



Bringing together people and resources to make a difference in Vermont for more than 35 years.

Investment Options at the Vermont Community Foundation

The Foundation's long-term, socially responsible, and mid-term investment pools provide options to meet your philanthropic goals.

Investment Objectives

Whether your fund has a short time horizon or is set up to last for generations, our primary investment objective is the same—to maintain the grantmaking capacity of assets so you can have the greatest impact possible through your fund. We provide:

- **A spectrum of investment options with varying levels of risk** to meet your time horizon and expectations for growth and grantmaking
- **Investment strategies designed to achieve long-term objectives** and accommodate the ups and downs of the market

Investment Strategy

Our investment strategy is designed to control risk and manage volatility in the markets to support your philanthropic goals. The cornerstones of our strategy are:

- **Use meaningful asset class diversification** to achieve return objectives during a variety of economic and market conditions
- **Retain managers who select each investment** with a focus on the overall portfolio and are expected to outperform index funds over a five-year period
- **Avoid attempts to predict short-term market behavior** through market timing strategies



These kinds of investments are not available with large commercial donor advised funds and there is considerable evidence that these investments can boost longer-term returns as well as improve portfolio diversification.

Rodney Buck
Vermont Community Foundation
Donor Advised Fundholder and
Investment Committee Member



Investment Options for Your Fund

A choice of three investment pools is designed to meet a range of philanthropic goals and time horizons. Asset allocation is maintained through regular rebalancing. The Community Foundation maintains a detailed Investment Policy Statement for each pool.

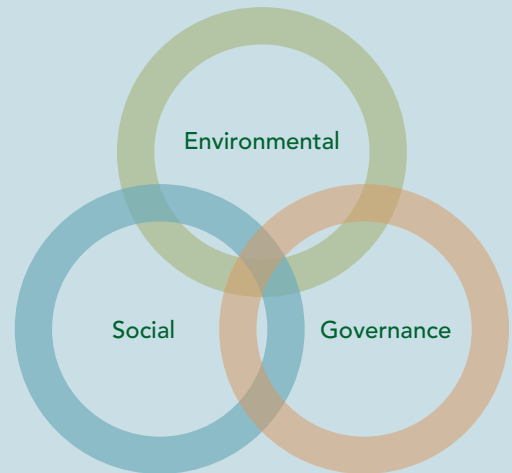
Investment pool:	Your goal is:	Your time horizon is:	Annual expected return, net of investment management fees:
<p>Long-Term Pool</p>	<p>Maximizing long-term growth while providing for a steady stream of grants with the most diversified pool</p>	<p>Greater than seven years</p>	<p>7% to 8%</p>
<p>Socially Responsible Pool</p>	<p>Pursuing long-term returns while evaluating investments against an environmental, social, and governance values framework</p>	<p>Greater than seven years</p>	<p>6% to 7%</p>
<p>Mid-Term Pool</p>	<p>Pursuing moderate growth and risk through a balanced portfolio</p>	<p>Three to seven years</p>	<p>5% to 6%</p>

Return objectives are net of fees over full market cycles of ten years or more. Actual returns will fluctuate and losses may occur from performance may not be indicative of future results. Alternative investments include hedge funds, private equity, and real assets, which returns, dampen volatility, and hedge against inflation.

Investment Pool Highlight

Socially Responsible Pool

The Socially Responsible Investment (SRI) Pool has become the Community Foundation's most popular option as more fundholders seek to align their values with their investment strategy. This option offers fundholders a pooled investment strategy that is tailored to generate long-term returns while prioritizing business practices that offer positive impact on environmental, social, and governance standards. **Environmental** factors focus on a company's use and stewardship of natural resources. **Social** factors evaluate a company's relationships in the communities where they work, especially with employees, vendors, and customers. **Governance** factors focus on the management and leadership of a company including shareholder rights, internal controls, and executive pay.



Additionally, the Community Foundation seeks to align the SRI Pool with its Mission, Vision, and Community Impact objectives:

- **Advance and Strengthen Civil Society**
- **Promote Environmental Integrity**
- **Lead Community Improvement and Betterment**
- **Build Economic Durability**

Our investment managers are evaluated on these standards in a rubric that weighs investment philosophy, values alignment, performance, and impact, and these directly influence our decision-making in regards to manager selection.

Estimated investment fees including third-party management fees:	Asset allocation:
.95% to 1.18%	<p>45% 19.5% 30.5% 5.0%</p>
.60% to .65%	<p>60.0% 30.0% 5.0% 5.0%</p>
.20% to .30%	<p>47.5% 47.5% 5.0% 5.0%</p>

year to year. Past are included to enhance

CHART KEY

- Equity
- Fixed Income
- Alternatives
- Vermont Investments



The Putnam Block is a mixed-use downtown space in Bennington with offices, apartments, restaurants, and retail. The Vermont Community Foundation made a mission investment in the development of the project in 2018, which has sparked growth in downtown commerce and community activities.

Photo courtesy of Bread Loaf Corporation

Investment Management

The Community Foundation’s Investment Policy assigns responsibility for investment management decisions to the Investment Committee, which is made up of professionals who bring decades of expertise in investment management and share a passion for Vermont. The Investment Committee is supported by the Community Foundation’s CEO and Vice President for Finance, as well as Crewcial Partners, our independent investment consultant. Crewcial Partners largely serves nonprofits and foundations to accelerate philanthropic impact through purposeful investment advice.

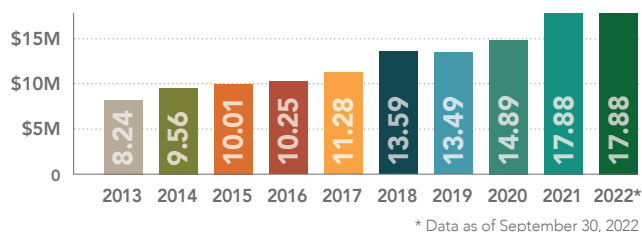
The Investment Committee is responsible for reviewing the asset allocation, investment manager performance, due diligence, and selection of recommended investment managers. Crewcial Partners provides monthly investment manager performance reports and performs ongoing due diligence on investment managers—all of which is shared with the Foundation’s investment team.

To see a list of current Investment Committee members and learn more about Crewcial Partners, please visit vermontcf.org/investments.

Mission Investing

Mission investing—the use of invested assets to achieve impact goals—is one of the many tools we use to address the opportunity gap. In 2001, we took the bold step of becoming one of the first community foundations in the country to commit a portion of managed funds towards place-based mission investments, creating the Vermont Mission Investment Pool.

Vermont Community Foundation Mission Investments



Whether you choose the long-term, socially responsible, or mid-term investment pool, a portion of every fund at the Community Foundation is placed in mission investments. When you have a fund with us, five percent of the money is making a difference in the community right away by investing in downtown redevelopment, affordable housing, entrepreneurship, job creation, clean energy, and more. Embedded in our asset management, these community investments work alongside grantmaking for greater collective impact—with a return that is far more than just financial.

The Vermont Community Foundation

The Community Foundation is a 501(c)(3) nonprofit organization, established in 1986 as a permanent source of philanthropic support for the state. We are a family of more than 900 funds, foundations, and supporting organizations created by Vermonters to serve their charitable goals. The Community Foundation and its partners put more than \$60 million annually to work in Vermont communities and beyond. Connect with us to learn more by contacting philanthropy@vermontcf.org or 802-388-3355 opt. 5.