



Endowment Pool September 30, 2024

INVESTMENTS

Total Pool Assets

\$1.20 billion (Endowment Pool), \$2.43 billion (total foundation assets) as of September 30, 2024.

Pool Objective

Prudent investment of funds to provide real growth of the assets over time while protecting the value of the assets from undue volatility or risk of loss. Managed on a total return basis (i.e., yield plus capital appreciation) while taking into account the level of liquidity required to meet withdrawals from the pool - mainly expenses and grants to external organizations. While the Investment Committee recognizes the importance of the preservation of capital, they also adhere to the principle that varying degrees of risk are generally rewarded with commensurate returns over full market cycles (5-10 years).

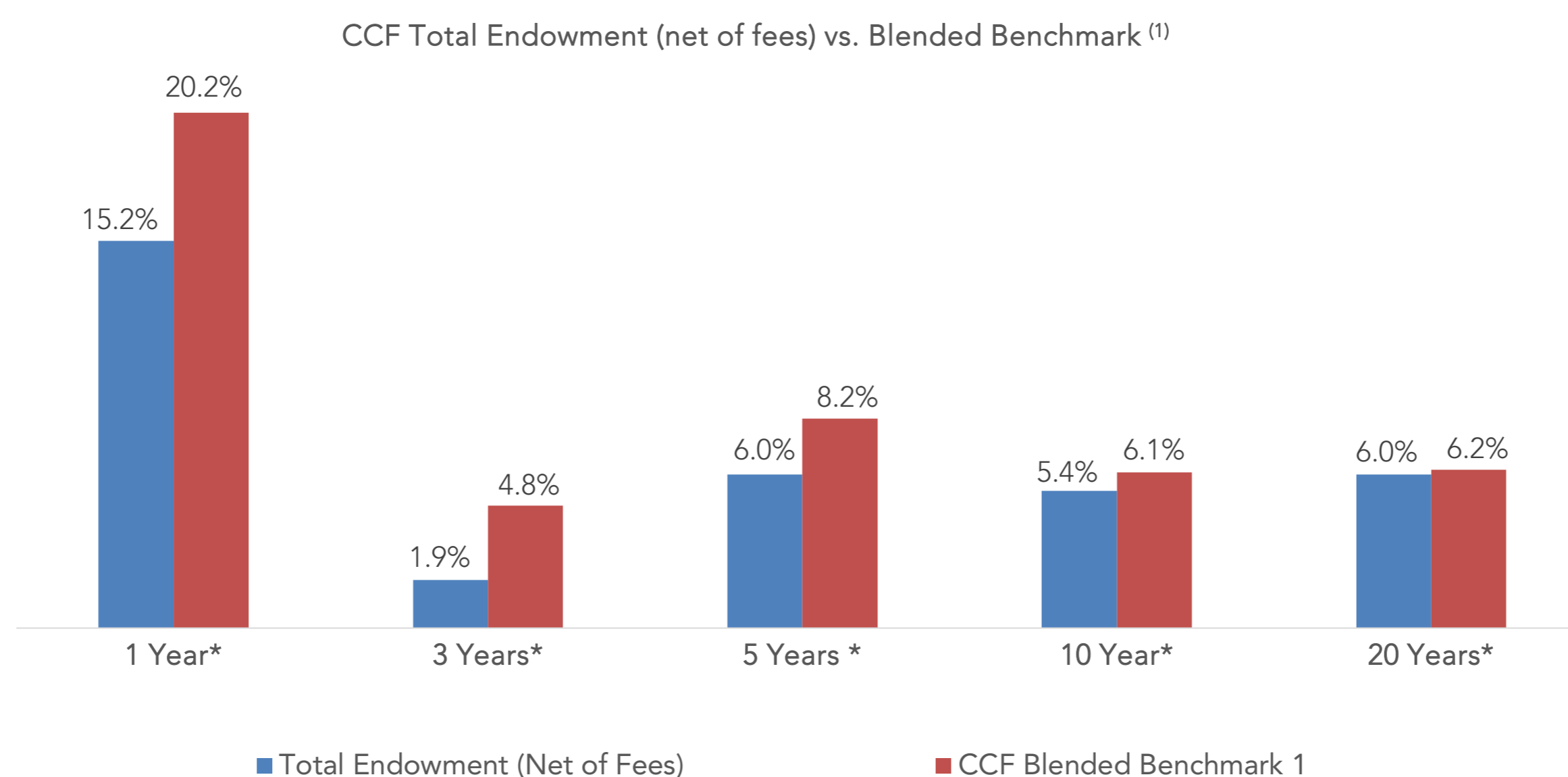
Outsource CIO

Hall Capital Partners

Performance & Asset Allocation

Performance for September 2024 was 1.2% ^(2,5)

Performance for the three months ended September 30, 2024 was 4.7%



Asset Class	Balance (\$m)	% of Port	Long-Term Target Range ⁽⁴⁾
Cash & Equivalent ⁽³⁾	\$4	0.4%	0 - 5%
Fixed Income	\$123	10.2%	10 - 20%
Public Equities	\$578	48.1%	40 - 60%
Alternative Assets	\$132	11.0%	10 - 25%
Hybrid Investments	\$25	2.1%	0 - 10%
Private Investments	\$183	15.2%	10 - 20%
Real Assets	\$156	13.0%	5 - 10%
Total Endowment Assets	\$1,201	100.0%	

MARKET COMMENTARY – Q3 2024

With inflation back within the target range and increased caution toward the labor market, the Fed cut rates for the first time in four years, driving a quarter of strong performance across asset classes. The MSCI ACWI (global public equities) gained 6.6% for the quarter, now +18.7% for the year, bringing both the MSCI ACWI and S&P 500 to end the quarter at or near all-time highs.

Equity markets' strong performance, predominantly driven by US mega-cap tech for most of the year, broadened significantly across various sectors and geographies in Q3. This broadening led to notable shifts in the quarter: international outperformed US stocks, equal-weighted indices outperformed market cap ones, and SMID-cap stocks outperformed large-cap stocks, though time will tell if this broadening will sustain. Lower interest rates and lower starting valuations may benefit segments and geographies that have been out-of-favor in recent years.

Nevertheless, US and global indices remain the most concentrated they have been in over 40 years with ~27% of the S&P 500 comprised of just six technology stocks, which is a risky proposition. While these few stocks have driven the performance of indices for 2024, we continue to build portfolios from the bottom up, with globally diverse drivers of return.

After the Fed's significant 50bps rate cut in September, the committee indicated the possibility of up to an additional 50bps in 2024 and 100bps in 2025. Markets are currently pricing in 75bps of additional rate cuts in 2024. The path for interest rates, the upcoming US presidential election, and various ongoing geopolitical conflicts have the potential to induce short-term market volatility.

EP COMMENTARY

Excluding private investments, the portfolio was up 9.9% YTD. The total Endowment portfolio was up an estimated 8.1% through Q3 which includes private investment marks that report on a lag and are held at zero for the latest quarter.

For Q3, performance for the EP was exactly in-line with its benchmark (+4.7%). However, for the year 2024, performance lags the blended benchmark return. 2024 has seen consistent themes in terms of EP performance. All asset classes have performed better or in-line with expectations and relative benchmarks with the exception of public equities.

As noted above, the dynamic of mega-cap technology stocks (e.g. NVIDIA where the EP does not have equivalent exposure) driving overall equity markets continues to be a theme that results in relative underperformance for the EP. Recent equity performance has been strong on an absolute basis with the Endowment's equities up +12.1% YTD in 2024 and +25.9% for the 1 year period ending September 30, 2024.

Looking forward, we maintain conviction that our actively managed equity portfolios can outperform global indices over the coming decade, and do so with more diversified drivers of return and therefore lower risk. The top five stocks in the MSCI ACWI are trading at a valuation of nearly twice the rest of the index, leaving the broader market looking more reasonable for active managers.

Hedge funds have performed well this year, earning 7% YTD through Q3 taking advantage of still attractive base yields within the credit space. We view this as a strong absolute return for investment strategies that provide diversification and downside protection in the portfolio.

We have made good progress this year in rebalancing the portfolio towards the EP's long-term targets. First, we have been slowly investing more dollars in private equity and are excited about the private commitments, which are still relatively early in terms of duration. As stated above, private investments report on a lag and are therefore held at a 0% return for Q3'24, muting overall performance relative to strongly positive public markets in 2024. However, we believe this exposure will drive higher returns for the EP over the longer term. As private equity allocation grows, we have been trimming from the real assets portion of the portfolio.

* Represents Annualized Returns.

Footnotes:

1 – Total benchmark intended to roughly match CCF portfolio asset allocation with relevant constituent benchmarks. Current blended benchmark effective since 1/1/24.

Current blend: ML 3M T-Bills (3%), Barclays Agg. Bond Index (7.8%), Barclays 1-5Y Government-Credit Index (5.2%), MSCI ACWI (45%), Hedge Fund Blend (7.5% BofA ML High Yield, 3.75% ML 3-Month T- bills, 3.75% MSCI ACWI), Cambridge PE Index (9.8%), Cambridge VC Index (4.2%), Cambridge RE Index (7%), S&P Infrastructure Index (3%).
CPI+5%.

CCF benchmark blends 7/1/21 to 12/31/23 : ML Treasury 1-3 (2%), Barclays Agg. Bond Index (18%), MSCI ACWI (50%), Hedge Fund Blend (7.5% BofA ML High Yield, 3.75% ML 3-Month T-bills, 3.75% MSCI ACWI), Cambridge PE Index (3.5%), Cambridge VC Index (1.5%), Cambridge RE Index (7%), S&P Infrastructure Index (3%).

CCF benchmark blends prior to 7/1/21: Total Fund Benchmark is a combination of: 48% MSCI ACWI - 2% Cambridge PE Index 1-Qtr Lag / 14% HFR FOF / 5% ODCE - 5% S&P Global Large Mid NR - 4% S&P Global Infrastructure / 9% Barc Agg. - 3% Barc 1-5 Yr. Gov/Cr - 3% Barc 0-5 Yr. US Treasury TIPs / 2% Barc High Yield - 2% S&P/LSTA Leveraged Loan - 3% JP Morgan EMBI Global Diversified.

2 – Performance is preliminary and at times estimated pending final reporting from all investments. Managers often report on substantial lags, particularly private illiquid investments. In the instances where we do not have actual or estimated performance for a manager, we default to a 0% performance. Investment performance is presented net of investment expenses, including fund manager incentive fees

3 – Includes cash in transit to or from investments. For example, 2/28 cash could include money that is being sent to an investment on 3/1

4 – Current portfolio allocations may be outside of strategic ranges as it can take substantial time to adjust investments to meet range goals. This is particularly true for private illiquid investments that call capital into strategies over time and typically necessitate multi-year periods to gain exposure for appropriate vintage diversification

5 – Investment expense ratio approximates weighted-average 1.14% excluding fund manager incentive fees.