

Winter 2021

Dear Friends:

Global equity markets finished 2020 with a strong fourth quarter, largely on news of successful trial results for a COVID-19 vaccine and a continuation of supportive monetary and fiscal policy. As represented by MSCI ACWI, global equity markets were up 14.7% for the quarter and 16.3% for the year. These returns were realized despite a global pandemic that triggered a 30% global market selloff in the first quarter.

The S&P 500 was up 12.1% for the quarter and 18.4% for the year. The global pandemic did not appear to adversely impact the information technology and consumer discretionary sectors, which were up 41.2% and 32%, respectively. However, the same is not true for the energy sector, which was the worst performing sector in 2020, down 37.5%. The good news is this sector was up more than 25% in the fourth quarter on the expectation that demand will be strong as economies more fully reopen as a result of the vaccine rollout.

As measured by the Russell 3000, growth stocks continued their dominance over value stocks in 2020, up 38.3%, while value stocks were up just 2.9%. Small-cap stocks performed exceptionally well in the fourth quarter, up 31.4% and up 20.0% for the year. These stocks are expected to benefit more than large-cap stocks as certain sectors in the economy that were left behind for most of the year begin to outperform as economies reopen.

In addition to the promising news of a vaccine, central banks have assured markets about their willingness to offer a backstop should short-term obstacles to the recovery emerge. Supportive monetary policy has kept bond yields low with the U.S. 10-year Treasury yield finishing the year at 0.93%.

Below is a summary of the major market indices for the fourth quarter and 2020:

<b>Market Index</b>	<b>QTR</b>	<b>YTD</b>
S&P 500	12.1%	18.4%
MSCI EAFE	16.0%	7.8%
MSCI Emerging Markets	19.7%	18.3%
Bloomberg Barclays U.S. Aggregate Bond	0.7%	7.5%

A typical endowment with FFTC was up 12.2% for the quarter and up 12.6% for the full year compared to benchmark returns of 11.1% and 13.2%, respectively. Like 2019, we realized double-digit returns on our endowment portfolio.

It also demonstrates the benefits of a well-diversified, long-term-oriented portfolio that is designed to achieve our donors' long-term philanthropic objectives in ever-changing market conditions.

Sincerely,



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Vice President and Director – Investment Portfolio Oversight & Reporting

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