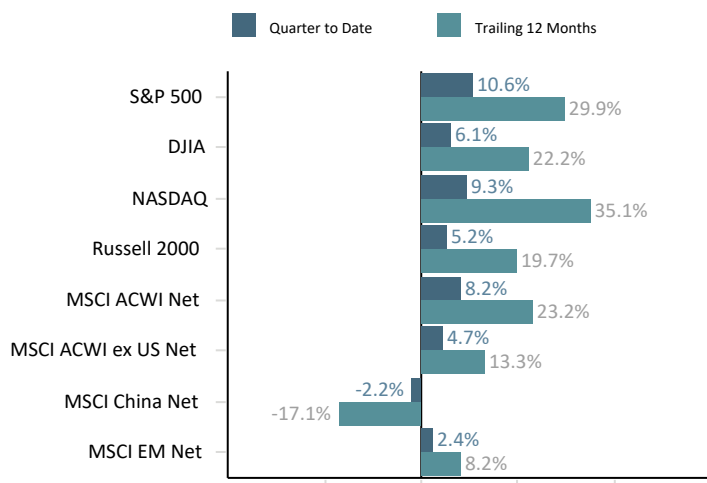


Market Commentary - Q1 2024

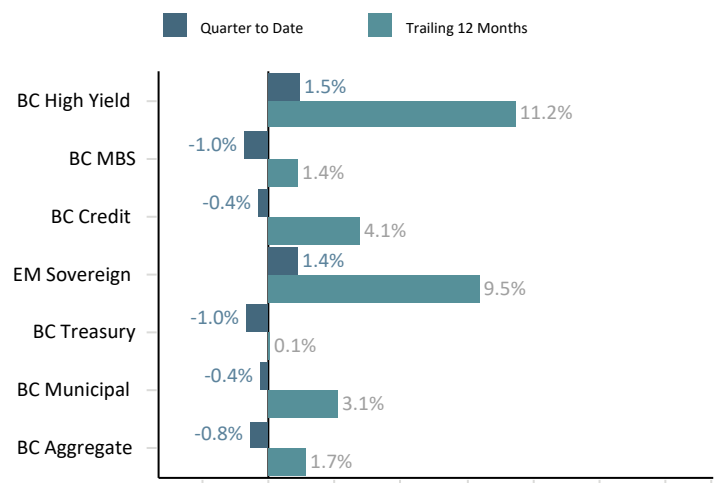
The first quarter of 2024 brought positive total returns of 10.6% for the S&P 500, as 10 of its 11 sectors posted gains, with only Real Estate experiencing price declines quarter-over-quarter. Over the same time frame, the Russell 2000 gained 5.2%, while the BC Agg declined 0.8%. Yield curve inversion continued during the quarter, as short-term debt maintained higher yields than long-term debt. The yield on the 10-year US Treasury note closed the first quarter at 4.20%, up from 3.88% at the end of Q4 2023., while three-month Treasury bill yields rose to 5.36%, from 5.33% in the previous quarter.

During the first quarter, US equities continued their upward rally, with the S&P 500 and DJIA setting new all-time highs. Investor expectations regarding the Federal Reserve's monetary policy shifted throughout the quarter, as strong employment and sticky inflation prints led futures to price in approximately three rate cuts, in line with the Fed's signal of three for 2024. This is a notable shift from last quarter, where futures had priced in more than six rate cuts due to dovish Federal Reserve rhetoric and exuberant investor sentiment. Throughout the first quarter, the US dollar gained by about 3%, while oil prices saw double-digit rebounds from their fourth-quarter lows.

Equity Sector Performance



Bond Market Performance



Equity Markets Commentary

Since December 31, 2023 and through the end of the first quarter, the NASDAQ Composite Index increased 9.3%, while the DJIA increased 6.1%. Growth outperformed Value.

Meanwhile, the S&P 500 index gained 10.6 over the same period as ten S&P 500 sectors posted gains and one sector experienced price declines over the quarter.

The Russell Midcap gained 8.6% in the quarter, as Mid-cap Growth increased 9.5% and Mid-cap Value rose 8.2% The Russell 2000 Small-cap index rose 5.2% for the quarter, as small-cap value rose 2.9% and small-cap growth increased 7.6%.

The MSCI ACWI (a global equity index containing large and mid-cap stocks in 23 developed and 24 emerging markets) rose 8.3% for US-currency investors.

Fixed Income Markets Commentary

The Fed continued its rate policy pause through the end of the first quarter. Since March 2022, the Fed announced eleven rate hikes, for a total of 5.25 percentage points. The yield on the 10-year Treasury note closed the first quarter at 4.2%, up from 3.9% at the end of the fourth quarter. The yield on 3-month Treasury bills was 5.4%, up from 5.3% at the end of the fourth quarter. The Bloomberg US Aggregate Bond index, a broad measure of the US bond market, fell 0.8% in 1Q24 after posting a 5.5% return in 2023.

The Bloomberg US Corporate High Yield Index, a measure of lower-rated corporate bonds, increased 1.5%. The Bloomberg US Long Government ended the quarter down 2.4%

The Bloomberg Mortgage-Backed Securities Index declined -1.0%, while the Bloomberg Municipal Bond Index fell 0.4%.

Information Disclosures: The underlying data has been obtained from sources the Foundation believes to be reliable but we do not guarantee their accuracy, and any such information may be incomplete or condensed. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security or a recommendation of the services supplied by any money management organization.

Further information, including current portfolio size, performance, fees, underlying investment holdings and detail, can be obtained from the Foundation office by contacting 919-828-4387 or via email at info@nccommunityfoundation.org,

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