



Rotary's Money at Work

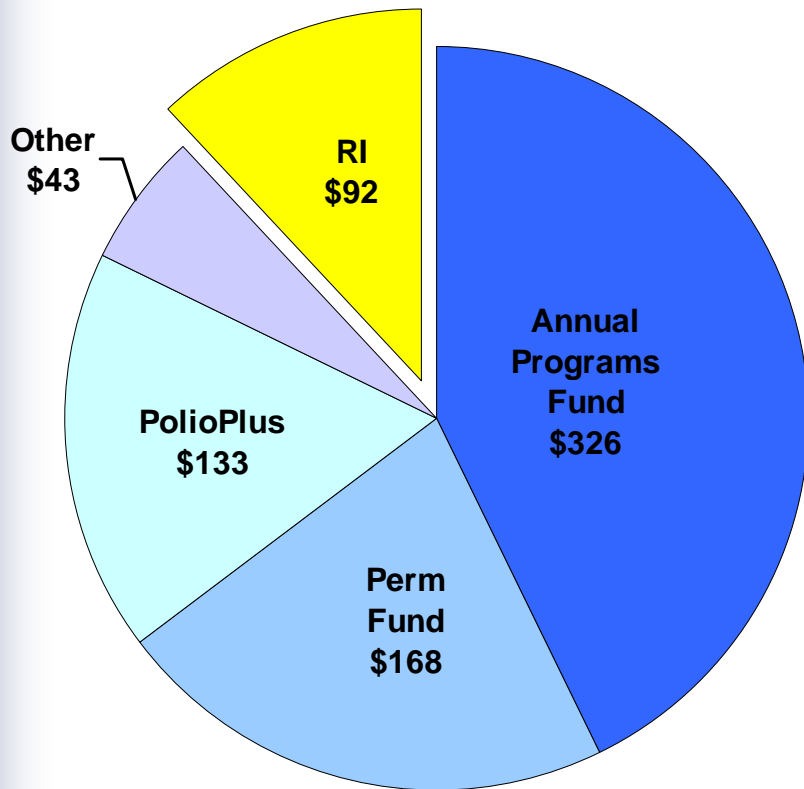
An Overview of Rotary's Investments

24 May 2011



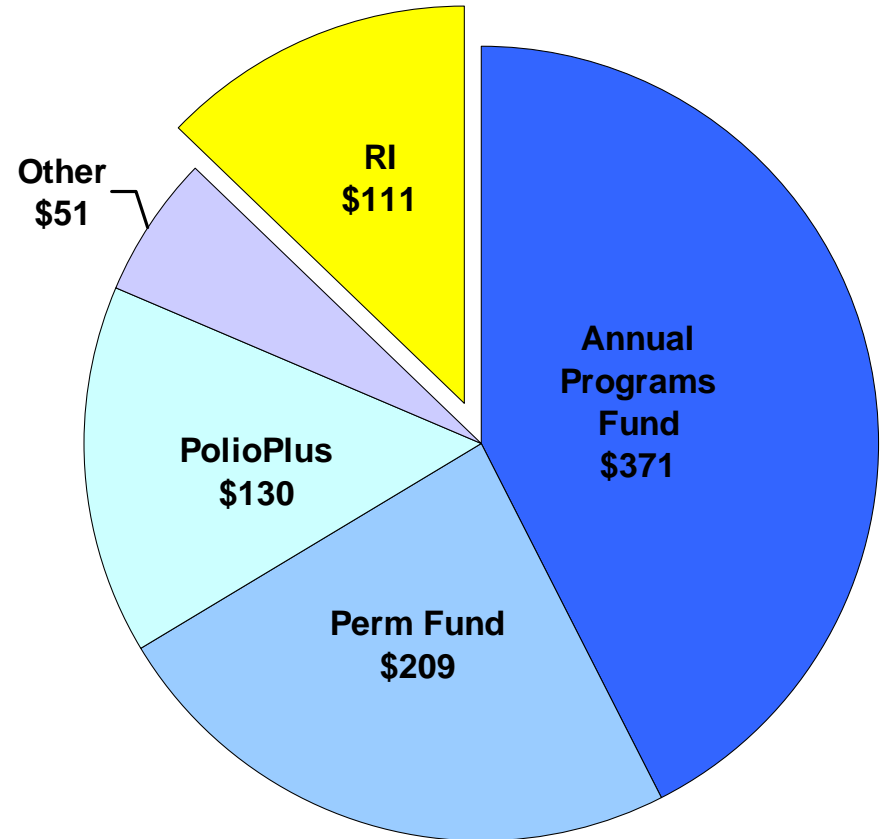
How much are we investing?

(in \$millions)



30 June 2010

US\$762 million



31 March 2011

US\$872 million



Who oversees Rotary's investments?

- Directors and Trustees
- TRF Investment Advisory Committee
- RI Finance Committee
- Investment Staff
- Investment Consultant
- Investment Managers



Directors and Trustees



- Formulate investment policies
- Develop investment objectives
- Establish asset allocation strategies



Investment Advisory Committee



John Stairs

- Review and monitor investment results
- Recommend changes to investment policies and structures
- Hire and terminate managers



RI Finance Committee



Ian Riseley

- Recommend investment policies to the RI Board
- Monitor investment results
- Participate in IAC meetings



Investment Staff



- Implement investment policies
- Monitor compliance with policies
- Perform daily operations
- Liaise with consultant, investment managers and committees



Investment Consultant



Kristin Reynolds



Richard Harper

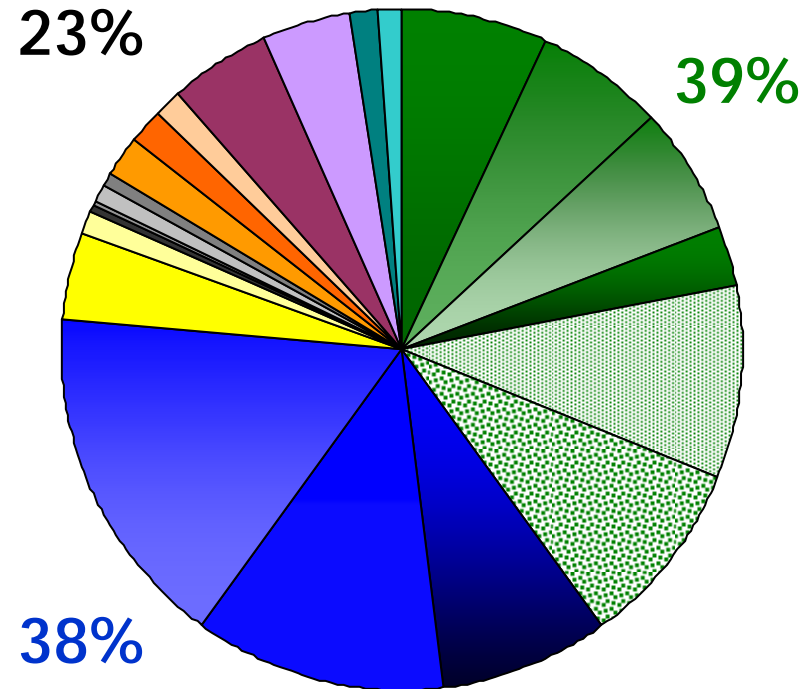
- Provide investment advice
- Conduct investment manager searches
- Monitor investment managers



Investment Managers

- Buy and sell securities
- Diversify portfolio
- Adhere to Rotary's policies

20 Managers



31 Investment Products



What Changes Have Been Made to Rotary's Investment Programs?

- New investment consultant
- Updated investment policies
- Funded operating reserve



Investment Trends

- Holistic approach to investing
- Understand drivers of return, sources of risk, and liquidity needs
- Increase allocations to hedge funds and private investments
- Relax manager constraints
- Reduce exposure to stocks



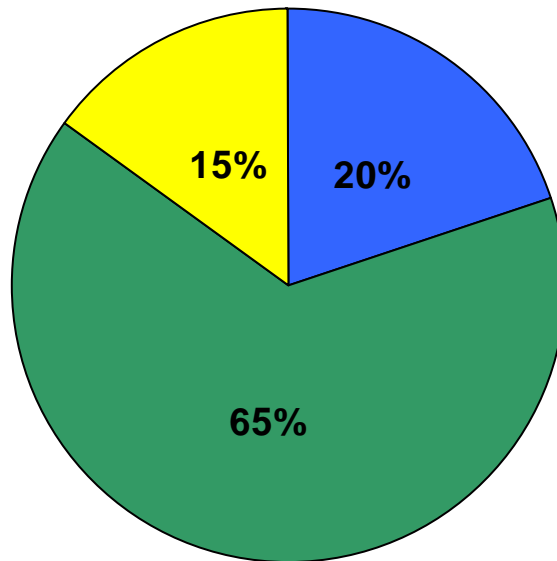
NEPC'S Recommendations

- Less U.S. stock exposure
- More global exposure
- Add more assets that will help protect against inflation



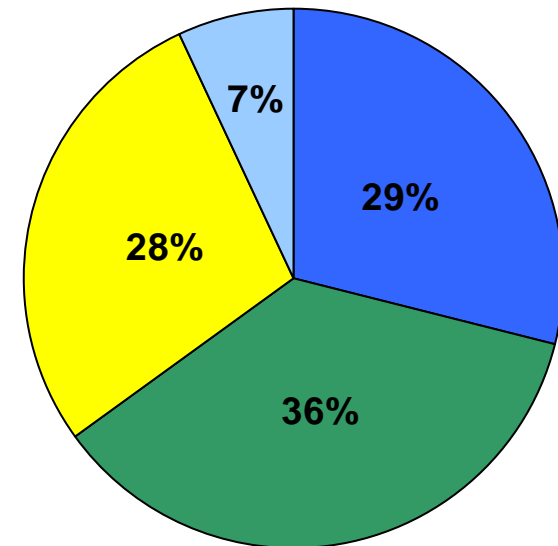
Annual Programs Fund Target Policy Asset Allocation

Pre - June 2010



■ Bonds ■ Stocks ■ Alternatives

Goal

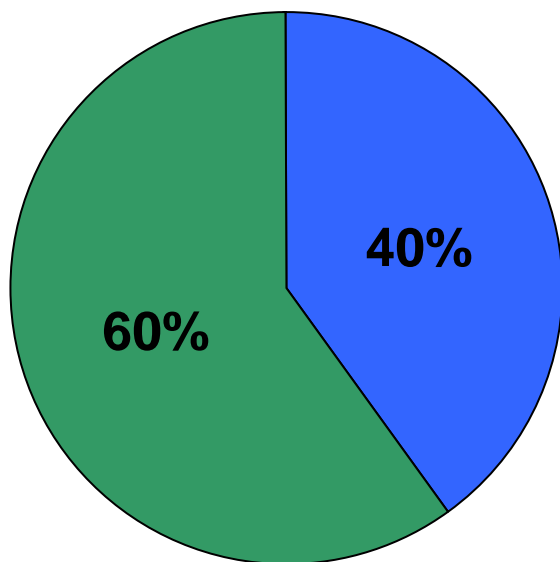


■ Bonds ■ Stocks
■ Alternatives ■ Cash



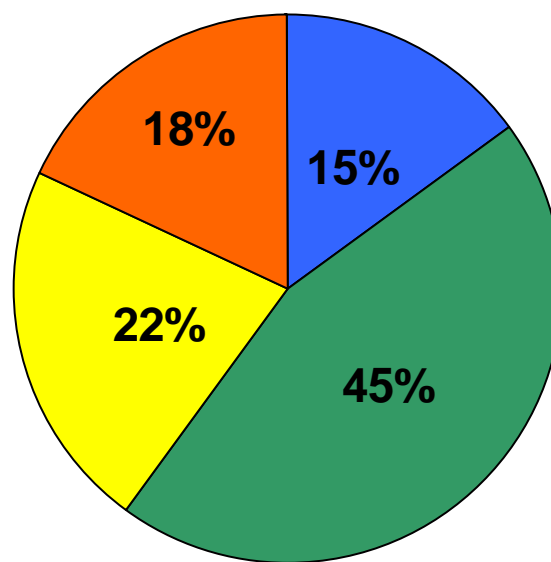
RI General Fund Target Asset Allocation

Pre - June 2010



Bonds **Stock**

June 2010

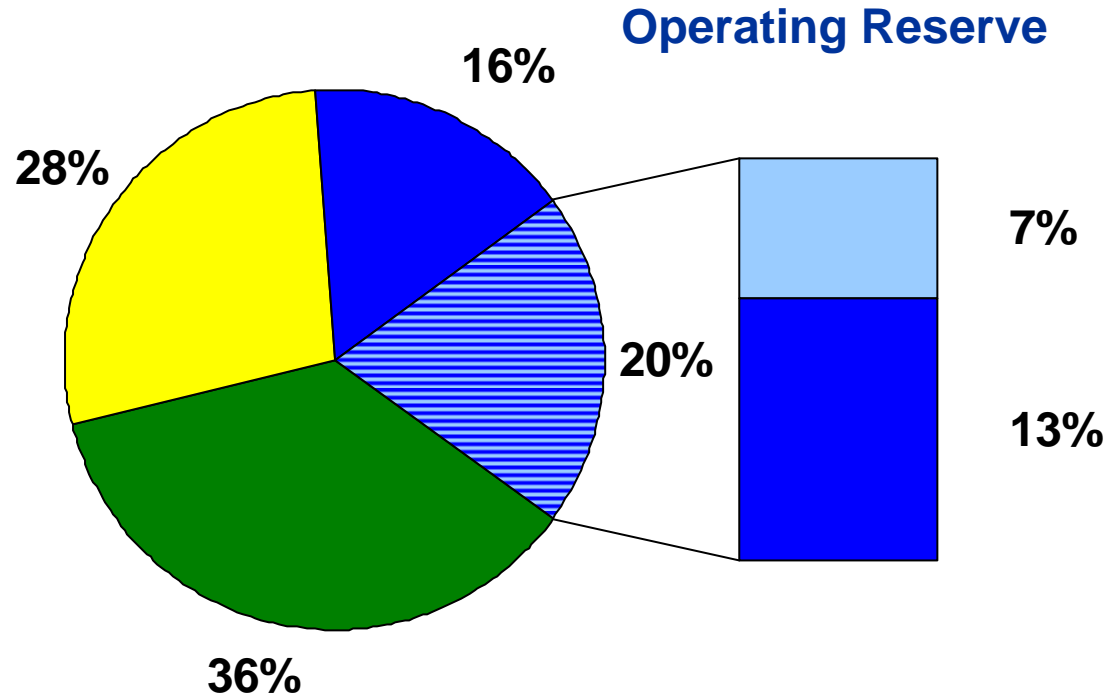


Bonds **Stock**
Alternatives **GAA**



Annual Programs Fund

Operating Reserve Fund



■ Equities ■ Alternatives ■ Fixed Income ■ Cash

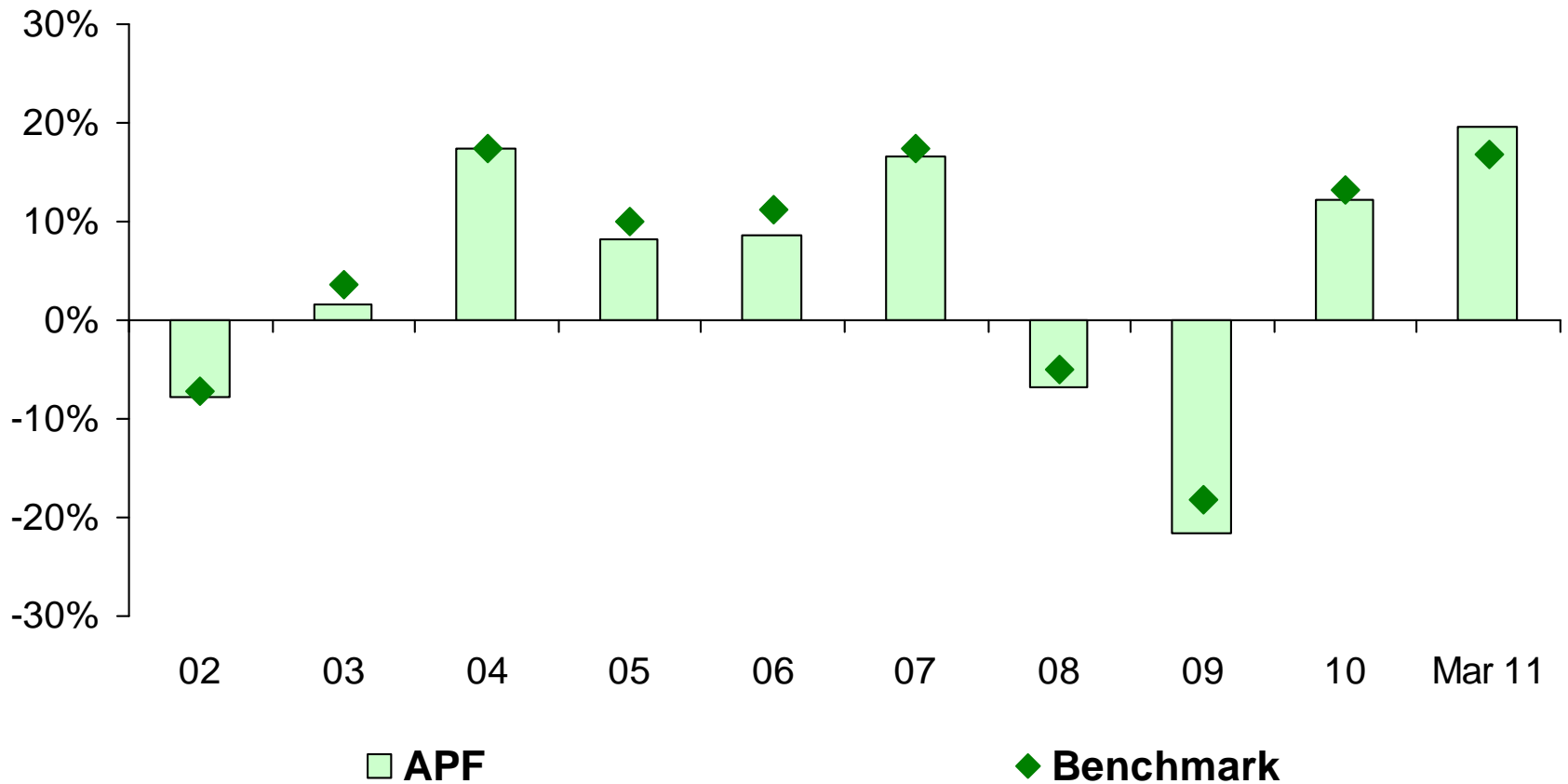


FAQ - Investment Performance

How have Rotary's various funds performed, and how do we evaluate their performance?

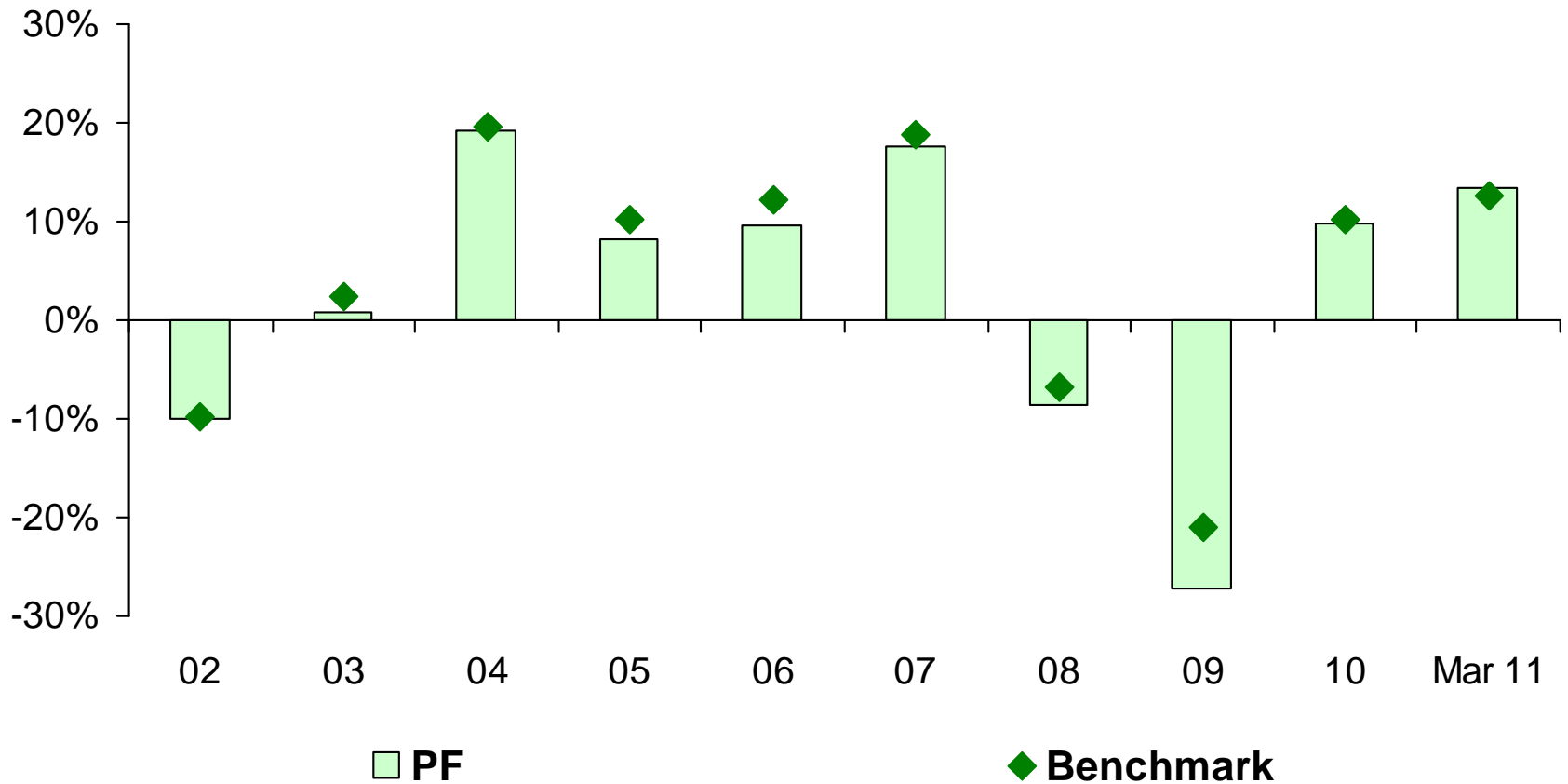


Annual Programs Fund Investment Returns



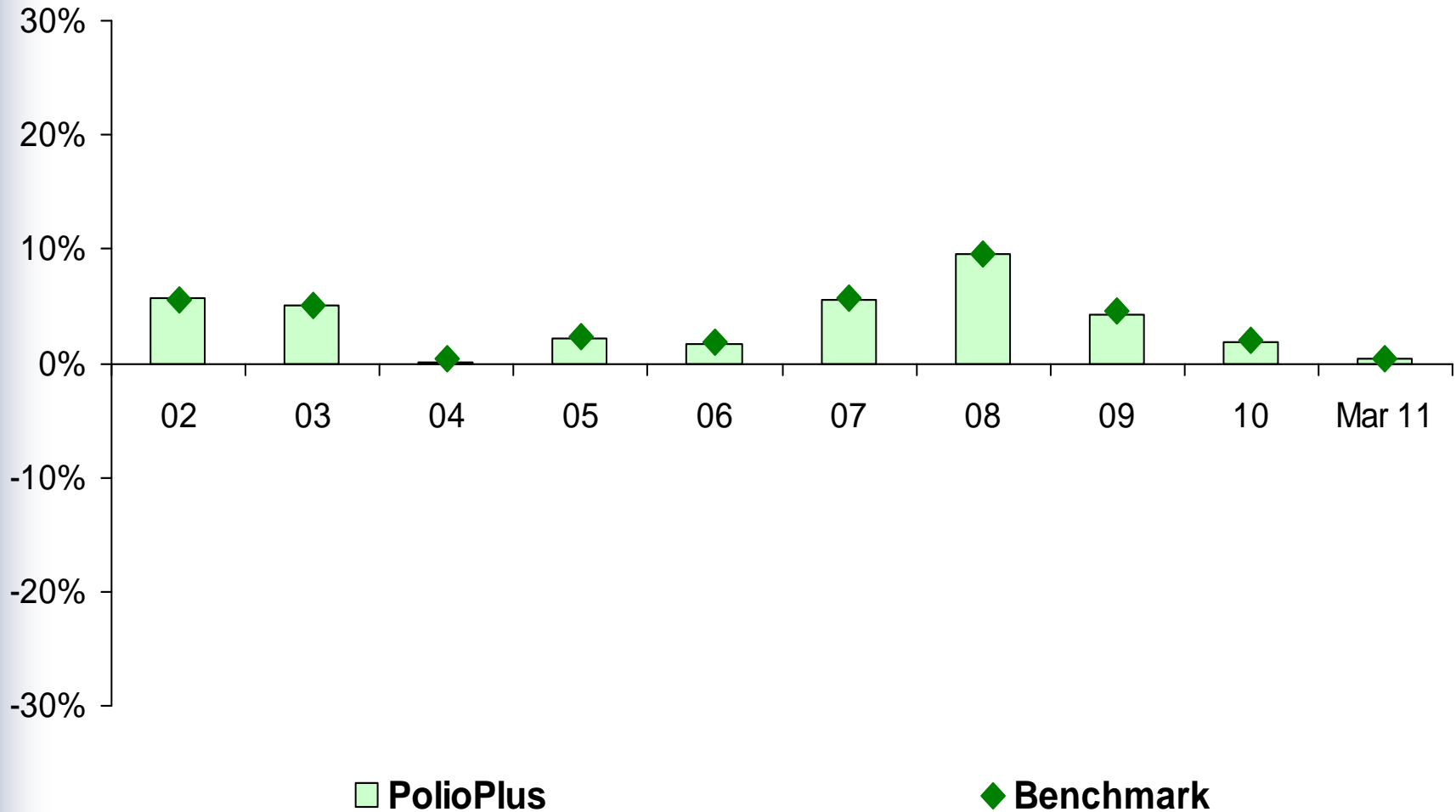


Permanent Fund Investment Returns





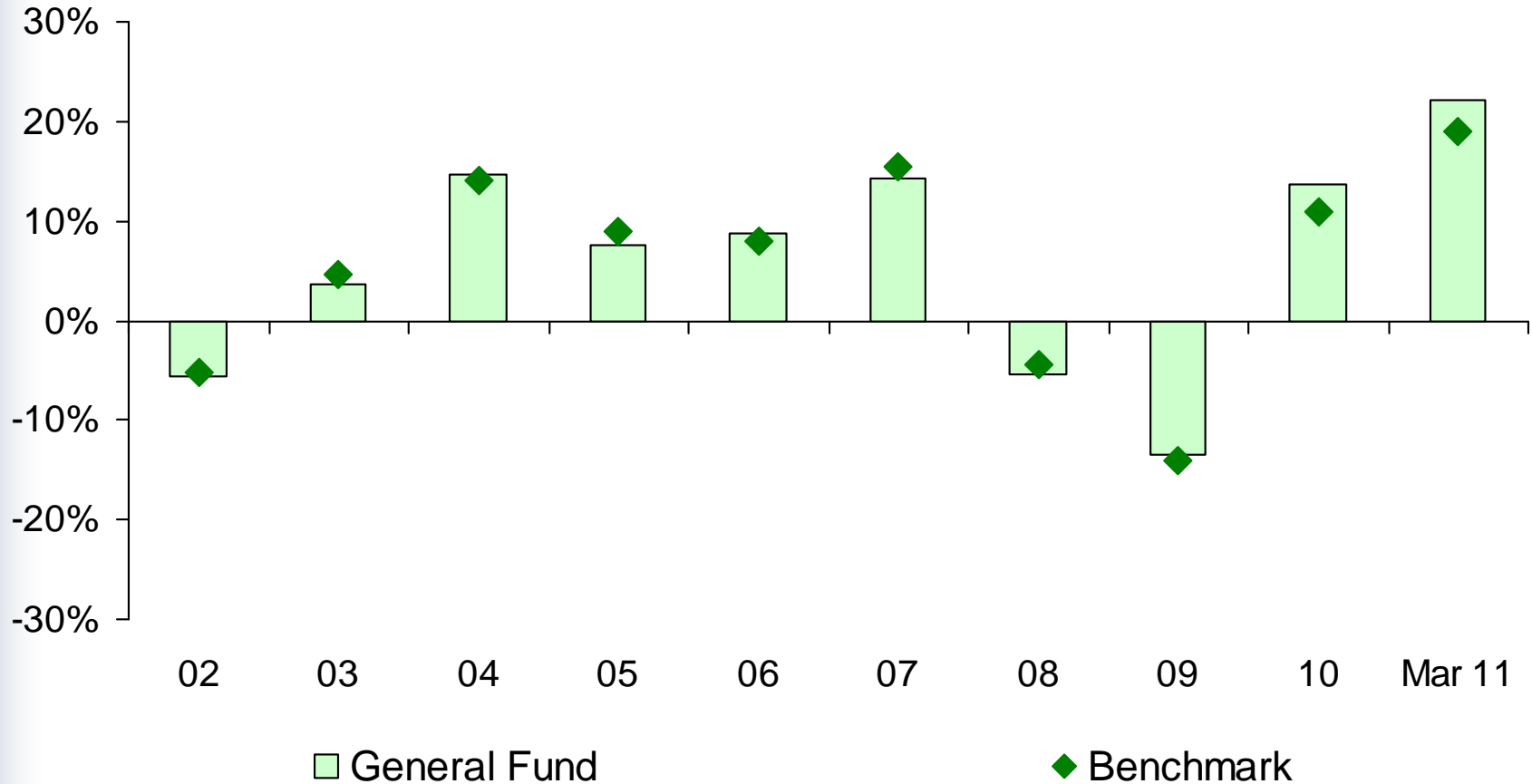
PolioPlus Fund* Investment Returns



* Excludes Gates Gift



RI General Fund Investment Returns





Investment FAQ

Where can I find more information on Rotary's investments?



Here is the way to quickly access financial information for both Rotary International and The Rotary Foundation:

- Go to Rotary's website: <http://www.rotary.org>
- Click on the first tab - "**About Us**" and you will see another tab - "**Financials**"
- Click on "**Financials**" and you will see general financial information and a menu with several options that include Rotary's investment philosophy, Frequently Asked Questions (FAQ) and Download Documents.
- If you click on **Download Resources**, you will see the Investment policies and information.



QUESTIONS?

