



American Funds Policies and Procedures

Board Originally Adopted: n/a

Board Last Revised: 8-9-07

Investment Committee Last Revised Recommendations: 8-8-07

Staff Last Revised (nonsubstantive): n/a

In 2000, the Board of Directors of the Community Foundation of Greater Fort Wayne Inc. approved the use of American Funds as an alternative investment for those assets with a longer-term investment horizon (approximately three to five years). This strategy allows the donor to request investments that pay ongoing compensation to a referring advisor. The purpose of the strategy is to encourage referrals of new gifts to the Community Foundation from financial advisors.

A donor may request, in writing, that all or a portion of his/her fund be invested in American Funds. A minimum \$10,000 initial contribution is required to establish a fund using American Funds, with subsequent gifts at a \$1,000 minimum. The fund must maintain a \$10,000 minimum balance. Donors may select from the following pools:

Growth Pool – approximately 80% equity, 20% cash, and equivalents

1/3 AMCAP Fund

1/3 The Growth Fund of America

1/3 The Investment Company of America

Balanced Pool – approximately 60% equity, 40% fixed income

1/3 Capital Income Builders

1/3 The Income Fund of America

1/3 American Balanced Fund

Fixed Income Pool – approximately 90% fixed, 10% cash, and equivalents

1/3 The Bond Fund of America

1/3 Intermediate Bond Fund

1/3 US Government Securities Fund

When American Funds are used for Charitable Gift Annuities the following allocation is to be followed:

Charitable Gift Annuity Pool – approximately 42% equity, 46% fixed, 12% cash, and equivalents

½ Growth Fund of America

½ Bond Fund of America

New gifts to the Community Foundation may be invested in American Funds under the following conditions:

- American Funds are available for both lifetime and testamentary gifts.
- The recommendation to use American Funds must be made in writing by the donor. The gift planner is responsible for securing this written request as well as the necessary broker/dealer information. The donor may request, in writing, that the Community Foundation Investment Committee and Board of Directors consider changing the investment strategy or remove fund assets from American Funds for a specific fund.
- The donor must inform the Community Foundation annually the amount to allocate for the current year's grant making so that amount can be moved to the American Funds cash management account.