

INVESTMENT PHILOSOPHY

The Community Foundation serves as the steward of endowment funds that are to serve the community forever. These funds must be managed with a long-term time horizon to preserve and enhance the value of the initial endowment gift while allowing for an annual distribution to serve current needs.

The Endowment, ESG, and Moderate Investment Pools are globally diversified, providing exposure to a wide range of asset classes. Such diversification allows the pool to benefit from the strong performance of individual asset classes while mitigating the negative impact of poor performance in any single asset class.

The Investment Policy, which sets asset allocation guidelines and related ranges for the allocations, allows the Community Foundation to overweight investment in asset classes that show promise but are trading at relatively low values and liquidate assets trading at relatively high values. The pools are rebalanced regularly to assure the asset allocation is consistent with the guidelines established by the Investment Policy.

Oversight Role of Investment Committee

The Investment Committee oversees the implementation of the Investment Philosophy and the Investment Policy. The long-term objective of the Community Foundation is to achieve a total return more than the sum of the distribution rate, Community Foundation fees, and the inflation rate. The Committee does not attempt to “invest for the moment.” It invests for the long-term.

The Investment Committee is attentive to fees paid to investment managers. It has negotiated a favorable fee structure with its investment consultant and uses passively managed funds where possible, in part to keep fees low.