The Vermont Community Foundation

Investment Strategy/Performance Update

August 14, 2025

Annualized Investment Results

| Performance Ending 6/30/25 (Net Of Investment Management Fees) | Latest Year | Latest 3 Years | Latest 5 Years | Latest 10 Years | Latest 15 Years | Since 3/31/02 |
|---|----------------|-------------------|-------------------|--------------------|--------------------|------------------|
| Long-Term Pool | 14.0% | 10.8% | 9.1% | 7.0% | 8.2% | 7.5% |
| Long-Term Pool Custom Market Benchmark | 11.6% | 11.1% | 9.4% | 7.5% | 7.9% | 6.5% |
| CPI + 5% | 7.7% | 7.9% | 9.7% | 8.1% | 7.7% | 7.6% |
| | | | | | | |
| Socially Responsible Pool | 10.9% | 11.7% | 9.0% | 7.6% | 8.1% | N/A |
| SR Pool Custom Market Benchmark | 12.6% | 12.3% | 9.3% | 7.7% | 8.4% | N/A |
| | | | | | | |
| Mid-Term Pool | 10.4% | 8.8% | 6.7% | 5.8% | N/A | N/A |
| Mid-Term Pool Custom Market Benchmark | 10.6% | 9.7% | 6.8% | 6.0% | N/A | N/A |

The Community Foundation's Approach

Establish a Strategic Asset Allocation That is Expected to Achieve the Foundation's Long Term Return Objectives (Preserve Foundation Purchasing Power Over Twenty Year+ Periods)

No Attempt Made to Market Time or Change Strategy Based on Near Term Outlook – Does Not Preclude Opportunistic Allocations Whose Outcome is Not Driven by Timing

Diversify Portfolio by Asset Class and Strategy. Increases the Likelihood of Achieving Return Objectives Under Different Economic/Market Conditions

Investing in a Volatile/Complex Time

Major Indices are Priced Only for Optimistic Outcomes

Many Other Options – Priced for Pessimistic Outcomes – Offer Asymmetric Range of Outcomes

Non-Dollar Currencies are a Very Attractive Hedge Against Downside Scenarios for US Economic/Fiscal Policy

Early Test of These Principles

Calendar Year to Date Returns through April 16, 2025

Long-Term Pool: - 1.6%
Socially Responsive Pool: - 3.5%

S&P 500: -10.0%

Russell 1000 Growth: -14.8%

"Magnificent 7" Stocks: -21.3%

Consistent pursuit of diversification and out of favor areas paying off as risk mitigants and return drivers — includes Non-US Assets and Select Private Businesses

Core Pool Basics

Combines Passive and Active Management – Blends Strategies of Socially Responsible and Long-Term Pools

Investment Management Fees are 57 Bps (44 Bps excluding Private Equity)

Integrates ESG Factors Into All Aspects of Portfolio – Enhances Return and Mitigates Risk

Strategic Asset Mix

| Asset Class Exposures (% of Total Portfolio) | Long-Term Pool Mix | Socially Responsible Pool Mix | Mid-Term Pool Strategic Mix | Core Pool |
|---|--------------------|----------------------------------|--------------------------------|-----------|
| US Large/Mid Cap Equity | 11.0 | 19.0 | 19.0 | 11.4 |
| US Small Cap Equity | 6.5 | 5.0 | 4.8 | 6.2 |
| Non-US Developed Equity | 11.0 | 22.0 | 17.0 | 11.4 |
| Non-US Emerging Equity | 6.0 | 6.0 | 6.8 | 5.7 |
| Global Equity | 12.0 | 12.0 | 0.0 | 23.8 |
| Special Opportunities | 14.0 | 0.0 | 0.0 | 0.0 |
| Total Equity | 60.5% | 64.0% | 47.5% | 58.4% |
| US Aggregate Bonds/TIPS | 12.8 | 18.0 | 33.3 | 18.8 |
| US High Yield Bonds | 0.0 | 0.0 | 4.8 | 4.5 |
| Global Bonds | 4.8 | 0.0 | 0.0 | 0.0 |
| Cash/Short Term Bonds | 0.0 | 6.0 | 9.5 | 1.9 |
| Total Fixed Income | 17.5% | 24.0% | 47.5% | 25.2% |
| Hedge Funds | 5.0 | 0.0 | 0.0 | 0.0 |
| Private Assets | 12.0 | 7.0 | 0.0 | 11.4 |
| Total Alternatives | 17.0% | 7.0% | 0.0% | 11.4% |
| Vermont Investments | 5.0% | 5.0% | 5.0% | 5.0% |

ESG Strategy

Foundation Has Long Sought to Drive Change/Positive Outcomes

 Crewcial ESG Engine/Research Effort Not Focused on Current State - Looking to Influence Future (i.e. IMPACT)

Strategy is Focused on Climate Crisis, Equity, Governance and Avoidance of Destructive Controversies

Details

ESG Engine Combines Portfolio Holdings w/ISS ESG Data Across Following Metrics:

- GHG Emissions vs. Peers
- Presence of Environmental Risk Factors
- % of Ethnically Diverse Board Members
- Disclosure on Workforce Ethnicity
- Known Human Right Controversies
- Known Consumer Protection Controversies
- Board Independence
- Ratio of CEO to Median Employee Salary
- Known Accounting Controversies
- Presence of International Sustainability Standards Violations
- Presence/Quality of Sustainability Reporting

Strategy Looking Forward

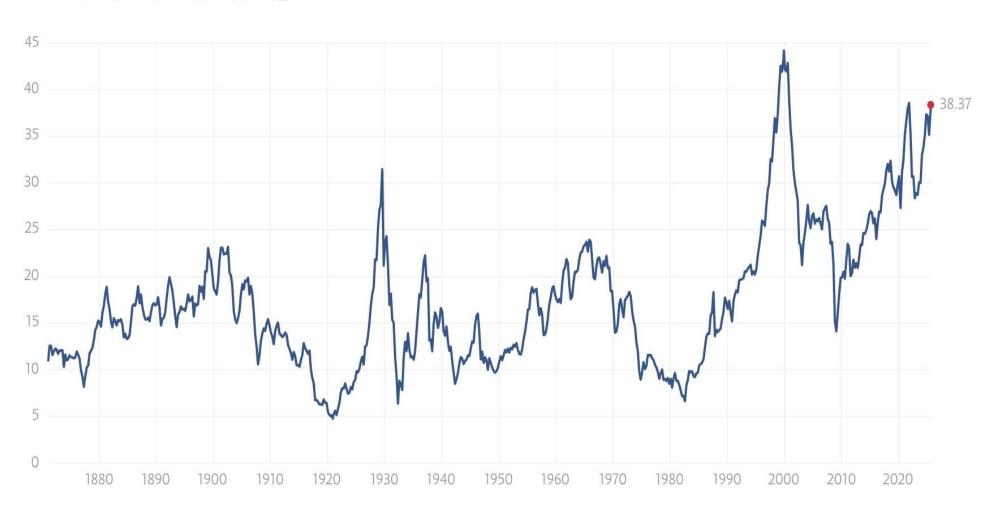
Strict adherence to a strategy that relies on decisions with a high probability of long-term success – time is on our side

➤ Utilize advantages of scale, stability and time horizon to access atypical investments — strong proponents of index funds balanced with compelling managers

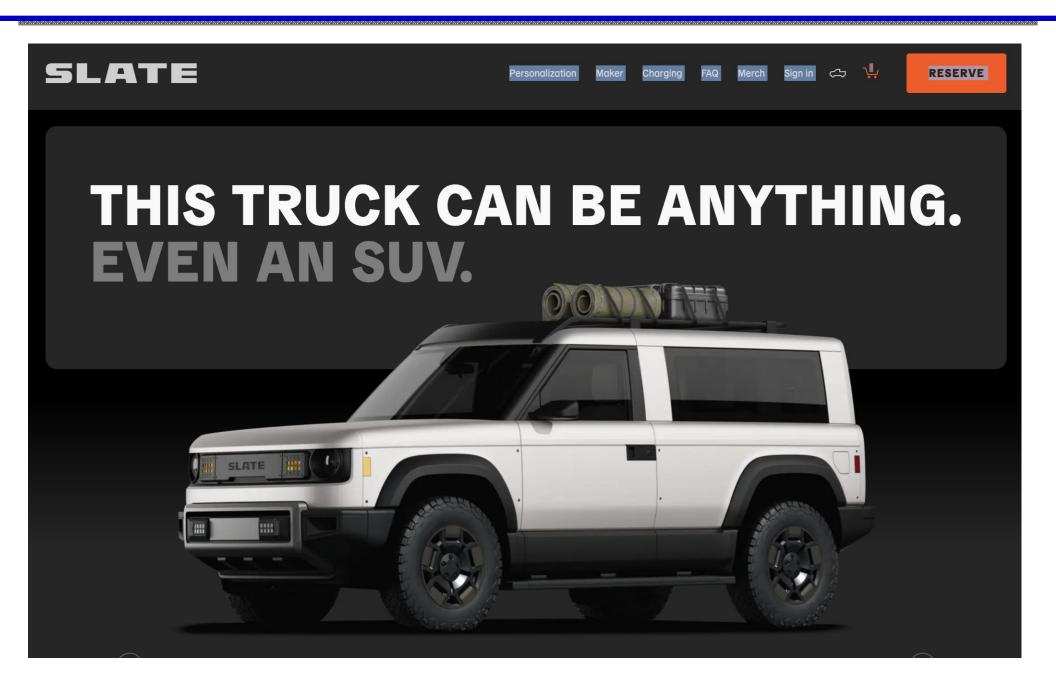
Over long time periods, intelligently accepting volatility contributes to higher returns

Risk

1Y 2Y 5Y 10Y 20Y 50Y All



Opportunity



Crewcial Partners Profile

Location: New York, NY Founded: 1980

Staff Size: 54 100% Employee Owned

Number of Clients: 98 Client Assets: \$ 28 Billion

Representative Client List:

The San Francisco Foundation WNET

Community Foundation for PBS

Greater Buffalo Lasker Foundation