

GHCF Donor Update



Greater Houston Community Foundation

January 2012

Dear Donors & Advisors:

Your fourth quarter 2011 fund statement is now available online. Also, below please find a short comment from our investment consultant, Jeffrey Slocum and Associates, concerning the performance of the markets in general and our pools in particular in the fourth quarter of 2011. Detailed information on the investment performance of our pools can be found on our website.

2011 was another challenging year in terms of economy, but GHCF did receive gifts of just over \$80 million for the year, still down from our all-time highs but marking a steady march back toward those levels as compared with the prior two years. Gifts were up 17% over 2010. We ended the year with assets of \$304.6 million, an increase of 3% over year-end 2010; our assets have increased more than 16% since the end of 2009.

Grants recommended by GHCF donors in 2011 totaled \$66.7 million, up 40% over the 2010 total, and a tremendous number given our total asset base. You, our donors, continue to give money away at an amazing pace – over 20% for 2011 – which is great for our community, as 70% plus of these grants are put to work in the Greater Houston area.

We are seeing an increase in usage of our revamped DonorXpress online grant-making website, into which we have now incorporated our DonorHouston charitable database. If you have not yet done so, we encourage you to use the system, try out the new research capabilities that are fully integrated into the site, and let us know what you think!

We have a new slate of officers in place for our Governing Board as we begin 2012. Steve Miller is now our Board Chair, and Gus Comiskey has moved on to become Immediate Past Chair. Mr. Miller will serve a two-year term, so we will select a Chair Elect at the end of 2012. In addition, we are pleased to welcome two new members to the GHCF Governing Board, both elected to begin service in 2012. Terri Lacy is a partner

in the law firm Andrews Kurth LLP and has served on our Professional Advisors Council since its inception several years ago. Terri has served on the boards of the George Bush Presidential Library Foundation and the Barbara Bush Texas Fund for Family Literacy, in addition to other nonprofit organizations. Barry Margolis is managing shareholder of Margolis, Phipps & Wright, PC, and is also a founding member of our Professional Advisors Council. Barry has served on many nonprofit boards, including the United Way of Greater Houston and the Greater Houston Partnership.

We continued to make substantial progress in operationalizing our new vision in 2011, including bringing on our new Chief Development Officer and Senior Vice President, Lisa Kennedy, who is leading efforts to grow GHCF, along with her colleague KC Eynatten, Vice President of Development. Our Chief Philanthropy Officer, Renée Wizig-Barrios, is continuing her work with the Bronfman Foundation's 21/64 initiative to enable GHCF to offer strategic planning and family training services to local philanthropists on a consulting fee basis. In addition, our Strategic Education Fund, a collaborative funding effort built on a for-profit venture capital model, launched in 2011 and is growing and gaining new partners. If you have an interest in leveraging your education grants in Houston, please reach out to Renée to learn more about this groundbreaking project, which will move into the grant making phase in 2012.

As always, thank you for your investment in GHCF and for all you do for our community and beyond. All the best for 2012!

Stephen D. Maislin
President & CEO

(please turn over for more information)



GREATER HOUSTON
COMMUNITY FOUNDATION
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News from Slocum, GHCF Investment Consultant

The fourth quarter of 2011 was strong for just about all types of investments, although markets remained volatile. Europe's woes have put it firmly into a recession, but investors shrugged off concerns about Europe because of incrementally better data about the U.S. and Chinese economies. Major stock markets around the world were up between 3% and 12%, with the U.S. stock market at the upper end of that range, and European markets on the lower end. Most of these gains came in October, as markets bounced back from significant losses experienced in the third quarter. Bond markets were also up in the fourth quarter, although far less than stocks.

All of the Foundation's investment pools posted positive returns. The passive pools were up in line with their benchmarks. The actively-managed pools, especially the Growth Pool and the Growth and Income Pool, posted lower returns than the passive pools because the actively-managed pools use investment managers that are more conservative than the index funds used in the passive pools. This conservatism and diversification proved extremely valuable in months that saw sharp market declines earlier in 2011. In a slowing global growth environment coupled with continued market volatility, diversification will be particularly important.

GHCF Welcomes New Staff Members

We were pleased to welcome two new staff members in new positions to GHCF in the fourth quarter of 2011.

Adam Gully joined the staff as Philanthropic Services Associate, where he provides support in the areas of foundation services, scholarship administration, and events, among other duties. Adam moved to Houston with his wife, Amanda, from Mobile, Alabama, where he worked as an Enrollment Counselor at the University of Mobile, his alma mater (BS in Business Administration).

Rachel Murdock is a Michigan transplant and joined GHCF as Development Associate shortly after moving to Houston. Rachel assists our development officers and brings several years of experience working in development at Michigan nonprofits. Rachel holds an MBA, with a concentration in nonprofit management, from Eastern Michigan University.

We Have Moved!

GHCF relocated to a new office in the Decorative Center Houston at Woodway Drive and Sage Road, address as follows:

**5120 Woodway Drive,
Suite 6000
Houston, Texas 77056**

Our telephone numbers and e-mail addresses remain the same.

The Decorative Center has free surface parking for visitors, which you may enter from Sage Road, just behind the building.

Drop by for a visit when you're in the neighborhood –

**we'd love to show you
our new location!**