

Amarillo Area Foundation

Investment FAQs

Q: What is the Foundation's investment policy?

The Foundation's investment policy is a long-term plan to protect and grow donor funds so we can keep supporting the Texas Panhandle for generations to come. Key points include:

- **Long-term strategy:** We invest for steady growth, not short-term gains.
- **Diversified portfolio:** Money is spread across different investments to lower risk.
- **Risk and return balance:** We follow Modern Portfolio Theory to stay in a safe zone that balances growth with stability.
- **Annual spending:** We aim to spend 3% to 6% of the portfolio each year on grants, scholarships and community programs.
- **Professional oversight:** Amarillo National Bank's Trust Department manages our investments based on the policy set by our Board's Finance Committee.
- **Full transparency:** We're audited every year, and all financials are publicly reported.

Q: What's the Foundation's investment strategy?

We take a long-term, steady approach to investing. Instead of trying to guess what the market will do next, we spread out our investments across many types of investments like stocks, bonds and private equity to grow it over time and avoid big losses. This strategy helps us keep supporting scholarships, grants and nonprofits year after year, no matter what's happening in the economy.

Q: Who decides where the money goes?

Our Finance Committee sets the investment policy, and Amarillo National Bank's Trust Department manages the investments according to that policy. They're legally required to act in the Foundation's best interest. No single person – not even a board member or chair – can decide where the money goes.

Q: Why does the Foundation have money in offshore or private equity investments?

These are common investments for large foundations and universities. They help smooth out market ups and downs and grow money over the long haul. Everything is legal, fully reported on our taxes and reviewed by auditors every year. As of May 2025, about 13% of our money is in these types of investments, and we're moving more of it into simple, lower-cost funds over time.

Q: Why not just keep all the money in Amarillo?

We do work with Amarillo National Bank, whose Trust Department manages all of our investments. To protect and grow our \$277 million fund, they use a smart, diversified investment mix across the country and around the world. Keeping all the money in one local place would be risky and could hurt our ability to support the Texas Panhandle during tough economic times.