

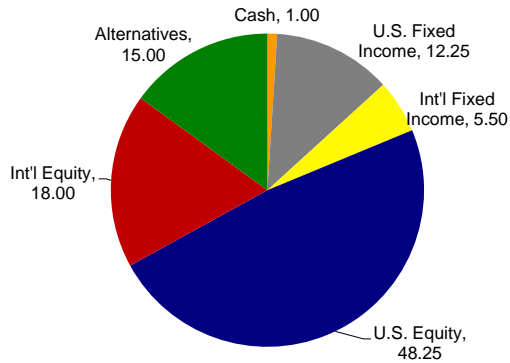
# BELIEVE

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IN THE FUTURE  
OF THE FLORIDA KEYS

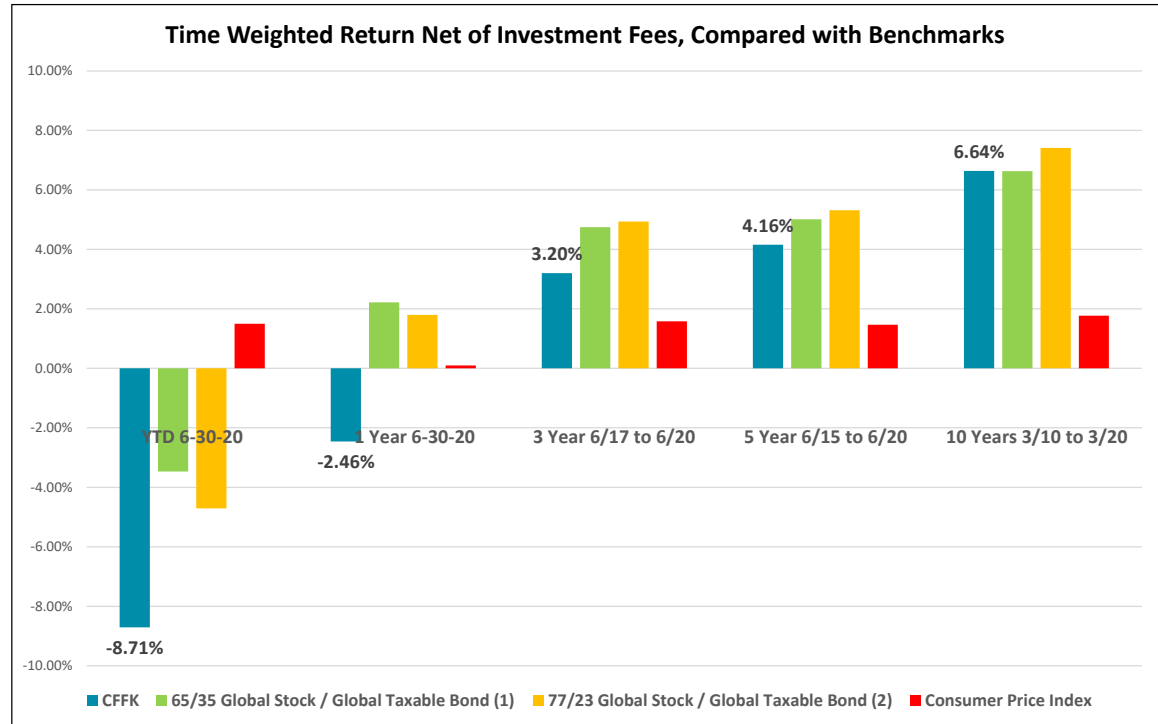
VISION  
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COMMUNITY FOUNDATION  
OF THE FLORIDA KEYS

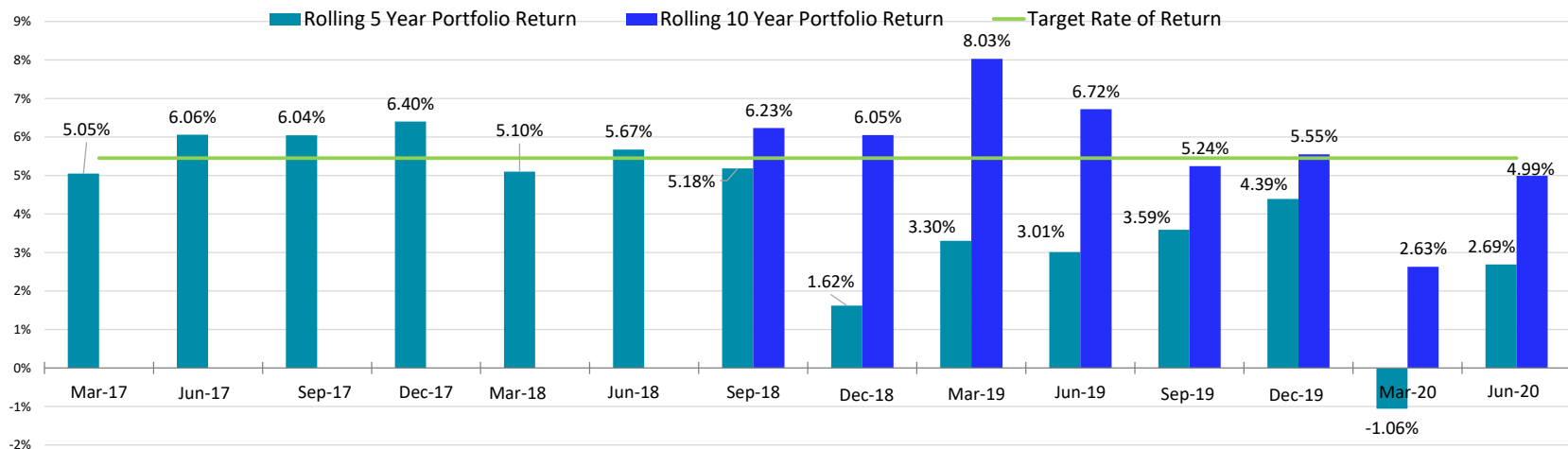
### Asset Allocation Targets (%)



## Quarterly Investment Summary - June 30, 2020



## Rolling Portfolio Returns Net of Inflation vs. Target Rate of Return



# Community Foundation of the Florida Keys, Inc.

## Quarterly Investment Summary – June 30, 2020

### Overview

CFFK consolidated the endowment pool and began tracking performance in Q4 2008, when Mason Investment Advisory Services Inc. (Mason) was hired to help manage our portfolio and provide investment performance reporting. Performance is displayed net of all investment management fees, reflects the reinvestment of dividends and is calculated using the time-weighted return method. As of June 30, 2019, total management fees were estimated to be 0.70%, including 0.41% paid for advisory services and 0.29% paid to the mutual funds and exchange traded funds used in the endowment pool. All funds held by CFFK have an additional administrative fee of 1% to 2%.

### Time Weighted Return Net of Investment Fees, Compared with Benchmarks

This bar chart compares CFFK returns with benchmark performance indices and consumer price inflation. The 65/35 Global Stock / Global Taxable Bond is the best benchmark for asset allocation in the 5- and 10-year periods. The 77/23 Global Stock / Global Taxable Bond is the best benchmark for the more recent periods because of the asset allocation change that was made in the fourth quarter of 2016.

(1) 65/35 Global Stock / Global Taxable Bond is derived from 65% of the S&P Global BMI Index and 35% of the Barclays Global Aggregate Index.  
(2) 87/23 Global Stock / Global Taxable Bond is derived from 77% of the S&P Global BMI Index and 23% of the Barclays Global Aggregate Index.  
*Performance of both of the stock/bond mixes is presented net of the average annual ETF and index fund expense ratio prorated monthly. This was the average expense ratio of all 1,523 ETFs and Index Funds included in the Morningstar database as of 9/30/13, which was 0.68%.*

### Asset Allocation Target Percentages

The endowment pool is managed with the targeted allocation of various asset classes and rebalanced to these percentages according to the [Investment Policy Statement](#). The asset allocation was changed in the fourth quarter of 2016, increasing the percentage of equity and decreasing the percentage of fixed income investments in order to better meet the target rate of return while maintaining an acceptable risk profile.

### Rolling Portfolio Returns Net of Inflation vs. Target Rate of Return

The Board of Governors has adopted a target rate of return for the endowment pool to cover inflation and administrative fees while providing annual grants of 4.25% of the average balance over the prior 12 quarters. Since Mason began managing the endowment pool, the target rate of return on a rolling 5-year basis has been achieved by the portfolio in 50% of the time periods. Historically, achieving a 5.45% target real return with the current allocation has only been successful approximately 57% of all rolling five-year periods since 1926. The historical success rates have been higher as the measurement period lengthens beyond the five-year periods displayed. CFFK portfolio has exceeded the target rate of return in 62% of the quarters when measured on a 10-year rolling basis.

### Short-Term Investment Pool

CFFK offers an alternative investment pool for funds expecting to make grants within one to three years. Please call Jennifer McComb or Mark Songer at (305) 292-1502 if you are interested in this option that offers a lower return and more stable principal value.