

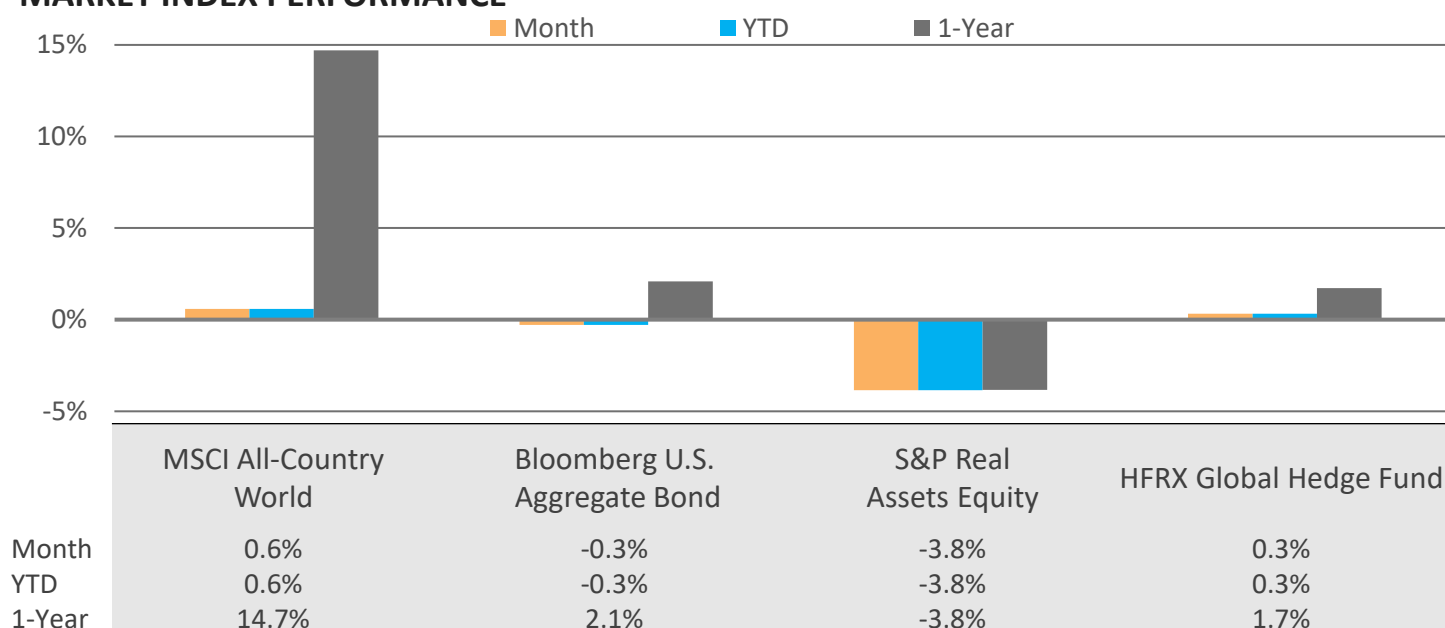
COMMUNITY FOUNDATION FOR THE FOX VALLEY REGION PORTFOLIO UPDATE JANUARY 2024

MARKET UPDATE

On the heels of positive performance across most global asset classes and categories in the fourth quarter of 2023, the first month of 2024 presented investors with mixed performance to begin the new year.

- U.S. and international developed equities provided positive returns for the month as news from the Fed dampened expectations for a rate cut in March, while emerging markets declined amid continued weakness in China. The top-performing sectors within the MSCI All Country World Index that led performance were information technology, communication services, and healthcare, as the strength of the tech-related securities continued to support markets.
- Within the bond market, interest rates were generally static for the month, while below investment-grade credit risk premiums widened modestly from their historically low levels. These two forces translated into a mostly flat performance out of the major bond market sectors to begin 2024. Structurally, despite a growing narrative that the Federal Reserve (Fed) has achieved the historically difficult feat of a soft landing, the Treasury yield curve remained inverted, suggesting that not only does monetary policy remain restrictive but that it may be a premature assumption to declare victory for the Fed.
- For January, performance across Global Real Estate Investment Trusts (REITs) and global listed infrastructure declined to -4.0% and -3.1%, respectively, while commodity futures eked out a modest gain. The negative performance can be partly attributed to a change in rhetoric from Fed governors in January when members alluded to further delays in interest rate cuts.
- Hedge funds continued their recent positive performance to begin 2024, with impressive contributions from fixed income-based strategies. Gains were concentrated in managers positioned for interest rates to remain elevated for the foreseeable future.

MARKET INDEX PERFORMANCE



PORTFOLIO UPDATE JANUARY 2024

PORTFOLIO PERFORMANCE¹

	January	YTD	1-Year	3-Year
Endowment²	0.3%	0.3%	9.4%	2.8%
<i>Target Benchmark³</i>	<i>0.1%</i>	<i>0.1%</i>	<i>10.1%</i>	<i>4.0%</i>
Long-Term Portfolio	0.0%	0.0%	8.0%	3.0%
<i>Target Benchmark⁴</i>	<i>0.2%</i>	<i>0.2%</i>	<i>10.5%</i>	<i>4.1%</i>
Intermediate-Term Portfolio	-0.3%	-0.3%	5.5%	1.1%
<i>Target Benchmark⁵</i>	<i>-0.1%</i>	<i>-0.1%</i>	<i>6.3%</i>	<i>1.1%</i>
Short-Term Portfolio	0.4%	0.4%	4.9%	0.6%
<i>ST Target Benchmark⁶</i>	<i>0.4%</i>	<i>0.4%</i>	<i>5.1%</i>	<i>0.4%</i>

- The Endowment returned 0.3% for the month vs. a benchmark of 0.1%. Equities matched the ACWI for the month, U.S. and global active managers were the top contributors, while emerging markets struggled. Fixed income performance was flat for the month and real assets detracted, specifically natural resources and real estate. Diversifying strategies were slightly positive.
- The Long-Term Portfolio and Intermediate-Term portfolios returned 0.0% and -0.3% respectively, vs. benchmark returns of 0.2% and -0.1%. Like the Endowment, positive returns were primarily driven by equities. The difference in performance for the two portfolios can be explained by the Long-Term portfolio's higher allocation to equities.
- The Short-Term Portfolio continues to benefit from high short-term yields, returning a positive 0.4% for the month with minimal risk.

PORTFOLIO POSITIONING

	ENDW	LT	IT	ST
GLOBAL EQUITY	67.5%	70.0%	35.0%	0.0%
GLOBAL FIXED INCOME & CASH	20.0	20.0	55.0	100.0
REAL ASSETS	7.5	5.0	5.0	0.0
DIVERSIFYING STRATEGIES	5.0	5.0	5.0	0.0

- At the macro-asset category level, all portfolios are positioned conservatively and are close to the IPS targets, given several mixed market signals that make it difficult to identify any significant opportunistic positioning.
- Within equities, all portfolios except the Short-Term Portfolio have a slight overweight to small-cap strategies, which continue to lag large-cap growth but tend to perform well in periods of market growth.

- 1 Portfolio performance is reported net of investment management fees. FEG advisory fees are currently 0.19% for the Endowment and 0.07% for the long-term and intermediate-term portfolios.
- 2 January and 3-Months performance is reported ex-Private Capital due to limited availability of data.
- 3 The Endowment target benchmark is currently comprised of Target Benchmark is 67.5% MSCI ACWI, 19.5% Bloomberg U.S. Aggregate Index, 7.5% S&P Real Assets Equity, 5.0% HFRX Global Hedge Fund Index, and 0.5% U.S. 91-Day Treasury Bills.
- 4 The long-term portfolio target benchmark is currently comprised of 70.0% MSCI ACWI, 19.5% Bloomberg Aggregate Index, 5.0% S&P Real Assets Equity, 5.0% HFRX Global Hedge Fund Index, and 0.5% U.S. 91-Day Treasury Bills.
- 5 The intermediate-term target benchmark is comprised of 35.0% MSCI ACWI, 50.0% Bloomberg Aggregate Index, 5.0% S&P Real Assets Equity, 5.0% HFRX Global Hedge Fund Index, and 5.0% U.S. 91-Day Treasury Bills.
- 6 The short-term portfolio target benchmark is comprised of 100% ICE BofAML U.S. 3-Month Treasury Bill Index.