

Foundation Funds
Quarterly Performance Summary
December 31, 2022

Capital Markets Overview

U.S. Equity Market

Stocks ended 2022 in the black, capping off a year of tumult as persistent and elevated inflation, slowing economic growth, and a hawkish stance from central banks underscored concerns around an economic slowdown. In the U.S., the S&P 500 Index gained 7.6% in the fourth quarter. In total, the index fell 18.1% in 2022, the worst calendar year return since the Global Financial Crisis in 2008. Value stocks outperformed with the Russell 1000 Value Index down 4%, finishing the year in the red at 7.5%, while the Russell 1000 Growth Index declined 7.7% ending the year 29.1% lower.

International Equity Markets

In the fourth quarter, international equities outperformed with the MSCI EAFE Index up 17.3% and the MSCI ACWI ex U.S. Index returning 14.3% driven by better-than-expected earnings and a selloff in the U.S. dollar. MSCI Emerging markets Index returned +9.7% in the quarter.

Fixed Income Markets

Doubling down on its commitment to rein in inflation even at the expense of economic growth, the Federal Reserve boosted the Fed Funds rate by 75 basis points in October and 50 basis points in December—its sixth and seventh rate hike in 2022—bringing the benchmark rate to 4.25% to 4.5%, the highest level in 15 years.

In 2022, the longstanding negative correlation between high-quality fixed income and stocks reversed. Credit declined alongside stocks, with losses of 13% for the BBG Aggregate Index. The hardest hit fixed-income sectors were long duration, with U.S. long Treasury down 29.3% for the year.

In high-yield corporate debt, leveraged loans were the best relative performer, falling a modest 0.6% in total returns for the year as floating-rate coupons offset rising rates. In contrast, high-yield bonds fell 11.2%. However, credit spreads have stayed below 500 basis points, with limited defaults, underscoring relatively benign market expectations for credit.

Performance Overview

Foundation Preference Funds

	3 Mo	1 Yr	3 Yr	5 Yr	Return	Since
Domestic Equity Fund	7.84%	-17.98%	6.53%	8.22%	6.81%	Nov-99
<i>Domestic Equity Index</i>	7.70%	-18.37%	6.46%	8.12%	6.68%	Nov-99
International Equity Fund	15.08%	-18.33%	-0.75%	0.64%	4.04%	Nov-99
<i>Int'l Equity Fund Index</i>	14.19%	-16.94%	-0.43%	0.45%	3.82%	Nov-99
Core Bond Fund	1.67%	-12.96%	-2.14%	0.39%	3.94%	Nov-99
<i>Core Bond Fund Index</i>	1.87%	-13.01%	-2.81%	-0.10%	3.84%	Nov-99
High Yield Bond Fund	2.79%	-6.58%	1.18%	2.47%	5.94%	Nov-99
<i>High Yield Bond Fund Index</i>	3.13%	-6.78%	0.80%	2.53%	6.08%	Nov-99
Money Market Fund	0.82%	0.83%	0.37%	0.83%	1.52%	Nov-99
<i>Citi 3mth Treasury Bill</i>	0.87%	1.50%	0.71%	1.25%	1.59%	Nov-99

Foundation Standard Funds

	3 Mo	1 Yr	3 Yr	5 Yr	Return	Since
Standard-Fixed Income	1.93%	-11.60%	-1.48%	0.78%	3.88%	Jan-97
<i>Standard-Fixed Income Policy</i>	2.13%	-11.77%	-2.03%	0.47%	4.55%	Jan-97
Standard-Conservative Balanced	3.93%	-12.96%	0.13%	2.09%	4.82%	Dec-01
<i>Standard-Conservative Balanced Policy</i>	4.21%	-13.09%	-0.36%	1.80%	4.81%	Dec-01
Standard-Moderate Balanced	6.03%	-14.75%	1.44%	3.11%	5.56%	Jan-97
<i>Standard-Moderate Balanced Policy</i>	6.28%	-14.52%	1.16%	2.96%	6.16%	Jan-97
Standard-Aggressive Balanced	8.33%	-16.26%	2.67%	4.13%	6.00%	Dec-01
<i>Standard-Aggressive Balanced Policy</i>	8.34%	-16.04%	2.51%	3.99%	6.22%	Dec-01
Standard-Equity	10.68%	-17.96%	3.59%	4.94%	6.42%	Jan-97
<i>Standard-Equity Policy</i>	10.39%	-17.65%	3.69%	4.86%	7.04%	Jan-97

Preference Fund: Domestic Equity

Performance Summary

	4Q	3 Yr	5 Yr	Since Inception
Domestic Equity Fund	7.84%	6.53%	8.22%	6.81%
Domestic Equity Index	7.70%	6.46%	8.12%	6.68%

Fund Composition

Manager	Investment Style	Position in Fund	4Q Manager Return	4Q Benchmark Return
BlackRock Russell 1000	Large Cap Core	69.6%	7.3%	7.2%
Peregrine	Small Cap Growth	5.0%	4.5%	4.1%
Segall Bryant Hamill	Small Cap Value	5.4%	11.5%	8.4%
Rhumblin	Large Cap Equal Weighted	15.4%	11.6%	11.6%
CenterSquare	REIT	4.6%	4.5%	5.2%
Cash	n/a	0.1%		

Characteristics

	Portfolio	Benchmark
Number of Stocks	1,471	2,960
Wtd. Avg. Mkt. Cap \$B	136.9	354.8
Median Mkt. Cap \$B	7.2	2.0
Price/Earnings ratio	8.3	18.1
Price/Book ratio	2.3	3.6
Return on Equity (%)	7.4	10.1
Current Yield (%)	4.1	1.7
Beta (5 Years, Monthly)	1.0	1.0
R-Squared (5 Years, Monthly)	1.0	1.0

Top Ten Equity Holdings

	Weight (%)	Return (%)
Apple Inc	2.0	-5.8
Microsoft Corp	1.8	3.3
Amazon.com Inc	0.8	-25.7
Bank of Georgia Group Plc	0.6	45.4
TBC Bank (JSC)	0.6	46.6
NRW Holdings Ltd	0.6	24.5
Helia Group Limited	0.6	6.6
Investec Group	0.6	56.1
Alphabet Inc	0.5	-7.8
Unitedhealth Group Inc	0.5	5.3

Sector Weights

	Portfolio (%)	Benchmark (%)
Energy	3.9	4.7
Materials	6.6	2.8
Industrials	15.9	9.0
Consumer Discretionary	11.7	11.5
Consumer Staples	6.5	6.3
Health Care	10.2	15.0
Financials	11.3	11.8
Information Technology	15.5	25.2
Communication Services	5.3	7.5
Utilities	3.1	3.0
Real Estate	10.1	3.4
Cash	0.0	0.0
Total	100.0	100.0

*The current Domestic Equity custom benchmark is 70% Russell 1000/ 15% S&P Equal Weighted/ 10% Russell 2000/ 5% NAREIT Equity Index

Preference Fund: International Equity

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
International Equity Fund	15.08%	-0.75%	0.64%	4.04%
Int'l Equity Fund Index	14.19%	-0.43%	0.45%	3.82%

Fund Composition				
Manager	Investment Style	Position in Fund	4Q Manager Return	4Q Benchmark Return
BlackRock	MSCI World ex US	32.9%	16.2%	16.2%
MFS	EAFE	10.4%	15.8%	17.3%
Marathon	EAFE	10.8%	17.9%	17.3%
Aberdeen	Emerging Markets	17.2%	9.6%	9.7%
Invesco International Equity	Emerging Markets	18.4%	16.2%	9.7%
Global Alpha International	EAFE Small Cap	10.2%	15.5%	15.8%
Cash	n/a	0.1%		

Characteristics	Sector Weights	
	Portfolio (%)	Benchmark (%)
Price/Earnings ratio	12.8	12.2
Price/Book ratio	2.6	2.4
Current Yield (%)	2.0	3.4
Wtd. Avg. Mkt. Cap \$B	88	78
Median Mkt. Cap \$B	13	9
Number of Stocks	1,484	2,261
5 Yr. EPS Growth Rate (%)	13.3	12.2

Top Holdings	
	Weight (%)
Taiwan Semiconductor	2.6
Housing Development	2.1
Yum China Holdings Inc	1.4
Tencent Holdings LTD	1.3
Kotak Mahindra Bank Ltd	1.3
Tata Consultancy Services	1.2
AIA Group Ltd	1.1
Samsung Electronics Co	1.0
Lg Chem Ltd	0.9
Grupo Mexico S.A.B.	0.9

	Sector Weights	
	Portfolio (%)	Benchmark (%)
Energy	5.5	6.0
Materials	8.3	8.4
Industrials	13.3	12.3
Consumer Discretionary	13.2	11.4
Consumer Staples	9.1	8.9
Health Care	10.4	9.8
Financials	19.3	21.0
Information Technology	11.9	10.8
Communication Services	5.3	5.9
Utilities	2.0	3.4
Real Estate	1.7	2.3
Other	0.0	0.0
Total	100.0	100.0

* The current International Equity custom benchmark is 33% MSCI World x US net/ 22%MSCI EAFE/10%MSCI EAFE Small Cap/35%MSCI Emerging Markets

Preference Fund: Core Bond

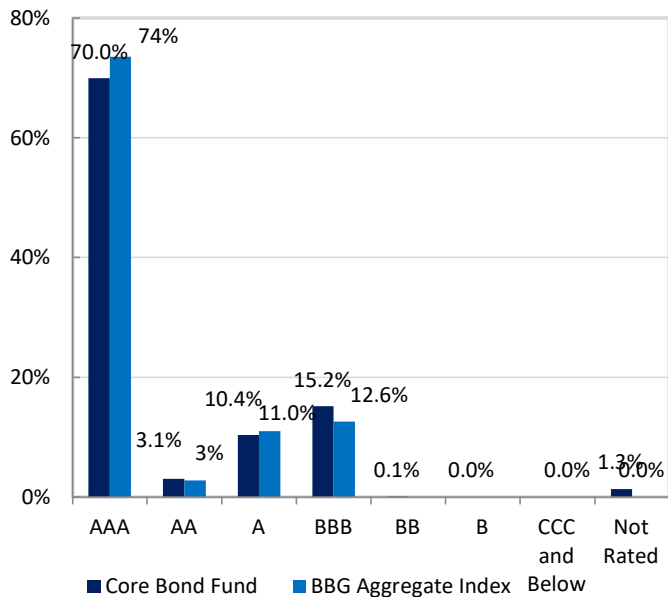
Performance Summary

	4Q	3 Yr	5 Yr	Since Inception
Core Bond Fund	1.67%	-2.14%	0.39%	3.94%
Core Bond Fund Index	1.87%	-2.81%	-0.10%	3.84%

Fund Composition

Manager	Investment Style	Position in Fund	4Q Manager Return	4Q Benchmark Return
JP Morgan Core	Core Bond	49.6%	1.2%	1.9%
Prudential Core	Core Bond	50.4%	2.1%	1.9%
Cash	n/a	0.1%		

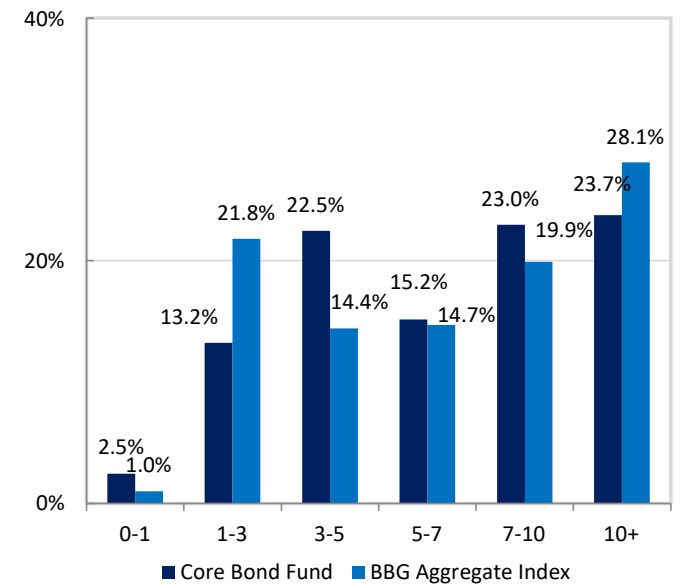
Credit Quality Allocation



Characteristics

	Portfolio	Benchmark
Holdings Count	2,731	13,133
Yield To Maturity (%)	5.3	4.6
Average Duration	6.3	6.2
Effective Duration	6.3	6.2
Modified Duration	6.2	6.2
Avg. Quality	A	AA
Avg. Maturity	8.6	8.5

Maturity Allocation



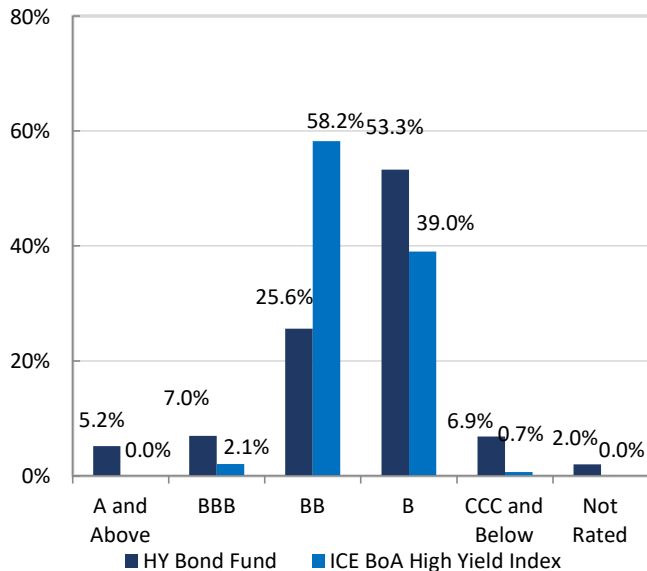
- The current Core Bond custom benchmark is Barclays Aggregate Index

Preference Fund: High Yield Bond

	Performance Summary			
	4Q	3 Yr	5 Yr	Since Inception
High Yield Bond Fund	2.79%	1.18%	2.47%	5.94%
High Yield Bond Fund Index	3.13%	0.80%	2.53%	6.08%

Fund Composition				
Manager	Investment Style	Position in Fund	4Q Manager Return	4Q Benchmark Return
Credit Suisse	Leveraged Loan	59.9%	2.1%	2.3%
Loomis Sayles	High Yield Bond	40.0%	3.8%	4.3%
Cash	n/a	0.1%		

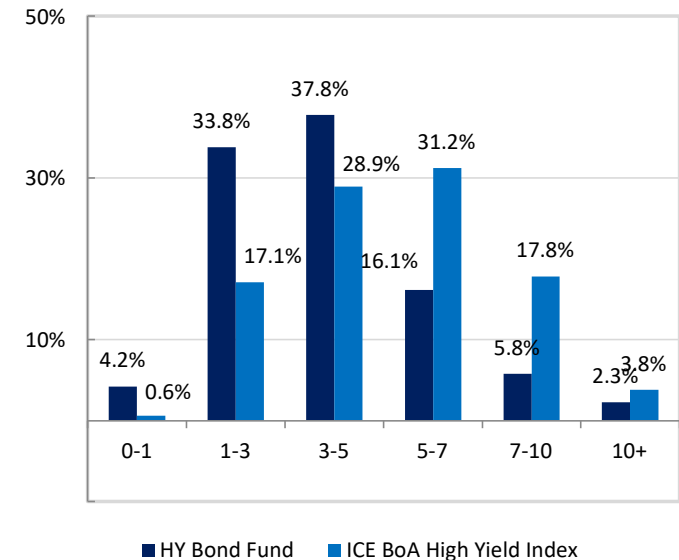
Credit Quality Allocation



Characteristics

	Portfolio	Benchmark
Holdings Count	416	1,656
Yield To Maturity (%)	9.7	8.1
Effective Duration	3.9	4.4
Modified Duration	4.1	4.4
Avg. Quality	B	bb
Avg. Maturity	5.1	5.6

Maturity Allocation



* The current High Yield custom benchmark is 60% BofA ML US HY BB-B Constrained / 40% Credit Suisse Leveraged Loans

Standard Funds

Fixed Income Standard Fund

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Standard-Fixed Income	1.93%	-1.48%	0.78%	3.88%
Standard-Fixed Income Policy	2.13%	-2.03%	0.47%	4.55%

Composition		
	Actual	Target
Core Bond Pref. Fund	79.31%	80.0%
High Yield Bond Pref. Fund	20.0%	20.0%
Cash	0.73%	0.0%

Conservative Balanced Standard Fund

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Standard-Conservative Balanced	3.93%	0.13%	2.09%	4.82%
Standard-Conservative Balanced Policy	4.21%	-0.36%	1.80%	4.81%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	15.15%	15.0%
International Pref. Fund	11.07%	10.0%
Core Bond Pref. Fund	57.45%	60.0%
High Yield Bond Pref. Fund	14.85%	15.0%
Cash	1.48%	0.0%

Moderate Balanced Standard Fund

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Standard-Moderate Balanced	6.03%	1.44%	3.11%	5.56%
Standard-Moderate Balanced Policy	6.28%	1.16%	2.96%	6.16%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	29.95%	30.0%
International Pref. Fund	20.78%	20.0%
Core Bond Pref. Fund	38.04%	40.0%
High Yield Bond Pref. Fund	9.60%	10.0%
Cash	1.62%	0.0%

Standard Funds (continued)

Aggressive Balanced Standard Fund

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Standard-Aggressive Balanced	8.33%	2.67%	4.13%	6.00%
Standard-Aggressive Balanced Policy	8.34%	2.51%	3.99%	6.22%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	45.33%	45.0%
International Pref. Fund	30.39%	30.0%
Core Bond Pref. Fund	18.44%	20.0%
High Yield Bond Pref. Fund	4.81%	5.0%
Cash	1.04%	0.0%

Equity Standard Fund

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Standard-Equity	10.68%	3.59%	4.94%	6.42%
Standard-Equity Policy	10.39%	3.69%	4.86%	7.04%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	56.91%	60.0%
International Pref. Fund	41.4%	40.0%
Cash	1.69%	0.0%

Notes

Domestic Equity Fund Benchmark: Since Inception through 12/31/2015: Wilshire 5000; 90% Russell 1000/10% Russell 2000 until 1/31/17, 65% Russell 1000/20% S&P Equal Weighted/10% Russell 2000/5% NAREIT Equity Index through 2/28/2019, 65% Russell 1000/ 15% S&P Equal Weighted/ 10% Russell 2000/ 10% NAREIT Equity Index through 1/31/2021, and gradually shifting to 70% Russell 1000/ 15% S&P Equal Weighted/ 10% Russell 2000/ 5% NAREIT Equity Index by 5/1/2021 and thereafter.

International Equity Fund Benchmark: 75% MSCI ACWI x US net/25% MSCI EAFE through 12/31/2011, 100% MSCI ACWI x US net Index through 6/30/16, 27% MSCI ACWI x US net/6% MSCI Canada IMI/32%MSCI EAFE/10%MSCI EAFE Small Cap/25%MSCI Emerging Markets through 6/30/2018 and 33% MSCI ACWI x US net/ 32%MSCI EAFE/10%MSCI EAFE Small Cap/25%MSCI Emerging Markets through 2/28/2019, 33% MSCI World x US net/ 27%MSCI EAFE/10%MSCI EAFE Small Cap/30%MSCI Emerging Markets through 1/31/2021, gradually shifting to 33% MSCI World x US net/ 22%MSCIEAFE/10%MSCI EAFE Small Cap/35%MSCI Emerging Markets by 5/1/2021 and thereafter.

Core Bond Fund Index is comprised of 75%/25% Barclays Intermediate Aggregate and Barclays Aggregate Index through 12/31/2007, 100% Barclays Agg. Index through 10/31/2016, 95% Barclays Agg/5% Barclays US TIPS through 2/28/2017, 90% Barclays Agg/10% Barclays US TIPS through 4/30/2017, 85% Barclays Agg/15% Barclays US TIPS through 5/31/2017, 80%BarclaysAgg/20% Barclays US TIPS through 3/31/2020 and Barclay Aggregate Index thereafter.

High Yield Bond Fund Index includes FTSE High Yield Cash Pay Capped Index through 3/31/15, 75% ICE BofA ML US HY BB-B Constrained / 25% Credit Suisse Leveraged Loans through 6/30/16, 66% ICE BofA ML US HY BB-B Constrained / 34% Credit Suisse Leveraged Loans through 6/30/2018, 50% ICE BofA ML US HY BB-B Constrained / 50% Credit Suisse Leveraged Loans through 3/31/2020, 60% ICE BofA ML US HY BB-B Constrained / 40% Credit Suisse Leveraged Loans through 6/30,2022, and 40% ICE BofA ML US HY BB-B Constrained / 60% Credit Suisse Leveraged Loans thereafter.

Market Index Returns

	3 Mo	1 Yr	3 Yr	5 Yr	Return	Since
S&P 500	7.56%	-18.11%	7.66%	9.42%	6.57%	Nov-99
Russell 1000	7.24%	-19.13%	7.35%	9.13%	6.77%	Nov-99
Russell 2000	6.23%	-20.44%	3.10%	4.13%	7.71%	Nov-99
MSCI ACWI ex USA	16.18%	-14.29%	1.27%	1.79%	3.69%	Nov-99
MSCI EAFE	17.34%	-14.45%	0.87%	1.54%	3.51%	Nov-99
MSCI Emerging Markets	9.70%	-20.09%	-2.69%	-1.40%	6.33%	Nov-99
Bloomberg Aggregate	1.87%	-13.01%	-2.71%	0.02%	3.94%	Nov-99
ICE BofA BB-B US High Yield TR	4.32%	-10.61%	-0.22%	2.30%	5.86%	Nov-99
Credit Suisse Lev. Loans	2.33%	-1.06%	2.34%	3.24%	4.45%	Nov-99