



### ***May 2022 Performance Summary***

Global equity markets posted flat to modestly positive results in May, reversing course from the double-digit percentage decline experienced through the first four months of the year. Fixed Income markets also experienced some relief during the period, with interest rates staying flat over the course of the month.

The Federal Open Market Committee met in May and decided to increase the federal-funds target rate by 50 basis points, the largest single rate increase in more than 20 years. While many market participants had been anticipating this rate increase in response to growing inflationary pressures, the path of future rate increases remained unclear as the Fed left open the possibility for more aggressive actions in the future.

Despite the modestly positive results during the month, the current market environment continues to present investors with a complex set of conditions, including the potential for a global recession. 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 May, the Long-Term Pool gained 0.5%, outperforming the policy benchmark by 40 basis points. Thus far in 2022, the Pool is down 10.5% or 1.1% 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 gained 0.6% for the month, outperforming its policy benchmark return by 20 basis points. Thus far in 2022, the Pool is down 10.7% or 80 basis points behind the benchmark. This result is largely the product of the pool's exposure to global growth stocks.

The Mid-Term Pool gained 0.6% for the month, outperforming its policy benchmark by 30 basis points. Thus far in 2022, the Pool is down 7.9% or 1.2% 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.

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