Community Foundation
For Palm Beach and Martin Counties

2023 Investment Summary and Highlights

Morgan Stanley

Morgan Stanley OCIO

40+
Portfolio Managers

80+
Due Diligence Analysts

75+
Operations and Support Staff

Managing $78B in assets for institutions and ultra-high net worth (UHNW) families

$51.7 Billion	$20.5 Billion	$5.8 Billion
Retirement & Government Entities	Endowments & Foundations	Individuals & Family Offices Globally

Morgan Stanley OCIO

Our investment process is rooted in three central tenets:

Market Inefficiencies
present opportunities

Client Customization
is essential

Risk Management
is integral to delivering returns

Morgan Stanley OCIO

Portfolio Management

- Conduct a comprehensive review of the portfolio
- Recommend a custom investment policy statement
- Develop an asset allocation and manager structure
- Conduct due diligence on potential managers and funds
- Hire and fire investment managers
- Monitor the portfolio, its managers and embedded risk exposures
- Rebalance the portfolio and execute tactical shifts
- Provide monthly and quarterly performance reports

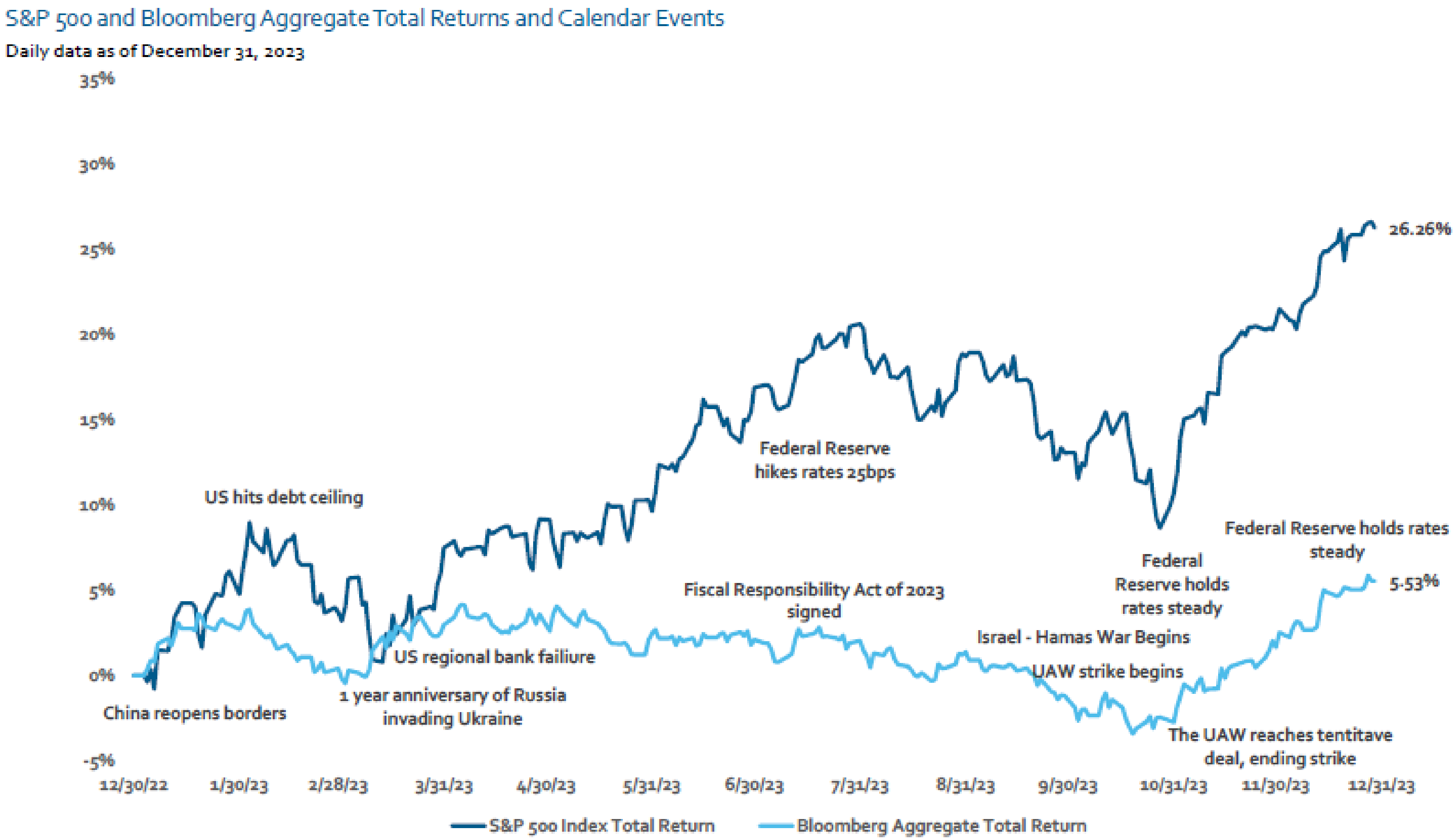
Investment Operations

- Manage cash transactions including funding capital calls, termination and rebalancing
- Reconcile manager and custodian statements
- Manage the custodian's receipt and disbursement of cash
- Prepare and execute all relevant documents for investments and redemptions

Training and Resources

- Board education
- Provide access to our proprietary research reports, capital market exhibits and peer group data
- Invite you to our periodic conferences and annual global investment workshops

2023 Year in Review



2023 in Review: Asset Class Annual Returns

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Ann. CAGR	Volatility
US Equities 32.4%	REITs 14.5%	US Equities 1.4%	MLPs 18.3%	EM Equities 37.8%	Cash 1.9%	US Equities 31.5%	EM Equities 18.8%	MLPs 39.9%	MLPs 30.5%	MLPs 26.3%	US Equities 12.3%	MLPs 22.4%
MLPs 27.6%	US Equities 13.7%	EMD 1.2%	High Yield 14.3%	DM Int'l Equities 25.7%	US Debt 0.0%	Global Equities 27.3%	US Equities 18.4%	US Equities 28.7%	Managed Futures 14.9%	US Equities 26.3%	Global Equities 8.6%	EM Equities 18.3%
Global Equities 23.5%	Managed Futures 12.3%	US Debt 0.5%	US Equities 11.9%	Global Equities 24.7%	DM Int'l Debt -0.2%	REITs 23.3%	Global Equities 16.9%	Commod. 27.1%	Commod. 13.8%	Global Equities 22.8%	DM Int'l Equities 4.8%	Commod. 16.0%
DM Int'l Equities 23.4%	EMD 7.4%	Cash 0.0%	EM Equities 11.8%	US Equities 21.8%	Inflation-Linked -1.3%	DM Int'l Equities 22.8%	Inflation-Linked 11.0%	REITs 23.2%	Cash 1.5%	DM Int'l Equities 18.9%	Diversified Portfolio 4.4%	US Equities 15.9%
Diversified Portfolio 9.0%	US Debt 6.0%	DM Int'l Equities -0.3%	Commod. 11.4%	REITs 15.1%	High Yield -4.1%	EM Equities 18.8%	Diversified Portfolio 10.0%	Global Equities 19.0%	Global Hedge -4.4%	High Yield 14.0%	REITs 3.6%	Global Equities 15.3%
High Yield 7.3%	MLPs 4.8%	REITs -0.4%	EMD 10.2%	Diversified Portfolio 12.3%	EMD -4.3%	Diversified Portfolio 16.2%	DM Int'l Debt 9.4%	DM Int'l Equities 11.9%	Inflation-Linked -11.8%	Diversified Portfolio 11.8%	High Yield 3.5%	REITs 15.0%
Global Hedge 6.7%	Global Equities 4.8%	Managed Futures -0.9%	Global Equities 8.5%	High Yield 10.4%	US Equities -4.4%	EMD 15.0%	DM Int'l Equities 8.4%	Managed Futures 10.0%	High Yield -12.7%	EMD 11.1%	Managed Futures 3.4%	DM Int'l Equities 14.2%
REITs 2.1%	Diversified Portfolio 4.2%	Inflation-Linked -1.4%	Diversified Portfolio 5.2%	EMD 10.3%	Managed Futures -4.6%	High Yield 12.6%	US Debt 7.5%	Diversified Portfolio 8.8%	Diversified Portfolio -13.0%	EM Equities 10.2%	EMD 3.1%	EMD 9.7%
Managed Futures 0.7%	Inflation-Linked 3.6%	Diversified Portfolio -1.6%	Inflation-Linked 4.7%	DM Int'l Debt 6.7%	Diversified Portfolio -4.6%	US Debt 8.7%	High Yield 7.0%	Inflation-Linked 6.0%	US Debt -13.0%	REITs 9.5%	EM Equities 2.7%	High Yield 9.1%
Cash 0.1%	Cash 0.0%	Global Equities -1.8%	REITs 4.6%	Global Hedge 6.0%	REITs -5.3%	Global Hedge 8.6%	Global Hedge 6.8%	Global Hedge 3.7%	DM Int'l Equities -13.9%	US Debt 5.5%	Inflation-Linked 2.3%	Diversified Portfolio 8.3%
US Debt -2.0%	High Yield 0.0%	High Yield -2.7%	US Debt 2.6%	US Debt 3.5%	Global Hedge -6.7%	Inflation-Linked 8.4%	EMD 5.3%	High Yield 1.0%	EMD -17.8%	Cash 5.3%	MLPs 2.1%	DM Int'l Debt 8.0%
EM Equities -2.3%	Global Hedge -0.6%	DM Int'l Debt -2.9%	Global Hedge 2.5%	Inflation-Linked 3.0%	Global Equities -8.9%	Managed Futures 6.7%	Managed Futures 5.0%	Cash 0.0%	Global Equities -17.9%	Inflation-Linked 3.9%	US Debt 1.7%	Managed Futures 7.1%
DM Int'l Debt -4.7%	DM Int'l Debt -0.7%	Global Hedge -3.6%	DM Int'l Debt 1.8%	Cash 0.8%	MLPs -12.4%	MLPs 6.6%	Cash 0.6%	US Debt -1.5%	US Equities -18.1%	DM Int'l Debt 3.5%	Global Hedge 1.5%	Inflation-Linked 6.3%
EMD -5.3%	EM Equities -2.0%	EM Equities -14.6%	DM Int'l Equities 1.6%	Commod. 0.7%	Commod. -13.0%	Commod. 5.4%	Commod. -3.5%	EMD -1.8%	DM Int'l Debt -18.5%	Global Hedge 3.1%	Cash 1.3%	US Debt 6.2%
Inflation-Linked -8.6%	DM Int'l Equities -4.3%	Commod. -24.7%	Cash 0.3%	Managed Futures -0.8%	DM Int'l Equities -13.3%	DM Int'l Debt 5.3%	REITs -9.3%	EM Equities -2.3%	EM Equities -19.8%	Managed Futures -1.6%	DM Int'l Debt -0.9%	Global Hedge 5.2%
Commod. -9.6%	Commod. -17.0%	MLPs -32.6%	Managed Futures -4.4%	MLPs -6.5%	EM Equities -14.3%	Cash 2.3%	MLPs -28.8%	DM Int'l Debt -7.3%	REITs -23.4%	Commod. -12.6%	Commod. -2.6%	Cash 1.6%

Note: All returns are expressed in total returns in U.S. Dollars. Additional asset class indices' returns can be found on page 4. Past performance is not a guarantee of future results. The indexes are unmanaged. An investor cannot invest directly in an index. The indices are shown for illustrative purposes only and do not represent the performance of any specific investment. Data are as of December 31, 2023

Source: Cambridge Associates LLC, Russell Investments, Hedge Fund Research, Barclays Trading Group, Morgan Stanley Research, MSCI Barra, FactSet, and the Morgan Stanley Global Wealth Management Asset Allocation Group.

Global Growth Forecasts: Real GDP

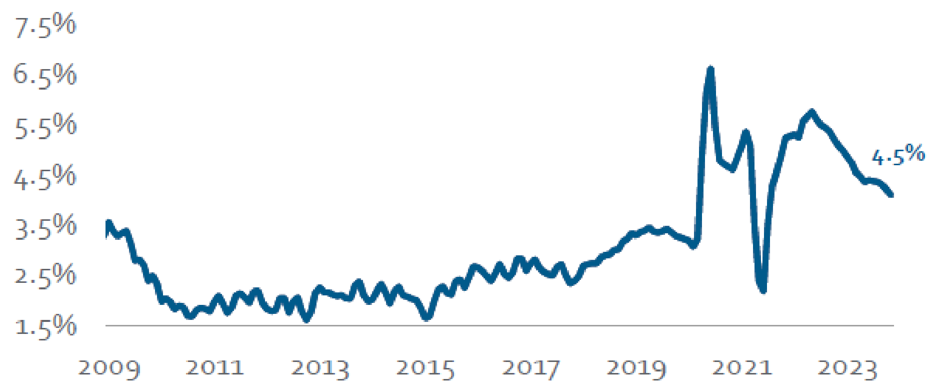
Data as of February 09, 2024 (y/y % change)

	Quarterly												Annual		
	2023E				2024E				2025E				2023E	2024E	2025E
Real GDP	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Global	3.0	3.5	3.1	3.2	2.8	3.1	2.8	2.8	2.9	2.9	2.9	2.8	3.1	2.9	2.9
G10	1.6	1.6	1.5	1.6	1.5	1.4	1.4	1.2	1.2	1.2	1.3	1.3	1.6	1.4	1.3
US	1.7	2.4	2.9	3.1	3.0	2.9	2.1	1.7	1.5	1.4	1.4	1.4	2.5	2.4	1.4
Euro Area	1.3	0.6	0.0	0.1	0.1	0.2	0.6	0.9	1.0	1.0	1.1	1.1	0.5	0.5	1.0
Japan	2.5	2.2	1.5	1.8	1.1	0.4	1.3	1.0	1.0	1.0	1.1	1.2	2.0	1.0	1.1
UK	0.4	0.3	0.3	0.1	0.0	0.0	0.3	0.6	0.8	0.9	1.1	1.1	0.3	0.2	1.0
EM	4.0	4.9	4.2	4.3	3.7	4.4	3.9	3.9	4.1	4.1	4.1	3.9	4.3	4.0	4.1
China	4.5	6.3	4.9	5.2	4.1	5.3	3.9	3.8	3.9	4.2	4.1	3.8	5.1	4.2	4.0
India	6.1	7.8	7.6	6.5	6.0	6.5	6.5	6.4	6.4	6.5	6.7	6.4	7.0	6.4	6.5
Brazil	4.2	3.5	2.0	2.9	1.3	1.8	1.8	2.0	1.6	1.5	1.6	1.7	3.1	1.7	1.6

Current Indicators: Inflation

Average Hourly Earnings (Y/Y, 3-month average)

As of January 31, 2024

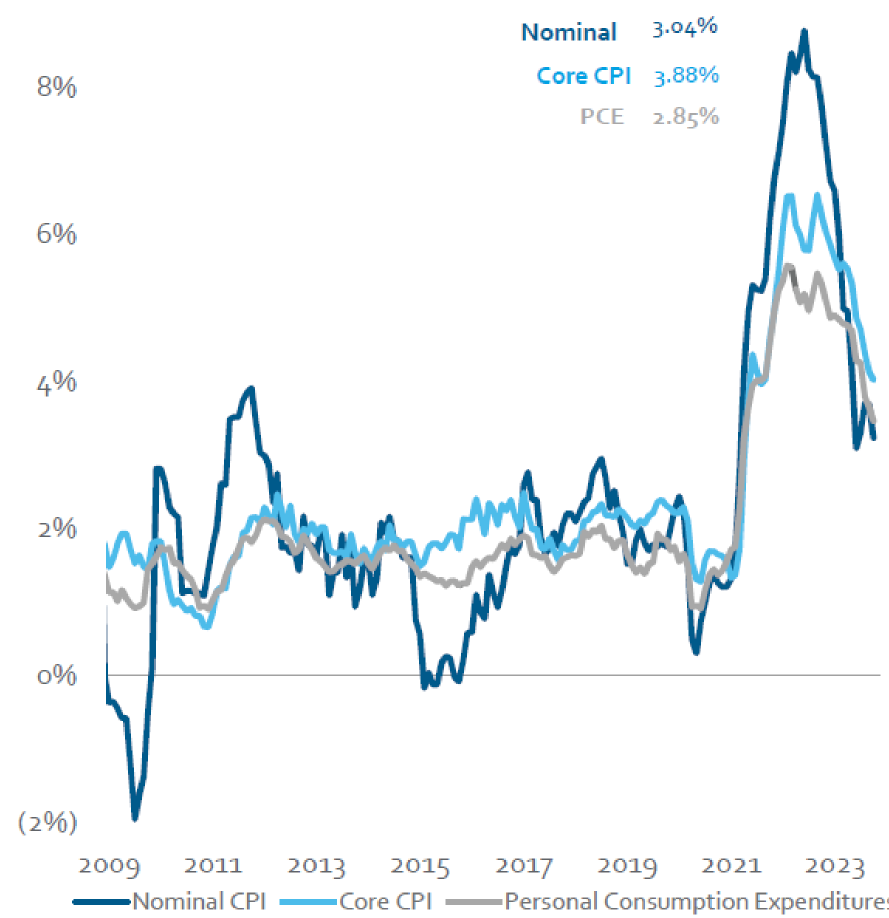


US Five-Year, Five-Year Inflation Swap Forward Rates

As of February 23, 2024

CPI, Core CPI, Personal Consumption Expenditures (Y/Y)

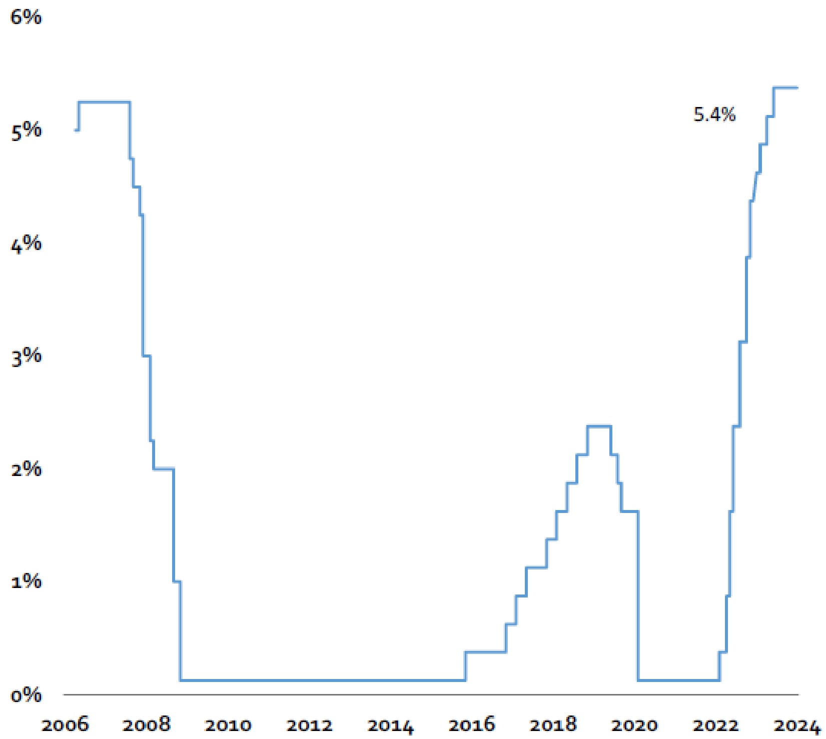
As of January 31, 2024



The Fed's Monetary Policy and Quantitative Tightening

Fed Funds Rate (end of period price) – Fed's Monetary Tightening

As of February 01, 2024



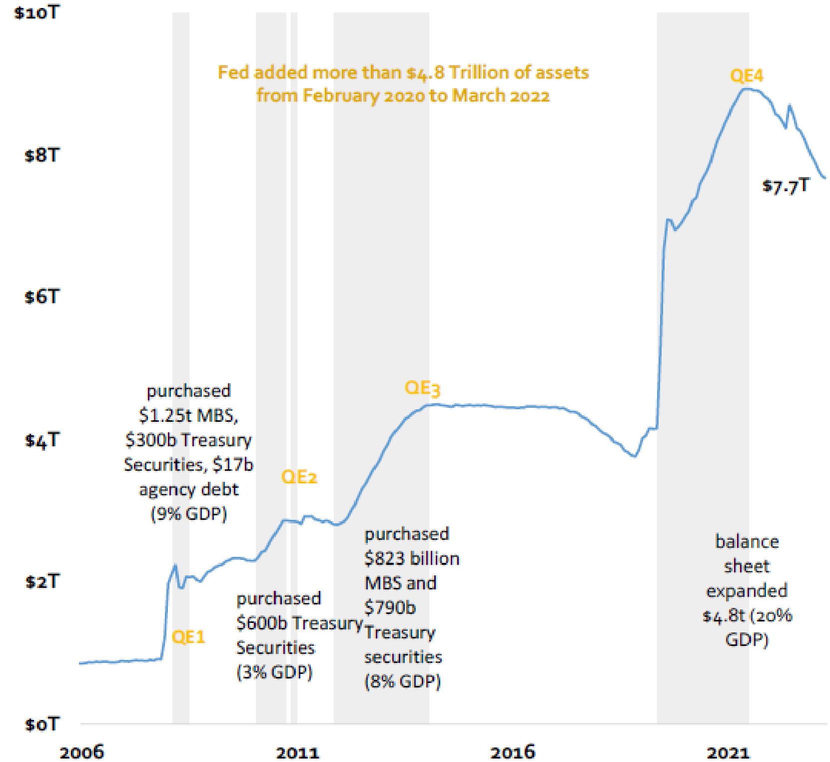
5.37 percentage points in 1.5 years

Seven Fed rate hikes in 2022 and four in 2023
2022 = March: 25bp,
May: 50bp,
June, July, Sept. and Nov.: 75bp each,
Dec.: 50bp
2023 = Feb, March, May, July: 25bp each

Fed Balance Sheet – Fed's Quantitative Tightening

As of February 01, 2024

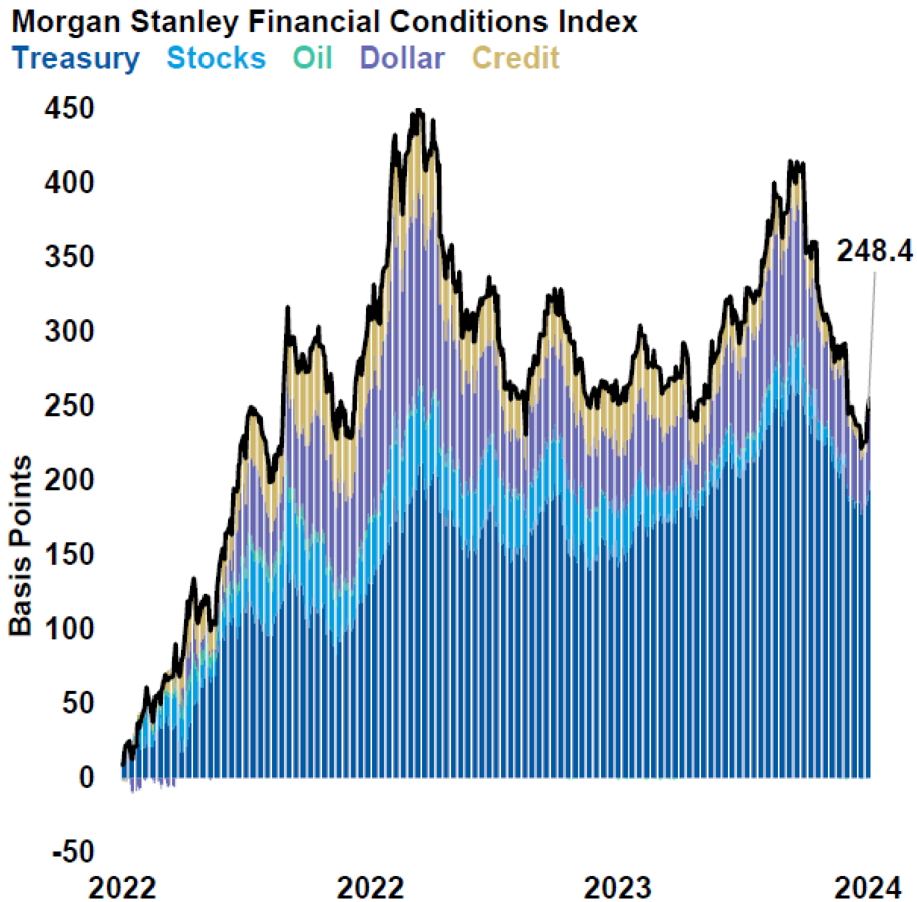
Shading shows periods of Quantitative Easing

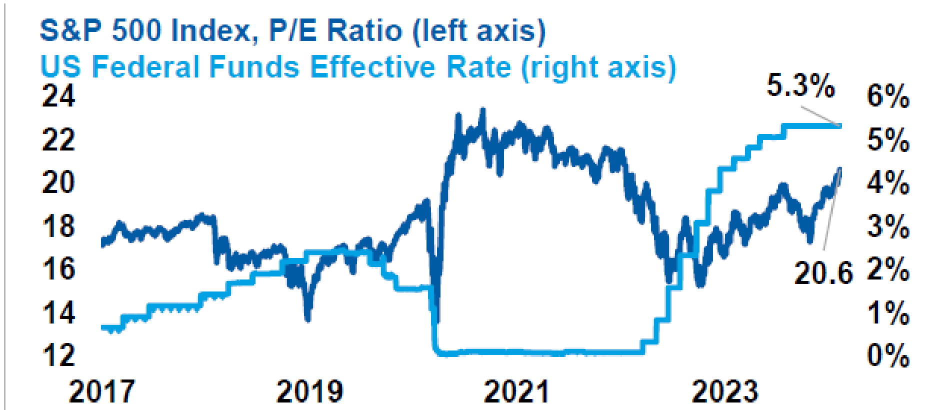


The Quantitative Tightening "QT" program began in June 2022 to reduce the Federal Reserve's balance sheet.

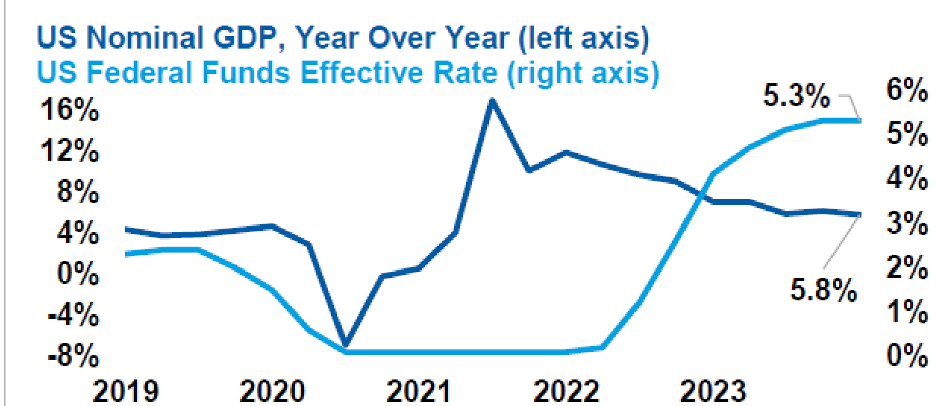
2023 Was One for the Record Books

Higher rates didn't dent financial conditions, multiples, or GDP





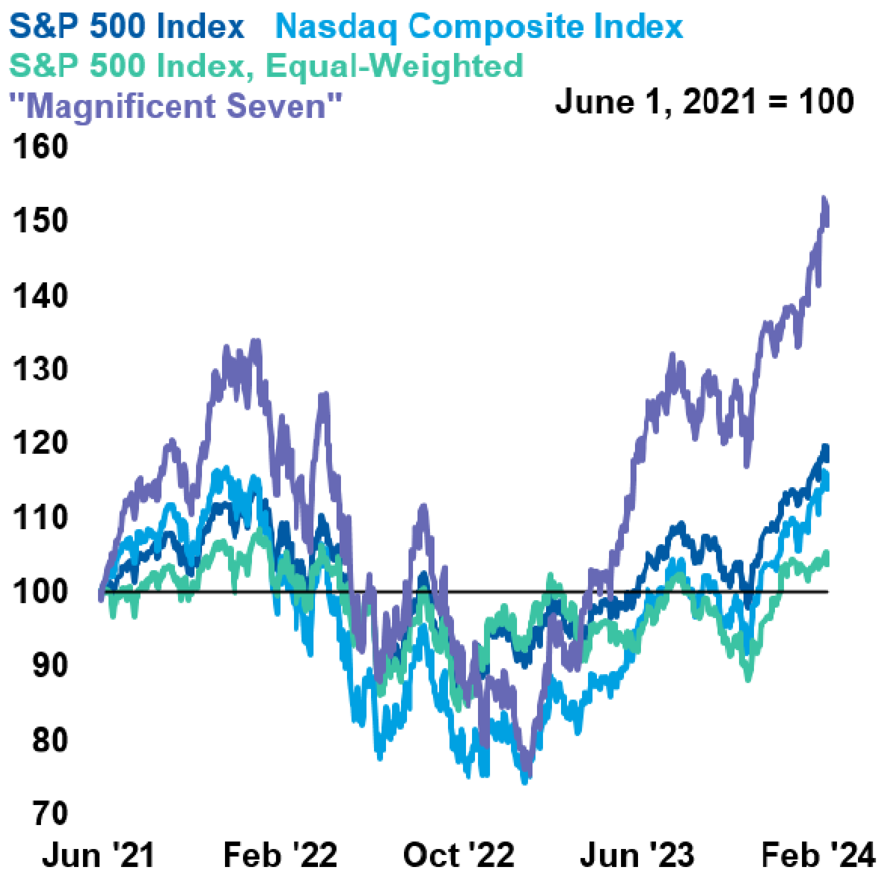
Source: Morgan Stanley Wealth Management GIC, Bloomberg as of February 9, 2024



Source: Morgan Stanley & Co. Research as of January 31, 2024

Source: Morgan Stanley Wealth Management GIC, Bloomberg as of December 31, 2023

The Magnificent Seven Did Most of the Heavy Lifting

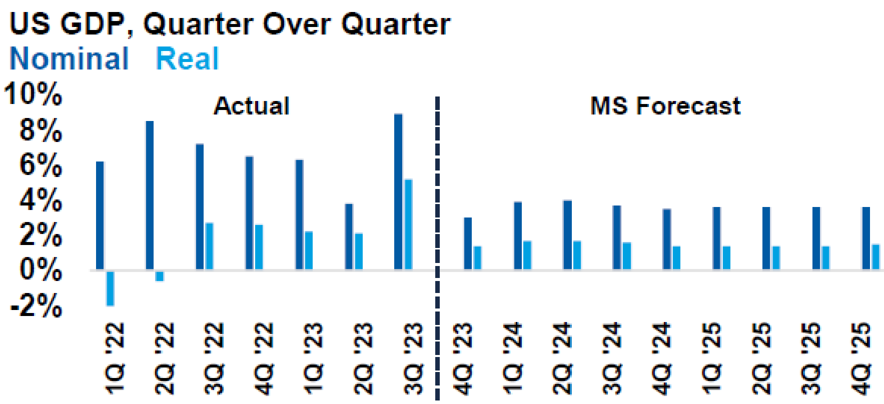


Source: Morgan Stanley Wealth Management GIC, Bloomberg as of February 12, 2024.
Magnificent Seven refers to Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, Tesla.

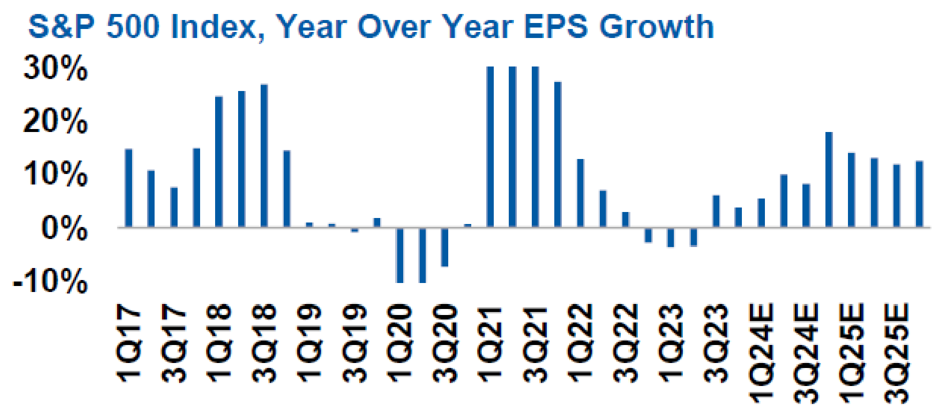
Change Since Dec. 31, 2022	S&P 500 Index, Cap-Weighted	Nasdaq Composite Index	S&P 500 Index, Equal-Weighted	"Magnificent Seven"
Change in Price Index	30.9%	52.9%	12.3%	94.9%
Change in Earnings, Trailing 12 Months	-0.8%	-2.1%	2.9%	30.2%
Change in P/E Multiple	32.6%	48.6%	10.2%	50.5%

Source: Morgan Stanley Wealth Management GIC, Bloomberg as of February 12, 2024

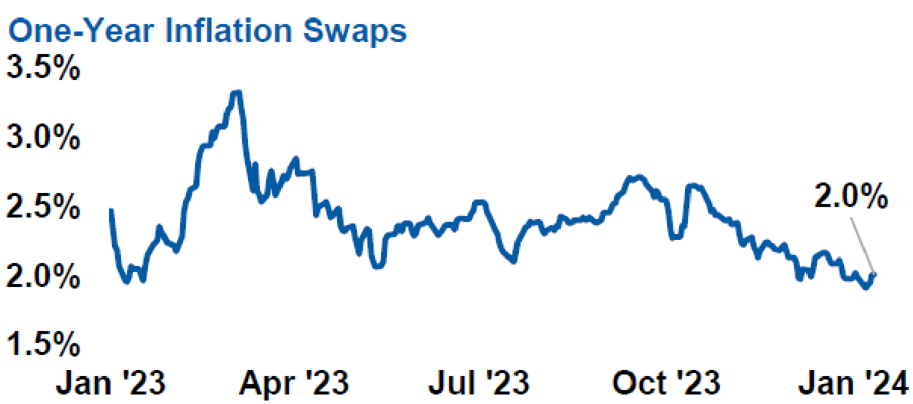
2024 Expectations Are Ambitious

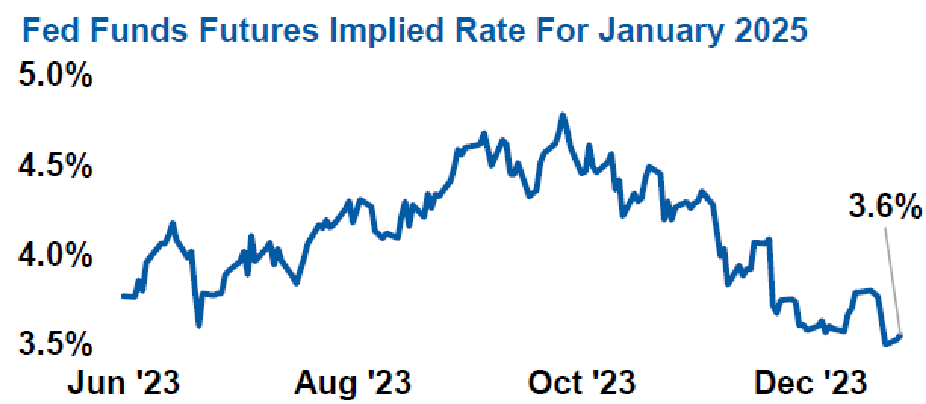


Source: Morgan Stanley Wealth Management GIC, Morgan Stanley Research as of Sept. 30, 2023



Source: Morgan Stanley & Co. Research, Refinitiv as of January 12, 2024





Source: Morgan Stanley Wealth Management GIC, Bloomberg as of January 12, 2024

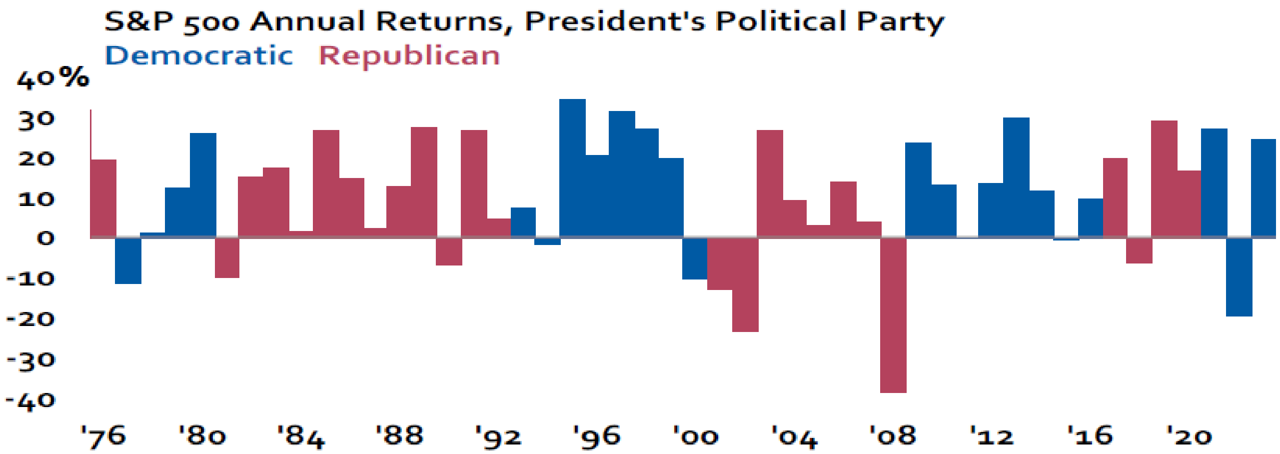
Source: Morgan Stanley Wealth Management GIC, Bloomberg as of January 15, 2024

Business Cycles Have Mattered More than the Party in the Oval Office

Larger returns have been associated more with recoveries and expansions than presidential party control, while lower returns have been associated more with downturns and repairs

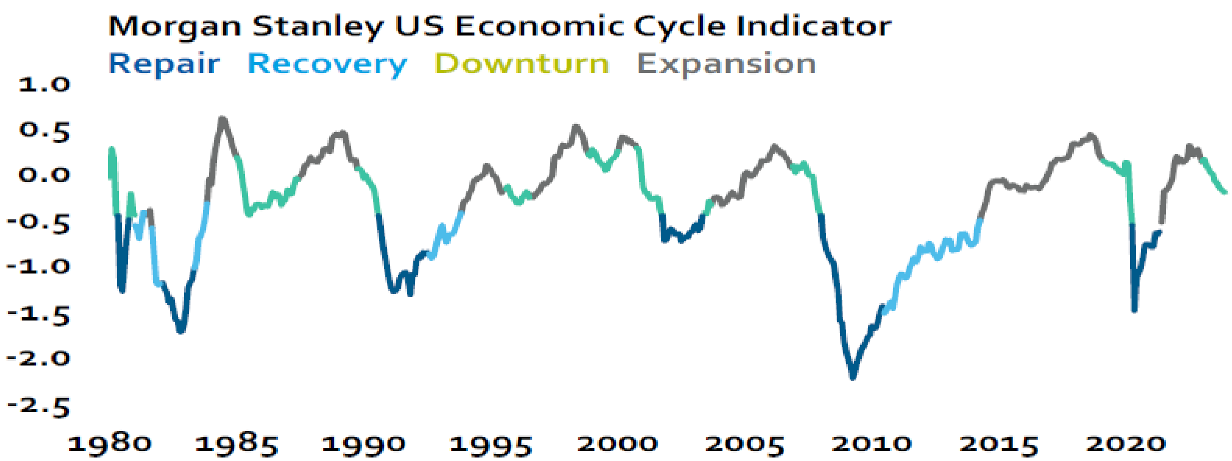
S&P 500 Annual Price Returns

Data as of December 31, 2023



Morgan Stanley Cycle Indicator

Data as of December 31, 2023



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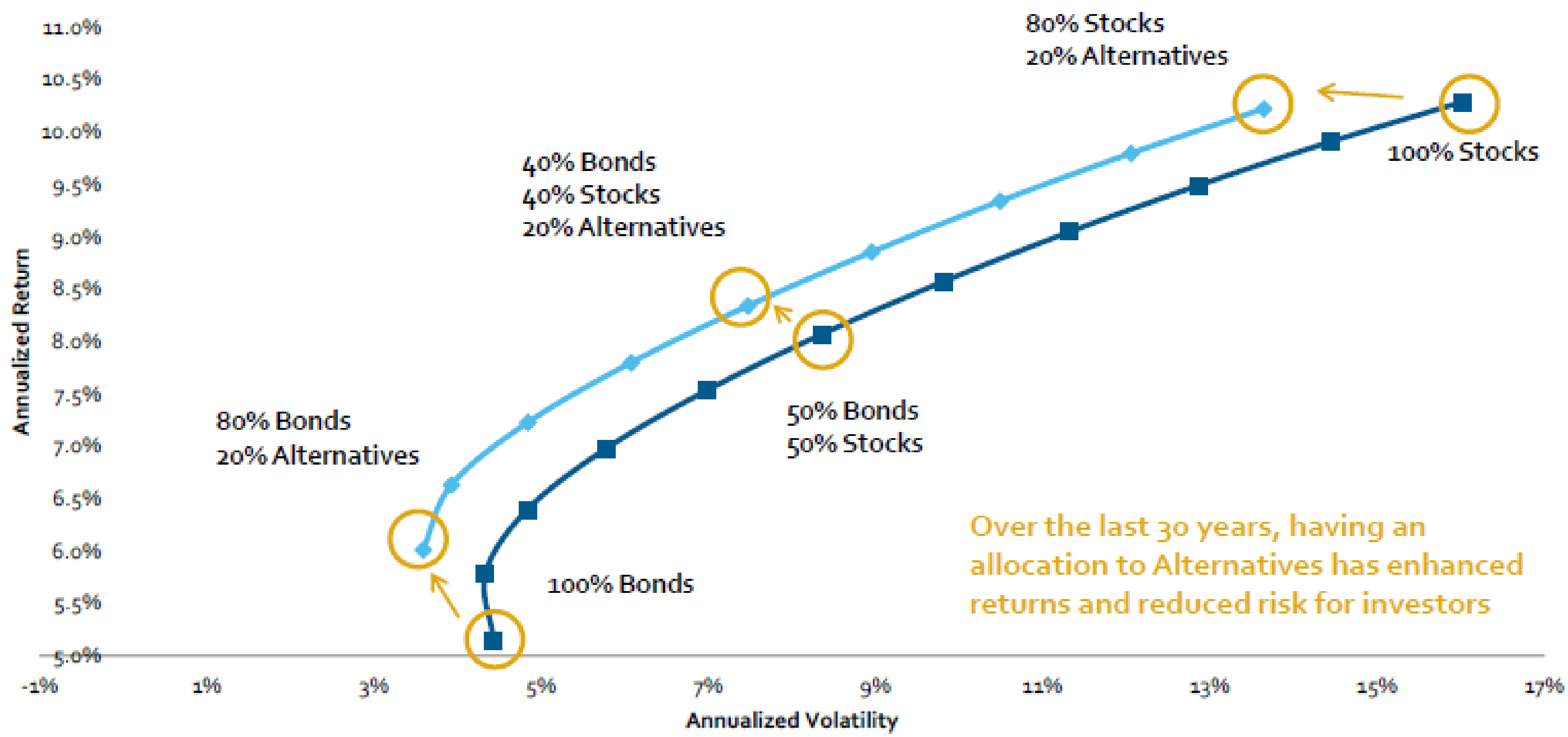
Capital Markets Overview

- US Stocks set new highs
  - S&P 500 returned 26.3% in 2023
    - Resilient economic growth, encouraging earnings and expectations that inflation and interest rates had likely peaked
    - All sectors other than utilities and energy had positive returns
    - Technology was top performing sector, returning 57.8% for the year
    - "Magnificent 7" group of technology companies returned 107% in 2023, accounting for more than half of the total S&P 500 return
  - Bloomberg US Aggregate Bond Index returned 5.5% in 2023
    - Treasury yields surged, then retreated; 10 year UST yield finished the year at 3.88%, around the same levels as the end of 2022
    - High Yield Bonds were the top performing sector, returning 13.4% in 2023
    - Expectations of interest rate cuts drove market in 2023, particularly in Q4
  - Commodity Prices fell in 2023
    - Gold was a notable exception, rising to $2,135 an ounce, as investors sought safe haven assets in anticipation of interest rate cuts
    - Energy Infrastructure was up over 26% for the year, benefitting from inflow of new public and private investments as well as investor demand for yield in a falling interest rate environment

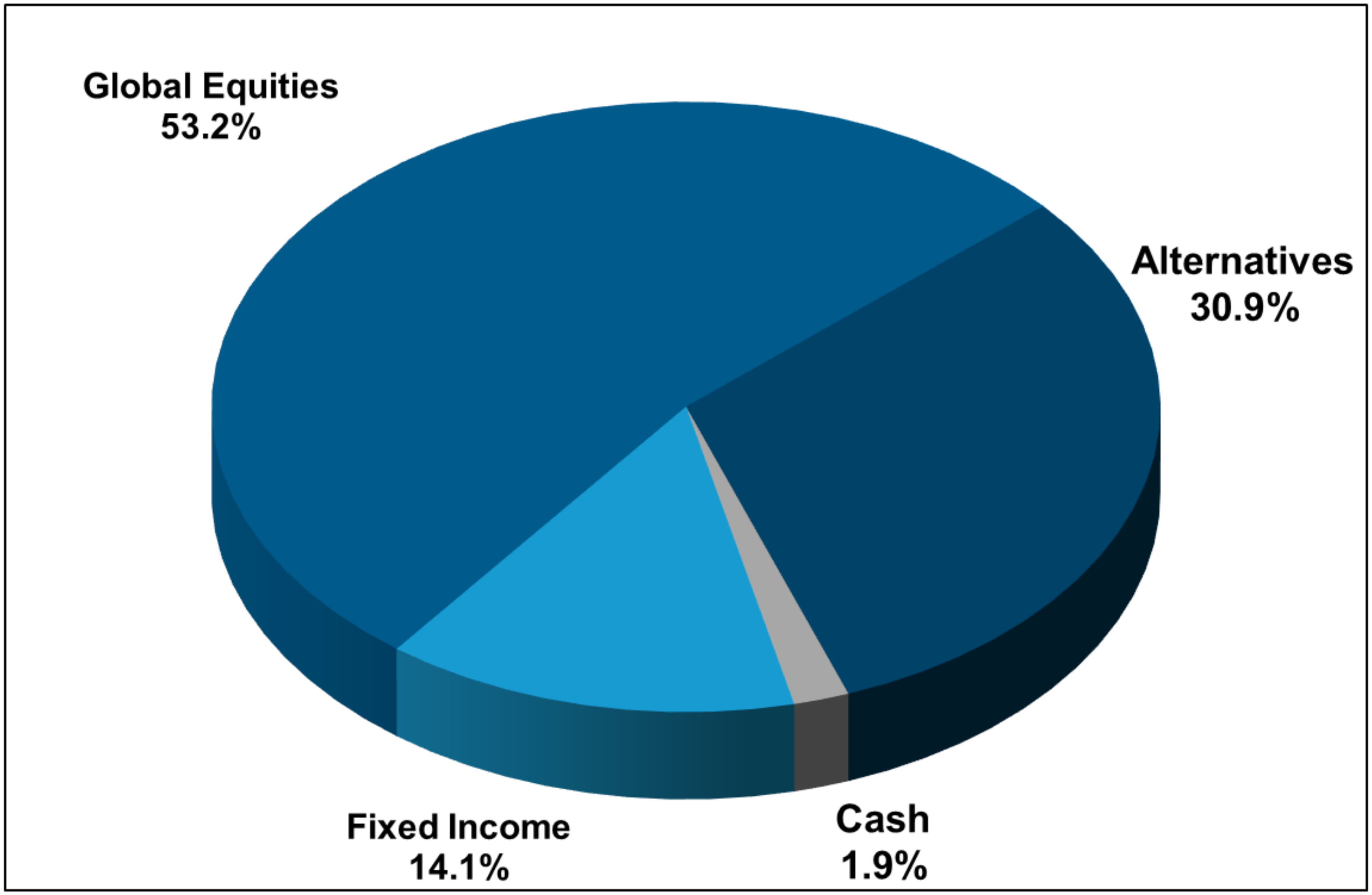
Alternatives Exposure to a Portfolio May Reduce Volatility and Potentially Increase Returns

Risk and Return Trade-Off With and Without Alternatives

Data as of January 1, 1990, to December 31, 2023

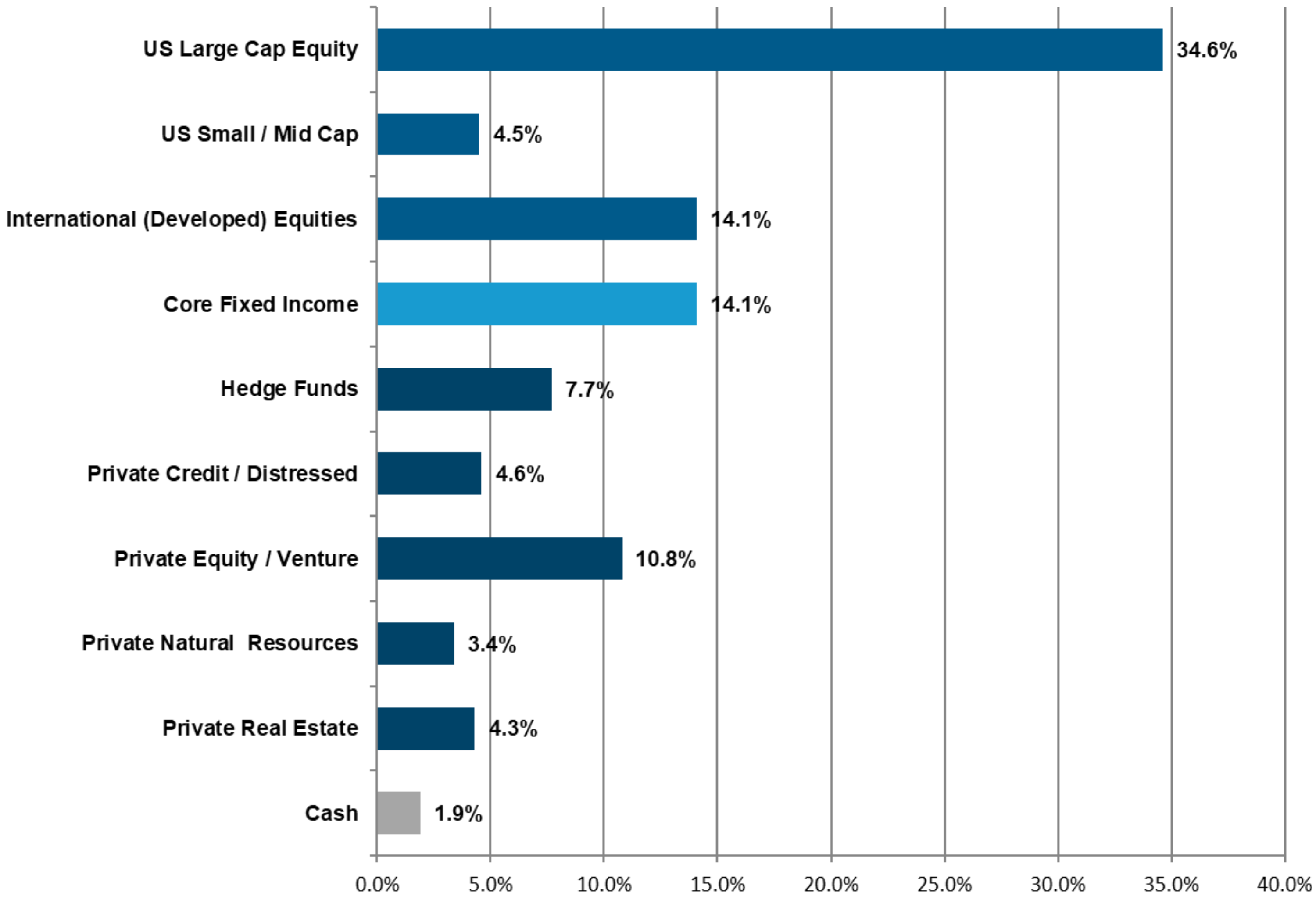


CFPB Long Term Pool Asset Allocation As of December 31, 2023



The information and data contained in this report are from sources considered reliable, but their accuracy and completeness is not guaranteed. This report has been prepared for illustrative purposes only and is not intended to be used as a substitute for monthly transaction statements you receive on a regular basis from Morgan Stanley Smith Barney LLC. Please compare the data on this document carefully with your monthly statements to verify its accuracy. The Company strongly encourages you to consult with your own accountants or other advisors with respect to any tax questions.

CFPB Long Term Pool Style Allocation As of December 31, 2023



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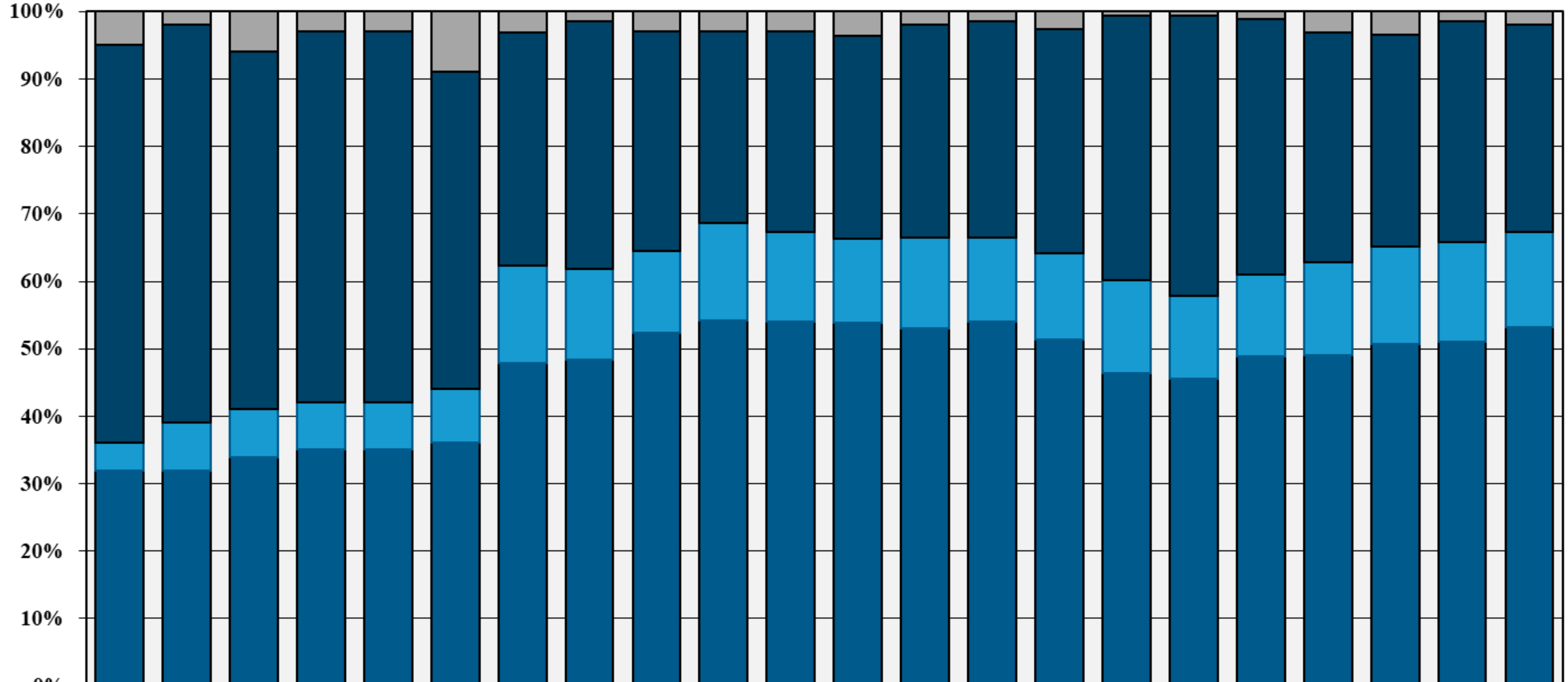
CFPB Changes in Asset Allocation Over Time

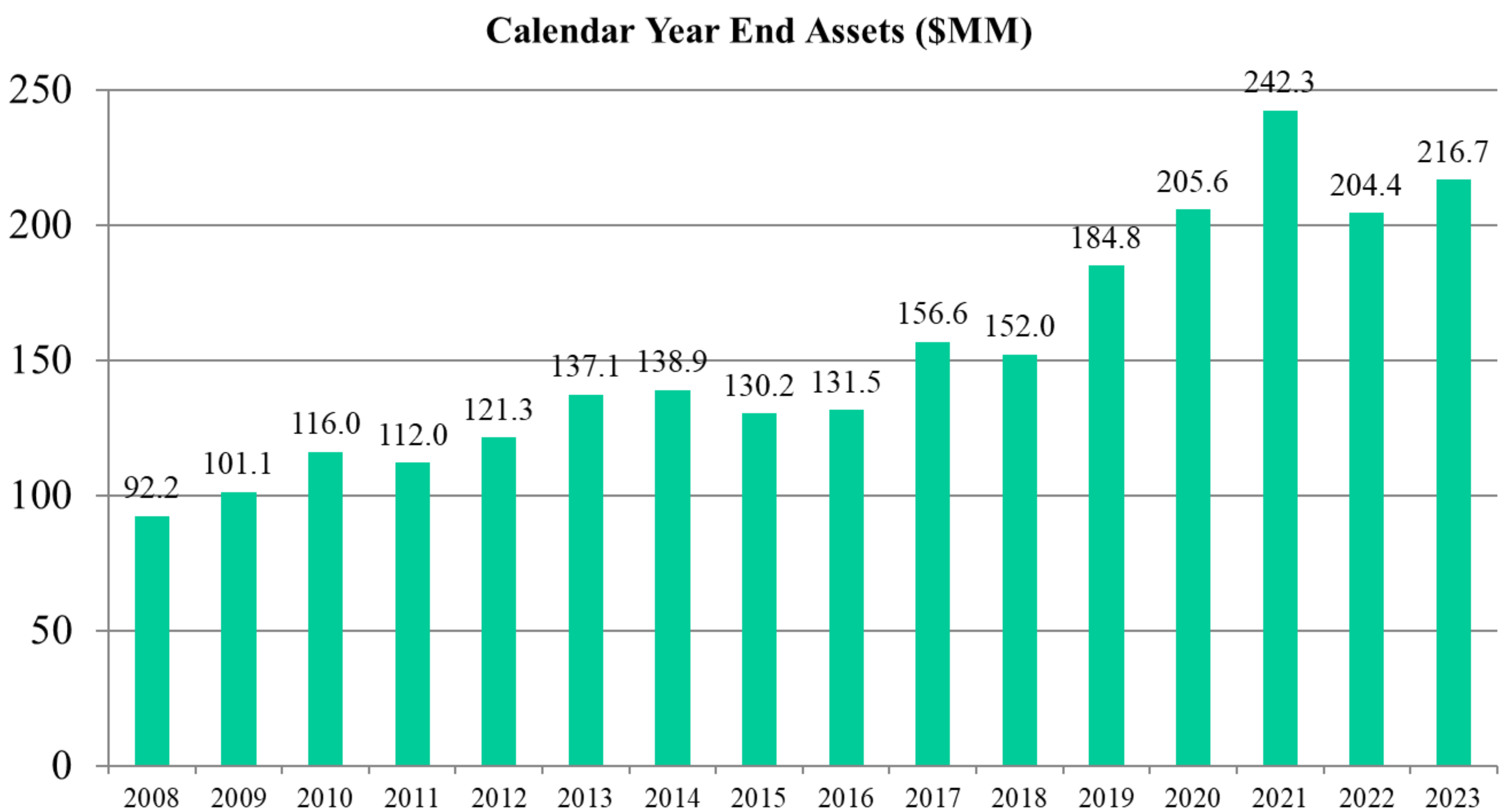


	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	3/31/2021
Cash	5.0%	2.0%	6.0%	3.0%	3.0%	9.0%	3.1%	1.5%	2.9%	2.9%	2.9%
Alternatives	59.0%	59.0%	53.0%	55.0%	55.0%	47.0%	34.5%	36.7%	32.6%	28.4%	29.8%
Fixed Income	4.0%	7.0%	7.0%	7.0%	7.0%	8.0%	14.6%	13.5%	12.2%	14.4%	13.2%
Equities	32.0%	32.0%	34.0%	35.0%	35.0%	36.0%	47.8%	48.3%	52.3%	54.2%	54.1%

	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023
Cash	3.6%	1.9%	1.4%	2.6%	0.7%	0.6%	1.1%	3.1%	3.4%	1.5%	1.9%
Alternatives	30.1%	31.6%	32.1%	33.3%	39.2%	41.6%	37.8%	34.0%	31.4%	32.6%	30.9%
Fixed Income	12.5%	13.6%	12.4%	12.7%	13.7%	12.3%	12.1%	13.8%	14.5%	14.9%	14.1%
Equities	53.8%	53.0%	54.1%	51.4%	46.4%	45.5%	48.9%	49.1%	50.7%	51.0%	53.2%

**** All historical data prior to 7/1/2017 is supplied by prior custodian and consultant. Morgan Stanley does not guaranty the completeness or accuracy of this data.**

Growth of Foundation



*** Includes Long Term Pool, Index Fund, Balanced Income Fund and IMA balances
Balances prior to 2017 and IMA Information provided by client. Morgan Stanley does not guarantee accuracy or completeness

CFPB Long Term Pool Returns

Returns as of 12/31/2023

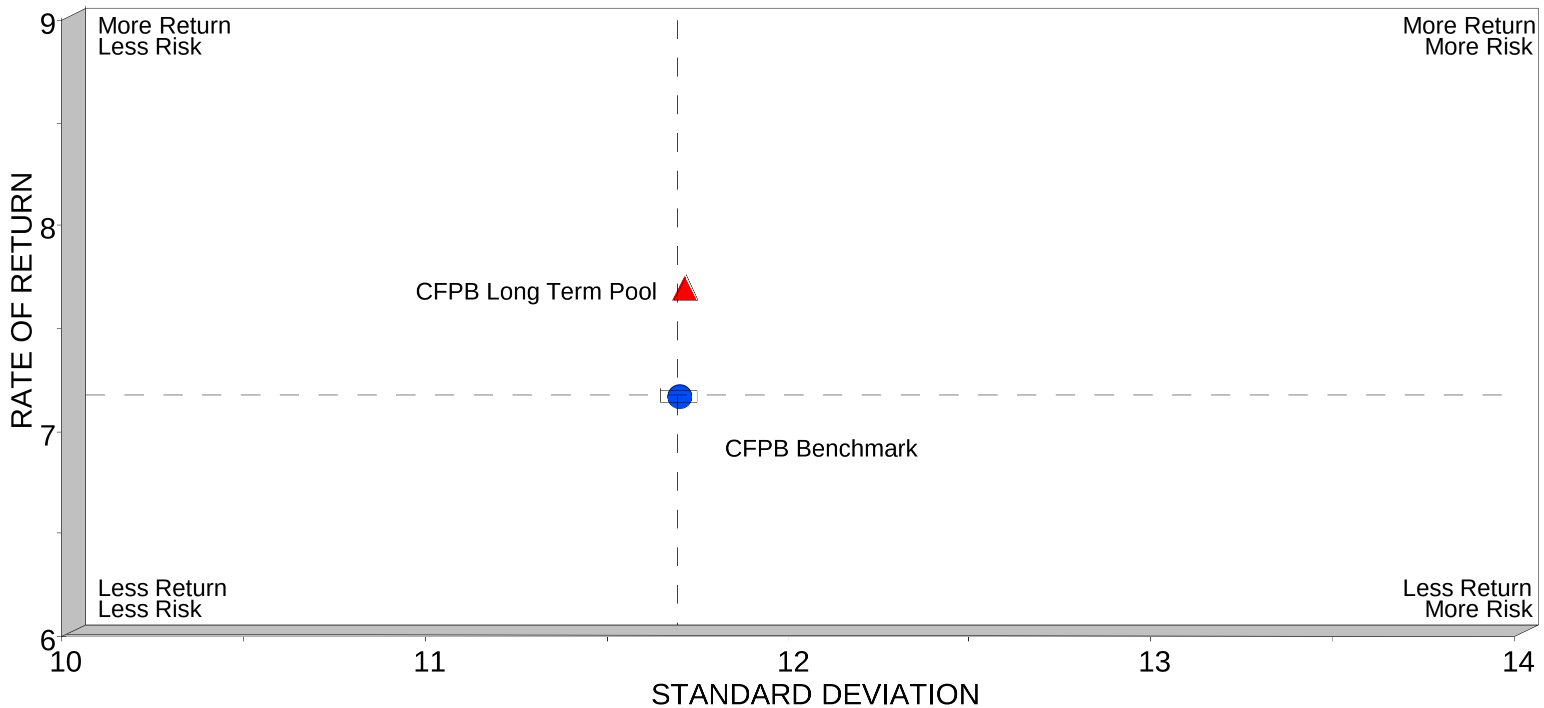
	1 Year	3 Year	5 Year	10 Year
CFPB Long Term Investment Pool	**13.29**	**5.18%**	**9.62%**	**6.26%**
Policy Benchmark	*12.78%*	*4.61%*	*8.95%*	*5.38%*
CFPB Index Fund	**20.90%**	**4.92%**	**9.17%**	**7.61%**
CFPB Balanced Income Fund	**4.75%**	**-0.88%**	**2.49%**	**3.40%**

Fiscal Year Returns as of 6/30/2023

	1 Year	3 Year	5 Year	10 Year
CFPB Long Term Investment Pool	**9.40%**	**9.72%**	**7.36%**	**6.68%**
Policy Benchmark	*9.35%*	*9.16%*	*7.07%*	*6.53%*
CFPB Index Fund	**13.95%**	**7.70%**	**6.90%**	**8.35%**
CFPB Balanced Income Fund	**0.36%**	**-0.36%**	**2.03%**	**3.50%**

Long Term Pool Risk/Reward Analysis

July 1, 2017 - December 31, 2023



	ROR	Std Dev Pop	Alpha	Beta	R-Squared
CFPB Long Term Pool*	7.64	11.71	0.78	1.08	0.98
CFPB Benchmark	7.18	11.66	0.00	1.00	1.00

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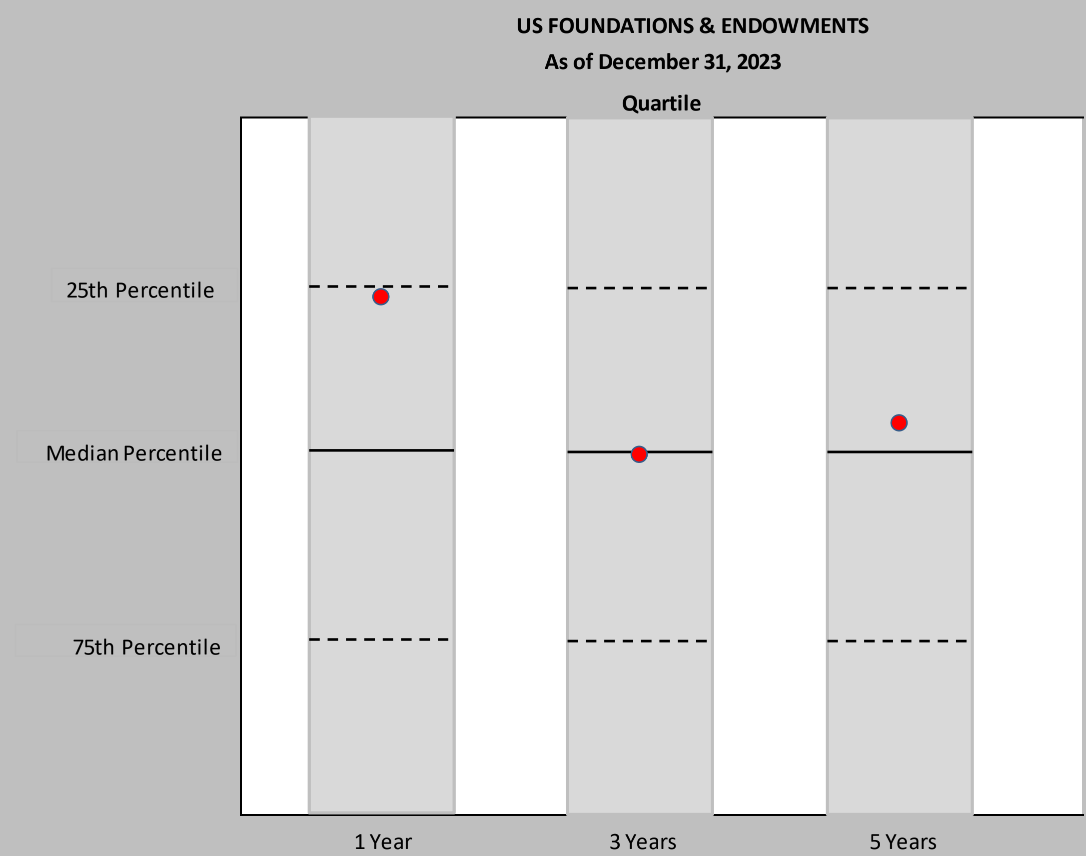
Performance vs. Peers



	1 Year	3 Years	5 Years
25th Percentile	13.4	7.1	11.7
Median Percentile	11.3	5.2	9.1
75th Percentile	8.0	3.5	7.6
CFPB Long Term Pool	**13.3**	**5.2**	**9.6**

Universe Source: Northern Trust Foundations & Endowments

2023 Morgan Stanley Portfolio Positioning

- Cash and Fixed Income
  - Short term rates >5%
  - Market weight duration, as expectations for lower rates can provide attractive total returns in high quality bonds
  - Overweight A and AA rated credits vs. benchmark

- Benchmark weight in Equities in 1st Half 2024
  - Overweight US Large Cap, Underweight International Developed and EM
    - Neutral positioning between Value and Growth
    - Underweight Small/Mid Caps
    - Overweight Technology, Healthcare and Materials

- Focus on Alternatives
  - Private Equity Secondaries and Private Credit valuations look attractive relative to public markets
  - Reducing Hedge strategies in order to increase liquidity, lower fees and maintain market exposure

US Economy