

Fund Performance

Well-managed charitable funds benefit our community now and in perpetuity. Donors start funds with a minimum gift of \$25,000 to benefit the causes that they choose. These funds are then invested, with a portion of the funds spent each year according to the spending policies that the donors choose at the time the funds are established.

Professional investment managers invest the Community Foundation's assets in accordance with the Community Foundation's investment policies. Investment performance is monitored and overseen by the Investment Committee, comprised of Community Foundation trustees and others with investment expertise. The Community Foundation's financial statements, including investments, contributions, and future interests, are audited annually by an independent auditor and are available for public review.

Investment Options

Hundreds of named Community Foundation funds are invested as follows:

In The Growth Option

Growth to a certain benchmark defines this option. Almost the entire portfolio is held in equities. When the fund reaches the intended benchmark, it is transferred to another investment option to start awarding scholarships and/or grants.

In The Balanced Growth Option

Growing the fund at an acceptable level of risk defines this option that is generally used for quasi-endowment funds. This portfolio has tiered investments, with the majority in equities and smaller amounts in other instruments.

In The Balanced Income Option

Producing income while growing the fund generally defines this option for endowment funds. This portfolio holds tiered investments, with the majority in fixed income instruments and smaller amounts in equities and money market funds.

In The Maintenance Of Principal Option

Preservation of principal is this option's only objective. This portfolio is held in money market accounts and certificates of deposit.

Alternative Investment Option

Donors establishing a fund with \$500,000 or more may recommend an investment manager and strategy, subject to the approval of the Community Foundation's Board of Trustees.

Investment Managers

The Community Foundation worked with the following investment and financial managers in 2016–2017:

Anchor Capital Advisors	Merrill Lynch
Black Rock	Middletown Valley Bank
Brown Advisory	Morgan Stanley
Constitution Capital Partners LLC	Morgan Stanley Private
Crestline Offshore Associates, LTD	Wealth Management
Davenport Asset Management	Northern Cross LLC
Dodge's Cox	Oppenheimer
Eagle Capital Management	PNC Institutional Investments
The Family Heritage Trust Company	Prudential
First Eagle Investment Management, Inc.	Sandy Spring Bank
First United Bank & Trust	Sona Bank
Frederick County Bank	State Street Global Advisors
Glouster Capital Partners LLC	Titan Masters International Fund LLC
Golub Capital	Thornburg Investment Management
Hartford	Vanguard
Intrinsic Edge Capital Management LLC	Wells Fargo Advisors
MacKay Shields	Wilmington Trust Investment Advisors
Maryland Financial Planners	William Blair
	WMS Fairmount Fund LLC

For more information about these investment managers, their rates of return or their fees, please contact the Community Foundation at 301-695-7660.

Administrative Budget

Because 100 percent of every donation is placed into a charitable fund according to the donor's instructions, the Community Foundation meets its operational expenses through:

The Administrative Fund

This permanent fund was created in 1990 to support the Community Foundation's operations and community education activities.

Management Fees

An annual management fee is assessed on the market value of each component fund. Please see page 78, "Fund Types," for detailed information.

The Widening Circles Society And Partners In Philanthropy Campaign

This annual campaign raises money specifically for the Community Foundation to invest in community outreach to promote philanthropy. Campaign donors become members of the Widening Circles Society and businesses and civic groups who donate become Partners in Philanthropy.