

# Investment Options



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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
<b>Asset Allocation</b>	100% Money Market	27% U.S. Eq., 70% Fixed Income, 3% Alternative	54% U.S. Eq., 40% Fixed Income, 6% Alternative	72% U.S. Eq., 20% Fixed Income, 8% Alternative
<b>Investment Style</b>	Very Conservative	Conservative	Moderate	Aggressive
<b>Appropriate Fund Lifespan</b>	<1 Year	1-3 Years	3-7 Years	>7 Years
<b>Investment Managers in Each Pool</b>				
<b>Domestic Equities: Total Market</b> <i>Vanguard Total Stock Market Index Fund</i> Passive investment that seeks to replicate the performance of the CRSP U.S. Total Market Index. The Index represents approximately 100% of the investable U.S. stock market including large-, mid-, and small-capitalization companies regularly traded on the New York Stock Exchange and Nasdaq national markets.	0%	19%	38%	50%
<b>International: All Markets</b> <i>Vanguard FTSE All-World ex-U.S. Index</i> Passive investment that seeks to replicate the performance of the FTSE All-World ex-U.S. Index, a market-capitalization-weighted index designed to measure equity market performance in the international developed and emerging markets outside of the United States.	0%	8%	16%	22%
<b>Fixed Income: Short-Term</b> <i>Vanguard Short-Term Bond Index Fund</i> Passive investment that seeks to replicate the performance of the Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of the U.S. government and investment grade corporate bonds that have maturities between 1 and 5 years.	0%	30%	15%	6.75%

Investment Pools	1 Money Market	2 Fixed Income Emphasis	3 Balanced	4 Equity Emphasis
<b>Investment Managers in Each Pool</b>				
<b>Fixed Income: Intermediate-Term</b> <i>Vanguard Intermediate-Term Bond Index Fund</i>	0%	30%	15%	6.75%

Passive investment that seeks to replicate the performance of the Barclays U.S. 5-10 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of the U.S. government and investment grade corporate bonds that have maturities between 5 and 10 years.				
<b>Fixed Income: International</b> <i>SPDR Barclays Capital International Treasury Bond ETF</i> Passive investment that seeks to replicate the price and yield performance of the Barclays Global Treasury Ex-US Capped Index. The index is designed to track fixed-rate local currency sovereign debt of investment grade countries outside the United States.	0%	10%	6%	3%
<b>Senior Bank Loans</b> <i>iBoxx Senior Loan ETF</i> Passive investment that attempts to replicate the Market iBoxx USD Liquid Leveraged Loan Index, consisting of approximately 100 of the largest, most liquid leveraged senior bank loans in the U.S.	0%	0%	4%	3.5%
<b>Alternative Investments: REIT</b> <i>Vanguard REIT Index Adm</i> Passive investment that seeks to replicate the performance of the MSCI U.S. REIT Index. The index is composed of the equity of publicly traded Real Estate Investment Trusts holding each position in approximately the same proportion as its weighting in the index.	0%	1.5%	3%	4%
<b>Alternative Investments: MLP ETN</b> <i>JPMorgan Alerian MLP Index Exchange Traded Note</i> Passive investment that seeks to replicate the Alerian MLP Index. The index tracks the performance of midstream energy Master Limited Partnerships. This Exchange Traded Note (ETN) makes variable quarterly coupon payments linked to the cash distributions made by the underlying constituents of the Alerian MLP Index.	0%	1.5%	3%	4%
<b>Money Market:</b> <i>U.S. Government and Treasury Obligations Portfolio</i> Securities issued with the full faith and credit of the U.S. Government including U.S. Treasury Bills and Notes, and Certificate of Deposits issued by FDIC insured banks. The Dallas Foundation provides 100% liquidity for all funds invested in this pool. Funds remain available for grant distributions at any time.	100%	0%	0%	0%

## 2. American Funds, Merrill Lynch, and UBS

The Dallas Foundation has cooperative arrangements with American Funds, Merrill Lynch, and UBS. 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.