

Foundation Funds

Quarterly Performance Summary

June 30, 2018

Capital Markets Overview

U.S. Equity Market

The second quarter saw a shifting landscape marked by an escalation in US-China trade tensions and tighter monetary policy from the Federal Reserve. That said, a steady drumbeat of robust economic news, including the continuing economic expansion in the United States, took some of the edge off. Domestic stocks led the way globally with the S&P 500 returning 3.4%. US markets were buoyed by a robust employment report with joblessness hitting an 18-year-old low in May. Value beat growth in small-cap stocks while growth outperformed value in the large caps; small-cap stocks bested large caps.

International Equity Markets

A stronger dollar offset gains posted by local equities in non-US markets. Growth stocks outperformed value while large-cap equities bested small caps. Bolstered by rising oil prices, energy was the strongest performing sector with gains of 10.3%. Financials and telecom sectors lagged with losses of 5.6% and 4.1%, respectively. Emerging markets took a hit with stocks posting their worst quarter since 2015 with losses of nearly 8% in the second quarter. Within sectors, financials, real estate and industrials were the worst performers. Of note, MSCI said it would add 236 China A-share stocks to its emerging markets index, in addition to including Argentina and Saudi Arabia.

Fixed Income Markets

The Bloomberg Barclays Aggregate Index was down 0.2% as corporate spreads remained relatively flat in the second quarter. The BofA Merrill Lynch High Yield BB-B Index gained 0.7%, while the Credit Suisse Leveraged Loans Index was up 0.8% as bank loans continued to lead high-yield performance so far this year. Outside the US, emerging markets debt had a rough quarter in dollar-denominated and local currencies, losing 3.5% and 10.4%, respectively, amid drawdowns of local currencies stoked by concerns around US tariffs and election results in Turkey and Mexico.

Performance Overview

| Foundation Standard Funds | | | | | | | |
|--|-------|--------|--------|-------|--------|--------|--------|
| | 3 Mo | YTD | 1 Yr | 3 Yr | 5 Yr | Return | Since |
| Standard-Equity | 1.22% | 0.46% | 11.20% | 8.65% | 10.05% | 6.64% | Jan-97 |
| <i>Standard-Equity Policy</i> | 1.09% | -0.02% | 10.89% | 8.53% | 10.05% | 7.36% | Jan-97 |
| Standard-Fixed Income | 0.16% | -0.91% | 0.82% | 2.66% | 3.08% | 4.48% | Jan-97 |
| <i>Standard-Fixed Income Policy</i> | 0.16% | -0.94% | 0.65% | 2.37% | 2.88% | 5.37% | Jan-97 |
| Standard-Conservative Balanced | 0.42% | -0.49% | 3.46% | 4.20% | 4.82% | 5.48% | Dec-01 |
| <i>Standard-Conservative Balanced Policy</i> | 0.40% | -0.66% | 3.19% | 3.98% | 4.73% | 5.54% | Dec-01 |
| Standard-Moderate Balanced | 0.68% | -0.19% | 5.98% | 5.84% | 6.84% | 5.99% | Jan-97 |
| <i>Standard-Moderate Balanced Policy</i> | 0.63% | -0.42% | 5.74% | 5.54% | 6.83% | 6.74% | Jan-97 |
| Standard-Aggressive Balanced | 0.95% | 0.16% | 8.62% | 7.12% | 8.34% | 6.39% | Dec-01 |
| <i>Standard-Aggressive Balanced Policy</i> | 0.87% | -0.20% | 8.31% | 7.07% | 8.31% | 6.67% | Dec-01 |

| Foundation Preference Funds | | | | | | | |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|
| | 3 Mo | YTD | 1 Yr | 3 Yr | 5 Yr | Return | Since |
| Domestic Equity Fund | 4.10% | 3.55% | 14.62% | 11.35% | 13.16% | 6.45% | Nov-99 |
| Domestic Equity Index | 4.15% | 3.06% | 13.82% | 11.32% | 13.04% | 6.30% | Nov-99 |
| International Equity Fund | -2.40% | -3.35% | 7.00% | 5.36% | 6.08% | 4.67% | Nov-99 |
| Int'l Equity Fund Index | -2.99% | -3.85% | 8.03% | 5.45% | 6.23% | 4.41% | Nov-99 |
| Core Bond Fund | 0.02% | -1.26% | 0.39% | 2.25% | 2.66% | 4.73% | Nov-99 |
| Core Bond Fund Index | 0.03% | -1.30% | 0.10% | 1.80% | 2.32% | 4.74% | Nov-99 |
| High Yield Bond Fund | 0.75% | 0.43% | 2.70% | 4.36% | 4.87% | 6.75% | Nov-99 |
| High Yield Bond Fund Index | 0.71% | 0.50% | 2.82% | 4.79% | 4.90% | 6.91% | Nov-99 |
| Money Market Fund | 0.31% | 0.57% | 1.02% | 0.58% | 0.38% | 1.69% | Nov-99 |
| Citi 3mth Treasury Bill | 0.44% | 0.79% | 1.33% | 0.64% | 0.39% | 1.68% | Nov-99 |

| Market Returns | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|
| | 3 Mo | YTD | 1 Yr | 3 Yr | 5 Yr | Return | Since |
| S&P 500 | 3.43% | 2.65% | 14.37% | 11.93% | 13.42% | 5.79% | Nov-99 |
| Russell 1000 | 3.57% | 2.85% | 14.54% | 11.64% | 13.37% | 6.12% | Nov-99 |
| Russell 2000 | 7.75% | 7.66% | 17.57% | 10.96% | 12.46% | 8.90% | Nov-99 |
| MSCI ACWI ex USA | -2.61% | -3.77% | 7.28% | 5.07% | 5.99% | 4.39% | Nov-99 |
| MSCI EAFE | -1.24% | -2.75% | 6.84% | 4.90% | 6.44% | 3.79% | Nov-99 |
| MSCI Emerging Markets | -7.96% | -6.66% | 8.20% | 5.60% | 5.01% | 7.92% | Nov-99 |
| Barclays Aggregate | -0.16% | -1.62% | -0.40% | 1.72% | 2.27% | 4.81% | Nov-99 |
| BofA Merrill Lynch US High Yield BB-B Rated | 0.66% | -0.47% | 1.82% | 4.94% | 5.31% | 6.54% | Nov-99 |

Domestic Equity Fund Summary

| Performance Summary | | | | |
|-----------------------|-------|--------|--------|-----------------|
| | 2Q | 3 Yr | 5 Yr | Since Inception |
| Domestic Equity Fund | 4.10% | 11.35% | 13.16% | 6.45% |
| Domestic Equity Index | 4.15% | 11.32% | 13.04% | 6.30% |

| Fund Composition | | | | |
|------------------------|--------------------------|------------------|-------------------|---------------------|
| Manager | Investment Style | Position in Fund | 2Q Manager Return | 2Q Benchmark Return |
| BlackRock Russell 1000 | Large Cap Core | 48.4% | 3.6% | 3.6% |
| Jacobs Levy | Large Cap Core | 16.0% | 3.9% | 3.6% |
| Rhumblin | Large Cap Equal Weighted | 20.0% | 2.8% | 2.8% |
| Peregrine | Small Cap Growth | 5.4% | 8.9% | 7.2% |
| Wellington | Small Cap Value | 5.1% | 8.1% | 8.3% |
| CenterSquare | REIT | 5.0% | 9.1% | 10.0% |
| Cash | n/a | 0.1% | | |

| CHARACTERISTICS | | |
|---------------------------------|-----------|--------------|
| | Portfolio | Russell 3000 |
| Number of Holdings | 1,179 | 3,008 |
| Weighted Avg. Market Cap. (\$B) | 114.9 | 164.7 |
| Median Market Cap. (\$B) | 11.0 | 1.8 |
| Price to Earnings | 30.9 | 22.8 |
| Price to Book | 4.3 | 4.6 |
| Price to Sales | 4.1 | 4.0 |
| Return on Equity (%) | 18.1 | 19.4 |
| Yield (%) | 1.8 | 1.8 |
| Beta | 1.0 | 1.0 |
| R-Squared | 1.0 | 1.0 |

| TOP 10 HOLDINGS | |
|------------------------|------|
| APPLE | 2.2% |
| MICROSOFT | 1.9% |
| AMAZON.COM | 1.8% |
| FACEBOOK CLASS A | 1.2% |
| JP MORGAN CHASE & CO. | 0.9% |
| BERKSHIRE HATHAWAY 'B' | 0.7% |
| EXXON MOBIL | 0.7% |
| ALPHABET A | 0.7% |
| JOHNSON & JOHNSON | 0.7% |
| CASH - USD | 0.6% |

| SECTOR ALLOCATION | | |
|----------------------------|-----------|--------------|
| | Portfolio | Russell 3000 |
| Energy | 5.9 | 6.0 |
| Materials | 3.4 | 3.1 |
| Industrials | 12.1 | 10.2 |
| Consumer Discretionary | 12.6 | 13.1 |
| Consumer Staples | 5.3 | 6.2 |
| Health Care | 12.3 | 13.8 |
| Financials | 13.6 | 14.3 |
| Information Technology | 20.8 | 24.7 |
| Telecommunication Services | 1.2 | 1.8 |
| Utilities | 3.0 | 2.9 |
| Real Estate | 9.3 | 3.8 |

International Equity Fund Summary

| Performance Summary | | | | |
|---------------------------|--------|-------|-------|-----------------|
| | 2Q | 3 Yr | 5 Yr | Since Inception |
| International Equity Fund | -2.40% | 5.36% | 6.08% | 4.67% |
| Int'l Equity Fund Index | -2.99% | 5.45% | 6.23% | 4.41% |

| Fund Composition | | | | |
|-------------------|------------------|------------------|-------------------|---------------------|
| Manager | Investment Style | Position in Fund | 2Q Manager Return | 2Q Benchmark Return |
| BlackRock | MSCI World ex US | 32.0% | -0.6% | -0.7% |
| BlackRock Canada | MSCI Canada | 0.0% | 4.1% | 4.9% |
| MFS | EAFE | 16.6% | -0.9% | -1.2% |
| Marathon | EAFE | 16.5% | -0.1% | -1.2% |
| AQR International | EAFE Small Cap | 10.4% | -2.8% | -1.6% |
| Aberdeen | Emerging Markets | 11.4% | -11.1% | -8.0% |
| OFI International | Emerging Markets | 12.6% | -3.9% | -8.0% |
| Cash | n/a | 0.3% | | |

| CHARACTERISTICS | | |
|---------------------------------|-----------|-----------------|
| | Portfolio | MSCI ACWI ex US |
| Number of Holdings | 2,003 | 2,154 |
| Weighted Avg. Market Cap. (\$B) | 55 | 63.2 |
| Median Market Cap. (\$B) | 9.4 | 7.9 |
| Price to Earnings | 22.2 | 19 |
| Price to Book | 3.2 | 2.5 |
| Price to Sales | 3 | 2.4 |
| Return on Equity (%) | 17.1 | 15.4 |
| Yield (%) | 2.5 | 3.0 |
| Beta | 0.9 | 1.0 |
| R-Squared | 1.0 | 1.0 |

| TOP 10 HOLDINGS | |
|---------------------------------|------|
| MEDIA NUSNT.CITRA | 2.4% |
| SAMSUNG ELECTRONICS | 2.0% |
| TENCENT HOLDINGS | 1.5% |
| TAIWAN SEMICON.MNFG. | 1.5% |
| AIA GROUP | 1.2% |
| SHINHAN FINL.GROUP | 1.1% |
| NESTLE 'R' | 0.9% |
| HOUSING DEVELOPMENT FIN. | 0.8% |
| ALIBABA GROUP HLDG.SPN. ADR 1:1 | 0.8% |
| LVMH | 0.8% |

| SECTOR ALLOCATION | | |
|----------------------------|-----------|-----------------|
| | Portfolio | MSCI ACWI ex US |
| Energy | 4.3 | 7.4 |
| Materials | 6.6 | 8.2 |
| Industrials | 12.6 | 11.7 |
| Consumer Discretionary | 16.0 | 11.2 |
| Consumer Staples | 10.1 | 9.7 |
| Health Care | 6.7 | 8.1 |
| Financials | 19.8 | 21.9 |
| Information Technology | 15.3 | 11.9 |
| Telecommunication Services | 2.9 | 3.7 |
| Utilities | 1.7 | 3.0 |
| Real Estate | 3.4 | 3.2 |
| Unclassified | 0.8 | 0 |

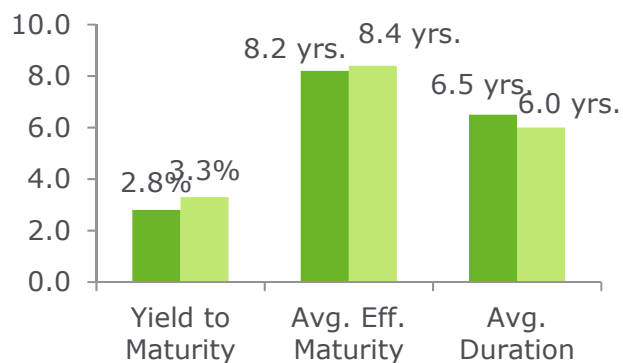
*International Equity custom benchmark is 27% MSCI ACWI ex US/6% MSCI Canada IMI/32% MSCI EAFE/10% MSCI EAFE Small Cap/25% MSCI EM

Core Bond Fund Summary

| Performance Summary | | | | |
|----------------------|-------|-------|-------|-----------------|
| | 2Q | 3 Yr | 5 Yr | Since Inception |
| Core Bond Fund | 0.02% | 2.25% | 2.66% | 4.73% |
| Core Bond Fund Index | 0.03% | 1.80% | 2.32% | 4.74% |

| Fund Composition | | | | |
|------------------|------------------|------------------|-------------------|---------------------|
| Manager | Investment Style | Position in Fund | 2Q Manager Return | 2Q Benchmark Return |
| JP Morgan Core | Core Bond | 40.0% | -0.2% | -0.2% |
| Prudential Core | Core Bond | 40.0% | -0.1% | -0.2% |
| BlackRock TIPS | TIPS | 19.9% | 0.8% | 0.8% |
| Cash | n/a | 0.1% | | |

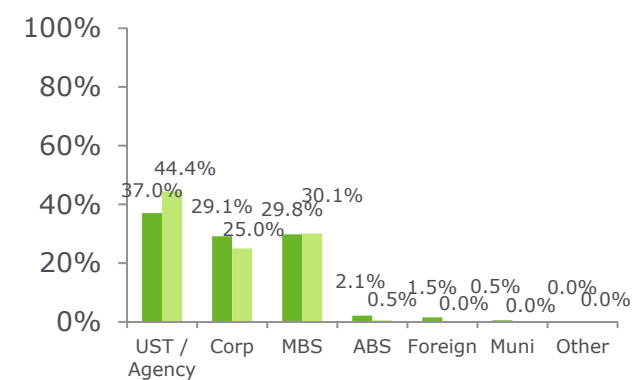
CHARACTERISTICS



TOP 10 HOLDINGS

| | |
|------------------------------------|------|
| FNMA COV 30 YR SF | 2.3% |
| FNMA ACTUAL/360 BALLOON DUS | 1.6% |
| GNMA2 SINGLE FAMILY 30 YR MULTIPLE | 1.3% |
| UST 2.125 05/15/25 | 1.1% |
| UST 0.125 04/15/22 | 1.0% |
| UST 0.125 04/15/20 | 1.0% |
| UST 0.375 07/15/27 | 0.9% |
| UNITED STATES TREASURY | 0.9% |
| UST 0.125 07/15/26 | 0.9% |
| UNITED STATES TREASURY | 0.9% |

SECTOR ALLOCATION



■ Core Bond Fund ■ Barclays Aggregate

High Yield Bond Fund Summary

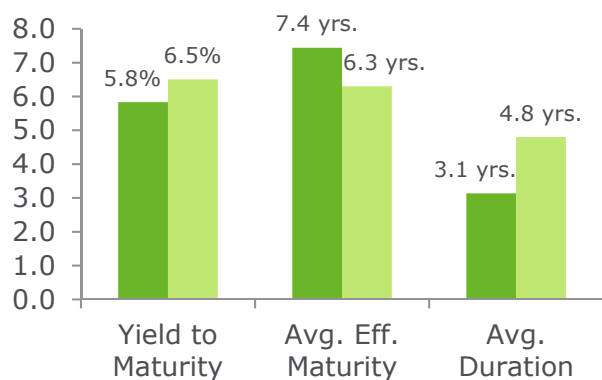
Performance Summary

| | 2Q | 3 Yr | 5 Yr | Since Inception |
|----------------------------|-------|-------|-------|-----------------|
| High Yield Bond Fund | 0.75% | 4.36% | 4.87% | 6.75% |
| High Yield Bond Fund Index | 0.71% | 4.79% | 4.90% | 6.91% |

Fund Composition

| Manager | Investment Style | Position in Fund | 2Q Manager Return | 2Q Benchmark Return |
|-------------------|------------------|------------------|-------------------|---------------------|
| Fort Washington | High Yield Bond | 29.0% | 0.7% | 0.7% |
| Nomura Clydesdale | High Yield Bond | 29.0% | 0.9% | 0.7% |
| Credit Suisse | Leveraged Loan | 41.9% | 0.6% | 0.8% |
| Cash | n/a | 0.1% | | |

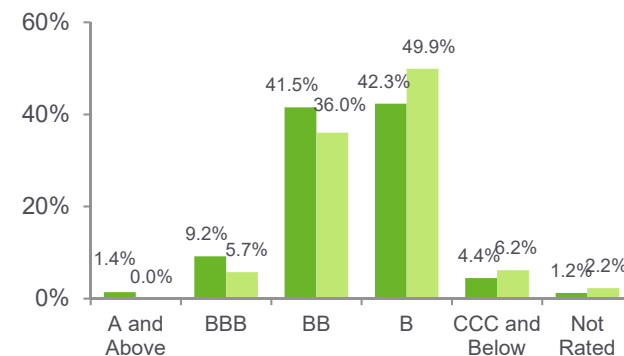
CHARACTERISTICS



TOP 10 HOLDINGS

| | |
|----------------------------------|------|
| CASH - USD | 2.3% |
| CSC HOLDINGS LLC 5.25 06/01/2024 | 0.7% |
| FRONTIER COMMUNICATIONS CORP | 0.7% |
| ALLY 8.000 11/01/31 | 0.7% |
| UHOSI 7.625 08/15/20 | 0.6% |
| MGM RESORTS INTERNATIONAL | 0.6% |
| THC 6.000 10/01/20 | 0.6% |
| CTL 5.800 03/15/22 | 0.6% |
| SLM 6.125 03/25/24 MTN | 0.6% |
| CHTR 5.125 05/01/27 | 0.6% |

QUALITY RATINGS



■ High Yield 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 | | | | |
|------------------------|-------|-------|--------|-----------------|
| | 2Q | 3 Yr | 5 Yr | Since Inception |
| Standard-Equity | 1.22% | 8.65% | 10.05% | 6.64% |
| Standard-Equity Policy | 1.09% | 8.53% | 10.05% | 7.36% |

| Composition | | |
|----------------------------|--------|--------|
| | Actual | Target |
| Domestic Equity Pref. Fund | 55.74% | 55.0% |
| International Pref. Fund | 42.79% | 45.0% |
| Cash | 1.47% | 0.0% |

Fixed Income Standard Fund

| Performance Summary | | | | |
|------------------------------|-------|-------|-------|-----------------|
| | 2Q | 3 Yr | 5 Yr | Since Inception |
| Standard-Fixed Income | 0.16% | 2.66% | 3.08% | 4.48% |
| Standard-Fixed Income Policy | 0.16% | 2.37% | 2.88% | 5.37% |

| Composition | | |
|----------------------------|--------|--------|
| | Actual | Target |
| Core Bond Pref. Fund | 77.75% | 80.0% |
| High Yield Bond Pref. Fund | 19.46% | 20.0% |
| Cash | 2.79% | 0.0% |

Conservative Balanced Standard Fund

| Performance Summary | | | | |
|---------------------------------------|-------|-------|-------|-----------------|
| | 2Q | 3 Yr | 5 Yr | Since Inception |
| Standard-Conservative Balanced | 0.42% | 4.20% | 4.82% | 5.48% |
| Standard-Conservative Balanced Policy | 0.40% | 3.98% | 4.73% | 5.54% |

| Composition | | |
|----------------------------|--------|--------|
| | Actual | Target |
| Domestic Equity Pref. Fund | 13.91% | 13.8% |
| International Pref. Fund | 10.56% | 11.2% |
| Core Bond Pref. Fund | 58.77% | 60.0% |
| High Yield Bond Pref. Fund | 14.69% | 15.0% |
| Cash | 2.07% | 0.0% |

Standard Funds Summary (continued)

Moderate Balanced Standard Fund

| Performance Summary | | | | |
|-----------------------------------|-------|-------|-------|-----------------|
| | 2Q | 3 Yr | 5 Yr | Since Inception |
| Standard-Moderate Balanced | 0.68% | 5.84% | 6.84% | 5.99% |
| Standard-Moderate Balanced Policy | 0.63% | 5.54% | 6.83% | 6.74% |

| Composition | | |
|----------------------------|--------|--------|
| | Actual | Target |
| Domestic Equity Pref. Fund | 27.92% | 27.5% |
| International Pref. Fund | 21.32% | 22.5% |
| Core Bond Pref. Fund | 39.36% | 40.0% |
| High Yield Bond Pref. Fund | 9.78% | 10.0% |
| Cash | 1.62% | 0.0% |

Aggressive Balanced Standard Fund

| Performance Summary | | | | |
|-------------------------------------|-------|-------|-------|-----------------|
| | 2Q | 3 Yr | 5 Yr | Since Inception |
| Standard-Aggressive Balanced | 0.95% | 7.12% | 8.34% | 6.39% |
| Standard-Aggressive Balanced Policy | 0.87% | 7.07% | 8.31% | 6.67% |

| Composition | | |
|----------------------------|--------|--------|
| | Actual | Target |
| Domestic Equity Pref. Fund | 41.30% | 41.3% |
| International Pref. Fund | 31.98% | 33.7% |
| Core Bond Pref. Fund | 19.50% | 20.0% |
| High Yield Bond Pref. Fund | 4.90% | 5.0% |
| Cash | 2.32% | 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.