REPORT FROM THE TREASURER
On behalf of The Denver Foundation’s Board of Trustees, I’m pleased to present the Foundation’s 2017 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 – and a moderately conservative investment strategy – that provides protection and performance in both positive and negative economic climates.

I’m pleased to report that The Denver Foundation maintains its long-term tradition of steadiness in investment and fund management. In 2017, the Foundation’s Unitized Investment Pool gained 14.95%. The Investment Committee, chaired by Tad Kelly, works with our advisors at Monticello Associates to build a portfolio that protects against market volatility, allows for expenditures of dollars for our donors’ grantmaking purposes, and provides for long-term asset growth. Over the last five years, through December 31, 2017, the Foundation’s investments in the Unitized Investment Pool have grown by an average of 7.44% 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. In 2017, the SRI Pool’s performance was 16.68%. Over the last five years, through December 31, 2017, the Foundation’s investments in the SRI Pool have grown by an average of 9.87% per year.

The Denver Foundation operates very efficiently with administrative expenses of less than one percent of total assets. Economies of scale allow us to maintain our superior financial oversight, philanthropic services, and strategic community investment.

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

Barbara Baumann
Treasurer, Board of Trustees 2017

Barbara Baumann is president of Cross Creek Energy Corporation of Denver, Colorado. She previously worked for Associated Energy Managers as well as for Amoco Corporation and its subsidiaries, including as vice president of the company’s San Juan Basin Business Unit. Barbara currently serves on the board of directors of publicly traded Devon Energy Corporation and Buckeye Energy Partners, LP as well as privately held Hat Creek Energy Corporation. She is an independent trustee of the Putnam Mutual Funds.
INVESTMENT MIX
AS OF 12.31.2017

FOUNDATION COMPOSITE PERFORMANCE

Annualized Historical Returns for Periods Ending 12.31.2017

<table>
<thead>
<tr>
<th></th>
<th>Unitized Investment Pool</th>
<th>SRI Pool</th>
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</thead>
<tbody>
<tr>
<td><strong>1 Year</strong></td>
<td>14.95%</td>
<td>16.68%</td>
</tr>
<tr>
<td><strong>3 Year</strong></td>
<td>6.61%</td>
<td>7.18%</td>
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<tr>
<td><strong>5 Year</strong></td>
<td>7.44%</td>
<td>9.87%</td>
</tr>
<tr>
<td><strong>7 Year</strong></td>
<td>7.12%</td>
<td>9.40%</td>
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<tr>
<td><strong>10 Year</strong></td>
<td>5.30%</td>
<td>9.40%</td>
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</tbody>
</table>

Policy Benchmark (1)

Annualized Historical Returns for Periods Ending 12.31.2017

<table>
<thead>
<tr>
<th></th>
<th>SRI Pool</th>
<th>Unitized Investment Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Year</strong></td>
<td>16.52%</td>
<td>14.95%</td>
</tr>
<tr>
<td><strong>3 Year</strong></td>
<td>7.34%</td>
<td>6.61%</td>
</tr>
<tr>
<td><strong>5 Year</strong></td>
<td>9.94%</td>
<td>7.44%</td>
</tr>
<tr>
<td><strong>7 Year</strong></td>
<td>9.40%</td>
<td>7.12%</td>
</tr>
</tbody>
</table>

Policy Benchmark (2)

(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 7/1/2014 the Policy Benchmark consists of 35% Russell 3000 / 30% MSCI ACWI ex USA / 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.

UNITIZED POOL INVESTMENT MANAGERS (AS OF 12.31.17)

Domestic Equity
- AlphaOne
- Elk Creek Partners
- GMO Quality Fund-III
- Rock Springs Capital Offshore
- SPV
- Wellington Mid Cap Opportunities
- Wellington Research Equity

International Equity
- Caravel
- Dodge & Cox International
- Edgbaston
- Highclere International
- New York Asia Institutional
- VEA
- VWO

Private Capital
- Actis Emerging Markets 3 Global
- Actis Global 4
- Canyon Distressed Opportunity
- Charterhouse Capital Partners X
- China Enterprise Capital
- Clayton, Dubilier & Rice Fund VIII
- Clayton, Dubilier & Rice Fund IX
- Denham Commodity Partners IV
- Denham Commodity Partners V
- Drawbridge Long-Dated Value
- Golub Capital Partners
- Institutional TI
- Green Equity Investors V
- Lime Rock Resources III-C
- Madison Dearborn Capital Partners V
- Madison Dearborn Capital Partners VI
- MHR Institutional Partners IIA
- MHR Institutional Partners III
- MHR Institutional Partners IV
- Och Ziff Real Estate TE
- Och Ziff Real Estate Parallel III B
- Spinnaker Global Special Situations
- StepStone International Investors III
- Vitruvian Investment Partnership III

Hedged Equity
- Highfields Capital
- Maverick
- Seminole Offshore
- Viking Global Opportunities III

GMO Quality Fund-III
- Absolute Return
- AlphaOne
- Eton Park Overseas
- Farallon Capital Institutional Partners
- Renaissance Institutional
- Diversified Alpha
- Two Sigma Spectrum Cayman

Fixed Income
- Convexity Capital Offshore
- PIMCO Short Term Institutional
- Access Capital Community
- PIMCO Total Return ESG Institutional

SRI POOL INVESTMENT MANAGERS (AS OF 12.31.17)

Domestic Equity
- Ariel
- DFA US Sustainability Core
- Parnassus
- Pax Small Cap Institutional

International Equity
- Calvert International Opportunities
- DFA International Sustainability Core

Absolute Return
- Farallon Capital F5 Investors I

Fixed Income
- Access Capital Community
- PIMCO Total Return ESG Institutional
2017 INVESTMENT COMMITTEE

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

Thomas Kelly, Chair  
**Denver Foundation Trustee, 2016–Present**
Thomas “Tad” Kelly is a partner and co-founder of CHB Capital Partners, a US private equity firm with offices in Denver and Houston.

Barbara Baumann  
**Denver Foundation Trustee, 2014–Present**
Barbara Baumann is president of Cross Creek Energy Corporation of Denver, Colorado.

Virginia Bayless  
**Denver Foundation Trustee, 2011–2017**
Virginia Bayless has more than 25 years of investment banking, financial advisory, and business valuation experience. Currently, she assists in managing a family office with investment, real estate, and oil and gas assets.

Jeremy Duhon  
**Denver Foundation Trustee, 2015–Present**
Jeremy Duhon is a partner at Denver Investments.

Afsoon Kelly  
**Denver Foundation Trustee, 2018–Present**
Afsoon Kelly is director of operations at Anschutz Investment Company.

Dr. Nancy McCallin  
Dr. Nancy McCallin is president of Colorado Community College System, leading the state's largest system of higher education.

Bill Ryan  
**Denver Foundation Trustee, 2009–2014**
Bill Ryan is the director of the Colorado State Land Board, overseeing more than three million acres of state land.

Christine Márquez-Hudson  
**President and CEO**
Christine Márquez-Hudson is president and chief executive officer of The Denver Foundation, the largest and most experienced community foundation in the Rocky Mountain West. The Denver Foundation manages more than $800 million in charitable investments.

Prior to her selection, Christine was the chief executive officer of Mi Casa Resource Center, a community-based organization dedicated to advancing the economic success of Latino and other low-income families.

As a Colorado native, Christine is proud to be a member of the Colorado Women’s Forum, the Colorado Forum, the Mayor’s Education Compact Committee, and the Colorado Association of Funders’ Public Policy Committee. Christine received her M.A. in Nonprofit Management from Regis University and her B.A. in Political Science from UCLA.

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.