
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%
 <i>S&P 500:</i>	 -10.0%
<i>Russell 1000 Growth:</i>	-14.8%
<i>"Magnificent 7" Stocks:</i>	-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



Opportunity

SLATE

Personalization

Maker

Charging

FAQ

Merch

Sign in



RESERVE

**THIS TRUCK CAN BE ANYTHING.
EVEN AN SUV.**



Crewcial Partners Profile

Location: New York, NY

Staff Size: 54

Number of Clients: 98

Founded: 1980

100% Employee Owned

Client Assets: \$ 28 Billion

Representative Client List:

The San Francisco Foundation
Community Foundation for
Greater Buffalo

WNET
PBS
Lasker Foundation