

Investment Performance Summary

As of 12/31/2021

Investment Mix Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Domestic Equity Pool TR*	25.75	3.82	9.17	25.75	25.79	17.99	
Domestic Equity Benchmark*	25.72	3.82	9.16	25.72	25.79	18.00	16.29
S&P 500 TR USD	28.71	4.48	11.03	28.71	26.07	18.47	16.55
International Equity Pool TR*	9.02	4.04	2.13	9.02	13.88	9.99	
International Equity Benchmark*	8.60	4.24	1.64	8.60	13.56	9.76	7.87
MSCI ACWI Ex USA NR USD	7.82	4.13	1.82	7.82	13.18	9.61	7.28
Intermediate-Term Fixed Income Pool TR	-1.46	-0.02	-0.31	-1.46	5.22	3.82	
Intermediate-Term Fixed Income Benchmark	-1.33	0.05	-0.19	-1.33	5.30	3.88	3.36
Short-Term Fixed Income Pool TR	-0.57	-0.01	-0.48	-0.57	3.04	2.33	
Short-Term Fixed Income Benchmark	-0.46	-0.07	-0.51	-0.46	3.15	2.43	2.01
Money Market Pool TR	0.00	0.00	0.00	0.00	0.75	0.77	0.40
USTREAS T-Bill Auction Ave 3 Mon	0.05	0.01	0.01	0.05	0.86	1.11	0.61

Individual investment options allow donors to recommend a custom allocation strategy, which can include one or more Investment Pools.

*The Domestic Equity TR, the International Equity TR, the Domestic Equity Benchmark and the International Equity Benchmark have an inception date of 6/30/19: performance prior to that date is pro-forma.

Investment Mix Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Aggressive Mix TR	15.55	2.99	5.42	15.55	18.28	12.99	11.73
Aggressive Mix Benchmark	15.47	3.03	5.31	15.47	18.23	12.96	11.72
Moderately Aggressive Mix TR	11.79	2.32	4.14	11.79	14.88	10.62	9.52
Moderately Aggressive Mix Benchmark	11.75	2.35	4.06	11.75	14.87	10.63	9.43
Moderate Mix TR	7.57	1.54	2.67	7.57	10.87	7.85	7.05
Moderate Mix Benchmark	7.58	1.56	2.62	7.58	10.90	7.92	6.91
Conservative Mix TR	3.32	0.77	1.15	3.32	6.77	4.99	4.53
Conservative Mix Benchmark	3.37	0.77	1.13	3.37	6.84	5.11	4.34
Short-Term Mix TR	-0.37	-0.01	-0.31	-0.37	2.23	1.78	
Short-Term Mix Benchmark	-0.28	-0.04	-0.33	-0.28	2.34	1.97	
Risk Averse Mix TR	0.00	0.00	0.00	0.00	0.75	0.77	0.40
USTREAS T-Bill Auction Ave 3 Mon	0.05	0.01	0.01	0.05	0.86	1.11	0.61

Investment Mix options offer a simple, one-stop approach to an investment strategy that best reflects your charitable goals. Donors recommend one option, which the Community Foundation rebalances.

Returns for periods greater than 1 year are compound annual returns.
TR = Total Return

Current Investment Mix Allocations	Domestic Equity Pool	Int-l Equity Pool	Interm-Term Fixed Income Pool	Short-Term Fixed Income Pool	Money Market Pool
Aggressive	55%	22%	10%	10%	3%
Moderately Aggressive	43%	17%	10%	25%	5%
Moderate	29%	11%	15%	35%	10%
Conservative	14%	6%	18%	42%	20%
Short Term	0%	0%	0%	65%	35%
Risk Averse	0%	0%	0%	0%	100%

Estimated Investment Management Fees for the Investment Mix Options

Aggressive	0.05%
Moderately Aggressive	0.06%
Moderate	0.07%
Conservative	0.08%
Short Term	0.11%
Risk Averse	0.14%

Performance is presented net of all investment management fees, brokerage, consulting and other transaction costs but gross of Long Beach Community Foundation administrative fees.

Customer Service

If you have any questions about your fund or wish to request a change in your investment mix, please contact LBCF at (562) 435-9033 or info@longbeachcf.org.

Contact Marcelle Epley at (562) 435-9033 or marcelle@longbeachcf.org for more information on the pools, including their component funds and blended benchmarks, the Board of Directors Investment Committee, or the Investment Policy Statement.

Domestic Equity Pool

As of 12/31/2021

Trailing Returns

Domestic Equity Pool & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Domestic Equity Pool TR	25.75	9.17	25.75	25.79	17.99	
Domestic Equity Benchmark	25.72	9.16	25.72	25.79	18.00	16.29
S&P 500 TR USD	28.71	11.03	28.71	26.07	18.47	16.55
Russell 3000 TR USD	25.66	9.28	25.66	25.79	17.97	16.30

Trailing Returns

Equity Pool Holdings & Benchmarks	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Instl Ttl Stk Mkt Idx InstlPls	25.75	9.17	25.75	25.81	18.00	16.35
CRSP US Total Market TR USD	25.72	9.16	25.72	25.79	18.00	16.29

Purpose

The purpose of the Domestic Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the Equity Pool is to obtain broad equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

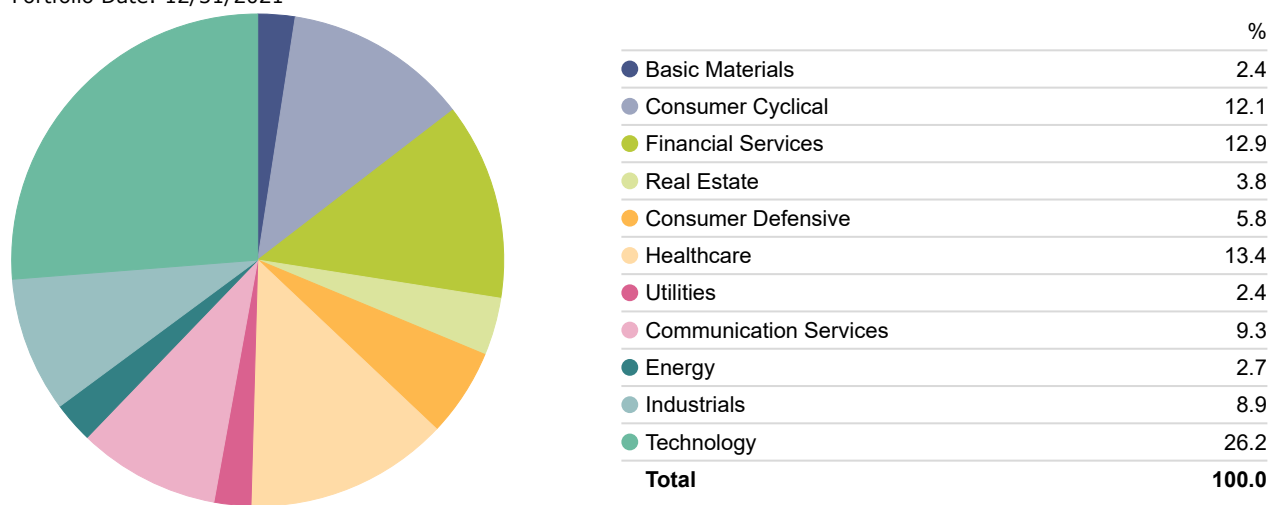
Top Holdings - Domestic Equity Pool

Portfolio Date: 12/31/2021

Total Market Value: \$535,197,630	Market Value (mil)	Portfolio Weighting %
Vanguard Instl Ttl Stk Mkt Idx InstlPls	\$ 535.2	100%

Equity Sectors (Morningstar) - Domestic Equity Pool

Portfolio Date: 12/31/2021



Equity Benchmark	Current
CRSP US Total Stock Market	100%

Source: Morningstar Direct

Top Stock Holdings

1. Apple Inc.
2. Microsoft Corp
3. Amazon.com Inc.
4. Alphabet Inc Class A
5. Tesla Inc
6. Meta Platforms Inc Class A
7. Alphabet C
8. NVIDIA Corp
9. Berkshire Hathaway Inc Class B
10. UnitedHealth Group Inc

Trailing Twelve Month Dividend Yield: 1.37%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .03%

International Equity Pool

As of 12/31/2021

Trailing Returns

Equity Pool & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
International Equity Pool TR	9.02	2.13	9.02	13.88	9.99	
International Equity Benchmark	8.60	1.64	8.60	13.56	9.76	7.87
FTSE Global All Cap ex US TR USD	9.13	1.81	9.13	14.15	10.23	8.07

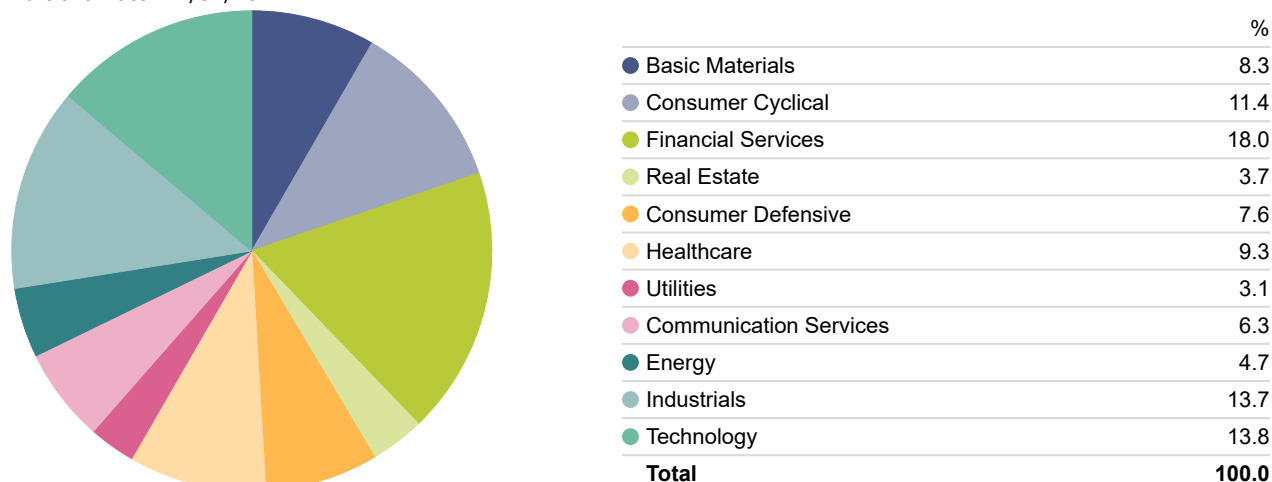
Performance for the International Equity Pool prior to 06/30/2019 is pro-forma based on the experience of the previous Equity Pool

Trailing Returns

International Equity Pool Holding & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Developed Markets Index Instl	11.44	2.99	11.44	14.50	10.17	8.54
FTSE Developed ex US All Cap NR USD	11.38	2.52	11.38	14.29	9.85	
Vanguard Emerging Mkts Stock Idx Instl	0.92	-0.40	0.92	11.88	9.48	5.40
FTSE Emerging NR USD	-0.24	-1.02	-0.24	11.32	9.56	5.62

Equity Sectors (Morningstar) - International Equity Pool

Portfolio Date: 12/31/2021



International Equity Benchmark	Current
FTSE Developed ex US All Cap	82%
FTSE Emerging Markets	18%

Source: Morningstar Direct

Purpose

The purpose of the International Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the International Equity Pool is to obtain broad international equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

Top Holdings - International Equity Pool

Portfolio Date: 12/31/2021

Total Market Value: \$193,532,682	Market Value (mil)	Portfolio Weighting %
Vanguard Developed Markets Index Ins Pls	\$ 144.9	75%
Vanguard Emerging Mkts Stock Idx Instl	\$ 48.6	25%

Top Stock Holdings

1. Taiwan Semiconductor Manufacturing Co Ltd
2. Nestle SA
3. Tencent Holdings Ltd
4. ASML Holdings NV
5. Samsung Electronics Co Ltd
6. Roche Holdings AG
7. Toyota Motor Corp
8. Alibaba Group Holdings Ltd ADR
9. LVMH Moet Hennessy Louis Vuitton SE
10. Novartis AG

Trailing Twelve Month Dividend Yield: 2.96%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .06%

Intermediate-Term Fixed Income Pool

As of 12/31/2021

Trailing Returns

Int-Term Fixed Income Pool & Blended Benchmark	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Intermediate-Term Fixed Income Pool TR	-1.46	-0.31	-1.46	5.22	3.82	
Intermediate-Term Fixed Income Benchmark	-1.33	-0.19	-1.33	5.30	3.88	3.36

Purpose

The purpose of the Intermediate-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasuries notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The average effective duration and interest rate risk of the Pool will be commensurate with broad fixed income benchmarks such as the Barclays U.S. Aggregate Bond Index.

Trailing Returns

Int-Term Fix. Income Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Interm-Term Bond Index I	-2.34	-0.44	-2.34	5.73	4.15	3.52
Bloomberg US 5-10 GovCredit FIAdj TR USD	-2.28	-0.29	-2.28	5.78	4.19	3.57
Vanguard Mortgage-Backed Secs Idx Instl	-1.30	-0.48	-1.30	2.84	2.35	
Bloomberg US MBS TR USD	-1.04	-0.37	-1.04	3.01	2.50	2.28
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	5.32	1.13	5.32	5.04	3.29	
Bloomberg US TIPS 0-5 Year TR USD	5.34	1.17	5.34	5.09	3.32	1.89
Xtrackers USD High Yield Corp Bd ETF	4.11	0.65	4.11	7.59	5.30	
Solactive USD HY Corp Total Mkt TR USD	4.30	0.63	4.30	7.84	5.55	6.15

Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2021

	Market Value (mil)	Portfolio Weight %
Total Market Value	\$151,582,731	
Vanguard Interm-Term Bond Index Ins Plus	\$ 106.1	70%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 30.3	20%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 7.6	5%
Xtrackers USD High Yield Corp Bd ETF	\$ 7.6	5%

Int.-Term Fixed Income Benchmark Weights

	Percent	Inception Date: January 1, 2014
Barclays US 5-10Y Gov/Credit FIAdj TR USD	70%	Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.
Barclays US MBS Float Adjusted TR USD	20%	
Solactive USD HY Corp Total Mkt TR USD	5%	Estimated Pool Investment
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%	Management Fee: 0.06%

Fixed Income Pool Statistics

Average Yield to Maturity	1.87%
Average Effective Duration	5.81 years
Trailing Twelve Month Yield	1.99%

Short-Term Fixed Income Pool

As of 12/31/2021

Trailing Returns

Short-Term Fix. Inc. Pool & Blended Benchmark	Year To Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Short-Term Fixed Income Pool TR	-0.57	-0.48	-0.57	3.04	2.33	
Short-Term Fixed Income Benchmark	-0.46	-0.51	-0.46	3.15	2.43	2.01

Purpose

The purpose of the Short-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The Pool will have a lower average effective duration than broad fixed income market benchmarks such as the Barclays U.S. Aggregate Bond Index, hence limiting overall interest rate risk.

Trailing Returns

Short-Term Fix. Inc. Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Short-Term Bond Idx I	-1.06	-0.77	-1.06	2.81	2.19	1.70
Bloomberg US 1-5Y GovCredit FIAdj TR USD	-0.97	-0.72	-0.97	2.88	2.25	1.77
Vanguard Mortgage-Backed Secs Idx Instl	-1.30	-0.48	-1.30	2.84	2.35	
Bloomberg US MBS Float Adjusted TR USD	-1.05	-0.40	-1.05	2.95	2.44	2.24
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	5.32	1.13	5.32	5.04	3.29	
Bloomberg US TIPS 0-5 Year TR USD	5.34	1.17	5.34	5.09	3.32	1.89
Invesco Senior Loan ETF	2.54	0.27	2.54	4.13	2.83	3.48
S&P/LSTA U.S. Leveraged Loan 100 TR USD	3.54	0.36	3.54	5.62	3.88	4.34

Short-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2021

Total Market Value: \$315,779,674	Market Value (mil)	Portfolio Weight %
Vanguard Short-Term Bond Idx InstlPis	\$ 220.9	70%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 63.0	20%
Invesco Senior Loan ETF	\$ 15.8	5%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 15.8	5%

Short-Term Fixed Income Benchmark Weights

	Percent
Barclays US 1-5Y GovCredit FIAdj TR USD	70%
Barclays US MBS Float Adjusted TR US	20%
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%
S&P/LSTA U.S. Leveraged Loan 100 TR USD	5%

Inception Date: January 1, 2014

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.

Estimated Pool Investment Management Fee: 0.09%

Fixed Income Pool Statistics

Average Yield to Maturity	1.31%
Average Effective Duration	2.97 years
Trailing Twelve Month Yield	1.40%

Purpose

The purpose of the Money Market Pool is to provide liquidity for participating charitable funds and organizations in funding grant making and payment of fees and administrative costs while providing desired principal stability. The long term investment objective of the Money Market Pool is to seek a competitive market return to preserve and grow the portfolio, provide cash flows to meet charitable needs now and those in the future. As such, the Money Market Pool is highly liquid, which enables donors to access funds for grants in a timely manner. The Money Market Pool invests in bank deposits and obligations of the United States government and its agencies.

Money Market Trailing Returns

Time Period	Money Market Pool	90 Day Treasury Bills
Year to Date	0.00%	0.05%
3 Months	0.00%	0.01%
1 Year	0.00%	0.05%
3 Years	0.75%	0.86%
5 Years	0.77%	1.11%
10 Years	0.40%	0.61%

*Performance periods greater than 12 months are annualized.
Performance is net of investment management fees but not the
Foundation's administrative fees.*

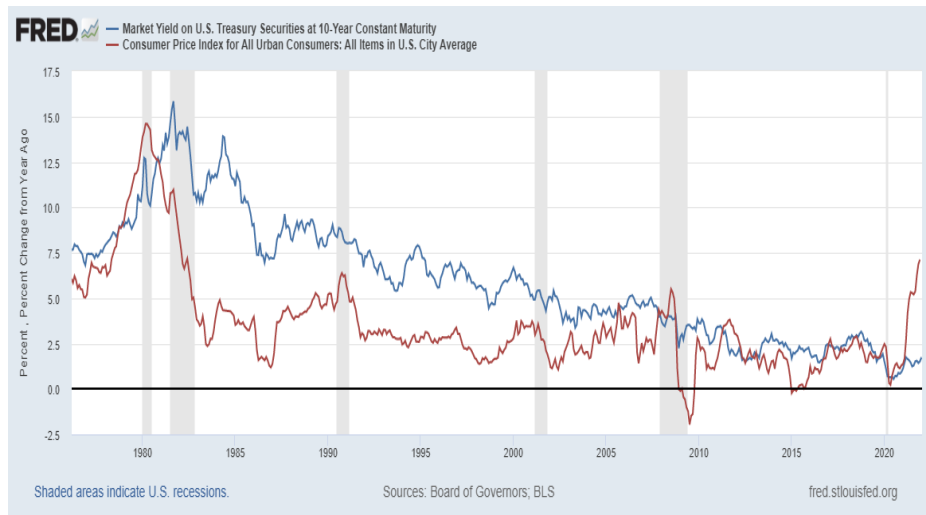
Current Month Return Annualized: 0.00%

Investment Commentary

December 31, 2021

The 10-year U.S. Treasury yield and the Consumer Price Index (CPI) have maintained a relationship going back decades. Wherever inflation goes, the yield on the 10-year U.S. Treasury tends to follow. The reason this relationship is important is because inflation has been a good predictor of the direction of bond yields. And bonds have an inverse relationship with interest rates. If interest rates increase, bond prices fall; if interest rates decline, bond prices rise.

Currently, the interest rate on the 10-year U.S. Treasury note is around 1.8% while the annual rate of inflation is near 7%. However, this is not the first time the 10-year U.S. Treasury yield and CPI needed a break.



As Thomas J. Sargent and William L. Silber recently outlined in the Wall Street Journal, in the 1980s the Federal Reserve was confronted with a similar situation, but in reverse. Chairman Paul Volcker and other Fed colleagues began to raise short-term interest rates in attempt to tame double-digit U.S. inflation. The Federal Open Market Committee (FOMC) promised the public their actions were not one time but a permanent strategy to curb inflation. The FOMC believed once the public believed they were not changing course, long-term interest rates would quickly fall. To the surprise of the Fed, long-term rates did not decline quickly. The market seemed to believe the Fed would not

be able to stick it out and would revert to the ways of previous regimes. If the market would have come to terms more quickly that Volcker and his team were adamant at stamping out inflation, the recession of the early 1980s would likely have been less severe and shorter.

Today, market pundits and prognosticators worry that our current situation is the opposite of what occurred in the 1980s. The market is signaling that inflation should subside in the near future and will likely fall back in the 2% to 3% range. Questions remain, but 2022 should provide answers to many questions. Could the dislocation between the 10-year U.S. Treasury and CPI continue as long as the 1980s? Will the supply chain issues that created inflation pressure recede? Will the COVID-19 pandemic end and allow goods and services to resume normal operations? Has the new monetary and fiscal policy regime gone too far with large deficits and easy money? Has this fiscal policy caused the Fed to lose control of inflation? Will bond market vigilantes step in and demand interest rates above the rate of inflation? The answers to these questions will likely provide clarity on whether inflation will fall, or the yield on the 10-year U.S. Treasury will jump significantly higher in 2022.

The Domestic Equity Pool ended the year up 25.75%. It has been on a tear the last three years with returns of 20.98% in 2020 and 30.84% in 2019. Additionally 2021 also delivered historically low levels of volatility. The average drawdown for the S&P 500 is around 14%; last year the largest decline was 5.21%. International equity markets have not fared as well as their domestic counterparts, though still strong in relation to historical averages. The International Equity Pool returned 9.0% in 2021.

The yield on the 10-year U.S. Treasury note began the year near 1% and ended the year at about 1.8%. Rising rates across the yield curve contributed to negative returns in the Intermediate-Term Fixed Income Pool and the Short-Term Fixed Income Pool. The Intermediate-Term Fixed Income Pool declined 1.46% in 2021. The Short-Term Fixed Income Pool was also down in 2021, returning -0.57%.

The Money Market Pool has maintained a 0% return since March of 2020. However, the market is pricing in multiple rate hikes in 2022 and there is a possibility that a small yield could return to the pool in 2022.