INNOVIA FOUNDATION

PORTFOLIO UPDATE

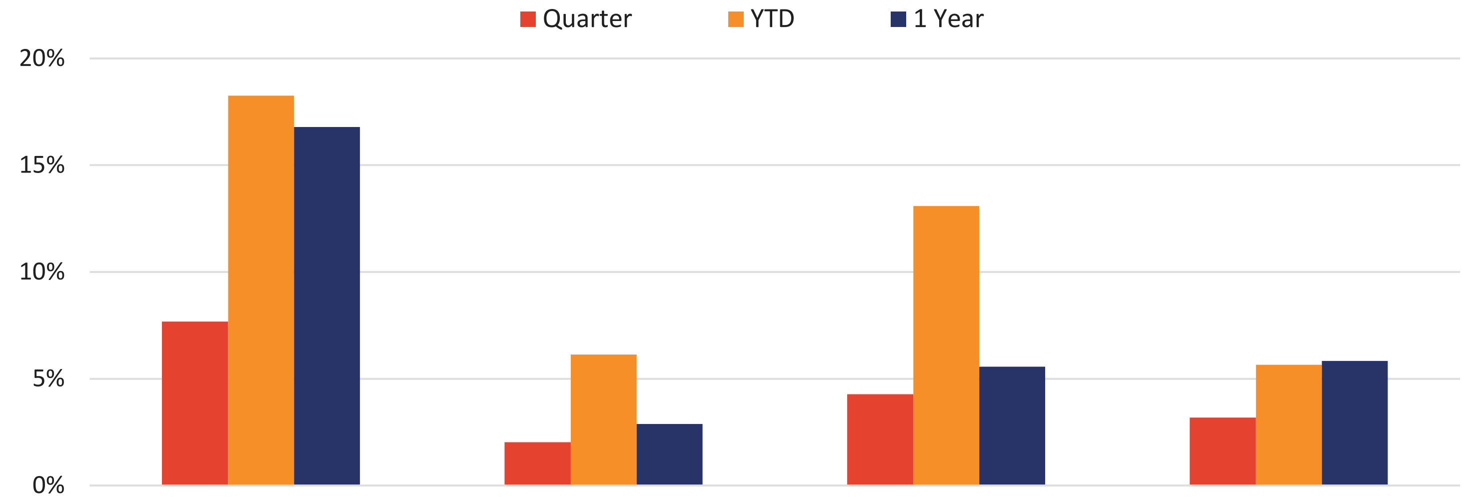
Third Quarter 2025

MARKET UPDATE

Third quarter performance was strong across sectors. The support for Artificial Intelligence (AI) continued to buoy earnings and stock prices. This led to a strong quarter for the Magnificent 7, but also related sectors like utilities, data centers and pockets of software. The Federal Reserve cut interest rates by 25 basis points (bps) leading to a modestly positive return for fixed income.

- Equities had strong performance this quarter, with the MSCI All-World Country IMI returning 7.7%. Easing global trade tensions, strong corporate earnings, and the Fed rate cuts all contributed. Additionally, the U.S. announced new trade deals with the European Union and Japan, which helped to further ease trade war concerns. Small cap stocks also had a strong quarter as earnings seem to have bottomed.
- For the first time since December 2024, the Fed reduced interest rates by 25 bps and has two more rate cuts signaled for the rest of the year. Bonds rallied as elevated coupons provided attractive income. The combination of strong carry (i.e. the profit from holding bonds), credit stability, and easing monetary policy creates a favorable backdrop for fixed income investors.
- Real Assets also had strong performance, with the S&P Real Assets Equity Index returning 4.3%, driven by publicly listed infrastructure and commodities. In particular, gold mining has had the best year since the 1970s and has returned 50% year-to-date.
- Hedge funds posted strong performance in the third quarter, exceeding those seen in the first and second quarters. In hedged equity the gains were broad, with healthcare leading, followed by energy. Event-driven strategies also posted widespread gains, led by activists and distressed / restructuring funds.

MARKET INDEX PERFORMANCE



	MSCI All-Country World	Bloomberg U.S. Aggregate Bond	S&P Real Assets Equity	HFRX Global Hedge Fund
Month	7.7%	2.0%	4.3%	3.2%
YTD	18.3%	6.1%	13.1%	5.6%
1-Year	16.8%	2.9%	5.6%	5.8%

FEG investment advisors

PORTFOLIO PERFORMANCE[1-] *returns greater than one year are annualized*

	Quarter	1-Year	3-Year	5-Year	10-Year
Traditional Pool	**6.2%**	**11.9%**	**16.3%**	**9.0%**	**8.0%**
Custom Benchmark[2]	*6.0*	*12.0*	*17.5*	*9.0*	*8.4*
Faith-Based Pool	**4.7%**	**-**	**-**	**-**	
Custom Benchmark[3]	*6.0*	-	-	-	
ESG Pool	**4.3%**	**9.2%**	**14.2%**	**8.0%**	
Custom Benchmark[4]	*3.6*	*7.1*	*10.9*	*4.4*	
Moderate Pool	**-**	**-**	**-**	**-**	
Custom Benchmark[2]	-	-	-	-	
Conservative Pool	**-**	**-**	**-**	**-**	
Custom Benchmark[2]	-	-	-	-	

- The **Traditional** pool returned 6.2% for the quarter vs. the benchmark return of 6.0%. Most asset categories outperformed their benchmarks, and active management within U.S. and global equities were the main contributor to outperformance. U.S. value and international/global managers rebounded to start the year, and diversifying strategies continued its strong performance.
- The **ESG and Faith-based** pools returned 4.3% and 4.7%, vs. the benchmark returns of 6.0% and 3.6%, respectively. The performance for the quarter was driven primarily from the rebound in international equities, as well as some thematic strategies rebounding from prior underperformance.
- The **Moderate** pool was launched in 4Q 2025 and is The Moderate Pool is designed for an investment time horizon of 3 to 5 years by investors willing to assume a modest level of risk.
- The **Conservative** pool was launched in 4Q 2025 and is a lower-risk strategy designed for an investment time horizon of 2 to 3 years by investors willing to assume some market risk, although the strategy should not be viewed as a substitute for money market.

PORTFOLIO POSITIONING

	Endowed	Faith Based	ESG	Moderate	Conservative
GLOBAL EQUITY	72.5%	69.8%	60.1%	50.0%	10.0%
GLOBAL FIXED INCOME & CASH	24.5	30.1	40.1	50.0	90.0
REAL ASSETS	1.0	0	0	0	0
DIVERSIFYING STRATEGIES	2.5	0	0	0	0

Enthusiasm surrounding the proposed applications of artificial intelligence (AI), as well as the related expenditures required for development, remained a primary driver of the favorable set of conditions that supported the financial markets in the third quarter. Elevated U.S. equity market valuations have been underpinned by strong corporate profit margins that have grown materially over the past 10 years. These margins may be called into question if a failure of AI investment to meet expectations were to develop. From traditional sectors such as stocks and bonds to alternative assets such as gold and bitcoin, it was difficult to identify a major pocket of the investible universe that failed to generate positive returns during the quarter.

1 Portfolio performance is reported net of investment management fees.
2 The Traditional Pool custom benchmark is currently comprised of 70% MSCI ACWI, 25% Bloomberg U.S. Aggregate Index, 5% HFRX Global Hedge Fund Index.
3 The Faith Based Pool benchmark is 70% MSCI ACWI, 30% Bloomberg Aggregate
4 The ESG Pool benchmark is 25% MSCI EAFE, 20% Russell 3000, 10% Russell Mid Cap, 5% Russell 2000, 40% Bloomberg Aggregate
5 The Moderate Pool benchmark is 50% MSCI ACWI, 50% Bloomberg U.S. Aggregate Index.
6 The Conservative Pool benchmark is 90% Bloomberg U.S. Aggregate Index, 10% MSCI ACWI.