

Amendment to the Investment Policy Statement of the Santa Fe Conservation Trust

Purpose: To amend the Investment Policy Statement dated April 7, 2015 by:

1. Revising the strategic asset class categories to more clearly identify the key areas of portfolio utility and adjust the strategic allocation to reflect updated modeling. Asset class names will change as follows:
 - a. **Income** will now be named **Income Generation**
 - b. **Capital Growth** will now be named **Core Growth**
2. Updating allocations to underlying Core Growth assets classes (reduce International Equity and increase Domestic Lg Cap and Sm/Mid Cap Equity)
3. Updating downside risk modeling from the 99th percentile to the 95th percentile.

Current IPS [Moderate Conservative]

Asset Class	Strategic Allocation	Upper Limit
Cash	2%	20%
Income	57%	64%
Domestic Fixed Income	85%	92%
High Yield Fixed Income	10%	13%
Non U.S. Fixed Income	5%	7%
Capital Growth	41%	48%
Large Cap U.S. Equity	48%	55%
Small/Mid Cap U.S. Equity	12%	16%
International Equity	40%	47%
Expected Return*	5.7%	
Expected Downside(99 th)	-11.6%	

Amended IPS [Moderate Conservative]

Asset Class	Strategic Allocation	Upper Limit
Cash	2%	20%
Income Generation	56%	63%
Domestic Fixed Income	85%	92%
High Yield Fixed Income	10%	13%
Non U.S. Fixed Income	5%	7%
Core Growth	42%	49%
Large Cap U.S. Equity	50%	57%
Small/Mid Cap U.S. Equity	20%	25%
International Equity	30%	47%
Expected Return*	5.7%	
Expected Downside(95 th)	-8.1%	

*10 Year Geometric Mean Return

2019 Modeling

Portfolio Component	Conservative	SFCT	Balanced	Mod Aggressive	Aggressive
Capital Growth	31%	42%	57%	70%	83%
Income	69%	58%	43%	30%	17%
Totals	100%	100%	100%	100%	100%
10 Yr. Geometric Mean Return	5.3%	5.7%	6.2%	6.6%	6.9%
Projected Standard Deviation	6.3%	8.0%	10.5%	12.8%	15.0%
10 Yr. Simulated Sharpe Ratio	0.4%	0.4%	0.3%	0.3%	0.3%

Note: the strategic allocation shown above is based on the capital markets expectations as of the date of this IPS. The strategic allocation is subject to change within the parameters listed above and will be disclosed by Investment Consultant.

Approved and accepted this 3rd day of, December 2019.

SANTA FE CONSERVATION TRUST

By:



Printed Name:

Brant Goodman

By:



Printed Name:

GEORGE STRICKLAND

Title:

Secretary

Title:

Treasurer