

OKLAHOMA CITY COMMUNITY FOUNDATION

# INVESTMENT REPORT 2018

## A Letter from the Investment Committee

A fundamental value of the Oklahoma City Community Foundation’s investment program is our prudent approach to spending. Since 1989, our endowment distribution policy has been structured to provide a stable income stream to charitable beneficiaries, while preserving the fund value and maximizing the opportunity for growth. Annual distributions are calculated using 5 percent of the fund’s average market value for the previous 12 quarters as of March 31.

Likewise, the Oklahoma City Community Foundation’s investment strategy is judiciously designed with a long-term horizon in mind. In fiscal year 2017, the investment committee made strategic moves to increase potential future net returns including lowering investment fees, increasing permitted exposure to higher return asset classes and diversifying asset classes to include non-correlated investments. During fiscal year 2018, the investment committee adjusted the tactical allocation of assets to reflect the current investment environment. (See Page 2 for new tactical allocations.)

### New Investment Options

Additionally, the investment committee elected to expand the available investment options to accommodate donors with varying levels of risk tolerance. These new investment options will allow donors the ability to align their investments with their philanthropic goals. Our eligible fund types — advised funds and affiliated funds — do not have nonprofit beneficiaries that rely on annual distributions, and therefore are able to tolerate greater investment risk.



**Steven C. Agee**  
FY18 Investment Committee Chair



**Mike Collison**  
FY19 Investment Committee Chair

As of July 1, 2018, donors with advised funds and affiliated funds with a balance of \$250,000 or more have two new investment options in addition to our general investment pool: 1) a 100 percent equity pool and 2) a moderate growth pool. Both options will have larger equity exposure as compared to the general investment pool. Donors who are eligible for these new investment pools have received additional information regarding the new options.

If you have any questions, please contact **Rhonda Godwin, vice president of administration, at [r.godwin@occf.org](mailto:r.godwin@occf.org) or 405/606-2916.**

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Fiscal Year 2018 Return: 7.80%

Investment Committee & Managers

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## Investment Committee

Steven C. Agee, Chairman (*through June 30, 2018*)  
Dean, Meinders School of Business

Mike Collison, Chairman (*beginning July 1, 2018*)  
CFO, The Oklahoma Publishing Company

Martha Burger  
President, Oklahoma City University

Steven C. Davis  
Attorney, Hartzog Conger Cason & Neville

Mo Grotjohn  
The Meinders Foundation

Kirkland Hall  
Co-owner, Hall Capital

Edward Krei  
Bank Consultant

Bond Payne  
Chairman, Heritage Trust

Laura Ratliff  
Community Volunteer

J. Edward Barth, ex officio  
Attorney, Andrews Davis

Paul Dudman, ex officio  
Attorney, Fellers Snider

James H. Holloman Jr., ex officio  
Attorney, Crowe & Dunlevy

Christian K. Keesee, ex officio  
Chairman, Kirkpatrick Bank

## Investment Counsel

Jack Marringa  
United Capital Financial Advisors, LLC

## Investment Managers

Aberdeen Asset Management

BlackRock

Earnest Partners, LLC

JP Morgan Chase Asset Management

## Trustees *as of July 1, 2018*

Steven C. Agee, Chairman

Leigh Ann Albers

Mike Collison

Talita DeNegri

David Feroli

Mark W. Funke

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Ann Johnstone

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Christin V. Mugg

P.B. Odom III

Bond Payne

T. Scott Spradling

Christian K. Keesee, ex officio

Steven C. Davis, general counsel

Nancy B. Anthony, President

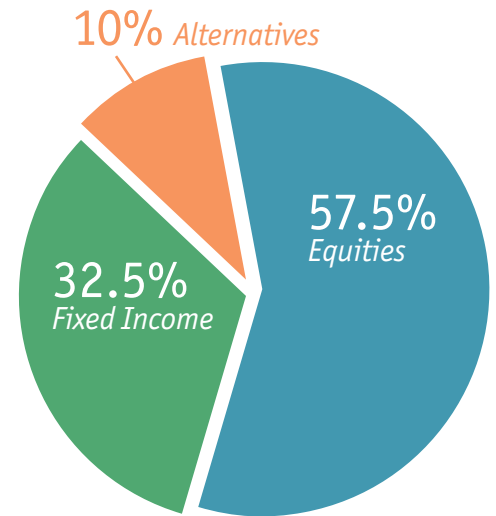
## Asset Allocation

The Oklahoma City Community Foundations' general investment pool maintains a diversified portfolio that includes exposure to higher return asset classes, as well as non-correlated investments. The investment committee, together with investment counsel Jack Marringa of United Capital Financial Advisors, LLC, determines asset allocation and remains disciplined in emphasizing diversification of assets, quality investments and a long-term perspective.

During Fiscal Year 2018, the investment committee adjusted the general pool's tactical asset allocation, increasing equity exposure from 56 to 57.5 percent and decreasing the targeted fixed income allocation from 34 to 32.5 percent.

### General Investment Pool Target Asset Allocation

*As of July 1, 2018*

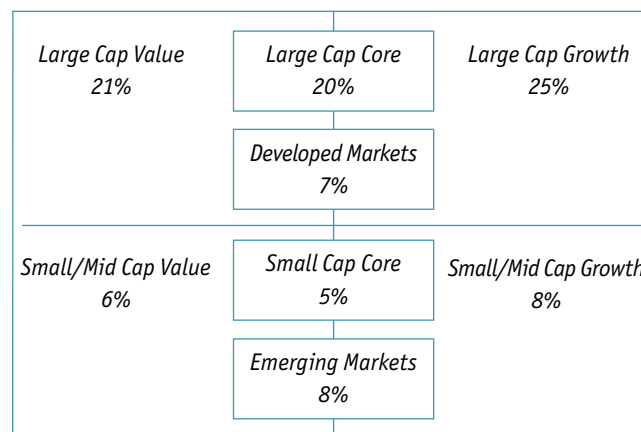


## Asset Allocation Model - General Pool

*As of July 1, 2018*

	Target	Range
Equity	57.5%	50-65%
Fixed Income	32.5%	27.5-37.5%
Cash	0%	0-10%
Alternatives	10%	7.5-12.5%

### Asset Class Target Percentage Allocation for Equities



### Target Asset Class Ranges

#### Equities:

Large Cap Value	20-40%	Small/Mid Cap Value	20-40%
Large Cap Growth	20-40%	Small/Mid Cap Growth	20-40%
Large Cap Core	33-60%	Small Cap Core	20-40%
Developed Markets	5-15%	Emerging Markets	5-10%

#### Alternatives:

REITs	3-8%	MLPs	3-8%
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# Fiscal Year 2018 Investment Performance

Pooled Investments as of June 30, 2018

	Q4 4/1-6/30	2018 1/1-6/30	FY2018 7/1-6/30	Three Years	Five Years	10 Years
<b>EQUITIES</b>						
Oklahoma City Community Foundation	2.48%	2.20%	14.05%	10.49%	11.96%	8.94%
S&P 500	3.43%	2.65%	14.37%	11.93%	13.42%	10.17%
MSCI ACWI ex US	-2.39%	-3.44%	7.79%	5.56%	6.48%	3.01%
<b>FIXED INCOME</b>						
Oklahoma City Community Foundation	-0.05%	-1.27%	-0.33%	1.04%	1.49%	3.11%
Barclays Capital Govt./Credit Intermediate A+	-0.16%	-1.62%	-0.40%	1.72%	2.27%	3.72%
<b>ALTERNATIVES</b>						
Oklahoma City Community Foundation	10.59%	-0.21%	-1.29%	**	**	**
<b>TOTAL RETURN</b>						
<b>Oklahoma City Community Foundation</b>	<b>2.34%</b>	<b>0.89%</b>	<b>7.80%</b>	<b>6.66%</b>	<b>7.69%</b>	<b>6.78%</b>
50% Russell3000/15% MSCI ACWI/ 35% Barclays Capital G/C Int (Note A)	1.49%	0.53%	8.25%	7.23%	8.39%	7.10%
65% S&P500/35% Barclays Capital G/C Int (Note B)	2.17%	1.21%	9.08%	8.39%	9.53%	8.15%

\*\*Alternative asset class was funded during FY17.

## 10-year Investment Performance History

Fiscal Year Ended	General Pool Rate of Return	Composite Indices (Note A)	Policy Benchmark (Note B)
June 30, 2018	7.80%	8.25%	9.08%
June 30, 2017	11.08%	11.98%	11.29%
June 30, 2016	1.34%	1.20%	4.35%
June 30, 2015	4.20%	3.49%	5.49%
June 30, 2014	14.56%	16.56%	16.66%
June 30, 2013	11.24%	12.58%	13.15%
June 30, 2012	2.31%	1.63%	5.44%
June 30, 2011	21.57%	21.96%	21.26%
June 30, 2010	12.99%	12.32%	12.28%
June 30, 2009	-14.61%	-16.09%	-15.20%
Ten Years Compounded (Note A)	6.78%	7.10%	8.15%

**Note A:** Equity performance is compared to the Russell 3000 stock index and the MSCI ACWI exUS International equity index; fixed income performance is compared to the Barclays Capital Government/Credit Intermediate bond index (Barclays Capital G/C Int) and total return is compared to a composite of these three indices.

**Note B:** Equity performance is compared to the Standard and Poor's 500 stock index (S&P500); fixed income performance is compared to Barclays Capital Government/Credit Intermediate bond index (Barclays Capital G/C Int) and total return is compared to a composite of these two indices.

For more information on our investment policies, visit [occf.org/investmentmanagement](http://occf.org/investmentmanagement) or contact Rhonda Godwin, vice president of administration, at 405/606-2916.

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# 2018

## Investment Report



OKLAHOMA CITY  
COMMUNITY FOUNDATION

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*“An advised fund at the Oklahoma City Community Foundation allows us to fulfill and build upon the philanthropic goals we already established.”*

David and Kelly Feroli



## Your Fund, Your Impact

When thinking about giving back, we know that impact is an important factor. An advised fund at the Oklahoma City Community Foundation can help you increase the impact of your charitable dollars, while also saving you time and tax dollars.

### Advised Fund Benefits

- Simple, tax-efficient way to give.
- Contribute any asset (cash, stock or real estate).
- Receive an immediate tax deduction.
- Support your favorite charities whenever you are ready.

Learn how setting up an advised fund at the Oklahoma City Community Foundation can help you accomplish your philanthropic goals and maximize your charitable impact.

**To learn more, call 405/235-5603  
or visit [occf.org](http://occf.org).**