



Eau Claire Community Foundation

Investment Overview 2017 (03/31/2018)

The Eau Claire Community Foundation (ECCF) encourages, facilitates, and manages long-term philanthropy. It focuses its efforts on the greater Eau Claire area, although charitable distributions are often directed to causes throughout the United States.

Stewardship and Objectives

The ECCF considers its stewardship over donors' contributions a serious undertaking. Diligence, prudence, attention and care are the guiding principles driving the management and investment of charitable assets.

The objectives of the Investment Committee include:

- To preserve and enhance the earning power of the assets held in the portfolios
- To produce favorable total return when compared to Policy benchmarks
- To maximize value with a prudent level of risk and reasonable distribution
- To generate a steadily growing stream of income and to maintain and enhance the principal of the assets by aiming for consistent returns through all market cycles

Investment Oversight

The ECCF Board of Trustees is responsible for the oversight and management of the ECCF investment portfolio. The ongoing work is carried out by the Investment Committee, consisting of Board members and community volunteers:

Tom Larson, *Chair*
Joe Fesenmaier
Phil Happe

Chris Hasenberg
Bill Hilgedick
Jeff Kowieski

Lois Krause
Dave Pokrandt
Pat Quinn

The responsibilities of the Investment Committee include reviewing overall portfolio asset allocation, regularly assessing the spending policy, conducting at least quarterly reviews of the portfolio's performance given investment objectives, and ensuring costs are appropriate and reasonable in relation to assets managed.

Diversified Portfolio

The ECCF currently maintains a broadly diversified investment portfolio with Orgel Wealth Management and with Morgan Stanley Wealth Management whom manages the Socially Responsible Portfolio. They work closely with the Investment Committee and staff to deliver a comprehensive investment management program to support meeting stewardship goals of the endowment, and conducts regular investment policy management assessment and performance reporting.

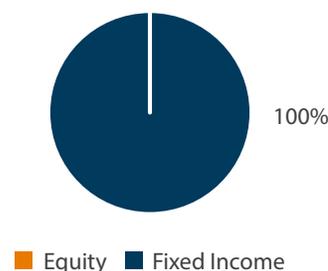
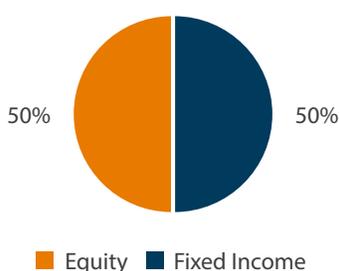
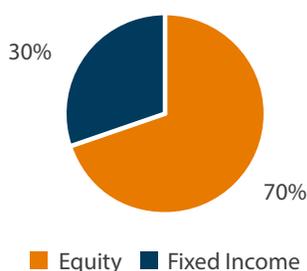
Socially Responsible (SRI) Portfolio

This Portfolio is designed to meet the needs of fund holders who desire socially responsible investing options. Morgan Stanley has been a leader in this area for over 30 years, and its team has a rich history of experience and knowledge that is unique in the social investing industry. Morgan Stanley provides values alignment with positive environmentally and socially focused portfolios with competitive risk-adjusted returns. They do this through a spectrum of investing, including restriction screening, social and governance integration, and thematic investing that focuses on things like on climate action, data privacy and gender diversity.

Long-Term & SRI Pool
Long-Term Growth Capital Fund

Intermediate Pool
Moderate Growth Fund

Short-Term Pool
Income Fund



Long Term Pool and the Socially Responsible Pool emphasize long-term growth of principal while avoiding excessive risk. The time horizon for this type of pool is 10 years or more.

Intermediate Pool is intended as a Moderate Growth pool to balance liquidity needs and capital appreciation of a full market cycle. Time horizon for the Fund is 5-10 years.

Short Term Pool Protects the principle value of the portfolio. The portfolio may produce lower long-term expected return in exchange for smaller, infrequent losses. Time horizon for the Fund is less than 5 years.

For the Long-term and the Socially Responsible Pools, on an annualized, net-of-fees basis, the return on the Fund over the long term (at least a full market cycle) will be expected to:

- 1) Equal or exceed the spending rate plus inflation over a market cycle; and
- 2) Equal or exceed the average return of the appropriate capital market indices weighted by the asset allocation target percentages over rolling five-year periods.

Average Annualized Investment Returns (Net of Fees) ¹ – As of 03/31/2018

	1 Year	3 Years	5 Years	Since Inception ²
Long-Term Portfolio	10.26%	5.96%	6.84%	5.85%
Long-Term Portfolio Benchmark ³	10.34%	6.54%	7.96%	5.90%
Intermediate Portfolio	7.95%	4.77%	5.42%	6.15%
Intermediate Benchmark ³	7.45%	5.01%	6.07%	6.80%
Short-Term Portfolio	1.33%	1.65%	1.91%	2.83%
Short-Term Benchmark ³	0.41%	0.89%	1.15%	1.93%

¹ Performance goals are based upon a long-term investment horizon; therefore, interim fluctuations should be viewed with appropriate perspective.

² Long Term Pool 10/31/06, Intermediate Pool 9/30/10, Short Term Pool 7/31/10

³ Benchmark detail available upon request

SRI Long Term Pool Performance/Similar Account (Gross of Fees) ¹ – As of 03/31/2018

	1 Year	3 Years	5 Years	10 Years
Socially Responsible Long Term Pool ³	14.74%	7.02%	8.83%	N/A
Socially Responsible Benchmark ²	10.76%	6.41%	7.62%	6.37%

¹ SRI Portfolio established at ECCF on June 1, 2018

² Proposed Benchmark detail available upon request

³ The investment results depicted herein represent historical gross performance with no deduction for investment management fees.