

## INVESTMENT ALLOCATION OF INFaITH ASSETS NOVEMBER 2018

Since its founding in 1995, InFaith Community Foundation has built a proven record of sound stewardship – a commitment that has earned InFaith consistently high Charity Navigator ratings for sound fiscal management and GuideStar’s top rating for transparency and commitment to excellence.

InFaith’s investment strategy for gift assets reflects sound stewardship. InFaith invests with a focus on rebalancing, skilled investment managers and ongoing assessment of investment performance against strategic benchmarks, all of which help InFaith obtain the highest investment return possible within acceptable levels of risk. InFaith’s investment portfolios – Core Growth, Mission Growth, WomenInvest and Income – are constructed with these fundamentals in mind:

- Diversification and long-term commitment.
- Quality investments and portfolio manager experience.

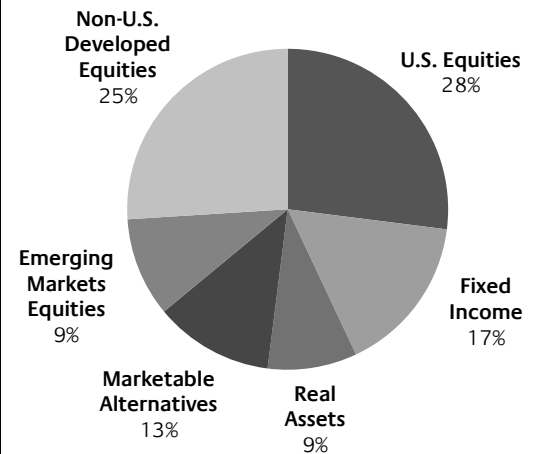
Information about the allocations, objectives and investments of InFaith’s investment portfolios is outlined below. Keep in mind that if you’re a Fund Advisor of a dynamic donor advised fund or organizational endowment, you have the option to customize your portfolio by allocating gift assets among one or more InFaith portfolios.

### CORE GROWTH PORTFOLIO

**Investment Allocation:** 85% Equities / 15% Fixed Income

**Objective:** Invested for growth and maximum sustained support to charities far into the future.

Investment /Fund Name	Ticker Symbol
<b>U.S. Equities</b>	
Thrivent Large Cap Growth Fund – Class S Shares	THLCX
Thrivent Large Cap Value Fund – Class S Shares	TLVIX
Thrivent Mid Cap Stock Fund – Class S Shares	TMSIX
Thrivent Small Cap Stock Fund – Class S Shares	TSCSX
<b>Non-U.S. Developed Equities</b>	
American Funds EuroPacific Growth Fund	AEPGX
Sanderson International Value Fund	n/a
Thrivent Partner Worldwide Allocation	TWAIX
<b>Emerging Markets Equities</b>	
Generation IM Asia Fund	n/a
First State Global Emerging Markets Leaders	n/a
Westwood Global Investments – WGI Emerging Markets Smaller Companies Fund, LLC	n/a
<b>Marketable Alternatives</b>	
GMO Benchmark-Free Allocation Strategy – Wells Fargo Advantage Absolute Return Fund	WABIX
Davidson Kempner	n/a
Varde	n/a
GMO Systematic Global Macro	n/a
<b>Real Assets</b>	
Van Eck Global Hard Assets Fund	GHAIX
Wellington – CTF Diversified Inflation Hedges Portfolio	n/a
Impax Specialist Strategy	n/a
<b>Fixed Income</b>	
Thrivent Government Bond Fund, S Shares	TBFIK
Thrivent Income Fund	LBIIK
Thrivent Money Market	AALXX
US Bank Account	n/a



**Expense Ratio:** 0.76%

*Note: Expense ratios reflect annual management fees and exclude performance and operating fees.*

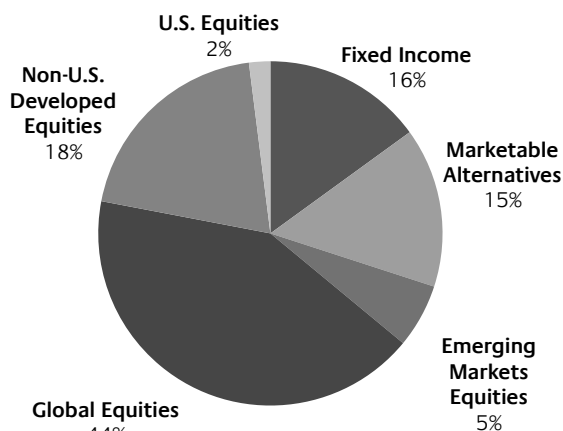


## MISSION GROWTH PORTFOLIO

**Investment Allocation:** 85% Equities / 15% Fixed Income

**Objective:** Invested for growth and maximum sustained support to charities through investments aligned with mission for positive outcomes throughout our shared community.

Investment /Fund Name	Ticker Symbol
<b>U.S. Equities</b> Boston Trust – Walden Small Cap Innovations Funds*	WASOX
<b>Global Equities</b> Generation IM Global Equity Fund LLC*	n/a
Impax Specialist Strategy*	n/a
Ownership Capital Global Equity*	n/a
KBI Water Strategy*	n/a
Wellington Global Impact*	n/a
<b>Emerging Markets Equities</b> Generation IM Asia Fund*	n/a
<b>Developed Non-U.S. Equities</b> Mondrian International ESG*	n/a
<b>Marketable Alternatives</b> GMO Benchmark-Free Allocation Strategy – Wells Fargo Advantage Absolute Return Fund	WABIX
Davidson Kempner	n/a
Varde	n/a
GMO Systematic Global Macro	n/a
CIM Enterprise Loan Fund*	n/a
<b>Fixed Income</b> Thrivent Government Bond Fund, S Shares	TBFI
Breckinridge Intermediate Sustainable Gov't/Credit*	n/a
Thrivent Money Market	AALXX



\*Mission Investments

**Expense Ratio:** 0.72%

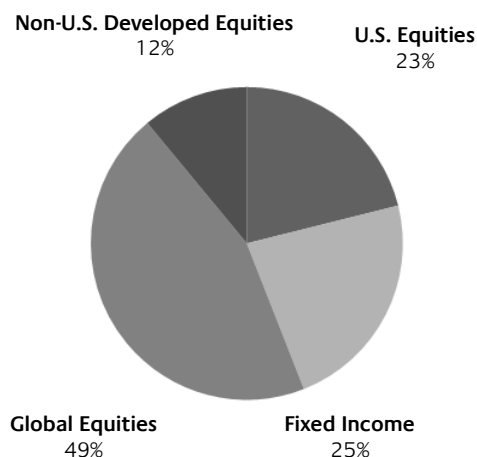
Note: Expense ratios reflect annual management fees and exclude performance and operating fees.

## WOMENINVEST INFAITH PORTFOLIO

**Investment Allocation:** 75% Equities / 25% Fixed Income

**Objective:** Invested to provide maximum sustained support to charities through investments that do well when women do well by addressing the root causes of violence against women.

Investment /Fund Name	Ticker Symbol
<b>U.S. Equities</b> Trillium Large Cap Core*	n/a
Trillium Small Mid Cap*	n/a
<b>Global Equities</b> Aperio Custom Gender Lens Index Portfolio*	n/a
Pax Ellevest Global Women's Index Fund*	PXWIX
<b>Non-U.S. Developed Equities</b> Domini International*	DOMOX
<b>Fixed Income</b> Self Help Credit Union Women & Children CD*	n/a
Calvert Foundation Women Investing in Women (WIN) Promissory Note*	n/a
Boston Community Capital Stabilizing Urban Neighborhoods (SUN) Initiative Promissory Note*	n/a
Community Reinvestment Act Qualified Investment Fund Targeted to Barrier-Free Living*	CRANX
Breckinridge Gender Lens Portfolio	n/a



\*Mission investments

**Expense Ratio:** 0.45%

Note: Expense ratios reflect annual management fees and exclude performance and operating fees.

## INCOME PORTFOLIO

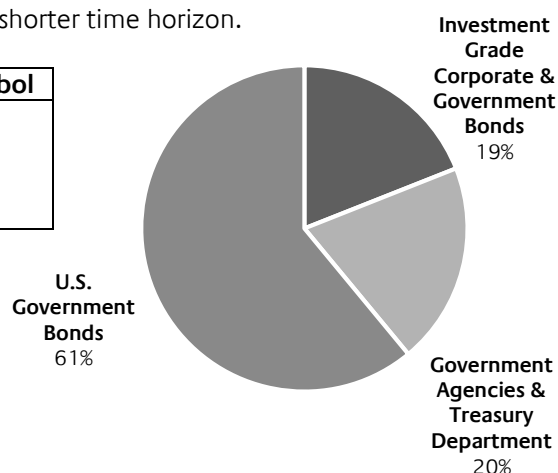
**Investment Allocation:** 100% Fixed Income

**Objective:** Invested for stability and maximum grant support within a shorter time horizon.

Investment / Fund Name	Ticker Symbol
<b>Fixed Income</b>	
Thrivent Government Bond Fund, S Shares	TBFIX
Thrivent Income Fund	LBIX
Thrivent Money Market	AALXX

**Expense Ratio:** 0.38%

*Note: Expense ratios reflect annual management fees and exclude performance and operating fees.*



## STRATEGIC BENCHMARKS

InFaith continually monitors its investments, as well as its objectives and strategies. Investments are measured by appropriate strategic benchmarks (i.e. indices) and monitored quarterly. The overall investment portfolio is measured against a composite benchmark that reflects the target asset allocation.

Asset Class	Strategic Benchmarks	
	Growth & Income	Mission
Global Public Equities	MSCI ACWI (net)	MSCI ACWI (net)
Marketable Alternatives	HFRI Fund of Funds Index	HFRI Fund of Funds Index
Real Assets	Blended benchmark (1/2 each): Wellington DIH Custom Benchmark; S & P NA Natural Resources Index	n/a
Fixed Income	Barclays Aggregate	Barclays Aggregate

## ROLE OF ASSET CLASSES WITHIN PORTFOLIOS

To better understand the role and function of each asset class within InFaith Portfolios, please review these insights from InFaith's investment advisors, Cambridge Associates and Veris Wealth Partners.

### U.S. Equity (*Large, Medium & Small Capitalization Equities*)

U.S. Equity is typically the core asset class in a U.S. investor's portfolio. For many endowment funds, equity assets of various sorts comprise most of the total portfolio and so the fund's exposure to U.S. economic risk is significant. The major macro-economic risks are severe economic contraction and sharp, unexpected inflation.

### Global Equity (*Global & Emerging Markets Equities*)

The inclusion of global equities provides portfolio diversification and enlarges the investment opportunity set. The disadvantages of investing in international equity are higher investment costs and exposure to currency risk.

### Marketable Alternatives (*Hedge Funds/Diversifiers*)

Hedge funds/diversifiers provide the portfolio with strong risk-adjusted returns and diversification. Hedge funds/diversifiers differ widely in the kinds of investment strategies they pursue and the level of risk they incur, making generalizations challenging. InFaith generally structure hedge fund/diversifiers programs to fill one or both of two roles: 1. To generate a modest return with relatively low risk and little or no correlation to other assets in the portfolio; 2. To generate equity-like returns with less-than-market volatility.

**Real Assets** (*Natural Resources, Commodities & Real Estate*)

Equities are the best hedge against inflation over the long term, but interim periods of unexpectedly high inflation can adversely affect equity values, often severely. Real assets, such as natural resources, commodities, real estate, timber, precious metals and other hard assets serve as an effective hedge against an unexpected spike in inflation because they are likely to generate strong returns during such a period, when equity and bond returns are negative. However, it should be noted that inflation hedging is difficult and inexact because the root causes of inflation are difficult to predict. Consequently, we advise clients to create diversified mix of real assets to provide adequate inflation protection. Since the economic basis of their return is fundamentally different from those of equities and bonds, real assets also provide excellent portfolio diversification even when inflation is subdued.

**Fixed Income** (*Bonds*)

Bonds offer the best protection against economic and equity price deflation. To serve as a reliable hedge, the bonds must be high-quality, non-callable, and of intermediate to long duration. The allocation should be sufficient to meet several years' spending needs in the event of a severe equity market decline—unless the investor is confident that other assets in the portfolio would also appreciate during a prolonged economic contraction. In addition, bonds may provide an overall reduction in portfolio volatility, a steady flow of income and high liquidity.