



The Calgary Foundation (TCF) Response to Current Economic Turmoil

October 2008

How will TCF be affected by the market turmoil?

The Calgary Foundation is not immune to the current economic turmoil. What is important to focus on is that we are an endowment builder for long term. Our success is not won or lost on daily market returns. Our focus is the long term sustainability of the endowment for the benefit of Calgarians.

How much money have you lost today?

As an investor with an eye to the long run, we are more concerned with longer term market results. Our annualized returns at the end of our last fiscal year (March, 2008) were a disappointing loss of 2.5%. Our ten year return is a positive 6.1%.

Our investment strategy is designed to protect against the inevitable market fluctuations.

In 55 years of existence serving Calgary, The Foundation has experienced market downturns before, and has been served well by its investment strategy.

Will TCF change its investment policy?

No. TCF will stay the course with our investment strategy with confidence that it has been crafted to protect against inevitable market downturns. This is work that has been done in advance of the current turmoil.

Will TCF granting be affected?

Not in the short term. The Foundation's policy is to grant a percentage of the market value of the endowment. The Board reviews its disbursements annually. We are disbursing 5% again this year. It is our intent to be a stable source of granting in unstable times. Should a prolonged downturn take place, the Board would review if indeed a reduction in disbursement was necessary.

Will other charities be affected?

This economic slump may well have an impact. Fundraising campaigns may well face challenges. On the other hand, community needs will be greater and many donors will rise to that challenge and increase their giving in tough times.