



Rancho Santa Fe  
FOUNDATION  
PROMOTING PHILANTHROPY SINCE 1981

**MARCH 12, 2009**

**RSF FOUNDATION MAINTAINS CONSERVATIVE LONG TERM INVESTMENT STRATEGY**

Endowments are considered long term in nature and, as such, are generally invested in equities which historically have provided the highest investment returns. In a snapshot of investment returns over 80 years (1926-2007), taking into consideration a 3.1% rate of inflation, U.S. small company stocks have an average 12.5% return, balanced stocks and bonds show an average 8.5% return as opposed to bonds which have shown an average 5.5% return.

To dampen the volatility risk of equities, fixed income and other assets are usually owned in a balanced portfolio. Maintaining a balanced portfolio has been the objective of the Rancho Santa Fe Foundation for more than 28 years.

The members of the Investment Committee of the Foundation are investment professionals who currently work or have worked in the financial arena during their careers. They understand the markets and the global economy and have positioned the investment portfolio of the Foundation to weather this "perfect storm". They meet quarterly to discuss the investment strategy and adjust the asset allocations if necessary.

At present, the portfolio is approximately 48% equities to 52% investment grade fixed income and cash instruments. And although our portfolio was down about 22.5% through year-end 2008, the Chronicle of Philanthropy reports that most foundations had lost almost a third of their assets for the same time frame.

We are first and foremost the steward of the community endowment - an endowment builder. By taking the steps to preserve our assets during this economy, we will continue to build a significant endowment. We are also a grantmaker, and without a community endowment and the assets of donor advised funds, that role is diminished.

The Foundation is committed to its leadership role in regional philanthropy through prudent management of the assets entrusted to us and our continued commitment to strategic and impactful grantmaking.