

CONSERVATIVE POOL SUMMARY

As of June 30, 2023

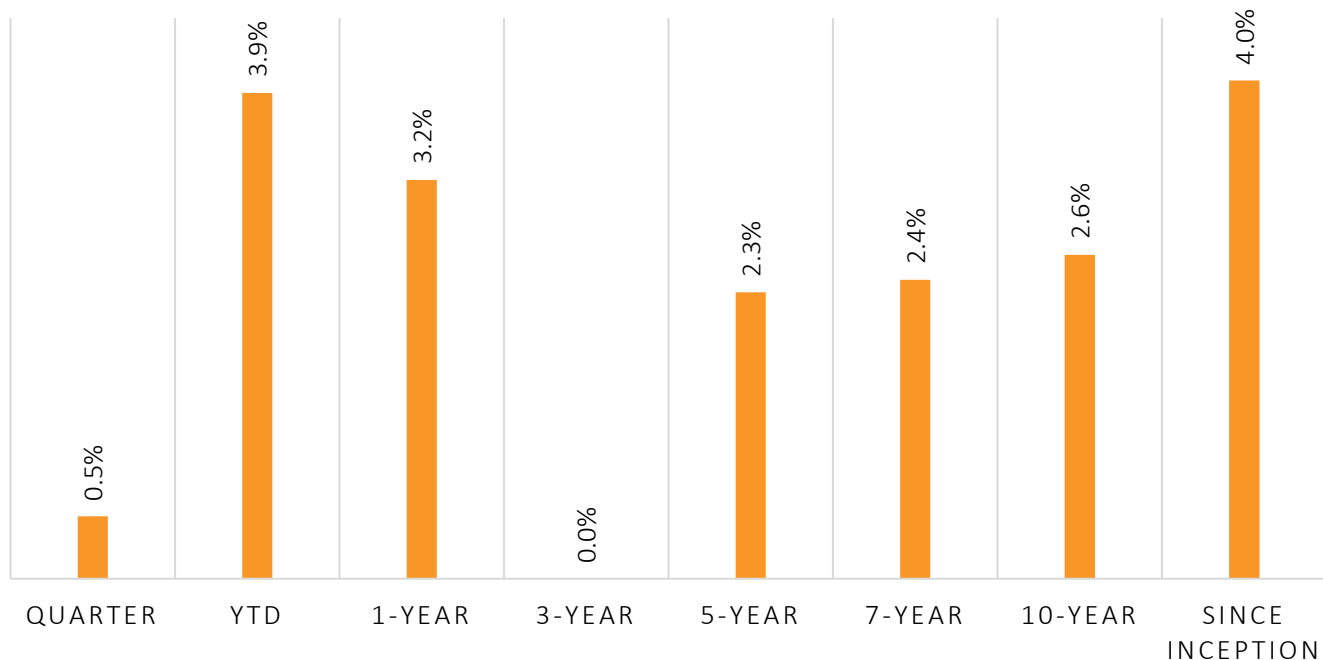
The Conservative Pool is designed to be short to intermediate-term in nature and capital preservation is the primary goal. The portfolio makes investments primarily in liquid, publicly traded fixed income securities and cash. The pool will invest a portion of the assets in US-based stocks. This Pool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

Conservative Pool



QUARTERLY COMMENTARY

Despite a notably steep “wall of worry,” including banking system strains, inflationary pressures, and the most aggressive Federal Reserve tightening campaign in four decades, performance across the financial markets in the second quarter appeared overwhelmingly positive. Returns from stocks were largely driven by mega-cap tech stocks perceived to benefit from artificial intelligence. With over 75% of the market’s return driven by 6 US mega cap tech-related stocks, positive performance has been witnessed by a select few and has not been a broad-based rally that boosts most stocks. Within fixed income the yield curve remains steeply inverted with shorter term bonds offering more attractive yields in longer maturity bonds. Traditionally speaking, an inverted yield curve signals that traders are anticipating a potential recession.

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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