



## Foundation Funds

### Quarterly Performance Summary

March 31, 2018

#### Capital Markets Overview

##### U.S. Equity Market

Volatility roared back into US equity markets in the first quarter. Stoked by fears of rising Treasury yields and a tumultuous unwinding in the short-equity volatility trade, the S&P 500's run of 15 straight months in the black ended in February. Markets fared no better in March amid an escalation in trade tensions between the United States and China. The prospect of disruption in economic trade between the world's two largest economies rattled markets globally, sending stocks lower and pushing credit spreads higher.

##### Global Equity Markets

Volatility dulled returns in the first quarter amid heightening concerns around trade tensions between the United States and China. Developed market stocks outside of North America declined 1.5%, according to the MSCI EAFE Index, while emerging market equities eked out gains of 1.4%. The currency hedged MSCI EAFE Index lost 4.3% during the quarter as most currencies strengthened against the dollar. Information technology dominated sector performance, posting strong returns globally.

##### Fixed Income Markets

Credit was mostly subdued in the first quarter with the Bloomberg Barclays Aggregate down 1.5% and the Bloomberg Barclays High Yield Index losing 0.9%; breaking from the pack, the Credit Suisse Leveraged Loan Index was up 1.6%. US long credit was down 3.8%, while long Treasuries fell 3.3% with yields on the 10-year note finishing at 2.74%. Outside the US, emerging markets continued to rally with local debt leading the way. The JPM GBI-EM Index returned 4.4% in the first quarter, bolstered by emerging market currencies which were up 2.5%. Hard currency sovereign debt didn't fare as well, falling 2.0% as spreads widened.

## Performance Overview

Foundation Standard Funds							
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Return	Since
Standard-Equity	-0.75%	-0.75%	14.35%	8.57%	9.88%	6.66%	Jan-97
<i>Standard-Equity Policy</i>	-1.10%	-1.10%	14.25%	8.25%	9.90%	7.39%	Jan-97
Standard-Fixed Income	-1.07%	-1.07%	2.10%	2.27%	2.49%	4.52%	Jan-97
<i>Standard-Fixed Income Policy</i>	-1.10%	-1.10%	1.73%	1.85%	2.40%	5.43%	Jan-97
Standard-Conservative Balanced	-0.91%	-0.91%	5.18%	3.88%	4.35%	5.54%	Dec-01
<i>Standard-Conservative Balanced Policy</i>	-1.06%	-1.06%	4.80%	3.52%	4.32%	5.60%	Dec-01
Standard-Moderate Balanced	-0.87%	-0.87%	8.14%	5.60%	6.60%	6.03%	Jan-97
<i>Standard-Moderate Balanced Policy</i>	-1.04%	-1.04%	7.91%	5.14%	6.56%	6.79%	Jan-97
Standard-Aggressive Balanced	-0.78%	-0.78%	11.26%	7.12%	8.03%	6.43%	Dec-01
<i>Standard-Aggressive Balanced Policy</i>	-1.06%	-1.06%	11.06%	6.72%	8.08%	6.72%	Dec-01

Foundation Preference Funds							
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Return	Since
Domestic Equity Fund	-0.53%	-0.53%	12.58%	10.10%	12.82%	6.31%	Nov-99
Domestic Equity Index	-1.04%	-1.04%	12.37%	9.85%	12.74%	6.15%	Nov-99
International Equity Fund	-0.97%	-0.97%	16.70%	6.71%	6.08%	4.88%	Nov-99
Int'l Equity Fund Index	-0.88%	-0.88%	17.97%	6.71%	6.20%	4.65%	Nov-99
Core Bond Fund	-1.28%	-1.28%	1.74%	1.77%	2.06%	4.79%	Nov-99
Core Bond Fund Index	-1.33%	-1.33%	1.21%	1.22%	1.83%	4.80%	Nov-99
High Yield Bond Fund	-0.31%	-0.31%	3.52%	4.22%	4.25%	6.79%	Nov-99
High Yield Bond Fund Index	-0.20%	-0.20%	3.84%	4.62%	4.46%	6.97%	Nov-99
Money Market Fund	0.26%	0.26%	0.87%	0.49%	0.32%	1.70%	Nov-99
Citi 3mth Treasury Bill	0.35%	0.35%	1.07%	0.49%	0.31%	1.68%	Nov-99

Market Returns							
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Return	Since
S&P 500	-0.76%	-0.76%	13.99%	10.78%	13.31%	5.68%	Nov-99
Russell 1000	-0.69%	-0.69%	13.98%	10.39%	13.17%	6.00%	Nov-99
Russell 2000	-0.08%	-0.08%	11.79%	8.39%	11.47%	8.59%	Nov-99
MSCI ACWI ex USA	-1.18%	-1.18%	16.53%	6.18%	5.89%	4.60%	Nov-99
MSCI EAFE	-1.53%	-1.53%	14.80%	5.55%	6.50%	3.91%	Nov-99
MSCI Emerging Markets	1.42%	1.42%	24.93%	8.81%	4.99%	8.52%	Nov-99
Barclays Aggregate	-1.46%	-1.46%	1.20%	1.20%	1.82%	4.88%	Nov-99
BofA Merrill Lynch US High Yield BB-B Rated	-1.12%	-1.12%	3.41%	4.72%	4.84%	6.60%	Nov-99

## Domestic Equity Fund Summary

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
Domestic Equity Fund	-0.53%	10.10%	12.82%	6.31%
Domestic Equity Index	-1.04%	9.85%	12.74%	6.15%

Fund Composition				
Manager	Investment Style	Position in Fund	1Q Manager Return	1Q Benchmark Return
BlackRock Russell 1000	Large Cap Core	49.6%	-0.7%	-0.7%
Jacobs Levy	Large Cap Core	15.7%	2.1%	-0.7%
Rhumblin	Large Cap Equal Weighted	19.9%	-1.0%	-1.0%
Peregrine	Small Cap Growth	5.3%	4.6%	2.3%
Wellington	Small Cap Value	4.8%	-4.0%	-2.6%
CenterSquare	REIT	4.6%	-7.6%	-8.2%
Cash	n/a	0.1%		

CHARACTERISTICS		
	Portfolio	Russell 3000
Number of Holdings	1,218	2,958
Weighted Avg. Market Cap. (\$B)	107.7	152.0
Median Market Cap. (\$B)	11.0	1.7
Price to Earnings	26.0	23.5
Price to Book	4.8	4.3
Price to Sales	4	4.0
Return on Equity (%)	19.4	19.0
Yield (%)	1.8	1.8
Beta	1.0	1.0
R-Squared	1.0	1.0

TOP 10 HOLDINGS	
Company	Percentage
APPLE	2.1%
MICROSOFT	1.8%
AMAZON.COM	1.6%
FACEBOOK CLASS A	1.1%
ALPHABET 'C'	1.0%
BERKSHIRE HATHAWAY 'B'	0.8%
JP MORGAN CHASE & CO.	0.8%
JOHNSON & JOHNSON	0.7%
EXXON MOBILE	0.7%
CHEVRON	0.7%

SECTOR ALLOCATION		
	Portfolio	Russell 3000
Energy	5.5	5.4
Materials	3.5	3.3
Industrials	12.9	10.9
Consumer Discretionary	12.4	12.8
Consumer Staples	5.7	6.8
Health Care	11.9	13.3
Financials	14.0	15.1
Information Technology	21.0	23.9
Telecommunication Services	1.3	1.8
Utilities	2.8	2.9
Real Estate	8.6	3.7

## International Equity Fund Summary

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
International Equity Fund	-0.97%	6.71%	6.08%	4.88%
Int'l Equity Fund Index	-0.88%	6.71%	6.20%	4.65%

Fund Composition				
Manager	Investment Style	Position in Fund	1Q Manager Return	1Q Benchmark Return
BlackRock	MSCI World ex US	27.7%	-2.2%	-2.0%
BlackRock Canada	MSCI Canada	4.4%	-7.5%	-7.5%
MFS	EAFE	16.2%	-0.9%	-1.5%
Marathon	EAFE	16.0%	-1.3%	-1.5%
AQR International	EAFE Small Cap	10.3%	0.0%	0.2%
Aberdeen	Emerging Markets	12.4%	0.1%	1.4%
OFI International	Emerging Markets	12.8%	3.0%	1.4%
Cash	n/a	0.3%		

CHARACTERISTICS		
	Portfolio	MSCI ACWI ex US
Number of Holdings	2,205	1,864
Weighted Avg. Market Cap. (\$B)	52.7	65.0
Median Market Cap. (\$B)	6.1	8.5
Price to Earnings	21.6	18.6
Price to Book	3.6	2.5
Price to Sales	3.1	2.3
Return on Equity (%)	18.2	15.4
Yield (%)	2.5	3.0
Beta	0.9	1.0
R-Squared	1.0	1.0

TOP 10 HOLDINGS	
CASH - USD	1.6%
TAIWAN SEMICON.MNFG.	1.6%
TENCENT HOLDINGS	1.2%
AIA GROUP	1.1%
HOUSING DEVELOPMENT FIN.	0.9%
NESTLE 'R'	0.9%
ROCHE HOLDING	0.8%
ALIBABA GROUP HLDG.SPN. ADR 1:1	0.7%
SAMSUNG EL TN.PREF. SUSP-SUSP.30/04/18	0.7%
LVMH	0.7%

SECTOR ALLOCATION		
	Portfolio	MSCI ACWI ex US
Energy	4.8	6.7
Materials	7.6	8.0
Industrials	13.6	11.8
Consumer Discretionary	13.9	11.4
Consumer Staples	10.7	9.4
Health Care	7.3	7.7
Financials	20.3	23.2
Information Technology	12.5	11.8
Telecommunication Services	2.6	3.9
Utilities	1.6	3.0
Real Estate	3.3	3.2

## Core Bond Fund Summary

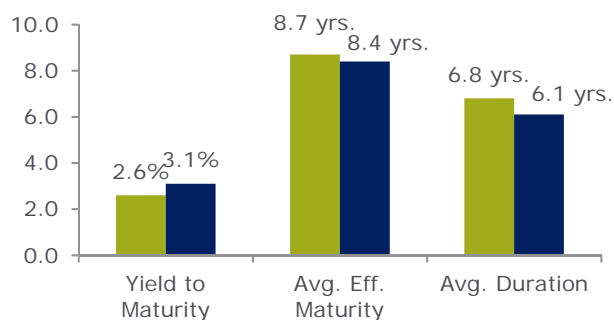
### Performance Summary

	1Q	3 Yr	5 Yr	Since Inception
Core Bond Fund	-1.28%	1.77%	2.06%	4.79%
Core Bond Fund Index	-1.33%	1.22%	1.83%	4.80%

### Fund Composition

Manager	Investment Style	Position in Fund	1Q Manager Return	1Q Benchmark Return
JP Morgan Core	Core Bond	40.0%	-1.2%	-1.5%
Prudential Core	Core Bond	39.8%	-1.5%	-1.5%
BlackRock TIPS	TIPS	20.1%	-0.7%	-0.8%
Cash	n/a	0.1%		

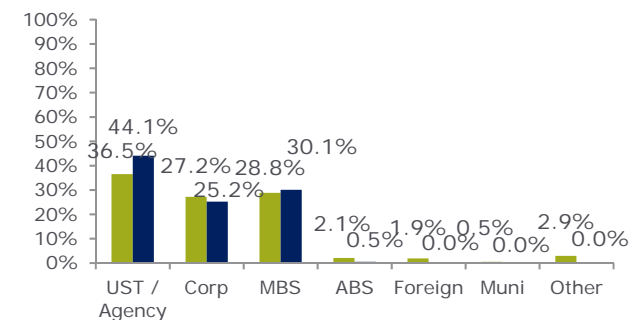
### CHARACTERISTICS



### TOP 10 HOLDINGS

CASH - USD	2.9%
FNMA CONV 30 YR SF	1.9%
GNMA2 SINGLE FAMILY 30 YR MULTIPLE	1.5%
UST 0.125 04/15/19	1.2%
FNMA ACTUAL/360 BALLON DUS	1.2%
UNITED STATES TREASURY	1.0%
UST 0.125 04/15/20	1.0%
UST 2.000 02/15/25	0.9%
UST 0.125 07/15/26 When Iss	0.9%
FNMA CONV 15 YR SF	0.9%

### SECTOR ALLOCATION



Core Bond Fund      Barclays Aggregate

## High Yield Bond Fund Summary

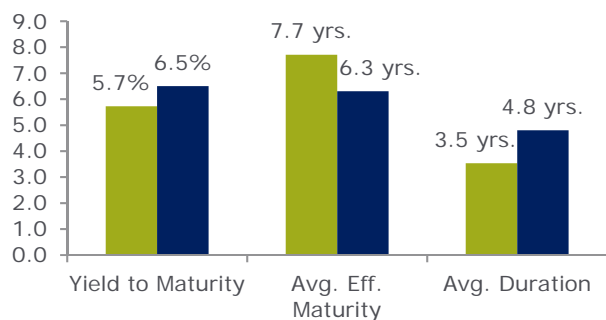
### Performance Summary

	1Q	3 Yr	5 Yr	Since Inception
High Yield Bond Fund	-0.31%	4.22%	4.25%	6.79%
High Yield Bond Fund Index	-0.20%	4.62%	4.46%	6.97%

### Fund Composition

Manager	Investment Style	Position in Fund	1Q Manager Return	1Q Benchmark Return
Fort Washington	High Yield Bond	32.8%	-1.0%	-1.1%
Nomura Clydesdale	High Yield Bond	32.8%	-0.9%	-1.1%
Credit Suisse	Leveraged Loan	34.3%	0.9%	1.6%
Cash	n/a	0.1%		

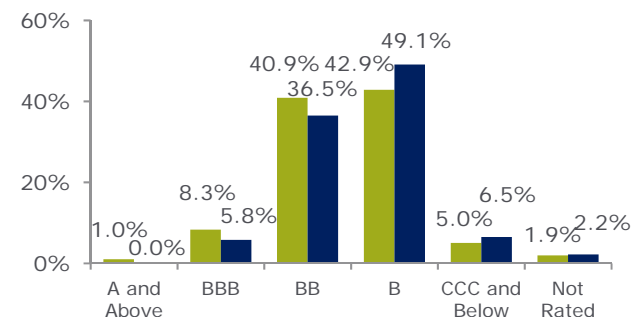
### CHARACTERISTICS



### TOP 10 HOLDINGS

CASH - USD	5.1%
NUME 6.000 05/15/22 '17	0.8%
SPRINT COMMUNICATIONS INC	0.8%
NEPTUNE FINCO CORP	0.7%
FRONTIER COMMUNICATIONS CORP	0.5%
UHOSI 7.625 08/15/20	0.5%
MGM RESORTS INTERNATIONAL	0.5%
THC 6.000 10/01/20	0.5%
CTL 5.800 03/15/22	0.5%
CLRX 5.000 09/15/22	0.5%

### QUALITY RATINGS



■ High Yield Bond Fund ■ High Yield Custom Benchmark\*

\*High Yield custom benchmark is 66% Bloomberg Barclays US High Yield/34% CS Leveraged Loan

## Standard Funds Summary

### Equity Standard Fund

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
Standard-Equity	-0.75%	8.57%	9.88%	6.66%
Standard-Equity Policy	-1.10%	8.25%	9.90%	7.39%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	54.39%	55.0%
International Pref. Fund	44.25%	45.0%
Cash	1.36%	0.0%

### Fixed Income Standard Fund

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
Standard-Fixed Income	-1.07%	2.27%	2.49%	4.52%
Standard-Fixed Income Policy	-1.10%	1.85%	2.40%	5.43%

Composition		
	Actual	Target
Core Bond Pref. Fund	78.53%	80.0%
High Yield Bond Pref. Fund	19.50%	20.0%
Cash	1.97%	0.0%

### Conservative Balanced Standard Fund

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
Standard-Conservative Balanced	-0.91%	3.88%	4.35%	5.54%
Standard-Conservative Balanced Policy	-1.06%	3.52%	4.32%	5.60%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	13.17%	13.8%
International Pref. Fund	10.59%	11.2%
Core Bond Pref. Fund	60.02%	60.0%
High Yield Bond Pref. Fund	14.85%	15.0%
Cash	1.37%	0.0%

## Standard Funds Summary (continued)

### Moderate Balanced Standard Fund

	Performance Summary			
	1Q	3 Yr	5 Yr	Since Inception
Standard-Moderate Balanced	-0.87%	5.60%	6.60%	6.03%
Standard-Moderate Balanced Policy	-1.04%	5.14%	6.56%	6.79%

	Composition	
	Actual	Target
Domestic Equity Pref. Fund	26.73%	27.5%
International Pref. Fund	21.74%	22.5%
Core Bond Pref. Fund	39.84%	40.0%
High Yield Bond Pref. Fund	9.85%	10.0%
Cash	1.84%	0.0%

### Aggressive Balanced Standard Fund

	Performance Summary			
	1Q	3 Yr	5 Yr	Since Inception
Standard-Aggressive Balanced	-0.78%	7.12%	8.03%	6.43%
Standard-Aggressive Balanced Policy	-1.06%	6.72%	8.08%	6.72%

	Composition	
	Actual	Target
Domestic Equity Pref. Fund	40.69%	41.3%
International Pref. Fund	33.29%	33.7%
Core Bond Pref. Fund	19.79%	20.0%
High Yield Bond Pref. Fund	4.92%	5.0%
Cash	1.31%	0.0%



## Notes

Domestic Equity Fund Benchmark: Since Inception through 12/31/2015: Wilshire 5000; 1/1/2016 to 1/31/2017: 90% Russell 1000/10% Russell 2000; 2/28/2017 to present: 65% Russell 1000/20% S&P 500 Equal Weighted/10% Russell 2000/5% NAREIT Equity.

International Equity Fund Benchmark: Since Inception through 12/31/2011: 75% MSCI ACWI ex-U.S. Index/25% MSCI EAFE Index; 1/1/2012 to 6/30/2016: 100% MSCI ACWI ex-U.S. Index; 7/1/2016 to present: 27% MSCI ACWI ex-U.S. Index/6% MSCI Canada IMI/32% MSCI EAFE/10% MSCI EAFE Small Cap/25% MSCI EM.

Core Fixed Income Fund Benchmark: Since Inception through 12/31/2007: 75% Barclays U.S. Aggregate Intermediate Index/25% Barclays U.S. Aggregate Index; 1/1/2008 to 10/30/2016: 100% Barclays U.S. Aggregate Index; 11/1/2016 to 2/28/2017: 95% Barclays U.S. Aggregate Index/5% Barclays U.S. TIPS; 3/1/2017 to 4/30/2017: 90% BBgBarc U.S. Aggregate/10% BBgBarc U.S. TIPS; 5/1/2017 to 5/31/2017: 85% BBgBarc U.S. Aggregate/15% BBgBarc U.S. TIPS; 6/1/2017 to present: 80% BBgBarc U.S. Aggregate/20% BBgBarc U.S. TIPS.

High Yield Bond Fund Benchmark: Since Inception through 3/31/2015: Citi High Yield Cash Pay Capped Index; 4/1/2015 to 6/30/2016: 75% BofA ML US HY BB-B Constrained/25% Credit Suisse Leveraged Loans; 7/1/2016 to present: 66% BofA ML US HY BB-B Constrained/34% Credit Suisse Leveraged Loans.