

CLEARBROOK

Snow College Endowment



SNOW COLLEGE

Flash Report

September 30, 2022

Domestic Equity

- The Final week of September had stocks hitting new lows in a volatile week of trading. The DJIA officially entered a bear market, down more than 20% from recent highs. All three major indexes fell for the third consecutive quarter, which is the longest quarterly losing streak since 2009.
- FAANG members' actions signaled tightening in tech sectors; Meta announced a hiring freeze in the last week of September, while Apple backed off production of their new iPhone after demand fell.
- Value outperformed growth for the month of September with the Russell 1000 Value posting a return of -8.77% while the Russell 1000 Growth posted a return of -9.72%. September was a brutal month across the board sending YTD returns plummeting. Values YTD return is -17.75% versus Growth down -30.66% YTD.
- Small Caps and Large Caps posted similar negative returns with Large Caps performing only slightly better for the month. Small Caps were down -9.58% for the month and Large Caps were down -9.25%. YTD performance has been relatively similar with Small Caps down -25.10% and Large Caps down -24.59%.
- GICS sectors posted negative returns across the board. Real Estate was the worst performing sector posting a monthly return of -13.16%, closely followed by Communication Services [-12.30%], and Technology [-12.00%]. Healthcare posted the best monthly return of -2.60% followed by Financials which posted a return of -7.76%.

International Equity

- Internationally, equity markets badly underperformed US markets during the third quarter, as surging electricity prices in Europe and the UK, interest rate hikes by the ECB and Bank of England, and persistent geopolitical risks weighed on developed markets.
- In the UK, the death of Queen Elizabeth II, dominated most of the headlines over the month.
- In Europe, the energy crisis continued to dominate headlines as Russia completely halted gas flows through the key Nord Stream 1 pipeline at the beginning of the month.
- The MSCI EAFE Index finished the month down -9.36%, the MSCI UK finished the month down -8.84%, and the MSCI Europe Index finished September down -8.70%.
- Chinese business conditions PMIs slowed in September, suggesting growth may be wavering again after the mid-year reopening bounce.
- Overall, Emerging markets underperformed both international developed markets and US markets as a surging US dollar offset hopes for a continued economic reopening in China. The MSCI EM Index returned -11.72% for the month of September, bringing the YTD return to -27.16%.

Fixed Income

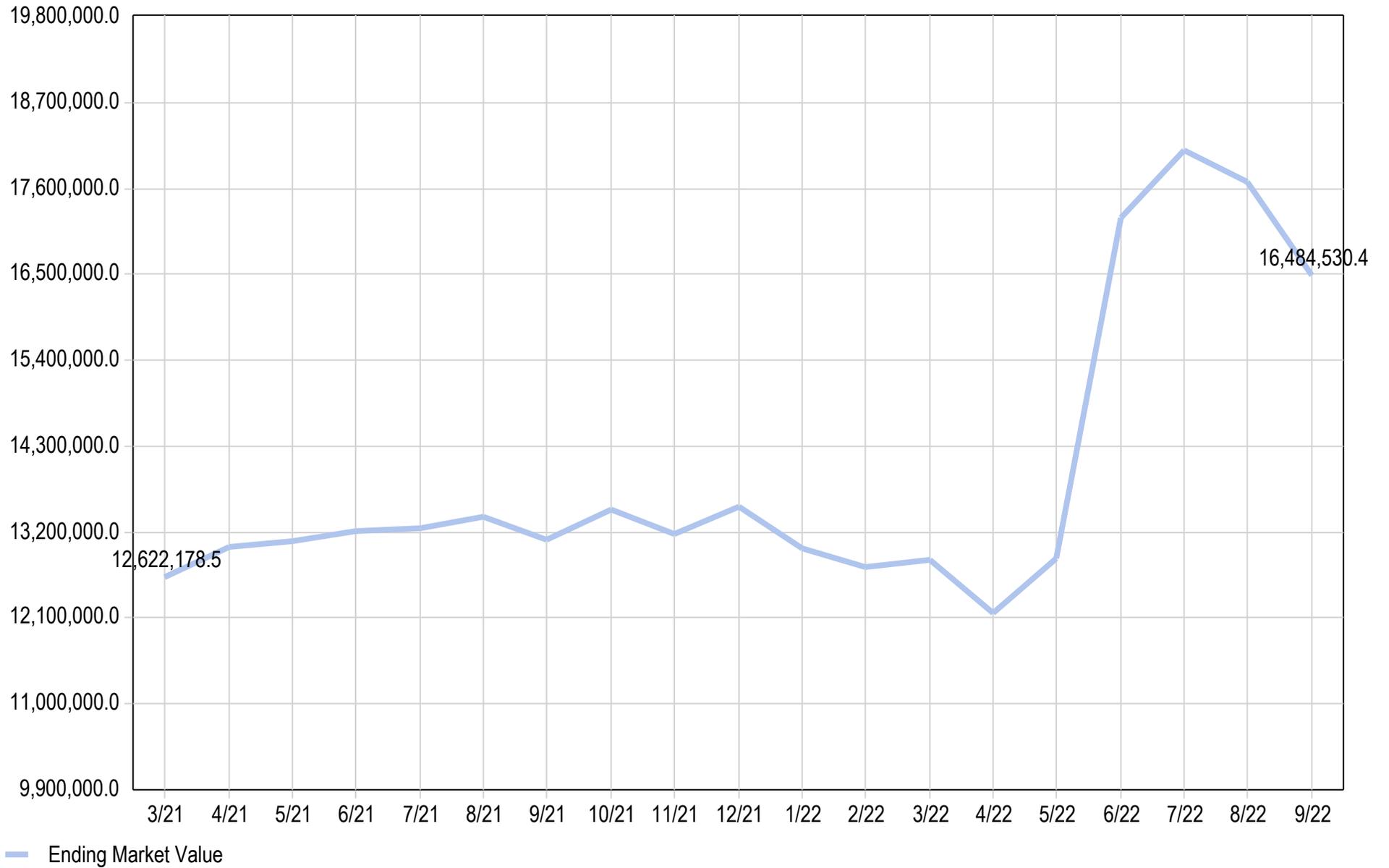
- The Fed's monetary policy is cooling down some parts of the economy, for example the housing market, with 30-year fixed mortgage rates rising to well above 6%, the highest level since 2007.
- US bond funds had massive outflows (net \$9.08B) in the last week of September – the largest weekly outflow in three months. The benchmark US Treasury 10-year yields, briefly jumped to 4.019% on Wednesday the 28th of September – the highest since October 2008. Outflows from U.S Short/Intermediate IG and HY bond funds surged to \$6.28B and \$3.2B, respectively, from \$3.59B and \$1.81B in the previous week.
- The ECB has become more hawkish as of recent, hiking its policy rate by 0.75% in September, and it is now expected to increase rates by another 0.75% in October and by 0.5% in December, to bring them to 2% by year end.
- The UK's fiscal policy attracted the majority of the debt market's attention in September as the government announced a substantial unfunded fiscal package that will significantly increase government borrowing. UK borrowing costs rose so quickly following this announcement, that the BoE was forced to interfere and purchase long-dated government bonds towards the end of the month.

Economics

- The Fed's third consecutive rate hike in mid-September led to a fall of in stocks to end the month. Many other central banks raised rates in line with the Federal Reserve, representing the ongoing fear that inflation is here to stay and that more drastic measures are required to quell the issue.
- Eurozone inflation hit double digits in September. Influenced primarily by the ongoing conflict between Russia and the Ukraine, the sabotage of the Nord Stream 2 pipeline added fuel to the fire and caused an escalation in Russian rhetoric.
- Jobless claims hit their lowest level in 5 months. Labor market conditions remained tight for the month with initial jobless claims coming in at a seasonally adjusted level of 193,000.
- Lizz Truss, the UK's new Prime Minister introduced tax cuts and energy subsidies that exacerbated the issue of spiraling inflation. The Bank of England stepped into the bond market, saying it would buy government debt hoping to quell market turmoil and reassure investors.

SNOW COLLEGE ENDOWMENT TOTAL PORTFOLIO

As of September 30, 2022



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Major Benchmark Returns

	1 Month	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
S&P 500 Index	-9.2	-23.9	-15.5	8.2	9.2	11.7
Russell 1000 Index	-9.3	-24.6	-17.2	7.9	9.0	11.6
Russell Midcap Index	-9.3	-24.3	-19.4	5.2	6.5	10.3
Russell 2000 Index	-9.6	-25.1	-23.5	4.3	3.6	8.6
MSCI EAFE Index	-9.3	-26.8	-24.7	-1.4	-0.4	4.2
FTSE NAREIT All REITs Index	-13.2	-28.3	-17.4	-1.7	3.5	6.6
Blmbg. U.S. Aggregate Index	-4.3	-14.6	-14.6	-3.3	-0.3	0.9
Bloomberg U.S. Municipal Bond Index	-3.8	-12.1	-11.5	-1.9	0.6	1.8
Blmbg. U.S. Gov't/Credit	-4.1	-15.1	-14.9	-3.1	-0.1	1.0
Blmbg. U.S. Corp: High Yield Index	-4.0	-14.7	-14.1	-0.5	1.6	3.9
90 Day U.S. Treasury Bill	0.2	0.6	0.6	0.6	1.1	0.7
CPI - All Urban Consumers (SA)	N/A	N/A	N/A	N/A	N/A	N/A

SNOW COLLEGE ENDOWMENT TOTAL PORTFOLIO

As of September 30, 2022

	Market Value	% of Portfolio	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	Inception	Inception Date
SNOW COLLEGE ENDOWMENT TOTAL PORTFOLIO	16,484,530	100.0	-6.8	-4.3	-17.9	-15.5	-	-7.5	Mar-21
Policy Index			-6.4	-4.5	-18.3	-15.5	2.3	-7.1	
TOTAL EQUITY COMPOSITE	8,525,064	51.7	-9.5	-6.3	-28.2	-24.6	-	-12.5	Mar-21
MSCI AC World Index (Net)			-9.6	-6.8	-25.6	-20.7	3.7	-8.7	
DOMESTIC EQUITY COMPOSITE	6,216,955	37.7	-9.2	-4.6	-26.5	-21.2	-	-9.4	Mar-21
Russell 3000 Index			-9.3	-4.5	-24.6	-17.6	7.7	-4.9	
SCHWAB S&P 500 INDEX	2,357,412	14.3	-9.2	-4.9	-23.6	-15.2	-	-1.5	Mar-21
S&P 500			-9.2	-4.9	-23.9	-15.5	-	-2.3	
BARON OPPORTUNITY	534,166	3.2	-10.3	-2.4	-	-	-	-28.7	Apr-22
Russell 3000 Growth Index			-9.7	-3.4	-30.6	-23.0	10.2	-23.5	
INVESCO QQQ TRUST	-	0.0	-3.5	3.0	-29.5	-	-	-27.0	Dec-21
NASDAQ 100 Stock Index			-10.5	-4.4	-32.4	-24.7	13.2	-31.5	
AMG YACKTMAN	1,050,925	6.4	-8.1	-5.5	-17.5	-13.0	-	-5.3	Mar-21
Russell 1000 Value			-8.8	-5.6	-17.8	-11.4	-	-1.3	
SCHWAB FUNDAMENTAL US LARGE COMPANY INDEX	1,287,575	7.8	-9.4	-5.6	-17.2	-9.6	-	-4.3	Mar-21
Russell 1000 Value			-8.8	-5.6	-17.8	-11.4	-	-1.3	
WASATCH CORE GROWTH	620,008	3.8	-9.8	-5.8	-35.1	-31.4	-	-16.7	Mar-21
Russell 2000			-9.6	-2.2	-25.1	-23.5	-	-15.2	
WASATCH SMALL VALUE	366,868	2.2	-11.2	-5.6	-28.9	-24.2	-	-15.2	Mar-21
Russell 2000 Value			-10.2	-4.6	-21.1	-17.7	-	-7.8	

SNOW COLLEGE ENDOWMENT TOTAL PORTFOLIO

As of September 30, 2022

	Market Value	% of Portfolio	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	Inception	Inception Date
INTERNATIONAL EQUITY COMPOSITE	2,308,109	14.0	-10.2	-10.0	-31.6	-31.0	-	-18.0	Mar-21
<i>MSCI AC World ex USA (Net)</i>			-10.0	-9.9	-26.5	-25.2	-1.5	-14.8	
VANGUARD FTSE DEVELOPED MARKETS ETF	7,163	0.0	-9.9	-10.6	-27.0	-	-	-27.2	Dec-21
<i>FTSE Developed All Cap ex-US Index (Net)</i>			-10.0	-9.6	-27.5	-25.7	-1.3	-23.8	
WCM FOCUSED INTERNATIONAL GROWTH	556,582	3.4	-10.5	-8.1	-38.2	-34.7	-	-16.3	Mar-21
<i>MSCI ACWI ex US</i>			-10.0	-9.9	-26.5	-25.2	-	-14.8	
ARTISAN INTERNATIONAL SMALL-MID	-	0.0	-8.6	-5.8	-31.9	-32.2	-	-17.7	Mar-21
<i>MSCI ACWI ex US SMID</i>			-11.0	-9.2	-29.3	-28.9	-	-15.7	
SCHWAB FUNDAMENTAL INT'L LC INDEX	1,072,940	6.5	-9.8	-11.1	-22.1	-20.6	-	-15.7	May-21
<i>MSCI ACWI ex USA Value</i>			-9.3	-10.4	-21.0	-20.0	-	-14.8	
TOTAL FIXED INCOME COMPOSITE	3,627,376	22.0	-5.4	-3.0	-5.1	-4.2	-	-1.5	Mar-21
<i>Blmbg. U.S. Universal Index</i>			-4.3	-4.5	-14.9	-14.9	-3.1	-9.2	
DIAMOND HILL CORE BOND FUND	1,024,458	6.2	-3.7	-3.8	-12.6	-12.6	-	-7.2	Mar-21
<i>BbgBarc US Agg TR USD</i>			-4.3	-4.8	-14.6	-14.6	-	-9.1	
DIAMOND HILL SHORT DURATION	1,599,902	9.7	-1.0	-0.5	-3.4	-3.5	-	-1.3	Mar-21
<i>BbgBarc US Govt/Credit 1-3 Yr</i>			-1.2	-1.5	-4.5	-5.1	-	-3.2	
BDC PORTFOLIO	1,003,016	6.1	-13.3	-7.0	-2.6	1.5	-	2.5	Mar-21
<i>MVIS US BDC INDEX</i>			-15.3	-8.6	-19.1	-15.7	0.0	-2.1	
TOTAL ALTERNATIVES COMPOSITE	2,447,902	14.8	-1.3	0.2	-4.2	-2.9	-	-0.4	Mar-21
<i>HFRX Global Hedge Fund Index</i>			-1.0	0.5	-4.6	-4.5	2.7	-1.5	
FRANKLIN K2 ALTERNATIVE STRATEGIES	1,217,748	7.4	-2.2	-0.2	-9.1	-8.4	-	-3.8	Mar-21
<i>HFRX Global Hedge Fund Index</i>			-1.0	0.5	-4.6	-4.5	2.7	-1.5	
IMGP DBI MANAGED FUTURES STRATEGY	520,504	3.2	0.3	-	-	-	-	0.3	Sep-22
<i>Credit Suisse Managed Futures</i>			-1.0	-0.4	18.1	18.1	8.2	-1.0	
USQ CORE REAL ESTATE	7,108	0.0	0.2	0.6	12.6	-	-	16.1	Dec-21
<i>MORNINGSTAR US REAL ESTATE</i>			-12.8	-10.6	-28.8	-	-	-22.1	
TOTAL CASH COMPOSITE	1,884,188	11.4	0.0	0.1	0.2	0.2	-	0.1	Mar-21
FINANCIAL SQUARE TR GOVERNMENT	1,884,188	11.4	0.0	0.1	0.2	0.2	-	0.1	Mar-21
<i>FTSE 3 Month T-Bill</i>			0.2	0.4	0.6	0.6	0.6	0.4	

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Policy Index- Policy Index: 33% Russell 3000/ 22% MSCI ACWI Ex USA/ 22.5% Barclays U.S. Universal/ 18.5% HFRX Global Hedge Fund Index/ 4% 91 Day T-Bills

The Total Assets and the Total Composite performance are net of all fees and expenses to date, including all custodial fees and advisory fees. Commerce Trust charges the account a monthly asset-based custodial fee at the annualized rate of 3.5 basis points. Clearbrook charges the account a quarterly asset-based advisory fee at the annualized rate of 50 basis points, which is paid at the beginning of each quarter.

Footnotes:

- iMGP DBi Managed Futures Strategy ETF was invested in on September 22, 2022
- Artisan International Small-Mid Cap was liquidated on September 22, 2022
- Invesco QQQ was liquidated on September 19, 2022
- Touchstone Emerging Markets Growth was liquidated on May 27, 2022
- Baron Opportunity was invested in on April 1, 2022
- Akre Focus was liquidated on March 30, 2022
- Owl Rock Capital Corp was invested in on March 1, 2022
- DF Dent was liquidated on February 28, 2022
- Invesco QQQ Trust was invested in on December 16, 2021
- Vanguard FTSE Developed Markets was invested in on December 29, 2021
- USQ Core Real Estate was invested in on December 7, 2021
- Dodge & Cox International Stock Fund was liquidated on December 27, 2021
- Vanguard Intermediate Term Bond Fund was liquidated on November 15, 2021
- Baillie Gifford was liquidated on August 19, 2021

Clearbrook Investment Consulting, LLC (Clearbrook) has exercised reasonable professional care in the preparation of this performance report. However, certain information in this report, such as market indices, security characteristics, etc. is received from sources external to Clearbrook. These sources, including pricing and rating services, issuer reports or communications, etc. are believed to be reliable. While efforts are made to ensure that this data is accurate, Clearbrook cannot accept responsibility for any errors that may occur. All rates of return for periods longer than one year have been annualized. All rates of return are gross of management fees and net of commissions unless otherwise noted. Past performance is not an indication of future results.

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