



COMMINGLED FUND
INVESTMENT REPORT THROUGH 9/30/2023

The goal of East Tennessee Foundation’s investment policies is to maintain or increase the real value of the endowment principal and its distributions over the long-term while funding current needs at an appropriate level. Our Investment Committee meets at least quarterly and pays close attention to the investment portfolio, its asset allocation, and fund performance in relation to comparison benchmarks.

The majority of the portfolio is invested in two comprehensive vehicles with The Investment Fund for Foundations (TIFF): the Multi-Asset Fund (MAF) and The Keystone Fund (TKF). Both funds seek to produce an annualized real (that is, inflation-adjusted) return of at least 5% through a majority of market cycles. The funds seek to achieve this objective by diversification across asset classes and by active security selection; TKF includes private investments as well as marketable securities. The remaining assets of the commingled fund are deployed to achieve the Foundation’s target asset allocation. To that end, the Foundation has small allocations to the Vanguard Developed Market Index and Total Bond Market Index Funds, the SSgA S&P 500 Index Fund, Loomis Sayles Global Bond Fund, and FPA New Income Fund.

ALLOCATION:

| | Current Asset Allocation | Target Range |
|---|--------------------------|------------------|
| Equity-Oriented Assets | | |
| Global Equity | 66.2% | |
| REITS | 0.0% | |
| High Yield Bonds | 0.0% | |
| Resource-Related Equities | 0.0% | |
| Subtotal - Equity-Oriented Assets | 66.2% | 55% - 75% |
| Diversifying Strategies | | |
| Hedge Funds | 13.0% | |
| Commodities (incl Futures) | 0.0% | |
| Opportunistic Credit | 0.3% | |
| Asset-Backed Securities | 3.4% | |
| Subtotal - Diversifying Strategies | 16.6% | 15% - 25% |
| Fixed Income | | |
| Conventional Bonds | 14.7% | |
| Inflation-Linked Bonds | 0.0% | |
| Cash Equivalents | 2.6% | |
| Subtotal - Fixed Income | 17.2% | 10% - 20% |
| | 100.0% | |

INVESTMENTS AS OF 9/30/2023:

| | | |
|--------------------------------------|----------------------|---------------|
| TIFF Multi-Asset Fund | \$89,628,019 | 39.3% |
| TIFF Keystone Fund | \$62,691,427 | 27.5% |
| SSgA S&P 500 Index Fund | \$29,191,781 | 12.8% |
| Vanguard Developed Market Index Fund | \$22,578,905 | 9.9% |
| Vanguard Total Bond Mkt Index Fund | \$9,070,025 | 4.0% |
| FPA New Income Fund | \$8,878,433 | 3.9% |
| Loomis Sayles Global Bond Fund | \$6,183,204 | 2.7% |
| | \$228,221,794 | 100.0% |



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PERFORMANCE RETURNS*:

| FUND/BENCHMARK** | QTR | YTD | 1 YR | 3YR | 5YR | 10YR | 15YR | 20YR | 25YR | 30YR | Since 1st Qtr. 1987 |
|--|--------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| TIFF Multi-Asset (began 11/28/11) | -0.8% | 7.1% | 15.1% | 4.1% | 5.3% | 5.1% | | | | | |
| 65/35 Mix | -3.3% | 6.1% | 13.5% | 2.7% | 4.5% | 5.5% | | | | | |
| CPI + 5% per annum | 2.3% | 7.8% | 9.1% | 11.1% | 9.3% | 7.9% | | | | | |
| SSgA S&P 500 Index (began 3/31/2008) | -3.3% | 13.0% | 21.5% | 10.0% | 9.8% | 11.8% | 9.7% | | | | |
| S&P 500 Index | -3.3% | 13.1% | 21.6% | 10.2% | 9.9% | 11.9% | 9.8% | | | | |
| Vanguard Developed Mrkts Index (began 11/29/11) | -4.7% | 6.0% | 24.1% | 5.4% | 3.2% | 4.0% | | | | | |
| Spliced Developed Ex US Index | -4.0% | 6.4% | 23.8% | 5.5% | 3.2% | 4.1% | | | | | |
| Vanguard Total Bond Market Index (began 4/1/2015) | -3.1% | -0.9% | 0.7% | -5.2% | 0.2% | | | | | | |
| Bloomberg US Aggregate Float Adjusted Index | -3.1% | -1.1% | 0.8% | -5.2% | 0.2% | | | | | | |
| Loomis Sayles Global Bond Instl (began 4/1/2015) | -4.0% | -3.0% | 1.9% | -7.0% | -1.5% | | | | | | |
| Bloomberg Global Aggregate Index | -3.6% | -2.2% | 2.2% | -6.9% | -1.6% | | | | | | |
| FPA New Income (began 1/28/14) | 1.3% | 3.6% | 4.2% | 0.6% | 1.7% | | | | | | |
| Bloomberg US Government/Credit 1-3 Year Index | 0.7% | 1.9% | 2.8% | -0.7% | 1.2% | | | | | | |
| Composite*** | -0.3% | 6.8% | 12.6% | 5.5% | 5.9% | 5.8% | 6.5% | 6.8% | 6.6% | 7.3% | 7.6% |

*net of investment management fees

** TIFF Multi-Asset Fund (MAF) and TIFF Keystone Fund (TKF) primary benchmark for the long term is the Consumer Price Index plus 5% per annum.

TIFF MAF and TIFF Keystone 65/35 Mix is 65% MSCI All Country World Index, 35% Bloomberg US Aggregate Bond Index.

S&P 500 Index is a market-weighted index of 500 widely held U.S. stocks, primarily solid mid cap or large cap corporations.

Spliced Developed ex US Index uses MSCI EAFE Index through May 2013; FTSE Developed ex North America through December 2015; FTSE Developed All Cap ex US Transition through May 2016; FTSE Developed All Cap ex US index thereafter. FTSE Developed All Cap ex US is a market-capitalization-weighted index of approximately 3,700 common stocks of large-, mid-, and small-cap companies located in Canada and the major markets of Europe and the Pacific Region.

Bloomberg US Aggregate Float Adjusted Index is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The Float-Adjusted version excludes US agency debentures held in the Federal Reserve SOMA account.

Bloomberg Global Aggregate Index is a measure of global investment grade debt from 24 different local currency markets. A multi-currency benchmark, it includes fixed-rate treasury, government-related, corporate and securitized bonds from both developed and emerging market issuers.

Bloomberg US Government/Credit 1-3 Year Index measures the performance of US Treasury Securities that have a maturity range of 1-3 years.

***the composite return includes investment performance for TIFF Keystone, however they are delayed by one quarter.

PRIOR QUARTER PERFORMANCE RETURNS*:

| FUND/BENCHMARK** | QTR | YTD | 1 YR | 3YR | 5YR | 10YR | 15YR | 20YR | 25YR | 30YR | Since 1st Qtr. 1987 |
|---|------|------|-------|-----|-----|------|------|------|------|------|---------------------|
| TIFF Keystone (began 12/31/2021) | 2.3% | 6.1% | 7.9% | | | | | | | | |
| 65/35 Mix | 3.7% | 9.7% | 10.3% | | | | | | | | |
| CPI + 5% per annum | 2.3% | 5.3% | 8.1% | | | | | | | | |

**TIFF Keystone Fund data lags 3 months because of its private investment holdings; its return data and benchmarks are for the previous quarter.