



# WAUKESHA COUNTY COMMUNITY FOUNDATION

## Endowment Funds Investment Management, Fees and Fund Distributions

### **Investment Oversight**

The Finance Committee of the Waukesha County Community Foundation oversees all investments. Formal investment reports are presented by the investment managers on a quarterly basis. Written investment reports are received monthly.

### **Investment Performance, Management Fees and Holdings**

#### *Waukesha State Bank – Wealth Management Services*

The investment return for 2009 was 26.5%; the annualized 3-year return is -2.1%; the annualized 5-year return is 1.8%. Investment fees are .0063 (\$6.30) per \$1,000 on the first \$500,000 invested; .0045 (\$4.50) per \$1,000 for all additional funds invested; the fee for the total portfolio is then reduced by a 10% discount. There are no hidden fees. Major holdings include diversified common stock funds: Vanguard Morgan Growth, MFS Value, ICM Small Company Portfolio, Fidelity Advisor International Discovery; and three bond funds: Vanguard Total Bond Market Index; T. Rowe Price New Income; and Federated Total Return Govt. Institutional.

#### *M&I Investment Management Corporation / M&I Trust Company*

The investment return for 2009 was 22.98%; the annualized 3-year return is -1.04%; the annualized 5-year return is 2.86%. Investment fees for cumulative funds up to \$5 million invested are 50 basis points on fixed investments and 70 bps on equities. For the next \$5 million invested, fees are 40 basis points on fixed investments and 60 bps on equities. For funds above \$10 million, fees are 35 basis points on fixed investments and 50 bps on equities. There are no hidden fees. No investment counseling fees are charged on Marshall Funds, which constitute about 40% of the WCCF investments at M&I Investment Management Corporation. Other major common stock fund holdings include Vanguard Institutional Index, Davis NY Venture, Dodge & Cox Stock, Harbor Capital Appreciation and Oakmark International.

### **Current Investment Policy Adopted by the Board of Directors**

Funds shall generally be invested in mutual funds, with approximately 60% in equity funds and 40% in bond funds, with a 1-2% allowance for short-term cash investments.

### **Administrative Management Fees**

Endowment funds are typically charged 00.25% of total fund assets per quarter. Assets above \$1 million have a reduced fee. All project fund fees are arranged on a case-by-case basis.

### **Current Fund Distribution Policy Adopted by the Board of Directors**

Generally 4.5% of the average assets of a fund at the end of the previous 20 rolling quarters (5 years) may be distributed as grants, usually during the fourth calendar quarter. For funds in existence fewer than 20 quarters, 4.5% of the average assets of a fund over the number of quarters of the fund's existence after one year may be distributed as grants. Remaining earnings after fees are retained to offset inflation impact. Any exceptions to established policies require approval by the Board of Directors.