

Investments

This is a period of enormous uncertainty and financial markets have been, predictably, volatile. The Investment Committee worked with Investment Management Firm, F.L. Putnam and the Rhode Island Foundation. We are impressed that the Putnam team was proactive, within our guidelines, and made some early changes to our portfolio, moving out of travel and hospitality holdings and responding to oil prices. The portfolio management team continues to watch markets carefully, responding thoughtfully in these turbulent times.

ENDOWMENT AND GENERAL FUND

The Endowment is a Board designated fund and does not include any donor-designated contributions. Our by-laws allow up to a 4% draw per year based on **the rolling 12-quarter average of the fund.**

We had transferred \$6.49 million in endowment funds to F L Putnam on July 31, 2018 (inception). As of March 31, 2020, the balance was \$6.03M and as of April 30 the balance is \$6.41M.

During this time we have only taken a portion of our 4% Investment/Endowment draw. Since inception we have spent slightly less than 118,100 and our budget for next year calls for \$164,000, less than the allowed draw of \$256,000 (Please refer to the Budget submitted by Treasurer, Sara Carcieri for 2020-2021 projected expenses.)

The General Fund is used for emergencies and its balance reflects investment results and disbursements. The balance as of July 31, 2018 was \$236,601 and \$227,258 on March 31, 2020 and 237,477 on April 31, 2020

See attached sheets providing Account Reconciliation and Asset Class Performance for both the Investment/Endowment and the General Fund.

RHODE ISLAND FOUNDATION FLEXIBLE FUND

The Committee and the Board agreed that having some of our Endowment at the RIF enables us to provide another option for donors who may prefer to contribute to the Handicraft Club through the RIF. We are part of a million pooled fund.

Our initial investment of \$100,000 **made 07/09/18** is worth \$90,380. We receive quarterly statements from the RI Foundation.

I want to thank the entire Investment Committee for the excellent work this year: Sara Carcieri, Treasurer; Mary Reineman, Assistant Treasurer; Carol Cimilluca, Elected Member; Gail Ginnetty, Margareta Edwards and Fran Gammell Roach, Ex Officio.

We welcome your questions and encourage you to contact any of us or Heather Roberts, our Nominating Chair if you are interested in serving on this committee.

Respectfully submitted,

Lisa G. Churchville

Chair

Rhode Island Foundation as of March 31, 2019

Investment Objective: To ensure a total return (income plus capital change) necessary to preserve and enhance (in real dollar terms) the principal of the funds and at the same time, provide a dependable source of spending for current Foundation operations and programs to meet the needs of the people of Rhode Island.

Your funds benefit from the size and sophistication of the Foundation with access to top-tier investment managers-including managers that are closed to new investors and require large capital commitments-and global diversification, including a substantial allocation to private equity.

Performance- The portfolio gained 7.7% in the first quarter, bringing trailing one-year returns to 3.3%. The Policy Index returned 8.3% and -4.0%, respectively over the same time periods.

The portfolio has generated stable, long-term returns at an annualized rate of 8.5% since inception in April 1994, outperforming the policy benchmark by 70 bps.

Portfolio Performance	3 Mo.	YTD	1 YR	3 YRS	5 YRS	7 YRS	10 YRS	15 YRS	20 YRS	Return Since	Inception Date
Total Fund (\$982.9 million)	7.7	7.7	3.3	9.3	5.8	7.4	10.3	7.0	7.6	8.5	Apr-94
Policy Index	8.3	8.3	4.0	9.7	6.1	7.7	10.4	6.7	6.4	7.8	Apr-94
70% MSCI ACWI/ 30% Blbg Bare Global Aggregate	9.1	9.1	1.9	8.0	4.9	6.3	9.4	6.0	4.9	6.6	Apr-94

Returns are net of investment-management expenses.

The Policy Index is a custom benchmark consisting of a number of indices which are weighted based on the Foundation's asset allocation targets. The index measures the return of the asset allocation strategy if it were implemented using passive (index) portfolios.



*Investment Metrics All Endowments and Foundations \$IB peer group. 671

Top 5 Manager Exposures

hii49

Asset Allocation

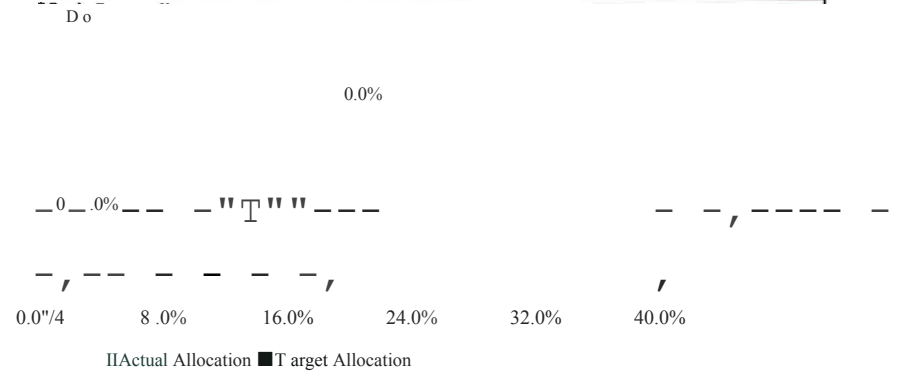
- Domestic Equity 25.0% - 45.0%
- Non-U.S. Developed 15.0% - 25.0%
- Emerging Markets 0.0% - 10.0%
- Private Capital 0.0% - 15.0%
- Flexible Capital 10.0% - 20.0%

- Fixed Income 0.0% -
- Liquid

- Real Assets 0.0% - 20.0%
- 10.0%
- Capital

SSgA Russell 3000 Index	23.1%	Passive All Cap U.S. Equity
Adage Capital Partners	8.4%	Active Large Cap U.S. Equity
Silchester Intl Value Equity	6.3%	Active Non-U.S. Dev Equity
IRM Short Duration	5.7%	Active Short Dur Fixed Income
Vanguard Small Cap Index	5.2%	Passive Small Cap U.S. Equity

Manager **Weight**



Peer groups, performance, risk and equity analytics are provided by Investment Metrics. 2018. All rights reserved. Calculations are based on quarterly periods unless noted otherwise. Indices referenced are unmanaged and do not include fund expenses. All content contained herein is the opinion of Prime Buchholz and is intended for informational purposes only; it does not constitute an

offer, nor does it invite **ANYONE** to make an offer, to buy or sell securities. The content of this report is current as of the date indicated and is subject to change without notice. It does not constitute an offer to sell securities in any jurisdiction. The financial situations or needs of individual or institutional investors, in form adopted from third-party sources is believed to be reliable; however, the accuracy of the data is not guaranteed and may not have been independently verified. Past performance is not an indication of future results.

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0.0%
Impact Investments 0.1%
0.0% - 5.0%

0.0% - 5.0%

0.0%



RHODE ISLAND FOUNDATION

Handicraft Club Endowment Fund
Established 07/09/2018

Fund# 490900 STATEMENT PERIOD
1/1/2018-12/31/2018

Fund Activity

Beginning fund balance	\$0.00
Gifts	100,000.00
Grants approved	-1,141.00
Net investment return for the period*	-6,852.23
Foundation support fee	-253.46
Ending fund balance	\$91,753.31

Previous 1 year	-4.2%
Previous 10 years (annualized)	8.6%
Previous 20 years (annualized)	7.2%

Investment Performance Total Return*

*Investment performance is the total return of all funds in

the Foundation's endowment. Individual

fund balances also take into account the administrative fee, contributions and grants.

Gifts

Donor	Date	Amount
Handicraft Club, Inc.	07/09/2018	100,000.00
*** Total Gifts:		100,000.00

Grants

Grantee	Date	Amount
Handicraft Club, Inc.	12/11/2018	1,141.00
*** Total Grants:		1,141.00

Questions? Please contact Development Office at philanthropy@rfoundation.org or (401) 427-4028 .

Account Reconciliation

Portfolio Value on 03/31/2018	\$6,378,902.53	
Accrued Interest	\$0.00	
Total Portfolio Value on 03/31/2018		\$6,378,902.53
Contributions	\$3,375.00	
Withdrawals	-\$206,012.40	
Net Contributions/Withdrawals		-\$202,637.40
Interest	\$17,882.24	
Change in Accrued Interest	\$6,953.02	
Dividends	\$104,948.18	
Total Income	\$129,783.44	
Change in Market Value of Investments	\$167,678.67	
Total Return (Income +/- Change in Market Value)		\$297,462.11
Management Fees		-\$31,947.78
Portfolio Value on 03/31/2019	\$6,434,826.44	
Accrued Interest	\$6,953.02	
Total Portfolio Value on 03/31/2019		\$6,441,779.46

Account and Asset Class Performance

Total and Asset Class Performance with Associated Benchmarks for Various Periods

	Value	1 Month	Year To Date	1 Year
Total Portfolio - Net	\$6,441,779	1.6%	9.4%	4.3%
Total Portfolio - Gross	\$6,441,779	1.6%	9.6%	4.8%
<i>52% R3000/13% MSCI World ex-US/30% Barclays Interm Gov Cr/5% TBill</i>		1.3%	9.3%	5.9%
<i>Inflation (CPI)</i>		0.0%	0.2%	1.4%
Cash	\$489,847	0.1%	0.3%	1.0%
<i>30 Day T-Bill</i>		0.2%	0.6%	2.1%
Equities	\$4,138,388	2.0%	14.6%	5.6%
<i>80% R3000/20% MSCI Ex-US</i>		1.3%	13.3%	6.5%
<i>Russell 3000</i>		1.5%	14.0%	8.8%
<i>S&P 500</i>		1.9%	13.6%	9.5%
<i>MSCI World Ex-US</i>		0.6%	10.6%	-2.6%
Fixed Income	\$1,813,544	1.0%	2.3%	3.7%
<i>Bloomberg Barclays Intermediate U.S. Govt/Cr TR Index</i>		1.4%	2.3%	4.2%

Inception Date: 3/31/2018

Results fell slightly below benchmarks in the first 12 months under management.

- The portfolio was fully invested in equities, but held some cash in lieu of fixed income that was a slight drag on returns.
- The fixed income component of the portfolio has been defensively positioned in expectation of rising interest rates along with continued economic growth. This low risk approach led to returns that trailed the benchmark slightly as long term interest rates declined late in 2018.
- Allocations within the stock portion of the portfolio detracted from returns given too much exposure to international and small and mid-size companies as uncertainty and market volatility increased in the second half of 2018. Individual stock selection has been successful and helped offset these other impacts.
- Staying the course in a volatile period has proven successful so far as the portfolio and all of its components have rebounded and are outperforming their benchmarks in the first three months of the 2019 calendar year.

Account Reconciliation

Portfolio Value on 03/31/2018	\$297,930.59	
Accrued Interest	\$0.00	
Total Portfolio Value on 03/31/2018		\$297,930.59
Contributions	\$0.00	
Withdrawals	-\$66,430.00	
Net Contributions/Withdrawals		-\$66,430.00
Interest	\$100.96	
Change in Accrued Interest	\$0.00	
Dividends	\$5,400.10	
Total Income	\$5,501.06	
Change in Market Value of Investments	\$5,792.36	
Total Return (Income +/- Change in Market Value)		\$11,293.42
Management Fees		-\$1,270.40
Portfolio Value on 03/31/2019	\$241,523.61	
Accrued Interest	\$0.00	
Total Portfolio Value on 03/31/2019		\$241,523.61

Account and Asset Class Performance

Total and Asset Class Performance with Associated Benchmarks for Various Periods

	Value	1 Month	Year To Date	1 Year
Total Portfolio - Net	\$241,524	1.2%	5.4%	4.3%
Total Portfolio - Gross	\$241,524	1.2%	5.5%	4.9%
<i>24% R3000/6% MSCI World ex-US/70% Barclays Interm Gov Cr</i>		1.3%	5.6%	5.2%
<i>Inflation (CPI)</i>		0.0%	0.2%	1.4%
Cash	\$9,868	0.1%	0.1%	0.9%
<i>30 Day T-Bill</i>		0.2%	0.6%	2.1%
Equities	\$69,240	1.1%	13.5%	5.4%
<i>80% R3000/20% MSCI Ex-US</i>		1.3%	13.3%	6.5%
<i>Russell 3000</i>		1.5%	14.0%	8.8%
<i>S&P 500</i>		1.9%	13.6%	9.5%
<i>MSCI World Ex-US</i>		0.6%	10.6%	-2.6%
Fixed Income	\$162,416	1.3%	2.7%	4.0%
<i>Bloomberg Barclays Intermediate U.S. Govt/Cr TR Index</i>		1.4%	2.3%	4.2%

Inception Date: 3/31/2018

Results fell slightly below benchmarks in the first 12 months under management.

- The portfolio was fully invested in equities, but held some cash in lieu of fixed income that was a slight drag on returns.
- The fixed income component of the portfolio has been defensively positioned in expectation of rising interest rates along with continued economic growth. This low risk approach led to returns that trailed the benchmark slightly as long term interest rates declined late in 2018.
- Allocations within the stock portion of the portfolio detracted from returns given too much exposure to international and small and mid-size companies as uncertainty and market volatility increased in the second half of 2018.
- Staying the course in a volatile period has proven successful so far as the portfolio and all of its components have rebounded and are outperforming their benchmarks in the first three months of the 2019 calendar year.

Account Reconciliation

Portfolio Value on 06/30/2018	\$6,448,948.36	
Accrued Interest	\$6,908.70	
Total Portfolio Value on 06/30/2018		\$6,455,857.06
Contributions	\$3,375.00	
Withdrawals	-\$199,661.35	
Net Contributions/Withdrawals		-\$196,286.35
Interest	\$21,755.25	
Change in Accrued Interest	\$44.32	
Dividends	\$81,247.43	
Total Income	\$103,047.00	
Change in Market Value of Investments	\$102,881.10	
Total Return (Income +/- Change in Market Value)		\$205,928.09
Management Fees		-\$23,719.35
Portfolio Value on 03/31/2019	\$6,434,826.44	
Accrued Interest	\$6,953.02	
Total Portfolio Value on 03/31/2019		\$6,441,779.46

Account Reconciliation

Portfolio Value on 06/30/2018	\$234,448.78	
Accrued Interest	\$0.00	
Total Portfolio Value on 06/30/2018		\$234,448.78
Contributions	\$0.00	
Withdrawals	\$0.00	
Net Contributions/Withdrawals		\$0.00
Interest	\$20.90	
Change in Accrued Interest	\$0.00	
Dividends	\$4,451.05	
Total Income	\$4,471.95	
Change in Market Value of Investments	\$3,480.83	
Total Return (Income +/- Change in Market Value)		\$7,952.78
Management Fees		-\$877.95
Portfolio Value on 03/31/2019	\$241,523.61	
Accrued Interest	\$0.00	
Total Portfolio Value on 03/31/2019		\$241,523.61

Handicraft Club, Inc. - General Fund
March 31, 2019