Investment Disclosure for Nonprofit Investment Funds

(for Nonprofits and Private Foundations)

January 1, 2019

This Investment Disclosure Statement ("disclosure statement") is intended for charitable organizations considering the creation of an investment fund ("nonprofit investment fund" or "fund") at Silicon Valley Community Foundation ("SVCF"). This disclosure statement contains important information about the policies and restrictions imposed upon a nonprofit investment fund, the investment objectives of investment pools available to a fund for investment and a description of the attendant risks associated with the investment of the fund's assets.

SVCF does not provide investment, financial, tax or legal advice. Each prospective participating charitable organization should consult with its own counsel, accountant and other advisors for advice concerning the various legal, tax and economic considerations relating to its participation in the investment program described herein. Moreover, SVCF is not registered with the Securities and Exchange Commission (the "SEC") as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), nor as a broker or dealer under the Exchange Act of 1934, as amended (the "Exchange Act"), nor is the investment program or any interests therein registered under any state or federal securities laws and other federal laws that may be applicable to securities, including, but not limited to the Securities Act of 1933, as amended (the "Securities Act") and the Investment Company Act of 1940 (the "Investment Company Act"), nor will the nonprofit investment fund be so registered. In promoting the investment program, SVCF is relying on an exemption from registration under the securities laws, specifically relying on Section 3(a)(4) of the Securities Act and Section 3(c)(10) of the Investment Company Act, and comparable California securities law exemptions and Section 12(g)(2)(d) of the Exchange Act and Section 203(b)(4) of the Advisers Act and comparable California securities law exemptions. Therefore, participating charitable organizations will generally not be afforded the protection of those statutes.

Neither the SEC nor any state securities commission has approved or disapproved of the interests offered in the investment program nor have they opined on the veracity of this disclosure statement. Any representation to the contrary is a criminal offense.

A participating charitable organization in the investment program will not be able to transfer its interests in a nonprofit investment fund, although it will be able to redeem its interest periodically by giving the required notice.

SVCF does not determine or advise on the suitability of investments for participating charitable organizations. Charitable organizations considering participation in SVCF's investment program must rely on their own examination of the investment program, including this disclosure statement and the merits and risks involved, and the agency agreement that will be entered into by the charitable organization and SVCF. Charitable organizations should also consult with qualified professionals for advice relating to their participation in the investment program. SVCF will make available to any participating charitable organization the opportunity to ask questions of and to receive answers from designated representatives of SVCF concerning the investment program. Except as expressly designated by SVCF, no other person has been authorized to give any information or make any representations regarding the investment program, and if given or made by such unauthorized person, such information or representations must not be relied upon as having been made by SVCF. Only the information contained in this disclosure statement, the agency agreement, or other information provided in writing by SVCF that is expressly identified as supplementary to the disclosure statement, may be relied upon.

Assets in an investment pool are not a deposit held by a bank and are not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose a portion or all of the money invested in a specific investment pool or generally under the investment program.

This document is for informational purposes only, and is not, and should not be construed to be, investment advice for any particular charitable organization. The information contained herein is not intended for individuals or corporations making a tax-deductible gift to SVCF to establish a fund or for any other tax-deductible purpose.

Assets of participating charities are commingled with the assets of SVCF. In the unlikely event of SVCF's bankruptcy or insolvency, the assets of participating charities may not be recoverable.

Some of the statements in this document express the general views of SVCF and do not take into account the specific investment objectives and goals of individual participating charitable organizations. Although all information and opinions expressed in this document were obtained from sources believed to be reliable and in good faith, no representation or warranty, express or implied, is made as to the accuracy or completeness of such third-party information. No representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences of an organization's participation in the investment program. No assurance can be given that existing laws will not change or be interpreted adversely to the investment program or the participants therein.

The participation in the investment program involves various risks, which are described in the "Risk Factors" beginning on page 11.

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INTRODUCTION

Silicon Valley Community Foundation (SVCF) is a tax-exempt, nonprofit, autonomous, publicly supported, philanthropic institution with a long term goal of building named funds established by many separate individuals and charitable organizations to carry out the individual or organization's charitable interests and for the broad-based charitable interest and benefit of residents of Santa Clara, San Mateo and San Francisco counties.

As part of its charitable mission, SVCF provides a broad set of services designed to help build strong charitable organizations. Included in this service is access to SVCF's Nonprofit Investment Program with the goal of helping participating charitable organizations build reserves and permanent endowments so that quality programs and services can continue for years to come. The investment program exists primarily as a means to invest, on behalf of participating charitable organizations, the assets of the charitable organization with the goal of providing a rate of return and relative risk commensurate with the needs of the organization.

Providing local participating charitable organizations with access to SVCF's Nonprofit Investment Program provides benefits that are generally unavailable to organizations with smaller portfolios.

Benefits include:

- Access to quality institutional investment managers and alternative investments
- Diversification across a broad range of asset classes and investment strategies
- Lower expenses through greater economies of scale
- Oversight by a dedicated and experienced investment committee and staff

Purpose of the disclosure statement

The purpose of this disclosure statement and the investment program described within is to provide information to trustees and directors of charitable organizations about the investment program and the risks of participating in the program and to assist such trustees and directors in determining which investment pools best fit the investment objectives of the participating charitable organization. Some organizations may decide that their investment objectives are best served by allocating assets to more than one pool.

This information is intended solely for decision-makers of participating charitable organizations to evaluate the merits and risks associated with the investment program made available by SVCF, and on the basis that the decision-makers, their boards and/or advisors have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks associated with such information.

Investment Disclosure for Nonprofit Investment Funds

Structure and Definitions

Each investment pool is a collection of investment accounts managed by various investment managers as a single portfolio held by SVCF. Charitable organizations may access an investment pool by establishing a nonprofit investment fund ("nonprofit investment fund" or "fund").

A nonprofit investment fund is a fund at SVCF that is established by a participating charitable organization as a reserve fund. These funds are fully revocable and the spending policy is determined by the charitable organization.

A charitable organization that allocates assets to the investment program or to a specific investment pool does not own shares or units of a legal entity. Rather, funds are allocated a proportional share of investment earnings, losses and expenses based upon the participating charitable organization's average daily balance held in a nonprofit investment fund during the month. The participating charitable organization is also entitled to its return of principal, which may have increased or decreased in accordance with its proportional share of investment earnings, losses and expenses.

Commingling of Assets

Assets of participating charities are commingled with the assets of SVCF. However, a separate unique identity and accounting are maintained at all times for each nonprofit investment fund.

Commingling of fund assets exposes participating charities to risk of financial failure of SVCF. In the unlikely event of SVCF's bankruptcy or insolvency, the assets of participating charities may not be recoverable.

Investment Objectives and Policies

Each investment pool has a fundamental objective as defined in SVCF's Statement of Investment Policy and described in this document. The Statement of Investment Policy shall be provided to the charitable organization contemplating participation in the Nonprofit Investment Program. The Statement of Investment Policy cannot be changed without approval of SVCF's Board of Directors. The investment objectives of each pool are set out in the Statement of Investment Policy, which generally is to seek the highest total return over time consistent with its strategic asset mix and tolerance for risk. Total return includes capital growth and income. Each pool seeks to achieve its objective by investing in a variety of asset classes, styles and strategies. There can be no assurances that any objective will be met.

Changes in Investment Objectives

SVCF's board of directors may change the investment objective of a pool without approval from participating charities. SVCF will provide participating charities with 60 days' prior written notice of any change to a pool's investment objective. Unless otherwise noted, all other investment policies of a pool may be changed without approval of the charities participating in the investment program.

Investment Philosophy

SVCF believes that strong, consistent investment performance is best achieved by maintaining a disciplined investment philosophy and process over time. Each investment pool is constructed with the following concepts in mind:

- Establish an asset allocation strategy that is expected to achieve a portfolio's objectives while maximizing return for the level of risk assumed
- Avoid the temptation to market-time or change strategy based on current conditions or near-term outlook
- Diversify the portfolio by asset class and strategy, as this increases the likelihood of achieving return objectives under different economic and market conditions
- Establish highly disciplined rebalancing strategies between asset classes, subject to periodic review of the overall asset mix strategy, as this is one of the simplest ways to exploit the cyclical nature of financial markets
- Identify opportunistic investments based on market conditions; take advantage of severe market dislocations through both rebalancing and marginal reallocation on occasion
- Retain world-class investment managers who are expected to outperform passive indexes over three-to five-year periods
- Manager changes are infrequent and typically relate to organizational changes or shifts in strategy by the manager at issue

These concepts are applied uniquely based on the nature and level of a particular portfolio's projected liquidity needs, return objectives and risk tolerance.

Investment Disclosure for Nonprofit Investment Funds

Asset Allocation and Rebalancing

Each investment pool's asset mix is monitored regularly by SVCF's investment committee, consultant and staff. The strategic target allocation set out in the Statement of Investment Policy is reviewed and updated every 12 to 18 months. Asset classes are monitored on a monthly basis to ensure that they remain within specified ranges. SVCF also rebalances each fund back to its target allocation at the end of each month unless circumstances warrant otherwise.

SVCF does not intend to make frequent tactical adjustments to the target asset mix of each investment pool. However, SVCF reserves the right to modify the target allocations and portfolio weightings from time to time should circumstances warrant.

Performance Reporting

Investment performance is reported monthly for each investment pool within 30 days after month-end. Performance is reported for each pool, asset class and manager, and is compared to the appropriate benchmark specified in the Statement of Investment Policy.

Future Developments

Investment pools may take advantage of other investment practices that are not currently specified in the Statement of Investment Policy to the extent such investment practices are consistent with a pool's investment objective. Such investment practices, if they arise, may involve risks that are different or may exceed those described in this disclosure statement.

Additional Information

SVCF's Statement of Investment Policy provides additional information on the following policies:

- Investment philosophy
- Responsibilities of the investment managers, investment committee, consultant and staff
- Performance objectives and portfolio benchmarks
- Strategic asset allocation and rebalancing
- Administrative and review procedures
- Investment guidelines and restrictions by asset class

YOU SHOULD NOT RELY ON FORWARD-LOOKING STATEMENTS

This disclosure statement contains forward-looking statements, performance projections and forecasts that involve risks and uncertainties, including the risk factors described in this disclosure statement. These statements, performance projections and forecasts are based largely on SVCF's current expectations and projections about future events or trends in the particular market in which a specific investment pool focuses, the state of the financial markets and the economy in general.

In some cases, you can identify forward-looking statements by terminology such as "could," "may," "expect," "should," "anticipate," "will," "plan," "believe," "estimate," "predict," "potential," "projection," "continue," or the negative of these terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, you should consider all factors, including the risks described in this disclosure statement, in the Statement of Investment Policy and in information otherwise available to you.

Although SVCF believes that expectations reflected in the forward-looking statements are reasonable, SVCF cannot and does not guarantee future results, levels of activity, performance or achievements. SVCF is under no duty to update any of the forward-looking statements after the date of this disclosure statement to conform them to actual results or to changes in SVCF's expectations.

YOU SHOULD NOT RELY ON PAST PERFORMANCE AS AN INDICATOR OF FUTURE PERFORMANCE

For the following Investment Pool Risk/Return Summaries, you should not view past performance as a guarantee or indicator of how a pool will perform in the future.

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LONG-TERM GROWTH POOL RISK/RETURN SUMMARY

December 31, 2018

Objective

The objective of this pool is long-term growth of capital. It is designed for assets that will remain invested for at least seven years to benefit from long-term opportunities that can only be realized from a patient investment strategy.

Principal Investment Strategies

The pool seeks to achieve its objective by investing in a variety of asset classes, investment styles and strategies that are mostly managed by active, institutional investment managers. The pool invests in publicly traded stocks and bonds from U.S. and non-U.S. markets, as well as private equity and other types of alternative investment strategies, including venture capital funds, buy-out and special situation funds, hedge funds, real estate funds, commodities and real assets. Public equities are further allocated across various styles and capitalization ranges.

Asset Allocation

The pool intends to maintain a broad asset allocation of 55% public equities, 20% fixed income securities and 25% alternative investments. The target weighting and acceptable allocation range for each asset class is shown below. The actual asset allocation is compared to the acceptable range on a monthly basis. In the event that a particular asset class exceeds the acceptable range, the pool will be rebalanced back within range.

Asset Class	Target	Range
U.S. Large /Mid Cap Equity	19%	± 3%
U.S. Small Cap Value Equity	6%	± 2%
International Developed Equity	16%	± 3%
Emerging Markets Equity	6%	± 3%
Global Equity	8%	± 3%
U.S. Aggregate Bonds	7%	± 3%
U.S High-Yield Bonds	4%	± 3%
Inflation Protected Securities	3%	± 3%
Global Bonds	6%	± 3%
Direct Hedge Funds	11%	± 5%
Fund of Hedge Funds	4%	± 5%
Private Real Assets/Real Estate	5%	± 5%
Private Equity	5%	± 5%

Principal Risks

- Market Risk
- Foreign Currency Risk
- Credit Risk
- Alternative Investment Risk

Please see the “Summary of Principal Risks” following these summaries for a description of these and other risks of investing in this pool.

Investment Managers

Investment managers, their mandate, target allocation and expense ratio are shown in the table below. Managers may be changed at any time at the discretion of SVCF.

Manager	Asset Class	Exp.
HS	U.S. Large /Mid Cap Equity	1.00
Adage	U.S. Large /Mid Cap Equity	0.50
Vanguard	U.S. Large /Mid Cap Equity	0.04
Iridian	U.S. Large /Mid Cap Equity	1.00
Ariel	U.S. Small Cap Equity	0.94
SQN	U.S. Small Cap Equity	1.50
Confidential	U.S. Small Cap Equity	1.19
Cevian Capital	International Developed	1.50
Artisan	International Developed	0.98
Silchester	International Developed	1.00
Lizard	International Developed	2.00
Vanguard	International Developed	0.09
Gobi Capital	Global Equity	1.25
AltraVue	Global Equity	0.50
Westwood Global	Emerging Markets Equity	1.25
DFA	Emerging Markets Equity	0.61
Garcia Hamilton	U.S. Aggregate Bond	0.28
IR&M	U.S. Aggregate Bond	0.35
Oak Hill Advisors	U.S. High-Yield Bond	0.60
Vanguard	Inflation Protected Sec.	0.07
Colchester	Global Bond	0.55
Various Managers	Direct Hedge Funds	1.64
Forester Capital	Fund of Hedge Funds	1.64
Various Managers	Real Assets/Real Estate	1.52
Various Managers	Private Equity	1.72

Expense ratios do not include performance incentive fees or the expenses of individual managers within fund-of-funds.

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Investment Expenses

Investment expenses include fees paid for investment management, consulting, investment administration and custodial services. The annual operating expense based on the target allocation and expressed as a percent of assets is 1.10% as of December 31, 2018. This is subject to change in response to changes in manager allocations and service providers. This expense is in addition to support fees paid to SVCF to administer the participating charity's fund.

Investment Performance, December 31, 2018

Annualized	1 year	3 year	5 year	7 year	10 year
Pool	-4.7%	5.6%	3.9%	6.8%	8.1%
Benchmark	-7.0%	5.6%	3.9%	6.9%	8.2%

Historical	2018	2017	2016	2015	2014
Pool	-4.7%	15.7%	6.7%	-1.7%	4.7%
Benchmark	-7.0%	18.6%	6.7%	-1.5%	4.7%

The benchmark is comprised of 75% MSCI All Country World Index and 25% Bloomberg Barclays Capital US Aggregate Bond Index. Investment pool returns are net of investment expenses.

Assets: $410 million
Inception: December 31, 1988

SOCIAL IMPACT POOL RISK/RETURN SUMMARY

December 31, 2018

Objective

The objective of this pool is long- term growth of capital and positive social or environmental impact through a diversified portfolio of global stocks, bonds and alternative investment strategies. It is designed for assets that will remain invested for at least seven years.

Investment managers integrate environmental, social and governance (ESG) factors into the decision-making process when vealuating prospective investments.

Principal Investment Strategies

The pool seeks to achieve its objective by investing in a variety of asset classes, investment styles and strategies that are mostly managed by active institutional investment managers. The pool invests in publicly traded stocks and bonds from U.S. and non-U.S. markets, as well as private equity and real assets. Public equities are diversified across growth and value equity styles and across various capitalization ranges.

Asset Allocation

The pool intends to maintain a broad asset allocation of 60% public equities and 32% fixed-income securities and 8% alternatives investments..

The target weighting and acceptable allocation range for each asset class is shown below. The actual allocation is compared to the acceptable range on a quarterly basis. In the event that a particular asset class exceeds the acceptable range, the pool will be rebalanced back within range.

Asset Class	Target	Range
U.S. Large Cap Equity	24%	± 3%
U.S. Small Cap Equity	7%	± 3%
International Developed Equity	21%	± 3%
Emerging Markets Equity	8%	± 3%
U.S. Aggregate Bonds	14%	± 3%
Inflation Protected Securities	5%	± 3%
Opportunistic Credit	5%	± 2%
Global Bonds	8%	± 3%
Real Assets/Real Estate	3%	±3%
Private Equity	5%	± 3%

Principal Risks

- Market Risk
- Credit Risk
- Foreign Currency Risk
- Alternative Investment Risk
- Social and Sustainable Investing Risk

Please see the "Summary of Principal Risks" following these summaries for a description of these and other risks of investing in this pool.

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BALANCED POOL RISK/RETURN SUMMARY

December 31, 2018

Objective

The objective of this pool is growth and income at more moderate levels of risk. It is appropriate for assets that will remain invested for at least three years.

Principal Investment Strategies

The pool seeks to achieve its objective by investing in a variety of asset classes, investment styles and strategies that are mostly managed by active, institutional investment managers hired by SVCF. Managers invest in publicly traded stocks and bonds from U.S. and non-U.S. markets, as well as alternative strategies including real assets and absolute return hedge funds. Public equities are further allocated across various equity styles and capitalization ranges.

Asset Allocation

The pool intends to maintain a broad asset allocation of 43% public equities, 50% fixed income securities and 7% alternative investments.

The target weighting and acceptable allocation range for each asset class is shown below. The actual asset allocation is compared to the acceptable range on a quarterly basis. In the event that a particular asset class exceeds the acceptable range, the pool will be rebalanced back within range.

Asset Class	Target	Range
U.S. Large /Mid Cap Equity	15%	± 3%
U.S. Small Cap Equity	5%	± 2%
International Developed Equity	14%	± 3%
Emerging Markets Equity	5%	± 3%
Global Equity	4%	± 3%
U.S. Aggregate Bonds	24%	± 3%
U.S. High-Yield Bonds	5%	± 3%
Inflation Protected Securities	7%	± 3%
Global Bonds	14%	± 3%
Hedge Funds	7%	± 7%

Principal Risks

- Market Risk
- Credit Risk
- Foreign Currency Risk
- Alternative Investment Risk

Please see the "Summary of Principal Risks" following these summaries for a description of these and other risks of investing in this pool.

Investment Managers

Investment managers, their mandate, target allocation and expense ratio are shown in the table below. Managers may be changed at any time at the discretion of SVCF.

Manager	Asset Class	Exp.
SSgA	U.S. Large Cap Equity	0.25
Ariel	U.S. Small Cap Equity	0.72
Aperio	U.S. Small Cap Equity	0.35
Aberdeen	International Developed	0.80
Boston Common	International Developed	1.10
Kabouter	International Developed	1.00
Generation	Emerging Markets	1.00
TIAA CREF	U.S. Aggregate Bond	0.40
Vanguard	Inflation Protected Sec.	0.07
Microvest	Global Bonds	1.50
Nikko	Global Bonds	0.45
Various Managers	Private Real Assets	2.00
Various Managers	Private Equity	2.10

Expense ratios do not include performance incentive fees or the expenses of individual managers within fund-of-funds.

Investment Expenses

Investment expenses include fees paid for investment management, consulting, investment administration and custodial services. Fees and expenses reduce investment performance. The annual operating expense based on the target allocation above and expressed as a percent of assets is 0.85% as of December 31, 2018. This expense is in addition to support fees paid to SVCF to administer the participating charity's fund.

Investment Performance, December 31, 2018

Annualized	1 year	3 year	5 year	7 year	10 year
Pool	-5.5%	7.1%	4.8%	7.5%	8.7%
Benchmark	-6.5%	5.4%	3.9%	6.6%	7.9%

Historical	2018	2017	2016	2015	2014
Pool	-5.5%	18.8%	9.5%	-2.7%	5.7%
Benchmark	-6.5%	17.5%	6.4%	-1.3%	4.8%

The benchmark is comprised of 70% MSCI All Country World Index and 30% Bloomberg Barclays Capital US Aggregate Bond Index. Investment pool returns are net of investment expenses.

Assets: $62 million
Inception: June 30, 1999

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Investment Managers

Investment managers, their mandate, target allocation and expense ratio are shown in the table below. Managers may be changed at any time at the discretion of SVCF.

Manager	Asset Class	Exp.
HS	U.S. Large /Mid Cap Equity	1.00
Vanguard	U.S. Large /Mid Cap Equity	0.04
Iridian	U.S. Large/Mid Cap Equity	1.00
Ariel	U.S. Small Cap Equity	0.94
SQN	U.S. Small Cap Equity	1.06
Vanguard	International Developed	0.09
Artisan	International Developed	0.98
Lizard	International Developed	2.00
Westwood Global	Emerging Market Equity	1.25
DFA	Emerging Market Equity	0.61
Gobi Capital	Global Equity	1.25
Garcia Hamilton	U.S. Aggregate Bond	0.28
IR&M	U.S. Aggregate Bond	0.35
Oak Hill Advisors	U.S. High-Yield Bond	0.60
Vanguard	Inflation Protected Sec.	0.07
Colchester	Global Bond	0.55
Lone Juniper	Hedge Fund of Funds	1.00

Investment Expenses

Investment expenses include fees paid for investment management, consulting, investment administration and custodial services. Fees and expenses reduce investment performance. The annual operating expense based on the target allocation above and expressed as a percent of assets is 0.76% as of December 31, 2018. This expense is in addition to support fees paid to SVCF to administer the participating charity's fund.

Investment Performance, December 31, 2018

Annualized	1 year	3 year	5 year	7 year	10 year
Pool	-4.8%	4.9%	2.7%	5.1%	7.2%
Benchmark	-4.6%	4.5%	3.6%	5.4%	6.7%

Historical	2018	2017	2016	2015	2014
Pool	-4.8%	13.5%	6.8%	-3.3%	2.6%
Benchmark	-4.6%	13.4%	5.4%	-0.7%	5.1%

The benchmark is comprised of 50% MSCI All Country World Index and 50% Bloomberg Barclays Capital US Aggregate Bond Index. Investment pool returns are net of investment expenses.

Assets: $136 million
Inception: July 31, 2003

SHORT-TERM POOL RISK/RETURN SUMMARY

December 31, 2018

Objective

The objective of this pool is current income and performance in excess of money market returns. This pool is appropriate for assets that will remain invested for one to three years, or funds seeking to avoid equities and alternative investments.

Principal Investment Strategies

The pool seeks to achieve its objective by investing in a diversified portfolio of U.S. and non-U.S. fixed-income funds with a dollar-weighted average portfolio maturity of one to three years.

Asset Allocation

The pool intends to maintain an asset allocation of 100% fixed income securities.

The target weighting and acceptable allocation range for each asset class is shown on page 9. The actual asset allocation is compared to the acceptable range on a quarterly basis. In the event that a particular asset class exceeds the acceptable range, the pool will be rebalanced back within range.

Investment Disclosure for Nonprofit Investment Funds

Asset Class	Target	Range
Short Term Bonds	70%	± 5%
Inflation Protected Securities	15%	± 3%
Global Bonds	15%	± 5%

Principal Risks

- Credit Risk
- Interest Rate Risk
- Inflation Risk
- Foreign Currency Risk

Please see the "Summary of Principal Risks" following these summaries for a description of these and other risks of investing in this pool.

Investment Managers

Investment managers, their mandate, target allocation and expense ratio are shown in the table below. Managers may be changed at any time at the discretion of SVCF.

Manager	Asset Class	Exp.
Vanguard	Short Term Bonds	0.07
Vanguard	Inflation Protected Sec.	0.08
Colchester	Global Bonds	0.55

Investment Expenses

The pool incurs expenses in the form of fees paid for investment management, consulting, investment administration and custodial services. Fees and expenses reduce investment performance. The annual operating expense based on the target allocation above and expressed as a percent of assets is 0.25% as of December 31, 2018. This expense is in addition to support fees paid to SVCF to administer the participating charity's fund.

Investment Performance, December 31, 2018

Annualized	1 year	3 year	5 year	7 year	10 year
Pool	1.2%	1.7%	1.3%	1.3%	2.7%
Benchmark	1.6%	1.2%	1.0%	1.1%	1.7%

Historical	2018	2017	2016	2015	2014
Pool	1.2%	2.2%	1.8%	-0.1%	1.5%
Benchmark	1.6%	0.8%	1.3%	-0.7%	0.8%

The benchmark is comprised of 100% Bloomberg Barclays 1-3 Year Government/Credit Bond Index. Investment pool returns are net of investment expenses.

Assets: $179 million

Inception: December 31, 2002

CAPITAL PRESERVATION POOL RISK/RETURN SUMMARY

December 31, 2018

Objective

The objective of this pool is current income and preservation of capital. The pool seeks to maintain a stable value, although there is no assurance that it will be successful in doing so.

Principal Investment Strategies

The pool seeks to achieve its objective by investing in short-term securities issued by U.S. government agencies through institutional money market mutual funds and FDIC insured bank deposits including certificates of deposit and money market accounts. Up to 10% of the pool may be invested in non-insured bank deposits. Where possible, SVCF maintains deposits at community development financial institutions (CDFIs).

Asset Allocation

The pool is allocated primarily to institutional money market funds and FDIC insured bank deposits.

Asset Class	Target	Range
Money Market Mutual Funds	50%	50%-100%
FDIC Insured Bank Deposits	50%	0%-50%

Principal Risks

- Credit Risk
- Interest Rate Risk
- Inflation Risk

An investment in this pool is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Please see the "Summary of Principal Risks" following these summaries for a description of these and other risks of investing in this pool.

Investment Managers

The pool is invested in the Vanguard Federal Money Market Fund and at various banks and credit unions. The target allocation and expense ratio for each investment is displayed in the table below.

Manager	Asset Class	Exp.
Vanguard	Money Market Funds	0.11
Various Banks and CDFIs	Bank Deposits	0.00

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Capital Preservation Pool Investment Expenses

Investment expenses include fees paid for investment management, consulting, investment administration and custodial services. The annual operating expense based on the target allocation above and expressed as a percent of assets is 0.16% as of December 31, 2018. This expense is in addition to support fees paid to SVCF to administer the participating charity's fund.

Investment Performance, December 31, 2018

Annualized	1 year	3 year	5 year	7 year	10 year
Pool	1.6%	0.9%	0.6%	0.6%	0.6%
Benchmark	1.9%	1.0%	0.6%	0.5%	0.4%

Historical	2018	2017	2016	2015	2014
Pool	1.6%	0.8%	0.3%	0.2%	0.2%
Benchmark	1.9%	0.8%	0.4%	0.1%	0.1%

The benchmark is 100% U.S. Treasury Bills. Investment pool returns are net of investment expenses.

Assets: $413 million
Inception: November 30, 1992

COMPARATIVE RISK/RETURN STATISTICS

The following data is provided to illustrate the projected risk and return profile of each investment pool relative to the others. Although SVCF believes that these estimates are reasonable, SVCF cannot and does not guarantee future results. Actual events or results may differ materially.

Projected Risk/ Return Statistics	Long-Term Growth Pool	Social Impact Pool	Balanced Pool	Short-Term Pool	Capital Preservation Pool
Average Annual Return Objective[1]	7.1%	7.1%	6.0%	2.8%	2.0%
Standard Deviation of Returns[2]	13.2%	12.8%	9.3%	3.9%	1.3%
Average Return Plus One Deviation	20.3%	19.9%	15.3%	6.7%	3.3%
Average Return Minus One Deviation	-6.1%	-5.7%	-3.3%	-1.1%	0.7%
Near Worst Case[3] - 1 Year Return	-18.3%	-17.6%	-12.7%	-5.8%	-1.0%
Near Worst Case[3] - 3 Year Return[4]	-8.3%	-8.0%	-5.5%	-2.2%	0.3%
Actual 2008 Return	-25.7%	-30.5%	-18.8%	3.8%	2.8%

1 Represents the average annual projected return over full market cycles of 10 years.

2 A measure of projected volatility, representing one standard deviation around the projected average annual return.

3 Near worst case assumes a three standard deviation event. Greater deviation has occurred and is possible.

4 Annualized over a three year period.

Source: Colonial Consulting LLC, 1/1/2019

Investment Disclosure for Nonprofit Investment Funds

SUMMARY OF PRINCIPAL RISKS

Material risks are associated with participation in the investment program. Adverse market conditions and other unforeseeable factors may affect the value of the investments held in an investment pool. Participants can potentially lose a significant portion or all of their investment in the investment program. This section describes some of the risks that may adversely affect the performance of an investment pool. The following summary is not intended to be a comprehensive, in-depth analysis of all potential risks. New risks may develop over time.

RISK FACTORS-ALL POOLS

Allocation Risk

The allocation of investments among various asset classes, styles and strategies (e.g., growth or value investing, equity and debt securities, U.S. and non-U.S. securities) may cause the value of the investment pool to be disproportionately impacted by positive or negative extraordinary performance of individual asset classes.

Credit Risk

The issuer or the guarantor of a fixed-income security, or the counterparty to a derivative or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. Investments in fixed-income securities with lower ratings tend to have a higher probability that the issuer will default or fail to meet its payment obligations.

Derivatives Risk

Certain investment managers may use derivative instruments such as futures, options, swaps and structured securities for hedging purposes or as part of an investment strategy. Use of these instruments may result in greater volatility than other investment strategies, particularly during periods of market decline, and involve other costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk, the risk of default by a counterparty and the risk that a manager may not be able to close out a position when it would be most advantageous to do so.

Dilution of Value Risk

Large cash flows in or out of a specific investment pool by other funds may result in the dilution of value of assets held by long-term fundholders, interfere with efficient operation of the portfolio and increase administrative costs. For example, an investment pool may be forced to liquidate investments at an inopportune time as a result of a large withdrawal and therefore would incur increased brokerage costs without attaining any investment advantage.

Inflation Risk

The purchasing power of assets or income from investments may be less in the future as inflation decreases the value of money. As inflation increases, the value of each pool's assets can decline, as can the value of the pool's distributions.

Management Risk

Each pool is subject to management risk because it employs active managers for all or the majority of the portfolio. Each investment manager is carefully selected based on the strength of its investment team and process. However, there can be no guarantee that the manager's techniques will produce the intended result.

Market Risk

All investments are subject to market risk. Regardless of investment strategy or style, adverse economic conditions or unforeseeable events may depress financial markets across all asset classes over a temporary or extended period of time. Diversification will not eliminate market risk.

RISKS SPECIFIC TO EQUITY SECURITIES

Investing in publicly traded companies, otherwise known as equity investments, is subject to certain risks including market, sector, industry and capitalization risk.

Capitalization Risk

Investments in small- and mid-cap companies may be more volatile than investments in large-cap companies and have additional risks because these companies often have limited product lines, markets or financial resources.

Focused Portfolio Risk

Managers employing a focused strategy invest in a limited number of companies. In comparison to a diversified portfolio, the value of a focused portfolio may be more susceptible to the performance of an individual asset.

Industry/Sector Risk

Market or economic factors affecting a particular industry or industry sector could have a major effect on the value of a portfolio's investments.

Short-Term Trading Risk

Short-term trading strategies seek opportunistic gains through arbitrage, market fluctuation or market-moving events. These strategies are speculative and entail risk.

RISKS SPECIFIC TO FIXED-INCOME SECURITIES

Investing in bonds, otherwise known as fixed-income securities, is subject to certain risks including credit, inflation and market risk (defined on page 11) as well as interest-rate and issuer risk.

Interest Rate Risk

Changes in interest rates will affect the value of a pool's investments in fixed-income securities. When interest rates rise, the value of a pool's investments tends to fall. Interest rate risk is generally greater for those pools that invest in fixed-income securities with longer maturities or durations.

Issuer Risk

The value of an equity or fixed-income investment may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

RISKS SPECIFIC TO FOREIGN ISSUED SECURITIES

Currency Risk

Changes in foreign currency exchange rates may negatively affect the value of a pool's investments or reduce the returns of a pool. For example, the value of a pool's investments in foreign stocks or currencies may decrease if during the investment period the U.S. dollar is gaining value relative to other currencies and other currencies are losing value relative to the U.S. dollar.

Emerging Market Risk

Companies with a significant business presence in developing economies have to manage additional risks. Securities issued by such companies may be subject to market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries.

Foreign (Non-U.S.) Risk

Nationalization, expropriation or confiscatory taxation, currency blockage, and political changes or diplomatic developments could adversely affect a pool's investments in a country other than the United States. To the extent a pool invests in a particular country or geographic region, the pool may have more significant risk due to market changes or other factors affecting that country or region, including political instability and unpredictable economic conditions.

RISKS SPECIFIC TO SOCIAL AND SUSTAINABLE INVESTING

Social/Sustainable Investing Risk

Social and sustainable investing policies used by investment managers of the Social Impact Pool may inhibit participating in certain attractive investment opportunities that otherwise would be consistent with the pool's investment objective and other principal investment strategies.

RISKS SPECIFIC TO ALTERNATIVE INVESTMENT STRATEGIES

Alternative Investment Risk

Alternative investments, including hedge funds, private equity and real assets, generally do not move in tandem with stocks and bonds. As a result, they may add diversification and potentially assist in enhancing returns and managing the risk of a portfolio that is allocated solely to traditional investments. However, there are risks associated with alternative investments, which derive from various factors, depending on the specific type of investment. They include a high degree of illiquidity and limited transparency. In addition, some alternative investments:

- Make frequent use of leverage and other speculative or aggressive investment strategies
- Are affected by fluctuations in interest rates, currency values or credit quality
- May hold assets where it is difficult to provide regular valuation information to investors
- May involve complex tax and legal structures and delays in distributing important information
- May charge high fees

Liquidity Risk

Liquidity risk exists when particular illiquid investments such as private equity, real assets, hedge funds and derivatives are difficult to purchase or sell, possibly preventing a pool from maintaining the optimal level of exposure.

Hedge Fund Risk

Hedge funds are actively managed, unregistered private investment funds that invest or trade in many different markets, strategies and instruments (including public and private securities and derivatives) and are not subject to the same regulatory requirements as mutual funds.

The Long-Term Growth and Balanced pools include allocations to hedge funds through direct holdings and through fund of funds in the form of limited partnership interests. Fund of funds provide ease of diversification but also include a second layer of management fees.

Investing in hedge funds involves significant risks, including loss of all or a substantial portion of the investment due to concentrated positions, leverage, poor liquidity, short-selling or other practices. There can be no assurances that an investment objective of a hedge fund will be achieved or that its investment program will be successful. Hedge funds are illiquid, as there is no secondary market for such interests and none is expected to develop.

Investment Disclosure for Nonprofit Investment Funds

Other risks include, but are not limited to:

- Lack of diversification resulting in higher risk
- Complex tax and legal structures that could result in delayed reporting
- Lack of transparency regarding underlying investments
- High trading volume and exposure to a wide variety of investment risks including credit, issuer, market and foreign currency risk
- Restrictions on transferring interests to other parties
- Fees and expenses that may be substantial regardless of the level of return

Private Equity Fund Risk

Private equity funds are portfolios of actively managed capital that invest in private and public companies through various strategies including venture capital, leveraged buyouts, special situations and others.

Investments in private equity are intended to generate high returns relative to public markets through the purchase, value creation and sale of companies. The Long-Term Growth and Social Impact pools include allocations to private equity funds in the form of limited partnership interests.

Investing in private equity is considered aggressive and speculative. There can be no assurance that investors will receive distributions in an amount equal to their investment. Risks derive from various factors, depending on the strategy employed, and include a high degree of illiquidity, leveraged transactions and wide dispersion of returns among fund managers.

Investing in private equity normally requires a significant period of time from the date of initial investment to reach a state of maturity when realization of the investments may be achieved. The timing of distributions is unpredictable and returns are typically negative for a period of years after the initial investment.

The business of identifying, completing and realizing attractive investments is competitive and involves a high degree of uncertainty. There can be no assurance that fund managers will be able to locate and complete attractive investments. The profitability and/or survival prospects for private equity investments may be materially adversely affected by rapidly developing technology, governmental regulations, market acceptance for new products and services, product obsolescence, lack or loss of qualified management, recessions, operating difficulties, excessive leverage and general economic and business conditions.

Other risks include, but are not limited to:

- Investments that are subject to market, economic and foreign investment risks
- Funds that may not be fully diversified into a wide variety of holdings, industries or geographies
- Restrictions on transferring interests to other parties
- Fees and expenses that may be substantial regardless of return level
- Complex tax and legal structures that could result in delayed reporting

Real Assets Risk

Investment in real assets such as real estate, energy, timber and commodities are intended to provide protection against unanticipated increases in inflation with the potential also to enhance returns. The Long-Term Growth and Social Impact pools include allocations to real assets.

Investments in real estate and other real assets through an actively managed fund or fund of funds involve a high degree of risk. The economic success of an investment depends upon the successful acquisition, management, operation and disposition by the fund manager. There can be no assurance that fund managers will be able to locate and complete attractive investments.

Risks associated with private real assets and publicly traded commodities include, but are not limited to, those associated with debt and leverage, illiquidity, adverse changes in general economic or local market conditions and changes in laws or regulations.

FEES AND EXPENSES

Support Fees

SVCF assesses support fees to cover the cost of fund administration. Fees are assessed monthly based on average daily fund balances. An initial minimum investment of $10,000 is required to start a nonprofit investment fund. Funds are required to maintain a $5,000 minimum balance and are subject to a minimum annual fee of $250 unless noted otherwise.

Fee Schedule

1.0% on funds up to $1 million

0.75% flat rate on funds over $1 million

0.50% flat rate on funds over $5 million

Investment Disclosure for Nonprofit Investment Funds

Investment Expenses

Each investment pool incurs expenses required to operate the portfolio. These expenses have the effect of reducing investment performance. Fees are paid for investment management, custodial services, investment consulting and administration. Some fees are paid directly by the pool in response to an invoice from the service provider, while others are paid indirectly, as in the case of investment managers that automatically deduct fees from invested assets.

Each pool's total annual operating expenses are detailed in the table below. Expenses are expressed as a percentage of total assets and are based on each pool's strategic target asset allocation. Actual expenses will vary over time due to changes in total assets of the pool, asset class allocations, managers and service providers.

Annual investment operating expenses are in addition to the support fee paid to SVCF for fund administration.

Annual Investment Operating Expenses by Pool

Operating Expenses	Long-Term Growth	Social Impact	Balanced	Short-Term	Capital Preservation
Investment Management	0.98%	0.71%	0.65%	0.14%	0.06%
Consultant & Administration	0.09%	0.09%	0.09%	0.09%	0.09%
Custodian Bank	0.03%	0.05%	0.03%	0.01%	0.01%
Total Expenses	1.10%	0.85%	0.76%	0.25%	0.16%

Expenses are as of December 31, 2018. These are subject to change in response to changes in managers, allocations, and service providers. Total may not sum due to rounding.

Estimated Total Cost Over Time

The estimates shown in the table below are provided to help compare the total fund cost over time, inclusive of support fees and investment expenses. Each estimate assumes $10,000 is invested for the time period indicated, the investment earns a 5% annual rate of return, fee and expense rates remain the same, all earnings remain invested and no money is withdrawn. Actual costs may be higher or lower.

Estimated Total Investment Cost Over Time

Period	Long-Term Growth	Social Impact	Balanced	Short-Term	Capital Preservation
1 year	$364	$337	$327	$275	$266
3 years	$1,102	$1,021	$990	$830	$801
5 years	$1,855	$1,717	$1,664	$1,388	$1,338
10 years	$3,809	$3,518	$3,404	$2,805	$2,696

FUND ADMINISTRATION

Establishing a nonprofit investment fund

To establish a nonprofit investment fund, SVCF requires a participating charitable organization to enter into an agency agreement.

The minimum initial deposit to establish a nonprofit investment fund is $10,000. SVCF can accept cash, check or cash wire to establish a fund. We may be able to accept stock or other securities directly from a nonprofit; please contact us to discuss.

How to Make Deposits

The minimum subsequent deposit is $1,000. Subsequent deposits will be allocated to investment pools according to the investment pool allocation indicated on the agency agreement when the fund was established or the allocation that is currently in effect if it was revised by written instruction.

Deposits may be wired or made by check to SVCF.

SVCF cannot accept contributions from donors intended for the participating charitable organization. Third-party checks or checks made to the participating charitable organization will be returned. The participating charitable organization must take contributions directly from donors, provide tax receipts and acknowledge those donations themselves. SVCF may be able to assist with gifts of real estate; Please contact SVCF to discuss.

Deposits are invested in the selected pool(s) within five business days of receipt. Deposits remain in a bank account of SVCF until that time and do not accrue investment earnings for the nonprofit investment fund. At any one time, SVCF reserves the right to hold up to five percent (5%) of the assets of an investment pool in a non-interest bearing account.

How to Withdraw Assets

Nonprofit investment funds may withdraw assets at any time by written request from an authorized fund advisor or through SVCF's secure online website. However, withdrawals may be made no more than once per week and require 10 days' advance notice. Withdrawals in excess of $10 million require advance notice of 20 business days.

Full redemption of a fund will be remitted in two parts, 80% upon receipt of instructions and the remaining balance one month thereafter. This allows SVCF to include accrued earnings (or losses), expenses and support fees in the final payout.

Commingling of Assets

SVCF shall have the authority to commingle the assets of the fund with its own assets, as well as with other property SVCF holds in its capacity as agent of the Nonprofit Investment Program.

How Funds are Valued

Securities held by individual fund managers on behalf of the investment pools are valued in accordance with the methodology specified in each manager's prospectus or offering documents. Depending on the type of investment, portfolios may be valued daily, monthly or quarterly by the investment manager.

The valuation of alternative investments can be significantly delayed and typically require SVCF to carry the prior quarter's valuation in order to produce timely statements and financial reports. SVCF adjusts these values each quarter based on the manager's most recent financial statements.

Each month, the cumulative, net amount of investment earnings or loss (interest income, dividends, realized gains/losses and unrealized gains/losses) and investment-related expenses, across all managers in a pool, are allocated to each fund pro rata based on each fund's average daily balance of that pool. This occurs between the 15th and 20th of the month following month-end.

Net Asset Value

The net asset value of an investment pool is the aggregate fair value of all assets contained therein. The net asset value of a participating charity's funds is the sum of its pro rata shares in all investment pools in which it participates.

The net asset value determined by each respective manager will be calculated in accordance with the agreement between such investment manager and SVCF, taking into account in each case income earned (both ordinary income and capital gains) minus losses suffered by the assets managed by each manager in the investment pool in which the participating charity has allocated its assets during the relevant period.

FREQUENTLY ASKED QUESTIONS

Below are answers to commonly asked questions regarding the administration of nonprofit investment funds.

How often can the fund's investment allocation be changed?

A participating charity may change the investment allocation of its fund once per year or upon a significant change in the charity's charitable goals or time horizon for utilizing fund assets. Requests for such changes must be in writing or by email and should be accompanied by the Investment Allocation Form that can be found on SVCF's website.

How often is the fund's investment allocation rebalanced?

Funds are rebalanced back to their target allocation at the end of each month. Regular rebalancing is important to prevent over-or under-exposure to any one investment class, thereby maintaining more consistent performance during up-and-down market cycles. In addition, assets within each investment pool are rebalanced regularly by SVCF.

When are deposits invested in the pools?

Deposits are invested within five business day of receipt, and are invested according to the investment pool allocation in effect at that time.

When are investment earnings allocated to a fund?

Investment earnings, including interest, dividends, realized and unrealized gains, are allocated based on the fund's average daily balance, and are posted to the fund monthly between the 15th and 20th of the following month.

When are administrative support fees assessed?

One-twelfth of the annual administrative support fee is assessed monthly based on the fund's average daily balance from the previous month. Fees are assessed before investment earnings are allocated, and are posted to the fund between the 5th and 10th business day of the following month.

Investment Disclosure for Nonprofit Investment Funds

How are investment fees assessed?

Investment manager fees are often netted out of investment earnings by the individual investment managers, and therefore are not directly allocated to each fund as an investment expense. Some investment-related expenses, such as the custodian bank, investment consultant and some investment manager fees, are billed directly to each investment pool and are then allocated to each fund on a pro rata basis. Some managers charge fees quarterly, others charge monthly. Investment fees are allocated and posted between the 15th and 20th of the following month.

Does SVCF maintain insurance coverage?

SVCF is insured for errors and omissions liability related to the investment of assets on behalf of other charitable organizations.

How are nonprofit investment fund assets recorded by SVCF?

Nonprofit investment fund assets are recorded by SVCF as an asset with an offsetting liability, and therefore do not have a net asset effect on SVCF financial statements.

SVCF accounts for these funds in accordance with the Statement of Financial Accounting Standard No. 136, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others. This ruling, presented by the Financial Accounting Standards Board in 1999, states that if a community foundation accepts a contribution from a nonprofit and agrees to transfer those assets, the return on investment of those assets, or both back to the nonprofit, then these contributions are to be presented as an asset and as a liability (instead of as a net asset) on the financial statements of the community foundation and as an asset on the financial statements of the nonprofit.

SERVICE PROVIDERS

Custodian Bank
The Bank of New York Mellon
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Independent Auditors
Moss Adams
One California Street
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San Francisco, CA 94111
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Investment Consultant
Colonial Consulting
750 3rd Avenue, 20th Floor
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Insurance Coverage
Woodruff-Sawyer & Co.
50 California Street, Floor 12
San Francisco, CA 94111

Legal Counsel
Adler & Colvin
235 Montgomery Street,
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San Francisco, CA 94104
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NONPROFIT INVESTMENT FUND SERVICES

The Nonprofit Investment Program described in the preceding pages is just one component of a broad set of services provided by SVCF with the goal of helping nonprofit entities build strong organizations and fulfill their charitable purpose. The full set of services includes:

Organizational Support

- Dedicated team that is responsive to each organization's requests and needs
- Secure online access to nonprofit investment fund activity and statements
- Assistance in accepting gifts of real estate from donors through the Real Estate Trust at Silicon Valley Community Foundation
- Assistance accepting gifts of stock or other complex assets designated for the nonprofit organization (subject to a pass-through fee)
- Administration and investment of charitable remainder trusts and gift annuities that benefit the nonprofit

Organizational Development

- Learning opportunities designed for nonprofit trustees and staff in the form of workshops, webinars or training sessions
- Networking with other participating charities
- Opportunity to attend SVCF events for grantees and donors
- Exposure to staff and the various areas of expertise within SVCF: development, planned giving, donor stewardship, finance and investments
- Staff participation at the nonprofit's board and committee meetings as requested
- Sample endowment, investment and spending policies and governance best practices

Investment

- Professional oversight by a dedicated and experienced investment committee, investment consultant and staff
- Access to quality institutional investment managers and alternative investments only available to accredited investors
- Diversification across a broad range of asset classes and investment strategies that can only be accomplished with scale
- Lower expenses that come with greater economies of scale
- Monthly reporting of investment pool performance
- Quarterly market commentary accessible through our secure website
- Investment briefings by SVCF's staff and investment consultant