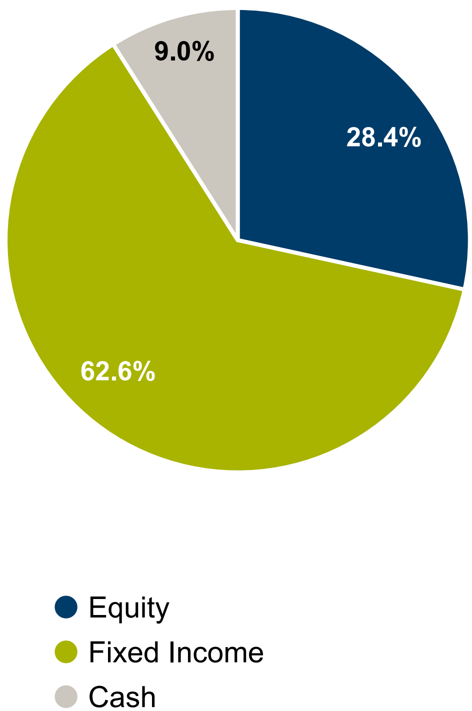
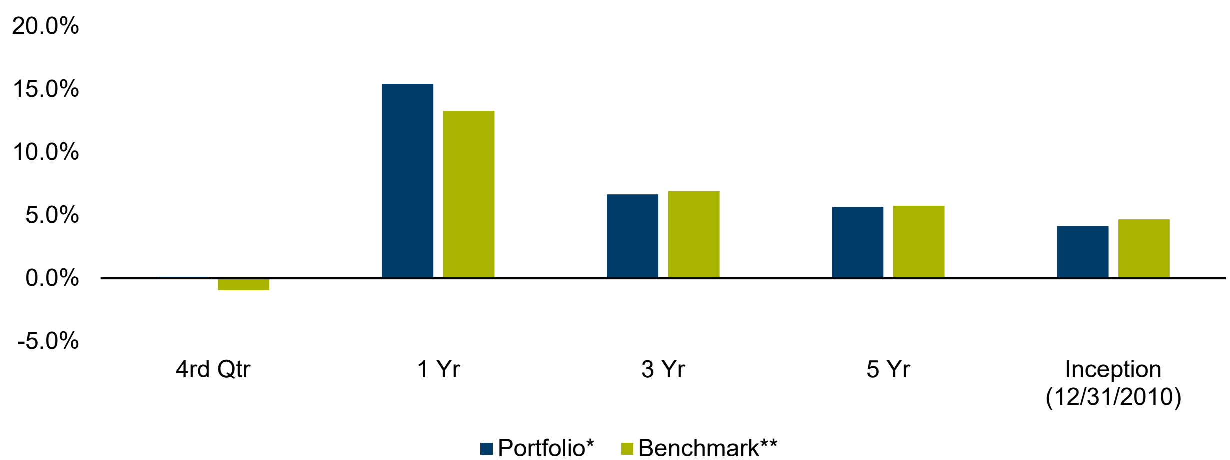
Greater Tacoma Community Foundation – Short-Term Pool Portfolio

Portfolio composition



Short-Term Pool Performance



	1st Qtr	1 Yr	3 Yr	5 Yr	Inception (12/31/2010)
Portfolio*	0.1%	15.4%	6.7%	5.7%	4.1%
Benchmark**	-1.0%	13.3%	6.9%	5.8%	4.7%

Local impact investments may represent up to 3% of the portfolio, spread across real estate, fixed income, and equity.

Data as-of March 31, 2021. Source: Vanguard
*Returns are net of investment management fee
**Time weighted benchmark. Benchmark history available upon request.

1st Quarter Overview

Global equities produce solid returns in the first quarter

Global equity markets continued their positive momentum from the fourth quarter as domestic[1] and international[2] stocks posted positive gains of 6.4% and 3.8%, respectively. Large-scale monetary and fiscal stimulus measures, along with optimistic expectations for an economic rebound, continued to serve as tailwinds for equity returns during the quarter. A pro-cyclical rotation away from the pandemic's top-performing investment classes and sectors, which began in the fourth quarter of 2020, persisted into the first quarter of 2021. Energy and financial stocks bested all other sectors, with technology stocks lagging all other U.S. sectors for the quarter. Smaller companies that are more likely to have their fortunes tied to the strength of the U.S. economy were among the best performers. Leading the way for domestic equities were small-caps[3] , returning 10.2%, compared to returns of 7.2% and 5.7% in the mid[4] and large-cap[5] space for the trailing three months ending March 31st. Small-caps[3] outperformed mid and large-cap stocks over the trailing one-year period as well, returning 87.7% relative to the returns of 70.7% and 58.8% for their mid[4] and large-cap[5] counterparts. Value[6] stocks outperformed for the quarter and recorded gains of 11.9% compared to 1.2% for growth[7] over the trailing three months. Despite the underperformance for the quarter, growth[7] outpaced value[6] over the trailing one-year period by returning 64.3% compared to a 58.4% result. The broad market rebound also continued in international equities, where developed markets[8] returned 4.1% and emerging markets[9] returned 2.8% for the quarter. For the trailing one-year, developed markets[8] returned 50.3% compared to 56.2% for emerging markets[9] during the same period. A swifter recovery from the coronavirus pandemic in China and other emerging Pacific economies contributed to emerging market stocks' outperformance over the one-year period.

Bonds react negatively to perceived inflationary pressure

The expansion of the Fed's balance sheet along with encouraging news surrounding vaccine rollout and the burgeoning economic recovery led to concerns over accelerated growth and inflation. Treasury yields rose in response to these developments as the yield on the 10-year U.S. Treasury note ended the first quarter 81 basis points higher. The U.S. Treasury yield curve has steepened markedly so far this year with a spread of 1.58% between the two and ten-year Treasury securities, compared to 0.80% at the end of last year. U.S. bonds[10] lost -3.5% for the quarter with U.S. Treasuries[11] and U.S. investment-grade credit[12] down -4.3% and -4.5%, respectively. Only high-yield bonds managed to end the quarter in positive territory as markets continued to favor higher risk assets. Over the one-year period ending March 31st , U.S. investment-grade credit[12] performed admirably at a 7.9% clip with the broad U.S. fixed income market[10] returning 0.7% over the same period. International fixed income did not avoid losses for the first quarter, with hedged international bonds[13] down -2.2% versus -5.3% for their unhedged[14] counterparts. Over the one-year period, a weakening of the U.S. dollar has led to unhedged bonds outperforming hedged international fixed income.

Final Thoughts

Coronavirus case and hospitalization trends improved throughout much of the quarter before worsening a bit by the end of March. However, the bigger story from a risk sentiment perspective was the large expansion in vaccine distribution. The US exited the quarter with ~150 million doses administered and a seven-day average of nearly 2.5 million doses per day. The current level of vaccinations combined with supportive fiscal and monetary policy conditions are expected to contribute to a significant pickup in economic activity in the second half of the year.

Index Returns

1) CRSP US Total Market Index, 2) FTSE Global All-Cap ex US Index, 3) CRSP US Small-Cap Index, 4) CRSP US Mid-Cap Index, 5) CRSP US Large-Cap Index, 6) Russell 3000 Value Index, 7) Russell 3000 Growth Index, 8) FTSE Developed All-Cap ex-US Index, 9) FTSE Emerging Index, 10) BloombergBarclays US Agg Float Adj Index, 11) BloombergBarclays US Treasury Index, 12) Bloomberg Barclays US Credit Index, 13) BloombergBarclays Global Agg ex-USD Float Adjusted RIC Hedged, 14) BloombergBarclays Global Agg Index ex-USD.

Sources: Vanguard, U.S. Treasury, Trading Economics, Bloomberg, Wall Street Journal, Morningstar, FactSet, Bureau of Economic Analysis.

Benchmark History

Endowment History

From inception through 7/31/2013, the benchmark is represented by 32% S&P 500 Index, 3% Russell Midcap Index, 3% Russell 2000 Index, 11% MSCI EAFE Index, 2% MSCI Small Cap EAFE Index, 8% MSCI Emerging Markets Index, 22% Barclays U.S. Aggregate Bond Index,3% Barclays U.S. TIPS Index, 6% DJ/CS HFI Long/Short Equity, 3% DB Liquid Commodity Index–OY Div., 7.00% U.S. T-Bill + 3%. **From 8/31/2013 to 12/31/2016**, the benchmark is represented by 10% S&P 500 Index, 5% Russell Midcap Index, 5% Russell 2000 Index, 10% MSCI EAFE Index, 2% MSCI Small Cap EAFE Index, 8% MSCI Emerging Markets Index, 18% Barclays U.S. Aggregate Bond Index, 2% Barclays U.S. TIPS Index, 5% DJ/CS HFI Long/Short Equity, 7.5% Bloomberg Commodity Index 7.50%, 20% U.S. T-Bill + 3%, 7.5%, FTSE EPRA/NAREIT Global Index. **From 10/1/2016 through 6/30/2018**, the benchmark is represented by 40% Spliced Total Stock Market Index, 26% Spliced Total International Stock Index, 10% Spliced Bloomberg Barclays US Agg Float Adj Ix, 4% Bloomberg Barclays GA ex-USD FlAj RIC CpIx Hgd, 10% REIT Spliced Index, 5% Citi 3 month Treasury Bill, 5% FTSE 3 month U.S.T-Bill Index + 4%. **From 7/1/2018 through 2/29/2020**, the benchmark is represented by 40% Spliced Total Stock Market Index, 26% Spliced Total International Stock Index, 14% Spliced Bloomberg Barclays US Agg Float Adj Ix, 4% Bloomberg Barclays GA ex-USD FlAj RIC CpIx Hgd, 4% Real Estate Spliced Index, 2% S&P Global ex-US Property Index, 10% FTSE 3 month Treasury Bill. **From 3/1/2020 through 8/31/2020,** the benchmark is represented by 40% Spliced Total Stock Market Index, 26% Spliced Total International Stock Index, 16.5% Spliced Bloomberg Barclays US Agg Float Adj Ix, 4% Bloomberg Barclays GA ex-USD FlAj RIC CpIx Hgd, 4% Real Estate Spliced Index, 2% S&P Global ex-US Property Index, 7.5% FTSE 3 month Treasury Bill. **Thereafter**, the benchmark is represented by 42% Spliced Total Stock Market Index / 28% Spliced Total International Stock Index / 19% Spliced Bloomberg Barclays US Aggregate Float Adjusted Index / 5% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged / 2% S&P Global ex-US Property Index / 4% Real Estate Spliced Index.

Note: Inception date of MSCI Small Cap EAFE Index total return series is 1/31/2001, prior to that the price only series was used.

Annuity History

From inception through 12/31/2016, the benchmark is represented by 5% Russell 2500 Index, 26% Russell 1000 Index, 5% Russell 2000 Value Index, 23% MSCI EAFE Index, 35% Barclays U.S. Aggregate Bond Index, 6% FTSE NAREIT Equity Index. **From 10/31/2016 through 11/30/2018**, the benchmark is represented by 36% Spliced Total Stock Market Index, 23% Spliced Total International Stock Index, 25% Spliced BBgBarc US Agg Float Adj Ix, 6% Real Estate Spliced Index, 5% FTSE 3 month Treasury Bill, 5% FTSE 3 month U.S.T-Bill Index + 4%. **From 12/1/2018 through 2/29/2020**, the benchmark is represented by 36% Spliced Total Stock Market Index, 23% Spliced Total International Stock Index, 25% Spliced BBgBarc US Agg Float Adj Ix, 6% Real Estate Spliced Index, 10% FTSE 3 month Treasury Bill. **From 3/1/2020 through 8/31/2020**, the benchmark is represented by 36% Spliced Total Stock Market Index, 23% Spliced Total International Stock Index, 27.5% Spliced BBgBarc US Agg Float Adj Ix, 6% Real Estate Spliced Index, 7.5% FTSE 3 month Treasury Bill. **Thereafter,** the benchmark is represented by 38% Spliced Total Stock Market Index / 24% Spliced Total International Stock Index / 32% Spliced Bloomberg Barclays US Aggregate Float Adjusted Index / 6% Real Estate Spliced Index.

Short-Term History

From 10/31/2010 through 9/30/2016, the benchmark is represented by 10% Russell 3000 Index, 5% MSCI AC World Index ex-U.S., 70% Barclays U.S. Aggregate Bond Index, 15% Barclays Inst'l Money Market. **Thereafter**, the portfolio is represented by 17% Spliced Total Stock Market Index, 8% Spliced Total International Stock Index, 65% Spliced BBgBarc US Agg Float Adj Ix, 10% FTSE 3 month Treasury Bill.