

Investment Options

The North Texas Community Foundation has developed expanded investment options for the Foundation's funds. The Investment Committee, working with our investment consultant, Mason Investment Advisory Services, has chosen a set of pools comprised of active managers and index funds. These pools are calibrated to maximize the opportunity for adding value, while keeping investment costs low. For donor advisors, we welcome your recommendation on the investment pool which best meets your timeframe of expected grant recommendations.

Donor advisors should consider how long they expect to hold the majority of the balance of the donor advised fund, whether growth through appreciation is expected, and the advisors' tolerance for fluctuations in the balance. Funds exposed to anything other than cash will experience both appreciation and depreciation, but they would be expected to grow over the long term. Funds exposed only to cash will maintain current value, but the real value of these funds will erode over time because of inflation and administrative fees.

The pools below are listed in order of risk/return. The Liquid Pool has no risk and no return, so the value in several years will be the exact value it is today, less fees charged to the Fund. The Short Term-Oriented Pool is invested in fixed income, equities and cash in percentages 45/42/13 respectively. Consider this pool if anticipated grants will take most of the balance in the fund between one to two years. The Balanced Pool is invested in fixed income, equities and cash in percentages 42/56/2 respectively. Consider this pool if anticipated grants will take most of the balance in two to five years. The Long Term-Oriented Pool is invested in 81% equities and 18% fixed income, so it has the highest risk and return, but it can include the widest variations in balance. If anticipated grantmaking will occur over a period longer than five years consider the Long Term-Oriented Pool.

Investment Performance Returns, annualized

	1yr	3yr	5yr	10yr
Short Term-Oriented Pool¹	7.32	4.52	4.92	4.31**
Balanced Pool¹	8.30	6.18	7.26	5.18
Long Term-Oriented Pool¹	12.53	7.75	9.80	6.46
Growth Reference Point	10.58	5.47	7.54	4.46
77/23 Domestic Stock/Taxable Bond	13.53	8.35	10.67	6.32
77/23 Global Stock/Taxable Bond	13.52	6.01	7.85	3.89

¹Source: Mason Investment Advisory Services Inc. 9/30/2017

**Since Inception (09/30/2006)

REV. 10/01/2017

Investment Options

Name of Fund: _____

Please mark one of the options below. We cannot split balances between pools.

_____ Liquid Pool: 100% Cash and Cash Equivalents

_____ Short Term-Oriented Pool: Short Term Grant-Making Strategy
(13% Cash, 45% Fixed Income, 42% Equity - Target Allocation)

_____ Balanced Pool: Intermediate Term Grant-Making Strategy
(2% Cash, 41.5% Fixed Income, 56.5% Equity - Target Allocation)

_____ Long Term-Oriented Pool: Long Term Grant-Making Strategy
(1% Cash, 17.75% Fixed Income, 81.25% Equity -Target Allocation)

_____ Outside Investment Manager: For funds over \$500,000 and approved by NTxCF
Minimum annual administrative fee - \$5,000

Asset Category	Short Term Portfolio	Balanced Allocation Portfolio	Long Term Portfolio
I. Safety Assets	13.00 %	2.00%	1.00%
Total Safety Assets	13.00 %	2.00 %	1.00%
II. Income Assets			
Domestic Bonds			
Short-Term Maturities (1-5 years)	22.00%	14.00%	4.00%
Intermediate-Term Securities(5-10 years)	9.00%	10.00%	4.25%
Long-Term Securities (10+ years)	4.00%	5.00%	0.00%
Inflation Protected Bonds	5.00%	7.00%	4.00%
International Bonds	5.00%	5.50%	5.50 %
Total Income Assets	45.00%	41.50%	17.75%
III. Growth Assets			
Large Cap U.S. Stocks - Value	14.00%	19.00%	21.25%
Large Cap U.S. Stocks - Growth	5.00%	7.00%	11.00%
International Stocks - Value	3.50%	4.00%	7.00%
International Stocks - Growth	2.00%	3.00%	5.00%
Growth Real Estate	2.00%	6.50%	7.00%
Total Growth Assets	26.50%	39.50%	51.25%
IV. Aggressive Assets			
Small Cap U.S. Stocks - Value	5.00%	5.00%	11.00%
Small Cap U.S. Stocks - Growth	3.00%	3.00%	5.00%
International Small Cap	2.50%	3.00%	6.00%
Energy/Natural Resources/Alternative Investments	5.00%	6.00%	8.00%
Total Aggressive Assets	15.50%	17.00%	30.00%

Donor's signature

Date signed