Delaware Community Foundation™

Engaging Communities, Empowering Giving™

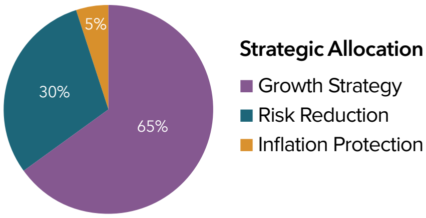
# Broad-Based Index Pool
# Quarterly Performance and Commentary

as of June 30, 2022

The Broad-Based Index Pool is a simplified and traditional portfolio offering broad market asset classes such as U.S. and international equities and investment-grade fixed income. A key component to this pool is the exclusive use of passive/index strategies to keep costs lower than a traditional actively managed portfolio and in an effort to provide market-like returns. Approximately 65% of the portfolio is designed to help enhance return, while 35% is designed to help manage risks. Additionally, these same allocations of 65% and 35% reflect the exposure to traditional stocks and bonds, respectively.

| Asset Class | Allocation Range | Actual* |
|---|---|---|
| U.S. Equity | 45-55% | 50.4% |
| Non-U.S. Equity | 5-15% | 12.7% |
| – Emerging Markets | 0-5% | 3.0% |
| Fixed Income | 30-45% | 36.9% |

*Data as of 6/30/2022.




| DCF Broad-Based Index Pool | Quarter | FYTD | 2022 YTD | 1 Year | 3 Year | 5 Year | Since Inception |
|---|---|---|---|---|---|---|---|
| Total Portfolio Return Net of Fees | -12.27% | -14.08% | -17.20% | -14.08% | 4.58% | 5.82% | 5.82% |
| DCF Policy Benchmark | -11.77% | -12.63% | -16.67% | -12.63% | 4.92% | 6.14% | 6.14% |

Performance quoted is past performance. Past performance does not guarantee future results. Source: SEI; Data as of 6/30/2022. SEI inception date 6/30/2017, FY begins July 1. Benchmark Composition: 50% Russell 3000 Index, 10% MSCI EAFE Index (Net), 40% Bloomberg Barclays U.S. Aggregate Bond Index. ***Performance data does not reflect individual account performance but reflects assets in the Broad-Based Index Pool. For account performance please refer to your individual statement.***

There was no safe harbor from choppy market cross currents during the quarter. Equities and fixed income asset classes alike capsized around the globe, and even commodity prices ran aground as the likelihood of recession increased. Emerging market equities fell by double digits during the quarter, although they still fared better than their developed market counterparts, buoyed by a rebound in China. U.K. stocks posted significant losses, but they were not as steep as those of Japanese or European equities. U.S. stocks, meanwhile, had the sharpest drop among major markets as the U.S. dollar appreciated by 6.49% versus a trade-weighted basket of foreign currencies.

Government bond rates climbed throughout the quarter as prices fell. U.S. Treasury yields increased across the yield curve, with shorter-term rates outpacing longer-term rates for the quarter, flattening the curve. U.K. and eurozone government bonds rates also rose across the curve, but longer-term rates increased by more than shorter-term rates. Fixed income performance ran the gamut of losses, moving from relatively modest declines for government bonds to more severe losses for emerging market and high-yield bonds.

It's been SEI's mantra for the past year that U.S. inflation would be higher for longer than most economists and investors appeared to expect. SEI believes this remains the case, although the gap between our expectations and those priced in U.S. markets has narrowed considerably and the pace of inflation's increase is almost certainly close to a peak. Investors and the Fed (Federal Reserve) still seem to be betting that inflation pressures will ebb significantly starting in the second half of this year and fall to 3% by the end of 2023.

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*Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs, or expenses, which would reduce returns. Indexes are unmanaged and one cannot invest directly in an index.*

*The DCF Policy Benchmark is customized for the Broad-Based Index Pool strategy, based upon the Investment Policy Statement at SEI inception. The benchmark is static and will not reflect changes that occur in target allocations or actual allocations.*

*Performance quoted is past performance. Past performance does not guarantee future results. Current performance may be higher or lower. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Performance data does not reflect individual account performance but reflects assets in the Broad-Based Index Pool. For account performance please refer to your individual statement.*

*This presentation is provided by SEI Investments Management Corporation (SIMC), a registered investment adviser and wholly owned subsidiary of SEI Investments Company. The material included herein is based on the views of SIMC. Statements that are not factual in nature, including opinions, projections and estimates, assume certain economic conditions and industry developments and constitute only current opinions that are subject to change without notice. Nothing herein is intended to be a forecast of future events, or a guarantee of future results. This presentation should not be relied upon by the reader as research or investment advice (unless SIMC has otherwise separately entered into a written agreement for the provision of investment advice).*

*There are risks involved with investing including loss of principal. There is no assurance that the objectives of any strategy or fund will be achieved or will be successful. No investment strategy, including diversification, can protect against market risk or loss. Past performance does not guarantee future results.*

*In addition to the normal risks associated with equity investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from difference in generally accepted accounting principles or from economic or political instability in other nations. Narrowly focused investments and smaller companies typically exhibit higher volatility. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. These risks may be magnified further with respect to frontier market countries, which are a subset of emerging market countries with even smaller national economies. Real estate and REIT investments are subject to changes in economic conditions, credit risk and interest rate fluctuations.*

*Bonds and bond funds will decrease in value as interest rates rise. Investments in high-yield bonds can experience higher volatility and increased credit risk and risk of default or downgrade when compared to other fixed-income instruments. TIPS can provide investors a hedge against inflation as the inflation adjustment feature helps preserve the purchasing power of the investment. Because of this inflation adjustment feature, inflation protected bonds typically have lower yields than conventional fixed rate bonds.*

*There is no guarantee that risk can be managed successfully nor that diversification will protect against market risk.*

**Benchmark Composition Definitions:**

**Bloomberg Barclays U.S. Aggregate Bond Index:** Barclays U.S. Aggregate Bond Index (formerly Lehman Brothers U.S. Aggregate Bond Index) is a benchmark index composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors. It includes securities that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $250 million.

**MSCI EAFE Index:** MSCI EAFE Index covers non-U.S. and Canadian equity markets. It serves as a performance benchmark for the major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and the Middle East.

**Russell 3000 Index:** Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.