Madison Community Foundation’s primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power (or intergenerational equity) of the endowment portfolio. MCF seeks to achieve this goal through the following:

- Cost-effective implementation at an appropriate level of risk
- Diversification of asset classes and strategies to provide consistent returns
- Long-term capital appreciation through the incorporation of risk-based assets, including non-marketable, illiquid alternatives

The MCF Investment Committee is appointed by the MCF Board of Governors, which maintains overall responsibility for the investment portfolio. The Investment Committee seeks to achieve the MCF investment objective through quarterly meetings to review investment performance and tactical asset allocations. The committee includes Board members and community volunteers:

- Ron Mensink, Chair
- Chuck Carpenter
- Phyllis Lovrien
- Gary Mecklenburg
- Tom Olson
- Sebastien Plante

MCF employs Commonfund Asset Management Company (COMANCO) as its Outsourced Chief Investment Officer (OCIO) for its largest endowment portfolio. COMANCO has created a customized investment strategy based on MCF’s risk tolerance, return targets, operational needs and other factors and requirements.

COMANCO services include investment policy review; portfolio construction, asset allocation and rebalancing; manager selection; risk management assessment and reporting. Commonfund also provides education and research on topics such as investments, economics, risk management and governance.

COMANCO balances active management with passive strategies - making asset allocations by creating different scenarios that balance the opportunity for growth with its associated risks, and considering the most likely outcomes as well as potential tail risks. It employs a variety of asset allocation perspectives:

- **Traditional**: Public equities (large), Public equities (small), High Yield, Cash, U.S. Treasuries, High Quality Corporates and Mortgages, Hedged Global Sovereign Debt, Commodities, REITs, TIPS, Currency (Non U.S. Investments)
- **Hedge Funds**: Long/short equities, Event-driven, Opportunistic credit, Trend following hedge funds (CTAs, Macro), Trend following hedge funds (CTAs, Macro), Trend following hedge funds (CTAs, Macro), Relative value strategies
- **Private Programs**: Distressed Debt, Venture capital, Private equity, Opportunistic Real Estate, Value Add Real Estate, Core Real Estate, Natural Resources, Infrastructure, Relative value strategies

Past performance is no assurance of future returns; returns are net of fees.
MCF Endowment Portfolio Overview
Commonfund Asset Management Company
As of March 31, 2020

Calendar Year | MCF Endowment | Policy Benchmark¹ | Community Foundations* | 70% ACWI/30% Agg | Annualized Return | MCF Endowment | Policy Benchmark¹ | 70% ACWI/30% Agg
--- | --- | --- | --- | --- | --- | --- | --- | ---
2019 | 16.19% | 17.39% | NA | 21.21% | QTD | -11.99% | -11.94% | -14.42%
2018 | -1.17% | -2.79% | -5.30% | -6.48% | 1 Year | 4.50% | 3.85% | 4.70%
2017 | 18.65% | 16.28% | 15.10% | 17.50% | 3 Years | 4.48% | 3.78% | 2.76%
2016 | 6.62% | 7.35% | 7.30% | 6.42% | 5 Years | 4.48% | 3.75% | 3.23%
2015 | -0.64% | -2.99% | -1.90% | -3.0% | 10 Years | 5.67% | 5.27% | 5.52%
2014 | 4.50% | 5.04% | 4.20% | 4.77% | Inception | 4.45% | 3.85%
2013 | 15.09% | 11.90% | 14.90% | 14.90% | 2012 | 10.71% | 10.02% | 12.40% | 12.65%
2011 | -2.5% | -1.70% | -1.80% | -2.68% | 2010 | 10.87% | 11.22% | 12.40% | 11.31%
2010 | 22.82% | 19.16% | 21.60% | 25.93% | 2009 | -30.02% | -29.05% | -26.60% | -30.18%
2008 | $852 | $786 | $961 | $1,000 |

*Commonfund Inception date: 2/28/2006

Risk & Return Summary | 03/31/2006 - 3/31/2020

**Definitions**

**Standard Deviation:** statistical measure of the degree to which a value in a probability distribution tends to vary from the mean of the distribution; the larger the standard deviation, the greater the degree of dispersion around the average value.

**Sharpe Ratio:** risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the ratio, the better a fund's risk-adjusted performance.

¹**Policy Benchmark:**

Current: 49.0% MSCI ACWI; 6.0% Burgiss Private Capital Composite; 23.0% Bloomberg Barclays U.S. Aggregate Bond Index; 7.0% ICE BAML High-Yield Index; 3.0% Burgiss Private Natural Resources Composite; 3.0% S&P Global LargeMidCap Commodity and Resources Index; 9.0% NCREIF ODCE (Lagged)

Past performance is no assurance of future returns; returns are net of fees.