



The Advantage of Investing as a Community

HOW CAN ACEF HELP?

*As the principal increases
over time, so does the
total interest income paid
to beneficiaries.*

The Armenian Church Endowment Fund (ACEF) is an independent nonprofit that supports parishes and individuals who are providing for future generations and creating a legacy through endowments.

ACEF aggregates individual endowment funds and invests them in a broadly diversified portfolio. With a multimillion-dollar portfolio, ACEF can take advantage of investment opportunities that are simply not available to smaller investors or individual parishes. This includes funds that are closed to smaller investors, as well as vehicles appropriate only for a large, highly diversified portfolio.

The principal of ACEF funds is not spent, and investment income is distributed to the named beneficiaries at the designated rate of approximately 4.5% per year.

If investments generate more than 4.5% return, this extra income is reinvested. As the size of the investment increases over time, so does the total interest income paid to beneficiaries. By limiting distributions to 4.5%, ACEF also ensures that beneficiaries will receive a distribution in years when the financial markets are not doing well.

The numbers make the case (vs. benchmarks)

ACEF has generally outperformed the market and has provided growth and stability to individual parishes and other church-related institutions:

Since 1Q 1999, ACEF's returns
have outperformed the market
as well as our benchmark
(as of December 31, 2010)

Annualized return:

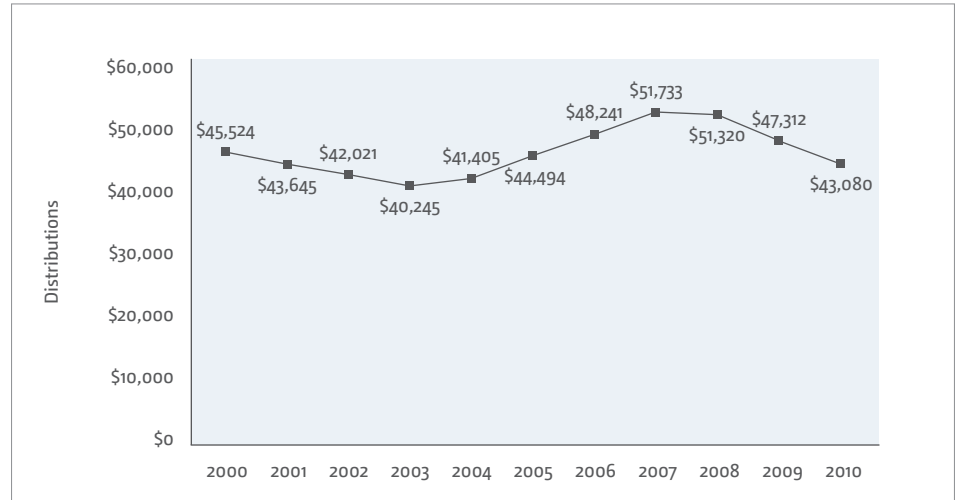
ACEF	5.6%
Benchmark	2.8%
S&P 500	1.6%

The numbers make the case (income to parishes)

If you are one of the parishes in our community who had a \$1 million endowment fund in 2000, the following chart shows what you received in income from that endowment through 2010.

Actual distributions from an endowment of \$1,000,000 beginning in 2000*

*Actual historical ACEF quarterly returns used to generate distribution figures. Assumes 4.5% distribution rate.



The total income from these endowments honors the wishes of individual donors, and also represents a very significant contribution toward the annual operating costs of your parish. Remember, a parish's total endowment may be made up of various individual, named endowments.

ACEF is governed by a board of your peers

The ACEF board of directors is responsible for all investment decisions. Our investment committee works with our investment advisors, studies the various investment options, and makes recommendations to the full board.

ACEF board members have both professional expertise and a commitment to the community. They serve as volunteers, without any financial compensation.

A term-limit policy also ensures that new people rotate onto the board. Each board member may serve no more than three consecutive three-year terms before rotating off the board.

ACEF receives expert advice

The ACEF board receives its investment advice from Cambridge Associates, a firm that specializes in working with nonprofits, including leading universities, major foundations, and a broad range of cultural and religious organizations. Cambridge Associates researches specialized investment opportunities, helps us balance our broad range of diversified investments, and constantly reviews the performance of the funds with which we invest.



Our investment strategies are always available for review

Cambridge Associates does not buy or sell securities or profit from the trades of investment firms. Team members work with ACEF on a fee basis and function solely as expert advisors. All actual investment decisions are made by the members of the ACEF board.

By working with an independent advisory firm, ACEF has been able to ensure income, appreciation, and safety for our participants. And because of their extraordinary nonprofit expertise, Cambridge Associates can also monitor how ACEF's investment performance compares with that of other organizations.

ACEF is transparent and accountable

All investment decisions are made by the ACEF volunteer board, after we have reviewed the recommendations of Cambridge Associates, our independent investment advisors. Cambridge Associates is paid a yearly fee and does not profit from any trades.

ACEF investments are subject to a full independent audit every year. This ensures that each of the hundreds of individual endowments that make up the Armenian Church Endowment Fund is properly managed and documented.

This audit, our IRS Form 990, and ACEF's investment strategies are always available for review, and an annual fund report is sent to the guardian of each endowment. We are also willing to share our investment principles and strategies with parishes that choose to invest elsewhere.

ACEF keeps its expenses to a minimum

Currently, our annual costs are approximately 0.6% of the fund's value. ACEF employs just one full-time staff member, Berjouhi Saladin, who expertly manages ACEF's entire administrative operation.

An endowment is a promise

An endowment is a promise. It can ensure, for example, that a parish will always have sufficient operating funds, that a new building can be maintained for its entire life, that a youth program will pass on Armenian traditions.

If you care passionately about your parish or a specific program, creating an endowment will support it in perpetuity. The principal of the endowment will grow over time, and the income must always be used to fulfill your wishes. You can establish an endowment with ACEF with as little as \$5,000.

We would also welcome the opportunity to advise you on how to set up an endowment properly, even if you decide not to invest your funds with ACEF. We will make sure that the endowment is written to ensure that your wishes will always be honored. This includes anticipating any future changes in the status of your parish or other beneficiary.

Armenians have a culture of giving.

We build the churches and the parish halls that are the center of our spiritual and cultural lives. We fund the youth groups, summer camps, and trips to Armenia that connect our young people to our heritage. And we reach out to people who are suffering, whether they are in Armenia or in our own neighborhoods.

When there is an immediate need, Armenians always respond. Endowments give us the opportunity to be just as generous in providing for future generations.



The Armenian Church Endowment Fund (ACEF) is an independent nonprofit that supports parishes and individuals who are creating a legacy through endowments. We encourage these parishes and individuals to make long-term investment planning an everyday practice, and we help them maximize financial returns by investing as a community. Please refer to our Web site and contact our office for complete details on ACEF's policies and procedures.

630 Second Avenue, New York, NY 10016-4806
Tel 212.686.0710, Fax 212.683.2609
acef@acefinvest.org