

Investment Performance & Financial Report

Fall 2015

Our Investment Management and Policy

Since our founding in 1969, the Oklahoma City Community Foundation has been central Oklahoma's leading advocate for building endowment funds through not only support from donors but also through sound investment and distribution strategies.

Low Administrative Expenses & Investment Costs

Our investment policy benefits all endowments, large and small, because we balance the use of active managers and index funds in a way that maximizes the opportunity for adding value while keeping the cost low. We attempt to balance the level of services provided with a cost conscious approach. The administrative expenses over the last five years have averaged just under 40 basis points (40/100 of 1 percent).

The low cost and efficient operation of our investment management program benefits all endowment funds. For Fiscal Year 2015, our cost of investments was 30 basis points (30/100 of 1 percent) compared to more than 100 basis points charged for the average mutual fund or active equity fund manager that requires a large minimum account.

Investment Policy & Investment Committee's Role

Our investment policy is specifically designed for an endowment fund to provide annual distributions for charitable purposes in perpetuity. Our policy's goals are to allow the fund to generate distributions, grow to accommodate inflation and continue to exist in the future.

Our Investment Committee uses a style-based investor management system and allocates assets to specific investment styles. The committee remains disciplined in staying with a policy that emphasizes diversification of assets, quality investments and a long-term perspective. Both the committee and our Trustees

Our investment policy has four major objectives:

- Capital preservation.
- Inflation protection.
- Continuing source of annual distribution for charitable purposes.
- Investment return in the top third of professionally managed funds.

view these responsibilities as among the most important we provide as managers of the community's endowment.

The committee hires investment managers to manage a particular style. We use seven active managers; five for equities and two for fixed income investments. Approximately 47 percent of the pooled investments are actively managed.

As endowment fund investors we have a perpetual horizon and maintain a disciplined approach to long-term investment strategy while utilizing short-term tactical allocations to add value when opportunities arise. We also remain committed to a long-term diversification strategy with an allocation to high quality fixed income assets even in times of booming equity investments. In addition, our prudent spending policy provides a structured method of making distributions from an endowment that protects the stream from inflation thus creating a predictable annual distribution and allows the Investment Committee to focus on maximizing total investment return.

For more information on investment and spending policies, please contact Rhonda Godwin, director of administration and investment operations, at 405/606-2916.

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Fiscal Year 2015 Investment Committee

The committee includes both Trustees and non-Trustees who all have a strong investment expertise and volunteer their time and knowledge. The committee, along with investment counsel, determines asset allocation between equity and fixed income sectors.



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Vice Chairman, Board of Trustees
Chairman, Heritage Trust



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Jack Marringa, Investment Consultant
United Capital Financial Advisors, LLC

*FY2015 Trustee **Past Trustee

General Pool Investment Active Managers

as of 6/30/2015

Once the Investment Committee determines equity allocation, it then selects style-specific managers. The committee evaluates each manager's performance against the appropriate benchmark for their particular sector and their adherence to the specific style they have been engaged to manage. For Fiscal Year 2015, we had seven active managers, five for equities and two in fixed income investments.

Large Capitalization Value O'Shaughnessy Asset Management

(Stamford, Conn.) Hired in February 2012 and invests in companies with a market capitalization greater than \$10 billion and are classified as value stocks.

Large Capitalization Core Saratoga Research and Investment Firm

(Saratoga, Calif.) Hired in February 2012, the firm's orientation is to high-quality companies at a price that provides an opportunity for appreciation.

Small Capitalization Value Earnest Partners, LLC

(Atlanta, Ga.) Hired in 2003 and manages value stocks with capitalization of \$2 billion or less.

Small Capitalization Core Kalmar Investments Inc.

(Wilmington, Del.) Hired in 1998, Kalmar's style is described as "growth with value" in the small-capitalization universe and is classified between both growth and value for asset allocation decisions.

**International
Aberdeen Asset Management** (U.S. headquarters in Philadelphia, Pa.) Hired in 2008, the firm is a global investment management group that provides an active manager component in the emerging markets sector.

Fixed Income
Our fixed income investments are managed by **JP Morgan Chase Asset Management** and **BOK Financial**. Both of these institutions have a long history in our community and have worked with the Oklahoma City Community Foundation for many years.

Board of Trustees

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* Term expired June 30, 2015

** Term began July 1, 2015

Pooled Investments Performance Summary

Manager	% of Total Portfolio		Rate of Return
	June 30, 2015	June 30, 2015	Year Ended June 30, 2015
EQUITY			
LARGE CAP VALUE			
O'Shaughnessy Asset Mgmt.	3.62%	5.89%	5.18%
BlackRock Russell 1000 Value Index Fund	9.23%	15.03%	4.24%
Russell 1000 Value			4.13%
LARGE CAP GROWTH			
BlackRock Russell 1000 Growth Index Fund	16.42%	26.72%	10.70%
Russell 1000 Growth			10.56%
SMALL/MID CAP VALUE			
Earnest Partners	3.80%	6.18%	7.76%
Russell 2000 Value			0.78%
SMALL/MID CAP GROWTH			
iShares Russell Mid Cap Growth ETF	5.05%	8.21%	9.13%
Russell Mid Cap Growth			9.45%
INTERNATIONAL			
BlackRock EAFE Index Fund	3.48%	5.67%	-4.52%
MSCI EAFE (US\$) Net			-4.22%
BlackRock Emerging Markets Index Fund	0.26%	0.42%	-5.24%
Aberdeen Emerging Markets Fund	4.31%	7.02%	-7.35%
MSCI EMF (Gross) Index			-4.77%
CORE			
BlackRock Russell 1000 Index Fund	9.17%	14.93%	7.47%
Saratoga	2.88%	4.69%	6.91%
Russell 1000			7.37%
Kalmar Investments	3.21%	5.23%	5.46%
Russell 2000			6.49%
TOTAL EQUITIES	61.44%	100.00%	5.74%
S&P500 Stock Index			7.42%
Russell 3000			7.29%
FIXED INCOME			
JPMorgan	15.73%	40.96%	2.36%
Bank of Oklahoma	13.72%	35.72%	1.93%
iShares 1-3yr. Credit Bond ETF	7.57%	17.72%	0.70%
BlackRock 1-3yr. Treasury Bond Index Fund	1.02%	2.64%	0.73%
T Bill Strips	0.37%	0.95%	-
TOTAL FIXED INCOME	38.40%	100.00%	1.79%
Barclays Capital Govt./Credit Intermediate A+			1.77%
CASH			
JPMorgan Money Market Fund	0.11%		0.65%
TOTAL POOLED INVESTMENTS	100.00%		4.20%
Composite Indices			
50% Russell/15% MSCI/35% Intermediate			3.49%
65% S&P500/35% Barclays Capital G/C Int.			5.49%

Fiscal Year Ended	General Pool Rate of Return	Composite Indices (Note A)	Allocation Benchmark (Note B)
June 30, 2015	4.20%	3.49%	5.49%
June 30, 2014	14.56%	16.56%	16.66%
June 30, 2013	11.24%	12.58%	13.15%
June 30, 2012	2.31%	1.63%	5.44%
June 30, 2011	21.57%	21.96%	21.26%
June 30, 2010	12.99%	12.32%	12.28%
June 30, 2009	-14.61%	-16.09%	-15.20%
June 30, 2008	-3.23%	-4.76%	-5.94%
June 30, 2007	13.68%	16.49%	15.40%
June 30, 2006	6.82%	8.90%	5.54%
Ten Years Compounded (Note A)	6.43%	6.66%	6.80%

Note A: Equity performance is compared to the Russell 3000 stock index and the MSCI ACWI exUS International equity index; fixed income performance is compared to the Barclays Capital Government/Credit Intermediate bond index (Barclays Capital G/C Int) and total return is compared to a composite of these three indices.

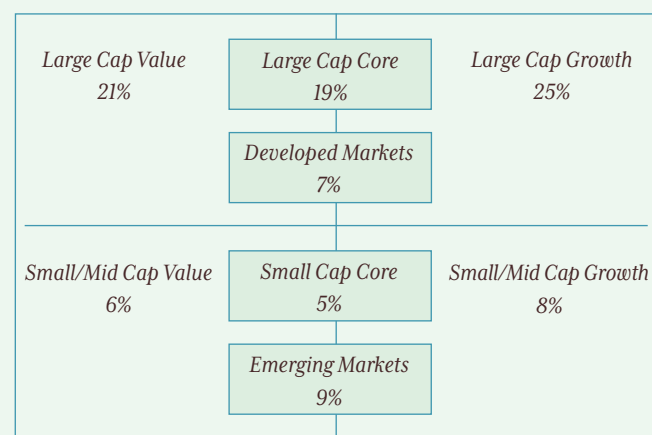
Note B: Equity performance is compared to the Standard and Poor's 500 stock index (S&P500); fixed income performance is compared to Barclays Capital Government/Credit Intermediate bond index (Barclays Capital G/C Int) and total return is compared to a composite of these two indices.

As of Fiscal Year ending June 30, 2015

Asset Allocation Model - General Pool

	Target	Range
Equity	60%	40-70%
Fixed Income	37.5%	30-60%
Cash	2.5%	0-10%

Asset Class Target Percentage Allocation for Equities



Target Asset Class Ranges

Large Cap Value	18-28%	Small/Mid Cap Value	4-10%
Large Cap Growth	18-28%	Small/Mid Cap Growth	4-10%
Large Cap Core	20-48%	Small Cap Core	10-24%
Developed Markets	5-15%	Emerging Markets	5-10%

Notes: Equity performance is compared to the Russell 3000 stock index and the MSCI ACWI exUS International equity index; fixed income performance is compared to the Barclays Capital Government/Credit Intermediate bond index (Barclays Capital G/C Int) and total return is compared to a composite of these three indices.



OKLAHOMA CITY
COMMUNITY FOUNDATION
Helping you help the community

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Confirmed in Compliance with National
Standards for U.S. Community Foundations

Fiscal Year 2015 Investment Performance Pooled Investments

	Year Ended June 30, 2015	Three Years Ended June 30, 2015	Five Years Ended June 30, 2015	Ten Years Ended June 30, 2015
EQUITIES				
Oklahoma City Community Foundation	5.74%	15.64%	15.48%	7.43%
S&P 500	7.42%	17.31%	17.34%	7.89%
Russell 3000	7.29%	17.73%	17.54%	8.15%
MSCI ACWI ex US	-4.85%	9.92%	8.23%	6.01%
FIXED INCOME				
Oklahoma City Community Foundation	1.79%	1.76%	2.97%	4.26%
Barclays Capital Govt./Credit Intermediate A+	1.77%	1.31%	2.47%	
TOTAL RETURN				
Oklahoma City Community Foundation	4.20%	9.91%	10.45%	6.43%
50% Russell3000/15%MSCI ACWI/35% Barclays Capital G/C Int (Note A)	3.49%	10.74%	10.96%	6.66%
65% S&P500/35% Barclays Capital G/C Int (Note B)	5.49%	11.67%	12.23%	6.80%

Note A: Equity performance is compared to the Russell 3000 stock index and the MSCI ACWI exUS International equity index; fixed income performance is compared to the Barclays Capital Government/Credit Intermediate bond index (Barclays Capital G/C Int) and total return is compared to a composite of these three indices.

Note B: Equity performance is compared to the Standard and Poor's 500 stock index (S&P500); fixed income performance is compared to Barclays Capital Government/Credit Intermediate bond index (Barclays Capital G/C Int) and total return is compared to a composite of these two indices.

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