



The Denver Foundation

I am proud to write to you on behalf of the Board of Trustees to share more about The Denver Foundation's investment approach and the returns in 2022. It was a volatile year in the markets, but our long-term strategy and diversified approach proved able to respond to that volatility.

The Long-Term Balanced Pool presents a long-term diversified investment approach across multiple asset classes, including substantial weighting to private capital. In 2022, it achieved an investment return of -10.1% (compared to the benchmark of -9.4%). Over the last ten years, the pool achieved an annualized return of 6.7 %.

The Sustainable and Responsible Investment (SRI) Pool presents a long-term diversified investment approach across multiple asset classes with an emphasis on Environmental, Social and Governance (ESG), diversity, equity, and inclusion (DEI), and thematic investments that align with the mission of The Denver Foundation. The pool's performance may be more volatile given its concentration in the public markets. The SRI pool achieved an investment return of -13.6%, which exceeded the benchmark of -16.1%. Over the last ten years, the pool achieved an annualized return of 7.2 %.

The Index Pool presents a diversified investment approach through two Vanguard low-cost, target-risk index funds. In 2022, there was an investment return of -15.6 %, exceeding the benchmark of -16.8%.

We are now two years into our partnership with our investment consultant NEPC. Their work has been instrumental in helping to ensure we weather the market volatility, we have funds to grant out to impact our community, and can still grow our assets to support Metro Denver for years to come.

Since diversity, equity, and inclusion is a core value, we worked closely with the investment committee and NEPC to increase the diversity in our pools. In the past two years, we've increased our investments in firms owned or led by people of color or women to more than 22% of the total assets of both our managed pools. In the SRI Pool that figure has grown from 0% to 49.1% of total assets.

Please reach out to your relationship manager if you have any questions about our investment strategy.

Sincerely,

Lisa Zúñiga Ramírez
Treasurer and Chair-Elect, Board of Trustees 2023