March 18, 2020

COMMUNITY FOUNDATION OF THE MAHONING VALLEY:

COVID-19 AND RECENT MARKET VOLATILITY
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.