



FREQUENTLY ASKED *Questions*



The Transition to Vanguard



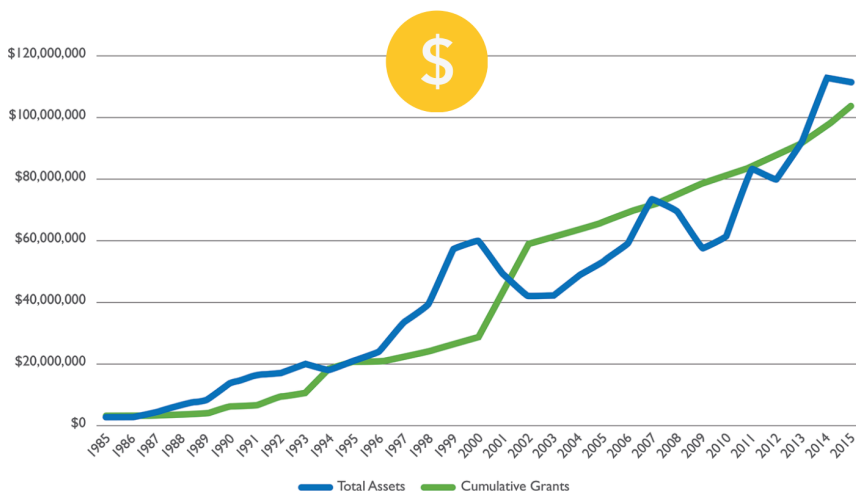
Why Vanguard? What are the benefits of working with them?

Both our Investment Committee and Board of Directors believe Vanguard offers the best mix of investment philosophy, cost efficiency and service. Vanguard stood out due to a combination of:

- Exceptionally low fees;
- Strong performance history;
- Transparent portfolio construction and ongoing management;
- Expected service and administration quality;
- World-class reputation for putting investors first.

In fact, upon completion of the switch to Vanguard, our advisory and management fees will drop from approximately 85 basis points to 21 basis points. These lower fees mean more potential for growth for your fund and ultimately that means more good for our community.

Total Assets & Cumulative Grants



Our Goal is to
Maximize Your
Philanthropic
Commitments to
Benefit Our
Pierce County
Community.





What was the process for selecting Vanguard?

Our investment consultant review process began in May 2016, when a sub-committee of the Investment Committee identified 11 firms from whom to request information regarding their advisory services. Nine firms responded to the request and after studying the proposals, the group identified five candidates to invite for on-site presentations.

On August 2, the sub-committee reconvened to review follow-up thoughts and discuss preferences. The three voting members of the sub-committee unanimously approved the recommendation of Vanguard. On August 8, the full Investment Committee unanimously approved the recommendation that was presented. Lastly, on August 24, the GTCF Board of Directors considered the recommendation and formally approved Vanguard as the organization's new investment consultant.



Why was GTCF looking to switch investment managers?

This change is the result of a thorough and diligent review of investment consultant proposals carried out by a sub committee of our Investment Committee. Considered a best practice of Community Foundations, a regular review process ensures the Foundation and its fundholders are receiving the best products and services possible in order to maximize the impact of your philanthropic gifts.



When will the changes take effect?

Funds began to transfer from Fund Evaluation Group (FEG) to Vanguard Institutional Investor Group at the beginning of October and will continue throughout the following weeks as investments are able to be moved.



What's the history and background of Vanguard?

Vanguard was founded on an idea that a mutual fund company should be managed in the sole interest of its investors. From the company's beginning in 1975, Vanguard has been a very different kind of investment firm. To ensure that the interests of investors always come first, Vanguard is structured in the U.S. as a "mutual" mutual fund company, owned by the Vanguard funds and the investors who put their hard-earned money in them.

Instead of being publicly traded or owned by a small group of individuals, Vanguard is owned by the Vanguard family of mutual funds. The Vanguard funds, in turn, are owned by their shareholders—or client-owners. Because the company is mutually owned and not publicly traded, Vanguard can focus on seeking superior long-term fund performance and making long-term investments to help improve services and lower costs for our client-owners, rather than focusing on outside stockholders or the short-term expectations of Wall Street.

Today, Vanguard offers more than 170 separate investment portfolios with broad, yet carefully defined, investment objectives. The firm manages more than \$3.6 trillion in assets.



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