



Comparison of Agency Advised and Agency Endowment Funds

	Agency Advised	Agency Endowment
Purpose of Fund	Invest assets for the mid to long term that will be used for a specific project or emergency	Invest assets in perpetuity for a steady income stream that funds agency's operations
What is the advantage for the donor or agency?	Agency invests assets for higher yield and appreciation at lower cost in the pooled fund. Donors know funds are set aside for specific purpose	Donors are ensured that funds are part of a permanent endowment for the agency
Distributions to agency	Agency can request entire assets back for purpose specified in the fund agreement document. Purpose can be broad or specific.	Agency receives annual endowment payout (approx. 4% of market value) and can request up to an additional 5% of market value provided fund has adequate capital appreciation. If no appreciation, agency receives dividends and interest only.
Does distribution require approval by Foundation Board?	Yes	Yes
Where are assets invested?	Pooled endowment fund	Pooled endowment fund
Who manages investment?	Foundation's Investment Committee oversees portfolio invested in various asset classes at leading financial managers.	Foundation's Investment Committee oversees portfolio invested in various asset classes at leading financial managers.