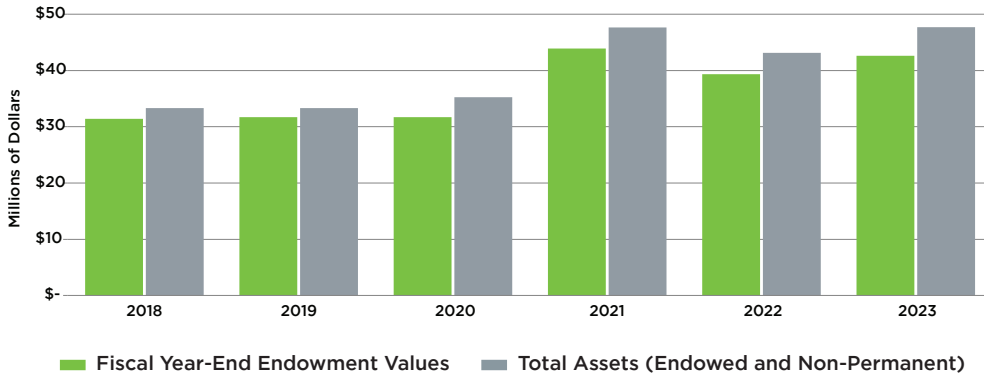


Endowment Value

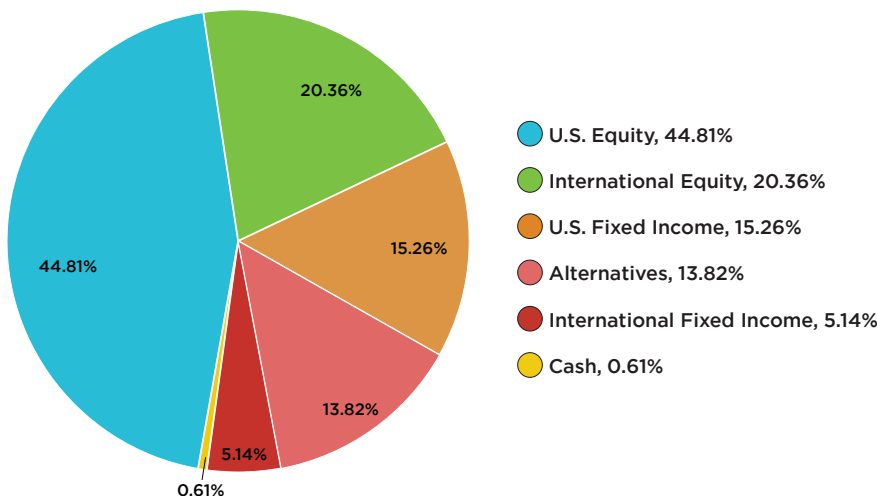


Markets endured record high inflation in the first half of FY 2023 as consumers began to spend down surplus savings accumulated during the COVID-19 pandemic. The Federal Reserve responded aggressively, raising interest rates by 3.5% in six months sending both equity and bond returns into the negative. Markets rebounded in the second half, offsetting the losses of the first half.

As of June 30, the Community Foundation's endowed funds exceeded \$42.6 million.

Total assets including permanently endowed funds and non-permanent funds were more than \$47.6 million.

Asset Allocation



As fiscal year 2023 came to a close, the Foundation's Endowment remained broadly diversified across equity, fixed income, and alternative investments.

- 65% was invested in mutual funds containing equities (i.e., stocks) with exposure to international markets and various investment styles.
- 21% of the Endowment was positioned in mutual funds containing fixed income (i.e., bonds), securities, and cash.
- The remainder of the portfolio was invested in mutual funds containing alternative assets, such as real estate, energy, and natural resources.

Investment Performance



Performance during the fiscal year was driven by the energy asset class, which returned 15.7%, in large part due to its inflation protection nature. As inflation began to cool in the second half, large technology companies within the growth sector began to drive markets as the revolution surrounding Artificial Intelligence began to take form. U.S. large cap growth returned 22.5%, with a large concentration of performance added by the newly termed magnificent seven technology companies. Fixed income returns were sent into the negative in the first half of the year due to rising yields, however the higher yields began to increase returns for newly purchased securities in the second half. Overall, fiscal year returns for the endowment were 10.57%.

The Foundation's portfolio allocation and spending policy are structured to withstand market volatility and yield strong growth over the long term. Distributions are calculated on 16-quarter fund balance averages to diminish broad shifts in annual distributions due to market fluctuations. The Foundation's Finance Committee and investment advisors regularly monitor the endowment with a focus on preserving principal and creating maximum impact through grant distributions.

*Endowment returns as reported in the Council on Foundations (COF) Investment Survey.

**Benchmark represents average return of all community foundations between \$25 and \$49.9 million in assets that participated in COF survey.