

CONSERVATIVE POOL SUMMARY

As of March 31, 2022

The Conservative Pool is designed to be short to intermediate-term in nature and capital preservation is the primary goal. The portfolio makes investments primarily in liquid, publicly traded fixed income securities and cash. The pool will invest a portion of the assets in US-based stocks. This Pool is for agencies and endowments, where the time horizon is in excess of one year and less than five years. The portfolio is allocated across:

- ❖ **Asset class** (stocks, bonds, cash)
- ❖ **Region** (U.S.)
- ❖ **Market Cap** (large mid size companies)
- ❖ **Style** (core, value and growth)
- ❖ **Liquidity** (daily liquid investments)

PERFORMANCE

AS OF 3/31/2022



ASSET ALLOCATION

| | |
|-----------------------|-----|
| ❖ Domestic Stocks | 14% |
| ❖ Core Fixed Income | 65% |
| ❖ Money Market & Cash | 21% |

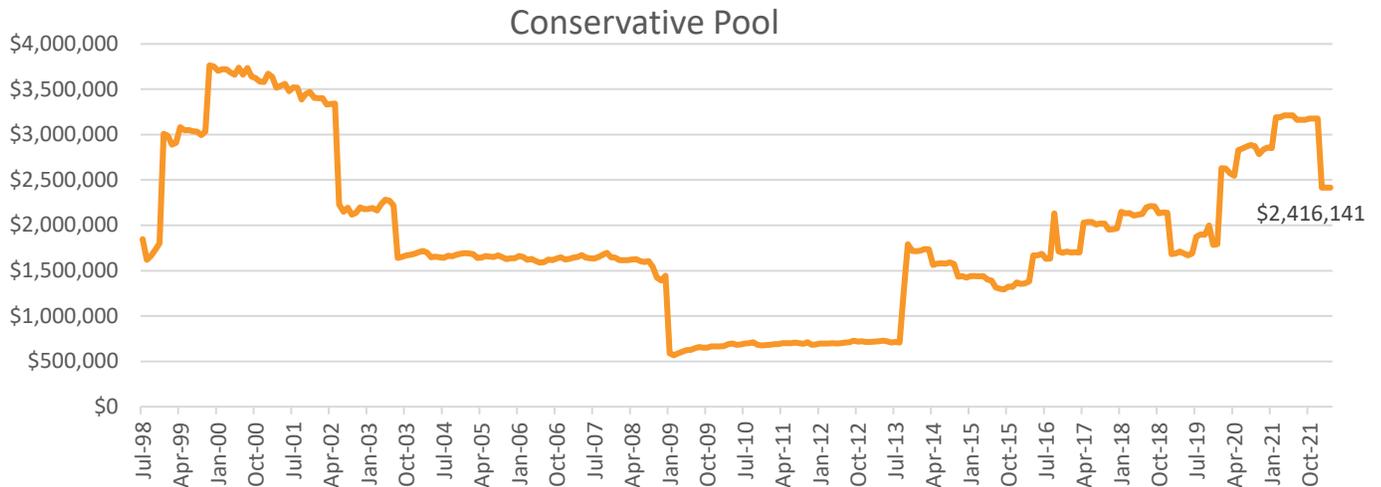


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GROWTH OF ASSETS OVER TIME



QUARTERLY COMMENTARY

Multi-decade high inflation, the interest rate liftoff by the Federal Reserve (Fed), sharply rising energy prices, and Russia's invasion of Ukraine were a few of the key drivers behind the spike in volatility across markets in the first quarter of 2022. For the quarter, domestic equities outperformed international—particularly emerging markets—and large cap relatively outperformed small cap. Stylistically, value strongly outperformed growth, buoyed by a 39% return for the S&P 500 Energy Sector Total Return Index—the strongest quarterly performance by the sub-index since the index's inception in 1989. Fixed income performance, particularly among rate-sensitive sectors, struggled throughout the quarter as persistent inflationary pressures and an expected steep Fed policy path discounted by the bond market helped send interest rates higher.

FROM OUR INVESTMENT PHILOSOPHY

The conservative pool is designed to generate return in excess of money market with limited stock exposure. The pool is U.S. focused, providing exposure to stocks, cash, U.S. bonds, and money market instruments.

The pool will have approximately ten percent of its assets invested in public equity with the remainder in fixed income and money market. The goal of the pool is to generate returns in excess of cash over a one-year time horizon while maintaining 100% daily liquidity of the assets. Given the pool will invest in small amounts of the stock market it is subject to shorter-term fluctuations and, as such, is not designed as a cash replacement.

For further information regarding investment management please visit our website:

<https://www.gcrf.org/about/investment-management/>

If you have questions, please contact:

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