

## Activities to Date

*Updated February 9, 2024*

The Committee uses three investment advisors, Manning & Napier, Alesco, and Canandaigua National Bank. It receives investment reports from the advisors at each quarterly meeting and each advisor meets in person with the Committee at least twice per year. The Committee monitors advisor performance against benchmarks, and performance against benchmarks varies quarter by quarter among the advisors. All three advisors are trailing the benchmark for the prior twelve months. The Committee continues to watch carefully but is satisfied that the underperformance currently reflects an aversion to risk the Committee deems acceptable. The Committee values the differing approaches to the market used by our three advisors, believing that those differences add additional diversification to the portfolio.

The markets remain extremely volatile, but the endowment and restricted funds regained some ground in the fourth quarter of 2023. The general endowment increased by \$550,365 in the fourth quarter and additional \$72,726 of distributions were made. The Restricted Funds increased by \$261,141 and an additional \$28,989 was distributed. The general endowment as of December 30, 2023 holds \$6,459,151 and an additional \$2,943,773 is held in the thirteen Restricted Funds.

The Committee continues a long-term investment strategy that has returned in excess of the Committee's strategic goal of a minimum 6% return over time. The Committee continues to monitor whether this strategic goal is appropriate with changing economic and market conditions. Studies of market swings over numerous cycles show that long-term market returns are dramatically better when investors ride out downturns rather than trying to time the market.

The Committee distributes 4.5% of the 20-quarter average balance of each fund (or the rough equivalent for newer funds) for the Annual Operating Plan, capital funds and restricted fund-designated purposes. This is a strategy generally accepted by endowments as a way to smooth distributions through market swings but also provide for long term principal growth. Thus, when the market spikes distributions do not correspondingly increase, and when the market turns down, distributions are not decreased as much. The 4.5% rate used is more conservative than the 5% distribution rate most commonly used by endowments.

Several years ago, the Committee established a Dreamscape Goal of an aggregate of \$10,000,000 for endowment and restricted funds. The funds currently are

approximately \$487,000 from the goal. The Committee continues to note the importance of planned gifts in achieving long-term goals.

The Committee also continues to monitor general trends in the portfolio related to ESG (Environmental, Social and Governance) investments.