

The Foundation for Enhancing Communities
Investment Advisory Committee
First Quarter 2025 Market Overview

Authored by: Robert E. Caplan, Chair, Investment Advisory Committee



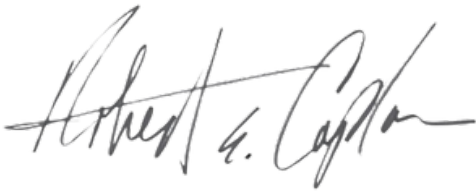
The first quarter of 2025 was a crucial period for markets, defined by volatility, immense policy uncertainty, and shifts in market leadership. After years of dominance by US large-cap technology stocks, the equity market is rotating from growth to value. The sharp correction in US equities, driven by stretched valuations, challenging year-over-year comparisons, and a trade war has prompted investors to rethink their strategies.

Domestic economic activity in the first quarter of 2025 was softer than expected, reflecting a temporary slowdown rather than an outright recession. A cold winter coupled with a late Easter slowed consumer spending. Seasonal consumer factors will likely fade in the coming months as trends normalize. Meanwhile, the labor market remains strong, with wage growth outpacing inflation, a positive sign for consumer resilience.

Policy uncertainty remains the overwhelming risk to economic growth and market sentiment. Trade tensions, tariffs, and unclear regulatory policies have weighed on corporate confidence, stalling investment plans and dampening merger-and-acquisition activity. The Federal Reserve stands ready to ease monetary policy if conditions continue to deteriorate.

The proven market neutral strategy employed by TFEC over the past 29 years, positions us well for whatever twists or turns the market will throw at us over the next year. As always, do not hesitate to contact us if you have questions or concerns with respect to the markets or our strategy.

Sincerely,

A handwritten signature in black ink, reading "Robert E. Caplan".

Robert E. Caplan
Investment Advisory Committee Chair



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PERFORMANCE IS YTD AS OF 3/31/25

	3/31/25	1 YR.	3 YRS.	5 YRS.	10 YRS.	15 YRS.	20 YRS.	25 YRS.	29 YRS.
100% Equity	-4.2%	20.9%	6.6%	11.6%	10.7%	11.7%	9.1%	7.3%	9.3%
SINCE INCEPTION									
	3/31/25	1 YR.	3 YRS.	5 YRS.	10 YRS.	15 YRS.	20 YRS.	25 YRS.	29 YRS.
70% Equity & 30% Fixed	-2.3%	15.1%	4.2%	8.1%	7.9%	8.7%	7.3%	6.3%	7.9%
SINCE INCEPTION									
	3/31/25	1 YR.	3 YRS.	5 YRS.	10 YRS.	15 YRS.	20 YRS.		21 YRS.
100% Fixed	2.5%	2.1%	-1.5%	0.1%	1.5%	2.0%	2.5%		2.5%
SINCE INCEPTION									
	3/31/25	1 YR.	3 YRS.	5 YRS.					5 YRS.
100% ESG	-4.4%	20.8%	6.0%	11.6%					11.6%