

# Domestic Equity Pool

As of 6/30/2022

## Trailing Returns

Domestic Equity Pool & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Domestic Equity Pool TR</b>	<b>-21.37</b>	<b>-16.85</b>	<b>-14.21</b>	<b>9.66</b>	<b>10.55</b>	
Domestic Equity Benchmark	-21.37	-16.85	-14.22	9.65	10.53	12.53
S&P 500 TR USD	-19.96	-16.10	-10.62	10.60	11.31	12.96
Russell 3000 TR USD	-21.10	-16.70	-13.87	9.77	10.60	12.57

## Trailing Returns

Equity Pool Holdings & Benchmarks	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Instl Ttl Stk Mkt Idx InstlPls</b>	<b>-21.37</b>	<b>-16.85</b>	<b>-14.20</b>	<b>9.66</b>	<b>10.55</b>	<b>12.57</b>
CRSP US Total Market TR USD	-21.37	-16.85	-14.22	9.65	10.53	12.53

## Purpose

The purpose of the Domestic Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the Equity Pool is to obtain broad equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

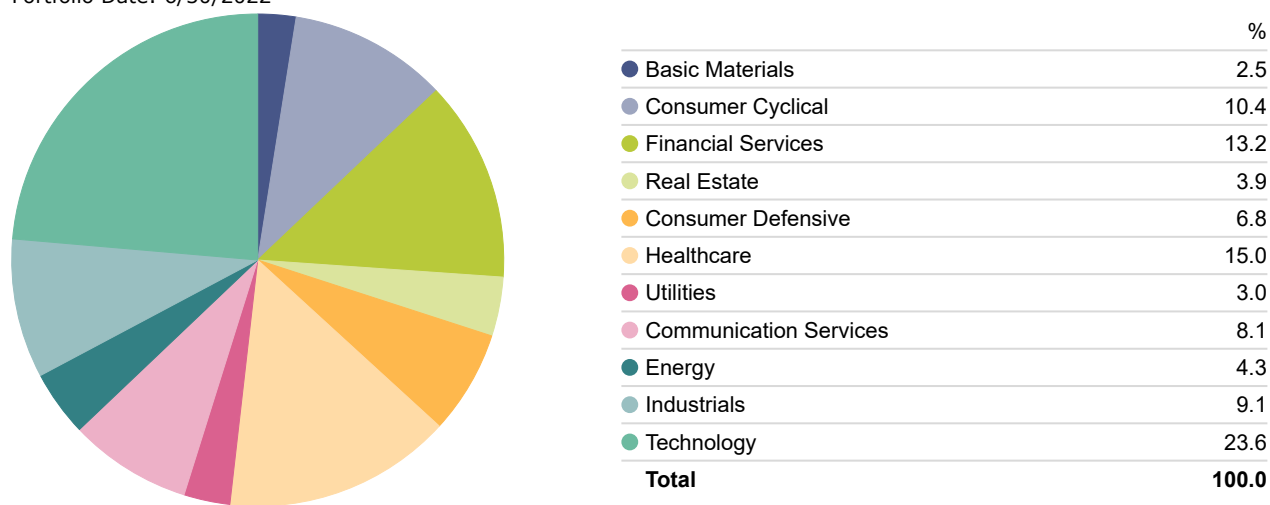
## Top Holdings - Domestic Equity Pool

Portfolio Date: 6/30/2022

Total Market Value: \$459,665,259	Market Value (mil)	Portfolio Weighting %
Vanguard Instl Ttl Stk Mkt Idx InstlPls	\$ 459.7	100%

## Equity Sectors (Morningstar) - Domestic Equity Pool

Portfolio Date: 6/30/2022



Equity Benchmark	Current
CRSP US Total Stock Market	100%

Source: Morningstar Direct

## Top Stock Holdings

1. Apple Inc.
2. Microsoft Corp
3. Amazon.com Inc.
4. Alphabet Class A
5. Tesla
6. Alphabet Inc Class C
7. UnitedHealth Group Inc
8. Johnson & Johnson
9. Berkshire Hathaway Inc Class B
10. Meta Platforms Inc Class A

Trailing Twelve Month Dividend Yield: 1.5%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .03%

# International Equity Pool

As of 6/30/2022

## Trailing Returns

Equity Pool & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>International Equity Pool TR</b>	<b>-18.10</b>	<b>-12.83</b>	<b>-18.74</b>	<b>2.14</b>	<b>2.81</b>	
International Equity Benchmark	-18.60	-14.07	-19.32	1.73	2.64	5.34
FTSE Global All Cap ex US TR USD	-18.47	-13.96	-19.01	2.21	3.03	5.54

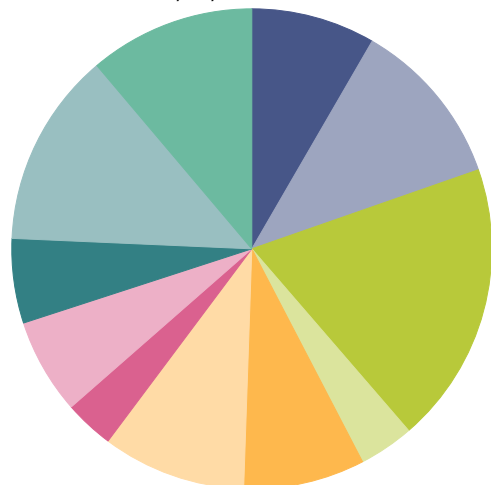
Performance for the International Equity Pool prior to 06/30/2019 is pro-forma based on the experience of the previous Equity Pool

## Trailing Returns

International Equity Pool Holding & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Developed Markets Index Instl</b>	<b>-19.23</b>	<b>-14.04</b>	<b>-18.11</b>	<b>2.12</b>	<b>2.71</b>	<b>5.86</b>
FTSE Developed ex US All Cap NR USD	-19.82	-15.31	-18.69	1.74	2.44	
<b>Vanguard Emerging Mkts Stock Idx Instl</b>	<b>-14.85</b>	<b>-9.18</b>	<b>-21.10</b>	<b>2.07</b>	<b>3.14</b>	<b>3.27</b>
FTSE Emerging NR USD	-15.01	-10.30	-21.56	1.62	3.21	3.57

## Equity Sectors (Morningstar) - International Equity Pool

Portfolio Date: 6/30/2022



International Equity Benchmark	Current
FTSE Developed ex US All Cap	82%
FTSE Emerging Markets	18%

Source: Morningstar Direct

## Purpose

The purpose of the International Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the International Equity Pool is to obtain broad international equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

## Top Holdings - International Equity Pool

Portfolio Date: 6/30/2022

Total Market Value: \$163,794,678	Market Value (mil)	Portfolio Weighting %
Vanguard Developed Markets Index Ins Pls	\$ 121.6	74%
Vanguard Emerging Mkts Stock Idx Instl	\$ 42.1	26%

## Top Stock Holdings

1. Taiwan Semiconductor Manufacturing Co Ltd
2. Nestle SA
3. Tencent Holdings Ltd
4. Samsung Electronics Co Ltd
5. Roche Holding Ltd
6. Shell PLC
7. ASML Holding NV
8. AstraZeneca PIC
9. Toyota Motor Corp
10. Novartis AG

Trailing Twelve Month Dividend Yield: 3.59%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .06%

# Intermediate-Term Fixed Income Pool

As of 6/30/2022

## Trailing Returns

Int-Term Fixed Income Pool & Blended Benchmark	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Intermediate-Term Fixed Income Pool TR</b>	<b>-10.02</b>	<b>-4.65</b>	<b>-10.21</b>	<b>-0.63</b>	<b>1.13</b>	
Intermediate-Term Fixed Income Benchmark	-9.97	-4.54	-10.05	-0.56	1.22	1.93

## Trailing Returns

Int-Term Fix. Income Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Interm-Term Bond Index I</b>	<b>-10.59</b>	<b>-4.63</b>	<b>-11.01</b>	<b>-0.63</b>	<b>1.26</b>	<b>1.96</b>
Bloomberg US 5-10 GovCredit FIAdj TR USD	-10.71	-4.61	-11.00	-0.65	1.28	2.01
<b>Vanguard Mortgage-Backed Secs Idx Instl</b>	<b>-8.87</b>	<b>-4.07</b>	<b>-9.20</b>	<b>-1.56</b>	<b>0.19</b>	
Bloomberg US MBS TR USD	-8.78	-4.01	-9.03	-1.44	0.36	1.18
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Ins</b>	<b>-1.42</b>	<b>-1.12</b>	<b>0.99</b>	<b>3.41</b>	<b>2.95</b>	
Bloomberg US TIPS 0-5 Year TR USD	-1.40	-1.10	1.06	3.46	2.99	1.65
<b>Xtrackers USD High Yield Corp Bd ETF</b>	<b>-13.86</b>	<b>-9.89</b>	<b>-12.72</b>	<b>-0.86</b>	<b>1.36</b>	
Solactive USD HY Corp Total Mkt TR USD	-13.84	-9.92	-12.67	-0.64	1.57	3.83

## Int.-Term Fixed Income Benchmark Weights

	Percent	Inception Date: January 1, 2014
Barclays US 5-10Y Gov/Credit FIAdj TR USD	70%	Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.
Barclays US MBS Float Adjusted TR USD	20%	
Solactive USD HY Corp Total Mkt TR USD	5%	Estimated Pool Investment Management Fee: 0.06%
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%	

## Purpose

The purpose of the Intermediate-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasuries notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The average effective duration and interest rate risk of the Pool will be commensurate with broad fixed income benchmarks such as the Barclays U.S. Aggregate Bond Index.

## Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 6/30/2022

	Market Value (mil)	Portfolio Weight %
Total Market Value \$126,801,117		
Vanguard Interm-Term Bond Index Ins Plus	\$ 88.6	70%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 25.4	20%
Xtrackers USD High Yield Corp Bd ETF	\$ 6.6	5%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 6.3	5%

## Fixed Income Pool Statistics

Average Yield to Maturity	3.92%
Average Effective Duration	6.26 years
Trailing Twelve Month Yield	2.36%

# Short-Term Fixed Income Pool

As of 6/30/2022

## Trailing Returns

Short-Term Fix. Inc. Pool & Blended Benchmark	Year To Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Short-Term Fixed Income Pool TR</b>	<b>-5.41</b>	<b>-1.98</b>	<b>-5.76</b>	<b>-0.08</b>	<b>0.98</b>	
Short-Term Fixed Income Benchmark	-5.24	-1.88	-5.56	0.06	1.11	1.32

## Purpose

The purpose of the Short-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The Pool will have a lower average effective duration than broad fixed income market benchmarks such as the Barclays U.S. Aggregate Bond Index, hence limiting overall interest rate risk.

## Trailing Returns

Short-Term Fix. Inc. Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Short-Term Bond Idx I</b>	<b>-4.51</b>	<b>-1.15</b>	<b>-5.25</b>	<b>0.08</b>	<b>1.03</b>	<b>1.12</b>
Bloomberg US 1-5Y GovCredit FIAdj TR USD	-4.55	-1.14	-5.20	0.12	1.08	1.19
<b>Vanguard Mortgage-Backed Secs Idx Instl</b>	<b>-8.87</b>	<b>-4.07</b>	<b>-9.20</b>	<b>-1.56</b>	<b>0.19</b>	
Bloomberg US MBS Float Adjusted TR USD	-8.51	-3.83	-8.75	-1.37	0.38	1.17
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Ins</b>	<b>-1.42</b>	<b>-1.12</b>	<b>0.99</b>	<b>3.41</b>	<b>2.95</b>	
Bloomberg US TIPS 0-5 Year TR USD	-1.40	-1.10	1.06	3.46	2.99	1.65
<b>Invesco Senior Loan ETF</b>	<b>-5.82</b>	<b>-5.36</b>	<b>-4.87</b>	<b>0.16</b>	<b>1.41</b>	<b>2.36</b>
S&P/LSTA U.S. Leveraged Loan 100 TR USD	-5.48	-5.30	-4.21	1.41	2.43	3.26

## Short-Term Fixed Income Pool Holdings

Portfolio Date: 6/30/2022

	Market Value (mil)	Portfolio Weight %
Total Market Value: \$296,708,049		
Vanguard Short-Term Bond Idx InstlPIs	\$ 208.0	70%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 59.3	20%
Invesco Senior Loan ETF	\$ 14.8	5%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 14.7	5%

## Short-Term Fixed Income Benchmark Weights

	Percent
Barclays US 1-5Y GovCredit FIAdj TR USD	70%
Barclays US MBS Float Adjusted TR US	20%
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%
S&P/LSTA U.S. Leveraged Loan 100 TR USD	5%

## Inception Date: January 1, 2014

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.

Estimated Pool Investment Management Fee: 0.09%

## Fixed Income Pool Statistics

Average Yield to Maturity	3.45%
Average Effective Duration	3.42 years
Trailing Twelve Month Yield	1.60%

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## Purpose

The purpose of the Money Market Pool is to provide liquidity for participating charitable funds and organizations in funding grant making and payment of fees and administrative costs while providing desired principal stability. The long term investment objective of the Money Market Pool is to seek a competitive market return to preserve and grow the portfolio, provide cash flows to meet charitable needs now and those in the future. As such, the Money Market Pool is highly liquid, which enables donors to access funds for grants in a timely manner. The Money Market Pool invests in bank deposits and obligations of the United States government and its agencies.

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### Money Market Trailing Returns

Time Period	Money Market Pool	90 Day Treasury Bills
Year to Date	0.01%	0.37%
3 Months	0.01%	0.29%
1 Year	0.01%	0.40%
3 Years	0.39%	0.57%
5 Years	0.75%	1.11%
10 Years	0.40%	0.65%

*Performance periods greater than 12 months are annualized.  
Performance is net of investment management fees but not the  
Foundation's administrative fees.*

**Current Month Return Annualized: 0.10**

# Investment Commentary

## June 30, 2022

On January 1 equity markets started the year with near record high valuations and bond yields were near record lows. Unfortunately, trees can't grow to the sky, and eventually, reversion to the mean will take hold. Through June 30, the Standard & Poor's 500 Index (S&P 500) declined by -20%, on pace for its largest annual decline since 2008. The 10-year Treasury bond fell -11.5%, on pace for its worst year in history. The traditional 60% equities and 40% fixed income (60/40) portfolio is down -16.6% for the year. It is on pace for its worst year since 1931, which occurred during the Great Depression.

There is plenty of blame to go around. Inflation has been high all year, and the June inflation measure exceeded expectations at 9.1%. The Federal Open Market Committee (FOMC) has raised rates three times, including a rare 75 basis-point hike in June. As of this morning, Fed Funds Futures are pricing in a 100% chance of at least a 75 basis-point hike on July 27. The war in Ukraine has caused parabolic prices in U.S. retail gas and energy prices in Europe. All this bad news has led to plummeting consumer sentiment and growing fears of a recession.

It is easy to find reasons to be bearish. When will the market see across the abyss and snap back? The second half of 2022 may be more of the same, but a rally is undoubtedly possible. The chart to the right shows the worst first and second quarter performance to start a year since 1932 and the subsequent third and fourth quarter performance. The S&P 500 has had positive returns 64% of the time.

However, predicting short-term performance is a fool's errand

and unnecessary for long-term investors. An investor's most important decision over the next six months is staying invested. Selling turns temporary losses into long-term losses.

S&P 500: Worst Performance through 124 Trading Days (1928 - 2022)				
Rank	Year	Price Return: First 124 Trading Days	Price Return: Day 125 to Year-End	Price Return: Full Year
1	1932	-44.5%	53.4%	-14.8%
2	1962	-26.5%	20.0%	-11.8%
3	1940	-20.9%	7.4%	-15.1%
4	2022	-20.6%	?	?
5	1970	-20.2%	25.3%	0.0%
6	1939	-17.9%	15.5%	-5.2%
7	2002	-13.8%	-11.1%	-23.4%
8	2008	-12.9%	-30.3%	-39.3%
9	1974	-11.5%	-20.6%	-29.7%
10	1973	-11.3%	-6.8%	-17.4%
11	1937	-10.4%	-31.5%	-38.6%
12	1982	-10.1%	27.3%	14.5%
13	1953	-9.1%	2.8%	-6.6%
14	1984	-8.1%	9.6%	0.8%
15	1949	-7.9%	19.9%	10.5%

Looking back to 1970, selling after significant losses has been a losing strategy for investors with a long time horizon. Future returns were not only positive but above average. Refer to the chart on the second page to review future performance following 6-month periods with large negative returns.

There is a good reason for the higher expected returns. Lower valuations typically lead to better long-term returns. Every major asset class is in a better position today than when the year started.

# Investment Commentary

## June 30, 2022

S&P 500 - Worst 6 Months and Forward Returns								
Rank	Start Date	6-Month Return	Forward 3-Month Return	Forward 6-Month Return	Forward 1-Year Return	Forward 3-Year Annualized Returns	Forward 5-Year Annualized Returns	Forward 10-Year Annualized Returns
1	2/26/2009	-41.82%	19.17%	40.52%	53.62%	25.56%	23.00%	16.67%
2	11/30/2008	-35.20%	-7.45%	4.05%	25.39%	14.13%	17.60%	14.32%
3	1/29/2009	-33.95%	-2.82%	21.18%	33.14%	19.24%	19.19%	15.00%
4	9/30/1974	-30.82%	11.10%	34.47%	38.14%	20.02%	16.86%	15.63%
5	3/31/2009	-30.54%	15.70%	34.02%	49.77%	23.42%	21.16%	15.92%
6	10/30/2008	-29.28%	-6.19%	-8.53%	9.80%	11.41%	15.17%	13.24%
7	12/31/2008	-28.48%	-18.18%	3.16%	26.46%	14.11%	17.94%	13.12%
8	9/30/2002	-28.36%	15.21%	5.02%	24.40%	16.72%	15.45%	8.01%
9	8/30/1974	-23.41%	3.36%	16.04%	26.17%	15.16%	13.94%	14.22%
10	12/31/2021	-20.60%	?	?	?	?	?	?

The Domestic Equity Pool ended the second quarter down -16.85%. That brings the year-to-date performance to -21.37%. Reviewing the long-term annualized numbers, the Domestic Equity Pool is up 9.66% per year over three years and 10.55% per year over five years. The annualized returns are still above long-term averages. International equity markets also sold off in the first half of the year. The International Equity Pool was down -12.83% for the quarter, which puts the year-to-date number at -18.10%.

The 10-year Treasury bond started the quarter with a yield of 1.7% and ended the quarter at 2.9%. The large move in yields put negative price pressure on fixed-income securities. The Intermediate-Term Fixed Income Pool was down -4.65% for the quarter and -10.02% for the year. The Short-Term Fixed Income

Pool was down -1.98% for the quarter and -5.41% for the year. The longer duration of the Intermediate-Term Fixed Income Pool caused the greater price decline versus the Short-Term Fixed Income Pool.

The Money Market Pool started paying a yield again in May. The pool had not paid a yield since March 2020, when the Fed took the overnight lending rate to zero. As the FOMC continues to raise rates, it would be reasonable to expect the Money Market Pool yield to climb.