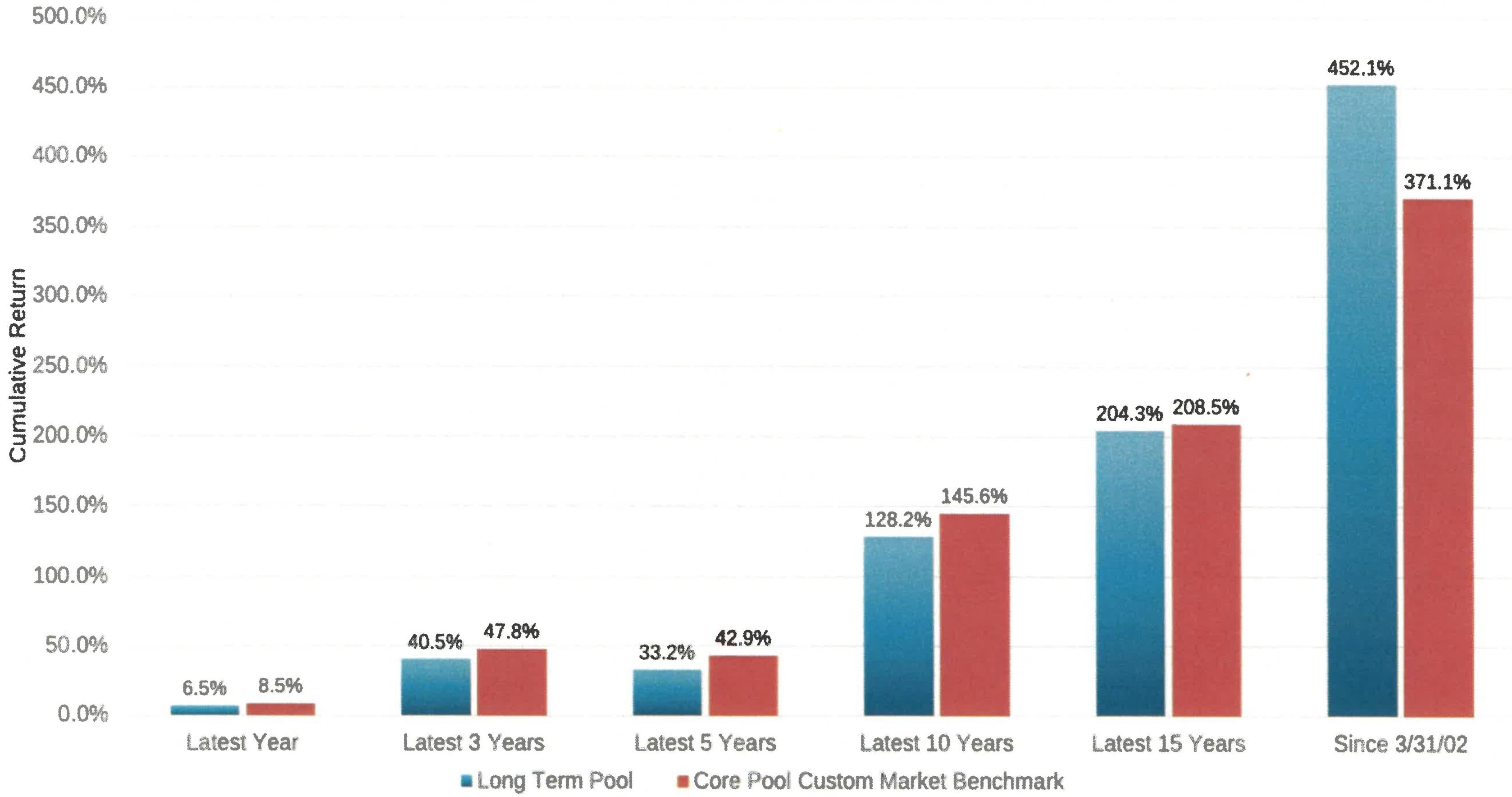
The Vermont Community Foundation

Investment Strategy/Performance Update

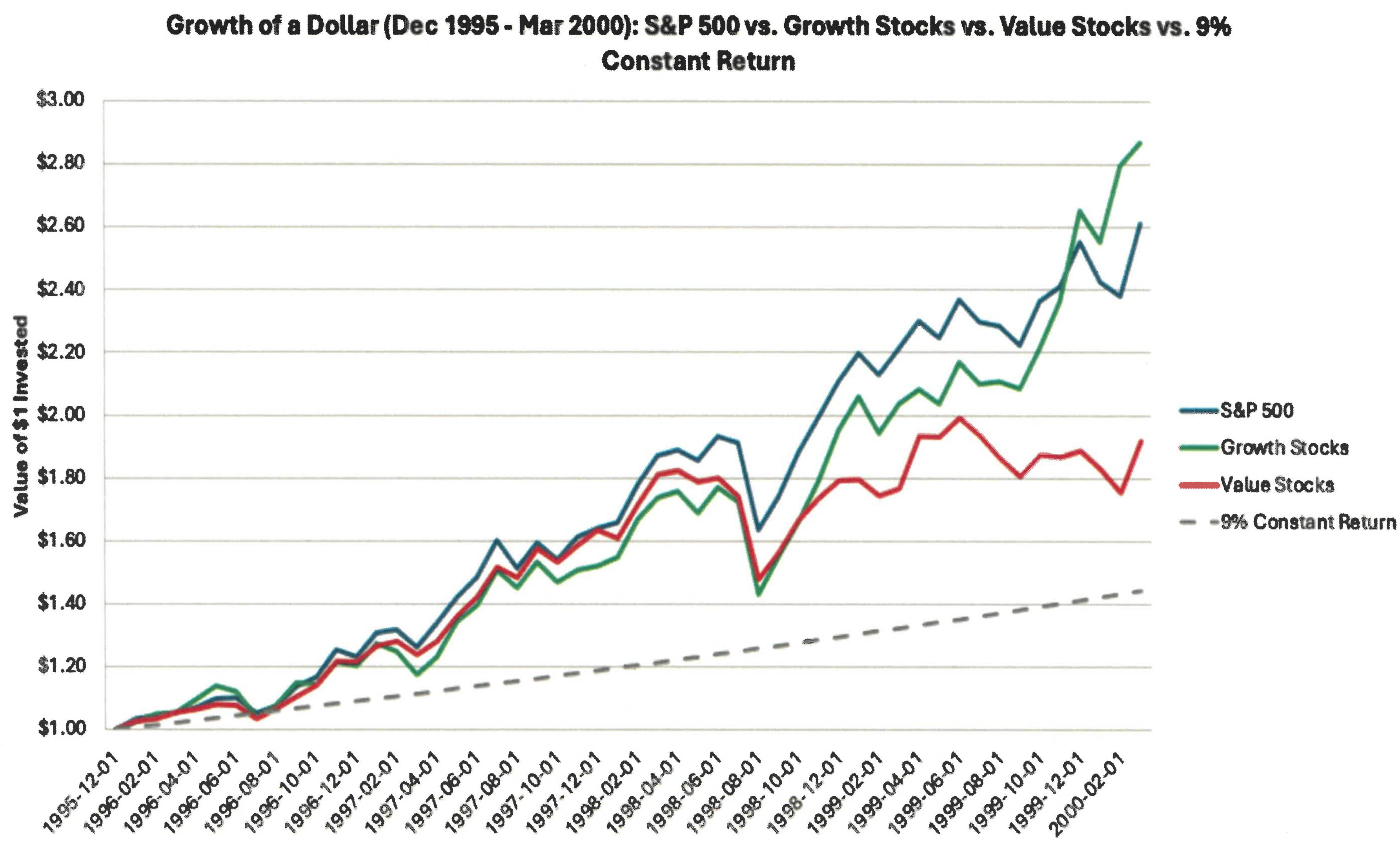
August 6, 2026

Annualized Investment Results

Performance Ending 6/30/26 (Net Of Investment Management Fees)	CYTD 2026	Latest 3 Years	Latest 5 Years	Latest 10 Years	Latest 15 Years	Since 3/31/02
Core Investment Pool	6.5%	12.0%	5.9%	8.6%	7.7%	7.3%
Core Pool Custom Market Benchmark	8.5%	13.9%	7.4%	9.4%	7.8%	6.6%
CPI + 5%	4.5%	8.1%	9.2%	8.3%	7.6%	7.6%



Stored Energy vs. Banked Returns



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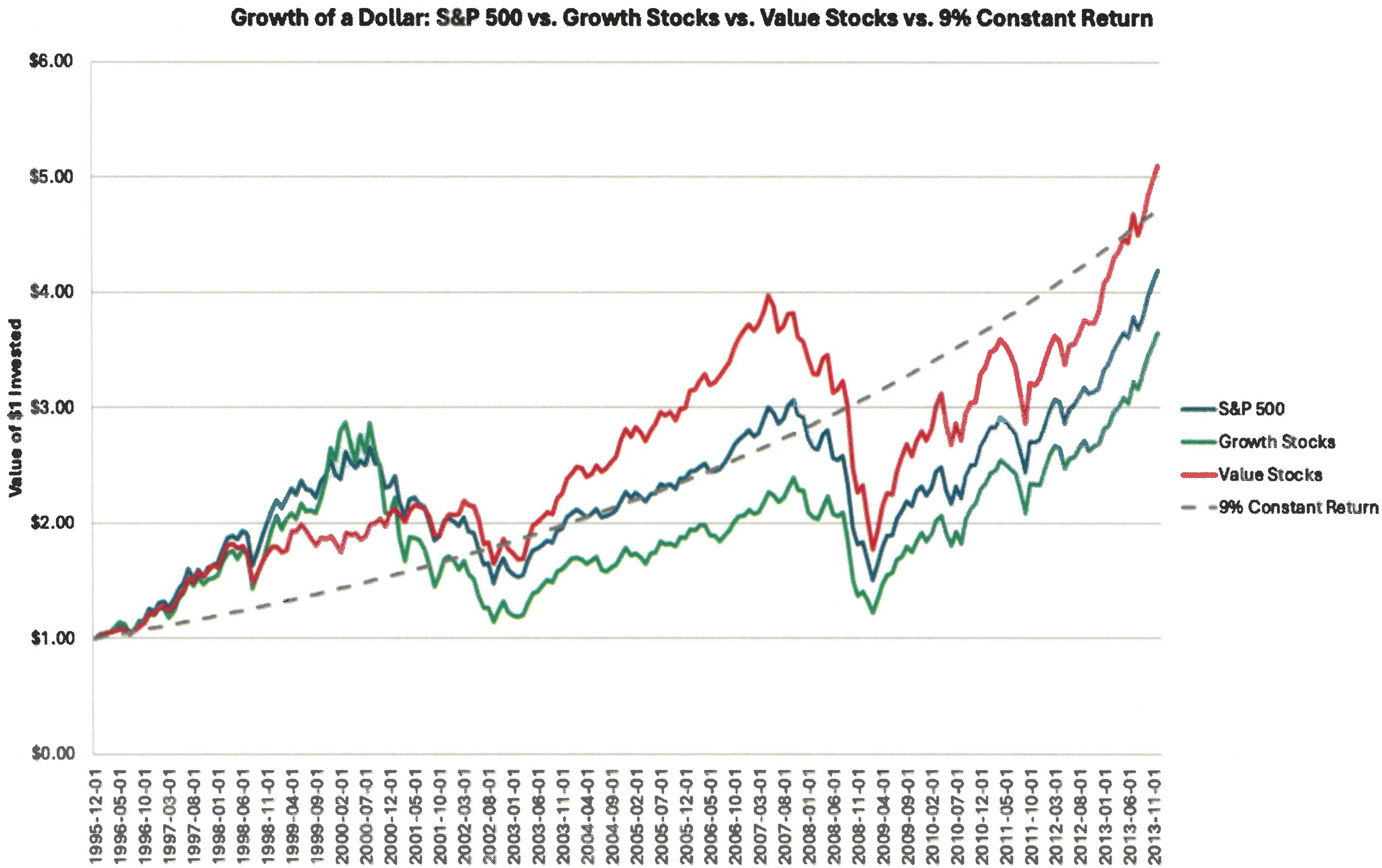


The Bottom Line

Core Pool Performance: March 31, 2002 to June 30, 2026			
	Rolling 10 Year VCF Core vs. CPI + 5%	Rolling 10 Year VCF Benchmark vs. CPI + 5%	Rolling 10 Year Simple Index vs. CPI + 5%
Batting Average	55.8%	32.6%	30.8%
Median Outcome	7.0%	-18.4%	-14.5%

- VCF Core Has Achieved its Most Important Goal – Nearly 56 Success Rate Reflects Strong Balance Between Spend Rate and Returns

- Benchmarks Have Failed and Will Continue to Do So Along with Majority of E&Fs

- 83% of E&Fs have Failed Since Apr. 2002 – VCF Succeeded – Conformity Has a Price

Core Pool Basics

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

- Investment Management Fees are now 56 Bps (43 Bps excluding Private Equity)

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

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

Strategic Asset Mix

Asset Class Exposures (% of Total Portfolio)	Core Pool Asset Mix
US Large/Mid Cap Equity	12.0
US Small Cap Equity	6.5
Non-US Developed Equity	12.0
Non-US Emerging Equity	6.0
Global Equity	25.0
Total Equity	*61.5%*
US Aggregate Bonds/TIPS	19.8
Global Bonds	4.8
Cash/Short Term Bonds	2.0
Total Fixed Income	*26.5%*
Hedge Funds	0.0
Private Assets	12.0
Total Alternatives	*12.0%*
Vermont Investments	*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

Chaotic Times

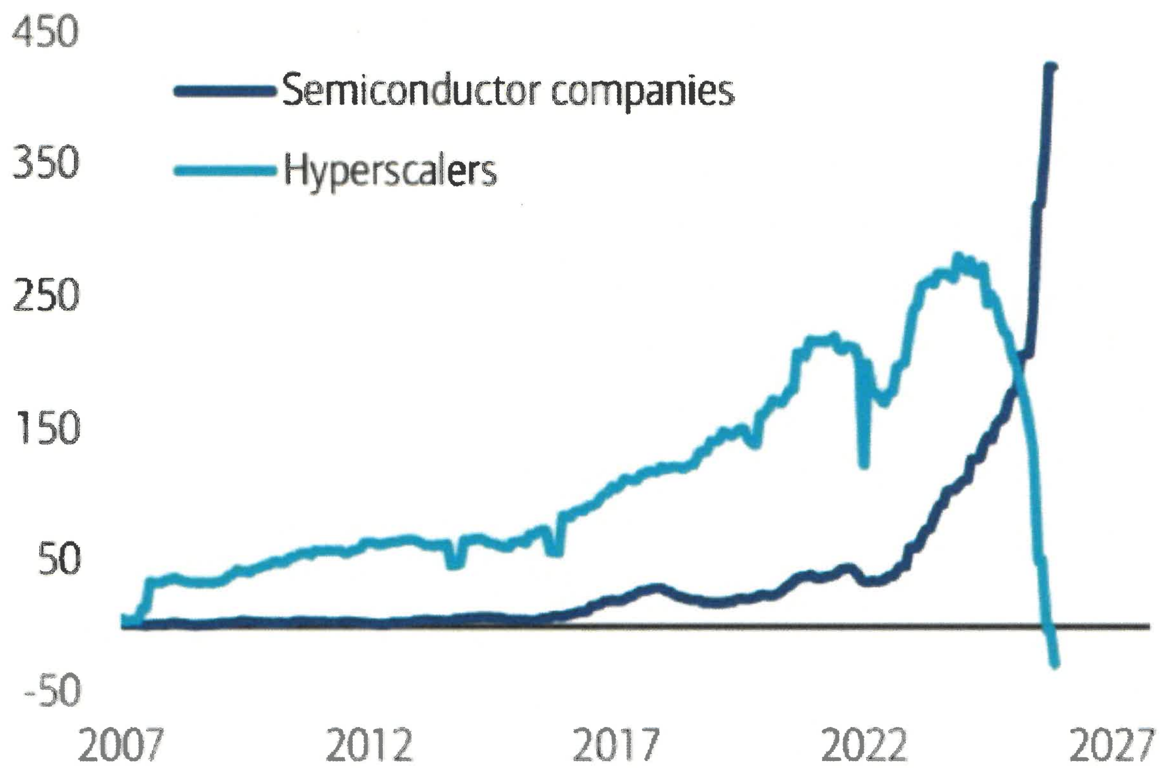
- Global Alignments Shifting – US Voluntarily Giving Up Advantages

- The risk of the "AI Trade" has little to do with token prices, AI demand, etc. The real issue is debt and the structure of the data center buildout

- Markets are soaring but cracks are forming

Sustainable?

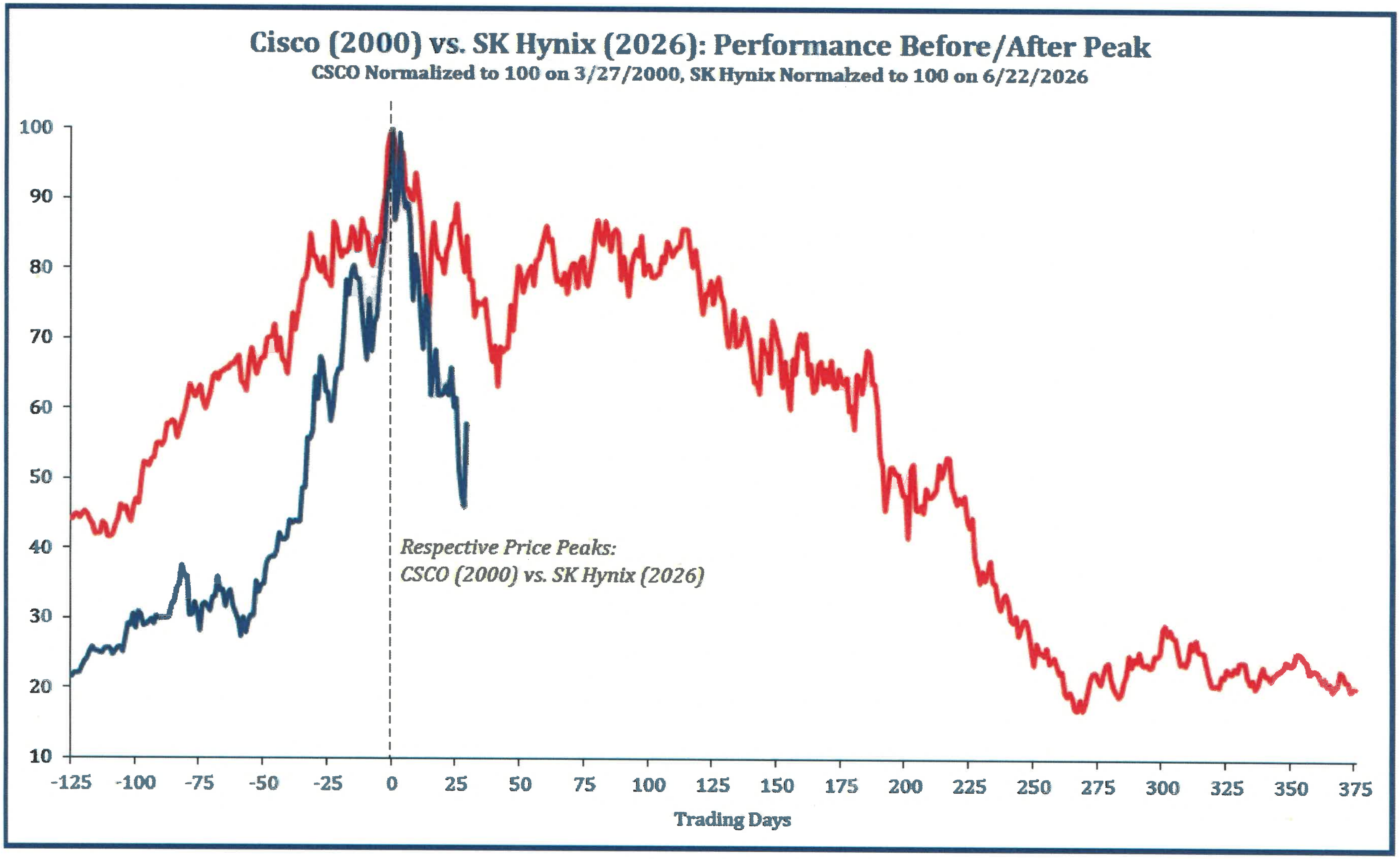
Exhibit 6: A generational transfer in free cash flow is taking place
12m forward FCF of "hyperscalers" and semiconductor companies, $bn



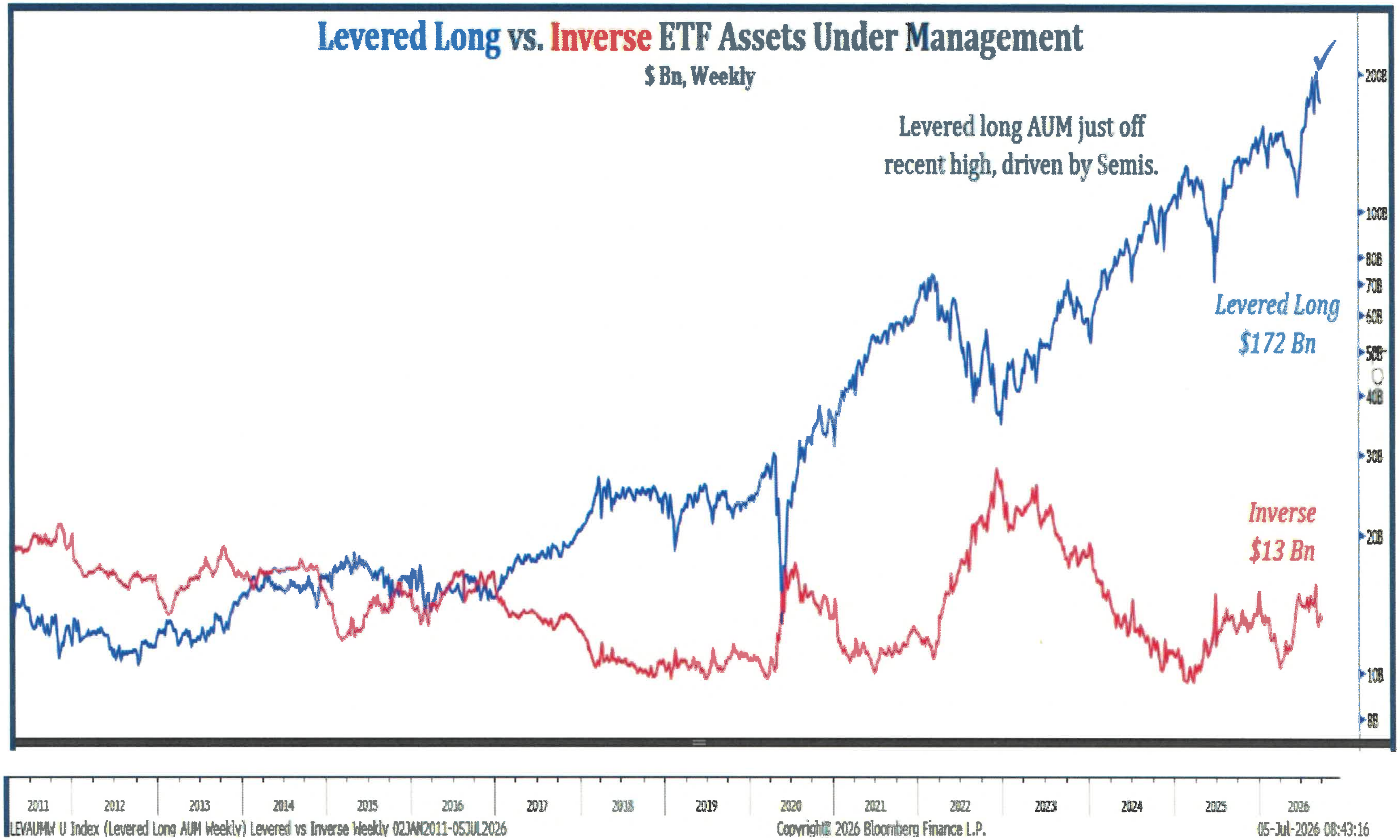
Source: BofA Research Investment Committee. Hyperscalers = AMZN, GOOGL, META, MSFT, ORCL. Semiconductor companies = NVDA, MU, AVGO, & AMAT

BofA GLOBAL RESEARCH

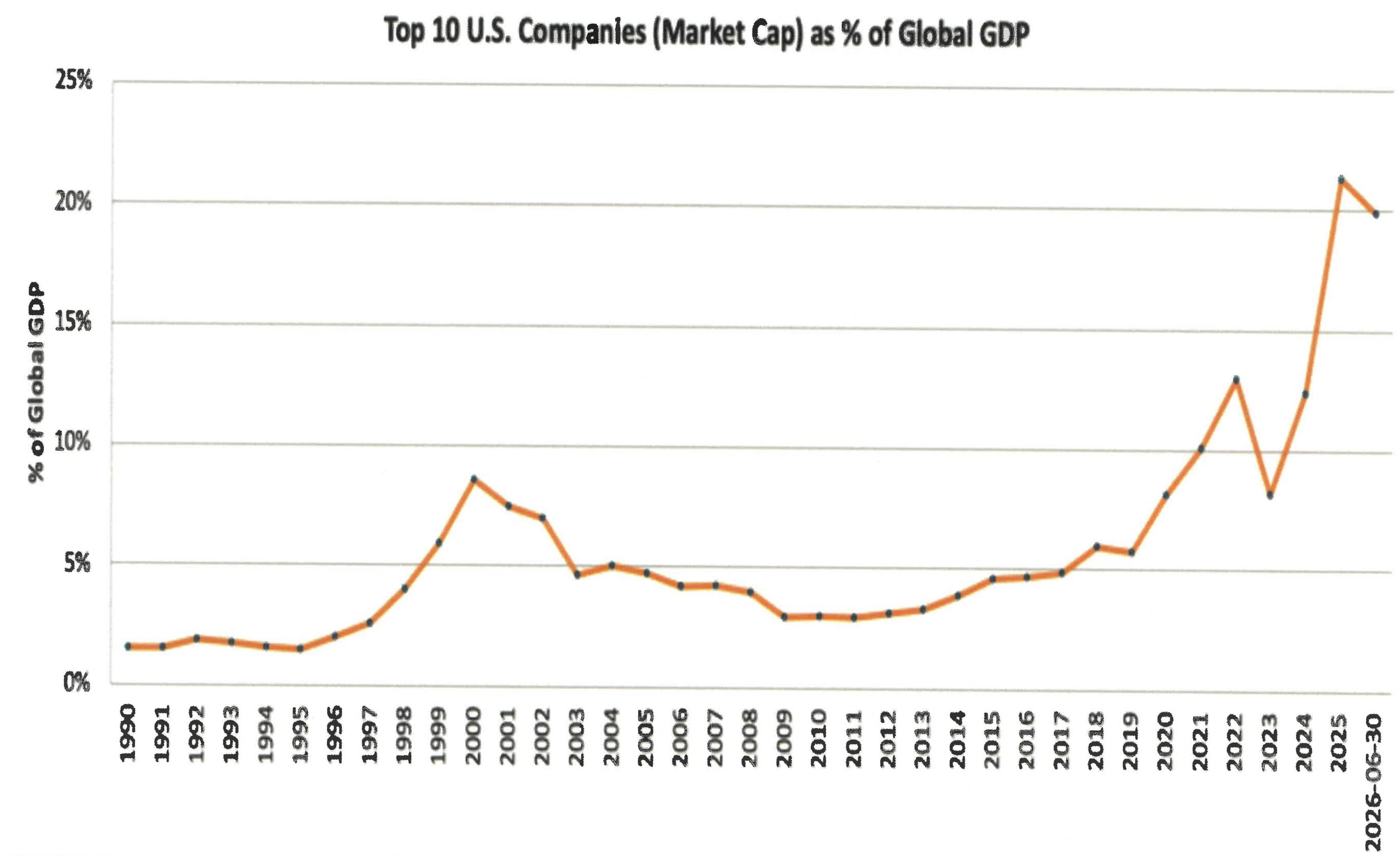
Historical Pattern? Large Companies & Sharp Drops



Rampant and Broad Based Speculation



Historic Optimism & Systemic Risk



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**

Crewcial Partners Profile

Location: New York, NY
Staff Size: 51
Number of Clients: 85

Founded: 1980
100% Employee Owned
Client Assets: $ 27 Billion

Representative Client List:

The San Francisco Foundation
Community Foundation for
Greater Buffalo

WNET - NY
PBS
DeLaSalle Institute