The Foundation has six investment pools that differ by risk and degree of active management.

**POOLS INCORPORATING ACTIVE MANAGEMENT:**

- **Balanced asset allocation approach**
  - Intermediate-term time horizon (5-10 years)
  - Goal of a positive return over the intermediate term, while providing some income or cash flow
  - Each asset class is diversified by style, primarily utilizing active managers
  - Alternative investments include “long/short” hedge fund strategies designed to reduce market risk and market exposure

- **Growth-oriented asset allocation, emphasizing equities**
  - Long-term time horizon (10+ years)
  - Goal of long-term capital appreciation, with current income a low priority
  - Each asset class is diversified by style, primarily utilizing active managers
  - Alternative investments include “long/short” hedge fund strategies designed to reduce market risk and market exposure
  - The nature of this pool’s investment objective implies higher volatility (risk), especially in the short term, as the portfolio is tilted towards equities (stocks)

- **Income-oriented asset allocation approach**
  - Short-term time horizon (1-5 years)
  - Goal of stable and substantial current income, and preservation of capital in down equity markets
  - Each asset class is diversified by style, primarily utilizing active managers
  - Small allocation to “long/short” hedge fund strategies designed to reduce market risk and market exposure
Investment Pools Summary
GREATER HOUSTON COMMUNITY FOUNDATION

PASSIVE (INDEX FUNDS) POOLS:

- **Passive Growth Pool**
  - Growth-oriented asset allocation, emphasizing equities
  - Long-term time horizon (10+ years)
  - Goal of long-term capital appreciation, with current income a low priority
  - Investments are solely through index funds (100% passive)
  - No alternative investments
  - The nature of this pool’s investment objective implies higher volatility (risk), especially in the short term, as the portfolio is tilted towards equities (stocks)
  - Equities 80%
  - Fixed Income 18%
  - Cash 2%

- **Passive Income Pool**
  - Income-oriented asset allocation approach
  - Short-term time horizon (1-5 years)
  - Goal of stable and substantial current income, and preservation of capital in down equity markets
  - Investments are solely through index funds (100% passive)
  - No alternative investments
  - Equities 30%
  - Fixed Income 68%
  - Cash 2%

- **Money Market Pool**
  - Only money market (cash equivalent) investments
  - Very short-term time horizon (less than 1 year)
  - Goal of capital preservation under all circumstances
  - No alternative investments
  - Money Market 100%