

## Community Foundation of Western Massachusetts

### Intermediate Portfolio

*“Human beings deal with complexity by spinning narratives around it; this not only makes the difficult concepts more understandable, but also more entertaining as well.”*

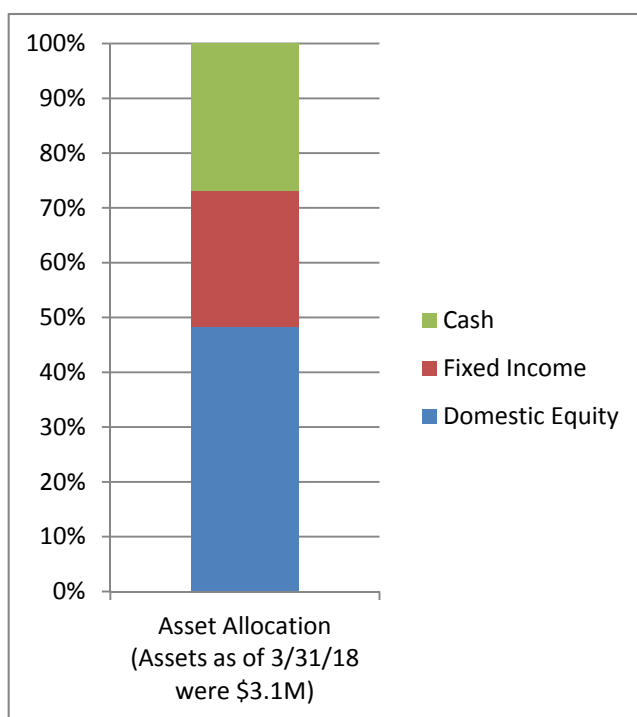
- William Bernstein

#### Performance

The Intermediate Portfolio's total return was -0.7%, which outperformed its aggregated investment performance benchmark (50% Wilshire 5000 Index, 25% Barclays Aggregate Bond Index, 25% 90-Day Treasury Bill) by 0.1%. For the past ten years, the fund achieved a 6.3% return per year, which outperformed its benchmark by 0.2%, net of all investment management fees.

#### Investment Strategy

The Intermediate Portfolio's investment strategy is based on a highly diversified portfolio of assets with a keen awareness of risk and return. This balanced approach, consistently executed, reconciles the market's often volatile nature, with our focus on long-term, steady growth over decades.



Maintaining diversification through investing in a mix of assets (stocks, bonds, and cash) is an important part of achieving our long-term return objectives.

We utilize broadly-diversified, low-cost index solutions to gain access to most capital markets.

#### Oversight

The key to executing our investment strategy is the oversight and direction of the Community Foundation of Western Massachusetts' Investment Committee, a group of volunteers who collectively contribute their years of expertise and knowledge. The committee convenes a minimum of four times per year and utilizes the services of DHK Financial Advisors (our outside independent investment advisor) for advice and counsel with regard to asset allocation, manager selection, and performance measurement.

#### Summary

The Intermediate Portfolio has positively weathered the market's volatile conditions relative to its benchmark. This outcome is the result of an investment strategy with a focus on low-cost adherence to the stated investment policy and the work of a distinguished group of volunteers who serve on the Investment Committee. We are confident that, over the long term, diversification and discipline will serve the assets of the Intermediate Portfolio well.

<b>Intermediate Portfolio</b>	<u>Market Value</u>	<u>QTD</u>	<u>1yr</u>	<u>3yr</u>	<u>5yr</u>	<u>10 yr</u>	<u>Inception</u>	<u>Inception Date</u>
Period Ending 3/31/18	\$3,106,301	-0.7%	7.3%	5.3%	7.0%	6.3%	5.8%	Dec '01