

Equity Pool

As of 12/31/2016

Trailing Returns

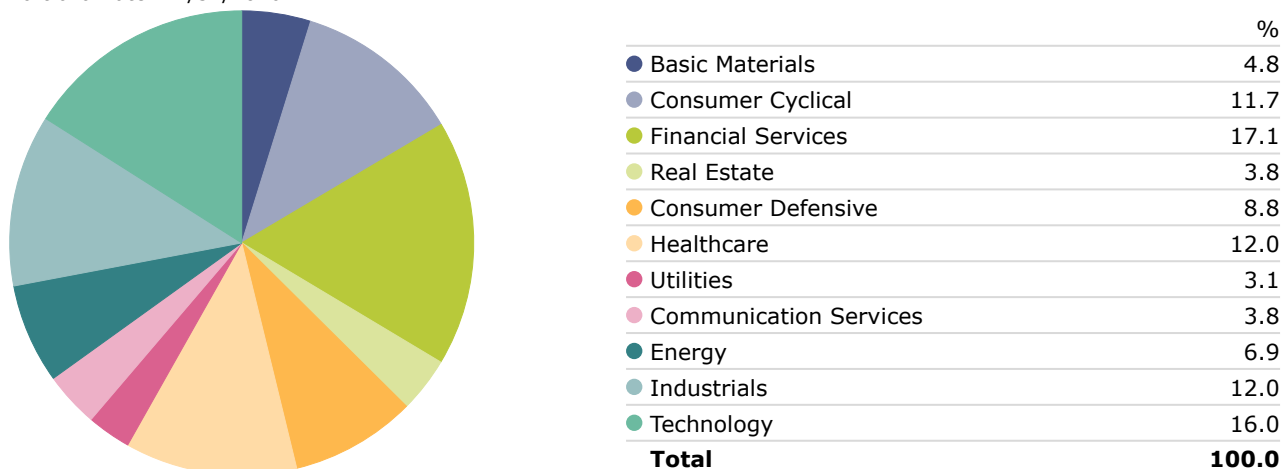
Equity Pool & Blended Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Equity Pool TR	10.64	2.65	10.64	6.08	12.30	5.34
Blended Equity Benchmark	10.77	2.78	10.77	6.12	12.62	5.73

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 InstlPIs	12.77	4.17	12.77	8.47	14.72	7.31
CRSP US Total Market TR USD	12.68	4.11	12.68	8.40	14.62	7.27
Vanguard Developed Markets Idx Instl	2.46	-1.44	2.46	-1.20	6.93	1.08
FTSE Developed ex North America NR USD	1.43	-0.96	1.43	-1.39	6.57	1.05
Vanguard Emerging Mkts Stock Idx I	11.76	-3.84	11.76	-1.61	1.48	1.91
FTSE Emerging NR USD	13.14	-2.84	13.14	-1.09	1.82	2.36

Equity Pool - Equity Sectors (Morningstar)

Portfolio Date: 12/31/2016



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: 12/31/2016

Total Market Value: \$421,254,523	Market Value (mil)	Portfolio Weighting %
Vanguard Instl Ttl Stk Mkt Idx InstlPIs	\$ 314.7	75%
Vanguard Developed Markets Idx Instl	\$ 85.7	20%
Vanguard Emerging Mkts Stock Idx I	\$ 20.9	5%

Top Stock Holdings

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

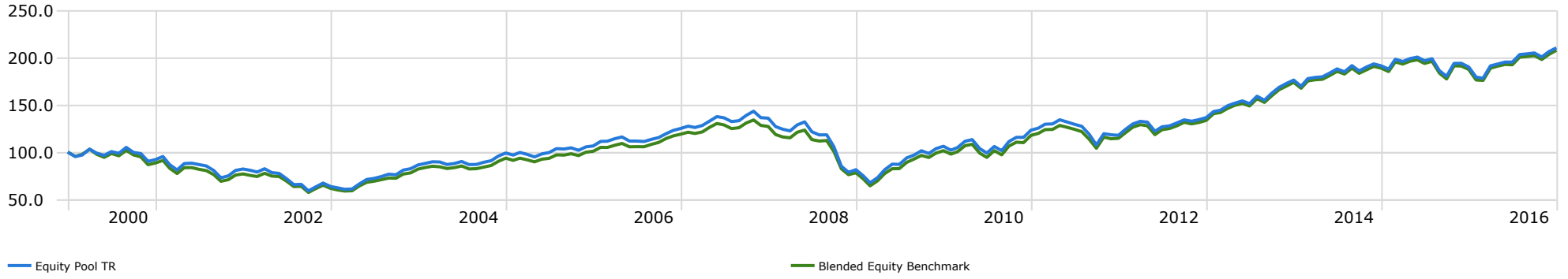
Trailing Twelve Month Dividend Yield: 2.29%

Equity Benchmark	Current	Equity Benchmark 01/14 - 03/15	Equity Benchmark 2011-2013	Equity Benchmark 2003-2011	Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.
CRSP US Total Stock Market	75%	CRSP US Total Stock Market 75%	Wilshire 5000 78.5%	Wilshire 5000 80%	Estimated Pool Investment Management Fee: .06%
FTSE Developed ex North Amer.	20%	FTSE Developed ex North Amer. 15%	MSCI EAFE 16.5%	MSCI EAFE 20%	
FTSE Emerging Markets	5%	FTSE Emerging Markets 10%	MSCI Emerging Markets 5.0%		

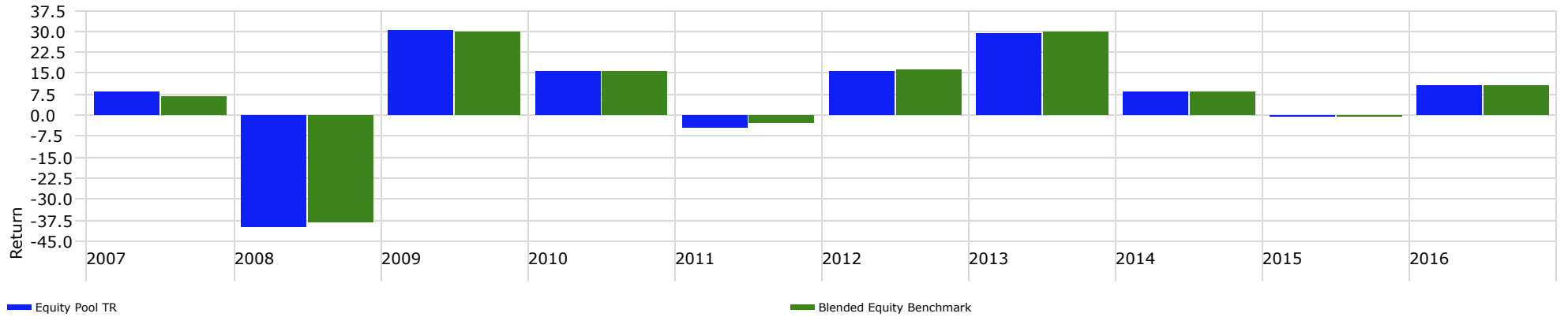
Equity Pool

Investment Growth

Time Period: 1/1/2000 to 12/31/2016



Calendar Year Returns



Equity Pool TR - Quarterly Returns

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
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
2007	2.50	6.29	1.88	-2.06	8.71

Source: Morningstar Direct

Intermediate-Term Fixed Income Pool

As of 12/31/2016

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	3.12	-3.28	3.12	3.33		
Intermediate-Term Fixed Income Benchmark	3.45	-3.06	3.45	3.44	2.85	

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	2.85	-4.14	2.85	3.69	2.88	5.40
BBgBarc US 5-10Y GovCredit FIAdj TR USD	3.10	-3.94	3.10	3.74	2.96	
Vanguard Mortgage-Backed Sec Idx I	1.47	-1.99	1.47	2.90		
BBgBarc US MBS TR USD	1.67	-1.97	1.67	3.07	2.06	4.28
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	2.76	-0.21	2.76	0.48		
BBgBarc U.S. Treasury TIPS 0-5Y TR USD	2.81	-0.16	2.81	0.54	0.48	2.79
SPDR® Blmbg Barclays High Yield Bd ETF	14.75	1.62	14.75	2.50	5.45	
BBgBarc VLI High Yield TR USD	16.65	1.62	16.65	4.11	6.77	7.31

Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2016

Total Market Value: \$93,206,816	Market Value (mil)	Portfolio Weight %
Vanguard Interm-Term Bond Index I	\$ 65.6	70%
Vanguard Mortgage-Backed Sec Idx I	\$ 18.6	20%
SPDR® Blmbg Barclays High Yield Bd ETF	\$ 4.5	5%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 4.5	5%

Int.-Term Fixed Income Benchmark Weights

Percent

Barclays US 5-10Y Gov/Credit FIAdj 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: .11%

Fixed Income Pool Statistics

Average Yield to Maturity	3.10%
Average Effective Duration	5.84 years
Trailing Twelve Month Yield	2.50%

Short-Term Fixed Income Pool

As of 12/31/2016

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	1.94	-1.11	1.94	1.61		
Short-Term Fixed Income Benchmark	2.09	-1.01	2.09	1.67	1.58	

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	1.51	-1.12	1.51	1.25	1.20	
BBgBarc US MBS Float Adjusted TR USD	1.63	-1.86	1.63	2.88	2.04	
Vanguard Mortgage-Backed Sec Idx I	1.47	-1.99	1.47	2.90		
S&P/LSTA U.S. Leveraged Loan 100 TR USD	10.88	2.21	10.88	2.88	4.80	
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	2.76	-0.21	2.76	0.48		
BBgBarc U.S. Treasury TIPS 0-5Y TR USD	2.81	-0.16	2.81	0.54	0.48	2.79
PowerShares Senior Loan ETF	8.90	1.75	8.90	2.13	4.14	
BBgBarc US 1-5Y GovCredit FIAdj TR USD	1.57	-1.05	1.57	1.32	1.30	

Short-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2016

Total Market Value: \$141,619,597	Market Value (mil)	Portfolio Weight %
Vanguard Short-Term Bond Idx I	\$ 99.0	70%
Vanguard Mortgage-Backed Sec Idx I	\$ 28.4	20%
PowerShares Senior Loan ETF	\$ 7.2	5%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 7.0	5%

Short-Term Fixed Income Benchmark Weights

Percent

Barclays US 1-5Y GovCredit FIAdj TR USD	70%
Barclays US MBS Float Adjusted TR USD	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: .12%

Fixed Income Pool Statistics

Average Yield to Maturity	2.06%
Average Effective Duration	3.03 years
Trailing Twelve Month Yield	1.66%

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. The performance objective of the Money Market Pool is to meet or exceed the performance of the 90-Day Treasury Bill, a truly "liquid" money market benchmark. 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 primarily in bank deposits and high-quality institutional money market funds. The money market fund's holdings include U.S. dollar denominated money market securities of domestic and foreign issuers rated in the highest category by at least two nationally recognized rating services, U.S. Government securities, and repurchase agreements.

Money Market Trailing Returns		
Time Period	Money Market Pool	90 Day Treasury Bills
3 Months	0.02%	0.11%
1 Year	0.11%	0.34%
3 Years	0.06%	0.14%
5 Years	0.04%	0.11%
10 Years	0.87%	0.71%

*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: 0.12%

Investment Commentary—December 31, 2016

In the last Investment Commentary we stated that 2016 had been the year of surprises. Little did we know that the ultimate surprise would come from the presidential election. Needless to say, Mr. Trump's election to the presidency certainly surprised almost all of the pundits. The reaction of the capital markets to the election results is also a surprise to many as stock prices went up and bond prices went down. Some might infer that the capital markets are anticipating a return to the "normalcy" of the post World War II period.

Last quarter we also cited the metaphor of the economy as a "plow horse". Investors may be looking for a metamorphosis of the plow horse into something approaching a thoroughbred. However, there is a prerequisite to the economy becoming a thoroughbred. Businesses must begin spending for expansion. The December report for new capital goods orders provides a glimmer of hope in that regard as the rate of change has turned positive for only the second time in two years (see chart below).

There is one caveat to an acceleration of the economic growth rate led by capital investment. The capital expenditures must be paid for prior to businesses realizing any sales. Thus, excess cash flow that has been flowing

into the capital markets over the last few years may reverse course if businesses begin spending for expansion.

The Equity Pool returned 2.65% for the fourth quarter which brought the full year to a gain of 10.64%. Small company stocks were the leaders for both the quarter (+6.1%) and the year (+18.3%). Stocks in developed markets overseas did very well with a quarterly gain of almost 7% in terms of their home market currencies. However, the strength of the dollar's exchange rate more than offset the gain and turned it into a decline of .9%.

The Intermediate-Term Fixed Income Pool declined 3.28% during the quarter to finish the year with a gain of 3.12%. The yield on the ten year U.S. Treasury note jumped from 1.60% to 2.45% in the quarter. The Short-Term Fixed Income Pool declined 1.11% during the quarter as the yield on the five year U.S. Treasury note jumped from 1.14% to 1.93%. The Short-Term Fixed Income Pool's gain for the year was 1.94%. As you may recall, bond prices decline when interest rates rise while bond prices increase when interest rates fall. Bonds with longer maturities have greater price sensitivity to interest rate changes than shorter maturity bonds.

Bond yields of all maturities were rising to get in line with the bond market's inflation expectations. We noted in the last Commentary that the bond market's expectations for future inflation had begun to rise over the summer. That rise continued through the fourth quarter. Expectations for inflation over the next five years as measured by the CPI increased from 1.45% on September 30th to 1.84% at year end.

The Investment Mixes administered by the Investment Committee are characterized by a defensive fixed income posture with 60% of the fixed income exposure in the Short-Term Fixed Income Pool and 40% of the fixed income exposure committed to the Intermediate-Term Fixed Income Pool.

The Equity Pool remains broadly diversified both by geography and company size as the best way to for the Pool to negotiate the opportunities and challenges that may arise over the course of 2017.

