



ASHLEY ALLISON
EXECUTIVE DIRECTOR

Investment Committee

MONTE HULSE,
CHAIR

MIKE BIDWELL
DAVID DICKSON
MALCOLM DUNCAN, JR.
BRIAN WEBB

Permanent Horizon Pool (endowment pool) has earned a return of 14.49%, surpassing the benchmark by more than 220 basis points.

While the Foundation's investments have performed well, we know the market does not directly correlate to the difficulties many in our community continue to face. Waco Foundation remains steadfast in our commitment to support local community partners to ensure we emerge from the challenges of 2020 and create a brighter future for all. FOR WACO. FOREVER.

ASHLEY ALLISON
EXECUTIVE DIRECTOR

What a difference a year can make. This time last year, we were just beginning to understand the impact of the COVID-19 pandemic. Today we are encouraged by the steady distribution of vaccines, and hope we are seeing the light at the end of the tunnel.

Investments across the board also experienced volatility due to COVID-19, with a significant dip last March and a remarkable recovery toward the end of the year. Waco Foundation's investment strategy is designed to weather market instability and protect the long-term value of the charitable funds under management. Thanks to the diligence and commitment of the Foundation's Board, Investment Committee and Investment Consultant, we are pleased to share not only a complete recovery, but steady growth aligned with our investment goals.

Waco Foundation's strategy is to earn a return over time that allows fundholders to access a steady stream of income while maintaining the fund's overall value. We employ this through a spending policy that averages ending fund balances over 28 quarters, or seven years, and allocates 5% of the average as income available to spend. Our current ten-year return of 7.45% surpasses the established benchmark by nearly 50 basis points. In addition, Waco Foundation's investment portfolio is performing in the top 15% of community foundations across the country.

Waco Foundation transitioned to Neuberger Berman as our investment consultant on January 1, 2020. While the timing of our transition was not related to COVID-19, our relationship with Neuberger Berman allowed us increased flexibility to quickly make small shifts within our set asset allocation and take advantage of opportunities brought on by the volatility. Since the Foundation's transition to Neuberger Berman, the Foundation's

2021 Investment Report

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Community Volunteer

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MELLI WICKLIFF

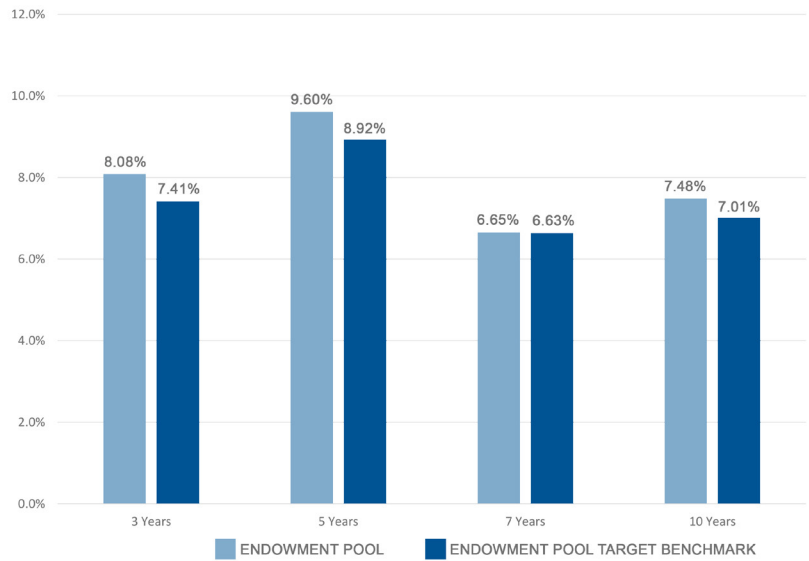
Community Volunteer

AARON ZIMMERMAN

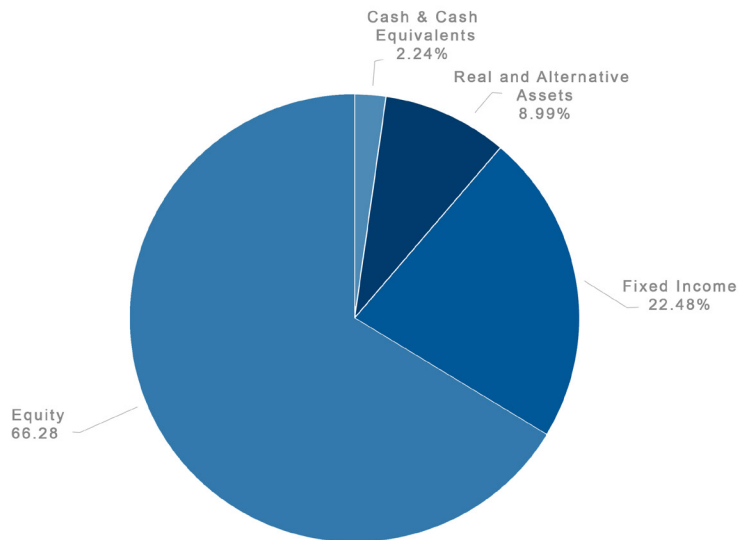
Priest,
St. Alban's Episcopal Church

**10-YEAR PERMANENT HORIZON POOL PERFORMANCE
DECEMBER 31, 2020**

(NET OF FEES)



**PERMANENT HORIZON POOL ASSET ALLOCATION
DECEMBER 31, 2020**



INVESTMENT GOVERNANCE

Waco Foundation’s Investment Committee advises the Board of Trustees in providing prudent fiduciary oversight of the Foundation’s assets.

The Foundation’s goal is to earn a return over time that provides a steady stream of income to allow discretionary funds to distribute 5% of the total fund balance each year without decreasing the purchasing power over time. This is achieved with a carefully-designed, diverse asset allocation strategy which includes both active and passive investment management, and a balanced approach to managing risk and return.