Blue Grass Community Foundation’s Conservatively Balanced Pool

The primary investment objective of this Pool is to provide preservation of principal. This Pool will invest more than 50% of the overall allocation in a combination of fixed income, cash, and cash equivalent assets. This Pool is appropriate for donors that have a time horizon more than three years.

![Pie chart showing asset allocation]

<table>
<thead>
<tr>
<th>Time Weighted Rates of Return (net of fees):</th>
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<tbody>
<tr>
<td>Annualized Periods Ending March 31, 2020</td>
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<tr>
<td></td>
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<tr>
<td>YTD</td>
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<tr>
<td>-10.44%</td>
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Historical returns for this investment model allocation are represented above. Please note that Blue Grass Community Foundation has not always invested the assets of their Conservatively Balanced Pool according to the above asset allocation. For historical returns of the Foundation’s Conservatively Balanced Pool, please contact Brian Dineen at 859-225-3343.

YTD, 1 Year, and 3 Year represent the Blue Grass Community Foundation’s returns. All other returns are for the MIMS A Composite.
Performance information presented on the previous pages reflects the actual investment performance of MIAS’ “Conservative (A) Asset Allocation Composite”, also referred to as MIAS’ benchmark “A” Composite. Performance of the MIAS Conservative (A) Asset Allocation Composite is presented net of all investment management fees, transaction costs and other expenses. Trading costs and fees have not been deducted from the index performance used for comparison. It is not possible to invest directly in these indexes. Past performance does not guarantee future results. The objective of the benchmark “A” composite portfolio is conservation of principal. Performance inception of the MIAS benchmark “A” Composite is 09/30/2006.

- As of December 31, 2019, the average annual change of money managers since the inception of the MIMS A composite was 9.88%.
- Since the inception of the composite, there was a change in the asset allocation in which we removed the asset class of “equity income”, as it was already reflected in another asset class titled “large cap value”.
- Since the inception of the composite, we added “international small caps” to our asset classes.
- In 2006, we:
  - decreased our allocation in Cash and Cash Equivalents.
  - increased our "energy and natural resources" allocation and changed the title of this asset class to "energy, natural resources, and commodities”.
- In 2009, we:
  - added international bonds and inflation-protected bonds to our asset allocation.
  - decreased our allocation to short-term, intermediate-term, and long-term bonds.
  - decreased our allocation to US large cap growth.
  - increased our allocation to foreign large cap value and decreased our allocation to foreign large cap growth.
  - increased our allocation to small cap value.
  - changed our method of composite calculation from internal rate of return to time-weighted rate of return.
- In 2012, we increased our allocation to US large cap value and decreased our allocation to long-term bonds.
- In 2017 we:
  - removed long term bonds and commodities from the portfolio.
  - added equity precious metals to the portfolio
  - decreased our allocations to international large value and international large growth
  - increased allocations to small cap international
- In 2018 we:
  - removed precious metals from the portfolio.
  - increased our allocations to natural resources.
- The “Peer Group Average Conservative Allocation Funds”, produced by Morningstar, invests in both stocks and bonds and maintains a relatively smaller portion in stocks. Through March 31, 2016 this was the Morningstar Conservative Category. As of April 1, 2016 it was renamed “Allocation – 30% to 50%”. These funds typically have 30%-50% of assets in equities and 50%-70% of assets in fixed income and cash. As of 03/31/20 this reference point was comprised of 141 mutual funds. As of 03/31/19 the A Composite contained 7 clients.