

# NAPA VALLEY

## COMMUNITY FOUNDATION

### Investment Pool Worksheet

September 1, 2004

The Napa Valley Community Foundation wants to ensure that each Fund is invested in the investment pool that best matches the Fund's grantmaking time horizon and the donor's philanthropic goals. Descriptions of each investment pool option are below.

#### **Long Term Pool [70% Equities; 30% Fixed Income]**

The Long Term Pool is designed to achieve long term growth of the Fund's principal while allowing donors to recommend grants totaling 5% of the Fund balance each year. If a Fund is a permanent endowment, if a donor wishes to have a child advise the Fund in the future, or if the Fund's grantmaking will span more than five to ten years, the Fund would achieve maximum growth and earnings if invested in the Long Term Pool. This type of investment results in exposure to both market and interest-rate risk. (The asset allocation range for the Long Term Pool is 60% to 70% equities; 30% to 40% fixed income.)

#### **Intermediate Term Pool [40% Equities; 60% Fixed Income]**

The Intermediate Term Pool provides a balanced mix of fixed income and equities. In some cases, cash may be substituted by a pool manager for fixed income holdings. If a donor plans to recommend grants equaling the entire Fund balance over a three to five-year timeframe, the Fund is best invested in the Intermediate Term Pool. The Intermediate Term Pool is also an option for Funds that have a longer time horizon but desire less exposure to equities. This type of investment results in exposure to both market and interest rate risk. (The asset allocation range for the Intermediate Term Pool is 40% to 60% fixed income; 40% to 50% equities; and 0% to 20% cash.)

#### **Short Term Pool [Cash & Equivalents]**

The Short Term Pool provides liquidity and preservation of principal. This option is recommended for Funds that will be spent down over 18 months or less.

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Annual Grant Payout	Recommended Investment Pool	Time Horizon for the Fund's Assets
5%	Long Term Pool	Grantmaking over 5-10 or more years, creation of a permanent endowment or Legacy Fund
$5% < x < 20%$	Intermediate Term Pool	The Fund is expected to be expended within 1.5 to 5 years.
20 - 100% annually	Short Term Pool	The Fund is expected to be expended in less than 18 months.

Please indicate your investment pool recommendation based on your grantmaking goals and the time horizon of your Fund. You can change your investment recommendation once per year upon written request. Each Fund can invest in no more than two pools. If you select two pools, ONE must be the Short Term Pool.

\_\_\_\_\_% **Long Term Pool**                      \_\_\_\_\_% **Intermediate Term Pool**  
 \_\_\_\_\_% **Short Term Pool**

**Please note:** All additional gifts your Fund will be allocated according to the pools recommended above, unless otherwise requested in writing. If you have any questions or need additional information, please contact us at 707.254.9565.

*By signing this form, I understand that investment pool changes can only be made once annually in writing and this request is in keeping with my philanthropy plan.*

Name of Fund: \_\_\_\_\_ Date: \_\_\_\_\_

Donor Signature(s): \_\_\_\_\_

Foundation Staff Signature \_\_\_\_\_