



June 2024 Performance Summary

Markets continued to climb higher in June, with global equities posting a 2.2% gain. Market leadership was again concentrated in a narrow subset of U.S. mega-cap stocks that contributed to the gains; the market-cap weighted S&P 500 returned +3.6%, while the equal-weighted index actually declined by 0.5%.

Internationally, developed equities posted a decline (-1.6%), with a snap election in France as a noteworthy development during the month. Emerging markets were the strongest performing sub-equity group, led by EM Asia which returned +5.0% during the month.

The European Central Bank began its easing cycle during the month, cutting its deposit rate by 25bps, while the US Fed left its policy unchanged. Headline inflation continued to tick lower (3.3%), while economic growth remained solid and the labor market remained tight. Bond yields continued to compress, which fueled modest gains for core bonds.

In June, the Long-Term Pool returned +0.4%, a result that trailed the policy benchmark by 70 basis points. The Pool's domestic large-cap equities and hedge funds were the largest detractors to relative performance. Conversely, small-cap equities outperformed its benchmark during the month.

The Socially Responsible Pool returned +0.2% for the month, trailing its policy benchmark by 80 basis points. The Pool's domestic large-cap and global equities categories were the largest contributors to the relative shortfall.

The Mid-Term Pool returned +0.7% for the month, trailing its policy benchmark by 30 basis points. As the Pool is largely invested in index funds, any return differences are primarily driven by cash movement in the Pool that result in temporary deviations from policy asset allocation targets.

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