ARKANSAS COMMUNITY FOUNDATION Investment Results Quarter Ended June 30, 2019

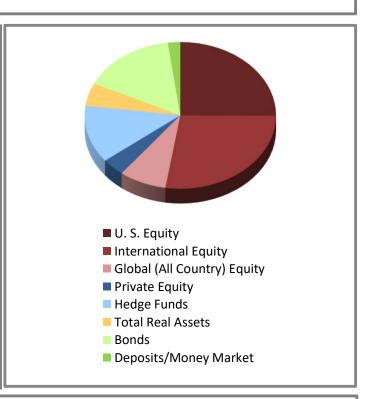
Arkansas Community Foundation preserves and protects your investments and charitable intentions forever. The unique power of endowments means that as your gifts grow, they continue to benefit the community now and in the future. In order to accomplish this, the majority of the Foundation's endowed funds are pooled together and invested for the long-term.

Strategy: The Community Foundation incorporates the "prudent investment rule" in all of its investment considerations. The Foundation's investment strategy seeks to preserve the value of the funds and to provide growth and income to support the charitable purposes for which the funds were created.

The Community Foundation's Finance Committee, using advice from our investment consultant, develops investment objectives, policy and asset allocation and selects investment managers appropriate for each asset class. Manager performance is closely monitored on an ongoing basis.

Allocation: Arkansas Community Foundation has established a strategic asset allocation which seeks to diversify investments in order to achieve long term growth while minimizing risk.

Current Asset Allocation	
Growth Assets	
U. S. Equity	25.1%
International Equity	27.4%
Global (All Country) Equity	8.0%
Private Equity	3.9%
Total Growth Assets	64.4%
<u>Diversifiers</u>	
Hedge Funds	12.7%
Inflation Sensitive	
Total Real Assets	5.0%
Bonds & Cash	
Bonds	15.8%
Deposits/Money Market	2.1%
Total Bonds & Cash	17.9%
ARCF Total (Composite)	100.0%



Objective: Our long-term investment objective is a financial return that will provide for a fund's annual grant spending rate, administrative costs and growth for inflation.

Spending Rate Policy: The spending rate policy is reviewed periodically by the Board of Directors. The policy provides an annual distribution of 4% of the fund's average ending market value for the previous twenty trailing quarters.

Performance June 30, 2019	<u>1 Mo</u>	3 Mos	1 Year	<u>3 Yrs</u>	<u>5 Yrs</u>	<u> 10 Yrs</u>	Incept.
ARCF Performance (net of investment fees	4.3%	3.0%	4.7%	8.2%	4.4%	7.9%	6.2%
Composite Benchmark	4.1%	2.9%	5.2%	9.0%	5.2%	7.9%	5.9%