Q4 2023 Investment Report

Community Foundation for Greater Atlanta

MARKET UPDATE

Investors came into 2023 licking their wounds because both equity and fixed income markets saw double digit declines in 2022. By the time the year was over, all were pleasantly surprised that global equities gained over 22% in 2023. Markets were encouraged by a surprisingly resilient U.S. economy and consumer as well as a gradual decline in the rate of inflation over the course of the year. Most asset classes posted a strong finish to the year as sentiment shifted while the Federal Reserve finished raising short term interest rates and swung to possibly cutting rates in early 2024.

While overall returns for risk assets exceeded expectations, the year was not without its share of drama and volatility. During the first quarter, markets weathered the collapse of west coast-based Silicon Valley Bank, which contributed to the demise of Credit Suisse when it was acquired by UBS. Equities continued to gain ground in the second quarter as the Fed paused from raising rates and inflation continued to moderate. Later in the summer, fears of an overheating economy and a credit downgrade of U.S. Government bonds pushed bond and equity prices lower. Third quarter losses were erased in a fourth quarter rally as investors were optimistic that global central banks may pilot a soft landing in 2024.

Global equities, as measured by the MSCI ACWI index, increased 11.0% in the fourth quarter for a gain of 22.2%. U.S. stocks continued to outperform other developed markets with the Russell 1000 posting a 12.0% return and the MSCI EAFE index up 10.4%, leaving them up 26.5% and 18.2%. Both growth and value stocks gained during the quarter with the Russell 3000 Growth index increasing 14.1% and the value index up 9.8%. Growth still held on to its lead this year, up 41.2% versus 11.7% for the value index. Emerging market stocks rose 7.9% in the fourth quarter, ultimately with a gain of 9.8%.

Fixed income markets saw plentiful gains from optimistic Fed outlooks and declines in inflation with the Bloomberg Aggregate Bond Index up 6.8% pushing it to a return of 5.5% this year. Three-month treasury bills continued to achieve modest gains, up 1.4% in the fourth quarter and 5.0% year to date. Long treasury bonds enjoyed gains of 12.7% in the quarter to squeeze out a gain of 3.1% to end the year. High yield bonds remained the best place to be in fixed income, up 7.1% for the quarter and gaining 13.5% for 2023.

Real asset returns were mixed with the broad commodity index down -4.6% for the quarter and closed down -7.9%. Energy stocks lagged in the fourth quarter with a return of -6.8%, leading to a loss of -0.6% year to date. REITs saw an increase of XXX, pushing them to a gain of 13.7%.

The chart below depicts major asset class performance from year to year. U.S. equity markets gained 12% in the fourth quarter to maintain their lead over developed and emerging international markets on the year. Real estate rallied in the fourth quarter to end up 14% in 2023 while fixed income gained 6.8% in the fourth quarter to end up 5.5% in 2023. Commodities were the only asset class in the red for 2023, declining -8%.

Note: Performance is shown by category (see color key below) with performance percentages from greatest (top) to least (bottom).

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
RE 30%	RE 3%	US 13%	EM 37%	FI 0%	US 31%	US 21%	RE 43%	CM 16%	US 26%
US 13%	FI 1%	CM 12%	DE 25%	RE -5%	RE 26%	EM 18%	CM 27%	FI -13%	DE 18%
FI 6%	US 0%	EM 11%	US 21%	US -5%	DE 22%	DE 8%	US 26%	DE -15%	RE 14%
EM -2%	DE -1%	RE 9%	RE 5%	CM -11%	EM 18%	FI 8%	DE 11%	US -19%	EM 10%
DE -5%	EM -15%	FI 3%	FI 4%	DE -14%	FI 9%	CM -3%	FI -2%	EM -20%	FI 6%
CM -17%	CM -25%	DE 1%	CM 2%	EM -15%	CM 8%	RE -8%	EM -3%	RE -25%	CM -8%

U.S. Equities · Developed Int'l Equities · Emerging Equities · RE = Real Estate · Fixed Income · Commodities

Q4 2023 Investment Report

Community Foundation for Greater Atlanta

INVESTMENT POOL

PERFORMANCE

The Community Foundation for Greater Atlanta's month-end account value was **$379,411,134**. The portfolio was up 7.3% for the quarter as compared to its benchmark, which returned 7.9%. Over the same period, global equities returned 11.0%, and fixed income returned 6.8%.

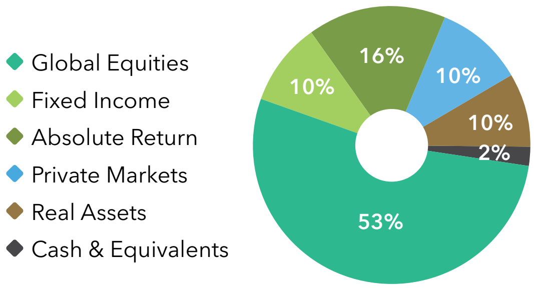
	Market Value	%	QTD	1-Year	3-Year	5-Year	10-Year
Cash & Equivalents	8,028,045	2.1%	1.2%	4.6%	2.0%	1.9%	1.2%
ICE BofA ML 3-Month Treasury Bill			*1.4%*	*5.0%*	*2.2%*	*1.9%*	*1.3%*
Fixed Income	36,204,294	9.5%	8.6%	3.5%	-4.1%	0.8%	1.5%
67/33 - BB Agg/BB Long Treasury			*8.8%*	*4.8%*	*-6.0%*	*0.4%*	*2.1%*
Global Equities	202,259,391	53.3%	11.3%	25.7%	5.9%	10.5%	8.1%
*MSCI All Country World Index - ND**			*11.0%*	*22.2%*	*5.7%*	*11.7%*	*7.9%*
Absolute Return	61,657,088	16.3%	2.2%	7.4%	2.1%	4.6%	-0.7%
HFRI Fund of Funds Composite Index			*3.6%*	*6.6%*	*2.3%*	*5.2%*	*3.3%*
Private Markets	38,809,466	10.2%	0.0%	5.2%	20.5%	16.1%	16.8%
Cambridge US PE Index			*0.0%*	*5.8%*	*12.3%*	*14.8%*	*13.1%*
Real Assets	32,608,473	8.6%	2.0%	1.2%	12.8%	4.0%	7.4%
50/50 - MSCI US REIT/Bloomberg Commodity			*5.6%*	*3.0%*	*9.5%*	*7.8%*	*3.6%*
Total Investment Pool	**379,411,134**		**7.3%**	**14.9%**	**5.7%**	**8.7%**	**6.5%**
Community Foundation Policy Benchmark			*7.9%*	*14.0%*	*3.9%*	*9.0%*	*6.5%*

Past performance is not indicative of future results.
**Returns since 10/1/21 calculated by Disciplina Capital Management. Prior returns provided by prior consultant.
**The Private Equity benchmark return is updated through the latest quarter provided by Cambridge Associates.
***Disciplina returns are net of all fees, including investment management and custodial fees. Returns greater than 1 year are annualized.
****Due to timing and availability of portfolio information from custodian, Northern Trust, valuations may not match custodian-issued monthly statement. Cash activity and balances are based on custodian's "Cash Activity Detail by Account" and "Asset Detail by Account" reports.

Policy Benchmark as of 10/1/21: 52% MSCI ACWI, 8% Bloomberg Aggregate Bond, 4% Bloomberg Long Term Treasury, 10% Cambridge Private Equity, 16% HFRI Fund of Funds, 5% MSCI REIT, 5% Bloomberg Commodity.

ASSET ALLOCATION

As of month-end, the portfolio is allocated in a diversified mix of global equities, fixed income, absolute return, private markets, and real assets. Equities are invested in the U.S., developed non-U.S., and emerging market equities. The fixed income portfolio is allocated to impact, government, corporate and securitized bonds. Absolute return investments include credit, event, relative value and opportunistic exposures. Within real assets are allocations to real estate and natural resource partnerships.

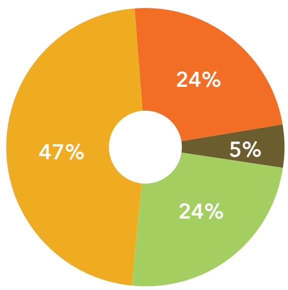


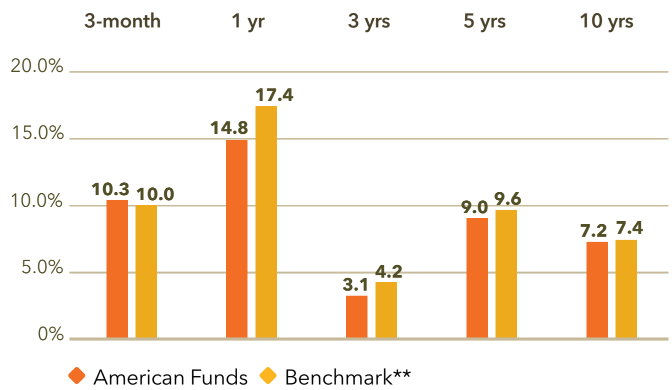
AMERICAN FUNDS & CONSERVATIVE FUND

Portfolio | Asset Allocation | Performance

AMERICAN FUNDS

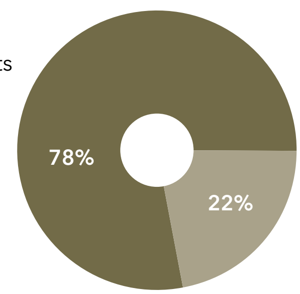
- Fixed Income
- US Equities
- Non US Equities
- Cash

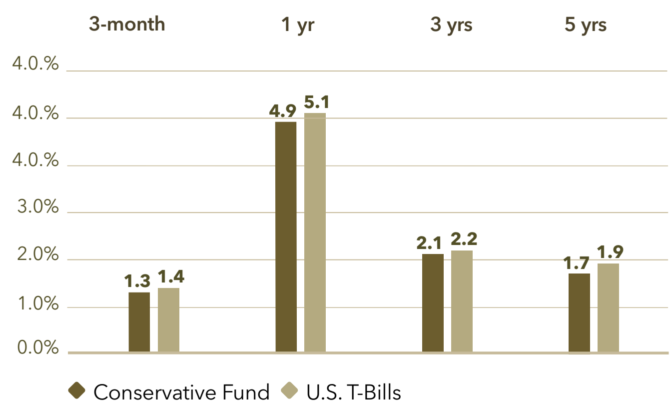




CONSERVATIVE FUND

- Cash & Cash Equivalents
- Fixed Income





Past performance is not indicative of future results.

**The benchmark is a weighted average of the respective benchmarks for the underlying mutual funds that comprise the American Funds program: 75% ABALX (60% S&P 500/40% Barclays Aggregate), 15% AEPGX (MSCI All Country World Index ex USA), 10% SMCWX (MSCI All Country World Small Cap Index)

For more information, contact a member of our philanthropic team at 404.688.5525 or visit cfgreateratlanta.org