

# ANNUALIZED INVESTMENT PERFORMANCE

INVESTMENT PERFORMANCE AS OF: 9/30/2017

**Long-Term Growth** Diversified actively managed portfolio of global equities, fixed income and alternative investments.  
60% equities, 13% fixed-income, 27% alternatives



Investment Strategy (expense ratio)	3 month	12 month	3 year Annualized	5 year Annualized	7 year Annualized
<b>Long Term Growth Strategy (.93%)</b>	<b>3.5%</b>	<b>13.6%</b>	<b>6.1%</b>	<b>8.5%</b>	<b>8.6%</b>
Target Benchmark	3.6%	13.0%	7.1%	9.0%	9.0%

The Long-Term Growth Strategy has a small percentage of investments that provide valuation updates 4-6 weeks after each quarter-end which are not reflected in this report.

**Social Impact** Diversified portfolio of global stocks and bonds invested within socially responsible parameters  
85% equities, 15% fixed income



Investment Strategy (expense ratio)	3 month	12 month	3 year Annualized	5 year Annualized	7 year Annualized
<b>Social Impact Growth Strategy (.37%)</b>	<b>4.2%</b>	<b>15.7%</b>	<b>7.6%</b>	<b>10.1%</b>	<b>10.1%</b>
Target Benchmark	4.2%	15.8%	8.3%	10.5%	9.9%

**Balanced** Diversified portfolio of global equity and fixed income investments  
60% equities, 40% fixed income



Investment Strategy (expense ratio)	3 month	12 month	3 year Annualized	5 year Annualized	7 year Annualized
<b>Balanced Strategy (.31%)</b>	<b>3.7%</b>	<b>11.8%</b>	<b>5.1%</b>	<b>7.1%</b>	<b>7.3%</b>
Target Benchmark	3.5%	11.8%	7.1%	NA	NA

**Short Horizon** Portfolio of short and intermediate-term fixed income investments  
100% fixed-income



Investment Strategy (expense ratio)	3 month	12 month	3 year Annualized	5 year Annualized	7 year Annualized
<b>Short Horizon Strategy (.48%)</b>	<b>1.0%</b>	<b>0.9%</b>	<b>1.3%</b>	<b>1.0%</b>	<b>2.2%</b>
Target Benchmark	0.9%	0.0%	1.3%	1.0%	2.2%

**Money Market** Portfolio of short-term, high-quality cash equivalent investments  
100% cash equivalents



Investment Strategy (expense ratio)	3 month	12 month	3 year Annualized	5 year Annualized	7 year Annualized
<b>Money Market Strategy (.20%)</b>	<b>0.2%</b>	<b>0.6%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.1%</b>
90-Day US Treasury Bills	0.3%	0.6%	0.3%	0.2%	0.2%

Investment performance is provided by Colonial Consulting, LLC and is reported net of investment management fees. Benchmarks are not adjusted for fees. Performance data shown represents past performance and is no guarantee of future results. Investment performance for a charitable fund may vary from the total strategy return due to the timing of contributions and grants. Investment returns & principal value will fluctuate, so charitable funds may have a gain or loss depending on when contributions and grants are made.


# THE MINNEAPOLIS FOUNDATION

## Investment Strategy Options

### Investment Strategy Description

The Minneapolis Foundation maintains a variety of investment portfolios designed to meet a range of philanthropic goals, time horizons and risk tolerances.

Our investment committee, comprised of seasoned local professionals in the investment industry, oversees the asset allocations and manager selections of the Foundation's investment strategies. Along with the expertise of Foundation staff and an independent consultant, each investment strategy is designed, executed and maintained to provide appropriate diversification and risk management.

<p><b>Longer Term Horizon</b></p> 	<p><b>LONG TERM GROWTH</b></p> <ul style="list-style-type: none"> <li>• The investment goal of the Long Term Growth Strategy is to achieve a steady total rate of return through long term growth of capital and income generation while managing risk and volatility</li> <li>• It is a portfolio diversified across asset classes, geography, markets, and types of securities and styles of investment management. It may include public and private opportunities which may be illiquid or not available to all investors.</li> <li>• This is an investment which will have managed exposure to market volatility and is suitable for endowed money with a perpetual time horizon, those who wish to utilize only the income or designated annual amount, and those who have a goal of sustaining the principal of their funds for multiple generations or for at least 10 years.</li> </ul>
	<p><b>SOCIAL</b></p> <ul style="list-style-type: none"> <li>• The investment goal of the Social Impact Growth Strategy is to achieve a steady total rate of return through growth of capital and income generation while managing risk and placing an emphasis on socially conscious investment choices.</li> <li>• The portfolio will be diversified across asset classes and styles with the priority of selecting investment managers who work within socially responsible parameters.</li> <li>• This is an investment suitable for those who have a goal of sustaining the principal of their funds for at least 7 years and can tolerate market volatility.</li> </ul>
	<p><b>BALANCED</b></p> <ul style="list-style-type: none"> <li>• The investment goal of the Balanced Strategy is to achieve moderate growth and income through investing in both fixed income and equity securities.</li> <li>• The portfolio is expected to provide both preservation and growth of capital through investment appreciation and income yield, within moderate risk tolerance parameters</li> <li>• The investments will be diversified by market capitalization size, geography and style.</li> <li>• This is an appropriate investment choice for those who desire growth of capital, are willing to be exposed to moderate market risk and/or plan to utilize their funds in 5 to 7 years</li> </ul>
	<p><b>SHORT HORIZON</b></p> <ul style="list-style-type: none"> <li>• The investment goal of the Short Horizon Strategy is to provide a modest level of income yield with moderate risk exposure.</li> <li>• The portfolio is expected to earn an income yield reflective of short duration fixed income securities.</li> <li>• This is an appropriate investment choice for those wish to have low-risk, low- volatility and capital</li> </ul>
	<p><b>MONEY MARKET</b></p> <ul style="list-style-type: none"> <li>• The investment goal of Money Market Strategy is to preserve capital and provide low risk, daily liquidity.</li> <li>• The portfolio is expected to earn an income yield reflective of current money market rates.</li> <li>• This is an appropriate investment choice for those who have capital preservation as their main goal and/or have plans to utilize their funds in 18 months or less.</li> </ul>
<p><b>Shorter Term Horizon</b></p>	

