

WELCOME

**CENTRAL INDIANA COMMUNITY FOUNDATION
THE INDIANAPOLIS FOUNDATION
HAMILTON COUNTY COMMUNITY FOUNDATION**

July 23, 2020



CICF

**CENTRAL INDIANA
COMMUNITY FOUNDATION
THE INDIANAPOLIS FOUNDATION
HAMILTON COUNTY
COMMUNITY FOUNDATION**

INVESTMENT & FUNDHOLDER UPDATE

WE STILL DO THREE THINGS:

1. We help people invest in the causes that matter most to them.
2. We award grants to effective not-for-profit organizations.
3. We provide leadership to make Central Indiana a better, more beautiful, more equitable community.



INVESTMENT & FUNDHOLDER UPDATE

HOW COVID-19 INFLUENCED GRANTMAKING FROM DONOR-ADVISED FUNDS

Total grantmaking by donor-advised funds: March 1-June 30

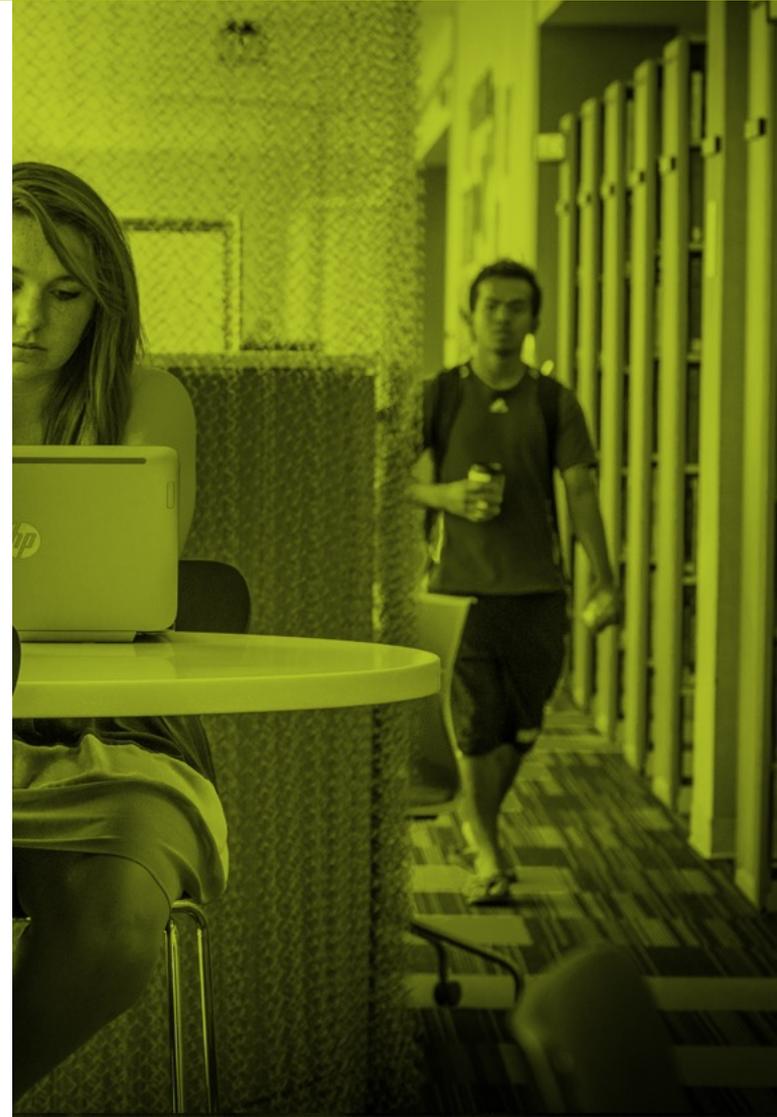
- amount granted in 2019: **\$8,267,481**
- amount granted in 2020: **\$18,153,016**

120% INCREASE

Grants made specifically to COVID-19 relief efforts*

- **\$4,869,400**

**COVID-19 relief amount factored using the following logic: 1) any grant specifications noted by the grantee with key words: COVID, Corona, Relief, Emergency, and E-Learning Fund; 2) any grants entered for organizations providing known COVID-19 relief at this time i.e. food pantries, rapid response loans, etc.*





THE TEAM

JOINT INVESTMENT BOARD (JIB)

Community leaders and financial experts who ensure CICF's investment strategy:

- David Becker
- Ivan Hoffman
- David Knall
- Marni McKinney
- Jerry Semler
- John Quinn
- James Roederer
- Charles Sutphin
- Gina Giacone
- Gene Tanner
- Jean Wojtowicz

The JIB meets quarterly with CICF staff and its investment consultant to discuss performance, strategy and overall direction of the portfolio. The JIB reviews the Investment Policy Statement annually.

CICF'S INVESTMENT STAFF



**Jennifer
Bartenbach**
executive vice
president & CFO



**Jennifer
Schrier**
senior director of
finance & systems



**Beth
Millikan**
senior
accountant



**Brenda
Delaney**
controller

FROM OUR INVESTMENT PARTNERS



Donor Presentation for Central Indiana Community Foundation

Jeffrey Croteau, Thomas Lupone

July 2020

Prime Buchholz by the Numbers

32 Years experience working with institutional clients

03 Locations:
Portsmouth, Boston, Atlanta

249 Clients

\$51.8 Billion, total assets under advisement

100% Employee-owned; 35 owners and growing

120+ Total employees

As of March 31, 2020



37 CFA charterholders

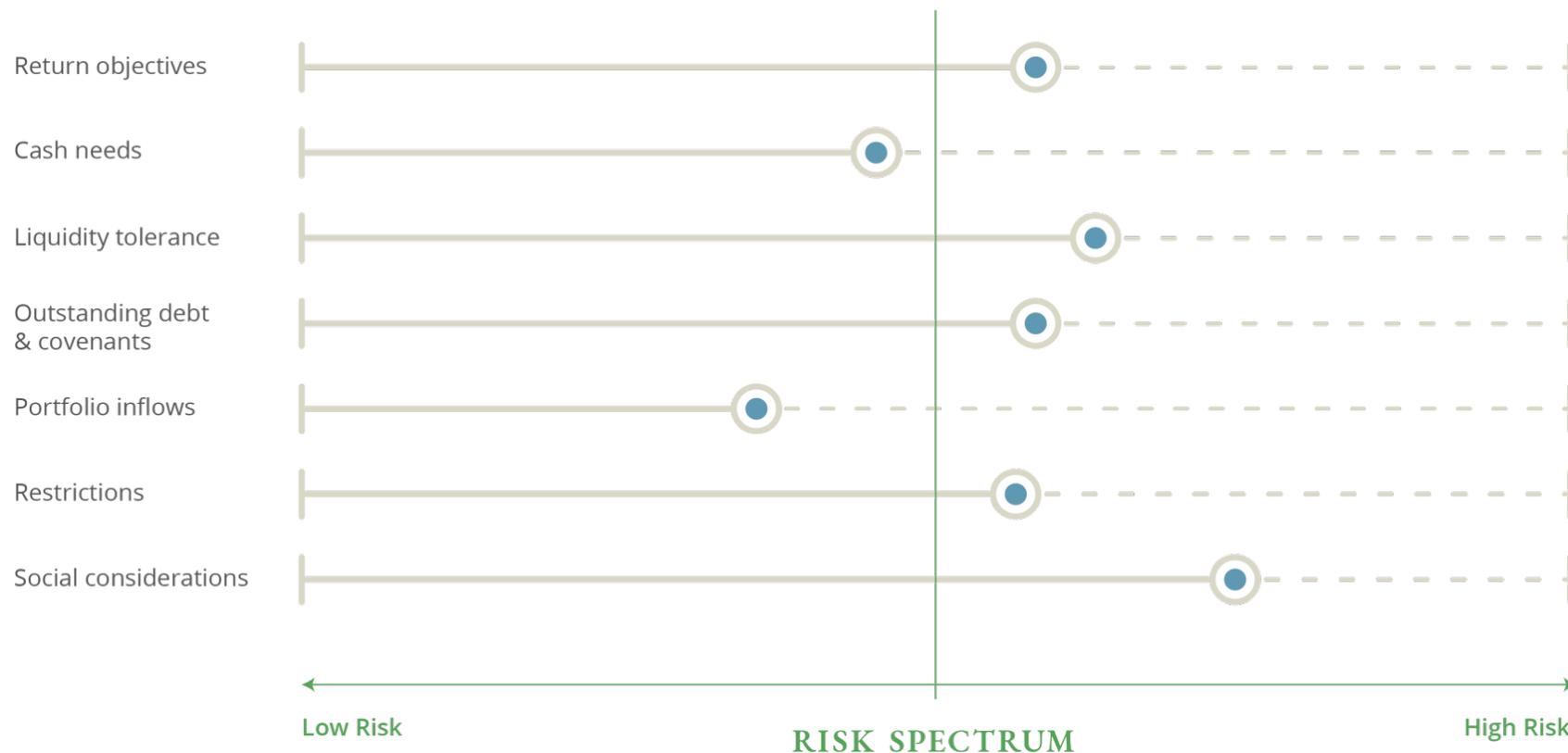
18 CAIA charterholders

06 CIPM designees

Every Client is Unique

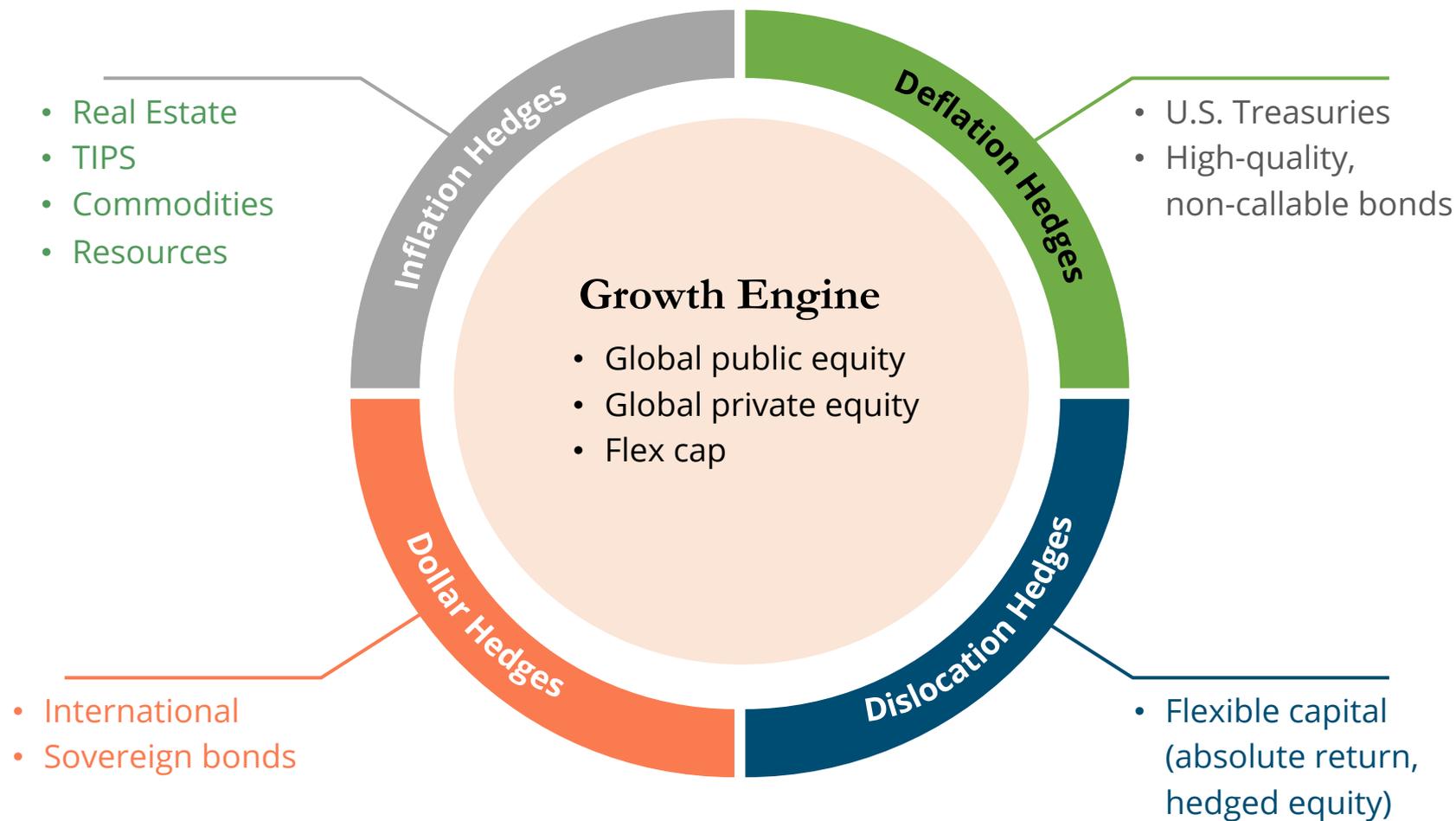
Understanding your complete financial picture is a critical part of constructing your portfolio. We will guide you step by step through setting the best guidelines for you.

Portfolio Considerations



Investment Philosophy

Objective: Build the growth engine but seek to protect it with thoughtful, appropriate hedges.



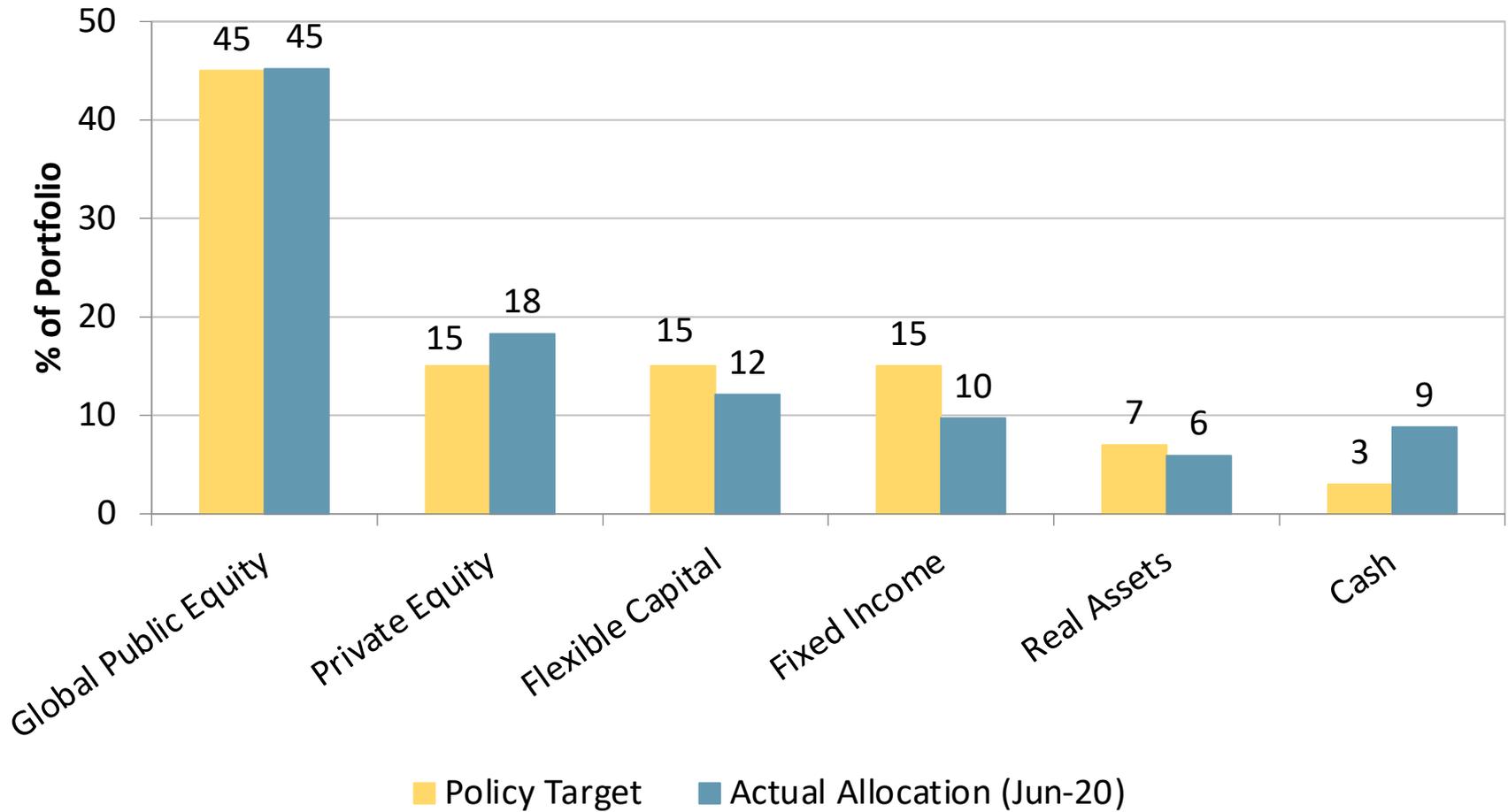
Asset Allocation

The Foundation's portfolio is positioned to be a thoughtfully diversified "all-weather" portfolio with a tilt towards higher growth. Macro risks are hedged by thoughtfully creating a structure that includes asset classes that react in different ways to these factors.

The Foundation is currently diversified across six different asset classes:

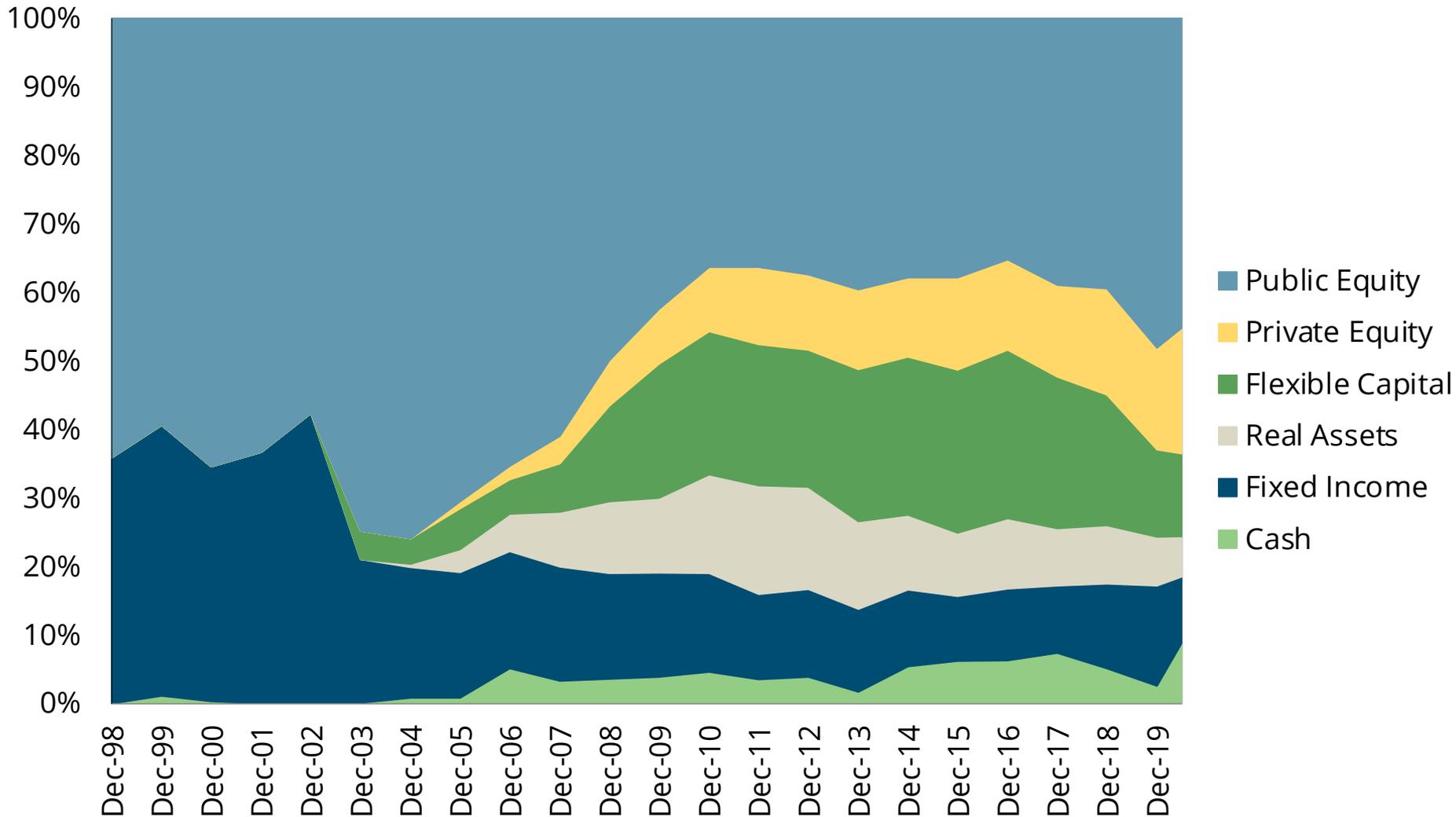
Category	Objective	Exposure
Global Equity	Growth Liquidity	Domestic Equity Non-US Developed Equity Emerging Markets Equity
Private Equity	Growth	Venture Capital Buyout Strategies Multi-Strategy Opportunistic Secondaries
Flexible Capital	Capitalize on Dislocations Generate returns with lower volatility Low correlation to stocks and bonds	Absolute Return Long-short Event-driven
Real Assets	Inflation hedge Low correlation to stocks and bonds	Real Estate Natural Resources Private Investments
Fixed Income	Equity market and deflation hedge Liquidity	Core Bond TIPS
Cash	Liquidity	T-Bills

Asset Allocation



- Cash balance includes cash-in-transit from manager transitions

Historical Asset Allocation



Asset Allocation Modeling

		Policy
Equity	Global Public Equity	45.0
	Global Private Equity	15.0
Flexible Capital	Long/Short and Absolute Return	15.0
Real Assets	Natural Resources (Public & Private)	3.0
	Real Estate (Public & Private)	4.0
Credit	U.S TIPS	3.0
	Core Bond	9.0
Deflation/Dollar Hedge	Sovereign Debt	3.0
Liquidity	Cash (T-bills)	3.0
Total:		100.0

Statistical Output (%)	Policy
Expected Real Return (Arithmetic)	6.2
Expected Standard Deviation	11.5
Expected Real Return (Geometric)	5.6
Sharpe Ratio	0.52
Historical Real Return (Arithmetic)	7.2
Historical Standard Deviation	10.5
Historical Real Return (Geometric)	6.6

Notes: Expected return/risk using 10-15 year Prime Buchholz asset class assumptions.

Historical data based on index returns from January 1, 1988 through March 31,

Asset Allocation Assumptions

Risk Factor/Purpose	Asset Class	Long-Term			Liquidity		
		Expected Real Return (Arithmetic)	Expected SD	Expected Real Return (Geometric)	Full (daily, mo.)	Semi (qtrly, annual)	Illiquid (>1 Yr)
Equity	Domestic Public Equity	6.8%	16.5%	5.6%	x		
	Non-U.S. Developed Equity	7.2%	19.0%	5.6%	x		
	Emerging Markets Equity	9.8%	24.0%	7.3%	x		
	Global Private Equity	10.5%	20.0%	8.7%			x
Flexible Capital	Long/Short and Absolute Return	4.0%	8.0%	3.7%		x	
Real Assets	Natural Resources (Private)	10.5%	22.0%	8.4%			x
	Natural Resources (Public)	6.8%	20.0%	4.9%	x		
	Commodities	5.0%	20.0%	3.2%	x		
	Real Estate (Private)	8.5%	20.0%	6.7%			x
	Real Estate (Public)	7.0%	20.0%	5.2%	x		
	U.S. TIPS	0.5%	5.0%	0.4%	x		
Credit	Core Bond	1.3%	4.5%	1.2%	x		
	Long Gov/Corp	1.8%	10.0%	1.3%	x		
	High Yield	4.3%	9.0%	3.9%	x		
	Municipal Bonds	0.8%	4.0%	0.7%	x		
Sovereign Debt	U.S. Treasuries (long-term) - 5+ years	1.0%	10.0%	0.5%	x		
Dollar Hedge	Non-US Government Bonds	0.8%	10.0%	0.3%	x		
	Emerging Markets Debt	3.0%	11.0%	2.4%	x		
Liquidity	Cash (T-bills)	0.3%	2.0%	0.2%	x		

Inflation Indicators			
Implied Inflation (10-Year Treasury/TIPS Spread)	1.8%	as of 12/31/2019	(FactSet)
Long-Term U.S. Inflation Average	2.9%	1926 – 2019	

* Assumptions are designed to be appropriate over a 10-15 year period, reviewed annually in the context of interest rates, inflation, and premiums.

Portfolio as of June 30, 2020

Representative Managers

Public Equity (9)

- JP Morgan
- Adage Capital
- Broad Run
- Burgundy
- American Funds
- IVA
- Silchester
- Overlook
- WGI

Private Equity (27)

- AEA
- Apax
- Asia Alternatives
- Level Equity
- Olympus

- ADV
- TrueBridge
- Davidson Kempner

Flexible Capital (6)

- Knighthead
- Davidson Kempner
- Governor's Lane
- Silverpoint
- Varde
- Hitchwood

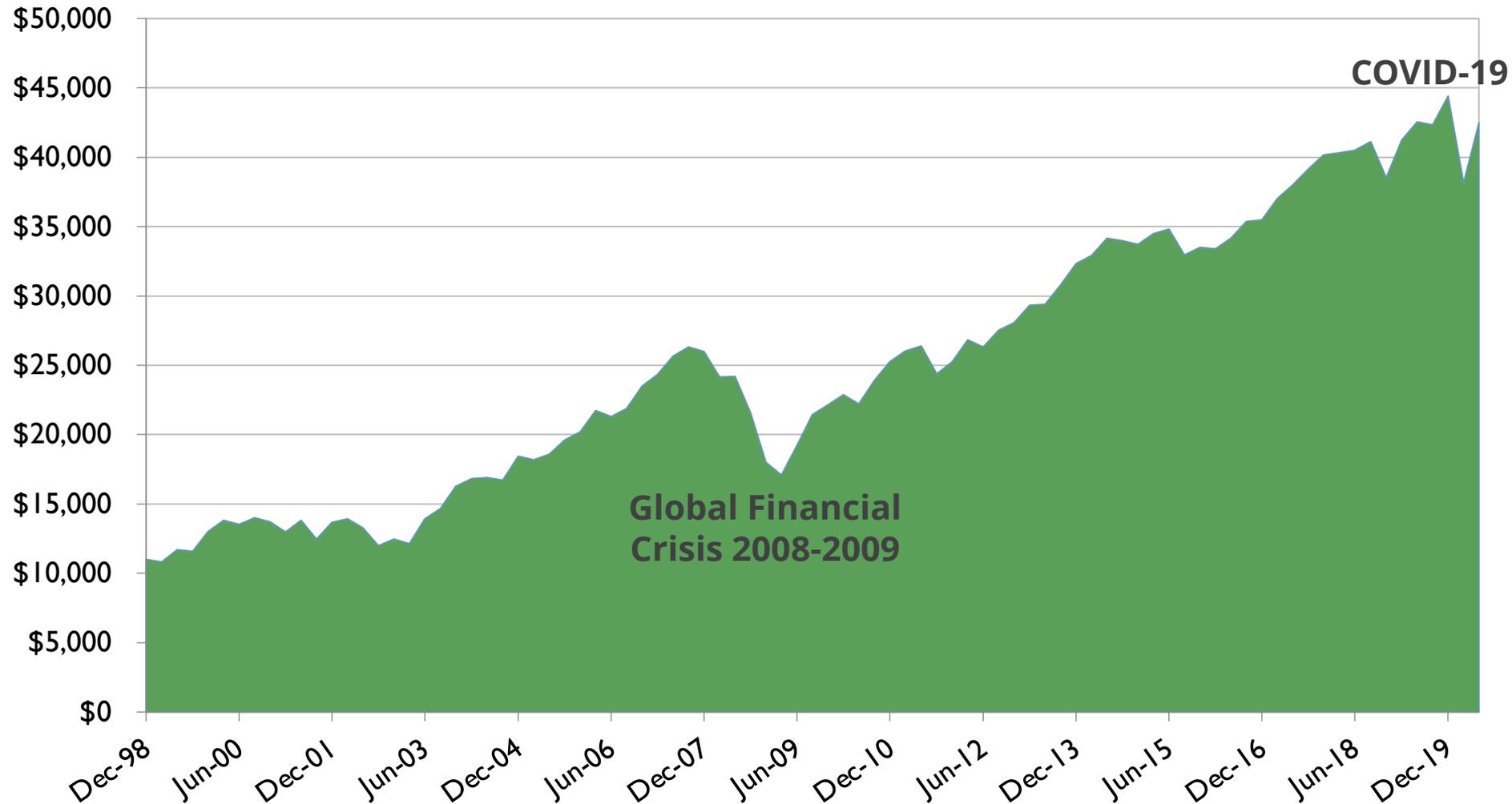
Real Assets (15)

- Westbrook
- Energy Spectrum
- Brookfield

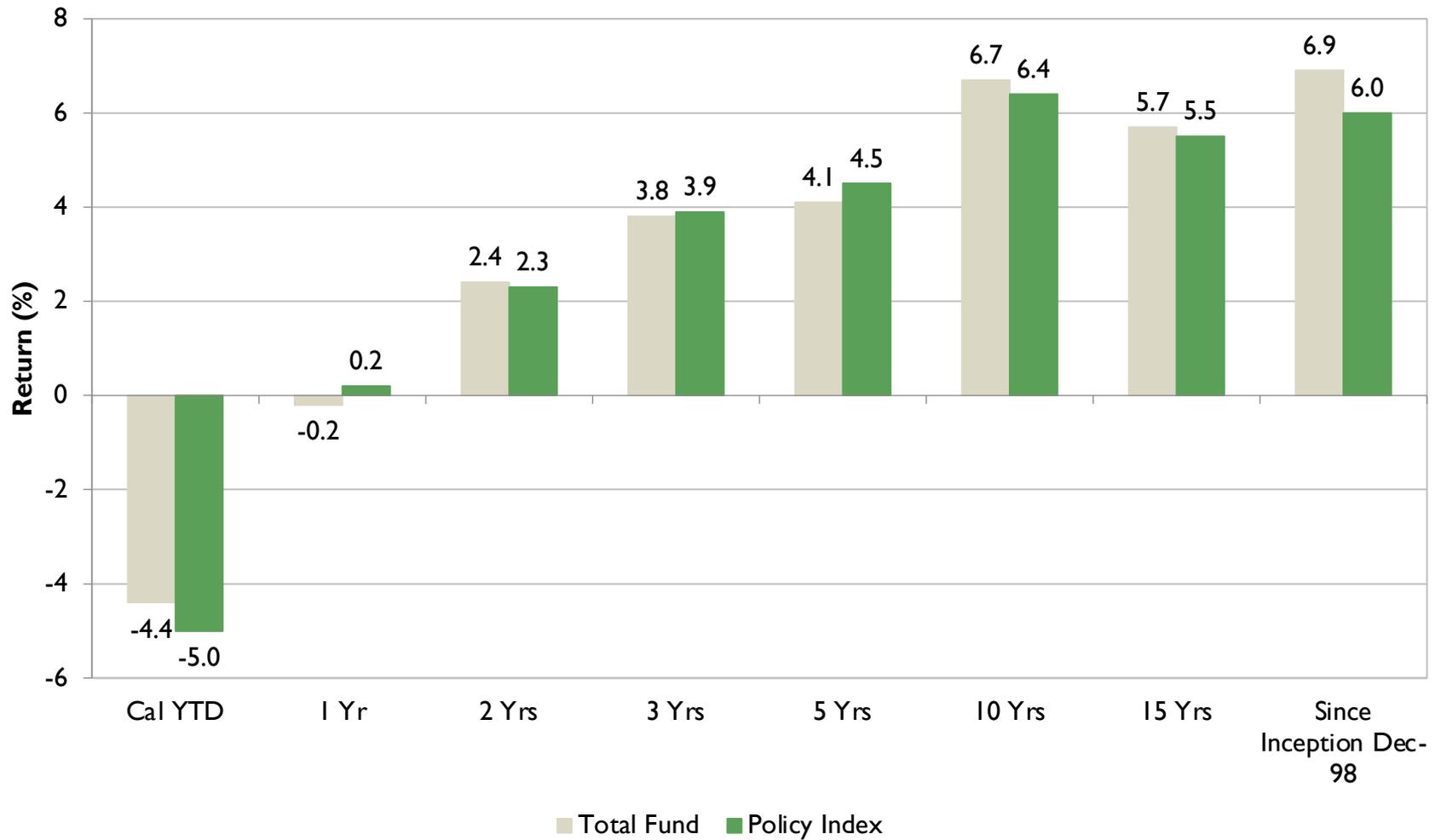
Fixed Income (3)

- IRM
- JP Morgan
- Vanguard

Performance — Growth of \$10,000



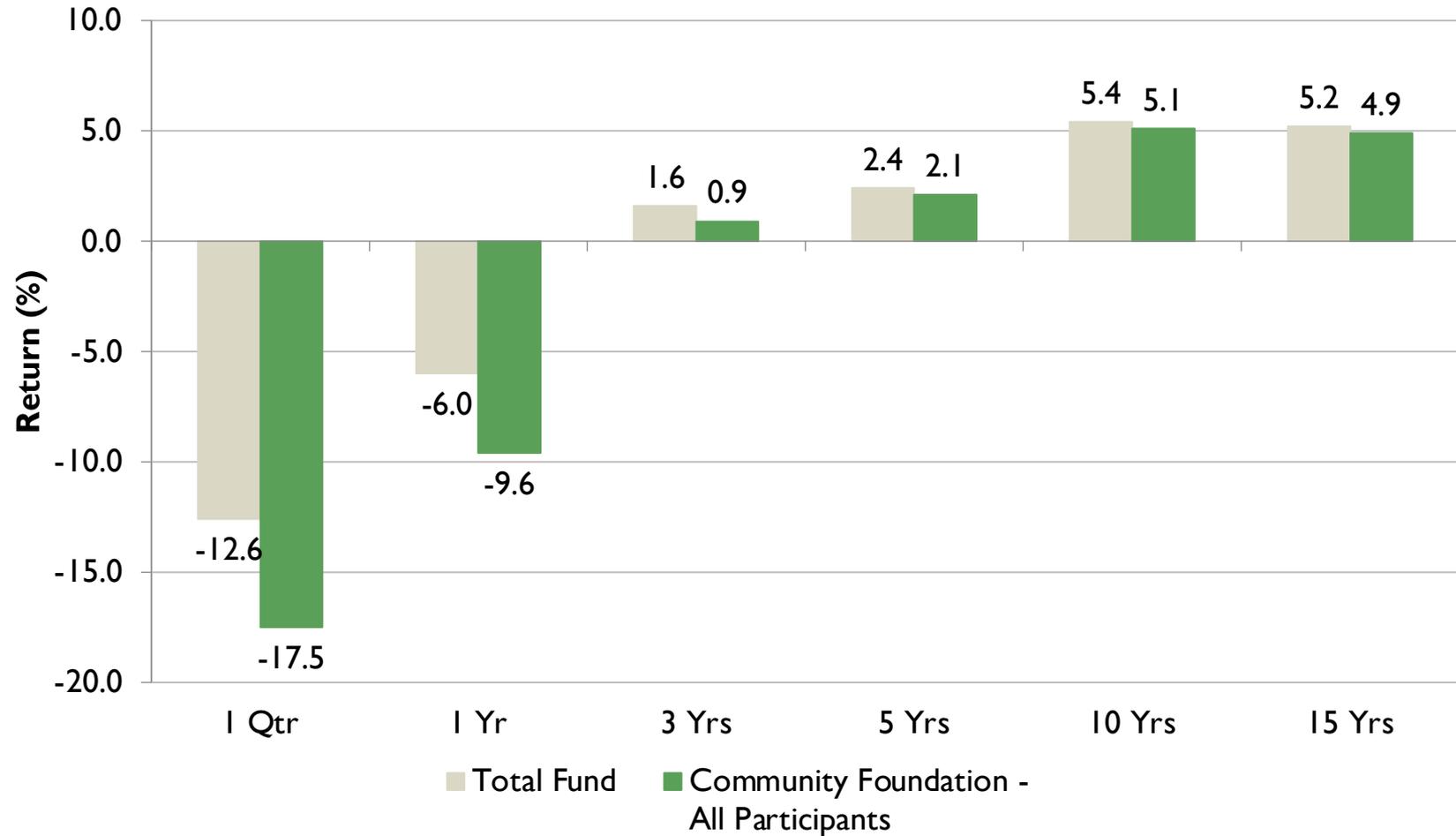
Performance as of June 30, 2020



* Periods greater than one year are annualized. Returns are net of all investment management expenses. Past performance is no guarantee of future returns.

Peer Comparison as of March 31, 2020

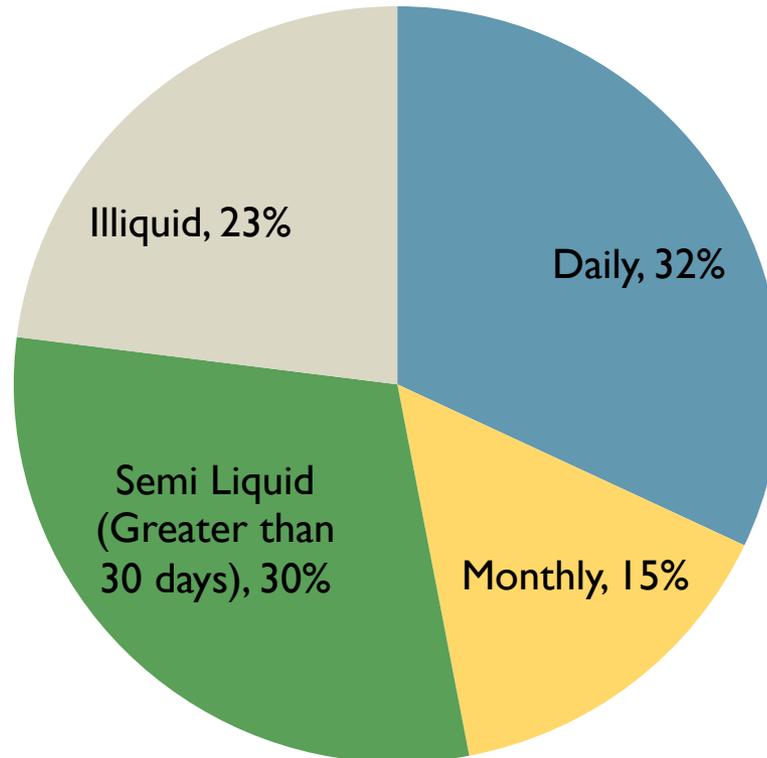
Q1 2020 Final Results for the Colonial-FAOG Investment Performance Survey



Periods greater than one year are annualized. Returns are net of all investment management expenses. Past performance is no guarantee of future returns.

Liquidity

Approximately a third of the portfolio has daily liquidity. We seek to take advantage of the perpetual nature of the Foundation by investing in assets that are less liquid than stocks and bonds.



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Indices referenced are unmanaged and cannot be invested in directly. Index returns do not reflect any investment management fees or transaction expenses.

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Performance returns are provided by investment manager or third-party data sources and are net of fees unless otherwise stated. Performance data may or may not reflect the reinvestment of dividends and other earnings. Past performance is not an indication of future results and there is no guarantee the manager will achieve the future investment results cited.

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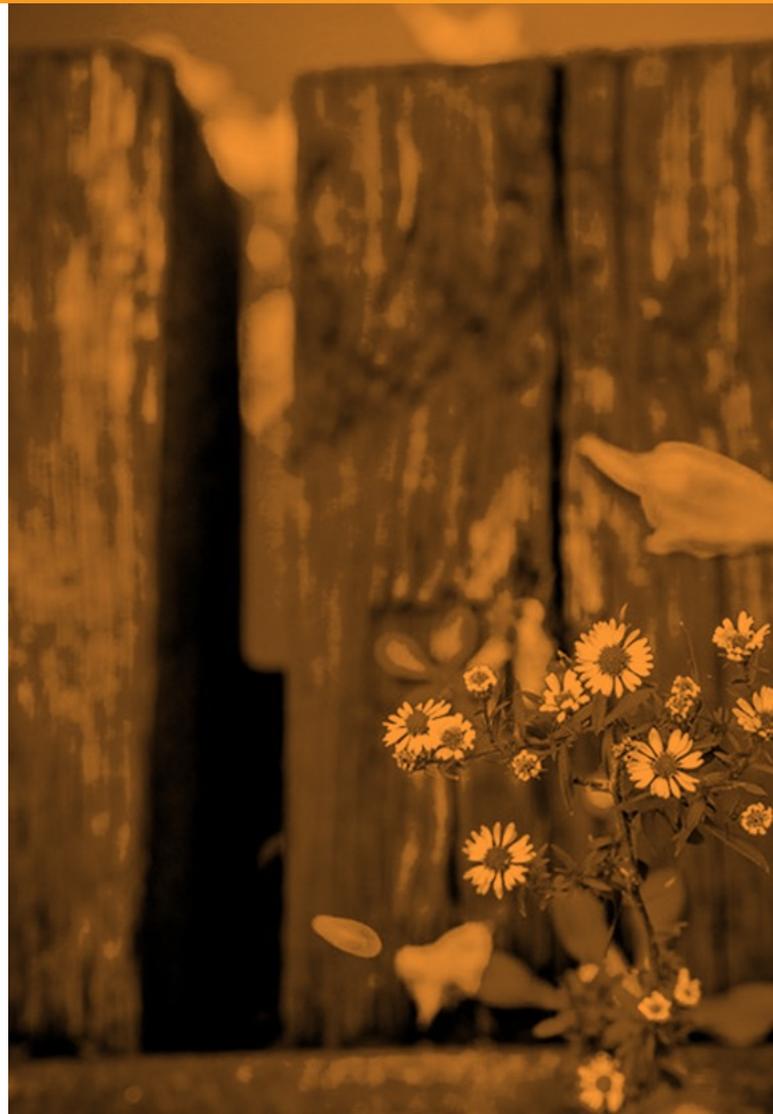
NAVIGATING A NEW WORLD



NAVIGATING A NEW WORLD

RESPONDING TO COVID-19

- **Created three funds that focus on our mission of equity and prioritize support to marginalized communities and under-appreciated neighborhoods**
 - Neighbor Relief Fund for Marion County
 - Hamilton County Crisis Response Fund
 - Women's Fund of Central Indiana's emergency grants fund
- **Adapted responsive grant rounds**
- **Counseling our donor-advised fundholders on how to best support the not-for-profit sector during pandemic**
- **Founding partner—along with Glick Fund—of the Central Indiana COVID-19 Economic Relief Fund**



NAVIGATING A NEW WORLD

RESPONDING TO RACIAL INJUSTICE

- We join and support those fighting to overturn racist and unfair systems. We reiterate the demand for transparency and accountability.
- CICF, along with our affiliates—The Indianapolis Foundation and Hamilton County Community Foundation—and Women’s Fund of Central Indiana, remain committed to our mission to mobilize people, ideas and investments to make this a community where all individuals have equitable opportunity to reach their full potential—no matter place, race or identity.
- We are continuing to build strong relationships with partners—both new and old—who are committed to racial equity.



NAVIGATING A NEW WORLD

RESPONDING TO RACIAL INJUSTICE

- Established by the Eli Lilly and Company Foundation, Lumina Foundation and CICF, will focus on solutions that address racial inequities in the criminal justice system.
- The fund will work with organizations to support efforts to improve interactions between the Black community and local police in Indianapolis; address the disproportionate number of Black youth in the juvenile and criminal justice system by providing positive alternatives for education and employment; and increase employment, health and wealth opportunities for communities of color.



NAVIGATING A NEW WORLD

HAMILTON COUNTY COMMUNITY FOUNDATION —RESPONDING TO COVID-19

2020 grantmaking shifted in response to COVID-19

- Response, resiliency, and recovery

Hamilton County Crisis Response Fund launched

- Collaboration with Hamilton County Community Organizations Active in Disaster (COAD)
- Immediate response grants
- New organizations

Partnered with local funders and collaboratives on determining community needs

- Central Indiana COVID-19 Economic Relief Fund
- Noblesville Housing Authority – CDBG
- Hamilton County Housing Collaborative

NAVIGATING A NEW WORLD

HAMILTON COUNTY COMMUNITY FOUNDATION —RESPONDING TO RACIAL INJUSTICE

- We remain committed to our mission to mobilize people, ideas and investments to make this a community where all individuals have equitable opportunity to reach their full potential—no matter place, race or identity.
- Hamilton County Community Foundation board has formed an Opportunity, Equity and Inclusion committee.
- We will continue to partner, fund, and support organizations who are committed to opportunity and equity in



NAVIGATING A NEW WORLD

IMPACT CENTRAL INDIANA

- IMPACT Central Indiana is a limited liability company created by The Indianapolis Foundation, Central Indiana Community Foundation and Hamilton County Community Foundation to facilitate social impact investments into businesses, funds and nonprofit corporations that are generating positive, measurable social impact and financial returns. Specifically, IMPACT will make loans, equity investments and grants that will further the charitable missions of the three foundations.
- **Past:** extensive research, due diligence, formation of LLC and launched Initiative
- **Present:** partnered with the Indy Chamber Business Ownership Initiative for the first investment
 - \$525,000 loan pool with a focus on supporting black and brown business owners impacted by the COVID-19 crisis
- **Future:** looking for partners addressing racial equity through investment

NAVIGATING A NEW WORLD

NO MINIMUM DONOR-ADVISED FUND

- Honoring our commitment to equity, we have removed all barriers to opening a donor-advised fund.
- No fees for funds under \$25,000
- Online access to funds and co-investment opportunities

WHAT'S NEXT?

YOU.

Learn with us.
Partner with us.
Grow with us.

THANK YOU



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