community-based philanthropy and also to maximize the charitable gifts of its donors long term. The Community Foundation employs a moderate growth strategy for its endowed funds, which is 70 percent equities, 25 percent fixed income, and 5 percent real estate. Because the Community Foundation is fully committed to the Uniform Management of Institutional Funds Act (UMIFA) for the administration of endowed assets entrusted to it, the original gift(s) (defined as "principal" under UMIFA) can never be distributed. Therefore, the endowed assets of the Community Foundation will be with our community forever.

Investment objectives for endowed funds

- Provide grantmaking dollars, subject to a spending policy, to address immediate and expanding community needs.
- Preserve the original value of gifts in terms of inflation.
- Grow the assets in real terms as market conditions allow, thereby adding greater resources to meet community needs in the future.

The Kalamazoo Community Foundation employs an investment model principled on a consistent culture, structure, discipline and asset allocation. It is a model that has produced excellent results in both up and down markets over extended periods and is expected to do so over the long-term. As noted in the asset allocation table on the reverse side, the model has a tilt toward small cap and value equities.

The Community Foundation's board of trustees, in conjunction with its Financial Investment Committee, establishes investment policies and objectives and regularly monitors and reviews the investment performance of its core and other investment managers. These practices and objectives make the Community Foundation a fervent steward of the community's philanthropic resources.

The Community Foundation provides investment performance information to fund representatives quarterly.

Your donor relations representative will review the Community Foundation's investment policy and performance with you when you establish a fund.



For good. For ever.™

Investment Policy

Financial Investment
Committee Members are:

Bob Salisbury
Chairperson

Randy Eberts
Vice Chairperson

Si Johnson
Board of Trustees

Dean Bergy

Dan DeMent

Tom Ponto

La June Montgomery Tabron

Jan Van Der Kley

These individuals are to be recognized for the knowledge, wisdom and significant time they are giving to benefit the community as a whole.

Investment Managers and Standard Asset Allocation Strategy

Barclays Global Investors of San Francisco manages the S&P 500 Index Fund; Dimensional Fund Advisors (DFA) of Santa Monica, an enhanced index manager, manages four equity strategies and the real estate investment trusts strategy; RREEF America II, Inc. of San Francisco, Chicago and New York manages the real estate equity strategy; and Jennison Associates of Boston and New York manages two fixed income strategies. Following is the asset allocation for endowed funds:

	ALLOCATION	MANAGER
EQUITY		
S&P 500 Index	30%	Barclays Global Investors
Large Cap Value	5%	Dimensional Fund Advisors
Total Large Cap	35%	
Micro Cap	5%	Dimensional Fund Advisors
Small Cap Value	10%	Dimensional Fund Advisors
International Small Cap Value	10%	Dimensional Fund Advisors
Emerging Market Value	10%	Dimensional Fund Advisors
Total Small Cap	35%	
TOTAL EQUITY	70%	
FIXED INCOME		
Intermediate	12.5%	Jennison Associates
Long	12.5%	Jennison Associates
TOTAL FIXED INCOME	25%	
REAL ESTATE		
Real Estate Public Trusts	2.5%	Dimensional Fund Advisors
Real Estate Private Equities	2.5%	RREEF America II, Inc.
TOTAL REAL ESTATE	5%	
TOTAL ALLOCATION	100%	