

# Domestic Equity Pool

As of 12/31/2023

## 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>26.04</b>	<b>12.17</b>	<b>26.04</b>	<b>8.46</b>	<b>15.10</b>	<b>11.46</b>
Domestic Equity Benchmark	25.98	12.14	25.98	8.44	15.08	11.44
S&P 500 TR USD	26.29	11.69	26.29	10.00	15.69	12.03
Russell 3000 TR USD	25.96	12.07	25.96	8.54	15.16	11.48

## 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>26.05</b>	<b>12.17</b>	<b>26.05</b>	<b>8.47</b>	<b>15.11</b>	<b>11.48</b>
CRSP US Total Market TR USD	25.98	12.14	25.98	8.44	15.08	11.44

## 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.

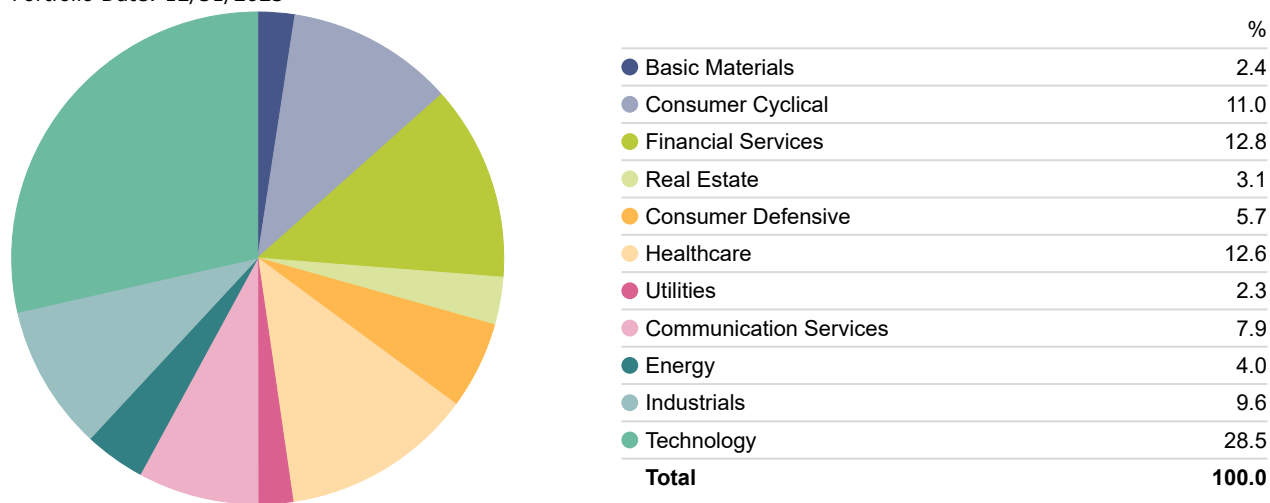
## Top Holdings - Domestic Equity Pool

Portfolio Date: 12/31/2023

Total Market Value: \$539,164,694	Market Value (mil)	Portfolio Weighting %
Vanguard Instl Ttl Stk Mkt Idx InstlPls	\$ 539.2	100.0%

## Equity Sectors (Morningstar) - Domestic Equity Pool

Portfolio Date: 12/31/2023



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. NVIDIA Corp
5. Alphabet Inc Class A
6. Meta Platforms Inc Class A
7. Alphabet Inc Class C
8. Tesla Inc
9. Berkshire Hathaway Inc Class B
10. Eli Lilly and Co

Trailing Twelve Month Dividend Yield: 1.61%

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 12/31/2023

## 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>15.62</b>	<b>10.02</b>	<b>15.62</b>	<b>2.00</b>	<b>7.52</b>	<b>4.27</b>
International Equity Benchmark	15.43	9.74	15.43	1.75	7.28	4.22
FTSE Global All Cap ex US TR USD	16.17	9.82	16.17	2.19	7.78	4.51

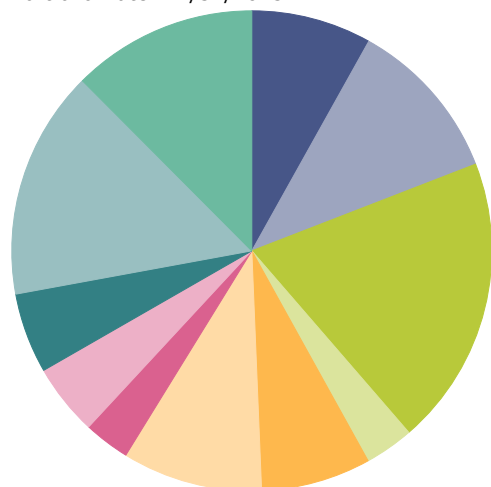
Performance for the International Equity Pool prior to 06/30/2019 is pro-forma based on the experience of the previous Equity Pool

## 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>17.84</b>	<b>11.18</b>	<b>17.84</b>	<b>3.59</b>	<b>8.41</b>	<b>4.56</b>
FTSE Developed ex US All Cap NR USD	17.70	10.79	17.70	3.37	8.16	4.32
<b>Vanguard Emerging Mkts Stock Idx Instl</b>	<b>9.23</b>	<b>6.57</b>	<b>9.23</b>	<b>-3.21</b>	<b>4.70</b>	<b>3.02</b>
FTSE Emerging NR USD	8.64	6.58	8.64	-3.57	4.40	3.22

## Equity Sectors (Morningstar) - International Equity Pool

Portfolio Date: 12/31/2023



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: 12/31/2023

Total Market Value: \$188,823,231	Market Value (mil)	Portfolio Weighting %
Vanguard Developed Markets Index Ins Pls	\$ 150.6	80%
Vanguard Emerging Mkts Stock Idx Instl	\$ 38.2	20%

## Top Stock Holdings

1. Taiwan Semiconductor Manufacturing Co Ltd
2. Novo Nordisk A/S Class B
3. Nestle SA
4. ASML Holding NV
5. Samsung Electronics Co Ltd
6. Tencent Holdings Ltd
7. Toyota Motor Corp
8. Shell PLC
9. Novartis AG Registered Shares
10. Roche Holding AG

Trailing Twelve Month Dividend Yield: 3.14%

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 12/31/2023

## Trailing Returns

Int-Term Fix. Inc. 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>6.06</b>	<b>6.76</b>	<b>6.06</b>	<b>-2.86</b>	<b>1.62</b>	<b>2.15</b>
Intermediate-Term Fixed Income Benchmark	6.11	6.81	6.11	-2.76	1.71	2.24

## 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. Treasury notes and bonds, corporate bonds, bank loans, mortgage-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 US Aggregate Bond index.

## 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 Interm-Term Bond Index I</b>	<b>6.09</b>	<b>6.87</b>	<b>6.09</b>	<b>-3.50</b>	<b>1.70</b>	<b>2.32</b>
Bloomberg US 5-10 GovCredit FIAdj TR USD	5.99	6.94	5.99	-3.46	1.73	2.36
<b>Vanguard Mortgage-Backed Secs Idx Instl</b>	<b>5.01</b>	<b>7.34</b>	<b>5.01</b>	<b>-2.86</b>	<b>0.20</b>	<b>1.29</b>
Bloomberg US MBS TR USD	5.05	7.48	5.05	-2.86	0.25	1.38
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Ins</b>	<b>4.61</b>	<b>2.55</b>	<b>4.61</b>	<b>2.31</b>	<b>3.34</b>	<b>1.95</b>
Bloomberg US TIPS 0-5 Year TR USD	4.57	2.60	4.57	2.32	3.37	1.98
<b>Xtrackers USD High Yield Corp Bd ETF</b>	<b>12.74</b>	<b>7.10</b>	<b>12.74</b>	<b>1.43</b>	<b>4.54</b>	
Solactive USD HY Corp Total Mkt TR USD	13.13	7.15	13.13	1.65	4.78	4.05

## Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2023

	Market Value (mil)	Portfolio Weight %
Total Market Value: \$153,582,495		
Vanguard Interm-Term Bond Index Ins Plus	\$ 107.6	70.0%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 32.2	21.0%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 6.9	4.5%
Xtrackers USD High Yield Corp Bd ETF	\$ 6.9	4.5%

## Intermediate-Term Fixed Income Benchmark Weights

### Percent

Barclays US 1-5Y GovCredit FIAdj TR USD	70%
Barclays US MBS Float Adjusted TR US	21%
Barclays U.S. Treasury TIPS 0-5Y TR USD	4.5%
S&P/LSTA U.S. Leveraged Loan 100 TR USD	4.5%

## 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: 0.06%

## Fixed Income Pool Statistics

Average Yield to Maturity	4.53%
Average Effective Duration	5.92 years
Trailing Twelve Month Yield	3.13%

# Short-Term Fixed Income Pool

As of 12/31/2023

## 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>5.31</b>	<b>4.14</b>	<b>5.31</b>	<b>-0.71</b>	<b>1.50</b>	<b>1.49</b>
Short-Term Fixed Income Benchmark	5.36	4.17	5.36	-0.59	1.61	1.58

## 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>4.88</b>	<b>3.40</b>	<b>4.88</b>	<b>-0.66</b>	<b>1.49</b>	<b>1.38</b>
Bloomberg US 1-5Y GovCredit FIAdj TR USD	4.89	3.44	4.89	-0.62	1.54	1.43
<b>Vanguard Mortgage-Backed Secs Idx Instl</b>	<b>5.01</b>	<b>7.34</b>	<b>5.01</b>	<b>-2.86</b>	<b>0.20</b>	<b>1.29</b>
Bloomberg US MBS Float Adjusted TR USD	5.14	7.29	5.14	-2.70	0.32	1.35
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Ins</b>	<b>4.61</b>	<b>2.55</b>	<b>4.61</b>	<b>2.31</b>	<b>3.34</b>	<b>1.95</b>
Bloomberg US TIPS 0-5 Year TR USD	4.57	2.60	4.57	2.32	3.37	1.98
<b>Invesco Senior Loan ETF</b>	<b>11.64</b>	<b>2.99</b>	<b>11.64</b>	<b>4.02</b>	<b>4.39</b>	<b>3.00</b>
Morningstar LSTA US LL100 Index TR USD	13.20	3.23	13.20	5.19	5.78	4.00

## Short-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2023

	Market Value (mil)	Portfolio Weight %
Total Market Value: \$303,394,299		
Vanguard Short-Term Bond Idx InstlPIs	\$ 212.6	70.1%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 63.5	20.9%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 13.6	4.5%
Invesco Senior Loan ETF	\$ 13.6	4.5%

## Short-Term Fixed Income Benchmark Weights

	Percent
Barclays US 1-5Y GovCredit FIAdj TR USD	70%
Barclays US MBS Float Adjusted TR US	21%
Barclays U.S. Treasury TIPS 0-5Y TR USD	4.5%
S&P/LSTA U.S. Leveraged Loan 100 TR USD	4.5%

## 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	4.68%
Average Effective Duration	3.25 years
Trailing Twelve Month Yield	2.95%

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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	4.24%	5.41%
3 Months	1.22%	1.38%
1 Year	4.24%	5.41%
3 Years	1.59%	2.51%
5 Years	1.40%	2.01%
10 Years	0.88%	1.34%

*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: 4.92%**

# Investment Commentary

## December 31, 2023

### Fourth Quarter 2023 Market Update

Overall, the fourth quarter of 2023 was solid for capital markets as prices moved higher across asset classes, market capitalizations, geographies, and styles. The period began with relatively strong economic data released in October, fueling investing skepticism that the U.S. Federal Reserve (the "Fed") would not be able to start easing monetary policy in the near future (and that interest rates would likely remain elevated). This caused bond yields to march higher, as the U.S. 10-year Treasury yield flirted with 5% in mid-October, its highest level in more than a decade. The rise in yields pushed stocks lower and technically into a "correction," down 10% from their peak in July. However, investor sentiment shifted quickly and dramatically in November as updated economic data on inflation progress was made available, hopes for an economic "soft landing" were reignited, and constructive comments from Fed Chair Jerome Powell stoked optimism. Not only did the Fed signal to the market that its rate hiking cycle was on pause but it is also expected to start cutting rates in 2024, marking the "policy pivot" many had been waiting for. On the heels of this news, stock and bond prices shot higher (i.e., bond yields plummeted), and assets across the board exhibited positive performance into year-end, in what could only be described as an "everything rally."

Domestic equity markets, as measured by the S&P 500 Index, were positive for the period, returning +11.7% and capping off a strong year. On a year-to-date ("YTD") basis, the index finished up +26.3%. Over the quarter, interest rate-sensitive sectors, including real estate (+18.8%) and financials (+14.0%), performed well, as did technology (+17.2%), while consumer staples (+5.5%) and health care (+6.4%) were positive but lagged. Energy was the only sector that posted negative returns for the period (-6.9%). On a YTD basis, technology (+57.8%), communication services (+55.8%) and consumer discretionary (+42.4%) led, all posting eye-popping returns of more than 40%. These three sectors were the *worst-performing* in 2022, posting losses of -28.2%, -39.9%, and -37.0%, respectively, in a stark

trend reversal. Although performance in domestic equity markets broadened somewhat in the fourth quarter, the S&P 500 Index remains historically concentrated. As of year-end, the top 10 stocks represented 32% of the index (based on market capitalization) and contributed 86% of the return for 2023.

Mid- and small-cap domestic stocks outperformed during the quarter but still underperformed their large-cap peers over the year (small-cap stocks returned +14.0% in Q4 and +16.9% YTD as measured by the Russell 2000 index). While much of this YTD underperformance is likely caused by their increased economic sensitivity versus their large-cap peers, their valuations today look attractive from a relative historical context, trading at a significant (~30%) discount to large caps on a forward price-to-earnings ("P/E") multiple basis. As mentioned in prior quarters, small caps experienced a prolonged period of underperformance versus large caps, a trend that was reversed this quarter. Market participants are watching earnings closely to determine whether a durable period of small-cap outperformance may be on the horizon. International developed equity markets also posted double-digit gains over the quarter, returning +10.4% (+18.9% YTD), as measured by the MSCI EAFE Index in U.S. Dollar ("USD") terms. Like domestic markets, equities outside the U.S. also experienced a profoundly positive fourth quarter, helping to buoy returns for the year. Emerging market equities returned +7.9% for the quarter and +10.3% for the year, as measured by the MSCI EAFE Emerging Markets Index (in USD terms). Stocks outside of the U.S. trade at a meaningful (approximately two standard deviation) discount to their domestic peers (using forward P/E ratios of the MSCI All Country World Ex-US and S&P 500 indices), while also having a significantly higher dividend yield (a premium of approximately 170 basis points or 1.7%).

Fixed income markets finished the quarter and the year in positive territory. Given significant exposure to interest rates and after an extremely difficult 2022, bonds remained challenged through most of 2023, heading into the fourth quarter. However, as the Fed hinted at their potential policy pivot (i.e., interest rate cuts), bond prices jumped

# Investment Commentary

## December 31, 2023

and traded up with stocks. As measured by the Bloomberg U.S. Aggregate Bond Index, bond markets were up +6.8% for the period, propelling them into positive territory for the year (+5.5% YTD). On a more granular level across the fixed income landscape, longer-dated bonds (U.S. Treasuries and municipals) were some of the best-performing assets, given their interest rate sensitivity. For example, the U.S. Treasury 20+ Year Bond Index posted double-digit quarterly returns (+12.9%). The performance in the fourth quarter lifted almost all fixed-income indices and sub-sectors into positive territory for the year. Convertible bonds (+13.9% YTD), U.S. high yield (+13.4% YTD), and leveraged loans (+13.2% YTD) were some of the best-performing areas of the market, all finishing the year with double-digit total returns. U.S. investment-grade corporate bonds were not far behind, with returns of +8.5% YTD. Municipal bonds finished the year posting returns of +6.4%. Although there were some oscillations, U.S. Treasury yields ended the year close to where they began, and overall credit spreads finished much tighter.

The Fed's Open Market Committee left interest rates unchanged at its October and November meetings. In December, they continued that momentum by keeping rates intact and indicating through its meeting minutes and comments from Chairman Powell that up to three interest rate cuts may be possible in 2024, noting that inflationary pressures had eased. What had been a positive, but not extraordinary, year for equity markets quickly turned course as markets screamed higher. The rally that ensued was truly remarkable, with the S&P 500 soaring 16% off its October lows. November and December gains marked 9% and 4%, respectively, and included nine weeks of market gains. When all was said and done, equity indices finished the year with annual returns that jumped off the page – S&P 500 index (+26.2%), NASDAQ index (+44.6%), MSCI EAFE Index (+18.2%), etc.

Equity assets were not the only beneficiaries of the Fed's policy pivot and its incremental clarity on its future path. Fixed income assets also exhibited a similarly noteworthy year-end rally. The U.S. 10-year yield peaked in mid-October around 5% (even eclipsing 5% intra-day) before

falling precipitously to below 4%, hitting lows of 3.8% before year-end, less than 45 days later. In December 2-, 5-, 10-, and 30-year US Treasury yields were all lower by 40-50 basis points.

As economists publish their outlooks for the coming year, things still need to be clarified from an economic perspective. While the "soft landing" outcome seems more probable than a year ago, the Fed does not seem ready to call for an "all clear." After the year-end rally, some areas of the stock market are back within striking distance of their all-time highs (e.g., the NASDAQ Index finished the year only 6% below its peak). Valuation multiples are again back to more normalized levels on a forward basis; however, on a current P/E basis, they are close to 22x earnings.

Equity markets today remain historically top-heavy and concentrated. Without question, the primary driving force in markets this year was interest rates and the Fed's path forward. Perhaps a close second would be the tailwinds and market euphoria around artificial intelligence ("AI"). Throughout the first three quarters of the year, equity markets were bifurcated between two distinct groups – those that investors felt would be beneficiaries of AI ("haves") and those that would not ("have nots") – with significant disparities between the two. This disparity can be seen in various performance metrics, including sectors. In contrast, technology stocks gained +57.8% over the course of 2023 as compared to out-of-favor or "have not" sectors such as utilities (-7.1%), energy (-1.3%), and consumer staples (+0.5%), which lagged significantly. U.S. large-cap growth stocks also strongly outperformed U.S. large-cap value stocks by a margin of more than 30%, supported mainly by this AI theme. Such outperformance between sectors and styles is rare from a historical perspective.

The market's performance during the first 10 months of the year was driven primarily by the mega-cap technology companies that are believed to be some of the largest and most direct beneficiaries of the gold rush in AI, most recently coined as the "Magnificent Seven," which includes Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla. The gains during the year for these companies are significant,

# Investment Commentary

## December 31, 2023

including Nvidia (+238.9% YTD), Meta (+194.1% YTD), Tesla (+101.7% YTD), etc. As of year-end, the market capitalization of these seven companies was almost \$12 trillion. Given their incredible performance, size, and tailwinds over the last few years, these companies dominate today's stock market index performance (e.g., the S&P 500). However, in the previous two months of the year (i.e., after the Fed's policy pivot), there was a slight broadening of market participation in the year-end rally, with more contribution from the other 493 stocks that make up the S&P 500 index, as noted by the outperformance of the equally-weighted index versus the more often used market-capitalization weighted version. However, the percentage contribution from the index's top ten stocks was still the second largest on record, and 360 of the 500 companies in the index (72%) underperformed the index's overall return for the year.

As the calendar turns to 2024, investors will likely recall 2023 as a year of robust returns across nearly all market segments, almost erasing the disappointment from the bear market 2022. Markets showed impressive resiliency over the year and finished materially higher despite several headwinds and negative themes – rapidly rising interest rates, bank failures, a persistently inverted yield curve, and significant geopolitical risk –to name a few. Market participants will closely monitor substantial questions that should be answered over the year, including a soft vs. hard economic landing, the outcome and implications of an important election year, the Fed's path forward, etc.