

**A BETTER
WAY TO GIVE.
A BETTER
KANSAS CITY.**



**GIFTS OF STOCK AND
REAL ESTATE**

The Community Foundation welcomes you to contact us regarding gifts of stock (including publicly-traded, closely-held and mutual fund shares) or other alternative assets.

Remember to notify the Community Foundation's finance department before transferring mutual fund shares and prior to wiring cash or securities via MasterCard, VISA, AMEX, Discover, etc. Prior notification expedites the process. We can be reached at 816-842-0944.

**ONLINE FUND
MANAGEMENT**

The most direct way to manage your fund is online through the My Fund system. Start at www.gkccf.org and click the **My Fund** tab. Click the **Log In To My Own Fund** button to enter your username and password. From there you can check your fund balance, review a fund statement, review and sort historical contribution and grant activity within your fund, and make grants from your fund to any nonprofit organization in the United States.

For more details, questions or assistance, contact Debbie Starke at 816-842-0944 or starke@gkccf.org.

A N I N V E S T M E N T P E R F O R M A N C E

GREATER KANSAS CITY
COMMUNITY FOUNDATION

**FOURTH QUARTER
SUMMARY
2009**

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INDIVIDUAL INVESTMENT OPTIONS

Individual investment options allow donors to recommend a custom allocation strategy, which can include one or more pools.	YTD	1 Mo.	3 Mos.	12 Mos.	Annualized		
					3 Years	5 Years	10 Years
Equity Pool <i>Wilshire 5000 Index</i> <i>S&P 500 Index</i>	30.33% 29.42% 26.46%	2.41% 2.92% 1.93%	4.71% 5.96% 6.04%	30.33% 29.42% 26.46%	-5.34% -5.00% -5.63%	1.38% 1.10% 0.42%	0.60% -0.17% -0.95%
Fixed Income Pool <i>Barclays Aggregate Bond Index</i>	9.95% 5.93%	-1.35% -1.56%	0.71% 0.20%	9.95% 5.93%	7.56% 6.04%	5.90% 4.97%	6.75% 6.33%
Alternative Investment Pool <i>50% Wilshire 5000 Index, 50% Barclays Aggregate Bond Index</i>	12.52% 17.68%	1.37% 0.68%	2.34% 3.08%	12.52% 17.68%	3.32% 0.52%	5.96% 3.04%	9.38% 3.08%
Money Market Pool <i>90 Day Treasury Bill</i>	0.55% 0.21%	0.01% 0.01%	0.05% 0.04%	0.55% 0.21%	2.80% 2.40%	3.25% 3.02%	3.05% 2.99%

ASSET ALLOCATION OPTIONS

Asset allocation options offer a simple, one-stop approach to an investment strategy that best reflects your charitable goals. Donors recommend one option which the Community Foundation rebalances.	YTD	1 Mo.	3 Mos.	12 Mos.	Annualized		
					3 Years	5 Years	10 Years
Long Term Mix I (65% Equity, 35% Fixed Income) <i>65% Wilshire 5000, 35% Barclays Aggregate Bond Index</i>	23.20% 21.20%	1.09% 1.35%	3.31% 3.94%	23.20% 21.20%	-0.83% -1.14%	2.96% 2.45%	2.75% 2.11%
Long Term Mix II (60% Equity, 30% Fixed Income, 10% Alternative) <i>65% Wilshire 5000, 35% Barclays Aggregate Bond Index</i>	22.44% 21.20%	1.18% 1.35%	3.27% 3.94%	22.44% 21.20%	-0.60% -1.14%	3.19% 2.45%	3.32% 2.11%
Moderate Mix (45% Equity, 45% Fixed Income, 10% Money Market) <i>45% Wilshire 5000, 45% Barclays Aggregate Bond Index, 10% 90 Day T- Bill</i>	18.18% 15.93%	0.48% 0.61%	2.44% 2.78%	18.18% 15.93%	1.28% 0.71%	3.60% 3.03%	3.61% 3.07%
Conservative Mix (25% Equity, 55% Fixed Income, 20% Money Market) <i>25% Wilshire 5000, 55% Barclays Aggregate Bond Index, 20% 90 Day T- Bill</i>	13.17% 10.66%	-0.14% -0.13%	1.58% 1.61%	13.17% 10.66%	3.38% 2.55%	4.24% 3.61%	4.47% 4.04%
Risk Averse Mix (100% Money Market) <i>90 Day Treasury Bill</i>	0.55% 0.21%	0.01% 0.01%	0.05% 0.04%	0.55% 0.21%	2.80% 2.40%	3.25% 3.02%	3.05% 2.99%

The Alternative Investment Pool returns include estimates for December, which are subject to change. The Alternative Investment Pool inception date was 1/1/06. Therefore, the 5-year and 10-year returns presented are back-tested returns. Performance is presented gross of GKCCF administrative fees but net of all investment management fees, brokerage, consulting, and other transaction costs. **NOTE: Historical Investment Report on back >>**

THE INVESTMENT COMMITTEE



Karen Daniel
Chair
CFO & Executive Vice President,
Black & Veatch



Fred G. Mitchell
President,
Mitchell Capital Management



Bob Regnier
President,
Bank of Blue Valley



Bill Taylor
Ernst & Young
Retired Partner

Capital Markets Post Rally of Historic Proportions

The year 2009 began with much uncertainty, as investors wondered how long the recession and resulting market decline would continue, and ended with capital markets posting a rally of historic proportions.

Equity markets, both domestic and foreign rebounded strongly from their March 9, 2009, lows. Early in the market rally, gains were fueled by the realization that the global economy and financial system would not collapse. Thereafter, this improved confidence in the financial system, combined with signs of improving global economic conditions and individual company earnings reports that consistently exceeded expectations further improved sentiment, driving market gains across all sectors. Domestic equity markets, as measured by the S&P 500 Index, returned 6.0% during the fourth quarter, bringing the year-to-date return to 26.5%. International equity markets, both developed and emerging, also rebounded strongly during the year and the MSCI EAFE Index returned 2.2% during the fourth quarter, bringing the year-to-date return to 31.8%. The Greater Kansas City Community Foundation Equity Pool gained 4.7% and 30.3% for the quarter and year to date periods ending December 31, 2009, outpacing the Wilshire 5000 Index year-to-date return of 29.4%.

Similar to equity markets, credit markets performed well throughout the year, bolstered by increased liquidity and low interest rates. An indication of a return of risk appetite by investors, high yield bonds led all income sectors. In a reversal from 2008, U.S. Treasury bonds struggled and declined 2.2% in 2009, as measured by the Barclays Capital Government Index. The Community Foundation's Fixed Income Pool performed well during the year, returning approximately 10%, outperforming the Barclays Capital Aggregate Index year-to-date return of 5.9%.

Many of the managers within the Alternative Investment Pool

entered 2009 with low exposure to markets in an effort to preserve capital, concerned by their belief that many challenges remained for economies and corporations. As the economy showed signs of improvement, the managers began to gradually increase their exposures by year end. As a result of their low net exposure throughout most of the year, the Alternative Investment Pool lagged long-only managers, returning 2.3% and 12.5% during the fourth quarter and year-to-date periods, respectively. Notwithstanding the market rally, the alternative managers generally remain defensively postured, with net exposures of approximately 35%.

After the strong returns witnessed across capital markets in 2009, the question looking ahead in 2010 is, "have capital markets come too far too fast?" As we look forward to 2010, the economic recovery appears to continue to gain traction, the prospect for earnings improvements seems potentially promising and the inflation outlook still looks benign in the near term. Although many market pundits expect capital markets to extend their gains into 2010, there are many reasons to remain cautious. While showing signs of stabilization, the housing market remains quite fragile as one in seven households with mortgages are either in foreclosure or are delinquent. The continued high level of unemployment remains a significant concern for the economic outlook as well. Commercial property values continue to decline, along with rents and occupancy rates. The Federal Reserve and other Central Banks have set out plans to begin withdrawing stimulus supplied during the liquidity crisis, which could create considerable volatility in global markets. Going forward, companies may need to deliver earnings driven by increased sales, rather than by aggressive cost-cutting, in order to sustain the market rally. Notwithstanding the continued uncertainty, the Community Foundation's investment program remains structured to deliver strong relative performance for your charitable dollars, regardless of the investment environment.

Investment Program

The Greater Kansas City Community Foundation's investment program offers the flexibility to customize your fund's investments to meet your charitable goals, whether they are immediate or long term. You advise how contributions to your fund are invested, ultimately maximizing the potential of your charitable dollars.

TWO WAYS TO PARTICIPATE

You may choose to have your trusted financial advisor manage your fund.

OR

You may select your own allocation using one or more of the Community Foundation's investment pools.

1. Working With Your Financial Advisor

With this option you can benefit from customized investment management from a professional advisor you already know and trust. Simply put the Community Foundation in touch with your financial advisor and our team will take care of the rest.

2. Investment Pools

Based upon how you plan to use your fund, you can choose which investment pool best fits your charitable giving goals. The Community Foundation's investment pools are organized according to asset class and include the following: Money Market, Fixed Income, Alternative Investment and Equity. When you set up a fund, you can select from these pools. You can change your investment option at any time. Asset allocations are rebalanced at the end of every month.

CUSTOMER SERVICE

If you have questions about your fund or wish to request a change in your investment mix, contact the Donor Services Center at 816-842-7444 or service@gkccf.org.

If you would like a copy of the Community Foundation's Investment Policy, please contact Katie Gray at 816-627-3439 or gray@gkccf.org.

To find this Investment Performance Summary online, visit www.gkccf.org → Resources page → For Donors section

HISTORICAL INVESTMENT PERFORMANCE REPORT – as of December 31, 2009

	ANNUALIZED RETURNS			HISTORICAL CALENDAR YEAR RETURNS									
	3 Year	5 Year	10 Year	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Equity Pool	-5.34%	1.38%	0.60%	30.33%	-40.11%	8.66%	17.35%	7.52%	14.65%	35.76%	-22.52%	-10.82%	-7.91%
<i>Wilshire 5000</i>	-5.00%	1.10%	-0.17%	29.42%	-37.34%	5.73%	15.88%	6.32%	12.62%	31.63%	-20.35%	-11.01%	-9.44%
<i>S&P 500</i>	-5.63%	0.42%	-0.95%	26.46%	-37.00%	5.49%	15.79%	4.91%	10.87%	28.67%	-22.09%	-11.88%	-9.10%
Fixed Income Pool	7.56%	5.90%	6.75%	9.95%	4.96%	7.69%	4.04%	2.85%	4.93%	4.57%	8.38%	8.97%	11.68%
<i>Barclays Aggregate Bond Index</i>	6.04%	4.97%	6.33%	5.93%	5.24%	6.97%	4.33%	2.43%	4.34%	4.11%	10.12%	8.44%	11.06%
Alternative Investment Pool	3.32%	5.96%	9.38%	12.52%	-17.38%	19.66%	8.50%	8.50%	7.90%	14.30%	5.50%	11.70%	27.80%
<i>50% Wilshire 5000, 50% Barclays Aggregate Bond Index</i>	0.52%	3.04%	3.08%	17.68%	-16.05%	6.35%	10.11%	4.38%	8.48%	17.87%	-5.12%	-1.29%	0.81%
Money Market Pool	2.80%	3.25%	3.05%	0.55%	2.72%	5.19%	4.72%	3.14%	1.15%	1.02%	1.70%	4.05%	6.42%
<i>90 Day Treasury Bill</i>	2.40%	3.02%	2.99%	0.21%	2.07%	5.00%	4.50%	2.66%	1.43%	1.05%	1.68%	3.67%	5.83%

The Alternative Investment Pool inception date was 1/1/06. Therefore, the 5-year and 10-year returns presented are back-tested returns. Performance is presented gross of GKCCF administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.