



We Do All the Work

“When we are gone and these funds are still going, Kenny’s name will be kept alive and people will remember who he was.

These funds will do things as he would have liked them to be done.”

—Judy Rawlins, co-worker & estate executor

Kenny W. Martin

*Kenny Martin Memorial Scholarship Fund &
Kenny Martin Charitable Fund ■ est. 2007*

**Perpetual.
Permanent.
Forever.**

These are the hallmarks of a community foundation.



We Do All the Work

We take 'forever' very seriously.

At Marion Community Foundation, that's how long we plan to be here. That's how long you can expect the good you and your fund do to benefit the Marion community. In this section, we will show you how seriously we take fund management. You will learn about our:

- **Chief Investment Officer**
- **Local investment managers**
- **Investment Committee**
- **Investment Policy**
- **Asset Allocation**
- **Spending Policy**

Administrative Services

Once your fund is created, we handle all the rest.

- **investing**
- **tax reporting**
- **selection committees**
- **bookkeeping**
- **following all state and federal laws & regulations**
- **correspondence**
- **promotion**
- **payment of awards**
- **auditing**
- **annual reporting**
- **follow-up with organizations & colleges**

That's our job and we do it well. We currently administer more than 375 funds. We prudently invest to ensure that the assets will be available in both good and not-so-good economic times. We are a trusted name and leader in the Marion area, fostering philanthropy consistent with community values.

We Do All the Work

Chief Investment Officer



Marion Community Foundation retains independent contractors such as Clearstead Advisors to provide the services of Chief Investment Officer. Clearstead is an independent institutional and wealth advisory firm whose mission is to help institutions like Marion Community Foundation meet their objectives with appropriate risk and in a low-cost manner. Clearstead specializes in financial advising for nonprofit endowments like community foundations, universities, hospitals, pension plans, and similar entities. They have more than \$23 billion under advisement and more than 140 institutional clients in 42 states.

Services specific to the needs of community foundations:

- effective investment policy design
- spending policy analysis
- asset allocation aligned with spending policy
- performance monitoring and evaluation of investment managers
- compliance with regulations such as UPMIFA
- donor support and services

By the very nature of being a community foundation, Marion Community Foundation takes a fiscally conservative, long-term approach to investments. Clearstead provides us with expert investment advice, strategies, and oversight to help us achieve our goal to serve Marion. Forever.

Learn more about Clearstead by visiting www.clearstead.com.

Local Investment Managers

The Foundation's portfolio is diversified and investment responsibility is spread among five local investment managers. We take pride in working with local firms and people you know. They work hard to achieve the most advantageous, conservative, long-term investment vehicles available to us. These firms are overseen by our CIO, Investment Committee, and Board of Directors and include: Stifel, Merrill Lynch, 3D Private Wealth Advisors, Whetstone Financial, and Lehman Capital Management Group.

STIFEL

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“When money realizes that it is in good hands, it wants to stay and multiply in those hands.”

– Idowu Koyenikan,
author of
Wealth for All

Investment Committee

The Investment Committee is a subsidiary group to our Board of Directors. It includes nine members. Presently, this includes:

Megan Queen, <i>Chair</i>	A past chair of our Board of Directors and member since 2012; Vice President/Senior Insurance Analyst for the Irrevocable Life Insurance Trust Asset Review Team at J.P. Morgan Chase & Co.
Charlie Garvin	A past chair and former member of our Board; an ophthalmic surgeon and physician executive at OhioHealth Marion Area Physicians
John Bartram	Member and former chair of our Board of Directors and attorney with the Marion firm of Bartram & Bartram
Justin Hamper	Member of our Board of Directors and Administrative Director of Clinical Operations at OhioHealth Marion General Hospital
Scott Knowles	CEO and General Counsel of Sims Brothers Recycling and board member since 2017
Chuck Speelman	Superintendent of Tri-Rivers Career Center & Center for Adult Education and board member since 2016
Ryan McCall	Member of the Board of Directors since 2018 and president of Marion Technical College
Fred Manter	Non-voting, non-board member; principal with the firm of Holbrook & Manter CPAs, specializing in audit, tax, and management advisory services
John Colla, CIO	Chief Investment Officer on contract with Clearstead Advisors

Investment Policy

Marion Community Foundation’s stewardship of its funds addresses both sides of the equation—both a prudent investment policy and a prudent spending policy—which protect the sustainability of our funds. We utilize an institutional investing strategy, as opposed to the retail investing model most individuals use. Community foundations invest in a manner that produces steady returns annually in order to support the community programs and causes for which the foundation was created. Such a diversified, conservative strategy will not produce especially high returns in bull markets; conversely, it also will not produce drastically low returns in bear markets. The goal—and the challenge—is to produce returns which sustain annual spending requirements for the Foundation’s mission, while preserving the long-term value of the donors’ original gifts.

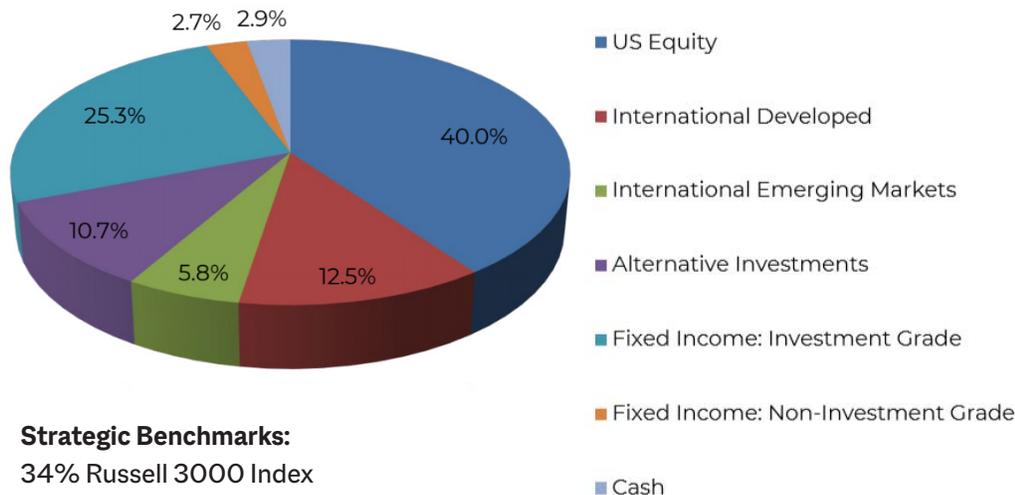
We Do All the Work

Asset Allocation

Our investment policy includes a diversity of investments. The chart below provides a snapshot of the array of our current asset allocation.

6/30/20

Asset Class	Target	Range	Actual
Equity-Like	55%		
Domestic Equity	34%	25-45%	40.0%
International Equity: Developed Markets	13%	8-18%	12.5%
International Equity: Emerging Markets	8%	4-12%	5.8%
Alternatives	14%		
Alternatives	14%	0-20%	10.7%
Fixed Income-Like	31%		
Fixed Income: Investment Grade	26%	20-40%	25.3%
Fixed Income: Non-Investment Grade	5%	0-10%	2.7%
Cash			2.9%



Strategic Benchmarks:

- 34% Russell 3000 Index
- 13% MSCI EAFE Index
- 8% MSCI Emerging Markets Index
- 9% Marion Strategic Alternative Benchmark
- 5% Dow Jones U.S. Select REIT Index
- 26% Barcap U.S. Aggregate Index
- 5% BoA Merrill Lynch U.S. BB-B High Yield Index

June 2020 Update

We Do All the Work

“Real charity doesn’t mean giving away someone else’s money.”

- Doug Bandow

How do we calculate the amount of a grant or scholarship?

The amount of a grant or scholarship for each year is determined by multiplying our spending rate times an average market value of the fund over the previous 12 calendar-year quarters. We use an average in order to help reduce some of the market fluctuations that can affect the value of a fund at any given time. Let’s look at an example of how this works:

Quarter	Market Value						
3/31/Y1	\$126,147						
6/30/Y1	\$123,673						
9/30/Y1	\$138,644						
12/31/Y1	\$139,889						
3/31/Y2	\$137,214						
6/30/Y2	\$137,740						
9/30/Y2	\$141,445						
12/31/Y2	\$144,006						
3/31/Y3	\$142,365						
6/30/Y3	\$138,314						
9/30/Y3	\$140,663						
12/31/Y3	\$144,658						
Total:	\$1,654,758						
Divided by 12:	137,896						
X 4.0%:	5,515						
Amount of grant or scholarship:	\$5,515						

4.0%
spending rate

1.0%
administrative fee

Spending Policy

We take our motto – **For You. For Marion. Forever.** – very seriously at Marion Community Foundation. In late 2017, the Board of Directors approved a conservative program spending rate of 4.0% for our funds, maintained a graduated spending rate reduction strategy to safeguard the long-term value of the funds when market conditions and other factors negatively impact a fund, and set administrative fee rates to 1.0% for all fund types.