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

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

#### SRI Pool

<table>
<thead>
<tr>
<th>ASSET ALLOCATION</th>
<th>SRI POOL POLICY RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>15%-25%</td>
</tr>
<tr>
<td>International Equity</td>
<td>5%-15%</td>
</tr>
<tr>
<td>Emerging Market Equity</td>
<td>3%-7%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>20%-30%</td>
</tr>
<tr>
<td>Private Capital</td>
<td>0%-40%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>8%-18%</td>
</tr>
<tr>
<td>Cash</td>
<td>0%-10%</td>
</tr>
</tbody>
</table>

#### Index Pool

<table>
<thead>
<tr>
<th>ASSET ALLOCATION</th>
<th>INDEX POOL TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>70%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>30%</td>
</tr>
</tbody>
</table>

The Index Pool is invested in multi-asset growth funds aligned with the target range.
LONG-TERM BALANCED POOL COMPOSITE PERFORMANCE (EST. 1996)

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>7 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Balanced Pool</td>
<td>16.7%</td>
<td>15.3%</td>
<td>11.1%</td>
<td>8.6%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Policy Benchmark (1)</td>
<td>17.8%</td>
<td>14.1%</td>
<td>11.0%</td>
<td>9.1%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

(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% CFA US All Private Equity Index (quarter lag), 5% CFA Global Credit (quarter lag), 5% CFA 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 VI
  - Canyon Distressed Opportunity Fund II
  - Canyon Distressed Opportunity Fund III
  - Charterhouse Capital Partners X
  - Clayton, Dublier, & Rice VIII

- Clayton, Dublier, & Rice IX
- Clayton, Dublier, & 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 11
- 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

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

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>7 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRI Pool</td>
<td>14.5%</td>
<td>15.9%</td>
<td>11.2%</td>
<td>8.7%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Policy Benchmark (2)</td>
<td>20.6%</td>
<td>18.2%</td>
<td>12.7%</td>
<td>9.7%</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

(2) Effective 6/1/2021 the Policy Benchmark consists of 20% Russell 3000, 10% MSCI EAFE, 5% MSCI Emerging Markets, 25% MSCI ACWI, 15% CFA US All Private Equity Index (quarter lag), 5% CFA Global Credit (quarter lag), 5% CFA 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
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.

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.