

Frequently Asked Questions: Understanding Your Fund Statement

1. What is a Fund Statement? A Fund Statement provides an overview of your fund's financial activity, including contributions, grants, investment returns, and administrative fees. It helps you track your fund's performance and impact.

2. When is my Fund Statement available? Statements are available through Donor Portal once the posting and reconciling of the month's activity is completed. This is typically less than 30 days after the end of the month.

3. Why did my Fund Statement for the previous month change? During the period from January through June, prior month balances and amounts may change. This is due to the type of investments that we hold. Often, statements are not received on some accounts for a period of six weeks to four months after the end of the year. This activity must be back dated so that our audited financial statements are correct for the prior year. This causes monthly statements to vary at this time of year. Amounts should not vary from July to December.

4. What key information is included in my fund statement? Your statement typically includes:

- **Fund Name & Number:** Identifies your specific fund within the Foundation.
- **Statement Period:** The time frame covered by the report.
- **Beginning & Ending Balances:** The fund's value at the start and end of the statement period.
- **Contributions:** Donations or transfers made to the fund.
- **Grants & Distributions:** Funds allocated to nonprofit organizations or projects.
- **Investment Income & Market Gains/Losses:** The financial performance of your fund's investments.
- **Administrative & Management Fees:** Costs associated with maintaining the fund.

5. How do I interpret the investment income and market changes? Your fund is typically invested in our investment pool, and its value may fluctuate based on market performance. Investment income includes dividends, interest, realized gains and unrealized gains, while losses may occur due to market downturns.

6. What are realized and unrealized gains and losses? When securities are sold the difference between the purchase price and sales prices is a realized gain or loss. Unrealized gains and losses are the difference in price per share between the purchase price and the current market price. Unrealized gains and losses can vary by day or by hour. These are also known as "paper losses".

7. Why are the investment returns on my fund less than my personal accounts or the market index? The Foundation has different investment goals and an infinite time horizon. Our goals are to provide a steady spendable amount of investment returns, adjusted for inflation in perpetuity, while minimizing risk. Individuals often have fixed time horizons such as retirement or children's college expenses. These time sensitive goals usually dictate a more aggressive investment strategy that may produce higher returns than ours.

8. What are administrative fees? These fees cover costs such as financial management, grant processing, and operational support. They ensure the foundation can effectively manage and distribute funds.

9. How can I verify the accuracy of my statement? Review each transaction and ensure contributions and distributions match your records. If you notice discrepancies, contact the Foundation's finance department for clarification.

10. What happens if my fund's value decreases? Funds invested in the market may experience fluctuations. A decrease in value can result from market downturns, grant distributions, or fees. Our long-term investment strategies aim for steady growth. Short term decreases should not be a concern.

11. How often should I review my fund statement? Regular reviews—quarterly or annually—help you track your fund's impact and financial performance, ensuring it aligns with your philanthropic goals.

12. Can I request changes to my fund's allocation or grant distributions? Depending on the wording of your Fund Agreement with the foundation, you may be able to adjust your fund's grantmaking priorities or investment strategy. Contact the Foundation to discuss options.

13. How do I obtain past fund statements? We provide access to historical fund statements online or upon request, for the previous 24 months. Contact The Foundation's support team for assistance.

14. Who can I contact if I have questions about my fund statement? Please call or email the Foundation's finance for any questions regarding your fund's financial statement. (806) 376-4521 finance@aaf-hf.org