April 2022 Performance Summary

Between the horrific events unfolding in Ukraine, the rising probability of a disruptive and inflationary change in the world order, the path away from unusually aggressive central bank policies and optimistically priced core indices such as the S&P 500, we began the year ripe for a much more challenging return climate.

As we exited Q1, interest rates continued to accelerate higher in April, which had a pronounced impact on financial markets during the month and further exacerbated the mark-to-market declines experienced in the first quarter. While the S&P 500 has declined 12.9% year-to-date, growth-oriented indices and strategies have been the hardest hit by current market conditions, with YTD declines of 20-30%. Rising rates have also directly impacted fixed income returns, with the Bloomberg Barclays Aggregate Index experiencing a 9.5% decline in 2022 (through April).

Given the complexities of the world, we must also ask if this brand of challenging is not about near-term and ultimately fleeting discomfort but instead the far more serious problem of long-term regret caused by lasting damage to the purchasing power of philanthropic capital. Many today hold portfolios that are ill-suited for large economic and market shifts although signs of their arrival abound.

The Foundation pools were designed to thrive in this type of climate as complexity provides an advantage to patient, disciplined investors with in-depth knowledge of the fortunes of individual companies. This plus the Foundation's diversified strategy will likely be key contributors to overcoming what might at times be fierce headwinds from markets and the world at large.

In April, the Long-Term Pool fell 5.5%, a result that fell in-line with the policy benchmark. Thus far in 2022, the Pool is down 10.9% or 1.4% behind the benchmark. Returns across growth-oriented sectors in both global equities and hedge funds have led to the shortfall year-to-date.

The Socially Responsible Pool declined 6.5% for the month, an outcome that fell short of the benchmark return by 90 basis points. Thus far in 2022, the Pool is down 11.2% or 100 basis points behind the benchmark. This result is largely the product of the pool's exposure to global growth stocks.

The Mid-Term Pool declined 5.0% for the month, a result that trailed the custom benchmark's return by 10 basis points. Thus far in 2022, the Pool is down 8.5% or 0.8% above its benchmark. 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.

Produced by Crewcial Partners, LLC
June 7, 2022