TIDEWATER JEWISH FOUNDATION

INVESTMENT OUTLOOK ~ SPRING 2025

Investments Pooled with the Jewish Community Endowment Pool (JCEP) in Partnership with Combined Jewish Philanthropies (CJP) of Boston All Data as of March 31, 2025

The first quarter of 2025 ended March 31st with the Tidewater Jewish Foundation's (TJF's) main investment pool posting a **quarterly return* of 1.8%**, leading its composite benchmark return of 032% as shown in the table below. Also as shown, the TJF/JCEP return exceeds its benchmark in all trailing periods. **The JCEP 12 month return of 11.5% exceeds the benchmark return of 5.3% by 620 basis points (bps)** The JCEP periodic performance for the quarter though the past 5 years all rank in top 10 percent of the Endowment and Foundation Universe of funds in excess of $50 million. The 1 year and 3 year returns are in the top 1 and top 2 percentiles respectively.

The JCEP historical performance has generally **met the overall objective of supporting ongoing spending needs for our community programs**. JCEP's primary investment objective is to attain an average annual ***real*** total return (defined as a nominal return net of fees and inflation) of at least 5% *over the long term* (rolling 5-year periods) to support program requirements. It is acknowledged that this objective may not be achieved in all periods. It has met that goal in the last year, but in some longer timeframes when prior inflation rates approached historic highs, the trailing returns fell short of that real 5% return after inflation (e.g. CPI-U + 5%).

TJF's Main Pool Performance (returns, price indexes > 1 year annualized)	1st QTR	1 Year	3 Years	5 Years	10 Years
TJF / JCEP	**1.8%**	**11.5%**	**8.6%**	**12.6%**	**7.0%**
TJF / JCEP Benchmark (a blended composite index corresponding to the TJF / JCEP actual asset allocations)	**0.3%**	**5.3%**	**4.6%**	**8.0%**	**4.8%**
CPI-U + 5% (JCEP long-term objective)	**2.6%**	**7.5%**	**8.8%**	**9.6%**	**8.2%**

Cash and cash equivalents held by TJF for fund liquidity needs, local investment-related expenses and fund level capital transactions may result in returns observed within an individual fund that differ from the overall portfolio returns presented above.

** Note: all returns are reported net of investment management expenses.*

QUARTERLY MARKET PERFORMANCE RECAP

U.S. domestic equities corrected with the S&P 500 losing 4.3%. Large Value was the only positive sector in domestic equity as Large Growth lost 10.0% and small cap lost almost as much, down 9.5%. Developed markets made a strong comeback gaining 7.0% with more modest valuation than U.S. counterparts. Trade tensions, slowing growth, and a weaking U.S. dollar also contributed to foreign equity gains. Emerging markets were also positive at 3.0%. Core fixed income gained 2.8% as rates decreased. On a trailing one-year basis, the U.S. Aggregate is up almost 5.0%. West Texas Intermediate decreased 0.8% during the quarter closing at $71.87. Hedge funds lost 0.2% for the 1st quarter and gained 4.5% for the trailing year, illustrating the benefits of uncorrelated strategies.

QUARTERLY PERFORMANCE ATTRIBUTION

Domestic Equity posted a loss of 1.3% for the 1st quarter but is still ahead of the S&P 500 and Russell 2500, losing 4.3% and -7.5% respectively. One domestic manager gained 8.4% for the quarter, while others lost over 5%. Developed Non-US managers in aggregate gained 2.7%, lagging the MSCI EAFE Index at 6.9%, although one manager detracted from returns with a loss of 0.8%. Global Equities gained 1.4%, versus the MSCI ACWI with a loss of 1.3%. One global manager had a strong return of 5.7%. Emerging Markets Equities gained 4.9% ahead of the EM index at 2.9%. One of the emerging equity managers significantly outperformed at 12.4%. Private Investments were up 3.6% for the quarter and 18.5% for the trailing year. Hedged Equity gained 3.3% for the quarter and 8.9% for the year. Open Mandate suffered a loss of 0.5% for the quarter but is still positive at 12.3% for the trailing year.

Annually, since 2011, the Tidewater Jewish Foundation has commissioned an independent external review that confirms the Foundation's conformance to the Best Practices under the Global Fiduciary Standard of Excellence. The assessment process is built upon the Fiduciary Quality Management System, as established by the Centre for Fiduciary Excellence. In the conduct of specific procedures designed to verify conformance for its fiscal year ended June 30, 2024, TJF documents and recordings were reviewed by the ***independent firm of PBMares, LLP,*** *including: TJF's Investment Policy Statements and asset allocation analyses, Investment Committee meeting minutes, by-Laws, as well as other investment governance records maintained by TJF.*

Fiduciary Practices Review

TIDEWATER JEWISH FOUNDATION

Has conducted an independent review that confirms for the fiscal year ended 6/30/2024 conformance with the

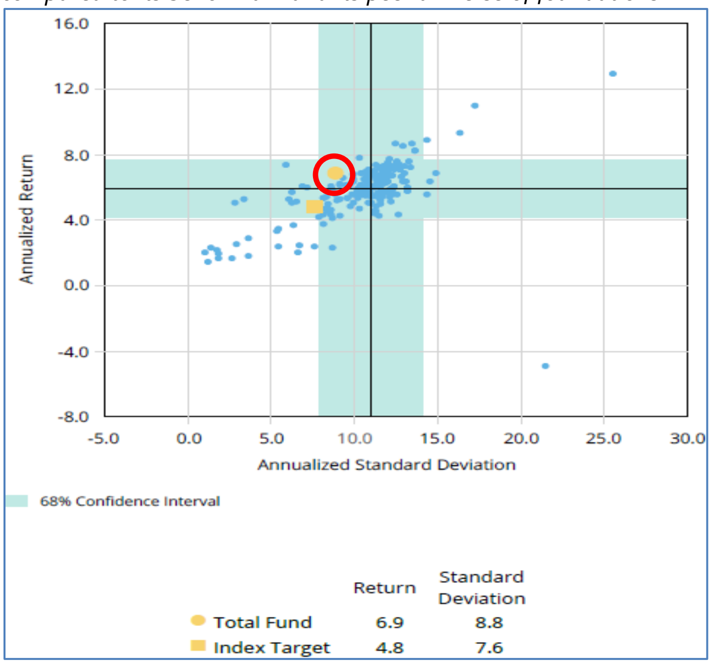
GLOBAL FIDUCIARY STANDARDS OF EXCELLENCE

JCEP Manager Selection adds Value

JCEP invests in active managers across asset classes and geographies that have a discernable edge and xecute a repeatable investment process. In 1Q 2025 the JCEP pool returned 1.8% versus the 0.2% gain for the 60/40 Reference Index (60% MSCI ACWI and 40% US Intermediate Treasury index). Each sub-portfolio (Long-only Equity, Marketable Alternatives, and Privates), except Fixed Income, contributed to the total portfolio's outperformance during the period. Fixed Income underperformed the U.S. Intermediate Treasury index by 0.7% in 1Q, due to the portfolio's shorter duration relative to the index during a period of relatively significant rate declines.

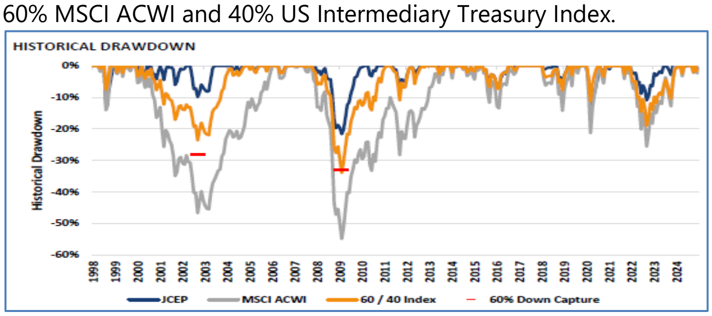
JCEP Returns Delivered with Less Risk

compared to its benchmark and its peer universe of foundations



In the above graphic based on 10 years of returns and their volatility, the upper left or "northwest" quadrant reflects the desirable outcome where few other peers reside.

Alternatively stated, the Sharpe Ratio is a standard industry metric for evaluating risk-adjusted returns. **JCEP's Sharpe Ratio of 0.8 for the past 20 years**, which slightly exceeds the timeframe of TJF's partnership but includes the market downturns in the Global Financial Crisis, **shows a higher return with less risk than the 0.5** Sharpe Ratio for both the MSCI ACWI and for a 60/40 portfolio of 60% MSCI ACWI and 40% US Intermediary Treasury Index.

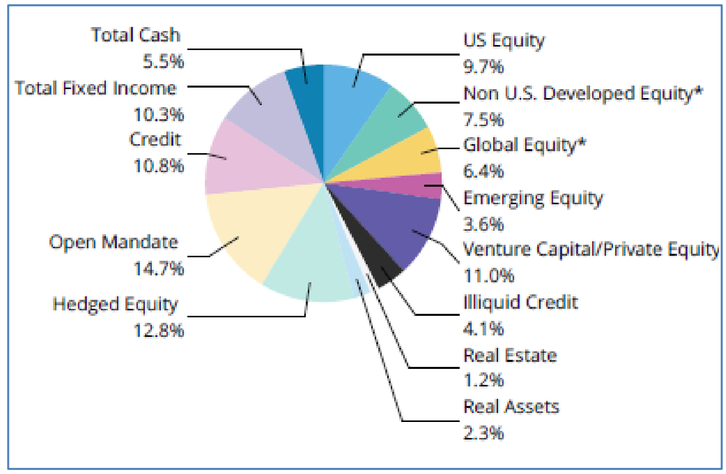


Lower volatility results, in part, from lower participation in market downturns, as had occurred during the 2008 and 2009 Global Financial Crisis and more recently in 2022, both of which are reflected in JCEP's higher 20 year Sharpe ratio noted above. The blue line in the chart above shows how JCEP's capital preservation traits have generated downside protection, decreasing less when equity markets decline.

Asset Allocation and Relative Returns

The JCEP asset allocation helps drive the lower volatility and the strong downside protection with non-correlated assets relative to other traditional institutional portfolios.

Each quarter, TJF's Investment Consultant compares the current JCEP allocation both to its target and to the allocation of the reporting entities in the Investment Metrics Endowment and Foundation Plan Universe. The JCEP allocation as of 3/31/2025:

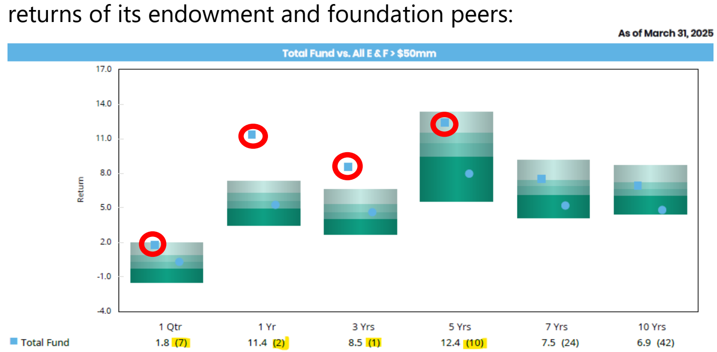


JCEP's allocation looks different from other peer group allocations, with a significantly lower allocation to marketable equities as shown in the table below:

	Total Marketable Equity	Alternatives	Fixed Income and Cash	Total
JCEP Actual	27%	57%	16%	100%
JCEP Target	30%	56%	14%	100%
E&F Database*	49%	20%	23%	92%**

*** Database asset class median values won't add to 100%*

Below, the JCEP return (left blue square) is compared to the periodic returns of its index target (blue circle) and the range of returns of its endowment and foundation peers:



Relative downside outperformance is most evident in the most recent periodic returns where JCEP's return was in the top 10 percent of its peer universe. We believe these rankings confirm the expectation previously expressed by members of the JCEP Board of Managers, that the pool will participate meaningfully in "up markets" and protect capital superbly during "down markets."

Annual Spending Policy Rate Recommendation Remains Stable for FY2026

TJF's primary investment objective has been to achieve a long-term return that supports the ongoing spending needs in our community's programs. TJF's annual Spending Policy analysis considers the long-term expected earnings as well as the anticipated inflation rate and the expenses related to the investment pool and the administration of endowment funds to determine a spending rate that would preserve real purchasing power over time. The **earnings/spending balance** is intended to achieve "intergenerational equity," a concept that refers to the equal treatment of present and future recipients. To achieve intergenerational equity and achieve an optimal balance of earnings and spending, the Foundation's investment portfolio must take enough risk to generate sufficient long-term returns in order to sustain spending, without taking on so much risk that the corpus is unduly jeopardized.

At its February meeting, TJF's Investment Committee reviewed an analysis that suggested over the past fifteen full fiscal years during which TJF has been a JCEP partner (FY10-24), **the TJF recommended Spending Policy Rate in effect during those years (4.25%, and then reduced to 4.0% in FY20) has proven "sustainable"** and has appropriately balanced the actual average annual investment earnings against the actual inflation and expenses over that timeframe.

Recognizing the significant role that annual distributions from endowment funds represents as a component of our Affiliates' annual operating budgets and programming, the TJF Investment Committee has recommended, and, at its March 19th meeting, the TJF Board of Directors approved **a continuation of the Annual Spending Policy Rate of 4.0% for FYE 6/30/2026, based on the average of the three prior year ending balances** (this averaging serves to smooth out the variability of asset balances impacted by market swings to yield more consistent and predictable annual distributions).

The TJF Spending Policy will be applicable to the following in FY2026: **(a)** TJF's Unrestricted Funds (determines the size of the Unrestricted Grants Pool, augmented by TJF's Sweeps Policy from its approving Donor Advised Funds); **(b)** PACE & LOJE Funds to support the UJFT Annual Campaign; **(c)** TJF's Restricted Funds, generally; and **(d)** TJF's Philanthropic Funds that have adopted the Spending Policy. TJF Affiliates have used the Spending Policy as a guideline for considering the Policy that is most appropriate to that particular Affiliate's endowments. **The TJF Spending Policy is NOT binding on the Affiliates; however, this information is intended to assist with each organization's budgeting process for FY2026**.

Along with building endowments and securing legacy commitments, the prudent management and investment of the local Jewish community's funds continues to be some of the key services that the Tidewater Jewish Foundation provides to its network of local Affiliate agencies. Our local community is well-served by our investment partnership with CJP/JCEP.

TJF representatives would be pleased to meet with any of its fund holders and/or Affiliate Leadership to discuss this investment strategy in more detail.

Warm Regards,

Naomi Limor Sedek
President & CEO
Tidewater Jewish Foundation

TIDEWATER JEWISH FOUNDATION

LIFE & LEGACY
Assuring JEWISH TOMORROWS
A program of the HAROLD GRINSPOON FOUNDATION

Financial Markets Overview

- Global equity markets were once again mixed in the first quarter with U.S. markets falling while international stocks rose sharply.
- Small value lagged over the quarter both domestically and internationally, with U.S. small value stocks underperforming the broad U.S. market by 3.0% and international small value trailing broad international markets by 0.4%.
- The once-shining stars of the market, known as the "Magnificent 7," have dimmed in 2025, with every member under water through the first quarter. At the end of Q1, the group averaged a disappointing -15.7% year-to-date return, lagging a significant 11.0% behind the broader Russell 3000 index.
- After years of underperformance, international markets are making a strong comeback in 2025. Through March 31, international developed stocks, as measured by the MSCI World ex-USA IMI Index, have posted impressive gains of 5.8%, outpacing the Russell 3000 Index by a robust 10.5% margin.
- Fixed income returns in the U.S. were strongly positive in the first quarter as rates fell over the quarter. The decrease in rates was driven by mounting concerns over an economic slowdown fueled by escalating trade tensions.
- The outlook for interest rates remains uncertain following the latest Federal Open Market Committee (FOMC) meeting. While the updated Fed dot plot continues to project two additional rate cuts in 2025, Chair Powell emphasized during his press conference that major policy shifts under the new administration will take time to fully materialize

Economic & Global Investment Outlook

- The U.S. economy shows early signs of slowing in 2025 as uncertain trade policy rattled markets in the first quarter and into early April.
- The risk of a broader trade war has escalated with the Trump administration's early April announcement of new tariffs, which triggered swift and negative responses from the market and U.S. trade partners.
- Consumer spending has slowed, consumer confidence has declined, and small business uncertainty is nearing its highest levels since the 1970s. The Expectations Index, which gauges consumers' short-term outlook on income, business, and labor market conditions, plummeted to 65.2—well below the critical recession-signaling threshold of 80.
- The consensus odds of a recession remain low at around 35%. Some challenges that slowed economic growth in the first quarter, like poor weather and a spike in imports ahead of potential tariffs, are unlikely to happen again in the second quarter.
- While the tariffs in particular raised uncertainty, it is anticipated this will most likely cause a temporary slowdown. However, the inflation outlook remains highly uncertain, as future tariff policies add another layer of unpredictability.
- Consensus estimates for a global recession in 2025 have inched higher in Q1 but remain relatively low, holding at 35% or less for the U.S., U.K., and Europe.