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VCCF'S PORTFOLIO POSTS MODEST LOSS FOR FY 2011

Investment performance ranks in top 10 percent nationally in volatile global markets

CAMARILLO, Calif. (Nov. 15, 2011) – VCCF's portfolio posted a modest loss of 1.6 percent for fiscal year 2011, it was announced Tuesday at the Community Foundation's open investment committee meeting, where news of the endowment's performance is shared with donors and fund beneficiaries.

"Significant market declines in the third quarter, ending Sept. 30, pulled back gains posted earlier in the year," said Robert Katch, investment committee chair and board member of the Ventura County Community Foundation.

As global markets bounced back in October, the portfolio posted an 8 percent gain for the month, he added.

The foundation's total assets were \$97.7 million as of Sept. 30.

VCCF invests the capital of more than 500 philanthropic funds that serve Ventura County. Nonprofits depend on returns from these investments, distributed annually from VCCF, to provide charitable services to local residents. VCCF also manages endowments that support around \$1 million in annual scholarships to Ventura County students.

VCCF and its investment consultant cited volatile investment markets for the 12.1 percent decline in the VCCF portfolio in the third quarter. Shortfalls in VCCF's international-equity assets and its fixed-income portfolio offset strong gains in its private equity holdings.

Declines in the S&P 500 index were nearly 14 percent for the quarter, and emerging market and international indexes were down in the range of 20 percent for the quarter, according to VCCF's long-term investment consultant Bob Cluck, chairman of Canterbury Consulting. The substantial headwinds in the global economy — the European public sector debt crisis, loss of confidence in U.S. leadership on fiscal issues and continued high U.S. unemployment — were reflected in significant declines across global markets in the quarter ending in September, Cluck said.

“The third quarter was a rough spot in the road and especially disappointing since our portfolio came back to the levels we enjoyed before the market meltdown in late 2008 and early 2009,” Katch said. “At VCCF, our investment strategies are geared toward long-term growth, and we are confident we will bounce back from this market volatility.”

VCCF's 10-year investment performance ranked in the 10th percentile of foundations with less than \$1 billion invested, meaning that it performed over this past decade better than 90 percent of its peer group, Katch said.

VCCF's investment performance ranks No. 3 among community foundations with similar sized endowments and ranks No. 8 in the nation for its results over the last 10 years in a field of 90 community foundations with portfolios of all sizes.

VCCF posted a 5.9 percent return for the last 10 years, against a policy index* of 4.9 percent. The policy index compares a fund manager's performance versus a blended benchmark of recognized indices that mirrors the portfolio's allocation of U.S. and international stocks and bonds.

VCCF's since-inception number — performance since 1992 — was posted as of Sept. 30 as 7.7 percent net of fees versus its policy index of 7 percent, demonstrating the foundation's strategies continue to generate additional value for its endowment funds. On an \$80 million portfolio, noted Katch, that additional performance is valued at \$878,500 in additional annual earnings that will benefit local nonprofits.

* VCCF's policy index is based on what the portfolio would have earned if it had been invested directly into market indices at 50 percent the Russell 3000, 15 percent MSCI EAFE after taxes and 35 percent Barclays Capital Aggregate Bond.

For more details on the portfolio performance, relative to its strategy and specific managers, go to vccf.org and click on investments.

ABOUT VCCF

VCCF invests the charitable capital that drives the philanthropic engines of Ventura County. Its portfolio performance ranks in the top 10 of all community foundations in the United States for long-term growth. With total assets of \$97.7 million, its mission is to promote and enable philanthropy to improve our community for good for ever, which it does through grantmaking, scholarships and training at its Center for Nonprofit Leadership. Visit vccf.org or call (805) 988-0196.



VCCF has been certified in compliance with national standards by the Council on Foundations, the highest form of peer review in the United States.