February 2022 Performance Summary

While rising inflation and interest rates have headlined investor concern for the last few months, Russia's invasion of Ukraine compounded what was an already complex investment climate entering the year. A potential recession in Europe coupled with a weaker global economic outlook caused further downward pressure on equity markets in February, with the largest declines felt in European and growth-oriented assets. The volatility that follows is very unsettling for most people although it creates outsized opportunities for disciplined investors. The Foundation's investment Pools are heavily allocated to such firms which use their in-depth knowledge of specific companies and their experience doing the difficult work of properly valuing businesses to capitalize on market prices that can become increasingly detached from reality during difficult times. This is an exercise in intermediate to long-term gains as no one can predict the immediate future for either companies or markets.

In February, the Long-Term Pool fell 1.7%, a result that fell short of the custom benchmark's return by 20 basis points. Returns across growth-oriented sectors in both global equities and hedge funds led to the shortfall.

The Socially Responsible Pool fell 1.7% for the month, an outcome that fell short of the benchmark return by 10 basis points. This result is largely the product of the pool's overweight to public equities.

The Mid-Term Pool fell 1.4% for the month, a result that fell short of the custom benchmark's return by 20 basis points. As the Pool is largely invested in index funds, the return difference was primarily driven by cash movement in the Pool that resulted in temporary deviations from policy asset allocation targets.

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