MARKET ENVIRONMENT
In 2021, equity returns were even more robust than the prior year due to the global rollout of COVID-19 vaccines, continued easy money policies from central banks, and even more fiscal stimulus from government policymakers. The US was the biggest spender, passing a $1.9 trillion COVID-19 stimulus bill in March and a $1.2 trillion infrastructure bill in November. The convergence of stimulus-induced spending combined with supply chain disruptions and labor shortages triggered by the pandemic sparked inflation levels in many developed countries. An increase in inflation prompted global central banks to discuss and, in some instances, implement strategies to reduce monetary stimulus. This change in tone and the emergence of the highly contagious Omicron variant led to an increase in volatility in many asset classes during the last few months of 2021.

Developed market equities ended the year on a high note. The MSCI World Index was up 7.8% in the fourth quarter, and the S&P 500 increased by a robust 11.0%. Both indices topped their strong 2020 performances, up 21.8% and 28.7%, respectively, in 2021. International equities continued to lag. The MSCI EAFE Index was up 11.3% for the year. After posting returns in the high teens during 2020, emerging market equities closed the year down -2.5%.

After posting solid returns in 2020, most fixed income indices were down in 2021. The Bloomberg U.S. Aggregate Bond Index was flat in the fourth quarter but down 1.5% for the year. With market volatility increasing in the fourth quarter, long-duration treasury bonds were up 3.1% but still closed 2021 down -4.7%.

INVESTMENT POOL
The Investment Pool (Pool) returned 15.6% in 2021, outperforming the Target Benchmark return of 13.1%. The Pool benefited from strong performance in private markets, led by venture capital. Private markets returned 67.7% in 2021. 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 13.7% in 2021, versus its benchmark of 14.7%. The program’s longer-term relative performance continues to be strong, outperforming its benchmark in the 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.

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.
2021 Investment Report

Portfolio Asset Allocation Performance

**INVESTMENT POOL**
- Global Equities: 11%
- Cash & Accruals: 10%
- Real Assets: 7%
- Private Markets: 10%
- Fixed Income: 5%
- Absolute Return: 57%

**AMERICAN FUNDS**
- Fixed Income: 25%
- US Equities: 24%
- Non US Equities: 5%
- Money Market: 46%

**CONSERVATIVE FUND**
- Money Market: 96%
- Certificate of Deposits: 4%

**Performance**

**1 yr**  | **3 yrs**  | **5 yrs**  | **10 yrs**
---|---|---|---
Investment Pool*: 15.6%  | 13.1%  | 14.1%  | 15.8%
Benchmark**: 10.7%  | 8.3%  | n/a  | n/a
American Funds: 13.2%  | 14.7%  | 16.7%  | 17.2%
Benchmark***: 12.3%  | 12.2%  | 10.7%  | 8.3%

*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.

Past performance is not indicative of future results.