
January 23, 2024

Dear Fundholders,

Thank you for entrusting the Spartanburg County Foundation with your philanthropic funds. As we enter this new year, I am eager to share with you the latest information regarding the performance of the Foundation's invested funds for 2023. It is my hope that by sharing this data, you will have the information you need to take full advantage of the options to customize your investment distribution to meet the suitability of risk and return you prefer. Your strategy may include a percentage of your funds in one, two, or all three investment options.

- Funds invested in our **Money Market Account** realized a 4.98% return on investment.
- Funds invested in our **Moderate Pool** realized a 13.3% return on investment.
- Funds invested in our **Growth Pool** realized a 17.7% return on investment.

These results are encouraging. As a follow-up, we will continue our tradition of sharing our Investment Performance Webinar in May. It will include a full review of our 2023 investment performance and results for the first quarter of this year. However, as you may wish to revise your investment options before then, I hope the data I have provided supports your 2024 philanthropic strategy. I have enclosed some Frequently Asked Questions about these investment pool options and an Investment Selection Form for your reference.

If you wish to verify or change the investment options for your fund(s), please contact Karen Nichols, Director of Philanthropic Services. She may be reached by email at knichols@spcf.org or by calling 864-582-0138.

With gratitude,



Troy M. Hanna
President & CEO
Spartanburg County Foundation

YOUR COMMUNITY FOUNDATION



Spartanburg County Foundation

INVESTMENT POOL SELECTION Frequently Asked Questions

What investment pool options are available?

Fundholders may choose from the following three pooled investment options:

1. Growth Pool
2. Moderate Pool
3. Money Market Pool

The three investment pool options identified above represent the only investment options available at this time. The Spartanburg County Foundation cannot accept individualized investment allocations to specific asset classes or fund managers within these pools.

May I participate in more than one investment pool?

Fundholders may elect to be invested in more than one investment pool. Allocations between pools must be percentage-based (i.e., 75% growth, 25% moderate).

Are dollar-amount based allocations accepted?

Investment pool allocations must be percentage-based, as dollar-amount based allocations cannot be accepted.

How will my contributions be allocated?

All donor contributions, grants, administrative fees, and investment earnings/losses will be allocated between investment pools, based on the percentages allocated to each pool.

Is there a minimum fund balance required?

No minimum fund balance is required for opting into a different investment pool.

Can my allocation be moved in multiple tranches?

Fund balances greater than \$1,000,000 may be allocated in tranches up to four consecutive quarters. Movements must be percentage based only.

How often may I change my investment options?

Upon request by a donor, investment options may be changed one time within a 12-month period. Initial pool selection, and subsequent change requests must be made in writing by completing a SCF Investment Change Request form. The form must be signed by the appropriate authorized member(s) of the Awards Committee of the fund.

When will my change become effective?

Investment Change Request forms received by the 20th day of the month will be made effective the first day of the subsequent calendar quarter (January, April, July, October), subject to liquidity requirements. All changes must be requested using the SCF Investment Change Request Form.

What is the investment default?

The investment default for those already invested in the current stock market pool will be the Moderate Pool. Fundholders must opt into the Growth Pool.

Prime
BUCHHOLZ



Investment Pool Introduction

The Spartanburg County Foundation

Prime Buchholz LLC

273 Corporate Drive
Suite 250
Portsmouth, NH 03801

primebuchholz.com

P 603.433.1143

F 603.433.8661

Investments at The Spartanburg County Foundation



**Spartanburg
County
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.

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

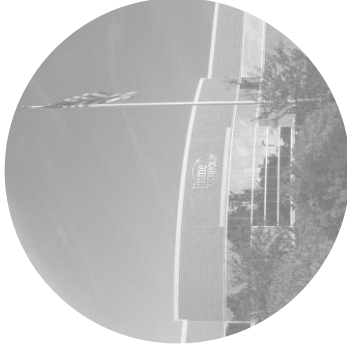
Moderate Pool

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.

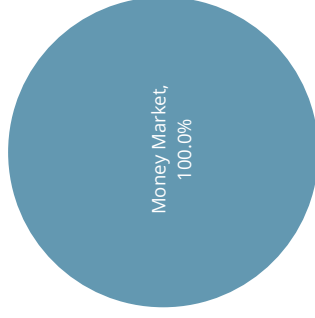
Prime Buchholz Service Highlights



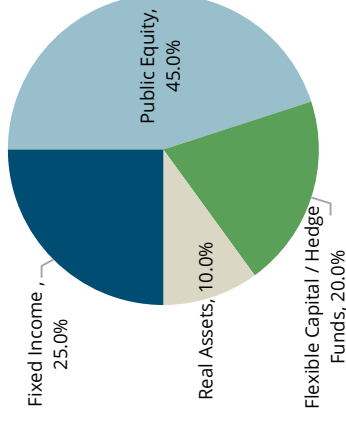
- Independent partner serving as the Foundation's investment office:
Outsourced Chief Investment Officer (OCIO)
- Leader in serving foundations; leverages industry best practices
- Optimally sized to satisfy the Foundation's objectives while providing strong access to Prime Buchholz high-conviction managers
- 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

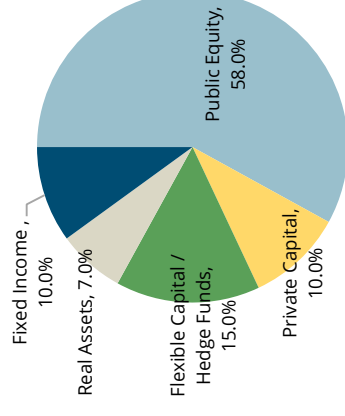
Money Market



Moderate Pool



Growth Pool



Goal	Capital preservation and liquidity	Maintain pace with spending and administrative expenses	Long-term real growth above spending and administrative expenses
Planning time horizon	Short-term (1-3 years)	Short-intermediate (3-7 years)	Long-term (at least 7 years)
Liquidity	100% liquidity	Less willing to accept reduced liquidity	Potentially reduced liquidity ¹
Expected return/Standard deviation (%)	0.0-1.0 / 2.0	5.6 / 9.6	6.8 / 12.6
Est. Management fees*	0-20 bps	60-70 bps	65-75 bps
Potential benefits	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 ¹ - 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

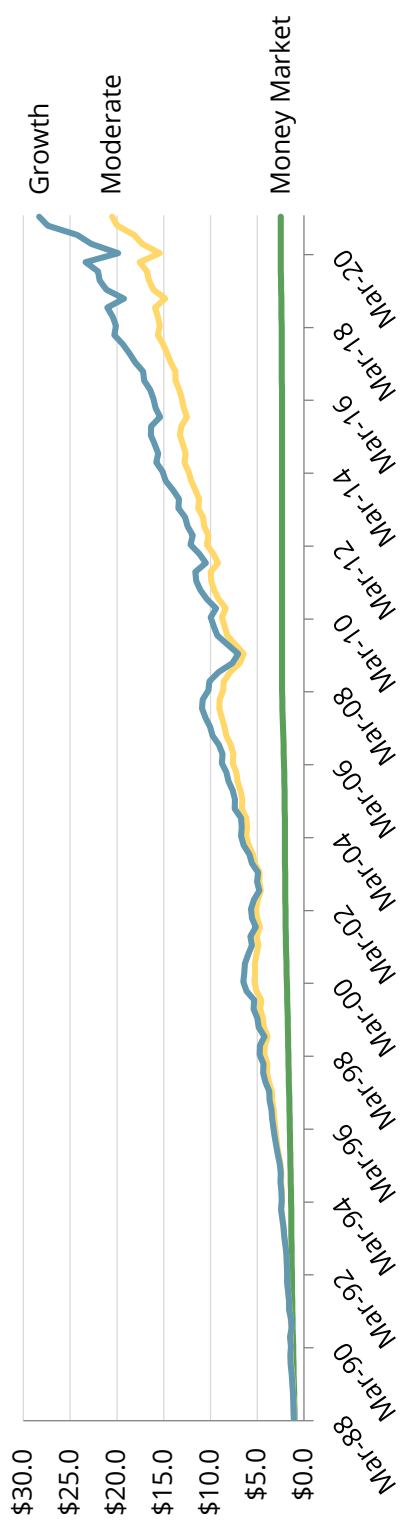
As the parameters of the Growth Pool are finalized, Prime Buchholz will work with the Foundation’s investment advisory committee to thoughtfully map out a transition plan from the Moderate Pool in an effort to minimize any potential impact of timing of pool transfers.

	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

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.

This presentation contains the opinion of Prime Buchholz and is intended for informational purposes only; it does not constitute an offer, nor does it invite anyone to make an offer, to buy or sell securities.

Information obtained from third party sources are believed to be reliable; however, the accuracy of the data is not guaranteed and may not have been independently verified.

The content is current as of the date indicated and is subject to change without notice. It does not take into account the specific investment objectives, financial situations, or needs of individual or institutional investors.

Indices referenced are unmanaged and cannot be invested in directly. Index returns do not reflect any investment management fees or transaction expenses.

The Prime Buchholz asset allocation model is a tool provided to clients to assist in the evaluation and development of long-term investment and spending policies for their investment programs. No asset allocation model can replicate the same experience for any given investor and clients' results may differ materially from the results portrayed. Therefore, the Prime Buchholz asset allocation model results should be only used as a guide—rather than a specific investment program simulation—as a part of a broader discussion to establish the client's policies. Prime Buchholz relies on the client to provide complete and accurate information regarding the client's specific risk/return/spending profile for the model. The model's factors are derived from historical asset class returns and data in combination with forward-looking estimates. These estimates cannot predict the impact of future market conditions that could have a significant negative impact on the reliability of the hypothetical performance presented. Prime Buchholz does not guarantee the accuracy of the data used. Model performance is based on assumptions about asset class investment returns and risk characteristics. It does not represent actual performance, nor does it reflect actual trading in a client portfolio or the management of a model portfolio on a current basis. Model results are based upon total return and reflect the reinvestment of dividends and distributions. They are also gross of management and consulting fees and other expenses an investor would pay, which would lower results.

For modeling output: Prime Buchholz proprietary reporting is compiled utilizing analytics provided by InvestmentMetrics 2021. All rights reserved. Calculations are based on quarterly periodicity unless noted otherwise.

Hypothetical performance and past performance are not an indication of future results. © 2021 Prime Buchholz LLC CS21113_060221

Fund Name _____ Fund # _____

Printed Name Signature Date

Printed Name Signature Date

Printed Name Signature Date

Printed Name Signature Date

Printed Name Signature Date

Printed Name Signature Date

Printed Name Signature Date

Printed Name Signature Date