Helping Donors Share
Community Foundation
FOR THE FOX VALLEY REGION, INC.

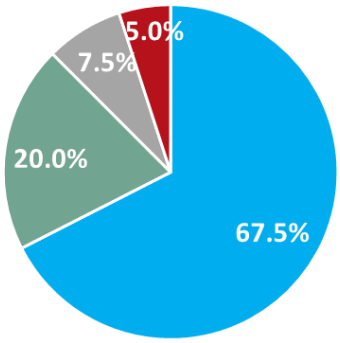
Investment Management of Charitable Funds

The Community Foundation takes very seriously the obligation to steward the charitable funds with which we have been entrusted. Mindful of our commitment to help the community flourish, we prudently invest charitable funds so that they may strengthen our community for current and future generations, carrying out the wishes of our generous individuals, organizations and funders to make a difference in the lives of others.

Endowed Funds

Endowed funds provide support in perpetuity for the charitable causes selected by donors. We seek to secure investment returns sufficient to support an annual distribution of up to 4.5% to the donors favored charitable causes, to cover modest administrative expenses, and to preserve the purchasing power of the fund. To accomplish this goal without generating undue risk, the Foundation embraces a long-term approach to investing that (a) favors equities and accepts short-term volatility for longer-term gains; (b) diversifies to temper extreme market swings; and (c) invests up to 20% of the assets in illiquid strategies, which have the potential to earn a premium over liquid strategies. Professional investment managers actively manage the Endowment and dynamically position to adjust for current market environment. Target allocations are as follows:

Endowment Funds
Asset Allocation



The Endowment Funds are diversified into a simple, yet comprehensive framework of four categories – each with specific roles and risk objectives. Building portfolios with an emphasis on diversification to global risk factors essentially builds an "All Weather" portfolio – balancing near-term payout needs with future growth objectives.

ASSET CATEGORIES	ROLE	RISK
GLOBAL EQUITY Stocks, Private Equity	Total Return	Stock Market Declines
GLOBAL FIXED INCOME AND CREDIT Bonds, Bank Loans, Credit Hedge Funds	Equity Risk Mitigation and Total Return	Rising Rates and/or Credit Downgrades
REAL ASSETS Real Estate, Natural Resources, Infrastructure	Inflation Protection and Total Return	Deflation
DIVERSIFYING STRATEGIES Event Driven, Relative Value, Macro	Diversification and Total Return	Active Management

Non-endowed ("spend-down") Funds

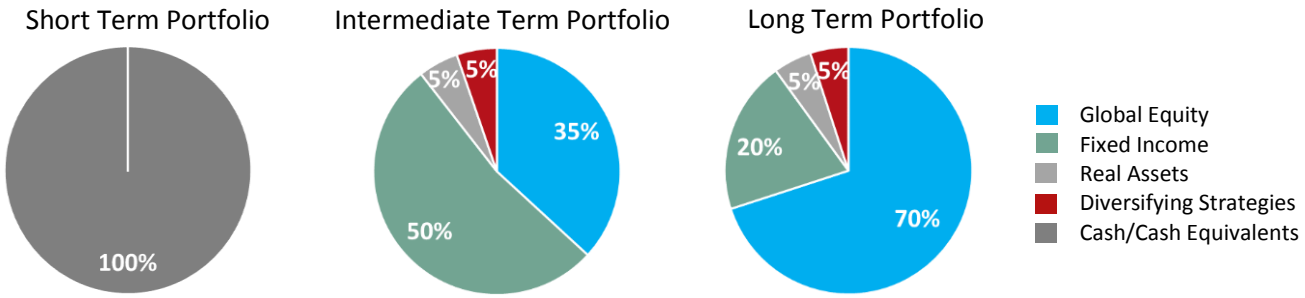
Non-endowed funds generally provide support for selected charitable causes over a shorter time frame and at a higher rate of distribution than permanent endowment funds. To accommodate the heightened need for short-term stability and liquidity, spend-down funds are invested in one of three pools, depending on the anticipated time frame for fund distributions:

Short Term Portfolio – This portfolio provides a high level of liquidity for funds with short term grant making strategies.

Intermediate Term Portfolio - This portfolio balances mild liquidity needs with a reasonable level of expected appreciation over full market cycles.

Long Term Portfolio - This portfolio mirrors the investment strategy for endowed funds as closely as possible with the exception of some asset classes that have longer duration objectives and less liquidity.

The three portfolios are invested primarily in low-cost, passive funds according to the following asset allocations:



Investment Committee Oversight

The Community Foundation's Investment Committee sets investment strategy, hires professional managers and monitors investment performance against industry benchmarks. Committee members have extensive expertise in business, investments and financial matters. Current Investment Committee members are:

Greg Pawlak, Chair, SVP- Managing Director, RBC Wealth Management
Heather Boyer, Senior Vice President, CFO, and Treasurer, Society Insurance
Jeffrey Esker, CFP® Private Wealth Advisor, Ameriprise Financial Services
Michael Lokensgard, Shareholder, Godfrey & Kahn
Melanie Miller, Vice President & Treasurer, Amcor (retired)
Jesse Nelson, Partner, Copper Harbor Investment Advisors LLC
Chuck Self, Chief Investment Officer & Chief Operating Officer, iSectors LLC
Kathryn Sieman, Treasurer (ex-officio), Community Foundation for the Fox Valley Region
Jon Stellmacher, Retired, Senior Vice President, Thrivent (ex-officio)
Thomas Vonck, Investment Manager, Schenck Business Solutions
Jeffrey Werner, First Vice President, Wells Fargo Advisors
Curt Detjen, President/CEO, Community Foundation for the Fox Valley Region (ex-officio)

FEG Investment Advisors

As of March 1, 2020, the Community Foundation's investment strategy is managed by our new Outsourced Chief Investment Officer (OCIO), FEG Investment Advisors. FEG works with our local volunteer investment committee members who are experts in investment and finance.

For More Information

View our current investment information at www.cffoxvalley.org/investments. For more information, please contact Steve Veldhorst, CFO, at 920-702-7630 or sveldhorst@cffoxvalley.org.