

Investment Management

PORTFOLIO OBJECTIVES

The Community Foundation is committed to prudent investment management strategies and fiscal policies that it believes will lead to the long-term growth of endowment fund principal and meet the Foundation’s distribution policy objectives. The Community Foundation seeks to preserve and enhance the value of the portfolio’s assets by providing long-term growth greater than the rate of inflation and fee costs, while recognizing that prudent risks must be taken.

The Community Foundation’s investment goals are:

1. To achieve a return in excess of the target return (defined below).
2. To minimize portfolio drawdown risk, to the extent possible, in seeking to achieve the Foundation’s long-term growth objectives.

Endowed Funds Long-Term Target Return:

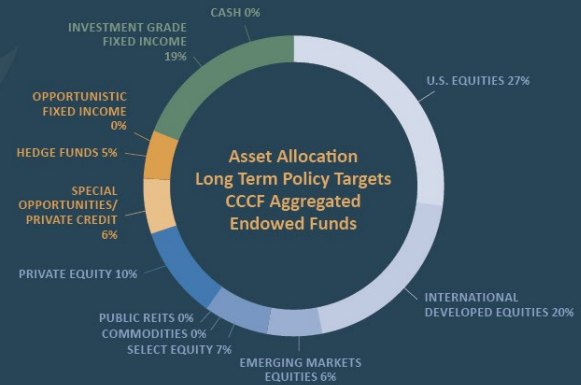
The Community Foundation desires a long term target return that provides portfolio growth, exceeds inflation, covers investment fee expenses, covers the Foundation’s administrative fee, and covers the annual grant payout (of up to 5% of the previous fiscal year end balance). Based on the fluctuating actual spend, the minimum required long term target return will be defined as the trailing 5 year actual spend rate + Current CPI + administration fees.

Quasi-Endowed Funds Long-Term Target Return:

The Community Foundation desires a long term target return that provides portfolio growth, covers investment fee expenses, covers the Community Foundation’s administrative fee, and partially covers a potential annual grant payout (of up to 20% of the previous fiscal year end balance).

Policy Portfolio Structure and Ranges

ASSET CLASS	BENCHMARK	ENDOWED RANGE	QUASI RANGE
GROWTH	ACWI ETF	60% – 80%	40% – 60%
DIVERSIFIERS	Bar Cap ETF	0% – 30%	0% – 20%
TOTAL FIXED INCOME	Blend	10% – 40%	20% – 60%



Total Consolidated Annualized Returns for the Endowed HC Portfolio as of 6/30/2019

