

HOSTED ORGANIZATION FUNDS

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:

- Increased return and reduced risk as a result of pooling your investments.
- 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 our website and social media channels, 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 throughout the year.
- Available profile on the Victoria Community Knowledge Centre – listing local charities making a difference.
- Receiving and administering gifts of publicly listed securities and Will or other estate planning gifts on behalf of your organization.
- A low administrative fee covering all services.

CONSIDER OUR HISTORY AND EXPERIENCE

The strengths of the Victoria Foundation lie in our relationship and fund management skills. Organizations which 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 a registered charity accredited by Imagine Canada, and the second oldest of Canada's 191 community foundations.

Since 2001, our total assets under administration have grown from \$25 million to more than \$316 million. We have managed over \$54 million in Provincial Government funds for the benefit of children and families throughout British Columbia, as well as \$65 million for a provincial scholarship society with seven scholarship funds benefiting students from all parts of the province. Our volunteer board of directors is comprised of community leaders and our 16 full and part-time staff members work to ensure our hosted organizations 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. The funds for these organizations are 'hosted' by the Victoria Foundation through our investment and granting services.

Over 115 organizations have entrusted their funds to the Victoria Foundation. By working with us, these organizations are investing in their future, growing assets and building capacity. We are proud to assist them in their efforts to make our community and our province the best it can be.



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, 2016 as your starting point?**

Our total returns were: 3 years: 9.09% 5 years: 11.45% 10 years: 6.86%
Returns for 2016 were 10.99% versus our benchmark of 6.74%.

3. **Who are your investment managers?**

Our current balanced fund investment managers are Jarislowsky Fraser Ltd. in Calgary and Leith Wheeler Investment Counsel Ltd. in Vancouver. Our current mortgage fund manager is Greystone Managed Investments Inc. in Winnipeg.

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, calculated and paid monthly on the market value of the fund.

The investment management fee is approximately 0.35%, 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 the *Victoria Foundation Act*, the investment management fee includes our custodial fee.

5. **How much is distributed each year to the hosted organization?**

Our distribution policy rate is set annually by our board of directors and is 4.0% for 2017. Distributions are made on an annual, semi-annual or quarterly basis to the hosted organization (dependent upon the size of the endowment fund).

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

Endowment Fund Capital	\$100,000
Long-term total returns @ 6%	<u>\$ 6,000</u>
	\$106,000
Fund Management Fees @.75%	\$ 750
Grant back to hosted organization	<u>\$ 4,000</u>
Endowment fund capital	<u>\$101,250</u>

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

All investment income earned on the endowment fund is allocated directly to the endowment 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 – all in an environment of collaboration and integrity to create positive change in our community and beyond.

Please contact us for more information.



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



Natasha Benn, Manager of Philanthropic Services
nbenn@victoriafoundation.bc.ca

VICTORIA FOUNDATION

200 – 703 Broughton St.
Victoria, BC V8W 1E2
P. 250.381.5532
F. 250.480.1129
VICTORIAFOUNDATION.CA