



Report From The Treasurer



The Denver Foundation

2021 Report From The Treasurer



On behalf of The Denver Foundation's Board of Trustees, I'm pleased to present the Foundation's 2021 Report from the Treasurer. The purpose of this report is to provide an overview of the Foundation's investment philosophy and results.

The year 2025 will mark the Foundation's 100th anniversary. For generations, individuals, families, and businesses have created and contributed generously to funds at The Denver Foundation. We remain mindful of the level

of trust that our 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.

In 2021, the Foundation's Long-Term Balanced Pool achieved an investment return of 16.7%. Over the last ten years, through December 31, 2021, the Foundation's investments in the Long-Term Balanced Pool have achieved an average annual return of 9.1%.

The Denver Foundation offers donors the option of placing their funds in our Sustainable and Responsible Investment (SRI) Pool, which we created in 2010. In 2021, the SRI Pool achieved an investment return of 14.5%. Over the last ten years, through December 31, 2021, the Foundation's investments in the SRI Pool have achieved an average annual return of 10.7%.

The Denver Foundation 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 2021, the Index Pool achieved an investment return of 11.7%.

The Investment Committee, chaired in 2021 by Tad Kelly, works with The Denver Foundation's investment advisor, NEPC, 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. During 2021, the Investment Committee, in partnership with NEPC, began realignment of our portfolios to the Foundation's values of racial equity and diversity, equity, and inclusion. We look forward to sharing progress with you in 2022 and beyond.

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

Lisa Zúñiga Ramírez
Treasurer, Board of Trustees 2021

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:

LONG-TERM BALANCED POOL

ASSET ALLOCATION	LONG-TERM BALANCED POOL POLICY RANGE
Domestic Equity	10%-20%
International Equity	3%-9%
Emerging Market Equity	2%-6%
Global Equity	15%-25%
Hedged Equity	5%-15%
Private Capital	0%-40%
Absolute Return	3%-20%
Fixed Income	5%-11%
Cash	0%-10%

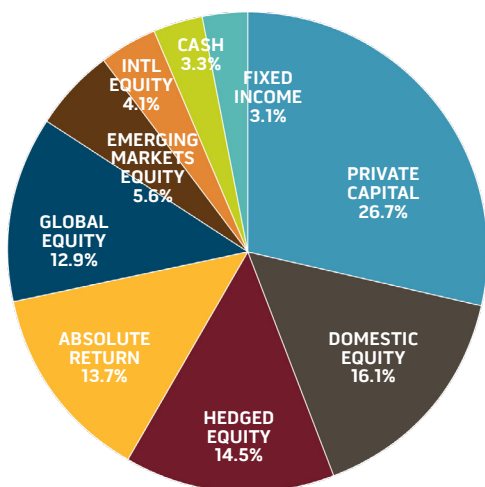
SRI POOL

ASSET ALLOCATION	SRI POOL POLICY RANGE
Domestic Equity	15%-25%
International Equity	5%-15%
Emerging Market Equity	3%-7%
Global Equity	20%-30%
Private Capital	0%-40%
Fixed Income	8%-18%
Cash	0%-10%

INDEX POOL

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

The Index Pool is invested in multi-asset growth funds aligned with the target range.



Asset Allocation as of 12.31.2021

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

Annualized Returns for Periods Ending 12.31.2021					
	1 Year	3 Year	5 Year	7 Year	10 Year
Long-Term Balanced Pool	16.7%	15.3%	11.1%	8.6%	9.1%
Policy Benchmark (1)	17.8%	14.1%	11.0%	9.1%	9.6%

(1) Effective 6/1/2021 the Policy Benchmark consists of 15% Russell 3000, 6% MSCI EAFE, 4% MSCI Emerging Markets, 20% MSCI ACWI, 10% HFRI Equity Hedge (Total) Index, 15% CJA US All Private Equity Index (quarter lag), 5% CJA Global Credit (quarter lag), 5% CJA Global Real Assets with Real Estate (quarter lag), 10% HFRI Fund of Funds Composite Index, 8.5% Bloomberg US Aggregate, and 1.5% 91 Day T-Bills. 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 12.31.2021)

Domestic Equity

Rock Springs Capital Offshore Fund
SPY
Wellington CTF Mid Cap Opps
Whale Rock Long Opportunities Fund
Xponance S&P 500 ESG-DEI Enhanced Index

Hedged Equity

The Caravel Fund Offshore
Highfields Capital
Junto Offshore Fund
Indus Asia Pacific Distribution Holding
Company II
Maverick Fund
Viking Global Opportunities III

International Equity

Silchester International Value Equity Trust

Emerging Markets Equity

The Edgbaston Asian Equity Trust
Newport Asia Institutional Fund

Global Equity

Generation Im Fund
Independent Franchise Partners Global
Equity
GQG Partners Global Equity Fund

Private Capital

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

Clayton, Dubilier, & Rice IX
Clayton, Dubilier, & Rice X
Crestview Partners IV
Denham Commodity Partners Fund VI
Denham IV Continuation Fund
Drawbridge Long Dated Value Fund III
GEMS Fund 5 International
General Atlantic Investment Partners 2019
Golub Capital Partners International T1
Green Equity Investors CF
Green Equity Investors V
HCAP Partners V
Lime Rock Resources III
Madison Dearborn Capital Partners V
Madison Dearborn Capital Partners VI
Madison Dearborn Capital Partners VII
Madison Dearborn Capital Partners VIII
MHR Institutional Partners II
MHR Institutional Partners III

MHR Institutional Partners IV

Patriot SPV
Sculptor Real Estate Fund IV
Sculptor Real Estate Parallel Fund III
StepStone International Investors III
Veritas Capital VII
Vitruvian VIP III

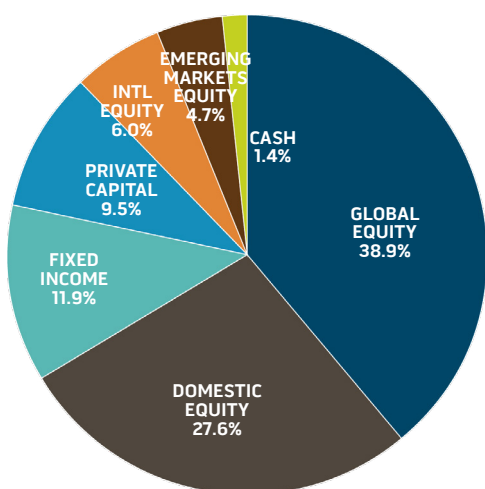
Absolute Return

Farallon Capital Institutional Partners
Two Sigma Spectrum Cayman Fund
Nut Tree Offshore Fund
Renaissance Institutional Diversified Alpha
Fund
Voya Mortgage Investment Fund

Fixed Income

PIMCO Short Term Institutional

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



Asset Allocation as of 12.31.2021

Annualized Returns for Periods Ending 12.31.2021					
	1 Year	3 Year	5 Year	7 Year	10 Year
SRI Pool	14.5%	15.9%	11.2%	8.7%	10.7%
Policy Benchmark (2)	20.6%	18.2%	12.7%	9.7%	10.9%

(2) Effective 6/1/2021 the Policy Benchmark consists of 20% Russell 3000, 10% MSCI EAFE, 5% MSCI Emerging Markets, 25% MSCI ACWI, 15% CJA US All Private Equity Index (quarter lag), 5% CJA Global Credit (quarter lag), 5% CJA Global Real Assets with Real Estate (quarter lag), 13.5% Bloomberg US Aggregate, and 1.5% 91 Day T-Bills. 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 12.31.2021)

Domestic Equity

Boston Trust Walden Global Equity
Xponance S&P 500 ESG-DEI
Enhanced Index

International Equity

Silchester International Value Equity
Trust

Emerging Markets Equity

Edgbaston Asian Equity Trust

Global Equity

AKO Global Long-Only Fund Limited
Generation Im Fund
GQG Partners Global Equity Fund
Independent Franchise Partners
Global Equity
Wellington CTF Global Impact
Portfolio

Private Capital

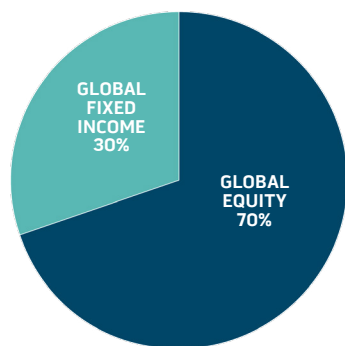
ARA Fund II
HCAP Partners V
Farallon Capital F5 Investors I

Fixed Income

Access Capital Community
Investment Fund
Seattle Northwest Fixed Income

INDEX POOL COMPOSITE PERFORMANCE (EST. 2019)

Annualized Returns for Period Ending 12.31.2021		
	1 Year	2 Year
Index Pool	11.7%	12.7%
Policy Benchmark (3)	11.9%	13.5%



Target Asset Allocation
as of 12.31.2021

(3) Effective 7/1/2019 the Policy Benchmark consists of 50% (48% CRSP US Total Market Index, 32% FTSE Global All Cap ex US Index, 14% Bloomberg US Aggregate Float Adjusted Index, and 6% Bloomberg Global Aggregate ex US) and 50% (36% CRSP US Total Market Index, 24% FTSE Global All Cap ex US Index, 28% Bloomberg US Aggregate Float Adjusted Index, and 12% Bloomberg Global Aggregate ex US).

INDEX POOL INVESTMENT FUND (AS OF 12.31.2021)

Global Equity/Global Fixed Income
Vanguard LifeStrategy Growth Fund
Vanguard LifeStrategy Moderate Growth Fund

2021 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, 2016–2021

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.

Marion Chebet

Marion Chebet is the Sr. Portfolio Manager & Head of Impact Investing at Johnson Financial Group, LLC.

Carey Dobbertin

Denver Foundation Trustee, 2021–2023

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

Kathy Lutito

Kathy Lutito is the President and Chief Investment Officer at LUMEN / CenturyLink Investment Management.

Christina Raya, CFP

Denver Foundation Trustee, 2021–2023

Christina Raya is the Managing Director of PNC Private Bank.

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 the COVID-19 pandemic. 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.

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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