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FUND EVALUATION GROUP RELEASES THE FEG 2016 COMMUNITY FOUNDATION SURVEY RESULTS

CINCINNATI – August 31, 2016 – Fund Evaluation Group, LLC (FEG) released the results from the FEG 2016 Community Foundation Survey, which investigated an array of investment and enterprise topics.

Based on client feedback that current surveys available to community foundations often are too narrow in scope, FEG expanded their own survey—first issued in 2014 with the explicit goal of providing a peer comparison for spending policy and asset allocation—to include fresh perspectives on topics such as fundraising, donor advised funds, technology, grant cycles, and responsive / mission-based investing.

Some of the key findings on select investment and enterprise topics are provided below:

- 26% of community foundations surveyed have investments in Responsive Investing Strategies—a broad term encompassing Environmental, Social and Governance, Mission Related Investing, Program-Related Investing, and Socially Responsible Investing.
- 60% of community foundations allowed donors to have their accounts managed by outside advisors.
- Asset allocation findings highlighted two areas that are different depending on the size of the community foundation.
 - Larger foundations allocate more to hedge funds. Median allocations ranged from 0% for community foundations with less than \$25 million in assets, to 19% for community foundations with more than \$250 million in assets. The average allocation to hedge funds was 10%.
 - Community foundations with greater than \$250 million in assets express a more favorable opinion of active strategies relative to smaller foundations; however, the majority of community foundations were balanced or neutral in preference between active and passive investment strategies.
- Spending policy findings showed that the average foundation spends 4.5% of its assets per annum, and the most common spending policy methodology is a 3-year moving average.

The survey was issued to Community Foundations nationwide. FEG received 88 responses from foundations in 30 states with assets ranging from less than \$25 million to greater than \$1 billion.



"We have worked with community foundations for more than 28 years and understand that investments are one part of the equation for enterprise considerations that community foundation professionals must address as they work to fulfill their missions," said Becky Wood, Head of Consulting at FEG. "We believe looking at the enterprise holistically adds greater value to our clients. Our survey provides a platform for community foundations to discuss their investment portfolios as well as the broader issues pertinent to community foundations."

To learn more, visit www.feg.com/cfsurvey.

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About Fund Evaluation Group, LLC: Fund Evaluation Group, LLC (FEG) provides investment consulting, portfolio management, and research services to clients nationwide. Established in 1988, the independently-owned firm has approximately \$50 billion in total client assets under advisement.¹ FEG service lines include FEG Consulting, which provides traditional, non-discretionary investment consulting services to institutions; FEG OCIO, which provides outsourced CIO and discretionary portfolio management services for institutions; FEG Research, which provides traditional and alternative strategies' investment manager research, due diligence, and monitoring; and FEG Managed Portfolios, which provides a series of turnkey portfolios for financial intermediaries. For more information, visit www.feg.com.

¹ As of March 31, 2016. Assets under Advisement include the assets of FEG and its affiliated entities. Some asset values may not be readily available at the most recent quarter end, therefore the previous quarter's values were used for this calculation. The values may be higher or lower, depending on the current market conditions. These accounts are typically non-discretionary only. Assets under Advisement includes both discretionary assets, over which FEG has full trading authority, and non-discretionary assets which we advise and make recommendations on, but may not have authority to execute or facilitate trades on behalf of the client. AUA includes approximately \$47 billion in non-discretionary assets. AUM includes approximately \$2.8 billion under discretion and approximately \$829 million under discretion in FEG affiliates.