

**Community Foundation of the Dan River Region**  
**4Q 2023 Performance Comments**  
*February 19<sup>th</sup> 2024*

1. **Economic and Market Environment** (pages 1 to 4 plus 55)

- What recession? What inflation? What monetary restrictions? What global uncertainty?
- What, Me Worry? The Market Bulls successfully scaled the Wall in the 4<sup>th</sup> quarter!
- Autumn's selloff is gone and forgotten...apparently. For good? Probably not.
- Equity Large Caps took a back seat to Mid, and, especially, Small Caps (9.5% vs 12.1% and 15.3%).
- However, Large Caps' P/E multiples remain 1/3<sup>rd</sup> higher than Mid and Small Caps!
- Energy stocks lost their earlier luster while Real Estate, Coms and IT played the starring role.
- Non-US Markets also recovered, but to a lesser degree.
- Emerging Markets (with the exception of China) rallied 10.5% led by India's 12% rally.
- Interest rate declines gave the fixed-income markets renewed life providing a 6.8% 4Q return.
- 90-day T Bills continue to offer a 5%+ return, but that may not last much longer.

2. **Overall Fund and Sector Performance** (pages 5 to 11 and 22 and 23)

- The recovery increased your portfolio's market value by over \$5.1 million to \$53.1 million).
- That puts you ahead of your prior record high, \$49 million 2 years ago.
- Net investment returns alone added \$4.7 million in the quarter.
- Overall, the Fund was up 9.7% in the 4<sup>th</sup> quarter and 15.2% for the year.
- Relative performance, even the challenging 3-year period, is quite solid.
- Your Fund is comfortably ahead of the 8.5% return objective by \$2.7 million.
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3. **Manager Performances** (pages 12 to 21 plus 24 to 55)

- Your active equity managers, pretty much without exception, did a terrific job in 4Q23.
- Index funds did their job and even bonds had a good showing.

4. **Recommendations**

- We will continue to experience volatility and uncertainty.
- The only reasonable course is to stick to our policies and focus on the long term!

5. **Update** (2024 benchmarks through 2/9/2024) *Will update at our meeting.*

S&P +5.5% Mid Cap +1.3% Small Cap -0.8%  
EAFE -0.4% Emg Mkts -2.7%