REPORT FROM THE TREASURER

THE DENVER FOUNDATION
On behalf of The Denver Foundation’s Board of Trustees, I’m pleased to present the Foundation’s 2019 Report from the Treasurer. The purpose of this report is to provide an overview of the Foundation’s investment philosophy and results.

For more than 90 years, individuals, families, and businesses have contributed generously and created 1,000+ different personalized funds at The Denver Foundation. We remain mindful of the level of trust that they place in our management of charitable resources. Because some of these funds will be used in the short term, while others are endowed for future generations, we practice careful stewardship that balances asset protection and performance over a variety of time frames and market conditions.

I am pleased to report that The Denver Foundation maintains its long-term tradition of steadiness in investment and fund management. In 2019, the Foundation’s Long-Term Balanced Pool achieved an investment return of 16.8%. The Investment Committee, chaired by Tad Kelly, works with our advisors at Monticello Associates to build a portfolio that helps to protect against market volatility, allows for expenditures of dollars for our donors’ grantmaking purposes, and provides for long-term asset growth. Over the last ten years, through December 31, 2019, the Foundation’s investments in the Long-Term Balanced Pool have achieved returns averaging 7.6% per year.

The Denver Foundation also offers our donors the option of placing their funds in our Sustainable and Responsible Investment (SRI) Pool, which was created in 2010. The Denver Foundation is pleased to report a redesign of its SRI Pool. After extensive research, analysis, and interviews, the Foundation redesigned its SRI Pool to include three new managers: Boston Trust Walden Company, Wellington Management, and Invesco Managed Accounts. In 2019, the SRI Pool achieved an investment return of 20.9%.

The Denver Foundation also introduced an Index Pool in late-2019, a broad investment portfolio (70% equities, 30% fixed income) of indexed investments designed to provide long-term asset growth. The Foundation will report on Index Pool returns in future Reports from the Treasurer.

The Denver Foundation continues to operate very efficiently, with administrative expenses of less than one percent of total assets. Economies of scale allow us to provide superior financial oversight, an extensive array of philanthropic services, and strategic community investments.

For more information on our investment strategy, please contact The Denver Foundation or visit our website, denverfoundation.org.

Barbara Baumann
Treasurer, Board of Trustees 2019

Barbara Baumann is President of Cross Creek Energy Corporation. She previously worked for Amoco Corporation and its subsidiaries. She is an independent Trustee of the Putnam Mutual Funds.
### Foundation Composite Performance

**Annualized Returns for Periods Ending 12.31.2019**

<table>
<thead>
<tr>
<th>Long-Term Balanced Pool</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>7 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Balanced Pool</td>
<td>16.8%</td>
<td>8.9%</td>
<td>6.4%</td>
<td>7.0%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Policy Benchmark (1)</td>
<td>14.0%</td>
<td>8.9%</td>
<td>7.2%</td>
<td>8.0%</td>
<td>7.6%</td>
</tr>
</tbody>
</table>

### Long-Term Balanced Pool Investment Funds (As of 12.31.2019)
- **Domestic Equity**
  - Elk Creek Partners
  - Rock Springs Capital Offshore
  - SPY
  - Wellington CTF Mid Cap Opportunities
  - Wellington CTF Research Equity
- **Hedged Equity**
  - Highfields Capital
  - Junto Offshore
  - Maverick
  - Viking Global Opportunities III
- **International Equity**
  - Dodge & Cox International
  - Edgbaston Asian Equity Trust
  - Highclere International Investors
  - Newport Asia Institutional
  - VEA
  - VWO
- **Private Capital**
  - Actis Emerging Markets 3 Global
  - Actis Global 4
  - Axiom Asia Co-Investment I
  - Axiom Asia V
  - Canyon Distressed Opportunity II
  - Canyon Distressed Opportunity III
  - Charterhouse Capital Partners X
  - Clayton, Dubilier & Rice VIII
  - Clayton, Dubilier & Rice IX
  - Clayton, Dubilier & Rice X
  - Denham IV Continuation
  - Denham Commodity Partners VI
  - Drawbridge Long Dated Value III (A)
  - General Atlantic
  - Golub Capital Partners International TI
  - Green Equity Investors V
  - Lime Rock Resources III-C
  - MHR Institutional Partners II
  - MHR Institutional Partners III
  - MHR Institutional Partners IV
  - Sculptor Real Estate TPE
  - Sculptor Real Estate Parallel III B
  - StepStone International Investors III
  - Vitruvian Investment Partnership III
- **Absolute Return**
  - Eton Park Overseas
  - Farallon Capital Institutional Partners
  - Nut Tree Offshore
  - Renaissance Institutional Diversified Alpha
  - Two Sigma Spectrum Cayman
- **Fixed Income**
  - PIMCO Short Term Institutional

### Foundation Composite Performance

<table>
<thead>
<tr>
<th>SRI Pool</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>7 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRI Pool</td>
<td>20.9%</td>
<td>9.6%</td>
<td>6.8%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Policy Benchmark (2)</td>
<td>19.9%</td>
<td>9.7%</td>
<td>6.9%</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

### SRI Pool Investment Funds (As of 12.31.2019)
- **Global Equity**
  - Boston Trust Walden Company
  - Wellington CTF Global Impact
- **Absolute Return**
  - Farallon Capital FS Investors I
- **Fixed Income**
  - RBC Access Capital Community
  - Invesco Managed Accounts

(1) Effective 1/1/2013 Policy Benchmark consists of 15% Russell 3000 / 15% MSCI ACWI ex USA / 15% HFRI Equity Hedge (Total) Index / 18.75% Cambridge Assoc. U.S. Private Equity Index / 6.25% NCREIF Property Index / 15% T-Bills + 4% / 13.5% BBgBarc US Aggregate TR / 1.5% 91 Day T-Bills. From 1/1/2008 - 12/31/2012 Policy Benchmark was 70% MSCI ACWI / 30% BBgBarc US Aggregate TR. Prior to 1/1/2008 Policy Benchmark was 60% MSCI ACWI / 40% BBgBarc US Aggregate TR.

(2) Effective 7/1/2019 the Policy Benchmark consists of 65% MSCI ACWI / 10% T-Bills + 4% / 23% BBgBarc US Aggregate TR / 2% 91 Day T-Bills. Prior to that the Policy Benchmark was 75% Russell 3000 / 25% BBgBarc US Aggregate TR.
Javier Alberto Soto
President and CEO

Javier Soto is the President and CEO of The Denver Foundation. Prior to joining The Denver Foundation in October 2019, Javier spent 10 years as President and CEO of The Miami Foundation, where he led a period of significant growth and developed key initiatives including “Give Miami Day,” which has raised more than $60M since 2012.

Javier recently completed a two-year term as Chairman of the Council on Foundations and currently serves on the board of America’s Promise Alliance, a nationwide movement to improve the lives and futures of young people.

Prior to entering philanthropy, Javier served in the public sector, beginning as a litigator in the Miami-Dade County Attorney’s Office and later as Chief of Staff to County Mayor Alex Penelas. Javier also worked as a litigator in the Miami office of Holland & Knight.

Javier graduated from Florida State University with a B.A. in History and Political Science and earned his J.D. from Georgetown University Law Center. He is also a 2013 Henry Crown Fellow, a leadership program of the Aspen Institute that engages the next generation of leaders to develop community-spirited and values-focused leadership.

Dan Lee
Vice President of Finance & Administration

An experienced financial veteran, Dan Lee is responsible for overall financial management at the Foundation, its reporting and transparency, and for multiple corporate functions including investments, accounting, grants processing, and information technology.

Dan joined the Foundation in 2000 from Operation Able where he served as Chief Financial Officer. Prior to that he was Director of Finance with the Joffrey Ballet and a Senior Consultant with Ernst & Young, both in Chicago. He began his career in various financial positions at Abbott Laboratories in Abbott Park, Illinois.

A native of Chicago, Dan earned his B.S. and M.S. from the University of Illinois at Chicago and an M.B.A. from the Illinois Institute of Technology.

2019 INVESTMENT COMMITTEE

The Denver Foundation’s Investment Committee consists of professionals who volunteer their time and insights to steward the Foundation’s assets.

Tad Kelly, Chair
Denver Foundation Trustee, 2016–Present

Thomas L. (“Tad”) Kelly II is a Partner and Co-Founder of CHB Capital Partners, a Denver-based growth equity investment firm.

Barbara Baumann
Denver Foundation Trustee, 2014–2019

Barbara Baumann is President of Cross Creek Energy Corporation.

Sanjai Bhonsle

Sanjai Bhonsle serves as Partner and Portfolio Manager for ArrowMark’s leveraged loan investments and CLO funds.

Carey Dobbertin

Carey Dobbertin is Chief Financial Officer and Treasurer at Gary Community Investments.

Jeremy Duhon
Denver Foundation Trustee, 2015–Present

Jeremy Duhon is a former Partner at Denver Investments.

Dr. Nancy McCallin

Dr. Nancy McCallin is the former President of Colorado Community College System, the state’s largest system of higher education.

INVESTMENT CONSULTANT: MONTICELLO ASSOCIATES

Monticello Associates, based in Denver, Colorado, is a leading provider of investment management consulting services to endowments and foundations throughout the United States. Monticello Associates currently advises on $89 billion in client assets.