

Activities to Date Updated as of June 10, 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. Historically, the Committee has valued the differing approaches to the market used by our three advisors, believing that those differences add additional diversification to the portfolio. 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. The Committee is evaluating each advisor's long and short-term performance to determine whether changes are appropriate.

The markets remain extremely volatile, but the endowment and restricted funds continued to regain ground in the first quarter of 2024. The general endowment increased by \$141,924 in the first quarter and an additional \$72,335 of distributions were made. The Restricted Funds increased by \$99,010 and an additional \$34,768 was distributed. The general endowment as of March 31, 2024 holds \$6,601,075 and an additional \$3,042,783 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 Committee is evaluating whether the 4.5% rate used remains appropriate with persistent inflation above 2% and depressed market returns.

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 \$246,000 from the goal. The Committee continues to note the importance of planned gifts in achieving long-term goals.

The Committee recommended to the Governing Board, and the Governing Board adopted, resolutions covering most Restricted Funds clarifying their treatment similar to the General Endowment funds, e.g. designating the respective funds as restricted as to corpus. Currently, it appears unlikely that this action will restrict anticipated current distributions from the funds.

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