

2024 FEG YEAR IN REVIEW

To the Clients of FEG,

I feel a great sense of gratitude for the results we experienced in 2024. Political upheaval, interest rate volatility, massively strained geopolitical relationships, and through it all risk assets delivered strong results. Looking forward, uncertainty abounds, but experience has taught us that it always does.

U.S. equity markets led the world as patience and prudence were rewarded. After falling nearly 10% in July, the S&P 500 ended the year up over 20%, its second strong year in a row. Returns for fixed income and real assets were positive, as were those of developed and emerging non-U.S. equities. The sluggish IPO market and quiet exit front were a headwind to existing private holdings, particularly for the technology sector. Fundraising and deal levels have rebounded but remain below 2021's highs. While we expect these trends to improve in 2025, rigorous manager selection will remain essential across all facets of private markets.

We don't yet know the impact of broad policy proposals. Will tariffs benefit trade, raise prices, or be implemented at all? The dollar's strength and investor resolve will both be tested. It's uncertain whether the promise of a more business-friendly climate in the U.S. will just make headlines or improve bottom lines, and how much of the latter has already been priced in. Liquidity and flexibility will be valued as a clearer path forward emerges.

While I've been part of the FEG team for more than 20 years, 2024 was my first full year as CEO. Of late, a Henry David Thoreau quote that has stayed with me since my youth has been top of mind. He said, "It's not what you look at that matters, it's what you see." I've always taken that to mean that perspective is an essential requirement for success.

FEG's perspective comes from decades of investing experience across market cycles and geographies, smooth seas and tumult. You can get our perspective on the year ahead through our 2025 Investment Outlook Webinar. Many firms look at the same economic landscape and market data as we do. But to truly "see" takes perspective and the clear eyes of independence and objectivity that we at FEG hold so dear. Our ownership structure and dedication help us to seek the best interest for our clients both holistically and consistently.

Many of our peers have risked clouding their sight through consolidation and outside ownership. At FEG, independence, objectivity, and client focus work together to turn perspective into opportunity, and opportunity into seeking better client outcomes. It's this perspective that has helped our assets grow in excess of market returns as new clients have chosen to partner with us. We are honored by your trust and grateful for the opportunity to work for and with you.

We are celebrating some exciting leadership developments as we enter 2025. Joining our leadership team are Reba Perry, Head of HR, Gianna Tremoulis, General Counsel, and Devinne Verst, Head of Client Development. John Labmeier, General Counsel, and Steve Johnston, Head of HR are retiring after finishing their impactful careers at FEG. We are indebted to them for their contributions and blessed to have a new group of senior leaders ready to use their experience, acumen and fresh perspectives to make us better every day.

At the beginning of 2024 I opened a virtual suggestion box to the firm. I asked for ideas, big and small, that could improve our culture and our clients' outcomes. Of the many impactful ideas we received, one in particular warrants mention here. The suggestion was to meet with every member of the firm individually and in person. A task I accepted with great enthusiasm. To continue understanding our clients' needs at the highest level, it's imperative that I understand everyone's perspectives at that same level. These meetings were always enjoyable and insightful, and often profound and moving.

In March, I asked Angela Utley on the RFP team about our culture. Her response struck a powerful chord. We must, she said, be the kind of managers that we want our kids to work for. As our conversation continued, we extended her insight. We should also be the kind of firm we want our kids to work at and the kind of firm we want our kids to work with. Supporting our clients and each other with respect and firmly held expectations of excellence is our commitment for 2025 and beyond.

Thank you for choosing FEG as your trusted investment advisor. We look forward to this year with anticipation and optimism. Our perspective is always at your service.



Alan Lenahan
Chief Executive Officer
FEG Investment Advisors

