Quarterly Review  
Q3 2021

The 3rd quarter of 2021 began with strong performance in July and August but the environment swiftly moved to a risk-off stance in September with increasing volatility. The economic reopening story and accommodative government policies, which helped drive returns in the first half of the year, were overshadowed by growing concerns over the persistence and elevation of inflation, the continued supply chain disruptions, sharply rising energy prices, a spike in Delta variant cases, and fears over potential financial impact by one of China’s largest property developers, Evergrande, possibly defaulting on its loan payments. Adding to these market concerns, the Federal Reserve announced it was still on pace to taper its asset purchases in November and they reiterated that interest rates are still forecasted to begin rising in the second half of 2022. Market turbulence aside, the S&P wound up the quarter slightly positive (+0.6%) although other major indices concluded the quarter with marginal losses.

The Northwest CT Community Foundation’s Corporation year-to-date return through the end of the third quarter was 7.0%, slightly under the market benchmark’s return of 7.2%. In the 3rd quarter, the Northwest CT CF Corporation returned -0.5% versus -0.2% for the benchmark with the domestic sectors continuing to relatively outperform competing international categories, especially emerging markets. For 1-year period ended September 30th, the Northwest CT Community Foundation Corporation returned 20.2% vs. the market benchmark’s 17.6%, helped in large part by our strong global equities and private equity performance. The global equities portfolio, which had been slightly overweight has been trimmed and is now in-line with our long-term asset allocation model target. Our managers continue to find compelling and differentiated opportunities to put money to work as the economy evolves, and we believe the long-term portfolio is diversely constructed given the number of head-winds on the horizon.

A.F.Drew Alden  
SVP and Chief Investment Officer  
The Community Foundation (TCF)

President and CEO  
TCF Mission Investments Company