January 2022 Performance Summary

Rising inflation, rising interest rates, continued pain across optimistically priced growth sectors and the specter of war in Europe all contributed to the emergence of a much more complex investment climate. 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 January, the Long-Term Pool fell 3.9%, a result that fell short of the custom benchmark’s return by 30 basis points. Returns across growth-oriented sectors in both global equities and hedge funds led to the shortfall.

The Socially Responsible Pool fell 3.7% for the month, a result that exceeded the benchmark return by 10 basis points. This outcome is largely the product of out-performance across non-US equities.

The Mid-Term Pool fell 2.3% for the month, an outcome that exceeded the custom benchmark’s return by 100 basis points. As the Pool is largely invested in index funds, the return difference was the product of an overweight position in cash/short term bonds as both equities and longer-term bonds generated negative returns for the month.

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