

Investment Performance Summary

As of 6/30/2020

Investment Mix Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Domestic Equity Pool TR*	-3.40	2.30	22.11	6.48	10.06	10.05	
Domestic Equity Benchmark*	-3.40	2.29	22.09	6.47	10.04	10.03	13.71
S&P 500 TR USD	-3.08	1.99	20.54	7.51	10.73	10.73	13.99
International Equity Pool TR*	-10.53	4.05	17.89	-4.02	1.14	2.44	
International Equity Benchmark*	-11.21	4.10	16.69	-4.63	1.05	2.35	
MSCI ACWI Ex USA NR USD	-11.00	4.52	16.12	-4.80	1.13	2.26	4.97
Intermediate-Term Fixed Income Pool TR	6.07	0.81	3.80	8.54	5.38	4.41	
Intermediate-Term Fixed Income Benchmark	5.98	0.81	4.01	8.49	5.44	4.51	4.43
Short-Term Fixed Income Pool TR	3.41	0.32	1.68	5.07	3.41	2.64	
Short-Term Fixed Income Benchmark	3.39	0.26	1.82	5.08	3.49	2.73	2.46
Money Market Pool TR	0.24	0.00	0.00	1.17	1.26	0.80	0.42
USTREAS T-Bill Auction Ave 3 Mon	0.33	0.01	0.04	1.26	1.70	1.17	0.62

Individual investment options allow donors to recommend a custom allocation strategy, which can include one or more Investment Pools.

*The Domestic Equity TR, the International Equity TR, the Domestic Equity Benchmark and the International Equity Benchmark have an inception date of 6/30/19: performance prior to that date is pro-forma.

Investment Mix Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Aggressive Mix TR	-2.94	2.27	16.50	4.48	7.12	7.26	9.91
Aggressive Mix Benchmark	-3.13	2.27	16.27	4.31	7.10	7.25	10.12
Moderately Aggressive Mix TR	-1.27	1.86	13.23	4.99	6.40	6.27	8.33
Moderately Aggressive Mix Benchmark	-1.43	1.85	13.09	4.85	6.42	6.29	8.44
Moderate Mix TR	0.33	1.35	9.30	5.09	5.45	5.08	6.46
Moderate Mix Benchmark	0.22	1.33	9.26	5.00	5.52	5.16	6.49
Conservative Mix TR	1.69	0.85	5.41	4.88	4.34	3.79	4.54
Conservative Mix Benchmark	1.63	0.83	5.45	4.84	4.48	3.93	4.49
Short-Term Mix TR	2.29	0.21	1.09	3.69	2.65	1.99	
Short-Term Mix Benchmark	2.31	0.17	1.19	3.73	2.86	2.18	
Risk Averse Mix TR	0.24	0.00	0.00	1.17	1.26	0.80	0.42
USTREAS T-Bill Auction Ave 3 Mon	0.33	0.01	0.04	1.26	1.70	1.17	0.62

Investment Mix options offer a simple, one-stop approach to an investment strategy that best reflects your charitable goals. Donors recommend one option, which the Community Foundation rebalances.

Returns for periods greater than 1 year are compound annual returns.
TR = Total Return

Current Investment Mix Allocations	Domestic Equity Pool	Int-l Equity Pool	Interm-Term Fixed Income Pool	Short-Term Fixed Income Pool	Money Market Pool
Aggressive	55%	22%	10%	10%	3%
Moderately Aggressive	43%	17%	14%	21%	5%
Moderate	29%	11%	18%	27%	15%
Conservative	14%	6%	22%	33%	25%
Short Term	0%	0%	0%	65%	35%
Risk Averse	0%	0%	0%	0%	100%

Estimated Investment Management Fees for the Investment Mix Options

Aggressive	0.06%
Moderately Aggressive	0.07%
Moderate	0.09%
Conservative	0.10%
Short Term	0.12%
Risk Averse	0.14%

Performance is presented net of all investment management fees, brokerage, consulting and other transaction costs but gross of Long Beach Community Foundation administrative fees.

Customer Service

If you have any questions about your fund or wish to request a change in your investment mix, please contact LBCF at (562) 435-9033 or info@longbeachcf.org.

Contact Colleen Bragalone at (562) 435-9033 ext 2254 or Colleen@longbeachcf.org for more information on the pools, including their component funds and blended benchmarks, the Board of Directors Investment Committee, or the Investment Policy Statement.

Domestic Equity Pool

As of 6/30/2020

Trailing Returns

Equity Pool & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Domestic Equity Pool TR	-3.40	22.11	6.48	10.06	10.05	
Domestic Equity Benchmark	-3.40	22.09	6.47	10.04	10.03	13.71
S&P 500 TR USD	-3.08	20.54	7.51	10.73	10.73	13.99
Russell 3000 TR USD	-3.48	22.03	6.53	10.04	10.03	13.72

Performance for the Domestic Equity Pool prior to 06/30/2019 is pro-forma based on the experience of the previous Equity Pool

Trailing Returns

Domestic Equity Pool Holding & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Instl Ttl Stk Mkt Idx InstlPIs	-3.40	22.11	6.49	10.07	10.07	13.79
CRSP US Total Market TR USD	-3.40	22.09	6.47	10.04	10.03	13.71

Purpose

The purpose of the Domestic Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the Domestic Equity Pool is to obtain broad US equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

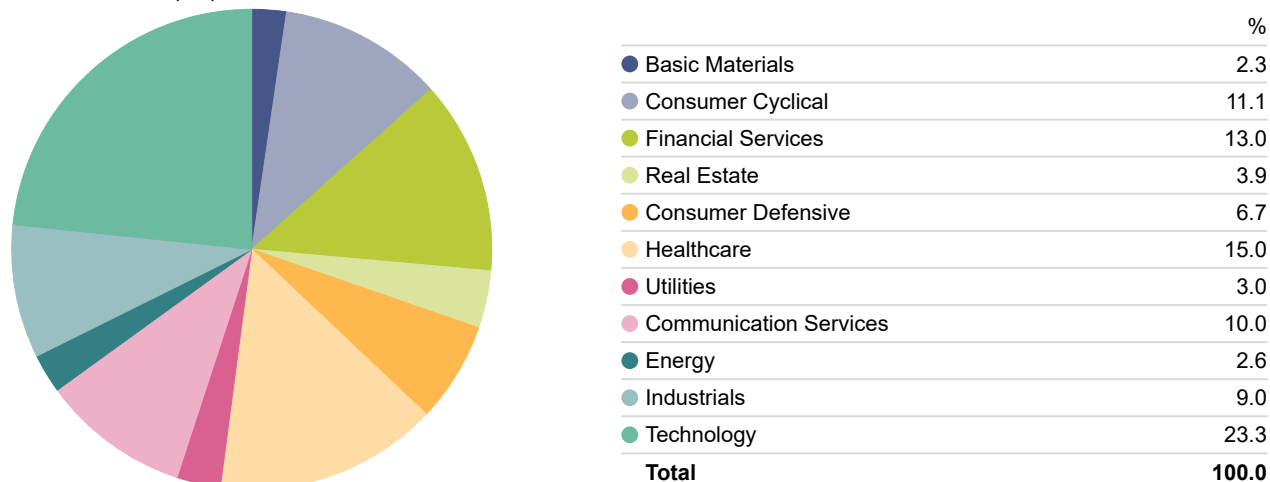
Domestic Equity Pool - Top Holdings

Portfolio Date: 6/30/2020

Total Market Value: \$387,936,261	Market Value (mil)	Portfolio Weighting %
Vanguard Instl Ttl Stk Mkt Idx InstlPIs	\$ 387.9	100%

Domestic Equity Pool - Equity Sectors (Morningstar)

Portfolio Date: 6/30/2020



Equity Benchmark Current
CRSP US Total Stock Market 100%

Top Stock Holdings

1. Microsoft Corp
2. Apple Inc.
3. Amazon.com Inc.
4. Facebook Inc A
5. Alphabet Inc.A
6. Alphabet Inc C
7. Johnson & Johnson
8. Berkshire Hathaway Inc B
9. Visa Inc A
10. Procter & Gamble Co

Trailing Twelve Month Dividend Yield: 2.30%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .03%

International Equity Pool

As of 6/30/2020

Trailing Returns

Equity Pool & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
International Equity Pool TR	-10.53	17.89	-4.02	1.14	2.44	
International Equity Benchmark	-11.21	16.69	-4.63	1.05	2.35	
FTSE Global All Cap ex US TR USD	-10.91	17.15	-4.16	1.39	2.71	5.60

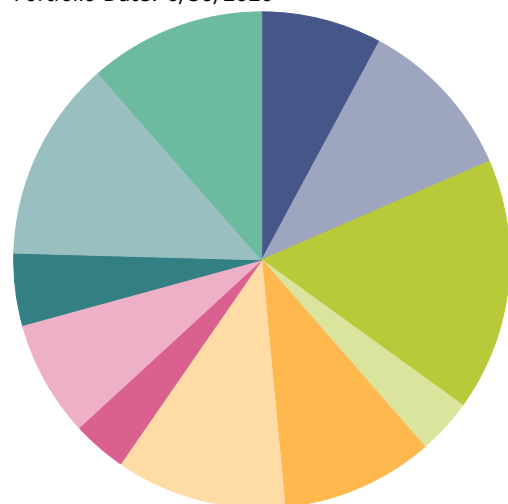
Performance for the International Equity Pool prior to 06/30/2019 is pro-forma based on the experience of the previous Equity Pool

Trailing Returns

International Equity Pool Holding & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Developed Markets Index Instl	-10.74	17.49	-4.23	0.92	2.49	6.12
FTSE Developed ex US All Cap NR USD	-11.45	16.31	-4.89	0.62	2.17	
Vanguard Emerging Mkts Stock Idx Instl	-9.56	19.89	-2.90	2.14	2.19	3.18
FTSE Emerging NR USD	-10.32	18.35	-3.60	2.47	2.57	3.29

International Equity Pool - Equity Sectors (Morningstar)

Portfolio Date: 6/30/2020



International Equity Benchmark	Current
FTSE Developed ex US All Cap	82%
FTSE Emerging Markets	18%

Source: Morningstar Direct

Purpose

The purpose of the International Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the International Equity Pool is to obtain broad international equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

International Equity Pool - Top Holdings

Portfolio Date: 6/30/2020

Total Market Value: \$143,490,370	Market Value (mil)	Portfolio Weighting %
Vanguard Developed Markets Index Ins Pls	\$ 117.7	82%
Vanguard Emerging Mkts Stock Idx Instl	\$ 25.8	18%

Top Stock Holdings

1. Nestle SA
2. Alibaba Group Holdings Ltd ADR
3. Tencent Holdings Ltd
4. Roche Holdings AG Dividend Right Cert.
5. Samsung Electronics Co Ltd
6. Novartis AG
7. SAP SE
8. Toyota Motor Corp
9. ASML Holdings NV
10. AstraZeneca PLC

Trailing Twelve Month Dividend Yield: 2.73%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .06%

Intermediate-Term Fixed Income Pool

As of 6/30/2020

Trailing Returns

Int-Term Fixed Income Pool & Blended Benchmark	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Intermediate-Term Fixed Income Pool TR	6.07	3.80	8.54	5.38	4.41	
Intermediate-Term Fixed Income Benchmark	5.98	4.01	8.49	5.44	4.51	4.43

Purpose

The purpose of the Intermediate-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasuries notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The average effective duration and interest rate risk of the Pool will be commensurate with broad fixed income benchmarks such as the Barclays U.S. Aggregate Bond Index.

Trailing Returns

Int-Term Fix. Income Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Interm-Term Bond Index I	7.91	4.66	10.42	6.21	5.04	4.82
BBgBarc US 5-10Y GovCredit FIAdj TR USD	7.77	4.81	10.37	6.25	5.08	4.87
Vanguard Mortgage-Backed Secs Idx Instl	3.37	0.16	5.64	3.80	3.06	
BBgBarc US MBS TR USD	3.50	0.67	5.67	3.97	3.23	3.06
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	1.90	2.61	3.38	2.63	1.97	
BBgBarc US TIPS 0-5 Year TR USD	1.92	2.63	3.42	2.67	1.99	1.66
Xtrackers USD High Yield Corp Bd ETF	-4.94	7.43	-1.52	2.64		
Solactive USD HY Corp Total Mkt TR USD	-4.88	8.03	-1.26	2.86	4.30	

Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 6/30/2020

	Market Value (mil)	Portfolio Weight %
Total Market Value	\$139,309,010	
Vanguard Interm-Term Bond Index I	\$ 97.7	70%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 27.8	20%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 6.9	5%
Xtrackers USD High Yield Corp Bd ETF	\$ 6.8	5%

Int.-Term Fixed Income Benchmark Weights

	Percent	Inception Date: January 1, 2014
Barclays US 5-10Y Gov/Credit FIAdj TR USD	70%	Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.
Barclays US MBS Float Adjusted TR USD	20%	
Solactive USD HY Corp Total Mkt TR USD	5%	Estimated Pool Investment
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%	Management Fee: 0.07%

Fixed Income Pool Statistics

Average Yield to Maturity	1.43%
Average Effective Duration	5.50 years
Trailing Twelve Month Yield	2.54%

Short-Term Fixed Income Pool

As of 6/30/2020

Trailing Returns

Short-Term Fix. Inc. Pool & Blended Benchmark	Year To Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Short-Term Fixed Income Pool TR	3.41	1.68	5.07	3.41	2.64	
Short-Term Fixed Income Benchmark	3.39	1.82	5.08	3.49	2.73	2.46

Trailing Returns

Short-Term Fix. Inc. Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Short-Term Bond Idx I	4.07	1.79	5.45	3.46	2.59	
BBgBarc US 1-5Y GovCredit FIAdj TR USD	3.98	1.77	5.43	3.49	2.63	2.22
Vanguard Mortgage-Backed Secs Idx Instl	3.37	0.16	5.64	3.80	3.06	
BBgBarc US MBS Float Adjusted TR USD	3.46	0.61	5.57	3.89	3.13	3.01
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	1.90	2.61	3.38	2.63	1.97	
BBgBarc US TIPS 0-5 Year TR USD	1.92	2.63	3.42	2.67	1.99	1.66
Invesco Senior Loan ETF	-4.49	5.01	-1.78	1.59	2.05	
S&P/LSTA U.S. Leveraged Loan 100 TR USD	-3.93	6.60	-0.47	2.47	2.95	4.13

Short-Term Fixed Income Benchmark Weights

	Percent
Barclays US 1-5Y GovCredit FIAdj TR USD	70%
Barclays US MBS Float Adjusted TR US	20%
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%
S&P/LSTA U.S. Leveraged Loan 100 TR USD	5%

Inception Date: January 1, 2014

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.

Estimated Pool Investment Management Fee: 0.09%

Purpose

The purpose of the Short-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The Pool will have a lower average effective duration than broad fixed income market benchmarks such as the Barclays U.S. Aggregate Bond Index, hence limiting overall interest rate risk.

Short-Term Fixed Income Pool Holdings

Portfolio Date: 6/30/2020

Total Market Value: \$222,938,385	Market Value (mil)	Portfolio Weight %
Vanguard Short-Term Bond Idx I	\$ 156.6	70%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 44.5	20%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 10.9	5%
Invesco Senior Loan ETF	\$ 10.9	5%

Fixed Income Pool Statistics

Average Yield to Maturity	0.83%
Average Effective Duration	2.72 years
Trailing Twelve Month Yield	2.21%

Money Market Pool

As of 06/30/2020

Purpose

The purpose of the Money Market Pool is to provide liquidity for participating charitable funds and organizations in funding grant making and payment of fees and administrative costs while providing desired principal stability. The long term investment objective of the Money Market Pool is to seek a competitive market return to preserve and grow the portfolio, provide cash flows to meet charitable needs now and those in the future. As such, the Money Market Pool is highly liquid, which enables donors to access funds for grants in a timely manner. The Money Market Pool invests in bank deposits and obligations of the United States government and its agencies.

Money Market Trailing Returns

Time Period	Money Market Pool	90 Day Treasury Bills
Year to Date	0.24%	0.33%
3 Months	0.00%	0.04%
1 Year	1.17%	1.26%
3 Years	1.26%	1.70%
5 Years	0.80%	1.17%
10 Years	0.42%	0.62%

*Performance periods greater than 12 months are annualized.
Performance is net of investment management fees but not the
Foundation's administrative fees.*

Current Month Return Annualized: 0.00%

Investment Commentary—June 30, 2020

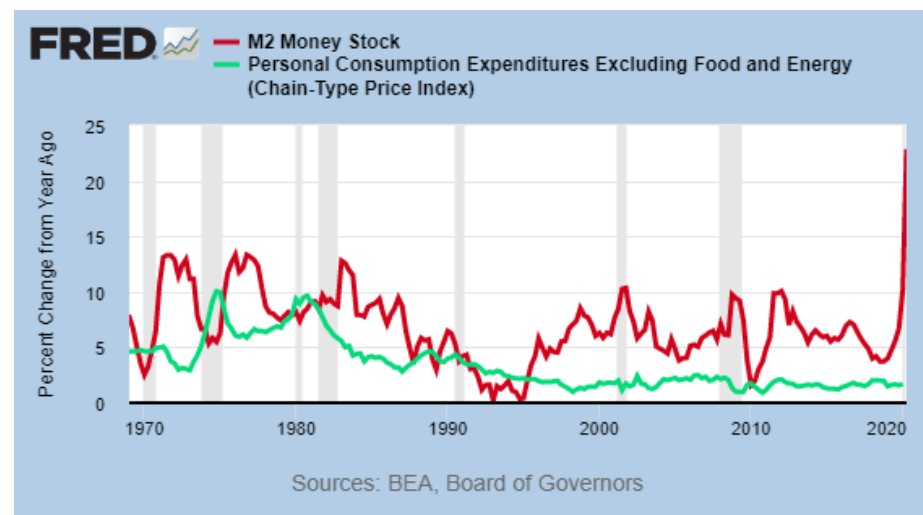
After experiencing one of the fastest declines in the stock market, (down 34.8% from the peak in just over a month) the U.S. market has achieved one of the fastest recoveries on record (up 41.5% from the low in March to June 30th). These returns are based on the total return of the Wilshire 5000 Total Market Full Cap Index. The percentage changes make it appear as though the market is at an all time high. But, it is not. The decline is calculated off of the peak level of 160.95 while the rebound is calculated off the low of 104.46.

Commentators suggest that there are two possibilities at work in the recovery. Some ascribe the rebound to the forward looking nature of the stock market. In that view the market would be sounding the “all clear” based on the rapid response of the Federal Reserve Open Market Committee and the federal government’s rapid response to the crisis. Cash flowed into the hands of individuals and small businesses with amazing speed to mitigate the negative impact of the lockdowns imposed by the executive branches of state and local governments. Commentators working from this data would suggest that we will successfully overcome the damage done by the lockdowns.

The second group of commentators would take what is known as the technical view by tracing the money distributed by the U.S. Treasury and the Federal Reserve from the hands of businesses and individuals into the stock market. This factor would be particularly true of the purchases made by the Federal Reserve which totaled over \$3 trillion as total assets at the Fed grew from \$4.2 trillion in January to a peak of \$7.2 trillion in early July. The Federal Reserve purchased U.S. Treasury bonds as well as exchange traded funds investing in corporate bonds. A significant portion of the proceeds from those purchases probably found their way into the stock market given the extremely low yields offered by bonds.

Analysts can also take a technical approach to the money distributed by the federal government to individuals and businesses. As one might suspect, that money has found its way into the banking system and has shown up in the money supply numbers. Annual growth in the money supply (M2) for the second quarter was 22.9% versus the prior year (see chart). Until this year the fastest annual growth in M2 had been 13.3% in the 1970’s. Typically, accelerating growth in the money supply precedes accelerating growth in the economy.

But, there can be too much of a good thing. At some point in time, the growth in the money supply may stimulate inflation well above the Federal Reserve’s target of 2%. It is ironic to be speaking of inflation when there is so much slack in the economy today. However, in a time when supply chains have been disrupted and product availability is limited, the cash is there to fuel price increases. Accelerating inflation is not imminent, but it is a possibility to consider in making long-term plans.



The Domestic Equity Pool returned 22.1% for the quarter bringing the year-to-date return to -3.4%. The International Equity Pool had a return of 17.9% in the quarter bringing the year-to-date return to -10.5%.

The Intermediate-Term Fixed Income Pool gained 3.8% in the quarter and 6.1% for the year-to-date as the average yield-to-maturity has fallen to 1.43% compared to 2.39% on December 31st. The Short-Term Fixed Income Pool gained 1.7% in the quarter and 3.4% year-to-date as the average yield-to-maturity fell to 0.83% compared to 2.10% on December 31st.

With the Federal Reserve’s guidance that overnight interest rates will remain at or near zero for the next year or two, we would expect the Money Market Pool to have a yield of zero during that time.