



Community  
Foundation of  
Wabash County

*We're here for giving. We're here for good.*

**January 2021**

## **Community Foundation of Wabash County Investment Portfolio Descriptions**

The Community Foundation manages multiple investment portfolios. Donors may select the investment portfolio most appropriate to their goals by completing an investment designation form. The Community Foundation also maintains a policy for individually managed accounts.

### **A. Endowment Portfolio:**

- The Endowment Portfolio operates with a dual mandate – to meet annual spending requirements while growing principal at a pace to exceed inflation. This mandate preserves the purchasing power of the corpus in perpetuity. The Endowment Portfolio utilizes a combination of bonds, stocks and alternative investments to achieve this objective and will typically hold between 60-80% stocks and alternative investments with the remainder in bonds for diversification and volatility reduction. The portfolio has a long term time horizon and will experience periods of higher volatility due to the inherent fluctuations of the stock market.

### **B. Intermediate Portfolio:**

- The Intermediate Portfolio seeks to provide a return that exceeds inflation. It is designed for assets that may be required for withdrawal within a 2-5 year period yet prefer higher return potential than other short term options. The Intermediate Portfolio may invest in stocks but will typically maintain an overweighting to bonds and, in particular, short duration bonds.

### **C. Scholarship Suite of Portfolios:**

- The Scholarship Suite of Portfolios are designed for assets earmarked for higher education needs. These portfolios support the Community Foundation's Promise Early Award Scholarships Program, whereby students in grade 4 through 8 earn awards for post-secondary expenditures by completing 100% of their assignments at a 70% proficiency. The Program is funded in part by the Charles Stewart Mott Foundation to reimagine financial aid.
- 
- The suite is comprised of three separate accounts tied to a student's age and number of years until higher education need. The portfolios are designed to mirror allocations within the Indiana CollegeChoice 529 Plan. Specific portfolio allocations are as follows:
  - o Conservative Scholarship Model – Bonds (75%), Stocks (25%)
  - o Balanced Scholarship Model – Bonds (55%), Stocks (45%)
  - o Growth Scholarship Model – Bonds (25%), Stocks (75%)

### **D. Money Market Fund**

- The Money Market Fund is a collection of liquid, near-term instruments, including cash and cash equivalents with high-credit-rating and short-term maturities. The CFWC maintains this portfolio to minimize the account balances in checking accounts.