



THE DALLAS
FOUNDATION

Here for Good

INVESTMENT OPTIONS

The Dallas Foundation recognizes that no single investment plan can meet every donor's needs. That's why we offer a variety of investment options, designed for different levels of risk tolerance and investment time horizons, so that each donor can meet his or her unique philanthropic objectives.

1. Standard Investment Pools

The Dallas Foundation offers a money market pool and three investment pools consisting of a broadly diversified mix of index funds. Each donor may recommend a change of investment pools at the beginning of any calendar quarter on three business days' notice. If a fund has an asset balance more than \$1 million the donor may request a customized allocation. As with any investment, past performance does not guarantee comparable future returns. The four pools are:

Investment Pools	1 Money Market	2 Fixed Income Emphasis	3 Balanced	4 Equity Emphasis
Asset Allocation	100% Money Market	21% U.S. Eq., 9% Int'l Eq., 70% Fixed Income	42% U.S. Eq., 18% Int'l Eq., 40% Fixed Income	56% U.S. Eq., 24% Int'l Eq., 20% Fixed Income
Investment Style	Very Conservative	Conservative	Moderate	Aggressive
Appropriate Fund Lifespan	<1 Year	1-3 Years	3-7 Years	>7 Years
Investment Managers in Each Pool				
Domestic Equities: Total Market <i>Vanguard Total Stock Market Index Fund</i> Passive investment attempting to replicate the MSCI U.S. Broad Market Index, which represents 99 ½% or more of the investable U.S. equity market.	0%	16%	32%	42.7%
Domestic Equities: Small Cap <i>Vanguard Small Cap Index Fund</i> Passive investment attempting to replicate the MSCI Small Cap 1750 Index, a broadly diversified index of stocks of smaller U.S. companies.	0%	5%	10%	13.3%
International: All Markets <i>Vanguard FTSE All-World ex-U.S. Index Fund</i> Passive investment attempting to replicate the performance of the FTSE All-World ex-U.S. Index, designed to measure equity market performance in the global developed and emerging markets.	0%	7.5%	15%	20%

Investment Pools	1 Money Market	2 Fixed Income Emphasis	3 Balanced	4 Equity Emphasis
Investment Managers in Each Pool				
International: Emerging Markets <i>Vanguard Emerging Markets Stock Index Fund</i> Passive investment attempting to replicate the performance of the MSCI Emerging Markets Index, designed to measure equity market performance in the global emerging markets.	0%	1.5%	3%	4%
Fixed Income: Aggregate <i>Vanguard Total Bond Market Index Fund</i> Passive investment that attempts to replicate the Barclays Capital U.S. Aggregate Bond Index, a broad representation of the investment-grade fixed income market in the U.S. The index includes U.S. government and corporate debt securities, mortgage- and asset-backed securities, and international U.S. dollar-denominated bonds.	0%	30%	16%	7%
Fixed Income: Short-Term <i>Vanguard Short-Term Bond Index Fund</i> Passive investment that attempts to replicate the Barclays Capital U.S. 1-5 Year Government/Credit Float Adjusted Index, a diversified exposure to the short-term, investment-grade U.S. bond market.	0%	30%	16%	7%
Fixed Income: International <i>SPDR Barclays Capital International Treasury Bond ETF</i> Passive investment that attempts to replicate the Barclays Capital Global Treasury Ex-US Capped Index, tracking fixed-rate local currency sovereign debt of investment grade countries outside the United States.	0%	10%	8%	6%
Money Market: <i>Goldman Sachs FST Treasury Instruments Fund</i> Invested in U.S. Treasury Securities only. Seeks to generate maximum current income consistent with preserving capital and maintaining daily liquidity.	100%	0%	0%	0%

2. *American Funds and Merrill Lynch*

The Dallas Foundation has cooperative arrangements with American Funds and Merrill Lynch. Donors may recommend that fund assets be invested in one or more of these companies' mutual funds.

3. *Other Investments*

Donors with fund balances of \$1 million or more may recommend that their fund's assets be invested with an outside manager. All outside managers must be approved by the Foundation's Investment Committee and must agree to abide by the Foundation's investment policy.