



July 21, 2022

A Note on Investment Activity

It's been 6 months since I last included an update regarding our investments with your fund statements; and in that time much has happened, both in the market, and here at the Foundation.

I'm happy to share that the Foundation's Investment Committee completed their Investment Advisor selection review process. In December we launched an RFP process; reaching out to 12 investment firms to solicit proposals to serve as the Foundation's Investment Advisor, and to potentially serve as our Outsourced Chief Investment Officer (OCIO). We do this intensive review every 5 to 7 years, to ensure we are fulfilling our fiduciary duty as investment stewards, to robustly review and compare Investment Advisor services, and to keep our investment practices up-to-date and current. Four finalists were selected who gave in-depth presentations to the committee, providing proposed Long Term pool allocations, reviewing component fund fees, expected returns, and how our investments can align with the mission of the Foundation.

I'm pleased to report that the committee elected to continue our relationship with Angeles Investment Advisors, who we've worked with for over 20 years. Angeles truly understands the mission, vision, and goals of our Community Foundation, and presented an extremely compelling case to maintain the relationship, and to strengthen it by serving as our OCIO. Next up for the Investment Committee is to consider combining the Long Term and Socially Responsible Pools into one Mission Aligned Pool; updating our Investment Policy Statement to codify the OCIO relationship with Angeles, and to plan the 6 – 18 month transition to full OCIO status.

The market had a strong showing at the end of December, but over the last 6 months we've seen market volatility, and overall declines. At the end of June, the S&P 500 closed down 20.6%; the NASDAQ closed down 29.5%; and the Foundation's own Long-Term Pool closed down 18%; see chart below for more detail. This follows years of strong market returns, and whether this is the correction financial analysts have been warning of since the beginning of the COVID-19 pandemic, or market declines that are more closely tied to the war in Ukraine; we will work closely with Angeles Investment Advisors to ensure the health of our investments. The Foundation continues to invest for the long term, and even in down markets, serves our community through grantmaking, scholarships, and strategic programs.

	1 Mo	3 Mo	Fiscal YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception	Inception Date
Humboldt Area Foundation Long Term	-7.2%	-12.9%	-14.8%	-18.0%	-14.8%	5.2%	5.9%	7.6%	6.2%	12/31/03
Humboldt Long Term Benchmark	-7.3%	-13.7%	-15.2%	-18.4%	-15.2%	4.2%	5.2%	6.9%	6.0%	
HAF CPI Linked Benchmark	1.3%	3.7%	13.4%	7.0%	13.4%	9.3%	8.2%	6.8%	6.7%	

If you'd like to discuss your funds investment strategy, please feel free to contact me at jamesk@hafoundation.org or (707) 633-3955. I'm excited by the Investment Committee's decision to deepen our relationship with Angeles Investment Advisors, and I look forward to sharing with you the future work of the Foundation, in particular our future Mission Aligned Investment Pool.

Sincerely,

James Kloor, AIF
Deputy Director, Finance & Administration