Market Overview
Markets continued to rebound from lows in the first quarter even as coronavirus cases in the U.S. spiked during the summer months. Markets recorded their strongest August returns in decades with the S&P 500 posting its best August return since 1986 and the Dow posting its best August return since 1984. However, in September stocks took a sharp decline causing many investors to wonder if this was the beginning of a stock market drawdown. Fortunately, this pullback was short lived, and stocks quickly bounced back.

Stock returns for the third quarter were positive globally with emerging markets leading the way returning 9.7% while US large cap stocks were close behind returning 8.9%. International developed stocks had more modest gains (+4.9%). On a year-to-date basis, U.S. stocks have positive returns, emerging market stocks are roughly flat, while international developed markets are still negative for 2020.

Investment Pool
The Investment Pool (Pool) returned 3.9% for the third quarter, 2.1% behind the Target Benchmark. Some of this underperformance is due to short-term mark to market losses on private investments. These losses are not necessarily reflective of any permanent impairment. Managers appropriately decreased asset values given the economic impact of the pandemic in the near term. Most other asset classes performed in line with their respective benchmarks. The Pool continues to employ a long-term diversified investment strategy to generate attractive returns over the longer term.

American Funds
The American Funds Program returned 5.6% in the third quarter, underperforming its benchmark by 30 basis points. The program’s longer-term relative performance continues to be strong, outperforming its benchmark in the 1, 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 0.2% for the quarter.

Summary
The Foundation offers a diverse set of investment options, designed to meet the varied needs of our donor advisors. Our investment strategy is based on the principles of discipline, balance, diversification, and a longer view that is risk-aware but opportunistic. We are confident that these principles will continue to serve us well as we steward philanthropic capital.

For more information, contact your philanthropic officer at 404.688.5525 or visit cfgreateratlanta.org
Portfolio Asset Allocation

**Investment Pool**
- Fixed Income: 27%
- US Equities: 36%
- Non US Equities: 11%
- Alternatives: 3%
- Money Market: 11%

**American Funds**
- Fixed Income: 25%
- US Equities: 42%
- Non US Equities: 8%
- Money Market: 25%

**Conservative Fund**
- Money Market: 96%
- Certificate of Deposits: 4%

Performance

**Investment Pool**
- Q3 2020: 3.9%
- 1 yr: 6.0%
- 3 yrs: 5.9%
- 5 yrs: 10.0%
- 10 yrs:

**American Funds**
- Q3 2020: 5.6%
- 1 yr: 11.6%
- 3 yrs: 10.2%
- 5 yrs: 9.6%
- 10 yrs: 9.5%

**Conservative Fund**
- Q3 2020: 0.2%
- 1 yr: 1.8%
- 3 yrs: 1.8%
- 5 yrs: 1.2%
- 10 yrs: n/a

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.