

# CONSERVATIVE POOL SUMMARY

As of December 31, 2022

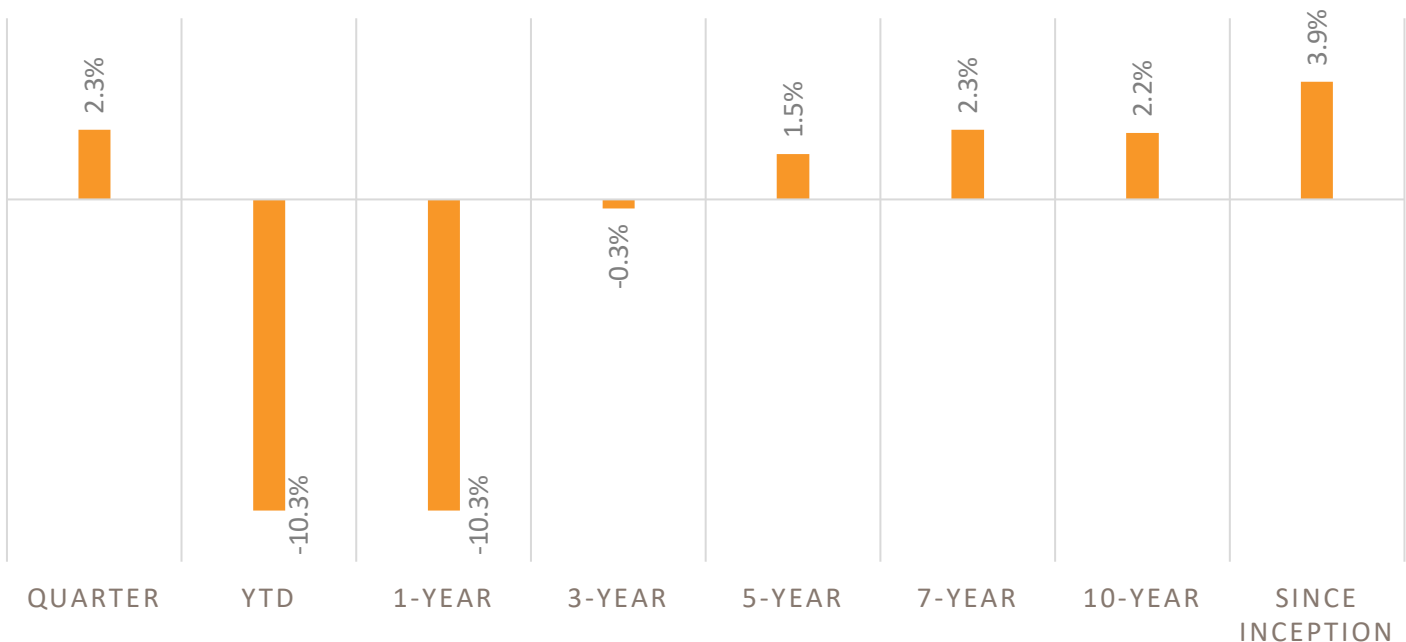
The Conservative Pool is designed to be short to intermediate-term in nature and capital preservation is the primary goal. The portfolio makes investments primarily in liquid, publicly traded fixed income securities and cash. The pool will invest a portion of the assets in US-based stocks. This Pool 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)

## ASSET ALLOCATION

❖ Domestic Stocks	16%
❖ Core Fixed Income	64%
❖ Money Market & Cash	20%

## PERFORMANCE



\*Inception: 07-1998



**Fund Evaluation Group**<sup>®</sup>  
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## GROWTH OF ASSETS OVER TIME

Conservative Pool



## QUARTERLY COMMENTARY

2022 ended as the third worst year on record for balanced portfolios. A remarkably strong fourth quarter rebound, however, saw most major asset classes reverse course and post positive performance. Cooling inflationary data, moderating interest rates, a declining U.S. dollar (USD), and the potential for a slower pace of Federal Reserve (Fed) tightening helped underpin the rally across the financial markets during the entire quarter. International outperformed U.S. equities for both the quarter and the year and emerging market equities enjoyed a solid rally in the fourth quarter. Bond returns were positive in the fourth quarter, as increased interest rates benefited from the 4Q rally.

## 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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