



**Prime**  
BUCHHOLZ

# Investment Pool Introduction

The Spartanburg County Foundation  
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# Investments at The Spartanburg County Foundation



THE SPARTANBURG COUNTY FOUNDATION  
*Your Community Foundation*

## Our Core Objective

Preserve the purchasing power of The Spartanburg County Foundation ("SCF" or the "Foundation") assets while providing a continuing and stable funding source intended to support its current and future mission.

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In acknowledgement that risk tolerances and spending policies may vary, two diversified investment pools will be used in addition to a money market allocation.

### Moderate Pool

Seeks a total return equal to the spending and administrative expenses of the Foundation with more stability and downside protection.

### Growth Pool

Seeks a total return above the spending and administrative expenses of the Foundation when adjusted for the eroding effects of inflation.

# Prime Buchholz Service Highlights



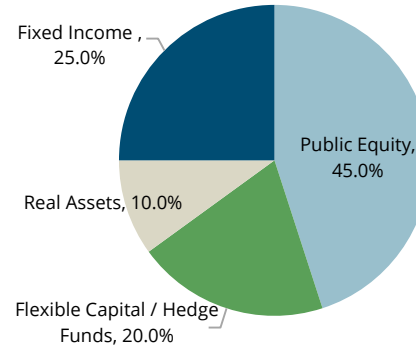
- Independent partner serving as the Foundation's investment office: Outsourced Chief Investment Officer (OCIO)
- Leader in serving foundations; leverages industry best practices
- Optimally sized to satisfy the Foundation's objectives while providing strong access to Prime Buchholz high-conviction managers
- Deep and experienced research team across all asset classes
- Flexible service models to meet the Foundation's needs
- Customized portfolio designed to meet the Foundation's unique objectives

# Investment Options Breakdown for the Fund

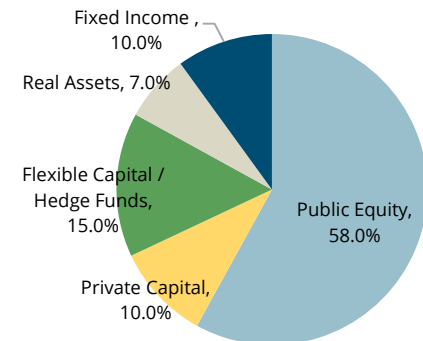
## Money Market



## Moderate Pool



## Growth Pool



<b>Goal</b>	Capital preservation and liquidity	Maintain pace with spending and administrative expenses	Long-term real growth above spending and administrative expenses
<b>Planning time horizon</b>	Short-term (1-3 years)	Short-intermediate (3-7 years)	Long-term (at least 7 years)
<b>Liquidity</b>	100% liquidity	Less willing to accept reduced liquidity	Potentially reduced liquidity <sup>1</sup>
<b>Expected return/ Standard deviation (%)</b>	0.0-1.0 / 2.0	5.6 / 9.6	6.8 / 12.6
<b>Est. Management fees*</b>	0-20 bps	60-70 bps	65-75 bps
<b>Potential benefits</b>	Preservation of capital and flexibility	Greater stability and downside protection given weighting to fixed income and hedged strategies	More supportive of 4-5% spending rate over the long-term given higher allocation to equity-like investments

\* - Management Fees represent investment manager fees only and exclude custody and advisory fees <sup>1</sup> - By including Private Capital, in which funds are invested and sold at the discretion of the manager over a long time horizon (generally 5-10 years), some assets in the Growth Pool could be more challenging to sell if cash were required.

# Risk and Return Investment Considerations

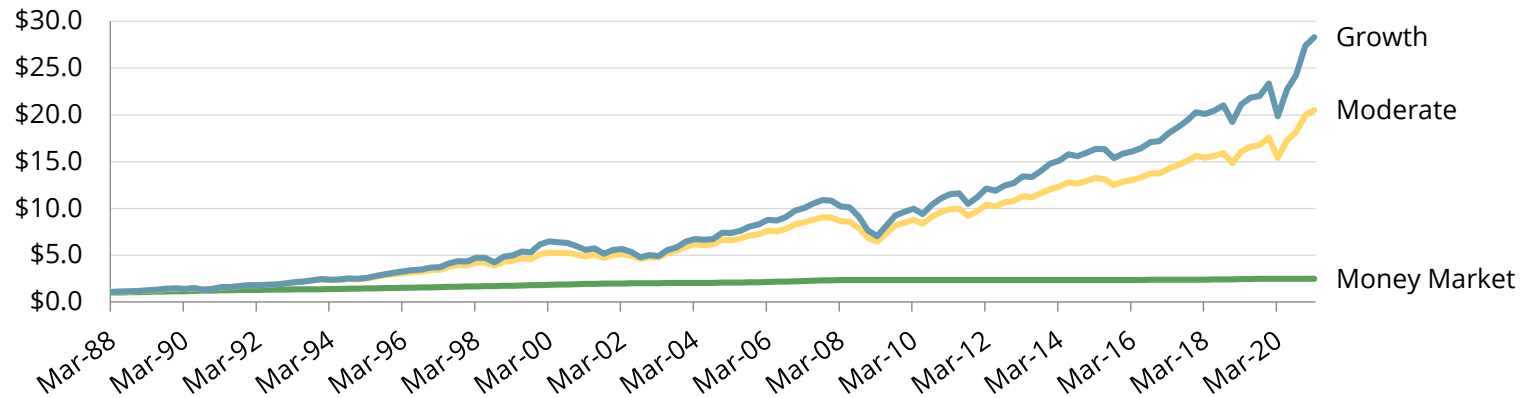
As the parameters of the Growth Pool are finalized, Prime Buchholz will work with the Foundation’s investment advisory committee to thoughtfully map out a transition plan from the Moderate Pool in an effort to minimize any potential impact of timing of pool transfers.

	Money Market	Moderate	Growth	Comments
Capital preservation	█			Composed 100% of U.S. government money market funds.
Stability		█		The Moderate pool should be a less volatile portfolio.
Downside protection		█		The Moderate pool has historically protected capital better in market downturns.
Cost		█		While all pools are cost-competitive, we estimate that the Moderate pool would have marginally lower manager fees.
Spending			█	We believe the Growth pool should be more supportive of a 4–5% spend rate in the long term.
Growth potential			█	The Growth pool features a higher allocation to equity-like investments.
Broad equity market tracking (S&P 500)			█	The Growth Pool should be more closely aligned with equity market indices.

Darker shading indicates a more favorable attribute
  White indicates not applicable to specific pool

# Historical Perspective

**Comparison of Investment Options  
(Growth of \$1 over 30+ years)**



As of March 31, 2021

	1 Year Return	1 Year Standard Deviation	3 Years Return	3 Years Standard Deviation	5 Years Return	5 Years Standard Deviation	7 Years Return	7 Years Standard Deviation	10 Years Return	10 Years Standard Deviation
Money Market	0.2	0.1	1.5	0.3	1.2	0.2	0.8	0.3	0.6	0.2
Moderate	32.1	9.2	9.4	10.3	9.2	8.4	7.3	7.9	7.3	7.8
Growth	41.9	10.3	11.8	12.1	11.8	9.8	9.2	9.4	9.1	9.4

NOTE: Historical perspective does not represent actual performance and is hypothetical based on each pool's asset class weighting and the historical returns of each asset class's benchmark.

# Prime Buchholz by the Numbers

**32+** Years experience working with institutional clients

**03** Locations: Portsmouth, Boston, Atlanta

**250+** Clients

**\$65+** Billion, total assets under advisement

**100%** Employee-owned; 46 owners and growing

**120+** Total employees

As of December 31, 2020



**35** CFA charterholders

**21** CAIA charterholders

**08** CIPM designees

# Glossary

**Public Equity** Stocks of publically traded companies across U.S. and international markets.

**Private Capital** Equity of private companies that do not trade on public market exchanges. Private capital investments most commonly require a time horizon of 5-10 years and have the potential to earn a rate of return that exceeds Public Equity by focusing on less efficient and more illiquid markets.

**Flexible Capital / Hedge Funds** Actively managed funds which are employed with the intention of generating equity-market comparable returns with lower volatility (standard deviation). These funds generally

have the flexibility to hedge broad market risk by implementing short sale positions in effort to reduce net market exposure.

**Real Assets** Investments that are utilized with the intention of providing protection against inflation and reduced correlation to equity markets. Examples include Real Estate, Natural Resources, Infrastructure and Treasury Inflation Protected Securities (TIPS).

**Standard Deviation** The most widely used measurement of variation about a mean (average) and, for many purposes, a proxy for risk. For investment portfolios, this measurement would represent the variability of a historical or expected returns.

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