



# INVESTMENT PORTFOLIO MANAGEMENT FISCAL YEAR 2021

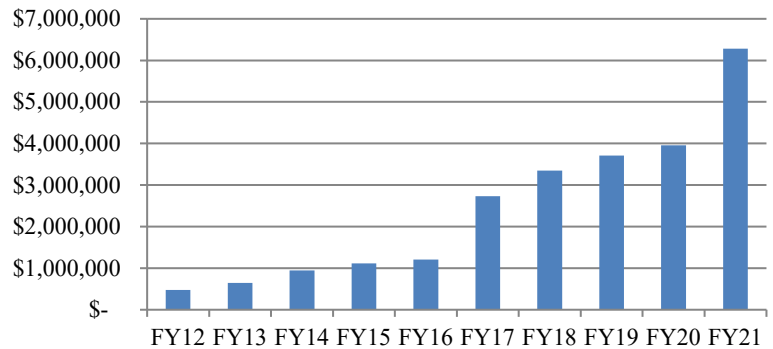
## INVESTMENT PORTFOLIO

As of June 30, 2021, the Foundation for Colorado Community Colleges’ investment portfolio was valued at \$6,281,516. The investment portfolio represents a combination of permanent and term endowed funds (totaling \$5,595,911) and the Foundation’s sustainability account (totaling \$685,605). Over fiscal year 2021, the Foundation received \$1,484,184 in new gifts to the endowment.

## FINANCE COMMITTEE

The Foundation’s Investment Portfolio is managed under the supervision of the Foundation for Colorado Community College’s finance committee. Tasked with monitoring the financial performance of the Foundation, the committee works directly with an outside investment manager to help drive investment decisions. The Foundation’s investment portfolio is composed of a combination of exchange trade funds that mimic various investment indexes and actively managed mutual funds. Performance is monitored by the finance committee on a quarterly basis, with semiannual meetings to review the portfolio results with the outside investment manager.

**Portfolio Market Value**



## INVESTMENT STRATEGY

The primary investment objective is growth of both principal and income on a long-term basis sufficient to preserve and increase the purchasing power of the assets and protect the assets against inflation. The investment objectives are based upon an investment horizon of greater than five years, so that interim fluctuations should be viewed with appropriate perspective.

## SPENDING POLICY

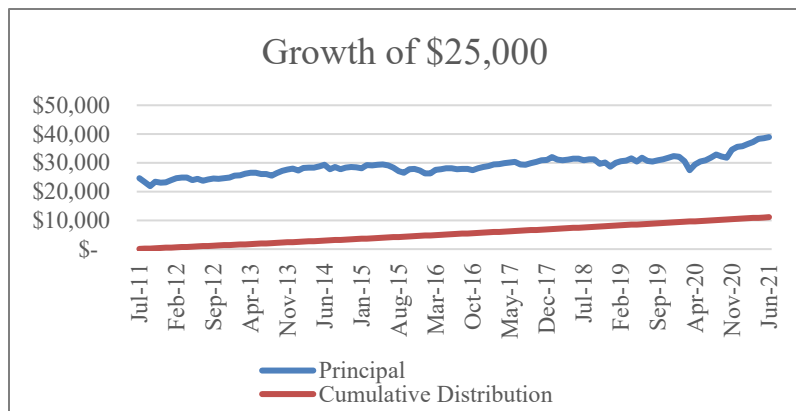
Spending is defined as funds made available from the portfolio for programs and administrative expenses, exclusive of management, brokerage, and custodial fees. A formula governs the portion of total return made available each year for spending with an objective of maintaining purchasing power relative to inflation. Currently, the Foundation’s spending formula allows for an amount not to exceed five percent (5%) of the average market value of the endowment fund over the past 12 fiscal quarters unless otherwise agreed upon in the endowment agreement. Special spending rules are followed for individual endowments where the value has fallen below historic dollar value. Any earnings over and above the five percent (5%) distribution are reinvested to provide for the growth of the fund and to sustain its viability according to its purpose.

## INVESTMENT PERFORMANCE

The annualized investment performance of the Foundation’s investment portfolio, including comparisons to benchmark indexes over the ten year period is illustrated below.

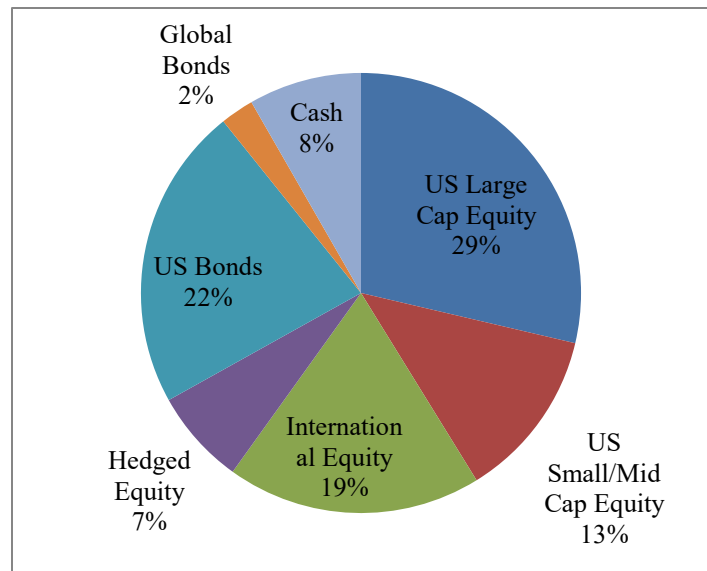
Performance	FY 2021	3 Year	5 Year	10 Year
Foundation Investment Portfolio	26.03%	10.09%	10.10%	7.78%
Foundation Blended Benchmark <sup>1</sup>	27.37%	11.87%	11.40%	9.17%
S&P 500 Index	40.79%	18.67%	17.65%	14.84%
Russell 2000 Index	62.03%	13.52%	16.47%	12.34%
MSCI EAFE Index	32.35%	8.27%	10.28%	5.89%
Barclay’s Intermediate Govt./Credit Index	0.19%	4.70%	2.63%	2.76%
Citi 3 Month Treasury Bill Index	0.08%	1.31%	1.14%	0.60%

For illustrative purposes, a \$25,000 gift invested on July 1, 2011 in Foundation’s portfolio would have been worth \$37,634 on June 30, 2021. Over that ten-year period, the gift would have allowed for cumulative distributions of \$11,188.



## ASSET ALLOCATION

The proper distribution of investments among various asset classes allows the Foundation for Colorado Community Colleges to honor spending policies, maintain risk tolerance and stability, produce appropriate investment returns, and achieve long-term objectives. As of June 30, 2021, the allocation of the Foundation for Colorado Community Colleges’ investment portfolio across various asset classes is illustrated to the right.



<sup>1</sup> In 2013, the Foundation adopted a blended benchmark seeking to match its performance within 100 basis points. This benchmark is made up of 5% Citigroup 3 Month T-Bill Index, 36% S&P 500 Index, 16% Russell 2000 Index, 13% MSCI EAFE US Net Index, 30% Barclays Intermediate Government/Credit Index. In May of 2021, the Finance Committee updated this benchmark to complement a shift to more active management. Future reports will include the updated benchmark.