MARKET UPDATE AND PERFORMANCE REVIEW

Blue Mountain Community Foundation

Serving Donors.
Strengthening Communities.

Presented by:
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Senior Vice President
BMCF MARKET AND PORTFOLIO REVIEW

• It should come as no surprise to anyone that the global markets and economies witnessed an unprecedented decline in returns and productivity.

• Just as surprising was the rebound in the stock market in April.

• The Foundation approached this market sell-off as an opportunity to right-size the asset allocation and seek quality investments that were on sale.

• But while the market seems to have stabilized a bit there is much damage to repair to the global economy and it will take time.

• What are other Community Foundations doing in response to the Covid-19 pandemic?
Community Foundation Research and Training Institute Survey

126 community foundations responded to the survey regarding responses to the coronavirus pandemic. Some of the most important findings are as follows:

• 82% of community foundations have created a fund dedicated to providing grants to support organizations dealing with the pandemic.
  • Of the remaining 18%, most are using a disaster relief fund that already existed, but has been repurposed to help local coronavirus efforts

• 98% of community foundations have made a grant to deal with the local response to the crisis.
  • The most common type of fund that has provided a grant to deal with a pandemic is a donor advised fund, followed closely by unrestricted endowments, pandemic relief funds and field of interest funds.
Community Foundation Research and Training Institute Survey - Cont’d

- 96% of community foundations have closed their offices and are working remotely

- 84% of community foundation expect their next board meeting to take place as scheduled, but it will be conducted remotely, rather than through an in-person meeting

- 66% of community foundations have applied for support from the Paycheck Protection Program.
Market Data & Graphs
36.5mm new jobless claims since March.

Every new job created since the Great Recession was wiped out in 45 days.
200% increase in monthly production...
Crude Oil Prices

... and an 81% decline in price
Total Airline Travelers Feb-April 2020

95% Decline in Air Travel
U.S. Retail Sales
Housing Starts

22% Decline
Market Volatility Indicator (VIX)

The Great Recession
Major Asset Class Returns as of March 31

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>S&amp;P 500 Index</th>
<th>MSCI EAFE Index</th>
<th>MSCI Emerging Mkts Index</th>
<th>Blmbrg Barclays U.S. Agg Index</th>
<th>Blmbrg Barclays HY Index</th>
<th>FTSE NAREIT All Equity Index</th>
<th>Alerian MLP Index</th>
<th>Blmbrg Cmdty Index</th>
<th>HFRI Fund Wtd Comp. Index</th>
<th>HFRI Fund of Fund Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter</td>
<td>-19.6%</td>
<td>-22.8%</td>
<td>-23.6%</td>
<td>3.1%</td>
<td>-12.7%</td>
<td>-23.4%</td>
<td>-57.2%</td>
<td>-23.3%</td>
<td>-9.4%</td>
<td>-7.3%</td>
</tr>
<tr>
<td>1 Yr</td>
<td>-7.0%</td>
<td>-14.4%</td>
<td>-17.7%</td>
<td>8.9%</td>
<td>-6.9%</td>
<td>-15.9%</td>
<td>-60.9%</td>
<td>-22.3%</td>
<td>-5.1%</td>
<td>-3.9%</td>
</tr>
<tr>
<td>5 Yrs Annualized</td>
<td>6.7%</td>
<td>-0.6%</td>
<td>-0.4%</td>
<td>3.4%</td>
<td>2.8%</td>
<td>2.0%</td>
<td>-20.7%</td>
<td>-7.8%</td>
<td>1.1%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>
The BMCF focuses on long-term returns with downside protection by emphasizing diversification and quality.
Stocks, 66%
Bonds, 12%
Real Assets, 7%
Diversifying, 15%

Broad Asset Allocation
as of April 30
Detailed Asset Allocation

as of April 30

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Large Stocks</td>
<td>37%</td>
</tr>
<tr>
<td>Developed International</td>
<td>14%</td>
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<tr>
<td>Diversifying Strats</td>
<td>15%</td>
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<tr>
<td>Core Bonds</td>
<td>12%</td>
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<tr>
<td>Emerging Markets</td>
<td>10%</td>
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<tr>
<td>Real Estate</td>
<td>6%</td>
</tr>
<tr>
<td>US Small Stocks</td>
<td>5%</td>
</tr>
<tr>
<td>Energy Infrastructure</td>
<td>1%</td>
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</tbody>
</table>
PORTFOLIO UPDATE

During the market sell-off in March, the Blue Mountain Community Foundation focused on the long-term allocation and exhibited patience.

BMCF Foundation Assets
(Long-Term Pool, Baker Boyer, SRI Pool, Edward Jones, Lamar Farm)
March 31, 2020 = $40.0mm
April 30, 2020 = $43.4mm

A gain of $3.4 million in a month
Market Timing Doesn’t Work
Monthly Index Returns

- S&P 500
- Russell 2000
- MSCI EAFE
- MSCI Emerging Markets
- FTSE NAREIT
- MLP/ Energy
- Barclays Aggregate

<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>March</th>
<th>April</th>
</tr>
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<tbody>
<tr>
<td>0.0%</td>
<td>-8.2%</td>
<td>-12.3%</td>
<td>13.8%</td>
</tr>
<tr>
<td>-3.2%</td>
<td>-8.4%</td>
<td>-21.7%</td>
<td>12.8%</td>
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<td>-4.7% -5.3%</td>
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<td>-7.0%</td>
<td>8.4%</td>
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<tr>
<td>-7.0%</td>
<td>-18.7%</td>
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<td>1.9%</td>
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<tr>
<td>-14.0%</td>
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<td>1.8%</td>
<td>1.5%</td>
</tr>
<tr>
<td>-40.0%</td>
<td>-20.0%</td>
<td>0.0%</td>
<td>40.0%</td>
</tr>
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</table>

Barclays Aggregate
These recent times have been difficult for everyone and the challenges go well beyond the stock market. But this too shall pass. We need to be patient. We need to be disciplined. We need to find the silver lining and take advantage of that.

WHAT WILL THE FOUNDATION DO MOVING FORWARD . . . ?

In short, what it’s always done.

• Focus on what matters
• Let asset allocation be the driver of return
• Be bold when the opportunity presents itself
• Look at the trees but pay attention to the forest
• Be long-term but not complacent
THANK YOU TO EVERYONE

BE SAFE!

QUESTIONS?