



June 30, 2023

Investment Reports

Connecticut Community Foundation



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IPEX is a boutique investment consulting firm that specializes in working with not-for-profit organizations.

IPEX offers a full range of investment consulting services. IPEX advises clients in structuring, implementing and evaluating their investment programs. IPEX helps clients develop investment policy statements, conduct money manager searches, prepare asset allocation studies and monitor investment performance.

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The highest compliment that you can pay to us is to recommend IPEX to an organization that could benefit from our services.

Executive Summary

Traditional Account Environmental, Social and Governance (ESG) Account

Account Profile

The long-term objective of the investment program is to preserve the accounts' purchasing power by producing a total return that at least equals the Foundation's spending policy plus the rate of inflation. Absolute performance shall be more important than relative performance in evaluating the overall accounts. Relative performance shall be more important in evaluating any actively managed individual investment vehicles. It is anticipated that the overall accounts will track their Policy Benchmark closely (the Traditional Account more closely than the ESG Account) as a result of their index-oriented strategy. Significant volatility is probable over the short-term, as the accounts' volatility is expected to approximate their Policy Benchmark.

	Absolute Return Targets	Market Value
Traditional Account	7.0%	\$132,266,766
ESG Account	7.0%	\$13,487,198

Performance

	Quarter			Year to Date			10 Year	
	Account Net	BM Variance	\$	Account Net	BM Variance	\$	Account Net	BM Variance
Traditional Account	4.48%	+0.11%	\$5,686,162	10.03%	-0.20%	\$12,076,884	7.08%	+0.30%
ESG Account	4.96%	+0.46%	\$639,967	12.08%	1.33%	\$1,458,496	NA	NA

Note: The relative performance of the ESG account was negatively impacted in 2021 (resulting in meaningful negative benchmark variances) due to a combination of the account's large "cash" position as a result of the dollar cost averaging approach that was employed throughout most of the year to invest a large contribution and a rising equity market. These negative variances will continue to adversely impact the account's historical, relative returns.

TRADITIONAL ACCOUNT

Aggregate Account

The rebound continued in the 2Q. Following a relatively flat April and May, June returns were strong, resulting in a solid gain for the quarter. Domestic equity was clearly the dominant asset class, as the international equity returns were rather small placing just ahead of the alternative holdings. Fixed income was the laggard, barely edging into positive territory on the strength of its more aggressive positions. Year to date, domestic equity has returned 16.2%, while the international equity gains are just under 10.0%. Despite the 2Q loss, fixed income returns are still decidedly positive and almost exactly the same as the alternative component at just under 3.5%. All of the traditional asset classes show a marked improvement over last year. Relative returns remain respectable.

Sub-Accounts

Note: All of the performance numbers referenced below for all of the individual investment vehicles represent NET performance.

Six of the eight traditional funds were positive in the 2Q. In a quarter that favored domestic mega cap stocks, not surprisingly the cap weighted domestic equity index fund was by far the best performer. On the fixed income side, rising rates resulted in small losses for the two core funds, while the four non-core funds were all positive with the emerging market position in the forefront. It was a quarter in which the fixed income portfolio definitely benefited from its diverse composition. Year to date, all eight of the traditional holdings are well entrenched in positive territory. In addition, they have all generated acceptable relative returns. IPEX remains comfortable with the current holdings.

Alternative Portfolio

In a strong quarter for domestic equity, the alternative returns were fairly tame by comparison as 10 of the 11 funds (that have reported for at least some portion of the quarter) placed within a narrow range of +/-2.5%, with only one negative outlier. Overall, eight of the vehicles were positive for the quarter. Year to date, once again eight of the positions show gains, although the returns are a good deal more varied, with the First Eagle Global fund in front with a strong gain of 9.3%, while the DFA Commodity fund is the clear laggard with a loss of -8.7%. The return patterns for virtually all of these funds remain distinct from their public market counterparts. IPEX continues to review the composition of the portfolio, but has no recommendations for any changes at this time.

Alternative Vehicle Reporting

The market value listed on the IPEX reports for all alternative investment vehicles is provided by the fund's custodian, and includes all transactions reflected on the custodian statement. The performance numbers for all investment vehicles listed on the IPEX reports are provided by Morningstar (where available) or from the funds themselves. In the case of some of the investment vehicles, the performance numbers listed in the IPEX reports typically will reflect a one-month lag (i.e., the performance number will reflect performance for the first two months of the quarter), or a one quarter lag (i.e., the performance number will reflect performance through the previous quarter-end), due to the release date of the performance number. All of the benchmark performance numbers for the investment vehicles reflect the performance of the benchmarks through quarter-end.

ESG ACCOUNT

Aggregate Account

The rebound continued in the 2Q. Following a relatively flat April and May, June returns were strong, resulting in a solid gain for the quarter. Domestic equity was clearly the dominant asset class (placing a full 1.0% ahead of the comparable fund in the Traditional Account), as the international equity returns were rather small (essentially the same as the comparable fund in the Traditional Account) placing just ahead of the alternative holdings. Fixed income was the definite laggard, experiencing a small loss (due to its more limited structure compared to the Traditional Account). Year to date, domestic equity has returned an excellent 19.7% (as the ESG tilts have been beneficial), while the international equity gains are just under 10.0%. Despite the 2Q loss, fixed income returns are still decidedly positive at 2.2%. Relative returns have been favorable this year.

Sub-Accounts

Note: All of the performance numbers referenced below for all of the individual investment vehicles represent NET performance.

Thus far this year, the returns for the two ESG oriented fixed income funds have been substantially similar to the core bond funds in the Traditional Account. For the 2Q, the two newly added alternative funds both generated small gains. IPEX remains content with all of the ESG oriented investment vehicles.

Allocation

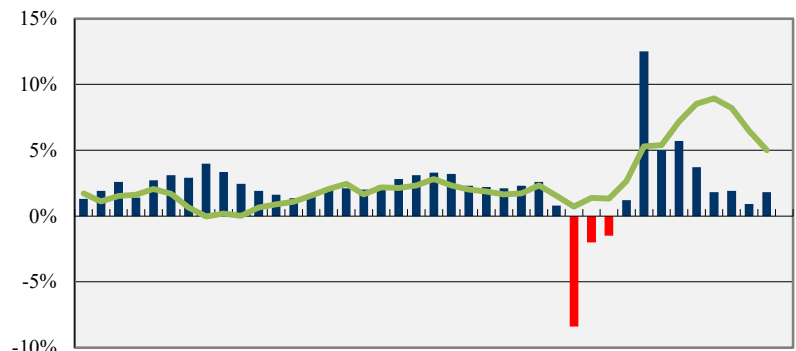
Building Block Allocation				
Building Block	Target	Min/Max	Actual	Compliance
Traditional Account				
Cash	0.0%	NA	0.0%	NA
Fixed Income	20.0%	16.0% / 24.0%	18.9%	Yes
Domestic Equity	43.0%	38.0% / 48.0%	44.9%	Yes
International Equity	22.0%	17.5% / 26.5%	20.4%	Yes
Alternative	15.0%	12.0% / 18.0%	15.8%	Yes
ESG Account				
Cash	0.0%	NA	0.3%	NA
Fixed Income	22.5%	18.0% / 27.0%	19.9%	Yes
Domestic Equity	45.0%	40.0% / 50.0%	47.4%	Yes
International Equity	22.5%	18.0% / 27.0%	24.1%	Yes
Alternative	10.0%	8.0% / 12.0%	8.3%	Yes
There were no changes this past quarter in the target allocation among either of the account's Building Blocks. As of quarter end, all of the Building Blocks in both of the accounts were positioned within their target ranges. There are no re-balancing issues that need to be addressed.				

Economic Analysis

While many continue to believe that a recession is inevitable, it is not here yet, as the quarter ended with a surprise upward revision in 1Q GDP from 1.3% to 2.0%. And while the U.S. economy added fewer jobs in June than projected, the unemployment rate fell and average hourly earnings again increased. However, stronger growth is a mixed blessing, as it will likely prompt the Fed to keep rates higher for longer. Beginning with its first hike in March of 2022, the Fed has increased the Fed Funds Rate to its highest level in 16 years before pausing in June. The Fed's preferred inflation index (PCE) rose 3.8% in May, year-over-year, down from a 4.4% increase in April, falling to its lowest level since April 2021. However, core prices remain stubbornly high, rising 4.6% in May from a year earlier, portending more rate increases. Thus far, consumer incomes have continued to increase and with them consumer spending. However, as tighter monetary and fiscal conditions operate with a lag, a second half slowdown seems likely. Talk of a recession and a possible soft landing has been dominant for the last year. During this time, the economy has experienced an unofficial rolling recession, with the manufacturing sector contracting while the services sector has remained strong. Part of this dichotomy is due to the prolonged post-pandemic shift away from merchandise and toward services (e.g., restaurants and travel) as well as consumers being more cautious due to high inflation. The most recent data show that this pattern remains prevalent as manufacturing continues to struggle. The ISM's June manufacturing metric fell to its lowest level since May of 2020, and has now been in contraction mode for the longest stretch since 2009. Whether or not the services sector can stay strong remains the key to avoiding a full scale recession.

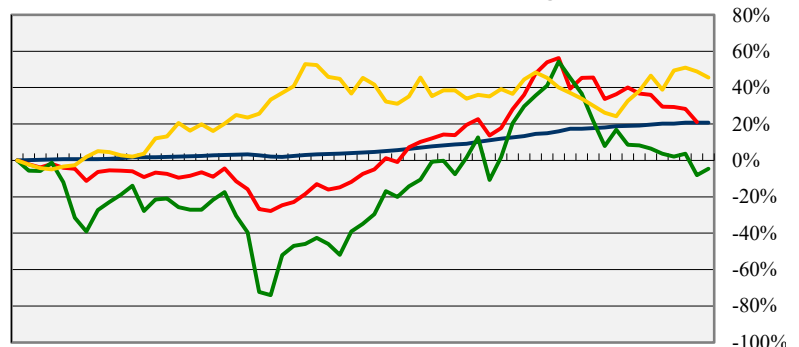
Broad Indicators	Current	Beginning of Year	12 Months Ago	3 Years Ago
Gross Domestic Product	-	1.8%	1.8%	0.8%
Unemployment Rate	3.6%	3.5%	3.6%	11.1%
Purchasing Managers Idx	46.0	48.4	53.0	52.6
Consumer Sentiment Idx	64.4	59.7	50.0	78.1

Real Gross Domestic Product vs. CPI - Last 10 Years YOY

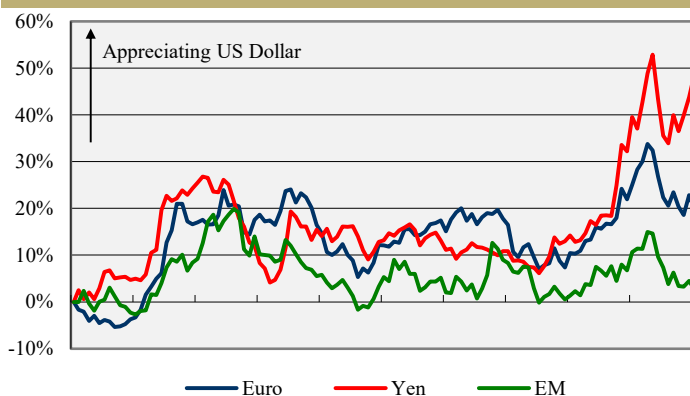


Inflation	This Quarter	Year to Date	Last 12 Months	Last 3 Years
Consumer Price Index	0.5%	1.4%	2.9%	5.7%
Bloomberg Commodity Index	-2.6%	-7.8%	-9.6%	17.8%
Gold (London troy oz)	-2.5%	5.4%	6.2%	1.1%
Oil (\$ per West TX Brl)	-6.6%	-11.9%	-34.4%	21.6%

Last 5 Years Cumulative Change

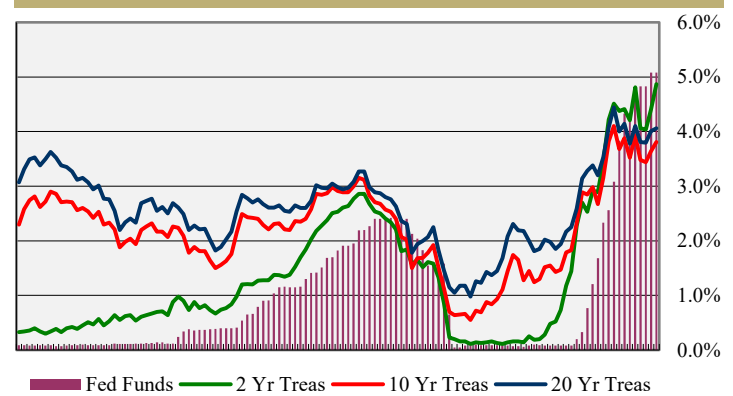


Currency Comparison - Last 10 Years Cumulative



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Interest Rate Comparison (Last 10 Years)

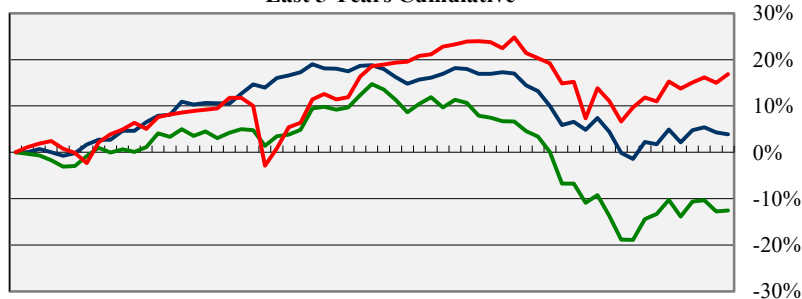


Bond Market Analysis

In terms of the bond market, the Fed was less of a factor in the 2Q than it has been in recent quarters. While the Fed did raise the Fed Funds Rate (25 bps to 5.00%) at its 10th consecutive FOMC meeting in April, it then paused in June, while leaving the door open for two more 25 bp increases later in the year. Thus far this cycle, despite what the futures markets often predicted, the Fed has done exactly what it has said it was going to do. Fed policy is the dominant factor impacting short-term interest rates. As a result, short-term rates stayed fairly stable last quarter. It is the market, however, not the Fed, that determines longer-term rates. Over the course of the quarter, the market reversed course. Following an across the board recovery in the 1Q as longer-term rates fell, fixed income returns were mixed in the 2Q. The yield on the benchmark 10-Year Treasury, which had fallen 39 bps in the 1Q, rose 33 bps in the 2Q, ending the quarter almost where it started the year. The result was a small loss for the Aggregate bond index of 84 bps for the 2Q, although the index remains up a solid 2.09% for the year. Long Treasuries fared the worst in a rising rate environment, losing -2.30%. Shorter duration bonds benefited both from less interest rate sensitivity and from higher coupon rates, as the yield curve remains decidedly inverted. It was a quarter that rewarded risk on the fixed income side, as corporates performed better than Treasuries, while the best performing segments of the bond market were high yield, preferred stocks and leveraged loans. While all segments of the fixed income market show gains for the year, the more aggressive sectors have fared better, with high yield returning a strong 5.34%. The international returns were mixed last quarter, with emerging markets posting a small gain and developed markets incurring a slightly larger loss.

Broad Market	This Quarter	Year to Date	Last 12 Months	Last 3 Years (A)
Bloomberg Universal	-0.59%	2.32%	-0.04%	-3.43%
Bloomberg Aggregate	-0.84%	2.09%	-0.94%	-3.96%
Merrill Lynch High Yield	1.61%	5.34%	8.88%	3.19%
Bloomberg Global Ex US	-2.16%	0.83%	-1.83%	-5.87%
MS MultiSector Bd Funds	0.55%	2.97%	3.22%	0.47%

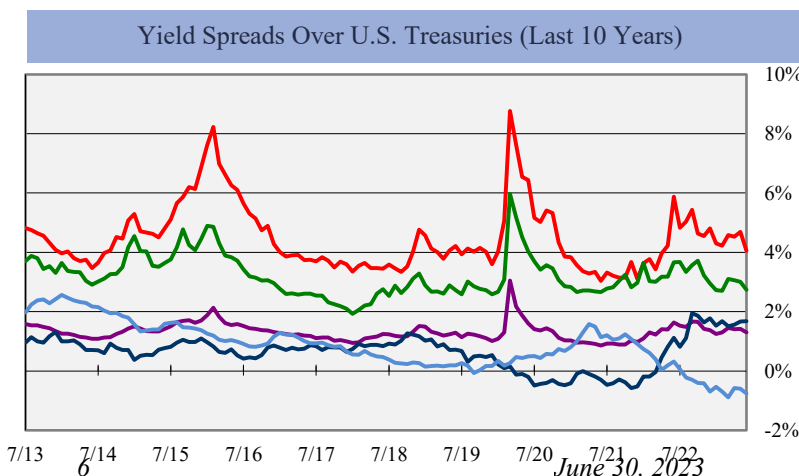
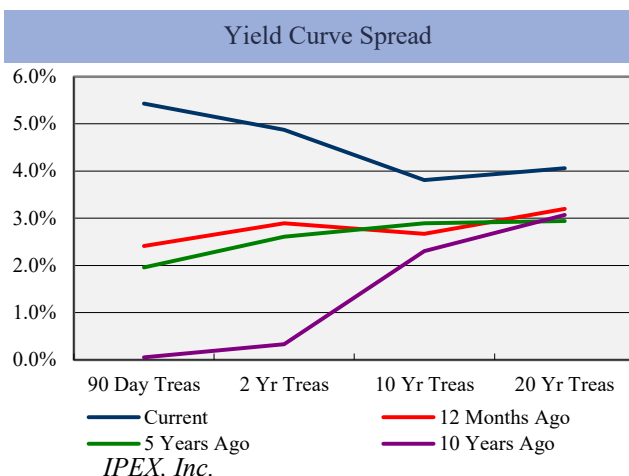
Last 5 Years Cumulative

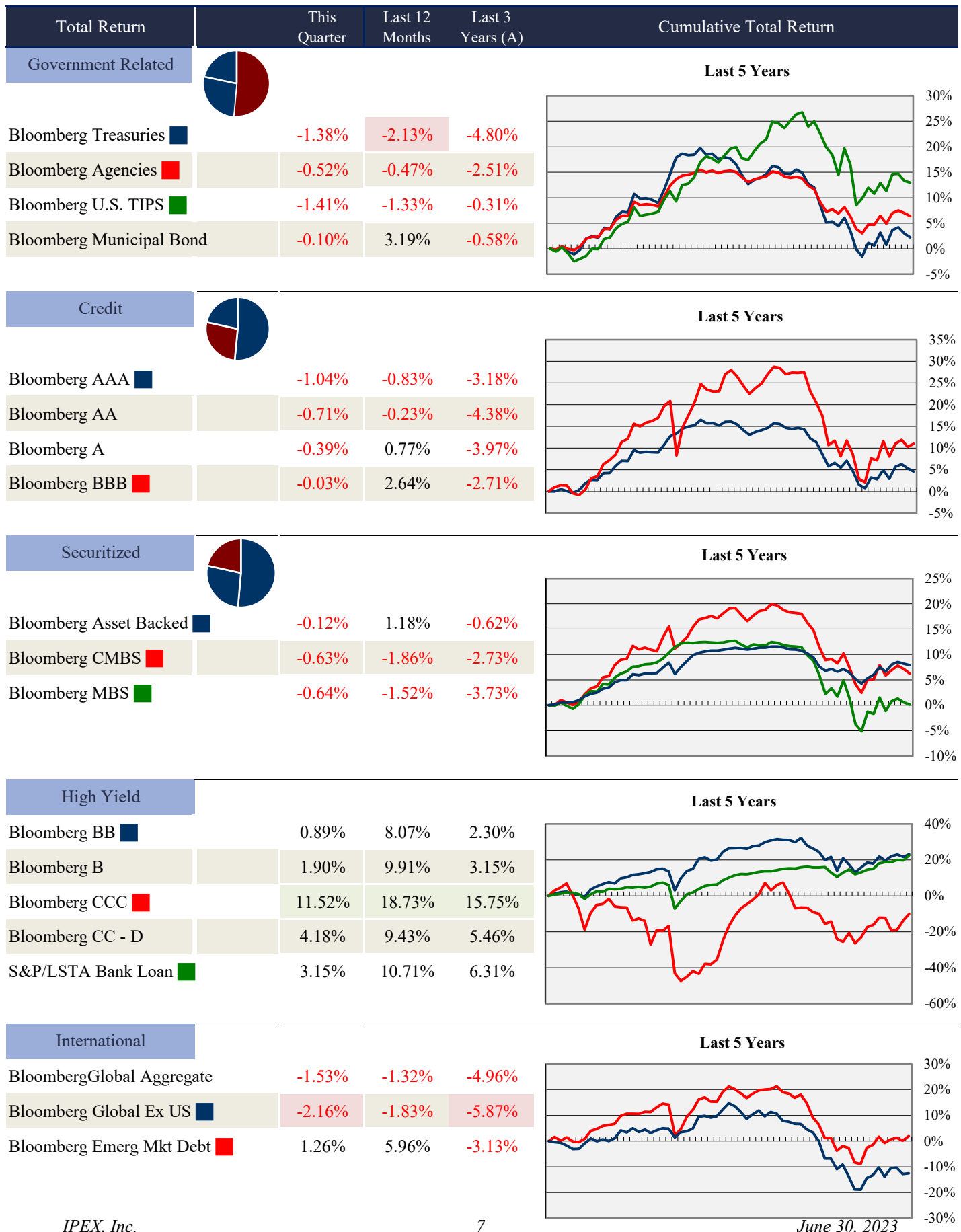


Maturity	This Quarter	Year to Date	Last 12 Months	Last 3 Years (Ann)
U.S. 90 Day Treasury Bill	1.24%	2.40%	4.10%	1.50%
Bloomberg Short Treasury	-0.60%	0.98%	0.15%	-1.12%
Bloomberg Interm Treasury	-1.15%	1.10%	-1.02%	-2.88%
Bloomberg Long Treasury	-2.30%	3.72%	-6.82%	-12.09%

Yield Spreads	Current	12 Months Ago	3 Years Ago	10 Year Average
2 Year - 10 Year	-1.06%	0.06%	0.50%	0.84%
Real Long Treasury	1.68%	1.12%	-0.20%	0.64%
U.S. Credit	1.30%	1.64%	1.60%	1.32%
U.S. High Yield	4.05%	5.87%	6.44%	4.48%
Emerging Market Debt	2.73%	3.66%	4.03%	3.21%

Yield Spreads over U.S. Treasuries



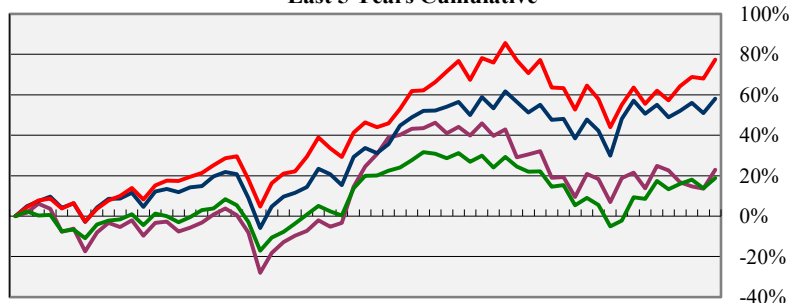


Stock Market Analysis

The equity rebound continued in the 2Q, helped by a strong June to close the quarter, as the Fed finally paused after a long series of rate hikes. Recession fears were pushed to the background, as was the specter of future rate hikes. The rally was led by a fairly small number of mega cap stocks, as positive AI sentiment continued to drive a growth stock rally. While all of the major indices were positive, the disparities were large. The tech laden NASDAQ, which was hit particularly hard last year, continued to dominate with a 2Q gain of 13.05%. It is now up 32.32% for the year, its best first half since 1983. The gains for the broader based S&P 500 were strong, although decidedly lower at 8.74% and 16.89%, while the gains for the Dow were dramatically less. Smaller cap stocks, which had been struggling for most of the quarter, finally rallied in June and now show respectable gains for the year at 8.09%. Continuing a 1Q trend, growth out-paced value at all levels of capitalization, with the biggest variance by far in the large cap arena. In the same manner, technology was again the top performing sector (16.5% for the 2Q) while the energy and utilities sectors were down for the quarter and continue to show meaningful losses of more than -5.0% year to date. The international markets were only slightly positive for the 2Q placing far behind domestic equity. Year to date, their returns are a good deal stronger, with the developed markets well out in front as the recent pause in the rebounding China market has kept the emerging market returns in check. The developed markets, however, have managed to post a double-digit gain year to date, in large part due to a strong recovery in the Japanese stock market. The key for the second half will be whether the breadth of the domestic equity rally can continue to expand.

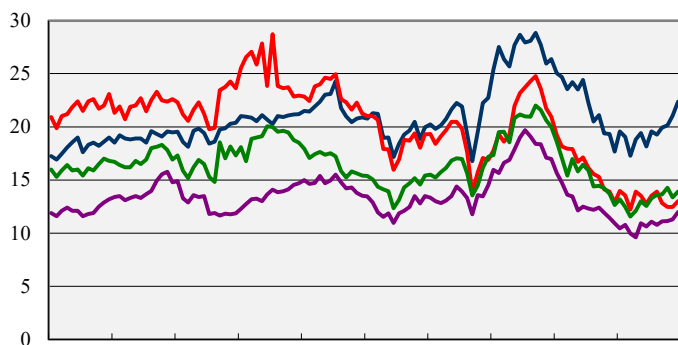
Broad Markets	This Quarter	Year to Date	Last 12 Months	Last 3 Years (A)
Dow Jones Industrial	3.97%	4.94%	14.23%	12.30%
S&P 500	8.74%	16.89%	19.59%	14.60%
Russell 2000	5.21%	8.09%	12.31%	10.82%
MSCI AC World Ex-US	2.44%	9.47%	12.72%	7.22%

Last 5 Years Cumulative



U.S. Weighted Averages	This Quarter	Year to Date	Last 12 Months	Last 3 Years (A)
Capitalization	8.39%	16.17%	18.95%	13.89%
Equal	4.93%	8.62%	7.82%	10.61%
Fundamental	5.29%	8.87%	15.66%	18.75%
Low Volatility	7.97%	13.95%	16.17%	13.24%
Momentum	5.80%	8.86%	13.68%	11.23%
ESG	8.78%	17.68%	18.70%	14.40%
Alternative Investments				
MSCI US REIT	2.66%	5.46%	-0.09%	8.88%
Bloomberg Commodity	-2.56%	-7.79%	-9.61%	17.82%
HFRI Hedge Fund	1.52%	2.27%	3.68%	5.04%
Global Macro Funds	1.62%	5.04%	6.17%	5.41%

Price / Earnings Ratio (Last 10 Years)

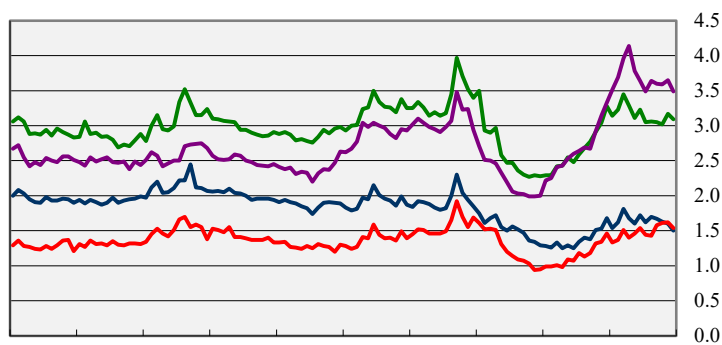


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Large Cap

Small Cap

Dividend Yield (Last 10 Years)



Developed Mkt xUS

Emerging Market

June 30, 2023

Market Commentary

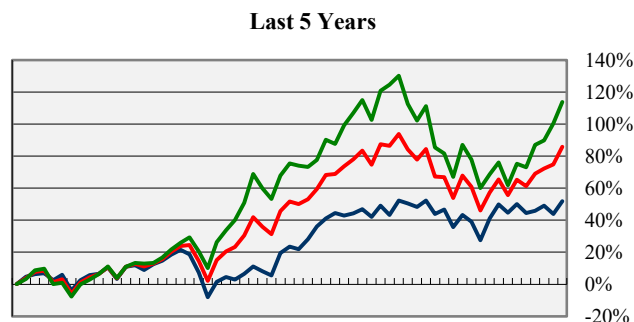
2nd Quarter 2023





IPEX, Inc.

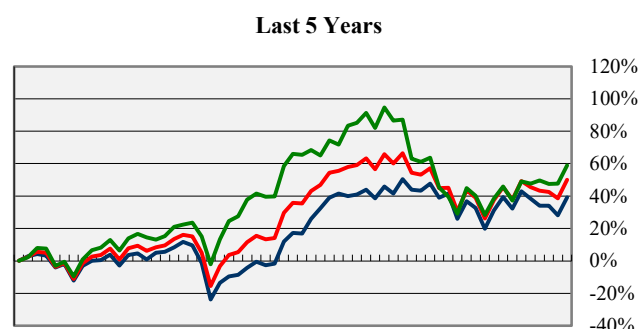
Stock Market - Style





Total Return	This Quarter	Year to Date	Last 12 Months	Last 3 Years (A)	Cumulative Total Return
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Large Cap Stocks	<div><div><div></div><div></div><div></div></div><div>68% of U.S. Market Capitalization</div></div>			
Russell Top 200 Value <div></div>	4.09%	4.97%	11.95%	13.87%
Russell Top 200 <div></div>	9.89%	19.42%	20.88%	14.65%
Russell Top 200 Growth <div></div>	14.36%	32.20%	28.03%	15.15%







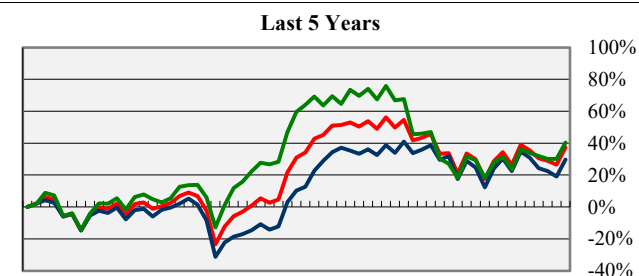
Mid Cap Stocks		24% of U.S. Market Capitalization			
Russell Midcap Value 	3.86%	5.23%	10.50%	15.04%	
Russell Midcap 	4.76%	9.01%	14.92%	12.50%	
Russell Midcap Growth 	6.23%	15.94%	23.13%	7.63%	



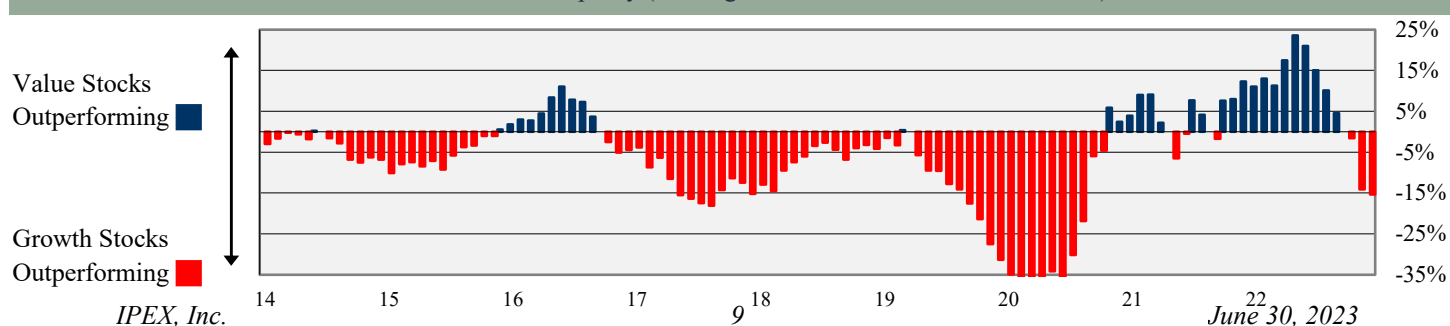
Small Cap Stocks		8% of U.S. Market Capitalization			
Russell 2000 Value 	3.18%	2.50%	6.01%	15.43%	
Russell 2000 	5.21%	8.09%	12.31%	10.82%	
Russell 2000 Growth 	7.05%	13.55%	18.53%	6.10%	



Small-Mid Stocks		22% of U.S. Market Capitalization			
Russell 2500 Value 	4.37%	5.83%	10.37%	16.07%	
Russell 2500 	5.22%	8.79%	13.58%	12.29%	
Russell 2500 Growth 	6.41%	13.38%	18.58%	6.56%	



Value - Growth Disparity (Moving 12 Month Periods - Last 10 Years)



Total Return	% of Index	This Quarter	Last 12 Months	Last 3 Years (A)
Regional Markets				

Americas

Americas Developed	62.0%	8.14%	18.37%	13.82%
Americas Emerging	1.1%	16.81%	31.98%	14.68%

Europe

Europe Developed	16.4%	2.91%	21.23%	10.61%
Europe Emerging	0.2%	9.06%	47.16%	-15.63%
Middle East / Africa	1.4%	2.04%	-1.94%	12.62%

Asia Pacific

Asia Pacific Developed	12.9%	3.26%	13.41%	5.81%
Asia Pacific Emerging	6.0%	-0.38%	-0.99%	2.63%
Global Stocks	100.0%	6.01%	16.41%	11.14%
Global Stocks Ex-U.S.	40.9%	2.71%	12.85%	7.61%

International Markets

(All Excluding U.S.)

Capitalization

Intl Large Cap	68.3%	4.09%	13.77%	10.13%
Intl Small Cap	31.8%	1.30%	10.70%	7.39%

Maturity

Developed Markets	79.9%	3.03%	17.41%	9.30%
Emerging Markets	20.1%	0.90%	1.75%	2.32%

Style

MSCI EAFE Value	3.15%	17.40%	11.34%
MSCI EAFE Growth	2.77%	20.20%	6.27%

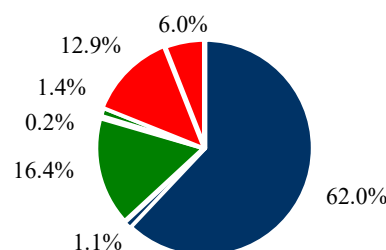
Currency

MSCI EAFE in Local Currency	4.28%	17.50%	11.73%
MSCI Emerging in Local Currency	1.71%	3.28%	3.90%



The index returns set forth represent the S&P Global Equity Index series, which includes over 10,000 companies in more than 53 countries covering both developed (27) and emerging economies (26). The index series follows an objective, float adjusted-weighted, total return, rules-based methodology, capturing the broad investable opportunity set.

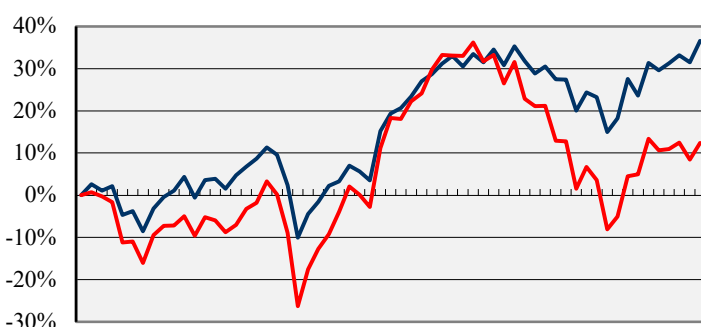
Global Equity Regional Allocation



(Top 10 IMF GDP exU.S. in U.S. Dollars)

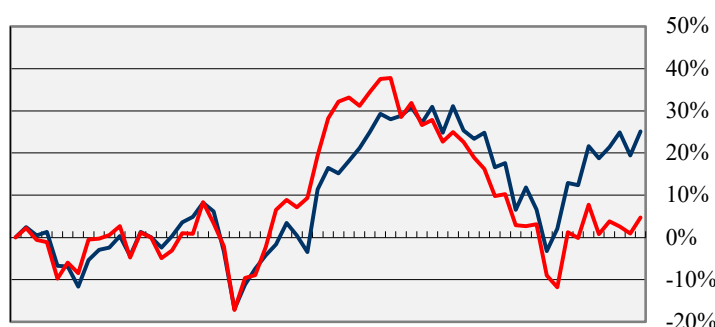
Countries	This Quarter	Last 12 Months	Last 3 Years (A)
China	-9.37%	-16.13%	-9.19%
Japan	5.44%	17.57%	5.35%
Germany	3.07%	26.69%	5.26%
United Kingdom	2.29%	12.36%	11.11%
India	13.55%	17.92%	22.66%
France	4.17%	32.06%	15.17%
Italy	6.82%	41.82%	16.19%
South Korea	3.87%	12.98%	6.09%
Canada	3.30%	7.95%	13.56%
Brazil	24.22%	31.73%	10.80%

International Large Cap -vs- International Small Cap (Last 5 Years)



IPEX, Inc.

Developed Markets -vs- Emerging Markets (Last 5 Years)














June 30, 2023

Market Commentary

2nd Quarter 2023

IPEX, Inc.

Stock Market - Sectors

Total Return		Broad U.S. Mkt	This Quarter	Last 12 Months	Last 3 Years (A)	Last 5 Years (A)	Largest Holding
		% of Assets	Total Return				% of Sector
Cyclical							
Basic Materials		2.5%	3.6%	18.5%	17.9%	9.7%	Linde 18.4
Consrn Cyclical		11.1%	12.1%	25.7%	13.4%	12.0%	Amazon 14.4%
Financial Services		12.1%	5.2%	10.7%	13.0%	7.4%	Berkshire Hathaway 11.9%
Real Estate		3.0%	2.3%	-3.3%	5.8%	4.1%	Prologis 9.5%
Defensive							
Consrn Defensive		6.2%	0.6%	6.8%	11.8%	11.0%	Proctor&Gamble 12.1%
Healthcare		13.2%	3.0%	5.4%	9.7%	10.7%	United Health 8.4%
Utilities		2.5%	-2.8%	-3.4%	8.3%	7.7%	NextEra 13.9%
Sensitive							
Communication		7.8%	10.6%	12.9%	4.4%	8.2%	Google 33.0%
Energy		4.1%	-0.4%	17.5%	35.5%	5.9%	Exxon 19.8%
Industrials		9.2%	7.4%	26.2%	17.7%	10.7%	Rathyeon 3.9%
Technology		28.4%	16.5%	39.2%	18.9%	20.6%	Apple 19.6%
Total US Market		100%	8.5%	19.3%	13.8%	11.5%	Apple 6.7%

The Morningstar Total U.S. Market Index represents 98% of the market capitalization of the U.S. investable stock universe.

% of Total U.S. Market	Relative Sector Performance vs Total U.S. Market - Last 12 Months
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- Basic Materials
- Consrn Cyclical
- Financial Services
- Real Estate
- Consrn Defensive
- Healthcare
- Utilities
- Communication
- Energy
- Industrials
- Technology

