Established in 1975 by local individuals, Greater Worcester Community Foundation is a vehicle for creating personal and lasting legacies. With just a bit of guidance, the Foundation can carry out your charitable wishes, now and in the future. Join us in our mission to create opportunity for all.

EQUITY MANAGERS are expected to achieve an annualized rate of return over a three- to five-year period which exceeds an appropriate market index rate of return by 1.0%, compounded annually, net of costs and fees.

FLEXIBLE CAPITAL MANAGERS are expected to achieve an annualized rate of return over a three- to five-year period which exceeds an appropriate market index rate of return, compounded annually, net of costs and fees, while also lowering annualized standard deviation.

FIXED INCOME MANAGERS are expected to exceed appropriate market indices by 0.50%, compounded annually, net of costs and fees.

REAL ESTATE MANAGERS are expected to achieve an annualized rate of return over a three- to five-year period equal to inflation plus Foundation spending rate, compounded annually, net of costs and fees, while also lowering annualized standard deviation.

No member of the Board of Directors, Investment Committee, or administration shall have a material financial relationship with any management firm or any fund under consideration.

No independent investment consultant retained by the Foundation shall be a party to any transaction or have a financial or other interest in any investment manager providing services to the Foundation or any fund in which the Foundation has an investment.

The Foundation’s current spending rate for permanent endowment funds is 4.0% of market value, averaged over twenty preceding quarters ending September 30. Contributions received after September 30 are normally not included in the calculation for the next fiscal year, although exceptions are made for significant gifts.

Spending policy effective March 12, 1991
Spending rate effective January 2020

APPENDIX A

The Foundation’s current spending rate for permanent endowment funds is 4.0% of market value, averaged over twenty preceding quarters ending September 30. Contributions received after September 30 are normally not included in the calculation for the next fiscal year, although exceptions are made for significant gifts.

Spending policy effective March 12, 1991
Spending rate effective January 2020

APPENDIX B

As of May 1, 2016, the approved asset allocation with target ranges and index benchmarks are as follows:

<table>
<thead>
<tr>
<th>Allocation Target (Range)</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Equity</td>
<td>MSCI AC World</td>
</tr>
<tr>
<td>60% (55-65)</td>
<td></td>
</tr>
<tr>
<td>Private Equity</td>
<td>All Private Equity Index</td>
</tr>
<tr>
<td>5% (0-10)</td>
<td></td>
</tr>
<tr>
<td>Total Flexible Capital</td>
<td>HFRI FOF Diversified</td>
</tr>
<tr>
<td>20% (15-25)</td>
<td></td>
</tr>
<tr>
<td>Total Fixed Income</td>
<td>Composite Benchmark</td>
</tr>
<tr>
<td>10% (5-15)</td>
<td></td>
</tr>
<tr>
<td>Total Real Estate</td>
<td>Composite Benchmark</td>
</tr>
<tr>
<td>5% (0-10)</td>
<td></td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>S-Month T-Bill</td>
</tr>
<tr>
<td>0% (0-10)</td>
<td></td>
</tr>
</tbody>
</table>

APPENDIX C

EVALUATION OF MANAGERS

EQUITY MANAGERS are expected to achieve an annualized rate of return over a three- to five-year period which exceeds an appropriate market index rate of return by 1.0%, compounded annually, net of costs and fees.

FLEXIBLE CAPITAL MANAGERS are expected to achieve an annualized rate of return over a three- to five-year period which exceeds an appropriate market index rate of return, compounded annually, net of costs and fees, while also lowering annualized standard deviation.

FIXED INCOME MANAGERS are expected to exceed appropriate market indices by 0.50%, compounded annually, net of costs and fees.

REAL ESTATE MANAGERS are expected to achieve an annualized rate of return over a three- to five-year period equal to inflation plus Foundation spending rate, compounded annually, net of costs and fees, while also lowering annualized standard deviation.

To learn more about the power of community philanthropy, contact us at 508-755-0980 or visit www.greaterworcester.org.

One Mercantile Street, Suite 010 | Worcester, MA 01608
A VARIETY OF FUND TYPES MEET DIFFERENT DONOR INTERESTS:

- Discretionary + Field of Interest Funds
- Donor Advised Funds
- Designated Funds
- Scholarship Funds

WAYS TO GIVE:

- Cash
- Marketable securities
- Through a bequest
- Personal property or real estate
- Designating the Foundation as the beneficiary of a life insurance policy
- Through a gift annuity that provides life income to you or a designated partner
- 

INVESTMENT POLICY

I. PURPOSE

The Greater Worcester Community Foundation ("Foundation") is a public charity established in 1975 to attract and retain gifts for general community improvement in the Central Massachusetts region. It distributes grants and awards charitable activities in keeping with the intentions of its donors and as determined by the Board of Directors. Gifts and assets managed in a commingled investment structure by the Board of Directors, ever mindful of its stewardship, has caused this statement to be prepared. The Board of Directors, ever mindful of its stewardship, has caused this statement to be prepared. The Board of Directors, ever mindful of its stewardship, has caused this statement to be prepared.

II. SPENDING POLICY

The Board of Directors has adopted a total return spending policy for its permanent funds. This policy determines a fixed percentage of each Named Fund's total market value to be made available for charitable distribution in the form of grants and awards. The total market value includes dividend and interest income, and realized and unrealized capital appreciation. The spending rate is determined annually and does not fluctuate from non-permanent funds. See Appendix A for description of current spending rate.

III. INVESTMENT OBJECTIVE

The Foundation's investment objective is designed to ensure both preservation and growth of principal and a dependable source of revenue for charitable distribution and expenses. The Foundation has selected a mix of asset classes based on the historical relationships between asset mix and returns. The portfolio will be managed on a total return basis, consistent with the Foundation's overall asset allocation. When constructing a portfolio, the Foundation may consider bringing the exposure back under its discretion to manage funds in accordance with its stewardship, has caused this statement to be prepared. The Board of Directors, ever mindful of its stewardship, has caused this statement to be prepared. The Board of Directors, ever mindful of its stewardship, has caused this statement to be prepared.

DIVERSIFICATION OF INVESTMENTS AND ASSET ALLOCATION

Financial markets and inflation rates are cyclical. The Foundation's structure is meant to minimize the impact of market volatility through several factors under the "prudence standard" as established in accordance with Uniform Prudent Management of Institutional Funds Act (UPMIFA), as outlined below.

A. The duration of the funds
B. The purpose of the institution and organizational mission
C. General economic conditions
D. The relative effect of investor definition
E. The expected total return of the portfolio
F. Asset allocation
G. Cash
H. Organizational resources
I. The need for liquidity-alignment with the spending need

V. INVESTMENT CONSULTANT

The Foundation retains the services of an independent investment consultant for the purpose of advising the Investment Committee in developing and attaining its investment objectives. Such consultant shall not be compensated by any firm the Foundation invests with, and shall be free of any conflicts of interest.

VI. PERFORMANCE MEASUREMENT

When measuring performance of its investment managers, the Foundation will use performance net of management fees, as stated in the terms of the management agreement.

VII. COMMUNICATION AND REPORTING

Investment managers are expected to communicate with the Foundation through its Investment Consultant, Investment Committee, and Executive Director, in all matters pertaining to investment policy and management of Foundation assets. In the event of any unsatisfactory performance, the Investment Committee may conduct an evaluation of its investment consultant annually. This evaluation shall include a review of the consultant's performance, in a format as may be requested by the consultant.

八. EVALUATION OF MANAGEMENT

The Foundation will employ the criteria more specifically set forth in Appendix C in evaluating the Foundation's investment performance. The Board of Directors will ensure that the investment manager's performance is evaluated in a format as may be requested by the consultant.

IX. VARIANCE

The Foundation may at any time change its investment objectives or asset allocation, which may require that funds be transferred between asset classes, to new asset classes, or among styles within asset classes. These changes may result in increases, decreases or elimination of funds under management by a specific manager.

X. PERFORMANCE MEASUREMENT

When measuring performance of its investment managers, the Foundation will use performance net of management fees, which must be compared to relevant benchmarks. In the event of any unsatisfactory performance, the Investment Committee may conduct an evaluation of its investment consultant annually. This evaluation shall include a review of the consultant's performance, in a format as may be requested by the consultant.

XI. COMMUNICATION AND REPORTING

Investment managers are expected to communicate with the Foundation through its Investment Consultant, Investment Committee, and Executive Director, in all matters pertaining to investment policy and management of Foundation assets. In the event of any unsatisfactory performance, the Investment Committee may conduct an evaluation of its investment consultant annually. This evaluation shall include a review of the consultant's performance, in a format as may be requested by the consultant.

ACORN SOCIETY

You have provided for your family and loved ones, and now you want to make a difference in the wider world around you. You can support the causes and community closest to your heart by making a bequest to Greater Worcester Community Foundation. The Foundation is uniquely able to carry out your many diverse philanthropic goals. A bequest gift can be any portion of your estate or a life income charitable vehicle. When you let us know that you have made a planned gift, you will become a member of the ACORN Society. Join an ever-growing community of special donors who, like you, want to create a personal legacy.

FEES

INVESTMENT MANAGEMENT FEE

Investment managers charge fees for their investment services provided in the management of the Foundation's assets. Investment performance results are net of investment management fees. The investment management fee is projected to be 0.75% per year and may vary based on changes in investment managers.

ADMINISTRATIVE FEE

The Administrative fee is charged by the Foundation to help cover the cost of operations. The fee varies depending on the type and size of the fund. Administrative fees are charged monthly and withdrawn from the fund's assets.

Agency Fund .......................... 0.75%
Donor Advised Fund .................. 1.25%
Designated Fund ....................... 1.25%
Discretionary Fund .................... 1.25%
Field of Interest Fund ................ 1.25%
Scholarship Fund ...................... 1.95%

* Amounts above $5,000,000 are assessed at 1.00% annually.
* A minimum fee of $250 per year is drawn on all funds.

GROWING THE GOOD WITH A NAMED FUND

Through the Foundation, individuals, families, businesses and organizations endow funds that grant to causes they care about. In this way, we help people like you build a legacy that enhances our community in perpetuity.

Donor Advised Funds

Enables donors to recommend grants to match their passions and values.

Designated Funds

Support one or more organizations in perpetuity.

Scholarship Funds

Support college tuition for area students.

You choose the name of the fund — perhaps to honor or remember a loved one, celebrate a milestone, or support a cause. We help you that your charitable intentions are followed in perpetuity.

WAYS TO GIVE INVESTMENT POLICY

Appendix A for description of current spending rate.

Appendix B for current asset allocation rate.

Appendix C for description of current spending rate.

Appendix D for current asset allocation rate.

Appendix E for description of current spending rate.

Appendix F for description of current spending rate.

Appendix G for description of current spending rate.

Appendix H for description of current spending rate.

Appendix I for description of current spending rate.

Appendix J for description of current spending rate.

Appendix K for description of current spending rate.

Appendix L for description of current spending rate.

Appendix M for description of current spending rate.

Appendix N for description of current spending rate.

Appendix O for description of current spending rate.

Appendix P for description of current spending rate.

Appendix Q for description of current spending rate.

Appendix R for description of current spending rate.

Appendix S for description of current spending rate.

Appendix T for description of current spending rate.

Appendix U for description of current spending rate.

Appendix V for description of current spending rate.

Appendix W for description of current spending rate.

Appendix X for description of current spending rate.

Appendix Y for description of current spending rate.

Appendix Z for description of current spending rate.

(continued on back)