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## Investment Management

The Board of Directors of the Community Foundation of Mendocino County has the legal responsibility for supervising organizational investments. In exercising its legal and fiduciary responsibilities, the Board has established policies and procedures that guide its investments.

Maintaining its ultimate authority, the Board has created an Investment Advisory Committee to oversee the management of endowment and other long-term assets. The Committee's mandate requires it to meet at regular intervals (at least quarterly) and report to the Board.

The Committee seeks a return on investment consistent with levels of investment risk that are prudent and reasonable given medium to long-term capital market conditions and the investment objectives of The Community Foundation. While the Committee recognizes the importance of the preservation of capital, it also recognizes that to achieve The Community Foundation's investment objectives requires prudent risk-taking. Therefore the Committee's policy regarding investment risk, consistent with modern portfolio theory, is that risk cannot be eliminated but should be managed, and that fiduciaries have the obligation to take risk to meet long-term goals

The Community Foundation's endowment assets are managed:

Main Street Research ([www.ms-research.org](http://www.ms-research.org))

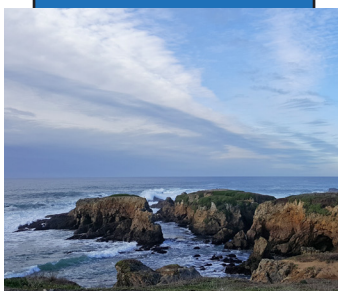
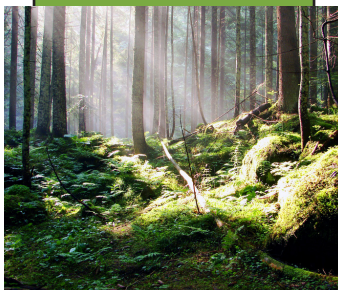
The Investment Fund for Foundations ([www.tiff.org](http://www.tiff.org))

Vanguard Institutional Advisory Services ([www.institutional.vanguard.com](http://www.institutional.vanguard.com))

**Main Street Research** was referred to the Community Foundation by the Schwab Advisor Network and has been on that list of recommended advisors since the Network's inception in 1994. Main Street was selected for its active risk management process that triggers reduced exposure to certain securities, sectors or industries, depending on the financial markets. This risk management program produced excellent comparative returns for Main Street clients during the 2008 economic downturn.

**The Investment Fund for Foundations (TIFF) Multi-Asset Fund (MAF)** is a diversified investment open to that actively employs over 20 managers. MAF is open primarily to foundations, endowments, other 501(c)(3) organizations, and certain other non-profit organizations. In most cases, organizations seeking to invest in MAF must be "accredited investors" as defined in Rule 501(a) under the Securities Act of 1933, which generally requires that a non-profit organization have total assets in excess of \$5 million.

**Vanguard Institutional Advisory Services** provide a low cost and diversified portfolio of indexed equity funds, and bond funds that are both indexed and actively managed. Vanguard has extensive resources to assist its institutional, non-profit clients.



## Investment Committee Membership

**Jim Taul** (chair) is retired from a career of over 20 years at Kaiser Permanente designing its pricing, payment, and finance systems. He studied English at Kenyon, architecture at MIT, and economics and probability at Stanford. Jim has served 15 years on boards of small theatres in San Francisco including roles as President and Treasurer.

**Monte Hill** is a retired financial advisor who spent nearly 29 years with various firms. Monte is very active in the community serving on the boards of the Community First Credit Union, Grace Hudson Museum Endowment Fund, and MPIC.

**Winston Bowen's** non-profit experience includes eight years on the Mendocino Land Trust board, six as president and four years as acting Executive Director. He also served 18 years on the Friends of the Observatory board (supporting Griffith Observatory), five as president. He holds the Personal Financial Planning Certificate from UCLA Extension.

**Guil Dye** was an Air Force officer, worked in the television industry, and then was in the investment management business for 15 years. Since 1978 he has owned and managed Broadcasting Corporation of Mendocino County, which operates two regional FM stations.

**Kate Erickson** is president of Kate Erickson Financial in Fort Bragg, an affiliate of LPL Financial Services.

**Katie Gibbs** studied architecture at the Harvard Graduate School of Design and achieved a doctorate in Urban Design in France. For 15 years she owned and operated a steel bridge building business with her brother. Katie is a member of the American Association of University Women, P.E.O., Rotary Club of Ukiah, and Plowshares Peace and Justice Center.

**Ted Stephens** has been an independent tax and financial advisor for over 30 years. He has been married to his wife Gayle for over 30 years and has two daughters in their mid-20s. His business office is in Santa Rosa. Ted also manages his family ranch near Yorkville. Ted has a MS in Taxation and a MBA in Finance besides his undergraduate degrees. Ted serves on several corporate and charitable boards locally and out of state.

**Philip Thomas** graduated from Occidental College in Los Angeles. He was an elementary teacher for 40 years and spent more than 30 years analyzing, building, and working on school district budgets. He was a labor negotiator for 35 years and has sat on both public and private boards of directors for 30 years.

## Endowment Pool Returns

5 year average: 7.61%

10 year average: 5.81%

