

## **Market Overview**

Markets rallied in December, capping off a strong year for equities. Positive developments over the China trade war and greater clarity around Brexit helped fuel investors' optimism. Across global equity markets, Emerging Markets (EM) posted the highest returns during the quarter with 11.8%. US Equities and International Equities returned 9.1% and 8.2%, respectively. For the year, US Equities outperformed global markets with the S&P 500 posting a return of 31.5%, while International Equities and EM returned 22.0% and 18.4%, respectively.

In fixed income markets, lower quality credits rallied alongside equities, posting strong gains for the quarter and year. High yield gained 2.6% in Q4 and closed the year up 14.4%, while the Barclays Aggregate was flat for the quarter but finished the year up 8.7%.

## **Investment Pool**

The Investment Pool (Pool) benefited from the strong equity market returning 7.5% for the quarter and 18.4% for the year. The majority of the Pool's underperformance to the target benchmark in 2019 is attributed to the Private Equity (PE) portfolio. The PE portfolio target benchmark includes the S&P 500. Thus, PE returns relative to its benchmark were negatively impacted in the short term as a result of the S&P 500's strong quarter. The Pool's longer term relative performance continues to outperform its target benchmark. The Pool continues to benefit from its exposure to a diverse set of investments including hedge funds and private investments.

## **American Funds**

The American Funds program benefited from the strong markets returning 7.0% for the quarter and 21.5% for the year. Short term performance versus the benchmark was negatively impacted by the program's higher allocation to International Equities which did not perform as well as US Equities. The program's longer-term relative performance continues to be strong, outperforming its benchmark in the 3, 5 and 10 year periods. The program invests in three American Funds: American Balanced Fund, EuroPacific Growth Fund, and Small Cap World Fund.

## **Conservative Fund**

The Conservative Fund continues to provide returns in line with a fund constructed to preserve principal and maintain a high degree of liquidity. The fund returned 0.6% for the quarter and 2.3% for the year.

## **Summary**

The Foundation offers a diverse set of investment options designed to meet the varied needs of our donor advisors. These options continue to produce results in line with their respective objectives.

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For more information, contact your philanthropic officer at 404.688.5525 or visit [cfgreateratlanta.org](http://cfgreateratlanta.org)

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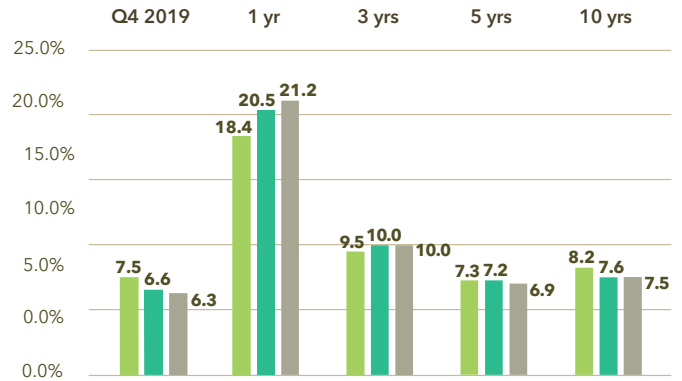
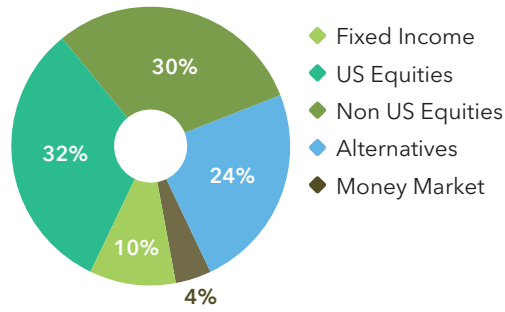
# 2019 Investment Report: Q4

## Portfolio

## Asset Allocation

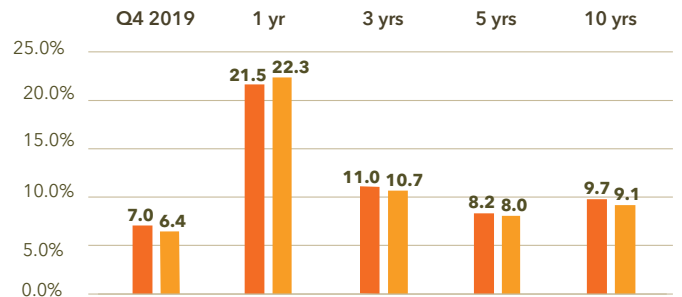
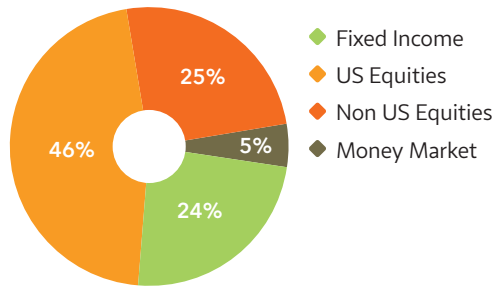
## Performance

### Investment Pool



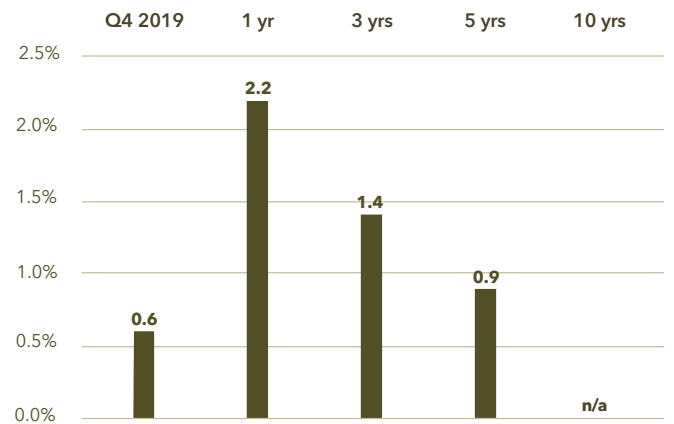
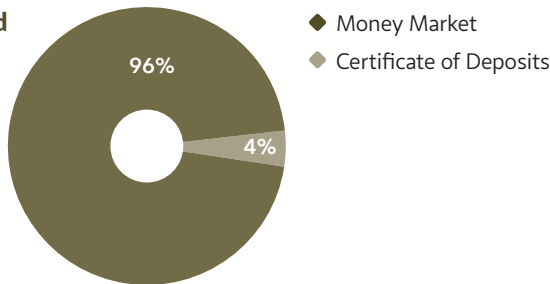
◆ Investment Pool\* ◆ Benchmark\*\* ◆ 70% MSCI ACWI/30% Barclays Agg

### American Funds



◆ American Funds ◆ Benchmark\*\*\*

### Conservative Fund



◆ Conservative Fund

Past performance is not indicative of future results.

\*Preliminary. \*\*The benchmark is a weighted average of market indices using the Foundation's strategic asset allocation through time.

\*\*\*The benchmark is a weighted average of the underlying mutual fund benchmarks that comprise the American Funds program.

Note: Please see [Benchmark Information](#) for additional information.