



WHAT DONORS ARE ASKING – a QUICK FAQ re INVESTMENTS

1. "In light of what has been happening with the economy, what is SCF's allocation of funds: stocks, bonds, and cash?"

This depends on the particular account and our Investment Policy Statement relative to that type of fund. The long-term funds, e.g. endowment accounts, have a large proportion in equities.

2. "What is SCF's philosophy about when to 'go to cash'? If SCF's philosophy is 'conservative,' it should be at least 80% in cash and bonds and at the most 20% in stocks."

We do not believe in market timing as there is no evidence that such a tactic works. We maintain the asset allocation for the long-term and do not succumb to short distractions or siren songs that may cause us to change at the least appropriate time. Our philosophy is to be prudent and invest for the long-term welfare of the foundation, donors and community.

3. "Why didn't SCF go to cash more quickly?"
"What are the triggers?"
"When do we know when to jump back in?"

We do not believe in market timing either going up or down. We do not know how to determine when to "get back in" and we do not know anyone who does.

4. "Where do we go from here?"

We continue to manage the portfolios in accordance with the respective IPS and in a prudent manner as outlined in the standards of the Center for Fiduciary Studies.

5. "We have an issue with the Chair of the Finance and Investment Committee also being the broker."

The Chair is an Accredited Investment Analyst and works on a pro bono basis to ensure that SCF adheres to the relevant standards of practice and prudence in making investment decisions and managing the portfolios.

6. “We have decided to not put any more into this fund and to ‘let it ride’ until things improve, or ‘until it is all gone.’ We will give directly to local charities in the interim.

That is completely the decision of the fundholder. We hope, however, that fundholders are all in this for the long-term, and when the economy improves, we will all enjoy receiving dividends and gains in keeping with the performance the Foundation has delivered in the past.