



*March 18, 2020*

# **COMMUNITY FOUNDATION OF THE MAHONING VALLEY:**

## **COVID-19 AND RECENT MARKET VOLATILITY**



*1100 Superior Avenue East Suite 700  
Cleveland, Ohio 44114  
216.621.1090 | [clearstead.com](http://clearstead.com)*

# RECENT MARKET VOLATILITY AND PORTFOLIO POSITIONING

- Amongst the outbreak of COVID-19 and the recent market volatility, below are a few important talking points to share with committee members and fund holders:
  - Investment professionals are constantly monitoring the CFMV and the supporting organization portfolios, along with the current market environment
  - CFMV and the supporting organizations are long-term investors. Given that fact, assets invested in the community foundation for fund holders are placed in a diversified portfolio with the goal of generating the most beneficial returns over the long-term. Assets are not typically held in cash as there is no long-term growth.
  - The Foundations have well diversified portfolios with allocations to fixed income, helping offset the negative returns of domestic and international equities
    - ❖ Market indicators include The S&P 500 which is down **-26.14%** on a year-to-date basis, and the Bloomberg Barclays US Aggregate which has returned **+3.76%** YTD. CFMV portfolio has invested in strategies that are benchmarked to both indices which result in better performance than just the S&P 500 in bear markets.
    - ❖ A balanced, well diversified portfolio such as the CFMV and the supporting organizations is estimated to be down approximately **-18%\*** on a year-to-date basis
    - ❖ However, on a trailing one-year basis, the portfolio for CFMV is down approximately **-8.5%\***
  - The three-year trailing average spending rule is in place to smooth spending amounts when market downturns occur
  - Following the CFMV strategic asset allocation guidelines, will lead to good long-term outcomes

\*Estimated return sourced from performance reporting in Tamarac as of 3/16/2020.