



CHC Foundation
Investment and Budget Report
December 7, 2017
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Investment Update:

1. Investment Policy:

- a. The investment committee met with Merrill Lynch and reviewed revisions to the Investment Policy. Two revisions were made: 1) updated the benchmarks and, 2) removed emerging markets from excluded investments.

Making these changes allows the Foundation a broader diversification of the assets within the parameters of the asset allocations set by the policy. If the future follows a similar pattern to the past 10 years, this change may produce a slightly greater rate of return. As the market changes, Merrill Lynch will recommend additional changes.

The investment Committee revised the policy and submitted it to the Board for adoption on 12/7/17.

2. Merrill Lynch Investment

- a. Balances (reference attached ML statement as of October 31, 2017):
 - i. Opening Balance March 2013: \$582,355
 - ii. Ending balance as of October 31, 2017: \$1,801,419.
- b. Average annualized return of 7.11% since March 2013

3. Progress toward Goal to Increase Endowment to \$4.5M

- a. Merrill Lynch created 3 investment scenarios for our consideration. Each scenario assumes a similar rate of return as of the last 10 years and three possible outcomes based upon level of acceptable risk. Please reference the attached reports.
 - i. Scenario 1 – What will the balance of our investment be in coming years if we don't deposit or withdraw any funds, assuming same average rate of return as last 10 years?
 - ii. Scenario 2 - What will the balance of our investment be in coming years if we were to deposit \$50K/year with no withdrawals, assuming same average rate of return as last 10 years?
 - iii. Scenario 3 - What will the balance of our investment be in coming years if we were to deposit \$100K/year with no withdrawals, assuming same average rate of return as last 10 years?

Budget Update:

1. See attached budget report of YTD revenues and expenses.
2. Audit
 - a. There were no material findings and associated recommendations. Suggestions were to verify the Foundation's investment assets are protected adequately to the level of the investment along with the ongoing, gradual write off or sale of the donated art.
3. A snapshot of the Foundation's accomplishments and what we are doing for students! (see attached report)