

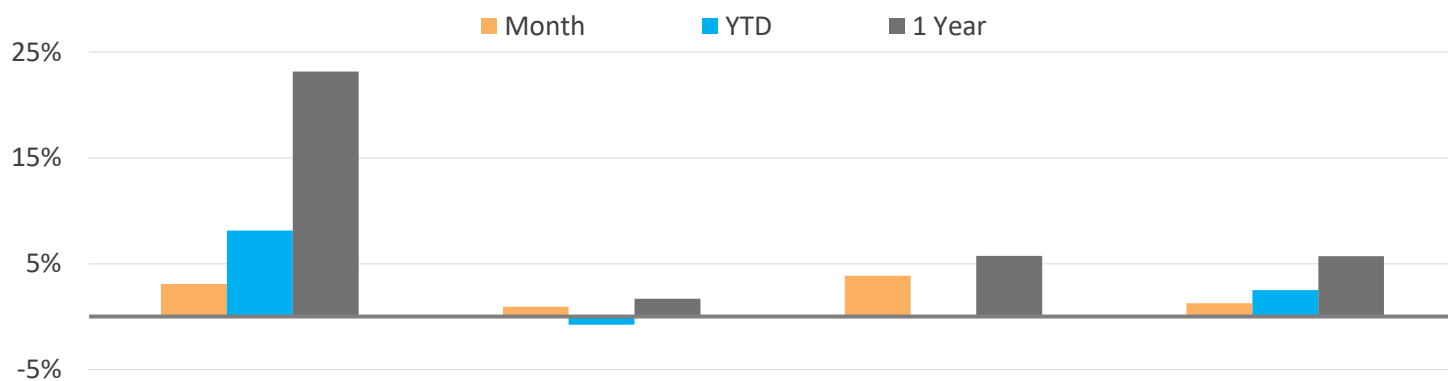
COMMUNITY FOUNDATION FOR THE FOX VALLEY REGION PORTFOLIO UPDATE MARCH 2024

MARKET UPDATE

The stock market started the year with a bang and has remained unbothered by potential external signs of instability (i.e. stubbornly elevated inflation and an unsettling geopolitical stage). However, performance across other asset classes and categories continues to be mixed.

- In March, global equities continued the momentum of early 2024, providing the S&P 500 Index its best first quarter since 2019. Enthusiasm around artificial intelligence (AI) was especially pivotal in driving market returns across the globe. However, international equities lagged domestic, as regional conflicts in Eastern Europe and the Middle East, paired with lackluster economic performance across Europe and China, helped weigh on investor sentiment.
- Bond market performance was mixed, with rate-sensitive sectors like investment-grade credit and Treasuries witnessing declines, while shorter-duration, below-investment-grade credit sectors such as high yield and bank loans eked out low single-digit returns. With inflation remaining stubbornly high, the expectations of interest rate cuts in 2024 have dropped from seven at the end of 2023 to only two to three by the end of the first quarter.
- For March, real asset performance was also mixed, as Real Estate Investment Trusts (REITs) declined modestly amid the backup in interest rates, while commodity futures and global listed infrastructure generated positive total returns. Higher interest rates have been the most significant headwind for listed real estate due to the increased borrowing costs and declining property valuations because of higher applied discount rates.
- Hedge funds generated solid gains for the quarter, led by global macro and hedged equity strategies. Global macro strategies were particularly strong, witnessing the best quarterly return in over 20 years.

MARKET INDEX PERFORMANCE



	MSCI All-Country World	Bloomberg U.S. Aggregate Bond	S&P Real Assets Equity	HFRX Global Hedge Fund
Month	3.1%	0.9%	3.9%	1.3%
YTD	8.1%	-0.8%	-0.1%	2.5%
1-Year	23.2%	1.7%	5.7%	5.7%

PORTFOLIO UPDATE MARCH 2024

PORTFOLIO PERFORMANCE¹

	1-Month	YTD	1-Year	3-Year
Endowment²	2.8%	6.2%	16.6%	3.2%
<i>Target Benchmark³</i>	2.6%	5.4%	16.5%	4.6%
Long-Term Portfolio	2.7%	5.7%	15.3%	3.7%
<i>Target Benchmark⁴</i>	2.6%	5.6%	16.9%	4.7%
Intermediate-Term Portfolio	1.8%	2.5%	8.9%	1.7%
<i>Target Benchmark⁵</i>	1.8%	2.6%	9.5%	1.7%
Short-Term Portfolio	0.4%	1.2%	5.0%	1.2%
<i>ST Target Benchmark⁶</i>	0.5%	1.3%	5.2%	0.7%

- The Endowment returned 2.8% for the month vs. a benchmark of 2.6%. Equities continue to be the primary contributor to performance, with active public managers further adding alpha. Consistent with the broad market returns, fixed income performance was slightly positive for the month, real assets performance was strong, and diversifying strategies were also positive. Real assets benefited primarily from the exposure to gold.
- The Long-Term Portfolio and Intermediate-Term portfolios returned 2.7% and 1.8% respectively, vs. benchmark returns of 2.6% and 1.8%. 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 Month and YTD 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.