



Oklahoma City

Community
Foundation

Sound investment performance adds value to charitable gifts

The investment committee of the Oklahoma City Community Foundation is committed to ensuring the continued growth of the Foundation's assets.

The Foundation has a long history of continued growth and financial strength, which demonstrates both the commitment of donors and the added value of strong investment performance.

The combined funds of the Community Foundation are considered by the Trustees to be the "community's endowment." They are entrusted with ensuring that these funds perform well and provide perpetual funding for local non-profits, at the same time utilizing donors' gifts in a way that adds value to the contributions. This makes the Community Foundation a simple and flexible vehicle for donors' financial planning goals, as well as for their charitable interests.

A diversified investment portfolio is managed by the trust departments of three local

banks: Boatmen's Bank, Liberty Bank and Bank of Oklahoma. An independent investment counsel, James K. Hotchkiss of Hotchkiss & Associates in Chicago, helps set investment policy and monitor investment performance. The funds are pooled so that the smallest fund receives the same investment services as the largest, and the Foundation is able to provide fund management services to donors at a nominal cost. The Investment Committee reviews fund performance quarterly based on the investment objectives of the Community Foundation.

For Fiscal Year 1996, the pooled investment funds had a total return of 16.62 percent. In the past five years, the average fund has increased in value by more than 43 percent through investment performance and additionally has received cash distributions of 32 percent. Grant distributions are expected to reach \$7 million in Fiscal 1997.

Since 1985, the Community Foundation's assets have increased from \$20 million to more than \$150 million.

The long-term nature of the Community Foundation requires as one investment objective an investment policy which guards against the erosion of capital from inflation. Over the long term, equities appear to be the best available hedge against inflation.

A second and closely related investment objective is capital preservation. This objective directs that the portfolio of securities be of high quality and with relatively low risk of principal loss.

The Community Foundation, by accepting charitable funds which are intended to provide annual endowment support for a number of charitable organizations, needs a continuing source of income to provide this support. This income should be provided while preserving principal.

Investment performance is judged over a three to five year time horizon. Performance on equity investments is expected to exceed the Standard and Poor 500 Common Stock Index over a three to five year period. Performance on Fixed Income investments is expected to exceed the Lehman Intermediate Government/Corporate Bond Index over a three to five year period, and performance of cash investments (maturities of less than 12 months) are expected to exceed the Donahue Money Market Index on an annual basis. The Investment Committee expects the total return for a three to five year period to be in the top one-third of managers in a balance fund universe.

The Community Foundation's growth and its impact on the community is a testament to the value good financial management adds to the generosity and careful planning of donors.

INVESTMENT COMMITTEE MEMBERS



Raymond Hefner, Jr.
President, Chairman and Chief Executive Officer of Bonray, Inc.



Linda Petree Lambert
President of Lasso Corp., a diversified investment corporation.



Eleanor Maurer
Past President of Kirkpatrick Oil Co. and long-time officer of the Community Foundation.



Frank A. McPherson
Chairman and Chief Executive Officer of Kerr-McGee Corp.



George J. Records
Chairman of the Midland Group, and Chair of the Investment Committee of the Community Foundation.



James R. Tolbert, III
Chairman and President of First Oklahoma Corporation.

For more information, contact the Community Foundation offices at 405/235-5603.

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.
Investment Performance
Pooled Investments

Compounded Annual Rates of Return

	Year Ended June 30, 1996	Three Years Ended June 30, 1996	Five Years Ended June 30, 1996
EQUITIES			
Community Foundation	26.35	17.60	13.35
Standard & Poor's 500	26.06	17.21	15.72
Indata Median	24.54	15.89	15.12
FIXED INCOME			
Community Foundation	4.60	4.77	7.61
Lehman Int. Gov. Corp.	5.02	4.99	7.70
Indata Median	5.12	5.15	8.26
TOTAL FUND			
Community Foundation	16.62	11.27	10.55
50% S&P/50% Lehman	15.54	11.17	11.78
Indata Median	15.40	11.72	12.30

Results given are for all Community Foundation Funds excluding those in separately invested supporting organizations. Special assets are also excluded. Equity performance is compared to the Standard and Poor's 500 Stock Index; fixed income performance is compared to the Lehman Intermediate Government Corporate Index; total return is compared to an equal weighting of these two. Indata is a universe of investment managers used widely to judge performance.

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.
Statement of Activities and Changes in Net Assets Arising from Cash Transactions

	Year Ended June 30, 1996 (Unaudited)	Year Ended June 30, 1995
REVENUE AND SUPPORT		
Contributions	\$ 8,836,977	\$ 36,384,931
Net investment income	5,126,961	4,043,800
Net investment realized gains	9,129,662	186,441
Net investment unrealized gains	5,881,441	13,785,425
TOTAL REVENUE AND SUPPORT	28,975,041	54,400,597
EXPENSES AND DISTRIBUTIONS		
Grants	5,993,401	3,918,903
General and administrative	588,241	610,715
TOTAL EXPENSES AND DISTRIBUTIONS	6,581,642	4,529,618
INCREASE IN UNRESTRICTED NET ASSETS	22,393,399	49,870,979
UNRESTRICTED NET ASSETS AT BEGINNING OF PERIOD	130,407,274	80,536,295
UNRESTRICTED NET ASSETS AT END OF PERIOD	\$152,800,673	\$130,407,274

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