Equity Pool

As of 3/31/2018

Trailing Returns

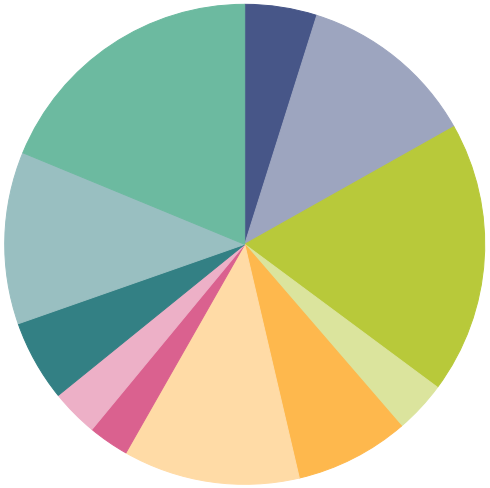
Equity Pool & Blended Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Equity Pool TR	**-0.58**	**-0.58**	**14.66**	**9.42**	**11.47**	**7.68**
Equity Benchmark	-0.78	-0.78	14.58	9.41	11.57	8.19

Trailing Returns

Equity Pool Holdings & Benchmarks	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Instl Ttl Stk Mkt Idx InstlPls	**-0.60**	**-0.60**	**13.86**	**10.25**	**13.08**	**9.81**
CRSP US Total Market TR USD	-0.60	-0.60	13.87	10.21	13.04	9.75
Vanguard Developed Markets Index Instl	**-1.08**	**-1.08**	**16.03**	**6.62**	**7.13**	**3.17**
FTSE Developed ex US All Cap NR USD	-1.83	-1.83	15.39	6.26	6.55	
Vanguard Emerging Mkts Stock Idx Instl	**2.06**	**2.06**	**20.97**	**7.53**	**4.50**	**2.67**
FTSE Emerging NR USD	1.43	1.43	21.58	7.92	4.85	3.06

Equity Pool - Equity Sectors (Morningstar)

Portfolio Date: 3/31/2018



	%
Basic Materials	4.9
Consumer Cyclical	12.0
Financial Services	18.3
Real Estate	3.5
Consumer Defensive	7.7
Healthcare	11.9
Utilities	2.7
Communication Services	3.2
Energy	5.5
Industrials	11.6
Technology	18.8
Total	**100.0**

Purpose

The purpose of the Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the Equity Pool is to obtain broad equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

Equity Pool - Top Holdings

Portfolio Date: 3/31/2018

Total Market Value: $484,658,115	Market Value (mil)	Portfolio Weighting %
Vanguard Instl Ttl Stk Mkt Idx InstlPls	$ 348.8	72%
Vanguard Developed Markets Index Ins Pls	$ 111.3	23%
Vanguard Emerging Mkts Stock Idx Instl	$ 24.5	5%

Top Stock Holdings

1. Apple Inc.
2. Microsoft Corp.
3. Amazon.com Inc.
4. Facebook A
5. JPMorgan Chase & Co.
6. Berkshire Hathaway Inc B
7. Johnson & Johnson
8. Alphabet A
9. Alphabet C
10. Exxon Mobil Corp

Trailing Twelve Month Dividend Yield: 2.09%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .05%

Equity Benchmark Current	
CRSP US Total Stock Market	72%
FTSE Developed ex US All Cap	23%
FTSE Emerging Markets	5%

Equity Benchmark 03/15 - 04/17	
CRSP US Total Stock Market	75%
FTSE Developed ex US All Cap	20%
FTSE Emerging Markets	5%

Equity Benchmark 01/14 - 03/15	
CRSP US Total Stock Market	75%
FTSE Developed ex North Amer.	15%
FTSE Emerging Markets	10%

Equity Benchmark 2011-2013	
Wilshire 5000	78.5%
MSCI EAFE	16.5%
MSCI Emerging Markets	5.0%

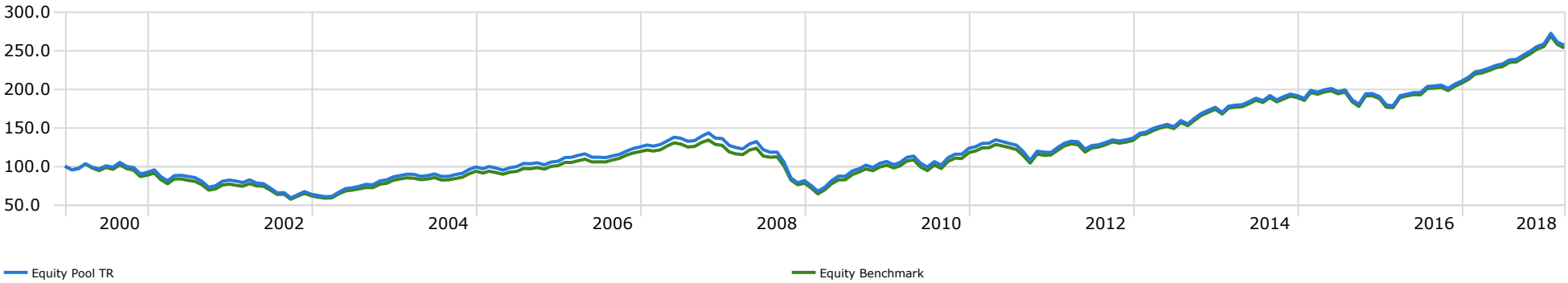
Equity Benchmark 2003-2011	
Wilshire 5000	80%
MSCI EAFE	20%

Source: Morningstar Direct

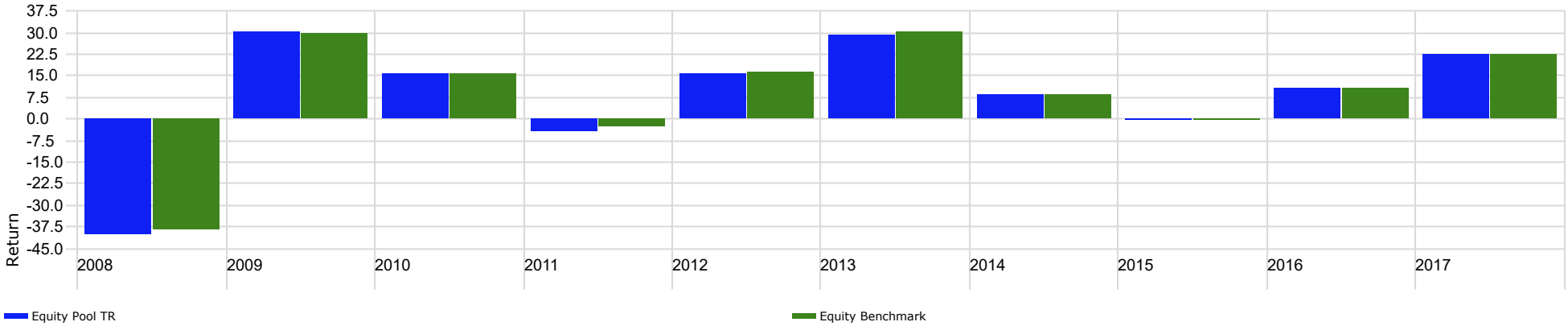
Equity Pool

Investment Growth

Time Period: 1/1/2000 to 3/31/2018



Calendar Year Returns



Equity Pool TR - Quarterly Returns

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
2018	-0.58				1.03
2017	6.42	3.78	4.95	5.89	22.73
2016	0.59	2.10	4.95	2.65	10.64
2015	2.40	0.38	-8.36	5.50	-0.62
2014	1.59	5.04	-1.13	2.89	8.56
2013	9.26	1.43	7.25	8.64	29.12
2012	12.55	-4.32	5.76	1.77	15.90
2011	5.36	-0.29	-16.92	9.50	-4.43
2010	4.97	-11.22	12.30	10.87	16.03
2009	-10.40	19.30	16.60	4.70	30.49
2008	-9.92	-0.77	-13.02	-22.99	-40.13

Source: Morningstar Direct

Intermediate-Term Fixed Income Pool

As of 3/31/2018

Trailing Returns

Int-Term Fixed Income Pool & Blended Benchmark	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Intermediate-Term Fixed Income Pool TR	**-1.69**	**-1.69**	**0.63**	**1.22**		
Intermediate-Term Fixed Income Benchmark	-1.60	-1.60	0.79	1.39	1.89	

Purpose

The purpose of the Intermediate-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasuries notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The average effective duration and interest rate risk of the Pool will be commensurate with broad fixed income benchmarks such as the Barclays U.S. Aggregate Bond Index.

Trailing Returns

Int-Term Fix. Income Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Interm-Term Bond Index I	**-1.98**	**-1.98**	**0.54**	**1.17**	**1.78**	**4.48**
BBgBarc US 5-10Y GovCredit FlAdj TR USD	-1.88	-1.88	0.67	1.26	1.86	
Vanguard Mortgage-Backed Secs Idx Instl	**-1.22**	**-1.22**	**0.60**	**1.00**		
BBgBarc US MBS TR USD	-1.19	-1.19	0.77	1.12	1.80	3.46
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	**0.20**	**0.20**	**0.34**	**1.11**	**0.08**	
BBgBarc U.S. Treasury TIPS 0-5Y TR USD	0.21	0.21	0.39	1.16	0.14	1.54
SPDR® Blmbg Barclays High Yield Bd ETF	**-1.44**	**-1.44**	**2.61**	**2.96**	**3.21**	**6.07**
BBgBarc VLI High Yield TR USD	-1.22	-1.22	2.99	4.36	4.39	8.04

Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 3/31/2018

Total Market Value: $115,529,948	Market Value (mil)	Portfolio Weight %
Vanguard Interm-Term Bond Index I	$ 80.9	70%
Vanguard Mortgage-Backed Secs Idx Instl	$ 23.1	20%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	$ 5.9	5%
SPDR® Blmbg Barclays High Yield Bd ETF	$ 5.6	5%

Int.-Term Fixed Income Benchmark Weights	Percent
Barclays US 5-10Y Gov/Credit FlAdj TR USD	70%
Barclays US MBS Float Adjusted TR USD	20%
Barclays VLI High Yield TR USD	5%
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%

Inception Date: January 1, 2014

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.

Estimated Pool Investment Management Fee: 0.08%

Fixed Income Pool Statistics

Average Yield to Maturity	3.37%
Average Effective Duration	5.84 years
Trailing Twelve Month Yield	2.73%

Source: Morningstar Direct

Short-Term Fixed Income Pool

As of 3/31/2018

Trailing Returns

Short-Term Fix. Inc. Pool & Blended Benchmark	Year To Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Short-Term Fixed Income Pool TR	**-0.53**	**-0.53**	**0.41**	**0.87**		
Short-Term Fixed Income Benchmark	-0.50	-0.50	0.49	1.00	1.19	

Purpose

The purpose of the Short-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The Pool will have a lower average effective duration than broad fixed income market benchmarks such as the Barclays U.S. Aggregate Bond Index, hence limiting overall interest rate risk.

Trailing Returns

Short-Term Fix. Inc. Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Short-Term Bond Idx I	**-0.51**	**-0.51**	**0.19**	**0.71**	**0.88**	
BBgBarc US 1-5Y GovCredit FlAdj TR USD	-0.50	-0.50	0.19	0.78	0.95	
Vanguard Mortgage-Backed Secs Idx Instl	**-1.22**	**-1.22**	**0.60**	**1.00**		
BBgBarc US MBS Float Adjusted TR USD	-1.16	-1.16	0.72	1.09	1.76	
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	**0.20**	**0.20**	**0.34**	**1.11**	**0.08**	
BBgBarc U.S. Treasury TIPS 0-5Y TR USD	0.21	0.21	0.39	1.16	0.14	1.54
PowerShares Senior Loan ETF	**1.09**	**1.09**	**2.97**	**2.60**	**2.43**	
S&P/LSTA U.S. Leveraged Loan 100 TR USD	1.40	1.40	3.95	3.51	3.25	

Short-Term Fixed Income Pool Holdings

Portfolio Date: 3/31/2018

Total Market Value: $177,457,862	Market Value (mil)	Portfolio Weight %
Vanguard Short-Term Bond Idx I	$ 124.2	70%
Vanguard Mortgage-Backed Secs Idx Instl	$ 35.5	20%
PowerShares Senior Loan ETF	$ 8.9	5%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	$ 8.8	5%

Short-Term Fixed Income Benchmark Weights	Percent
Barclays US 1-5Y GovCredit FlAdj TR USD	70%
Barclays US MBS Float Adjusted TR US	20%
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%
S&P/LSTA U.S. Leveraged Loan 100 TR USD	5%

Inception Date: January 1, 2014

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.

Estimated Pool Investment Management Fee: 0.09%

Fixed Income Pool Statistics

Average Yield to Maturity	2.89%
Average Effective Duration	3.07 years
Trailing Twelve Month Yield	1.90%

Source: Morningstar Direct

Money Market Pool

As of 3/31/2018

Purpose

The purpose of the Money Market Pool is to provide liquidity for participating charitable funds and organizations in funding grant making and payment of fees and administrative costs while providing desired principal stability. The long term investment objective of the Money Market Pool is to seek a competitive market return to preserve and grow the portfolio, provide cash flows to meet charitable needs now and those in the future. As such, the Money Market Pool is highly liquid, which enables donors to access funds for grants in a timely manner. The Money Market Pool invests in bank deposits and obligations of the United States government and its agencies.

Money Market Trailing Returns

Time Period	Money Market Pool	90 Day Treasury Bills
3 Months	0.17%	0.41%
1 Year	0.50%	1.23%
3 Years	0.22%	0.59%
5 Years	0.14%	0.37%
10 Years	0.33%	0.32%

Performance periods greater than 12 months are annualized.
Performance is net of investment management fees but not the Foundation's administrative fees.

Estimated Current Yield: 0.64%

Source: Morningstar Direct

Investment Commentary—March 31, 2018

The calendar year got off to a roaring start with the Equity Pool up 5.4% for the month of January as investors celebrated the unexpected passage of the tax reform bill. On the other hand, perhaps the bond market foreshadowed what was to come in the stock market as interest rates increased and the Bloomberg Barclays U.S. Aggregate Bond Index declined 1.15% that first month. In early February two events issued a wake-up call to stock investors. On February 2nd inflation expectations spiked to a level not seen since late 2014. This series (shown below), derived from Treasury bond yields, is watched by bond investors and the Federal Reserve as a market based forecast of future inflation. The yield on the ten year Treasury note surged to 2.94% from the year end level of 2.40%.

The second event giving the stock investors indigestion was the placement of the trade issue back on the front burner as President Trump threatened to increase tariffs on selected imports from China. In many investors' minds this threat raised the specter of a trade war. While the world is still a long way from entering a trade war, even the hint of higher tariffs coupled with very high stock market valuations gave some investors a reason to reduce their equity weighting. If nothing else, investors view the possibility of higher tariffs as a partial give back of the tax rate reductions that businesses received in the tax reform bill.

Furthermore, rising bond yields provided added incentive to reduce stock holdings. Higher interest rates usually lower the current value of future returns; i.e. prices of securities decline when interest rates rise. The combination of these two factors, higher interest rates and the possibility of higher tariffs, caused the Equity Pool to decline 5.6% in February and March and finish the first quarter with a net decline of 0.6%.

The Intermediate-Term Fixed Income Pool was not immune to the problems caused by higher inflation expectations as it declined 1.7% during the quarter. After rising to 2.94% as noted above, the yield on the ten year Treasury note finished the quarter at 2.74%. The negative return of the Intermediate-Term Pool was mitigated to some extent by the positions in the mortgage-backed sector, the high yield sector and the short term Treasury Inflation-Protected Securities sector.

The Short-Term Fixed Income Pool experienced a negative return of 0.5% as the yield on the five year Treasury note spiked from 2.20% at the end of the year to 2.69% in February and then closed the quarter at 2.56%. Even though short-term yields rose a little more than intermediate yields, the shorter maturities of the bonds dampened the volatility of the short-term bond prices. In the Community Foundation's Investment Mixes, the Investment Committee continues to maintain a heavier weighting in the Short-Term Fixed Income Pool than in the Intermediate-Term Fixed Income Pool in order to reduce the impact of even higher bond yields should they occur.

The preliminary report on the first quarter economy showed a mild acceleration in both economic growth and inflation when compared with year ago levels. Going forward, investors will continue to monitor developments on two fronts: (1) whether President Trump expands the list of products covered by higher tariffs to induce China to renegotiate the terms of trade between the two countries; and, (2) the impact accelerating inflation and rising interest rates could have on the world's economy.