

CONSERVATIVE POOL SUMMARY

As of March 31, 2023

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	11%
❖ Core Fixed Income	59%
❖ Money Market & Cash	30%

PERFORMANCE



*Inception: 07-1998



Fund Evaluation Group[®]
investment advisors



GREATER CEDAR RAPIDS
**COMMUNITY
FOUNDATION**

GROWTH OF ASSETS OVER TIME Conservative Pool



QUARTERLY COMMENTARY

The first quarter of 2023 handed global investors much to digest. The year started with the erratic market performance of January and February, with the former witnessing broadly positive performance across most major asset classes and the latter generally the opposite. Then March's banking system turmoil took center stage. By the time the quarter concluded, however, strong gains had been generated for the breadth of the major global financial indices, despite lingering banking system concerns and a Federal Reserve (Fed) that reaffirmed its commitment to restoring price stability through a 25-basis point hike to the policy rate and hawkish near-term forward guidance.

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/>

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