Endowment Funds

The endowment spending rate is based upon a total return approach, which utilizes both income and capital appreciation to be withdrawn for spending. The current allowable spending amount (over and above investment and administrative fees) shall be 4.5% of the previous twenty quarter moving average of the fund’s market value. The formula shall be applied to the 20 quarters ending the fourth quarter of fiscal year, to provide the spending amount for the next fiscal year. The Finance and Investment Committee and the Board of Directors must approve the distribution rate each year.*

What becomes spendable each year stays spendable. It remains invested with the rest of the fund, and if not distributed, it continues to be considered as part of the fund’s total market value for purposes of the calculation of spendable in future years.

Additionally, new contributions to the fund may be designated as either spendable or non-spendable, as long as less than 50% of the total market value is spendable. In other words, the fund must always be more than 50% nonspendable dollars.

Non-endowed Funds

For non-endowed funds, the fund balance is 100% spendable with the following caveat: the required fund minimum (subject to change as the “Fund Minimums and Annual Fee Schedule” policy changes), along with a sufficient amount to cover administrative fees, must remain in the fund at all times to keep it viable. A letter from the fund advisor indicating an intention to close the fund must accompany any distribution request that would drop the fund balance below the required minimum.

*As always, Community Foundation policies are subject to change, though some, like the spending policy, do not change often.
Investment Pools

Community Foundation of the Lowcountry offers a variety of investment options, each designed to meet a range of philanthropic goals and time horizons. Each pool is carefully constructed and diversified to maximize return and limit volatility.

As a fund advisor, you may recommend an allocation in up to two investment pools, and you may recommend a change in allocation between pools once per year. We will not rebalance a fund’s investments between pools without a written request from the fund advisor.

**Long Term Growth Pool**
The long-term growth pool seeks long-term capital appreciation. The asset allocation is 60% equity, 20% fixed income, 10% real assets, and 10% diversifying strategies. The pool offers investors broad domestic and international market exposure, investing in large cap and small cap securities in developed and emerging market countries. The pool includes a 10% allocation to diversifying strategies hedge funds; the allocation to hedge funds is designed to improve the overall risk/return profile of the total portfolio. The pool is an appropriate strategy for investors who seek capital appreciation. The pool is designed for funds with a long-term time horizon (greater than five years).

**Moderate Growth Pool**
The moderate growth pool seeks long-term capital appreciation; current income is a secondary focus. The pool’s asset allocation is 50% equity, 35% fixed income, 5% real assets, and 10% diversifying strategies. The moderate growth pool offers investors broad domestic and international market exposure, investing in large cap and small cap securities in developed and emerging market countries. The moderate growth pool is an appropriate strategy for investors who seek capital appreciation with moderate risk. The moderate growth pool is designed for investors with a three-five year time horizon.

**Short Term Pool**
The short-term pool has no risk tolerance. The pool’s asset allocation is invested 100% in money markets and CDs. The short-term pool is an appropriate strategy for investors who do not seek capital appreciation, but also do not want any risk. The short-term pool is designed for investors with a one- or two-year time horizon.

The investment mix in these pools may change periodically. For more information about our spending policy and investment pools, please contact Nicki Charles, Vice President for Finance and Administration, at 843.681.9100.