

Hosted Organization Funds *at the Victoria Foundation*



Why establish a Hosted Fund at the Victoria Foundation?

Benefits

The Victoria Foundation is committed to providing personalized service to hosted organizations and partnering with them to build their endowment funds and their long term capacity for the benefit of the programs and people they serve. These services and benefits include:

- Access to the pooling of investments for increased return and less risk.
- A stable stream of distributions on a quarterly, semi-annual or annual basis.
- Quarterly fund statements.
- Invitation to the Annual Hosted Organization Update and Learning Event.
- Promotion opportunities via web-site linkages, foundation events and publications.
- Ease of administration as the Victoria Foundation prepares receipts and fund statements and, if requested, works with the hosted organization's board and staff in the administration of the fund.
- Access to a local community foundation resource with an excellent reputation for donor stewardship, grant-making and community leadership.
- Our grants team provides research services to donors and conducts site visits of organizations.
- This research capability also extends to our key community initiative Victoria's *Vital Signs*[®], an annual community check-up conducted by community foundations across Canada that measures the vitality of our community, identifies significant trends, and assigns grades in eleven areas critical to quality of life.

Consider our history and experience

The strengths of the Victoria Foundation lie in our relationship and fund management skills. Fund holders who choose to work with us do so because of our strong history and proven ability to maintain personal relationships, while at the same time managing complicated funds. Established through an Act of the BC Legislature in 1936 the Victoria Foundation is the second oldest community foundation in Canada and at the end of 2008, we were the sixth largest of the 164 community foundations across the country. Since 2001, our total assets under management have grown from \$25 million to more than \$165 million. We have managed over \$54 million in Provincial Government funds for the benefit of children and families throughout British Columbia, as well as \$38 million for a provincial scholarship society with six scholarship funds benefiting students from all parts of the province. Our volunteer board of directors is comprised of community leaders and our 13 full and part time staff members work to ensure all our fund holders benefit from their relationship with the Victoria Foundation.

Join others.

The Victoria Foundation fulfills the crucial role of assisting charitable organizations to build endowments that provide a steady stream of secure funding for on-going operations, programs and special projects. Over 75 organizations have entrusted their funds to the Victoria Foundation. By working with us, these organizations are investing in their future, building assets, moving towards greater strength and building capacity. We are proud to assist them in their efforts to make our community and our province the best it can be.



**VICTORIA
FOUNDATION**
CONNECTING PEOPLE

Frequently Asked Questions

1. *What is the minimum capital amount required to establish an endowment?* \$10,000

2. *What are your total returns for the past 3, 5 and 10 years using December 31, 2009 as your starting point?*

Our total returns were: 3 years – 0.16% 5 years – 5.02% 10 years – 5.85%

YTD Calendar returns to December 31, 2009 are 16.0%

3. *Who are your investment managers?*

Our current investment managers are Jarislowsky Fraser Limited Investment Counsel in Calgary (Chad van Norman) and Leith Wheeler Investment Counsel Ltd. in Vancouver (Jonathan Palfrey).

4. *What fees are charged to the endowment fund?*

The fund management fee varies depending on the type of fund and the services required. For funds managed on behalf of hosted organizations, we charge a fund management fee of 0.75% annually, paid and calculated monthly on the market value of the fund. Our distribution policy rate is set annually by our board of directors and will be 3.75% for 2010.

The investment management fees are approximately 0.33%, depending on the balance of our endowment accounts.

Investment management fees are included in our calculation of Total Returns which is defined as the sum of Interest, Dividends, Realized Capital Gains (Losses) and Unrealized Capital Gains (Losses) LESS investment management fees. Pursuant to *Victoria Foundation Act*, the investment management fee includes our custodial fee. *There are no hidden fees and we strive to ensure the maximum return to each endowment fund over the long-term.*

5. *How much is distributed each year to the fund holder?*

The distribution rate for granting is 3.75% less fund management fees. Current fund management fees are 0.75% annually, paid and calculated monthly on the market value of the fund. Distributions are made on an annual, semi-annual or quarterly basis to the fund holder (dependent upon the size of the endowment fund).

Endowment Fund Capital	\$ 100,000
Long-term total returns @ 6%	\$ <u>6,000</u>
	\$ <u>106,000</u>
Distribution available for grants	\$ 3,750
Fund management fees @ .75%	\$ <u>(750)</u>
Net grant back to hosted organization	\$ <u>3,000</u>
Endowment fund capital	\$ <u>102,250</u>

Please note that this calculation uses simple math to illustrate how an endowment fund works. Actual results will vary.

6. *Who benefits from any interest earned on allocated income pending its distribution – the fund holder or your organization?*

All investment income earned on the endowment fund is allocated directly to the endowment fund. The fund holder benefits from any interest earned on allocated income pending its distribution. Until the money is spent, it belongs to the fund.

7. *Can an organization outside the County of Victoria still benefit from a Hosted Organization Fund at the Victoria Foundation?*

Yes. Pursuant to the *Victoria Foundation Act*, we are not limited to the County of Victoria in our fund management and granting services.

Our commitment to you.

The Victoria Foundation's vision is *connecting people who care with causes that matter*. By entrusting your organization's endowment fund to the Victoria Foundation, you will be provided with a high level of personalized service and sound investment management in an environment of collaboration and integrity that will create positive change in our community and beyond.

Please contact us for more information or assistance in establishing an endowment fund:

Sandra Richardson, Executive Director/CEO – sandra@victoriafoundation.bc.ca

Susan Lucato CGA, Finance Director - susan@victoriafoundation.bc.ca

Sara Neely, Director of Philanthropic Services - sneely@victoriafoundation.bc.ca