

Burlingame Public Library: 2019 Refresher on Funds

Linda Nguyen, Philanthropy Advisor

Falah Madadha, Senior Investments
Officer



Endowed Designated Funds

“You can create a designated fund with Silicon Valley Community Foundation to help support your favorite charitable organization in perpetuity, or assist it over a set number of years.

The designated charity can be any organization that meets the community foundation's grant eligibility requirements. When a grant is made, we monitor how the funds are used to ensure that it fulfills your charitable goals.

With an endowed designated fund, you can be confident that your gift will provide a lasting legacy to sustain your favorite nonprofit. Should that organization cease to exist, the foundation has variance power to ensure that the funds will be redirected to an organization meeting your charitable intent so that your generosity will continue to make an impact, as you wished.”

Endowed Designated Funds

Roger and Jean Hunt Duncan Fund

Established in 1993 by Myra Hunt Duncan with a gift of \$555,584 to **provide additional income** to the Burlingame Library as supplement to tax revenues from the City.

Per the donor instructions, this fund shall payout income from the fund **only at the request of the library**. The payouts must be to support the library but not to displace city funding. If city funding is being displaced by whatever the purpose of the payout is, the grant should not be made.

No grants were made from the fund in 2018, and \$72,113 is available to be granted in 2019. The last grant of \$100,000 was made in November 2014.

Approximate Fund Balance: \$1,483,634

Endowed Designated Funds

Julia M. Farrell Memorial Fund

Established in 1993 as a permanent endowment, net income is for the **purchase of books** which the Burlingame Public Library could not otherwise acquire out of its regular funds.

Per the donor instructions, this fund shall payout income from the fund **annually**. The last grant of \$542.66 was made to the Library in April 2018.

Approximate Fund Balance: \$5,332

Endowed Designated Fund Fees

- \$1,000 minimum balance required for all designated funds
- 0.5% charged on all balances, with a \$250 minimum annual fee

Investment Pool

- Both funds are invested 100% in the Endowment Pool
- Permanently endowed funds remain in the Endowment Pool since this pool has the highest expected long-term return necessary to support a traditional 4.5-5% spending rate.
- All pools benefit from purposeful asset allocation, diversification and best-in-class manager selection to achieve the highest returns within an acceptable level of risk. Investments are monitored regularly by SVCF's experienced investment committee, consultant and staff.

Investment Philosophy & Governance

Strong, consistent performance over time

Asset allocation

Construct a strategic asset allocation that is expected to maximize return given a prudent level of risk

Diversification

Diversify by asset class to maximize the likelihood of achieving return objectives under a variety of economic conditions

Manager selection

Conduct rigorous initial and ongoing due diligence of investment managers, retaining only best-in-class institutional managers

Discipline

Avoid attempts to change strategy based on short-term market behavior or near-term outlook

Investment Committee

Board Members

Thurman V. White, Jr. (Chair)

President and CEO

Progress Investment Management Co.

Dan'l Lewin (Board Chair)

President and CEO

Computer History Museum

Nicole Taylor

President and CEO

Silicon Valley Community Foundation

Committee Advisors

Scott Kupor

Managing Partner

Andreessen Horowitz

Gabe Santos

Co-Founder and Managing Partner

Homestead Capital

Alan Zafran

Senior Managing Director & Portfolio Manager

First Republic Bank

Colonial Consulting was retained by SVCF in 2007:

- Primarily serves the endowment and foundation community
- Advises on \$35 billion for 136 clients
- 100% employee owned - Founded in 1980 - Based in New York
- 100% of revenues from consulting clients; no products or other services
- Registered with the Securities Exchange Commission



Mike Miller, CFA

CIO, Managing Director
Colonial Consulting

Masters in Statistics
Columbia University
28 years in investment industry

We are pleased to report the following progress over the past year:

60%

Increase in diverse managers researched by our consultant

109%

Increase in diverse managers recommended by our consultant

100%

Increase in diverse managers hired by SVCF

166%

Increase in assets managed by diverse managers at SVCF

Investment Team



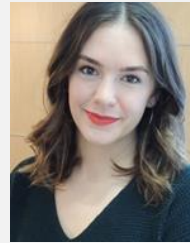
Paul Velaski
Chief Financial Officer

- 20+ years in nonprofit management and accounting
- BS Accounting, University of North Dakota
- Arthur Andersen, First Bank System Inc.
- Arizona Community Foundation, Make-A-Wish Foundation, Special Olympics



Bert Feuss
Senior Vice President, Investments

- 30+ years in investments and business administration
- MBA, Golden Gate University
- BS, University of California, Davis



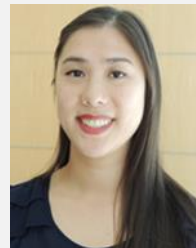
Catherine Dooling
Investments Officer

- Donor management and non-profit partners support
- MBA, UC Berkeley Haas School of Business



Falah Madadha
Senior Investment Officer

- Individually Managed Fund program, donor services and advisor relationship management
- Cambridge Associates, Credit Suisse
- MBA, HEC Paris



Ann Dam
Administrative Assistant

- Investment operations and record management
- BA, University of California, Irvine

Investment Performance

Endowment Pool Returns

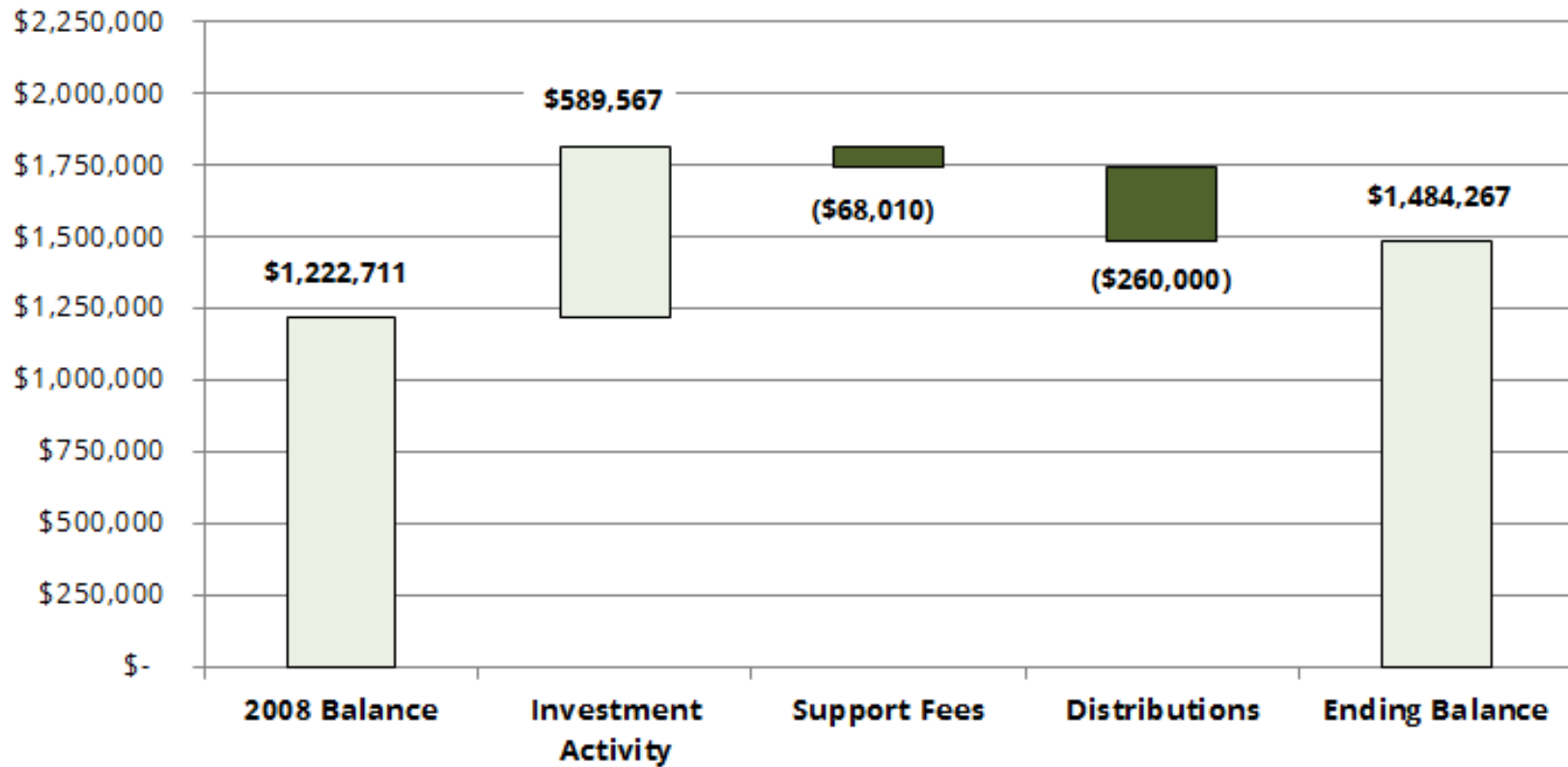
December 31, 2018

Investment Pool	Assets	1 mon %	3 mon %	YTD %	1 yr %	Annualized			
						3 yr %	5 yr %	7 yr %	10 yr %
Endowment (3/31/82)	\$155,928,401	-3.3	-8.1	-4.4	-4.4	5.5	3.9	7.0	8.5
<i>Endowment Policy Benchmark</i>		-5.2	-9.6	-6.4	-6.4	6.6	4.5	7.1	8.6
<i>80% MSCI ACW /20% Barclays Capital US Agg¹</i>		-5.3	-10.0	-7.4	-7.4	5.8	4.0	7.2	8.4
<i>CPI Plus 5%</i>		0.3	1.5	7.0	7.0	7.3	6.7	6.7	7.0

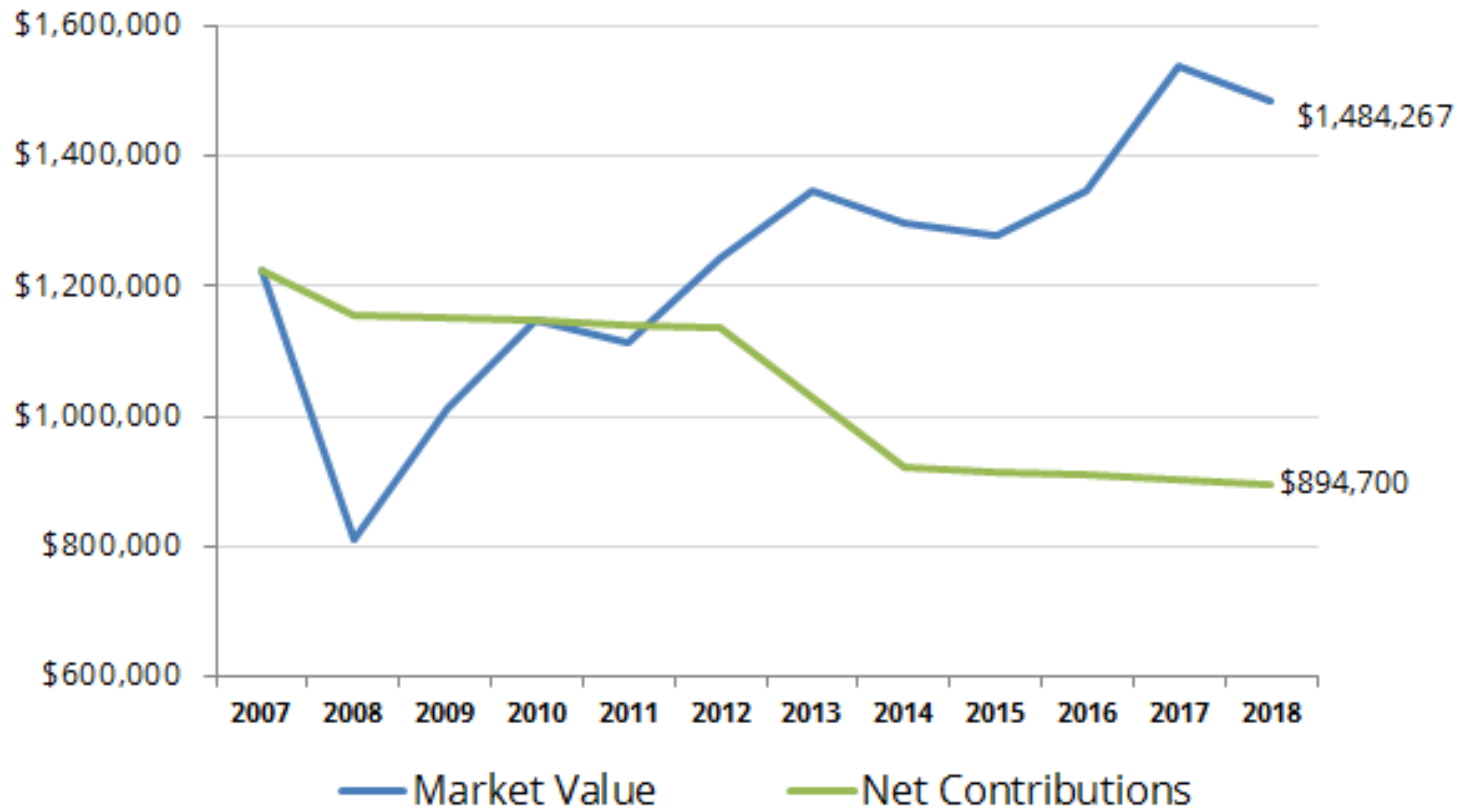
Fund Performance & Activity

Roger and Jean Hunt Duncan Fund

Activity since 2008



Investment Value-Add Analysis



Questions?

