

2020

Report From The Treasurer



The Denver Foundation

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On behalf of The Denver Foundation's Board of Trustees, I'm pleased to present the Foundation's 2020 Report from the Treasurer. The purpose of this report is to provide an overview of the Foundation's investment philosophy and results.

For 95 years, individuals, families, and businesses have contributed generously and created 1,000+ different funds at The Denver Foundation. We remain ever mindful of the level of trust that our many donors place in the Foundation's stewardship of these charitable resources. Because some of these

funds will be distributed in the near term while others are endowed for future generations, our investment approach is one that seeks to balance asset growth with asset protection over a variety of time frames and market conditions.

The year 2020 was filled with significant social and economic events, dominated by the impact of the COVID-19 global pandemic. During a year of uncertainty and grief, The Denver Foundation continued its steady and balanced approach to managing its investment assets.

In 2020, the Foundation's Long-Term Balanced Pool achieved an investment return of 13.2%. Over the last ten years, through December 31, 2020, the Foundation's investments in the Long-Term Balanced Pool have achieved an average annual return of 7.5%.

The Denver Foundation also offers its donors the option of placing their funds in our Sustainable and Responsible Investment (SRI) Pool, which was created in 2010. In 2020, the SRI Pool achieved an investment return of 12.4%. Over the last ten years, through December 31, 2020, the Foundation's investments in the SRI Pool have achieved an average annual return of 9.1%.

The Denver Foundation also introduced an Index Pool in late-2019, a broad-based investment portfolio (70% global equities, 30% global fixed income) of indexed investments designed to provide long-term asset growth. In 2020, the Index Pool achieved an investment return of 13.8%.

The Investment Committee, chaired by Tad Kelly, works with The Denver Foundation's investment advisor to build portfolios that help to mitigate market volatility, allow for ongoing disbursement to support our donors' active grantmaking, and provide for long-term asset growth. As The Denver Foundation transitions to 2021, we want to both recognize and thank our longtime investment advisor, Monticello Associates, for its valued partnership which spanned more than 20 years before concluding in 2020.

I am pleased to announce that The Denver Foundation recently selected NEPC as our new investment advisor. NEPC is one of the industry's largest independent firms, and is known for its investment expertise, exceptional service, and long-term investment returns. We anticipate that NEPC's focus on building alignment between its clients' portfolios and their stated mission and goals will contribute to the Foundation's commitment to racial equity.

For more information about our investment strategy, please contact The Denver Foundation or visit our website, denverfoundation.org.

Katie MacWilliams
Treasurer, Board of Trustees 2020

THE DENVER FOUNDATION'S INVESTMENT PHILOSOPHY

Reflecting the mission and purpose of The Denver Foundation, the major objective of the Foundation's investments is long-term capital appreciation.

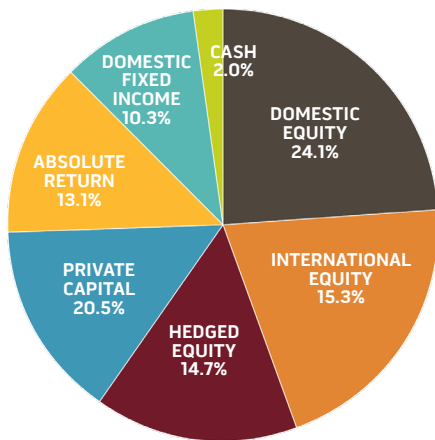
The Denver Foundation's Investment Committee carefully monitors investment performance and completes a quarterly review of the asset allocations with management and its external investment consultant.

The Board-approved investment ranges are as follows:

ASSET ALLOCATION	LONG-TERM BALANCED POOL POLICY RANGE
Domestic Equity	5%-30%
International Equity	5%-30%
Hedged Equity	5%-25%
Private Capital	15%-35%
Absolute Return	5%-25%
Domestic Fixed Income	5%-25%
Cash	0%-10%

ASSET ALLOCATION	SRI POOL POLICY RANGE
Global Equity	50%-80%
Hedged Equity	5%-15%
Private Capital	0%-10%
Absolute Return	5%-15%
Domestic Fixed Income	10%-30%
Cash	0%-10%

ASSET ALLOCATION	INDEX POOL TARGET
Global Equity	70%
Global Fixed Income	30%



Asset Allocation as of 12/31/2020

Domestic Equity

Rock Springs Capital Offshore
SPY
Wellington CTF Mid Cap Opportunities
Wellington CTF Research Equity
Whale Rock Long Opportunities

Hedged Equity

Highfields Capital
Junto Offshore
Maverick
Viking Global Opportunities III

International Equity

Dodge & Cox International
Edgbaston Asian Equity Trust

Highclere International Investors
Newport Asia Institutional
Silchester International Value Equity
VEA
VWO

Private Capital

Actis Emerging Markets 3 Global
Actis Global 4
Axiom Asia Co-Investment I
Axiom Asia V
Canyon Distressed Opportunity II
Canyon Distressed Opportunity III
Charterhouse Capital Partners X
Clayton, Dubilier & Rice VIII
Clayton, Dubilier & Rice IX

Clayton, Dubilier & Rice X
Crestview Partners
Denham IV Continuation
Denham Commodity Partners VI
Drawbridge Long Dated Value III (A)
GEMS 5 International
General Atlantic
Golub Capital Partners International T1
Green Equity Investors V
Lime Rock Resources III-C
Madison Dearborn Capital Partners V
Madison Dearborn Capital Partners VI
Madison Dearborn Capital Partners VII
Madison Dearborn Capital Partners VIII
MHR Institutional Partners IIA

MHR Institutional Partners III
MHR Institutional Partners IV
Sculptor Real Estate IV A
Sculptor Real Estate Parallel III B
StepStone International Investors III
Veritas Capital VII
Vitruvian Investment Partnership III

Absolute Return

Farallon Capital Institutional Partners
Nut Tree Offshore
Renaissance Institutional Diversified Alpha
Two Sigma Spectrum Cayman

Domestic Fixed Income

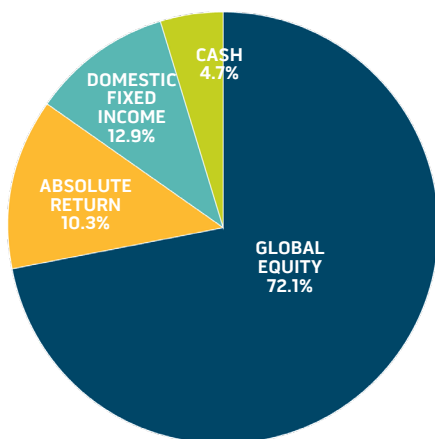
PIMCO Short Term Institutional

LONG-TERM BALANCED POOL COMPOSITE PERFORMANCE (EST. 1996)

Annualized Returns for Periods Ending 12.31.2020					
	1 Year	3 Year	5 Year	7 Year	10 Year
Long-Term Balanced Pool	13.2%	8.4%	9.3%	7.0%	7.5%
Policy Benchmark (1)	9.1%	7.6%	8.9%	7.4%	7.5%

(1) Effective 1/1/2013 the Policy Benchmark consists of 15% Russell 3000 / 15% MSCI ACWI ex USA / 15% HFRI Equity Hedge (Total) Index / 18.75% Cambridge Assoc. U.S. Private Equity Index / 6.25% NCREIF Property Index / 15% T-Bills + 4% / 13.5% BBgBarc US Aggregate TR / 1.5% 91 Day T-Bills. From 1/1/2008 - 12/31/2012 the Policy Benchmark was 70% MSCI ACWI / 30% BBgBarc US Aggregate TR. Prior to 1/1/2008 the Policy Benchmark was 60% MSCI ACWI / 40% BBgBarc US Aggregate TR.

LONG-TERM BALANCED POOL INVESTMENT FUNDS (AS OF 12/31/2020)



Asset Allocation as of 12/31/2020

SUSTAINABLE & RESPONSIBLE INVESTMENT (SRI) POOL COMPOSITE PERFORMANCE (EST. 2010)

Annualized Returns for Periods Ending 12.31.2020					
	1 Year	3 Year	5 Year	7 Year	10 Year
SRI Pool	12.4%	8.3%	10.1%	7.2%	9.1%
Policy Benchmark (2)	13.4%	8.8%	9.8%	7.5%	9.1%

(2) Effective 10/1/2019 the Policy Benchmark consists of 60% MSCI ACWI / 10% HFRI Equity Hedge (Total) Index / 3.75% Cambridge Assoc. U.S. Private Equity Index / 1.25% NCREIF Property Index / 10% T-Bills + 4% / 13% BBgBarc US Aggregate TR / 2% 91 Day T-Bills. From 7/1/2014-9/30/2019 the Policy Benchmark consists of 65% MSCI ACWI / 10% T-Bills + 4% / 23% BBgBarc US Aggregate TR / 2% 91 Day T-Bills. Prior to that the Policy Benchmark was 75% Russell 3000 / 25% BBgBarc US Aggregate TR.

SRI POOL INVESTMENT FUNDS (AS OF 12/31/2020)

Global Equity

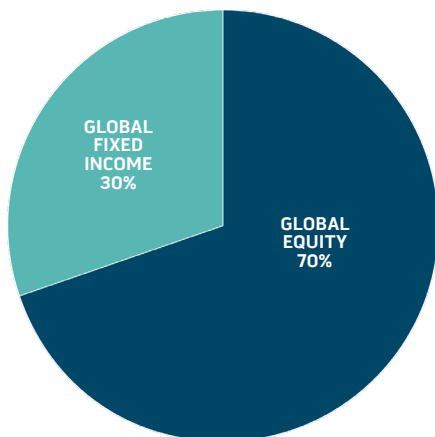
AKO Global Long-Only
Boston Trust Walden Asset
Management
Wellington CTF Global Impact

Absolute Return

Farallon Capital F5 Investors I

Domestic Fixed Income

RBC Access Capital Community
Seattle Northwest Asset
Management



Target Asset Allocation as of 12/31/2020

INDEX POOL COMPOSITE PERFORMANCE (EST. 2019)

Annualized Returns for Period Ending 12.31.2020	
	1 Year
Index Pool	13.8%
Policy Benchmark (3)	15.4%

(3) The Policy Benchmark consists of 42% CRSP US Total Market Index, 28% FTSE Global All Cap ex US Index, 21% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, and 9% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index.

INDEX POOL INVESTMENT FUNDS (AS OF 12/31/2020)

Global Equity/Global Fixed Income

Vanguard LifeStrategy Growth
Vanguard LifeStrategy Moderate Growth

2020 Investment Committee

The Denver Foundation's Investment Committee consists of professionals who volunteer their time and insights to steward the Foundation's assets.

Tad Kelly, Chair

Denver Foundation Trustee, 2016–Present

Thomas L. ("Tad") Kelly II is a Partner and Co-Founder of CHB Capital Partners, a Denver-based growth equity investment firm.

Barbara Baumann

Denver Foundation Trustee, 2014–2019

Barbara Baumann is President of Cross Creek Energy Corporation.

Sanjai Bhonsle

Sanjai Bhonsle serves as Partner and Portfolio Manager for ArrowMark's leveraged loan investments and CLO funds.

Carey Dobbertin

Denver Foundation Trustee, 2021–2023

Carey Dobbertin is Chief Financial Officer and Treasurer at Gary Community Investments.

Jeremy Duhon

Denver Foundation Trustee, 2015–2020

Jeremy Duhon is a former Partner at Denver Investments.

Karen Robinson

Karen Robinson is a Co-Founder and Managing Director at Cook Street Consulting, Inc.



Javier Alberto Soto President and CEO

Javier Soto is the President and CEO of The Denver Foundation. Prior to joining The Denver Foundation in 2019, he spent 10 years as President and CEO of The Miami Foundation, where he led a period of significant growth.

Just six months into his position at The Denver Foundation, Javier joined with other Colorado civic leaders to drive collaborative responses to COVID-19. He served in advisory positions for Governor Polis' Colorado COVID Relief Fund, the Rural Community Response and Recovery Project, and the COVID-19 Arts & Culture Relief Fund.

Javier recently completed a two-year term as Chairman of the Council on Foundations and currently serves on the board of America's Promise Alliance. He is also a 2013 Henry Crown Fellow, a leadership program of the Aspen Institute that engages the next generation of leaders to develop community-spirited and values-focused leadership.

Prior to entering philanthropy, Javier served in the public sector, including as Chief of Staff to Miami-Dade County Mayor Alex Penelas. Javier also worked as a litigator in the Miami office of Holland & Knight. He graduated from Florida State University with a B.A. in History and Political Science and earned his J.D. from Georgetown University Law Center.



Dan Lee Chief Financial Officer

An experienced financial veteran, Dan Lee is responsible for overall financial management at the Foundation, its reporting and transparency, and for multiple corporate functions including investments, accounting, and gift and grant processing.

Dan joined the Foundation in 2000 from Operation Able where he served as Chief Financial Officer. Prior to that he was Director of Finance with the Joffrey Ballet and a Senior Consultant with Ernst & Young, both in Chicago. He began his career in various financial positions at Abbott Laboratories in Abbott Park, Illinois.

A native of Chicago, Dan earned his B.S. and M.S. from the University of Illinois at Chicago and an M.B.A. from the Illinois Institute of Technology.



The Denver Foundation

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