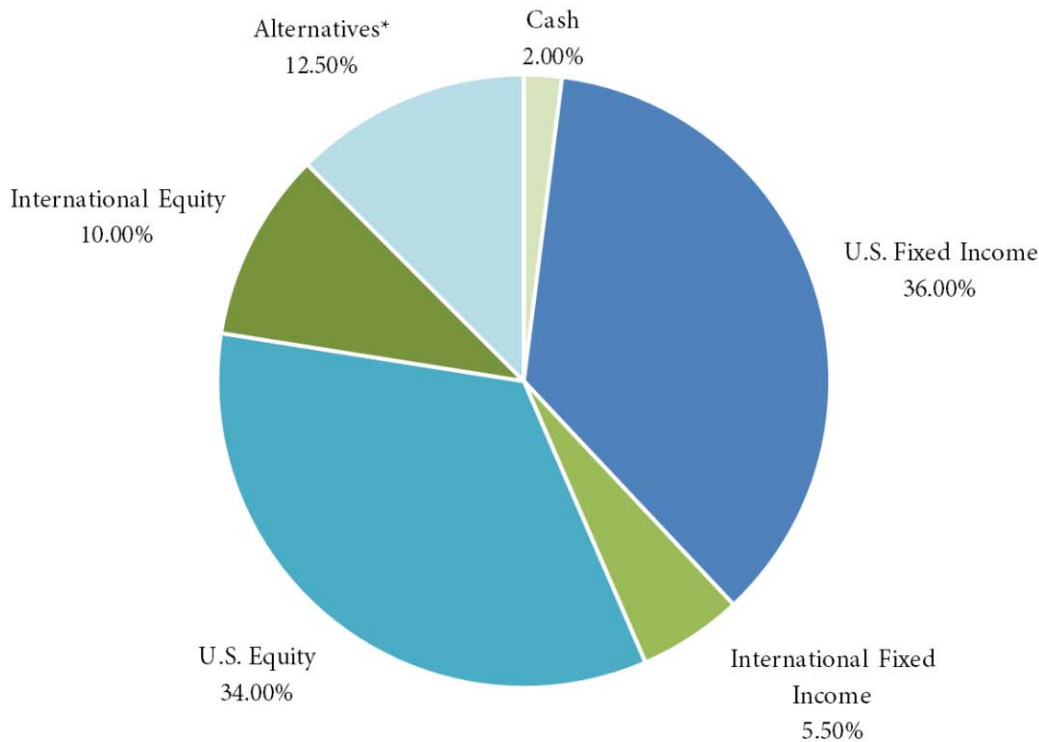


## Blue Grass Community Foundation's Moderate Pool

The primary investment objective of the Moderate Pool is to provide a balanced mixture of safety, income, and capital appreciation. This Pool may experience moderate year to year volatility. This Pool is generally appropriate for donors with an intermediate time horizon of more than five years.



### Time Weighted Rates of Return (net of fees):

	Annualized Periods Ending September 30, 2018				
	<u>YTD</u>	<u>3 Yr.</u>	<u>5 Yr.</u>	<u>7 Yr.</u>	<u>10 Yr.</u>
MIMS B Composite	2.15%	8.05%	5.44%	7.33%	6.33%

*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 Moderate Pool according to the above asset allocation. For historical returns of the Foundation's Moderate Pool, please contact Brian Dineen at 859-225-3343.*

*YTD return represents the Blue Grass Community Foundation's return. All other returns are for the MIMS B Composite.*

## PRESENTATION DISCLOSURES

# COMPOSITES – SPECIFIC – MIAS CONSERVATIVE(B)

*Performance information presented on the previous pages reflects the actual investment performance of MIAS' "Conservative (B) Asset Allocation Composite", also referred to as MIAS' benchmark "B" Composite. Performance of the MIAS Conservative (B) 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 "B" composite portfolio is to provide returns that cover spending but may not keep pace with inflation, and attempts to provide stability in the payout. Performance Inception of the MIAS benchmark "B" Composite is 05/31/2001.*

- As of December 31, 2017, the average annual change of money managers since the inception of the MIMS B composite was 10.00%.
- 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 inflation-protected bonds to our asset allocation.
  - decreased our allocation to 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
  - we 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
- 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 09/30/18 this reference point was comprised of 135 mutual funds. As of 09/30/18 the B Composite contained 7 clients.