Vermont Community Foundation

VCF Core Investment Pool Performance

as of June 30, 2026

VCF Core Investment Pool Performance vs. Benchmark

net of investment management fees*

	Latest Quarter	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 7 Years	Latest 10 Years
VCF Core Investment Pool	**8.3%**	**13.5%**	**12.0%**	**5.9%**	**8.1%**	**8.6%**
VCF Custom-blended Benchmark	10.1%	17.8%	13.9%	7.4%	9.6%	9.4%

VCF Core Pool Benchmark is a blended index using market benchmarks weighted based on the Foundation's asset allocation strategy
**Estimated current investment fees, including third party management fees: 0.50%-0.60%*

Investment Strategy and Allocation

The VCF Core Investment Pool is designed to deliver strong, long-term financial returns while investing in companies that demonstrate responsible practices toward the environment, communities, and leadership. We combine low-cost, passively screened investments with carefully chosen active managers who focus on both financial performance and positive social impact

Asset Class	Target	Actual Allocation	Top Managers by Class
Equity	63.5%	64.1%	Redwood Grove, Champlain, Silchester, Westwood, Aperio
Aggregated Fixed Income	26.5%	25.9%	Vanguard, Dodge & Cox, Loomis
Private Assets	8.0%	7.8%	Spark Capital, At One Ventures, Union Square Ventures, Consonance
Cash	2%	2.1%	Vanguard

Current Market Performance Commentary

Global equity markets staged a powerful recovery in the second quarter of 2026; the S&P 500 rose 15.2%, the MSCI EAFE index gained 10.8%, and the MSCI Emerging Markets index surged 24.1% The primary catalyst for the quarter's strong performance was the easing of Middle East tensions, as a US-Iran ceasefire agreement led to a meaningful decline in oil prices from their prior highs. Investor risk appetite recovered broadly, as corporate earnings continued to surprise the upside, and enthusiasm for artificial intelligence infrastructure investment, particularly in semiconductors and related hardware, intensified. Interest rates rose modestly over the period; however, they spiked intra-quarter on energy/inflation concerns.

In Q2 2026, the Core Investment Pool returned 8.3%, which trailed its target benchmark return by 1.8%. On a relative basis, the Pool's emerging markets equity portfolio was the largest detractor to returns. The Core Pool's emerging market equity composite generated solid absolute returns during Q2 (12.1%), however it did not keep pace with the return for the benchmark emerging market index. The emerging market index has become heavily concentrated in companies along the AI infrastructure buildout, with the three largest companies (Taiwan Semi, Samsung, and SK Hynix) collectively accounting for more than 30% of the entire index. While the Pool has exposure to this area of the market, the emerging market allocation is significantly more diversified.

Asset Class	All Managers by Class
Equity	Adage, Aperio, Brown Capital, Camelot Capital, Champlain, Elephant Asset Management, Ichigo, Redwood Grove, Silchester, Theleme, Westwood Global
Aggregated Fixed Income	Colchester, Dodge & Cox, Loomis Sayles, Vanguard
Private Assets	Altas, At One Ventures, Consonance, Digital Alpha, GEM Realty, Eightfold, Healthy Ventures, Lakestar, Lyme Forest, Patron, Precursor, Renegade, Sango, Spark Capital, Union Square Ventures
Cash	Vanguard