



Ann Arbor Area Community Foundation Investment Oversight & Performance

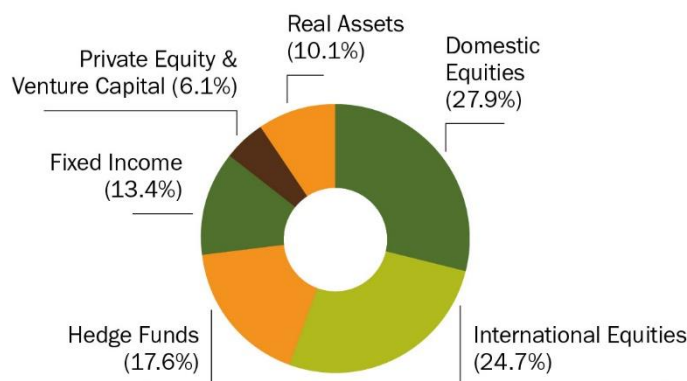
At the Ann Arbor Community Foundation, we take our fiduciary responsibilities seriously.

As a public trust, it is incumbent upon AAACF to provide good stewardship of the gifts entrusted to us. A sound long-term investment strategy and a prudent spending policy ensure our charitable funds will continue to grow and be able to generate a consistent level of grant support each year adjusted for inflation, even amidst market volatility. To accomplish that, AAACF’s investment goal is to produce a return over time that is equal to or greater than AAACF’s spending policy plus the rate of inflation.

To ensure proper oversight of our investment activities, we maintain a multi-tiered system to oversee our investment portfolio, performance and management:

- AAACF’s Board of Trustees has ultimate responsibility in overseeing the prudent investment of our assets.**
 They review investment performance monthly, and meet directly with AAACF’s professional investment consultant, Prime Buchholz & Associates, once a year. AAACF’s Board of Trustees also sets the Community Foundation’s Investment & Spending Policy and target asset allocation guidelines.
- AAACF’s Investment & Finance Committee meets quarterly with our professional investment consultant to closely monitor AAACF’s portfolio and investment performance.**
 In addition, this highly qualified group of local finance and investment professionals meets regularly to review and assess the Community Foundation’s fiscal policies, investment strategy, and budget performance.
- AAACF’s professional investment consultant, Prime Buchholz & Associates,** reports monthly on the performance and investment strategies of all fund managers. The firm also provides AAACF advice on its Investment & Spending Policy and education on investment strategies for each asset class. Founded in 1988, Prime Buchholz is a full-service independent investment advisory firm, with more than \$33 billion under management. Approximately 90% of its 260+ clients are nonprofits and include public and private foundations, educational endowments, cultural and faith-based organizations, and corporate and public pensions.

Investment Returns (Annualized)			
	1 Year	5 Years	10 Years
AAACF	-4.8%	4.2%	8.2%
Benchmark	-5.3%	3.9%	7.2%



Investment Consultant: Prime, Buchholz & Associates, Inc., Portsmouth, NH
Fee: .25% first \$20 million; .10% next \$50 million; .05% over \$70 million; \$10,000 annual discount



**Ann Arbor Area
Community Foundation**



Investment & Fund Managers

Equity Managers

ASSET TYPE	MANAGER	FEES
DOMESTIC EQUITIES		
All Cap Core	Vanguard Total Stock Fund	0.035%
Large Cap Core	Adage Capital Management	0.50%*
INTERNATIONAL (DEVELOPED) EQUITIES		
Global All Cap Value	Kiltearn Global Equity	1.00%
Mid Cap	Highclere International SMID Cap	1.25%
Small Cap	Acadian Asset Management	0.75%
Mid/Large Value	Dodge & Cox Intnl. Stock Fund	0.63%
All Cap Diversified	Harbor Diversified All Cap Instl Fund	0.80%
INTERNATIONAL (EMERGING MARKET) EQUITIES		
Emerging Value	Dimensional Fund Advisors - Emerging Market Value	0.57%
Emerging Markets Core	Eaton Vance (Parametric) Emerging Markets	0.95%

Fixed Income Managers

ASSET TYPE	MANAGER	FEES
Bond Index	Vanguard Intermediate U.S. Treasury	0.10%
	Vanguard Total Bond Market Index	0.05%
Corp Bonds	Loomis Sayles Investment Grade Fixed Income Fund	0.53%
Global Bonds	Colchester Global Fixed Income Fund	0.60%

* Plus incentive fees based on performance.

Alternative Managers

ASSET TYPE	MANAGER	FEES
Private Equity	Commonfund Capital Private Equity Partners VI LP and VII LP, Wilton, CT	0.30%*
	Landmark Equity Partners XIV LP and XV LP, Simsbury, CT	1.00%*
	Siguler Guff Distress Opportunity Fund IV, New York, NY	1.00%*
	The Resolute Fund IV, New York, NY	1.75%*
	Welsh, Carson, Anderson & Stowe XII LP, New York, NY	1.00%*
	Welsh, Carson, Anderson & Stowe XIII LP, New York, NY	1.50%*
Venture Capital	Commonfund Capital Venture Partners VIII LP, Wilton, CT	0.30%*
	Northgate Venture Partners III, Danville, CA	0.90%*
	Legacy Venture VI, Palo Alto, CA	0.75%*
	Greenspring Opportunities V LP, Palo Alto, CA	2.00%*
	Greenspring Global Partners IX LP, Palo Alto, CA	1.00%*
Funds-of-Funds	Blackstone Partners, New York, NY	1.25%*
	Pointer Management, Chattanooga, TN	1.00%*
Absolute Returns Funds	Anchorage Capital Partners Offshore, Ltd, New York, NY	1.50%*
	Blackrock Strategic Income Opportunity Fund, New York, NY	0.90%
	FPA Crescent Fund, Los Angeles, CA	1.10%
	The Varde Fund XII LP, Minneapolis, MN	1.75%*
	The Varde Fund XIII LP, Minneapolis, MN	1.50%*
Real Assets	Seaport Global Property Securities, Boston, MA	0.45%
	Denham Commodity Partners Fund VI LP, Boston, MA	1.50%
	Newlin Energy Partners LP, Princeton, NJ	1.00%
	NGP Natural Resources Fund XI LP, Irving, Texas	1.50%
	Vanguard Inflation Protected Securities, Valley Forge, PA	0.10%*
	EnCap Energy Capital Fund XI LP, Houston, TX	1.50%
	AG Realty Value Fund X LP, New York, NY	1.50%