



**Prime**  
BUCHHOLZ

# Investment Committee Presentation

Golden LEAF Foundation  
January 31, 2024

**Prime Buchholz LLC**

273 Corporate Drive  
Suite 250  
Portsmouth, NH 03801

[primebuchholz.com](http://primebuchholz.com)

P 603.433.1143

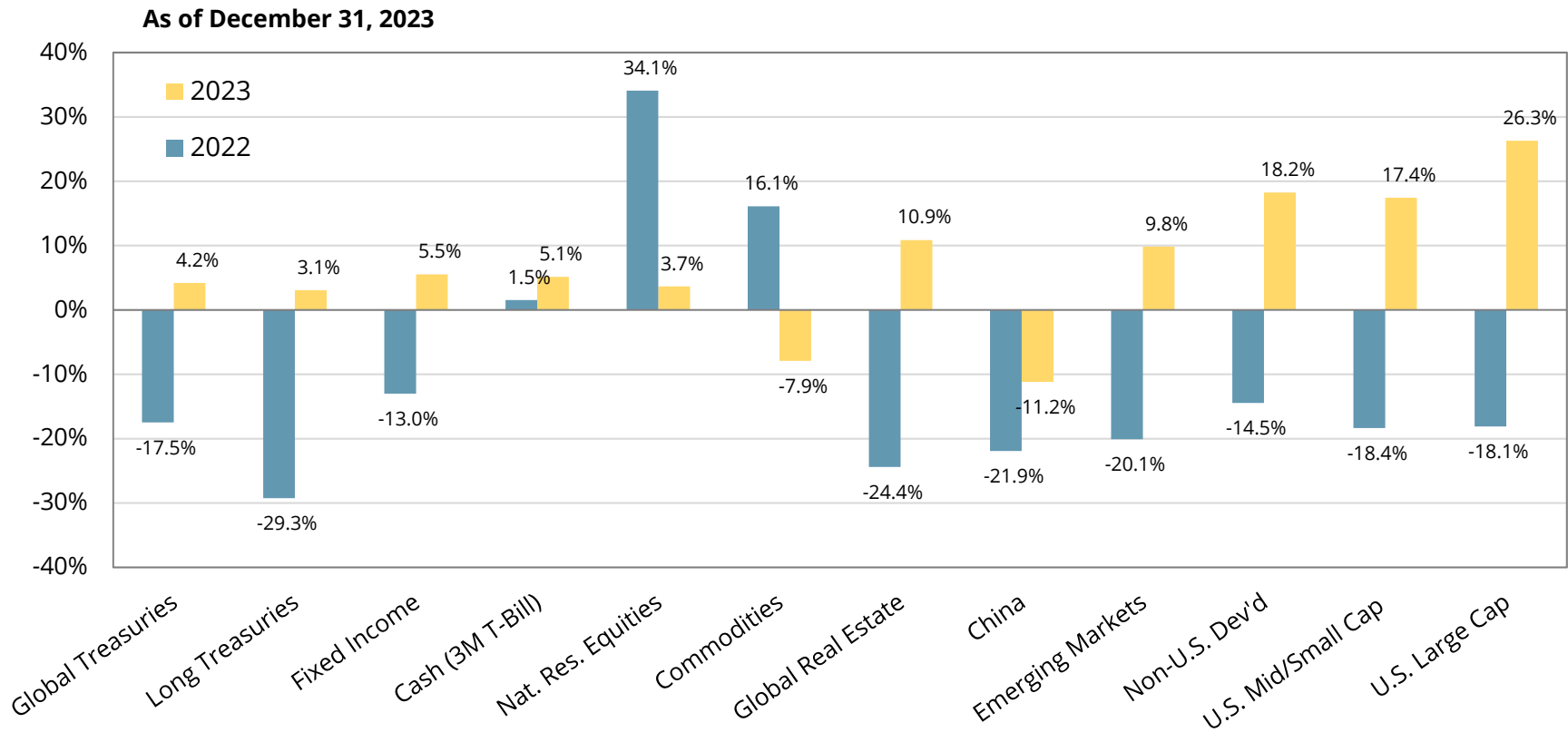
F 603.433.8661

# Agenda

- APPROVAL OF INVESTMENT COMMITTEE MINUTES OF DECEMBER 6, 2023
- CURRENT MARKET CONDITIONS
- EQUITY MARKET PERFORMANCE ANALYSIS
- COMMERCIAL REAL ESTATE MARKET ANALYSIS
- PRIVATE REAL ASSETS MANAGER RECOMMENDATION – CARNELIAN ENERGY CAPITAL FUND V, L.P.
- CONSULTANT UPDATE
- PORTFOLIO UPDATE
- OPEN DISCUSSION

# Current Market Conditions

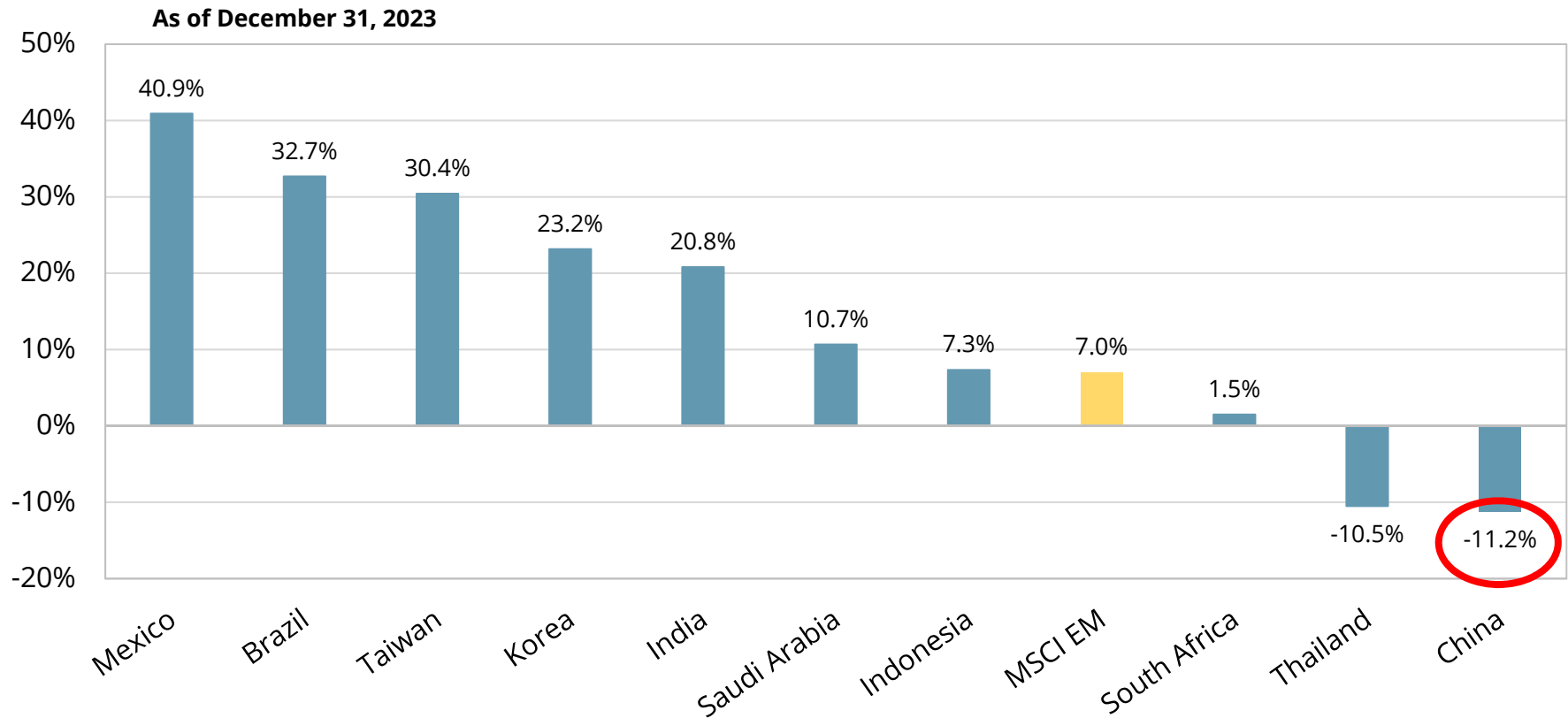
In many sectors, improved performance in 2023 fell short of making up for losses experienced in 2022.



Source: Bloomberg, S&P, FTSE, MSCI

# Current Market Conditions

China's losses loomed over emerging markets, but most other major EM countries posted double-digit gains.

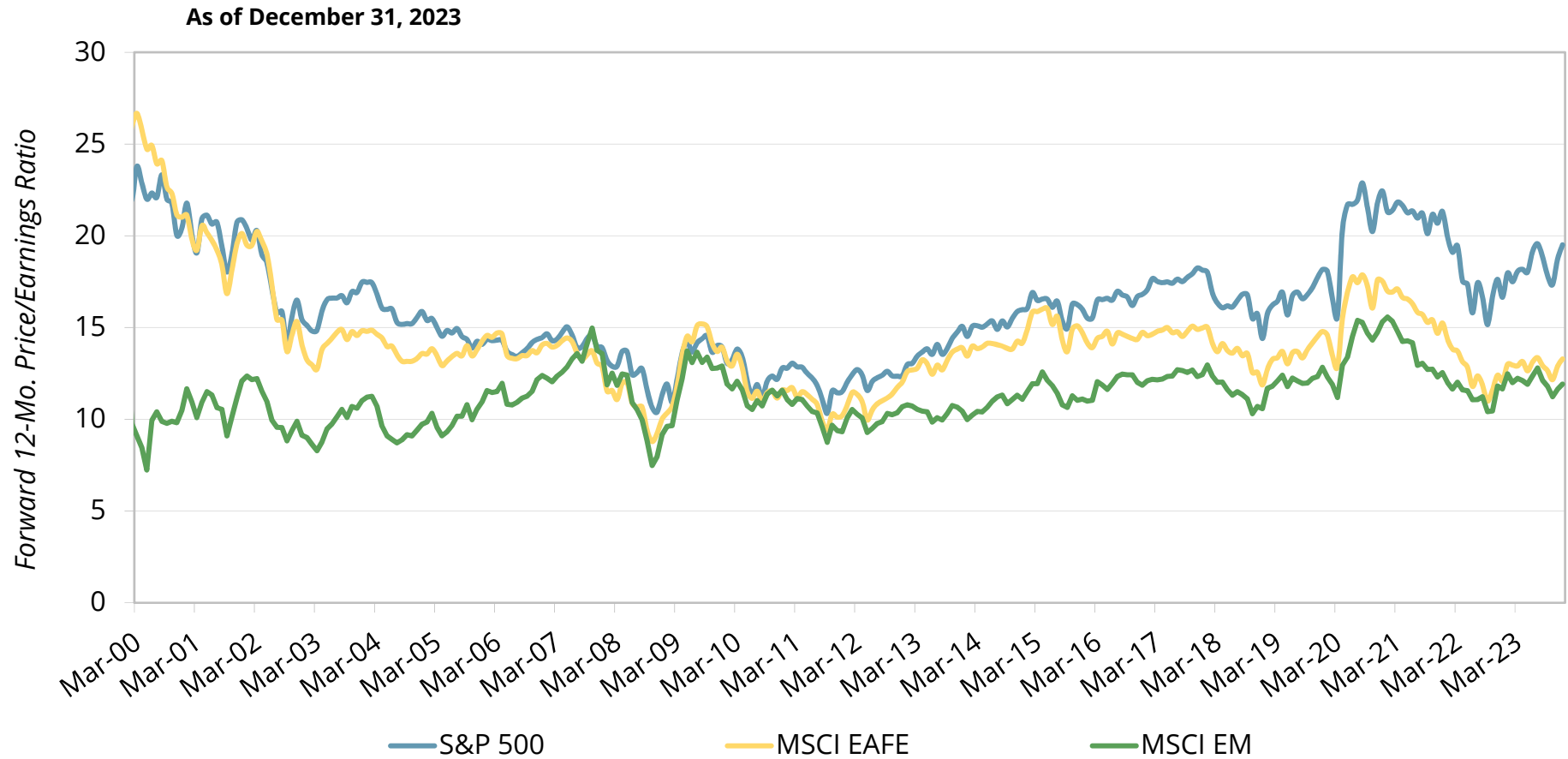


Source: MSCI

MSCI EM Index Countries Calendar Year Performance

# Current Market Conditions

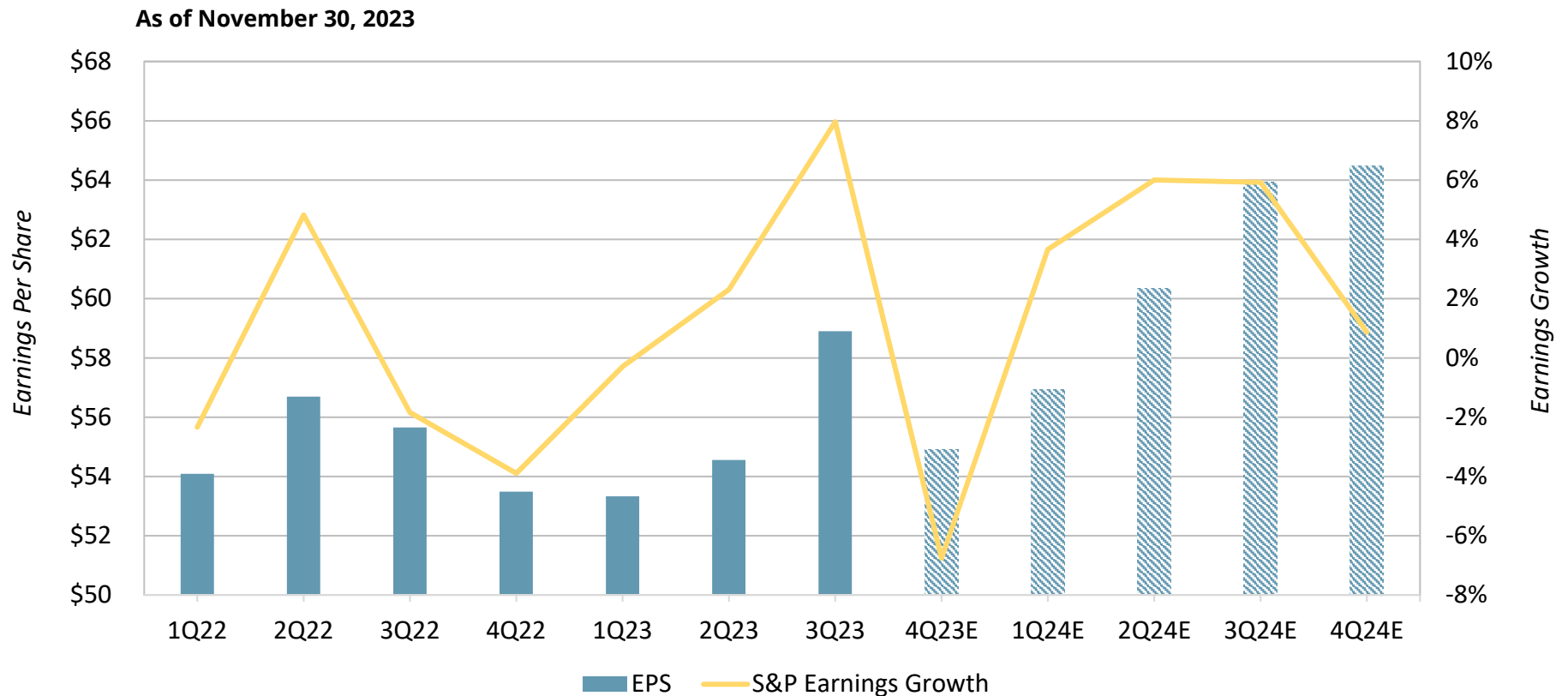
Equity market gains in December were the result of multiple expansion.



Source: S&P, MSCI

# Current Market Conditions

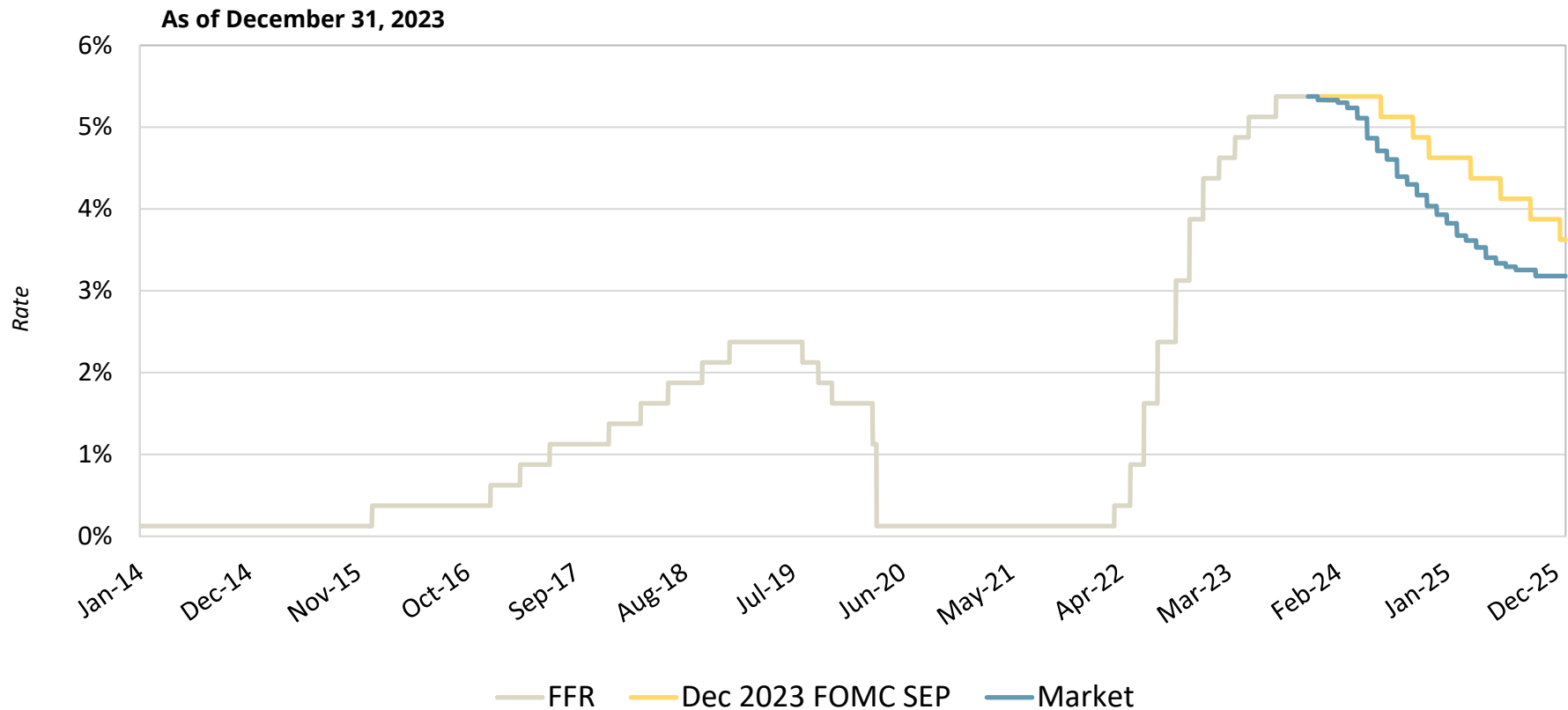
Earnings are projected to rise in 2024, but the growth trend is expected to moderate as the year comes to a close.



Source: S&P

# Current Market Conditions

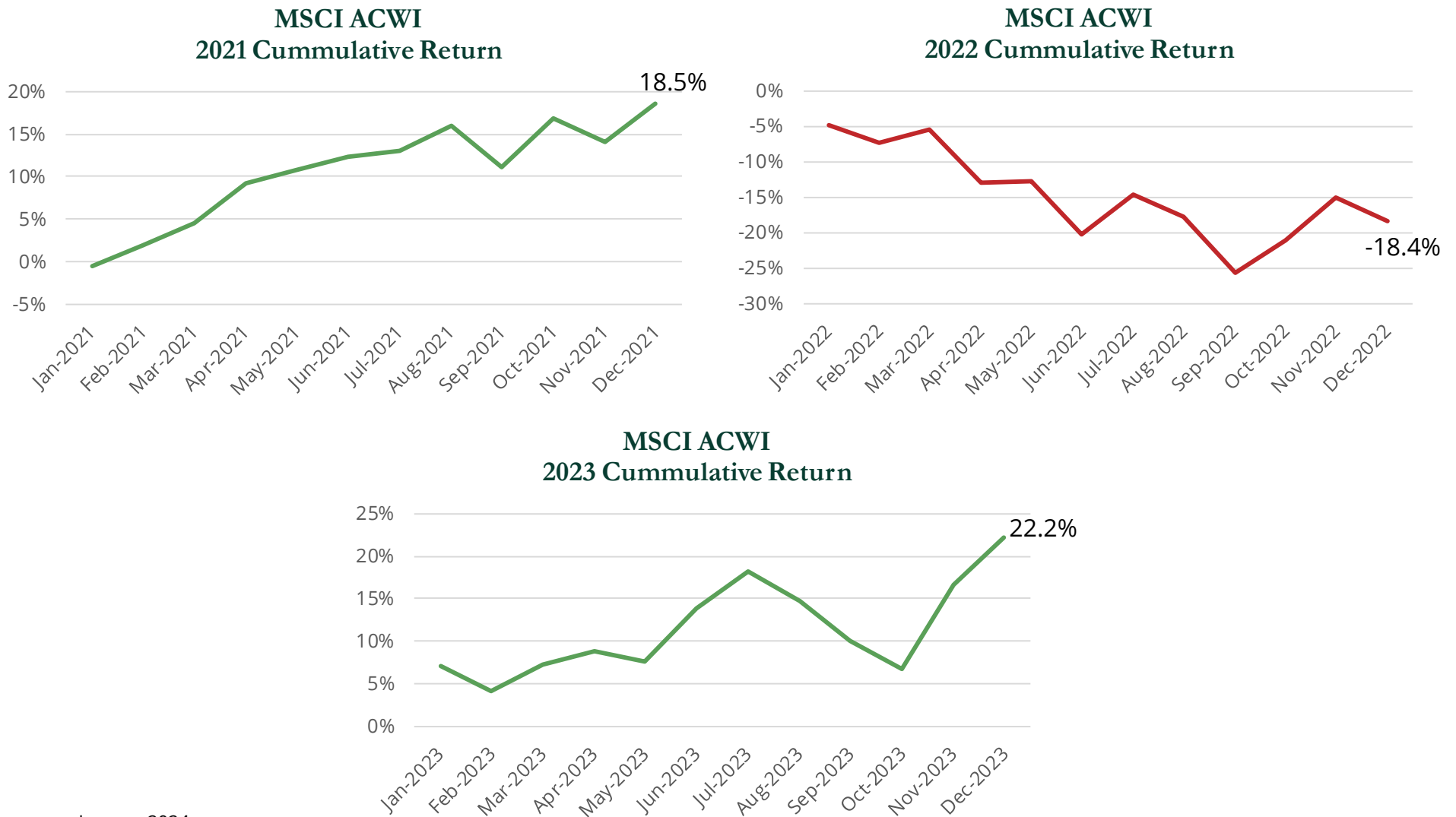
The Fed guided for up to 3 rate cuts in 2024, while the market optimistically expects there could be up to 6 cuts next year.



Source: Federal Open Market Committee

# Equity Market Performance Analysis

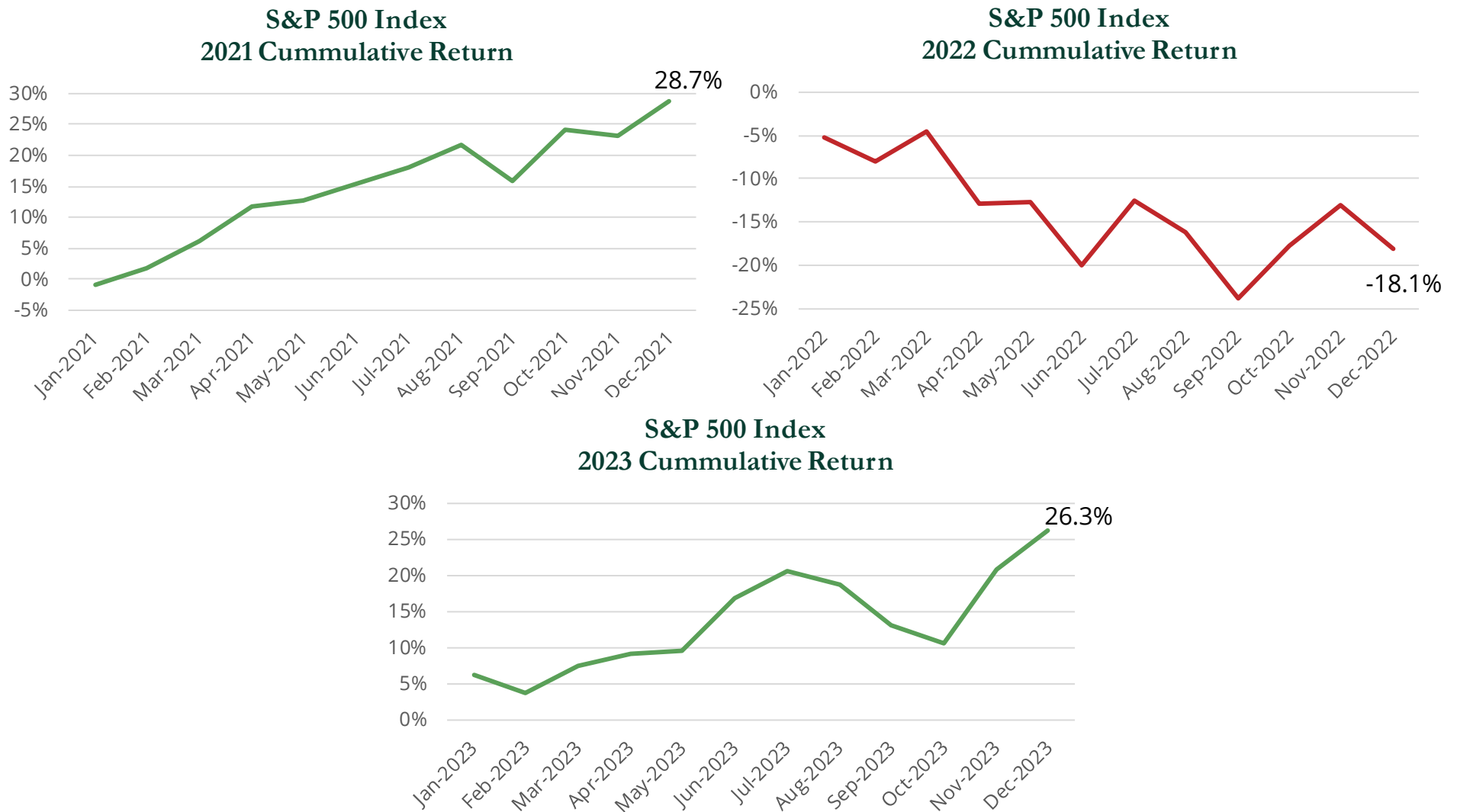
Global equity markets experienced a rollercoaster ride over the last 3 years.





# Equity Market Performance Analysis

The domestic equity market ride was similar, but more extreme.



# Equity Market Performance Analysis

Just 7 stocks produced 62.1% of the S&P 500 Index gains in 2023.

Holding	Year-end Weight	2023 Return*	% of Index Gain
Apple	7.0%	49.0%	12.3%
Microsoft	7.0%	58.2%	13.3%
Alphabet	3.8%	58.3%	7.1%
Amazon	3.5%	80.9%	7.7%
NVIDIA	3.1%	239.0%	11.0%
Tesla	1.7%	101.7%	4.1%
Meta Platforms	7.0%	194.1%	6.5%
<b>Magnificent 7</b>	<b>33.0%</b>	---	<b>62.1%</b>
<b>Rest of S&amp;P 500</b>	<b>67.0%</b>	---	<b>37.9%</b>

*\*Alphabet reflects A Share return*

# Equity Market Performance Analysis

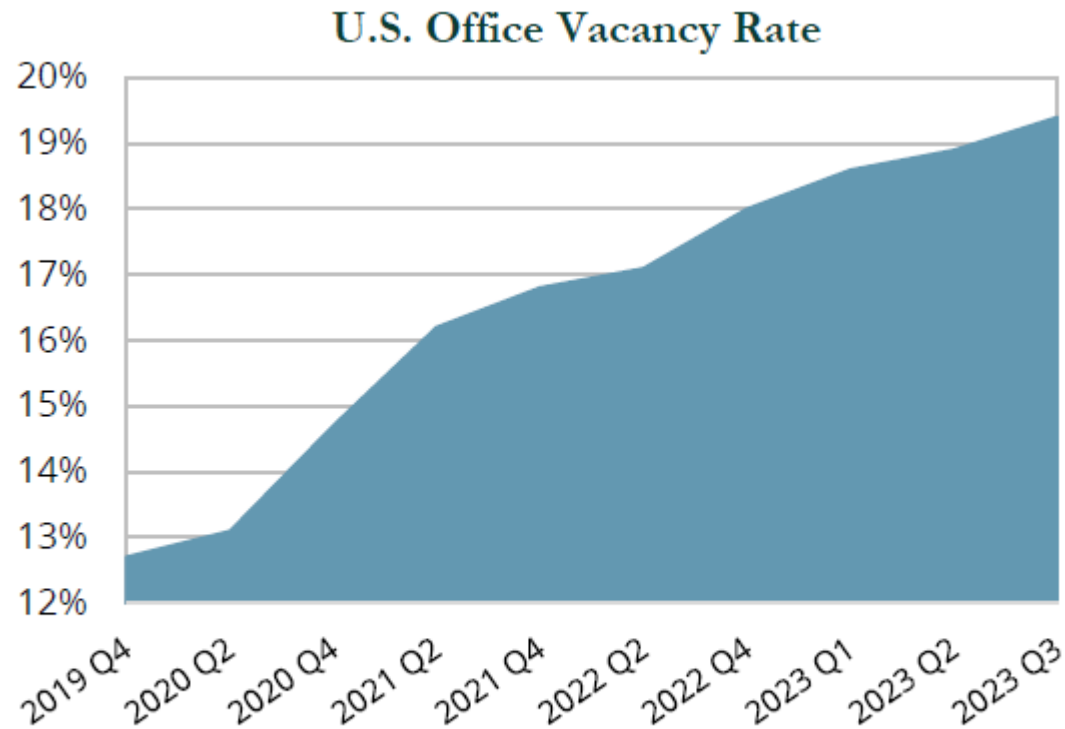
The same 7 stocks also produced 41.6% of the MSCI ACWI gains.

Holding	Year-End Weight	2023 Return*	% of Index Gain
Apple	4.5%	49.0%	8.7%
Microsoft	4.0%	58.2%	8.4%
Alphabet	2.3%	58.3%	4.8%
Amazon	2.1%	80.9%	5.3%
NVIDIA	1.8%	239.0%	7.3%
Tesla	1.1%	101.7%	2.8%
Meta Platforms	1.2%	194.1%	4.3%
<b>Magnificent 7</b>	<b>16.9%</b>	---	<b>41.6%</b>
<b>Rest of MSCI ACWI</b>	<b>83.1%</b>	---	<b>58.4%</b>

*\*Alphabet reflects A Share return*

# Commercial Real Estate Market Analysis

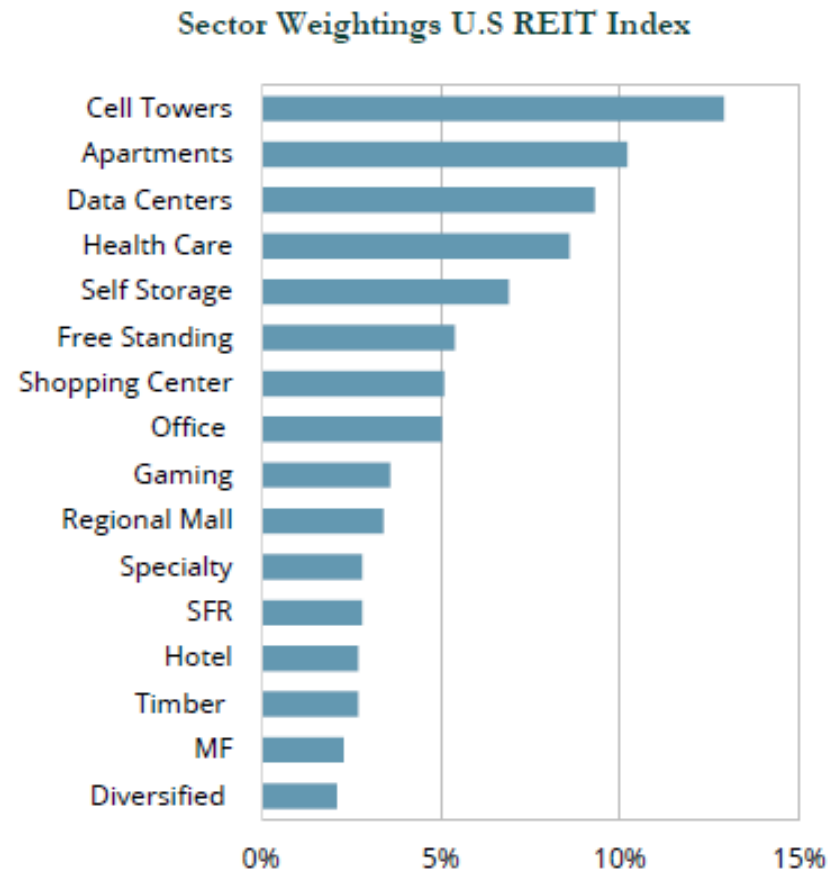
Office vacancy rates have increased significantly since the pandemic.



Source: Cushman & Wakefield

# Commercial Real Estate Market Analysis

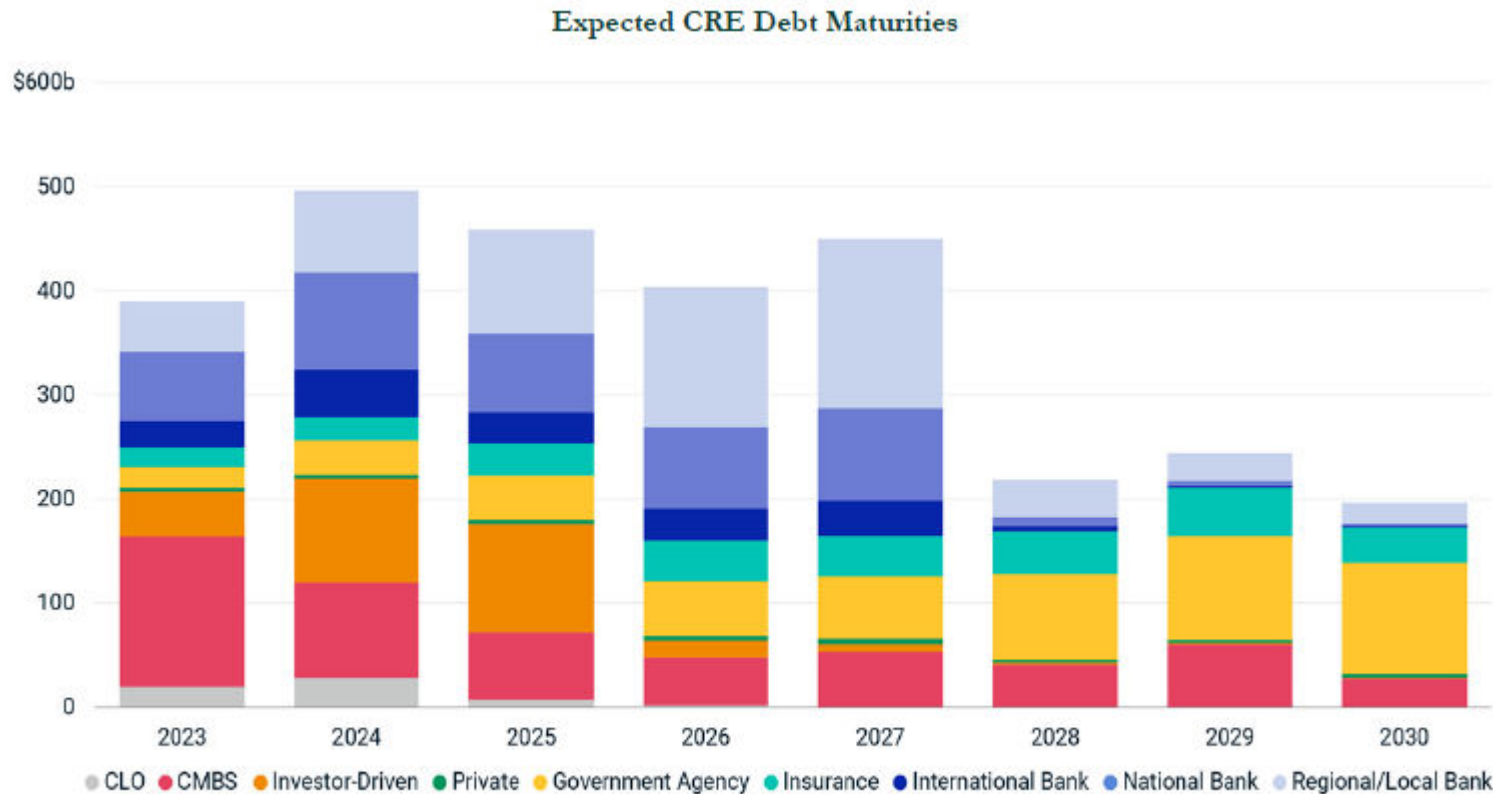
CRE is a diverse asset class and the office sector weight continues to become less meaningful.



*As of September 30, 2023*  
*Source: FTSE International Limited*

# Commercial Real Estate Market Analysis

The U.S. CRE mortgage market was \$4.9 trillion as of December 31, 2022 with \$500 billion maturing in 2024.



Source: MSCI and Cohen & Steers, as of March 31, 2023

# Commercial Real Estate Market Analysis

Banks account for 45% of all outstanding CRE mortgages and higher rates coupled with stricter lending standards may add pressure to the CRE industry.

## Bank CRE Exposure

Bank size	No. of Banks	CRE (% bank assets)	Office (% bank assets)	Bank CRE Loans (% Total CRE loans)
Top 25	25	<b>4.3</b>	<b>0.5</b>	13.4
\$10B-160B	135	<b>16.2</b>	<b>2.0</b>	16.0
\$1B-10B	829	<b>24.3</b>	<b>3.2</b>	11.4
\$100M-\$1B	2,965	<b>18.3</b>	<b>2.6</b>	4.1
<\$100M	761	<b>7.2</b>	<b>1.1</b>	0.1
Total	4715	<b>9.3</b>	<b>1.2</b>	44.9

Source: Mortgage Cohen & Steers, as of March 31, 2023.

There are potential investment prospects:

- Decline in REIT valuations may lead to attractive rebalancing entry points.
- A down cycle coupled with industry stress could create opportunities for value-add private real estate managers.

# CLOSED SESSION



# Carnelian Energy Capital Fund V

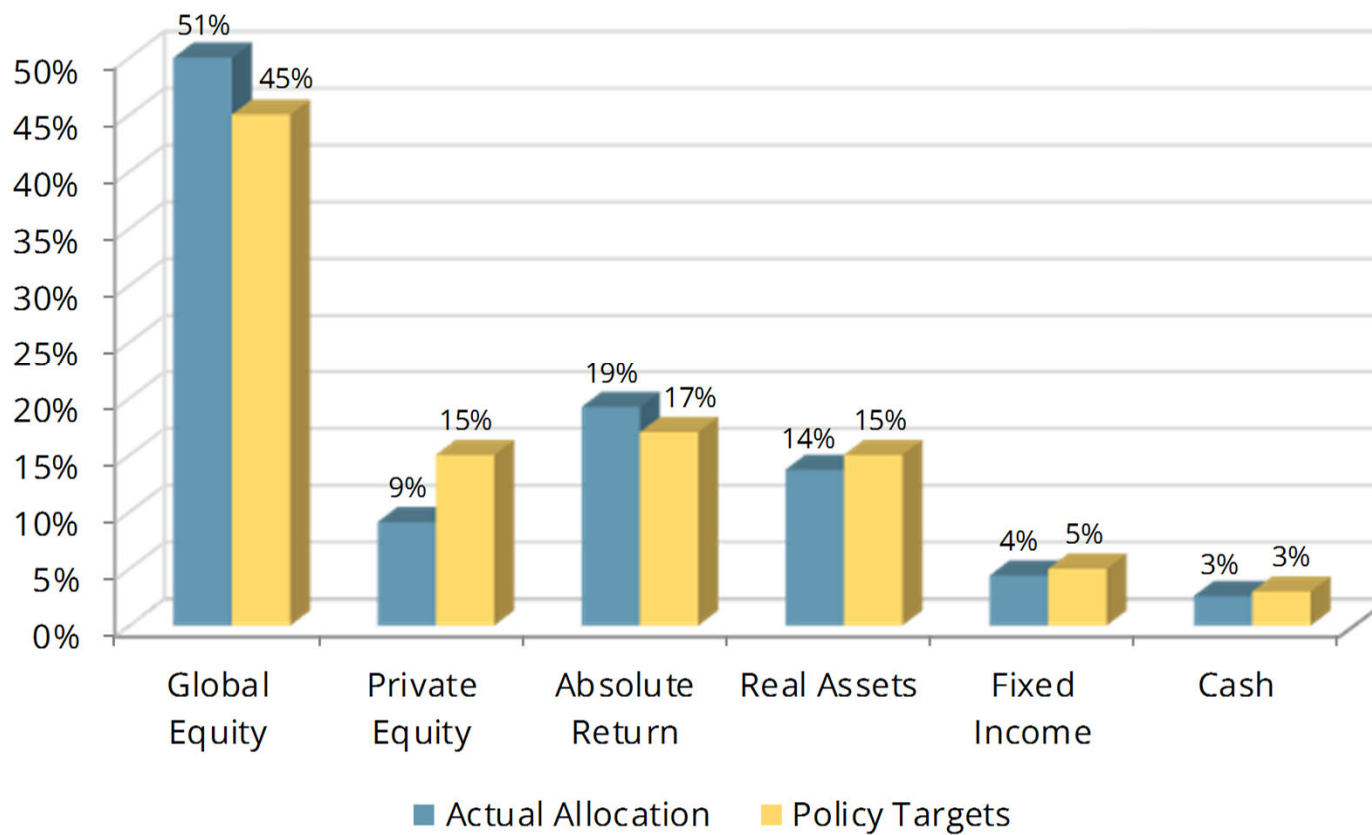
RECOMMENDATION (GLF STAFF AND PRIME BUCHHOLZ RECOMMENDATION)

- Commit up to \$15 million to Carnelian Energy Capital Fund V.

# Consultant Update

# Portfolio Update

12/31/23 - Asset Allocation Summary  
Portfolio Size: \$1.3 Billion



# Portfolio Update

## FYTD Private Capital Activity Through December 31, 2023 (in millions)

	Capital Calls	Distributions	Net Cash Received
Private Equity	\$13.5	\$5.9	(\$7.6)
Private Real Estate	\$4.7	\$2.3	(\$2.4)
Private Commodities	\$1.5	\$7.0	\$5.5

## FYTD Grants Paid Through December 31, 2023 (in millions)

	Grants Paid
GLF Grants	\$43.2

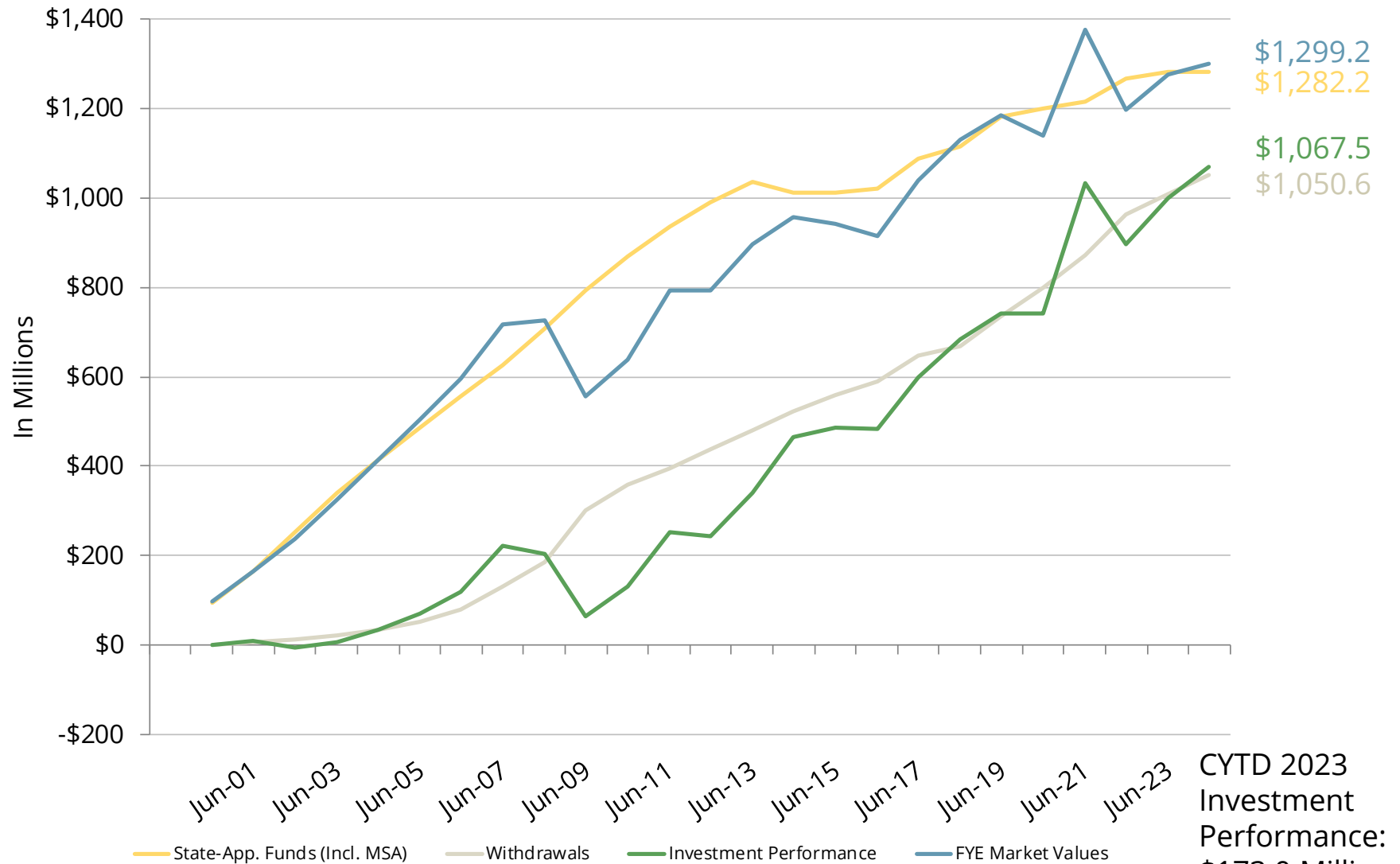
# Portfolio Update

*As of December 31, 2023*

	QTR Return	FYTD Return	1 Year Return	3 Year Return	5 Years Return	7 Years Return	10 Years Return	15 Years Return	15 Years Std. Dev.
<b>Total Fund</b>	7.6	6.0	15.0	3.8	7.4	6.7	5.9	7.3	8.8
Policy Index	7.5	5.4	13.6	4.3	7.8	6.6	5.6	6.9	8.6
60% MSCI ACWI/40% BB Gbl Agg	9.9	6.1	15.4	1.2	7.0	6.4	5.0	6.9	10.9
<b>Total Global Equity</b>	11.8	7.9	24.4	2.7	9.1	8.2	6.9	9.5	14.9
MSCI AC World Index	11.0	7.3	22.2	5.7	11.7	10.0	7.9	10.2	15.7
<b>Total Private Equity</b>	1.0	3.7	1.8	17.8	13.8	16.2	14.8	12.5	9.8
Private Equity Composite Index	0.1	1.6	4.5	11.5	11.4	11.1	10.4	10.2	8.0
<b>Total Absolute Return</b>	2.4	4.3	8.6	4.1	7.9	6.4	5.2	6.5	6.3
HFRI Fund of Funds Composite Index	3.4	4.0	6.3	2.3	5.1	4.1	3.3	3.8	4.7
<b>Total Real Assets</b>	6.4	4.5	7.1	7.5	3.6	2.9	3.5	3.2	7.5
Real Assets Composite Index	6.6	4.2	5.7	5.5	3.2	2.7	3.2	3.7	6.7
<b>Total Fixed Income</b>	7.9	4.7	7.0	-3.8	1.2	1.5	2.0	3.3	5.4
Fixed Income Composite Index	6.8	3.4	5.5	-3.3	1.1	1.3	1.8	2.7	4.2
<b>Total Cash</b>	1.5	2.9	5.3	2.1	1.8	1.6	1.2	0.8	0.6
FTSE 3 Month T-Bill	1.4	2.8	5.3	2.2	1.9	1.8	1.3	0.9	0.4

# Portfolio Update

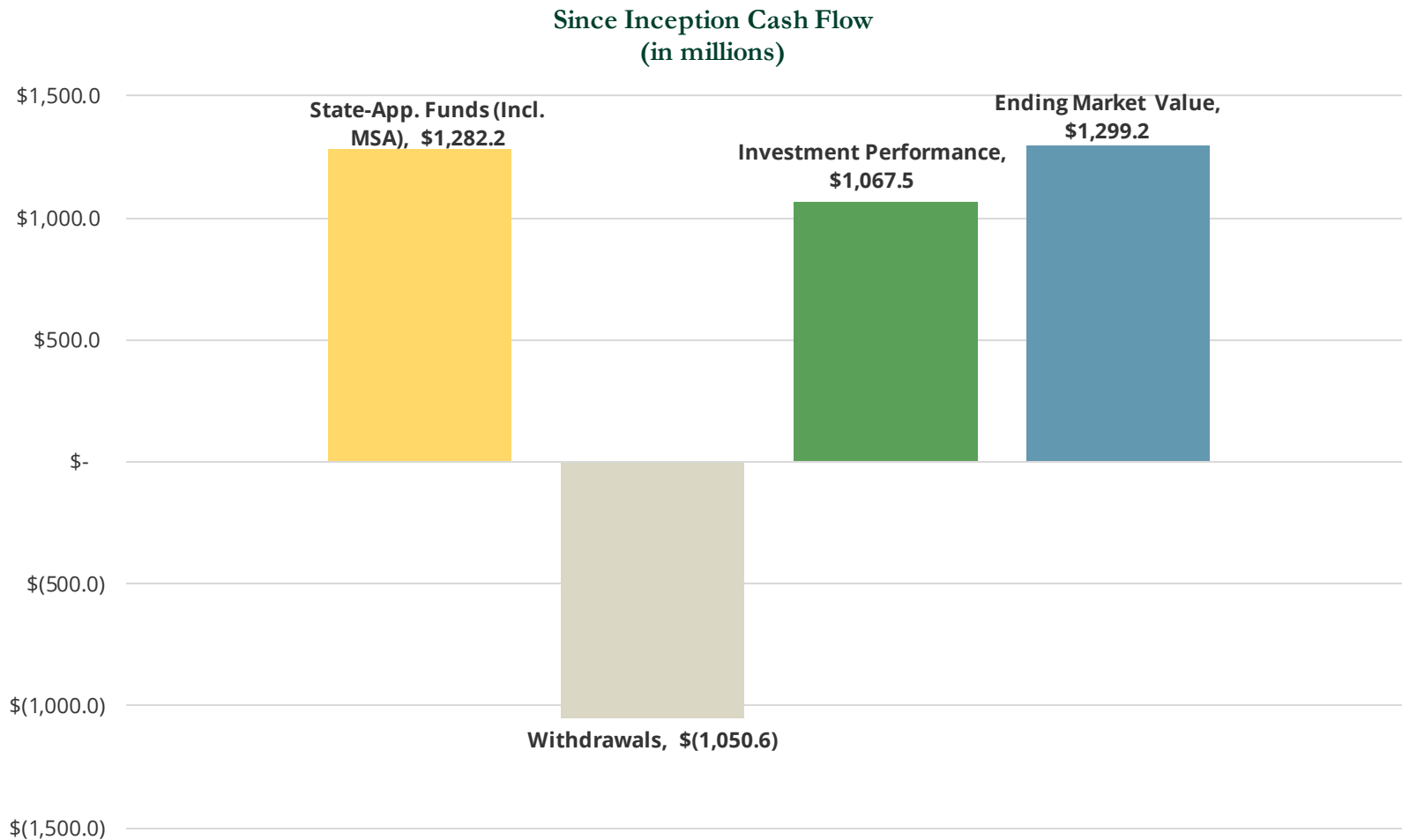
Fiscal Years 2000 - FYTD 2024



CYTD 2023  
Investment  
Performance:  
\$173.0 Million

- Data as of December 31, 2023

# Portfolio Update

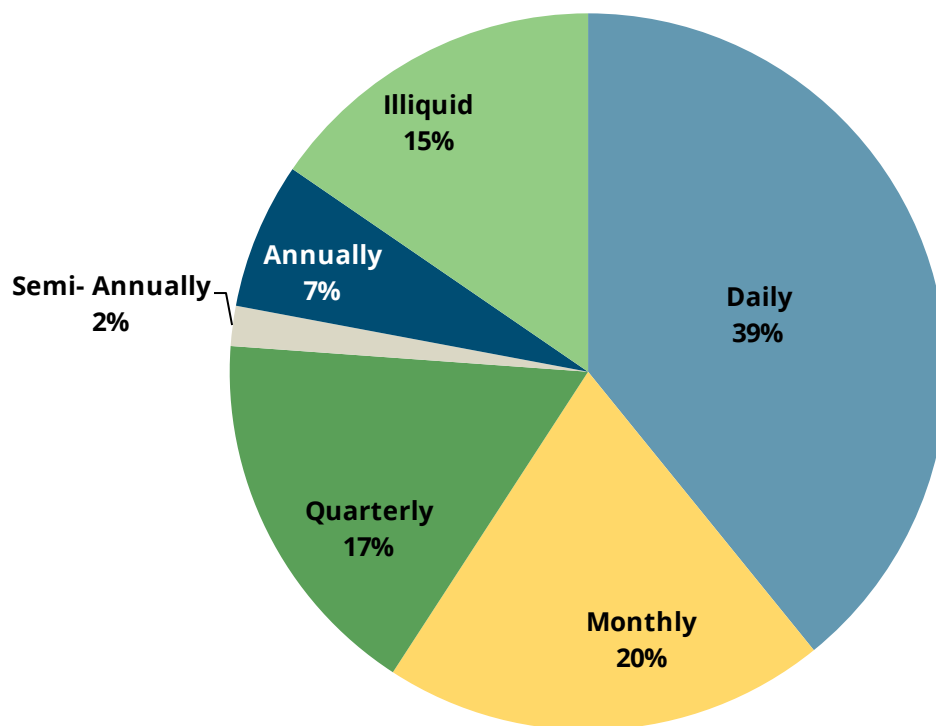


- Data as of December 31, 2023

CYTD 2023  
Investment  
Performance:  
\$173.0 Million

# Portfolio Update

As of December 31, 2023



## Unfunded Commitments (in millions)

Private Equity	\$122.2	9.4%
Private Real Estate	\$43.0	3.3%
Private Commodities	\$31.7	2.4%
<b>Total</b>	<b>\$196.9</b>	<b>15.1%</b>

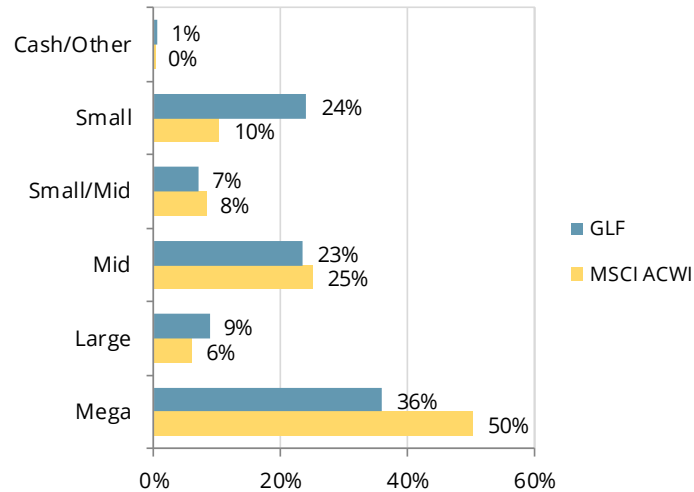


# Appendix

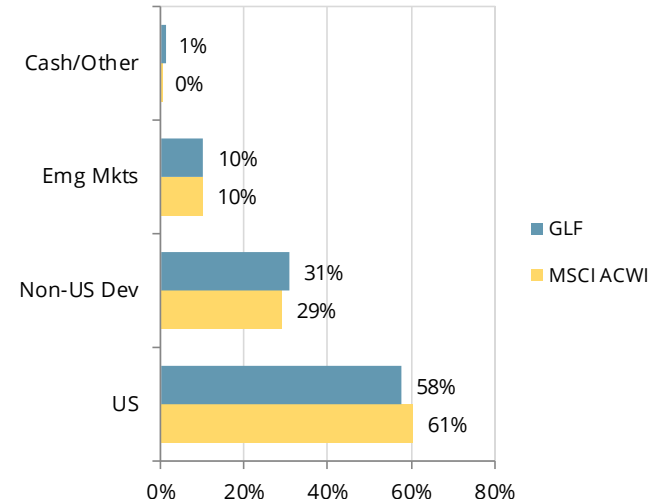
- ASSET CLASS EXPOSURES

# Global Equity

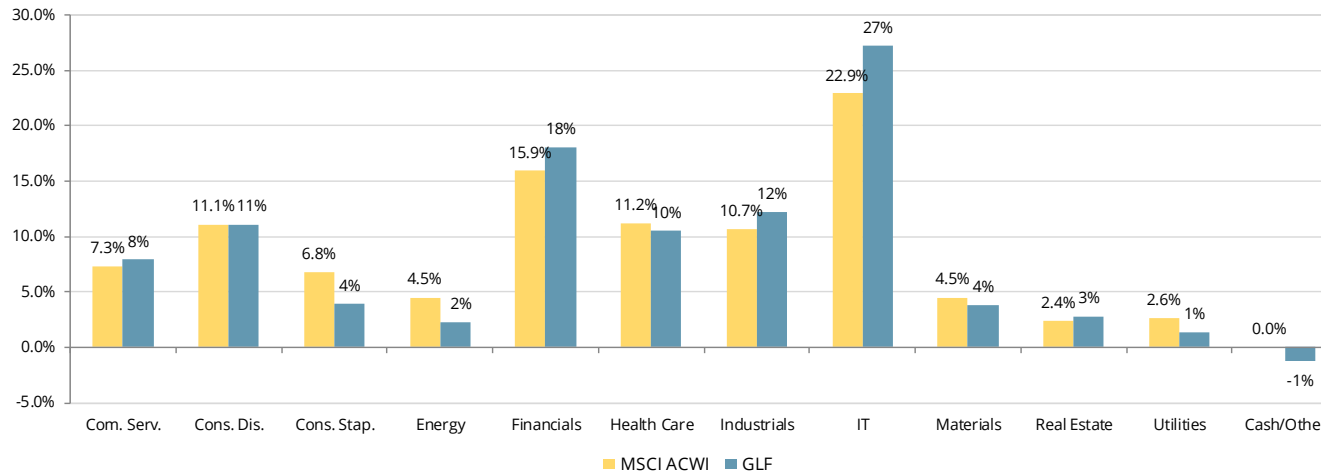
Market Capitalization Exposure



Geographic Exposure



Sector Exposure



- Data as of December 31, 2023.
- Lone Cascade statistics based on the largest 20 positions, Matrix exposures include short positions.
- As of December 31, 2023, the Foundation was invested in 9 equity managers, 5 active strategies and 4 index providers.

# Private Equity Exposure

As of December 31, 2023

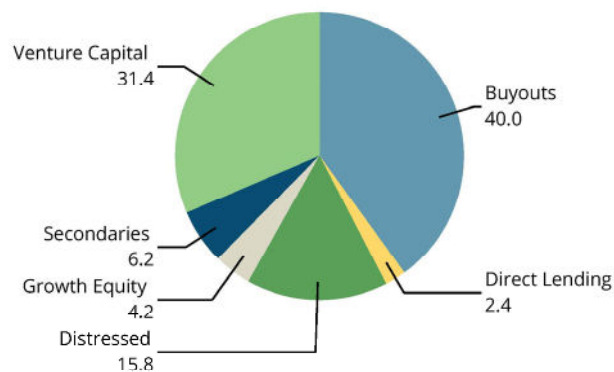
## Cash Flow Summary

Inception Date:	7/01
Capital Committed:	\$386,100,000
Capital Contributed:	\$263,903,289
Total Contributions:	\$283,893,321
Remaining Capital Commitment:	\$122,196,711
Total Distributions:	\$300,211,565
Market Value:	\$118,755,846
Inception IRR:	8.9
PME+ (MSCI AC World Index):	5.6
DPI:	1.1
RVPI:	0.4
TVPI:	1.5

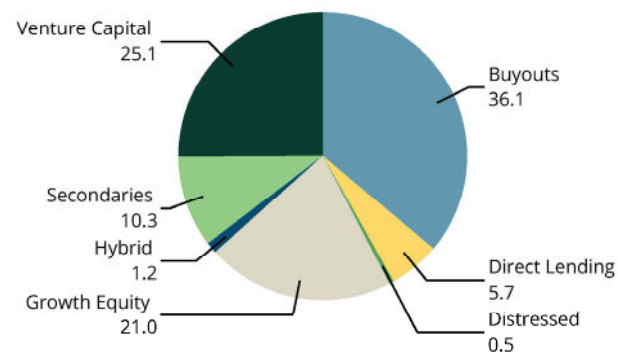
## Strategy Allocation and Remaining Commitment (% of Total Fund)

	Market Value	Remaining Capital Commitment
Buyouts	3.7	3.4
Direct Lending	0.2	0.5
Distressed	1.4	0.0
Growth Equity	0.4	2.0
Hybrid	0.0	0.1
Secondaries	0.6	1.0
Venture Capital	2.9	2.4
Other	0.0	0.0
<b>Total</b>	<b>9.1</b>	<b>9.4</b>

## Strategy Allocation By Market Value (%)



## Strategy Allocation by Remaining Capital Commitment (%)

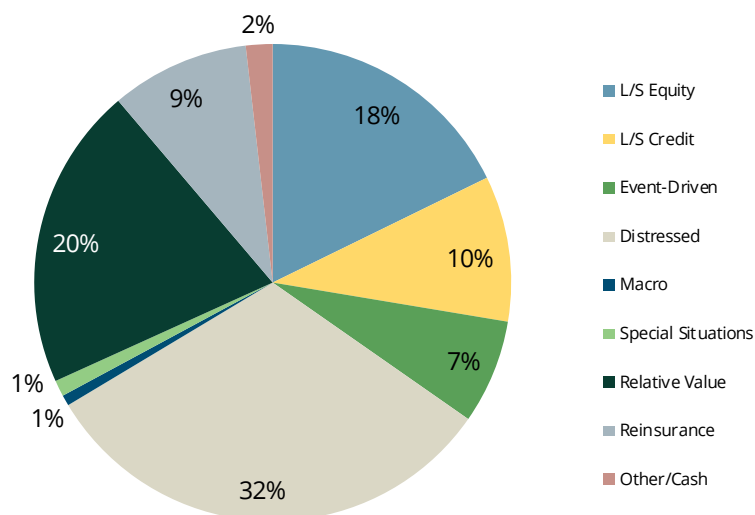


# Absolute Return Exposure

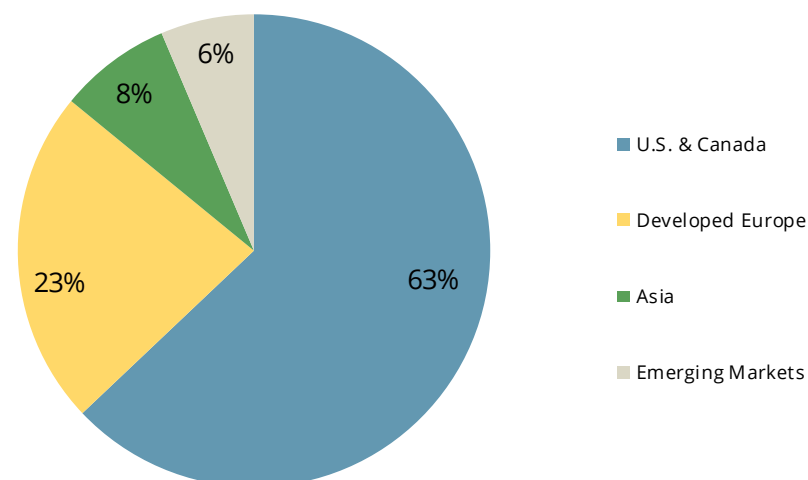
## Market Exposure (%)

Gross Long %	122
Gross Short %	52
Net %	71
Total Gross	174

## Strategy Exposure



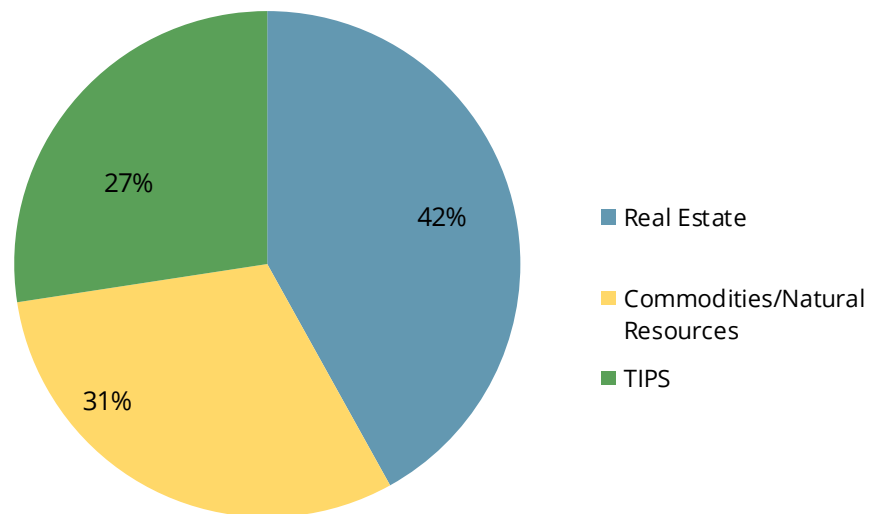
## Geographic Exposure



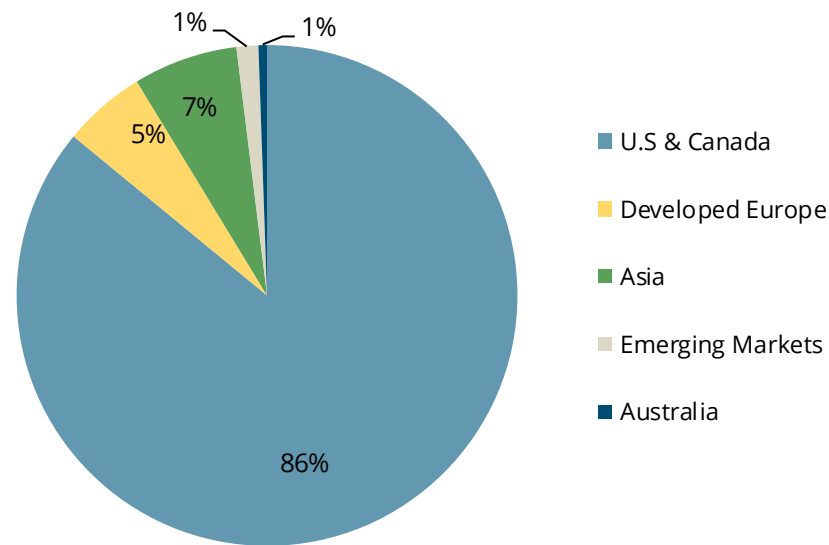
- Data as of December 31, 2023. Juniperus included in strategy exposure, but not market and geographic exposures.
- As of December 31, 2023, the Foundation was invested in 7 absolute return managers, excluding stub positions.

# Real Assets Exposure

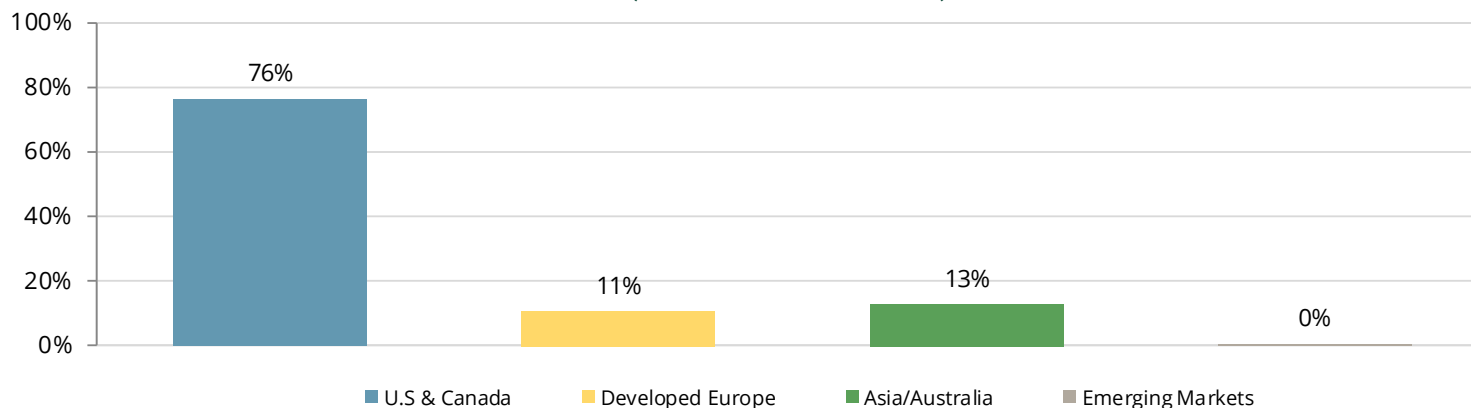
Strategy Exposure



Geographic Exposure



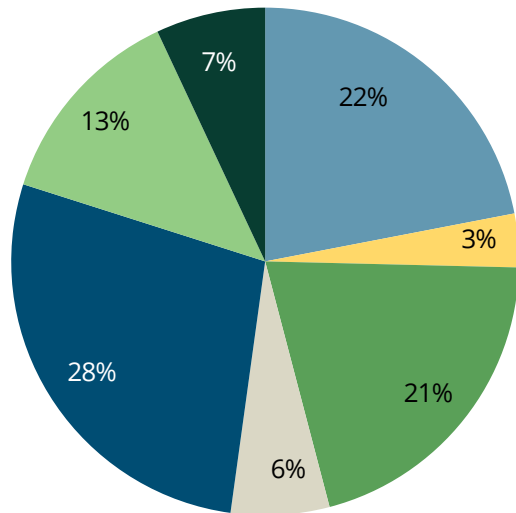
Real Estate Exposure  
(61% Public/39% Private)



- *Data as of December 31, 2023.*
- *As of December 31, 2023, the Foundation is invested with 12 real asset managers.*

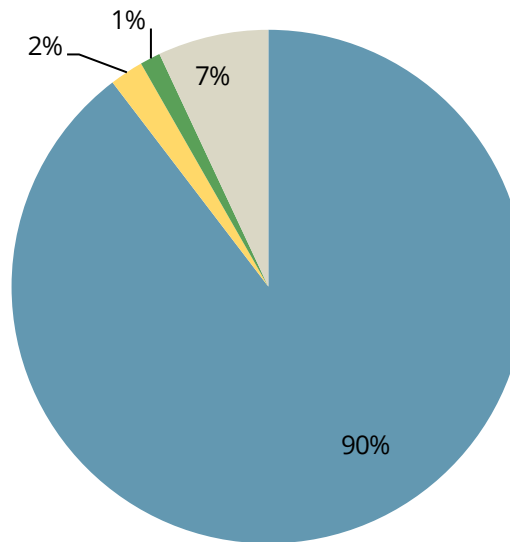
# Fixed Income Exposure

Sector Exposure



- U.S. Treasury/Agency Securities
- Investment Grade Corporate
- MBS/CMBS/ ABS
- Cash /Other
- Foreign Govt Sov/Agency/Supranational
- High Yield
- Municipal

Geographic Exposure



- U.S & Canada
- Non-US Developed
- Emerging Markets
- Cash /Other

- *Data as of December 31, 2023.*
- *As of December 31, 2023, the Foundation is invested with 2 Fixed Income managers.*
- *The portfolio had a yield of 5.9% and a duration of 6.2 years.*

Portsmouth, NH

Boston, MA

Atlanta, GA