



INVESTMENT CHOICES

FUNDS ARE INVESTED IN ALIGNMENT WITH YOUR CHARITABLE GOALS



External Fund Management

At a donor's request and recommendation, charitable assets of a certain size may be managed by external money managers who are independent of the donor and agree to follow ACF investment guidelines and policies.



ARIZONA
COMMUNITY
FOUNDATION

* Represents estimated annual investment expenses as of March 31, 2023. Includes underlying investment manager fees, ACF's investment oversight fee, and custody, consulting, and legal expenses.

azfoundation.org

ACF-08-XXIII

POOL SELECTION GUIDANCE FOR FUNDHOLDERS

The Arizona Community Foundation offers five investment pool options, each with its own objective, structure and risk/return profile. ACF believes donors should consider several key factors when choosing an appropriate investment pool for their ACF fund, rather than attempting to ‘time the market’ or choose a pool based solely on a comparison of the pools’ historical performance. ACF maintains a long-term, strategic focus related to investments and we encourage all donors to do the same in relation to their ACF funds.

Key Factors to Consider

Fund Purpose & Type

- What is the ultimate purpose of your ACF fund?
- Is the fund endowed or spendable?

We recommend the Long Term Diversified Pool for all endowed funds.

Time Horizon & Grantmaking Plans

- Do you expect the fund will be fully granted out/distributed within a limited time period or do you expect the fund to exist in perpetuity?
- How much of the fund’s balance do you expect will be granted out/distributed each year?
- Do you have plans to make additional gifts/contributions to the fund?

Endowed funds are expected to exist in perpetuity while the time horizon for spendable funds will vary based on the pace of grantmaking and additional gifts to the fund. Funds with a long time horizon are generally able to withstand a relatively high degree of volatility since they have low distribution requirements and more time for the fund’s balance to recover from downturns in the financial markets.

TIME HORIZON	IN YEARS	SUITABLE POOL
Short	Less than two years	Short Term Pool
Medium	Two to seven years	Intermediate Pool
Long	More than seven years	Socially Responsible Pool Long Term Diversified Pool Long Term Aggressive Growth Pool

Risk Tolerance

- What is your willingness to tolerate volatility or swings in your fund’s balance based on the prevailing financial market environment?

While financial markets are expected to produce positive returns over the long-term, it is the nature of financial markets to go through periods of ups and downs. Investors who are not comfortable with the volatility of their investments are more likely to make rash decisions based on short-term swings, ultimately exiting or entering investments at the worst possible time.

EXPECTED VOLATILITY (RISK)	SUITABLE POOL
Low	Short Term Pool
Moderate	Intermediate Pool
High	Socially Responsible Pool Long Term Diversified Pool
Very High	Long Term Aggressive Growth Pool