

Kitsap Community Foundation
PO Box 3670
Silverdale, WA 98383
www.kitsapfoundation.org

FEES & INVESTMENTS

As of January 23, 2017

One of Kitsap Community Foundation's (KCF) most important responsibilities is our stewardship of charitable funds. We have a broadly diversified investment portfolio that is structured to produce investment returns that exceed market averages, particularly in down markets.

In our investment program, we combine the assets of permanent charitable funds for investment. Each individual fund benefits from the strength of a large pooled portfolio. The result is high quality, diversified investment management at reasonable fees and costs.

The Kitsap Community Foundation (KCF) assesses an annual community investment fee on each of its Funds and supporting organizations. KCF uses these fees to cover its administrative costs and make investments in programs that improve our local community. Fees may be revised from time to time as circumstances warrant.

Community investment fees provide KCF with the ability to appropriately staff services that provide oversight and due diligence as to how funds are invested and expended. This ensures a competitive return that enables donor/investor dollars to be used to meet identified community needs and support charitable beneficiaries in good standing with regulatory agencies. Community investment fees also provide the Foundation with the ability to fund vital community initiatives such as trainings for local nonprofits, fundraising assistance for local nonprofits, collaborations with other nonprofits, and other community awareness programs. The investment fees charged by KCF's investment manager, BNY Mellon Wealth Management, are passed through to the funds and not included in KCF's community investment fee.

For more information please contact the Foundation at info@kitsapfoundation.org or 360.698.3622.



INVESTMENT MANAGEMENT AND PERFORMANCE

Kitsap Community Foundation takes investment management very seriously. While our Board of Directors is ultimately responsible for investment management and oversight, the Board has developed a multi-layered system of investment management that relies on professional wealth management companies, Foundation staff, and an Investment Committee composed of investment professionals. The Foundation's approach to investment management is written in the Foundation's Investment Policy Statement, which is available on the Foundation's website.

INVESTMENT PERFORMANCE

2016 = 7.21%
2015 = 0.25%
2014 = 6.85%
2013 = 12.88%
2012 = 11.57%
2004 – 2016 (13 years) = 6.85%*

Currently the Foundation manages all of its assets in two pools, although both pools follow the same investment allocation. The Foundation is able to develop different pools for different asset allocations (such as a “socially responsible” allocation) if a donor wants to do so.

* This number is lower than it should be because the Foundation's investments were managed quite conservatively for many years.

INVESTMENT COMMITTEE MEMBERS

Dave Schureman

Kitsap Community Foundation Board
Member/Treasurer
Financial Services Manager, Kitsap County

Bruce Bennett

Vice President/Financial Advisor
Morgan Stanley Smith Barney, Silverdale

Jay Seaton, AAMS

Financial Advisor
Edward Jones, Port Orchard

Jessie Nino

Financial Advisor
Edward Jones, Poulsbo

Barbara Root

Trust Relationship Manager
Columbia Trust

Jim Rowson

Community Volunteer
Retired CFO of Harrison Medical Center

Michael Hytopoulos, JD, TEP

President and Founder
Bailey Private Fiduciary Services, Inc.

Kitsap Community Foundation
Board Chair and Vice-Chair

Kitsap Community Foundation
President & CEO

Representing BNY Mellon

Troy Bruschetto, Vice President

Senior Portfolio Manager
BNY Mellon Wealth Management, Seattle

Representing Halbert Hargrove

Mark Janci

Regional Director
Halbert Hargrove, Bellevue

FEES

The fees listed below are the Foundation's community investment fees. These are the fees that the Foundation uses to support its operations and management of your funds. If your fund is invested, the investment management company charges its own fee.

Agency (Nonprofit) Endowment Fund	Rates
First \$500K	1.00%
Next \$500K (Total = \$1M)	.80%
Next \$1M (Total = \$2M)	.6%
Next \$2M (Total = \$4M)	.5%
Additional (any amount above \$4M)	.25%
Minimum fee	\$200

Fees are assessed quarterly based on the quarter-ending market value of the Fund and apply to permanent and non-permanent Agency Endowment Funds. This fee also applies to Agency Pass-Through Funds provided that such funds shall have a minimum \$50 annual fee.

Donor Advised Fund, Family Foundation	Rates
First \$1M	1.25%
Above \$1M will be negotiated	Less than 1.25%
Minimum fee	\$200

Fees are assessed quarterly based on the quarter-ending market value of the Fund. This fee also applies to Pass-Through Funds but the fee is assessed upon receipt of the funds.

Scholarship Fund	Rates
Percentage fee	1.5%
Minimum fee	\$100

Fees are assessed quarterly based on the quarter ending market value (if invested) or balance (if not invested) of the fund and will be prorated for funds opened or closed during the quarter.

Supporting Organization	Rates
First \$5M	1.00%
Over \$5M will be negotiated	Less than 1.00%
Minimum fee	\$10,000

Designated Fund; Area-of-Interest Fund; Other Funds	Rates
\$1M or less	1.00%
Above \$1M will be negotiated	Less than 1.00%
Minimum fee	\$200

Fees are assessed quarterly based on the quarter ending market value of the Fund. This fee also applies to Pass-Through Funds but is applied when the funds are received.

Fiscal Sponsorship Fund	Rates
Percentage Fee	Case-by-case

The fees on fiscal sponsorships will be negotiated on a case-by-case basis by the CEO, within a range of 5% to 15% of each contribution, depending upon the expected size and duration of the fund and the administrative responsibilities of KCF.