

## Balanced Fund

### Fund Overview

#### Fund Assets Under Management

\$20.27mil

#### Annual Investment Management Costs

Please contact the Foundation office or your local representative for more information regarding fees and investment management costs.

#### Description

The objective of the portfolio is to seek competitive market returns so as to preserve the purchasing power of the funds to meet the charitable needs of the Foundation.

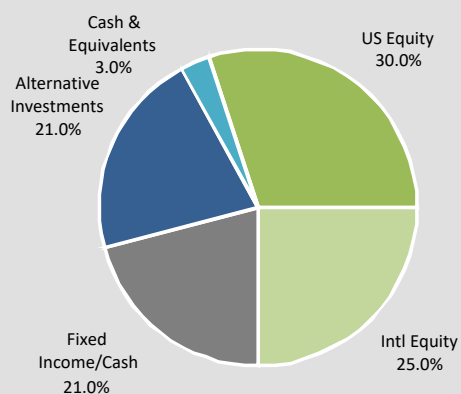
#### About Performance

The investment results depicted herein represent historical Net performance after the deduction of investment management costs.

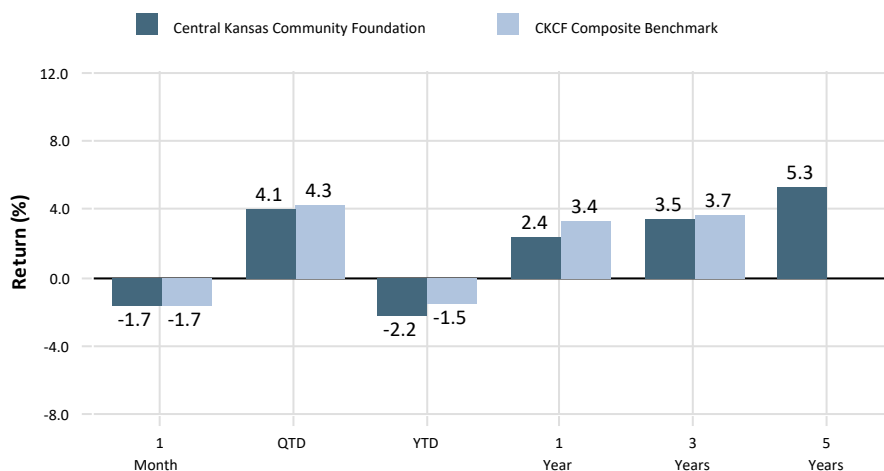
Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. Performance for periods greater than one year is annualized. The performance data presented has been prepared by the fund or its sponsor.

**Past performance is not a guarantee of future results.**

#### Target Asset Allocation

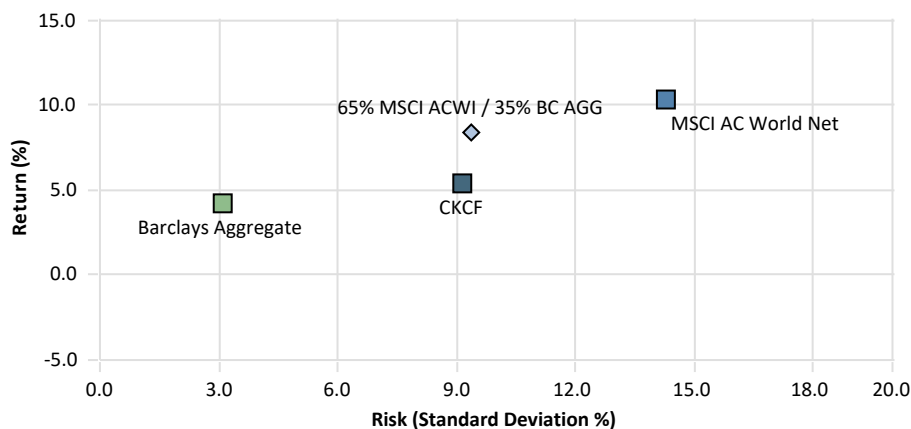


### Multi-Period Performance Analysis



|  | 1 Month      | QTD         | YTD          | 1 Year      | 3 Years     | 5 Years     |
|--|--------------|-------------|--------------|-------------|-------------|-------------|
| <b>Central Kansas Community Foundation</b> | <b>-1.74</b> | <b>4.10</b> | <b>-2.22</b> | <b>2.37</b> | <b>3.50</b> | <b>5.35</b> |
| <i>CKCF Composite Benchmark</i>            | -1.73        | 4.33        | -1.55        | 3.40        | 3.71        | N/A         |
| <i>MSCI AC World Net</i>                   | -3.22        | 8.13        | 1.37         | 10.44       | 7.12        | 10.30       |
| <i>Barclays Aggregate</i>                  | -0.06        | 0.62        | 6.79         | 6.99        | 5.24        | 4.18        |

### 5 Years Risk / Return Performance Analysis



|  | Return      | Standard Deviation | Sharpe Ratio | Maximum Drawdown | Alpha        | Beta        |
|--|-------------|--------------------|--------------|------------------|--------------|-------------|
| <b>Central Kansas Community Foundation</b> | <b>5.35</b> | <b>9.24</b>        | <b>0.49</b>  | <b>-15.02</b>    | <b>-2.52</b> | <b>0.96</b> |
| <i>Barclays Aggregate</i>                  | 4.18        | 3.15               | 0.96         | -3.28            | 3.92         | 0.04        |
| <i>MSCI AC World Net</i>                   | 10.30       | 14.42              | 0.67         | -21.37           | -2.05        | 1.52        |
| <i>65% MSCI ACWI / 35% BC AGG</i>          | 8.39        | 9.43               | 0.78         | -13.22           | 0.00         | 1.00        |

**Information Disclosures:** The underlying data has been obtained from sources the Foundation believes to be reliable but we do not guarantee their accuracy, and any such information may be incomplete or condensed. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security or a recommendation of the services supplied by any money management organization.

Further information, including current Portfolio size, performance, fees, and information pertaining to underlying holdings & investments, can be obtained from the Foundation office by contacting Angie Tatro, Executive Director, at 316-283-5474 or via email at [angie@centralkansascf.org](mailto:angie@centralkansascf.org),

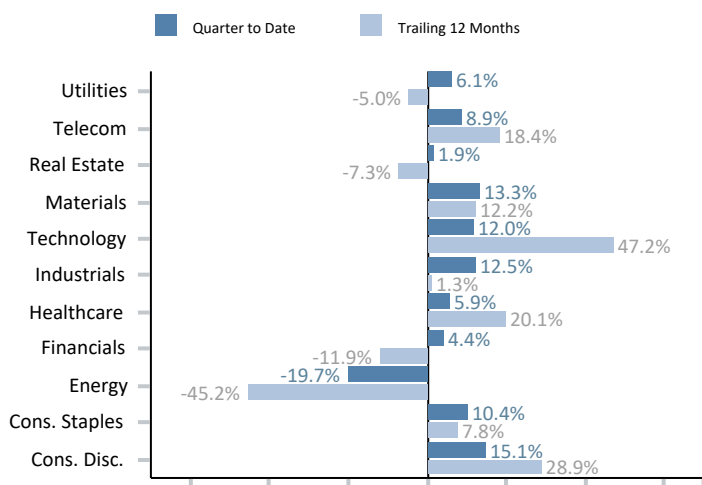
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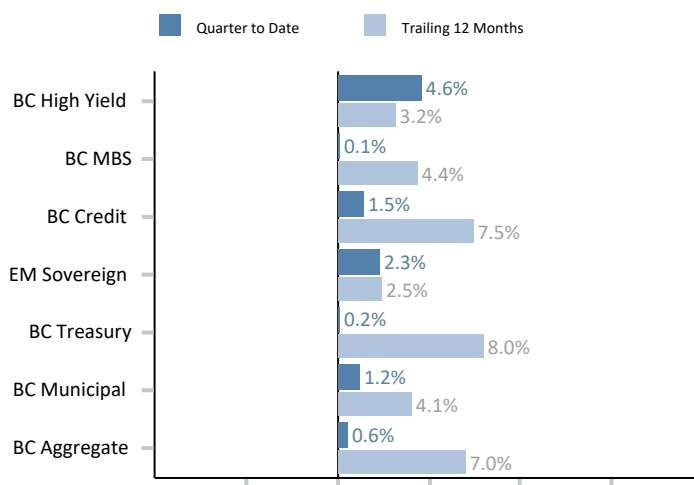
## Market Commentary

It was another strong quarter for equity markets in 3Q20, though a September slide leaves the major averages well off their recent highs. After the S&P 500's 20% decline in 1Q20 was followed by a 20% rally in 2Q20, 3Q20's 9% index return saw the S&P 500 trade back to new all-time highs, while the two-quarter 30% rally marks the strongest six-month performance for the index since 2009. While the health crisis likely remains far from over, markets have recovered all of the early-year losses as it becomes increasingly apparent the worst of the economic disruption from the pandemic and related lockdowns looks to be behind us. Green shoots in the economic data were apparent in late 2Q, and this fundamental momentum continued in 3Q as economic data continued to surprise to the upside. The US economy added jobs in each month during the quarter, with total payroll gains over the quarter coming in at more than 3.9 million. The consumer economy also appears to be seeing a V-shaped recovery, with retail sales recovering to new all-time highs in July and August, though services spending still remains below prior levels.

### S&P 500 Sector Performance



### Bond Market Performance



### Equity Markets Commentary

The Dow Jones Industrial Average gained 8.2% in the third quarter of 2020, while the NASDAQ Composite Index gained 11.02%. The S&P 500 Index climbed 8.9% over the same time period.

Ten out of the 11 sectors of the S&P 500 gained in the third quarter with Energy being the laggard. Consumer Discretionary proved to be resilient in the third quarter with a return of 15.06% for 3Q. In addition, Materials outperformed amid an uptick in demand for construction materials, leading to a gain of 13.31%. Consumer Discretionary, Materials, and Information Technology were the top-performing sectors, returning 15.06%, 13.31%, and 12.48%, respectively. Laggards include Energy, Real Estate, and Financials despite still increasing by -19.72%, 1.92%, and 4.45%, respectively.

### Fixed Income Markets Commentary

The bond market was positive for a second consecutive quarter, outperforming on an absolute but not relative basis, as investors continued to take on risk in 3Q. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, rose 0.62%. Interest rates remained zero-bound, as the yield on the 10-year US Treasury note remained range-bound, closing the quarter at 0.69% from 1.92% at the end of 2019. The shortest end of the curve fell in 2Q as the Fed cut its Fed funds target rate, with the yield on 3-month Treasury bills falling to 0.10% as of Q3, from 1.54% at the start of the year. Riskier parts of the bond market such as US high yield debt gained the most in the third quarter, buoyed by the market's risk-on sentiment. The Bloomberg Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, rallied 4.6%. Mortgage-backed continued to show slight gains in the third quarter. The Bloomberg Barclays Capital Mortgage-Backed Securities Index rose 0.11%. Municipal bonds rallied slightly more; the Bloomberg Barclays Capital Muni Index gained 1.2%.

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