

## Foundation Funds

### Quarterly Performance Summary

March 31, 2019

#### Capital Markets Overview

##### U.S. Equity Market

Following the market rout at the end of 2018, US equities made a strong comeback in the first quarter. On a sector basis, Information Technology performed best returning 20.8%, while Healthcare rounded the bottom with a still-healthy 8.2% quarterly return. All Cap Growth stocks topped Value by 4.3% percentage points for the quarter. Large and small cap stocks performed largely in-line with each other as the Russell 1000's 14.0% return slightly trailed the Russell 2000's 14.6% return.

##### International Equity Markets

Global equities also made a strong comeback this quarter following a dovish pivot from the Fed. Chinese equities led the way as hopes for a trade deal provided a tailwind for its local equity markets. Overall International and emerging market equities were both up sharply with the MSCI EAFE and MSCI Emerging Markets Indexes posting 10.0% and 9.9% returns, respectively. With a quarterly return of 17.7%, China was the top performer amongst the largest equity markets. On an ex-US sector basis, Information Technology performed best returning 14.7% while Communication Services were the worst with a still-attractive 6.5% return for the quarter.

##### Fixed Income Markets

Global yields declined significantly – reflecting concerns over the global growth outlook. Credit spreads broadly declined off of highs at the end of 2018. US high yield spreads experienced one of the largest movements – falling 135 basis points, supporting a return of 7.3%. The bellweather Bloomberg Barclays Aggregate Index rose 2.9% yet failed to outpace Bloomberg Barclays Long Corporate Index, up 8.0% for the quarter.

## Performance Overview

Foundation Standard Funds							
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Return	Since
Standard-Equity	12.60%	12.60%	2.44%	10.45%	6.81%	6.47%	Jan-97
<i>Standard-Equity Policy</i>	12.61%	12.61%	2.89%	10.86%	6.86%	7.18%	Jan-97
Standard-Fixed Income	3.53%	3.53%	4.19%	3.21%	3.15%	4.51%	Jan-97
<i>Standard-Fixed Income Policy</i>	3.51%	3.51%	4.29%	2.94%	3.00%	5.37%	Jan-97
Standard-Conservative Balanced	5.67%	5.67%	3.88%	5.13%	4.12%	5.44%	Dec-01
<i>Standard-Conservative Balanced Policy</i>	5.76%	5.76%	4.12%	4.96%	4.07%	5.52%	Dec-01
Standard-Moderate Balanced	7.91%	7.91%	3.42%	6.88%	5.11%	5.91%	Jan-97
<i>Standard-Moderate Balanced Policy</i>	8.03%	8.03%	3.82%	6.96%	5.08%	6.65%	Jan-97
Standard-Aggressive Balanced	10.25%	10.25%	3.04%	8.70%	6.02%	6.23%	Dec-01
<i>Standard-Aggressive Balanced Policy</i>	10.32%	10.32%	3.42%	8.93%	6.00%	6.52%	Dec-01

Foundation Preference Funds							
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Return	Since
Domestic Equity Fund	14.47%	14.47%	8.48%	13.00%	10.23%	6.42%	Nov-99
Domestic Equity Index	14.51%	14.51%	8.85%	13.01%	10.12%	6.29%	Nov-99
International Equity Fund	10.78%	10.78%	-4.35%	7.58%	2.62%	4.38%	Nov-99
Int'l Equity Fund Index	10.21%	10.21%	-5.14%	8.27%	2.67%	4.12%	Nov-99
Core Bond Fund	3.17%	3.17%	4.28%	2.41%	3.01%	4.77%	Nov-99
Core Bond Fund Index	2.99%	2.99%	4.13%	1.92%	2.68%	4.77%	Nov-99
High Yield Bond Fund	5.29%	5.29%	4.06%	6.60%	3.86%	6.66%	Nov-99
High Yield Bond Fund Index	5.54%	5.54%	4.83%	7.01%	3.99%	6.86%	Nov-99
Money Market Fund	0.46%	0.46%	1.56%	0.94%	0.62%	1.69%	Nov-99
Citi 3mth Treasury Bill	0.60%	0.60%	2.11%	1.17%	0.72%	1.70%	Nov-99

Market Returns							
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Return	Since
S&P 500	13.65%	13.65%	9.50%	13.51%	10.91%	5.87%	Nov-99
Russell 1000	14.00%	14.00%	9.30%	13.52%	10.63%	6.17%	Nov-99
Russell 2000	14.58%	14.58%	2.05%	12.92%	7.05%	8.24%	Nov-99
MSCI ACWI ex USA	10.31%	10.31%	-4.22%	8.09%	2.57%	4.12%	Nov-99
MSCI EAFE	9.98%	9.98%	-3.71%	7.27%	2.33%	3.50%	Nov-99
MSCI Emerging Markets	9.93%	9.93%	-7.41%	10.68%	3.68%	7.64%	Nov-99
Barclays Aggregate	2.94%	2.94%	4.48%	2.03%	2.74%	4.86%	Nov-99
BofA Merrill Lynch US High Yield BB-B Rated	7.32%	7.32%	6.36%	7.77%	4.73%	6.58%	Nov-99

Data as of March 31, 2019

## Domestic Equity Fund Summary

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
Domestic Equity Fund	14.47%	13.00%	10.23%	6.42%
Domestic Equity Index	14.51%	13.01%	10.12%	6.29%

Fund Composition				
Manager	Investment Style	Position in Fund	1Q Manager Return	1Q Benchmark Return
BlackRock Russell 1000	Large Cap Core	50.1%	14.0%	14.0%
Jacobs Levy	Large Cap Core	14.4%	15.1%	14.0%
Rhumblin	Large Cap Equal Weighted	16.1%	14.8%	14.9%
Peregrine	Small Cap Growth	5.0%	15.6%	17.1%
Wellington	Small Cap Value	4.5%	10.1%	11.9%
CenterSquare	REIT	9.8%	16.4%	16.3%
Cash	n/a	0.1%		

Characteristics		
	Portfolio	Russell 3000
Number of Holdings	1,184	2,977
Weighted Avg. Market Cap. (\$B)	125.6	178.6
Median Market Cap. (\$B)	10.9	1.6
Price To Earnings	20.3	20.2
Price To Book	3.0	3.3
Price To Sales	1.7	1.9
Return on Equity (%)	21.3	21.8
Yield (%)	2.0	1.9
Beta	1.0	1.0
R-Squared	1.0	1.0

Top Holdings	
MICROSOFT	2.33%
APPLE	2.08%
AMAZON.COM	1.94%
ALPHABET 'C'	1.19%
FACEBOOK CLASS A	0.79%
BERKSHIRE HATHAWAY 'B'	0.78%
JOHNSON & JOHNSON	0.75%
MASTERCARD	0.72%
ALPHABET A	0.69%
EXXON MOBIL	0.69%

Characteristics		
	Portfolio	Russell 3000
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	5.07	5.06
Materials	3.00	2.95
Industrials	11.35	10.13
Consumer Discretionary	9.94	10.38
Consumer Staples	5.39	6.53
Health Care	12.16	14.31
Financials	12.20	13.18
Information Technology	18.17	21.12
Communication Services	6.59	9.02
Utilities	2.74	3.23
Real Estate	13.00	4.04

\*Domestic Equity custom benchmark is 65% Russell 1000/15% S&P Equal Weighted/10% Russell 2000/10% NAREIT Equity Index

## International Equity Fund Summary

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
International Equity Fund	10.78%	7.58%	2.62%	4.38%
Int'l Equity Fund Index	10.21%	8.27%	2.67%	4.12%

Fund Composition				
Manager	Investment Style	Position in Fund	1Q Manager Return	1Q Benchmark Return
BlackRock	MSCI World ex US	33.3%	10.5%	10.4%
MFS	EAFE	14.3%	12.0%	10.0%
Marathon	EAFE	13.9%	9.6%	10.0%
AQR International	EAFE Small Cap	8.7%	8.9%	10.7%
Aberdeen	Emerging Markets	14.9%	10.7%	9.9%
OFI International	Emerging Markets	14.9%	12.8%	9.9%
Cash	n/a	0.1%		

Characteristics	MSCI	
	Portfolio	ACWI ex USA
Number of Holdings	2,079	2,145
Weighted Avg. Market Cap. (\$B)	59.4	64.4
Median Market Cap. (\$B)	6.5	7.7
Price To Earnings	14.8	14.6
Price To Book	2.3	2.2
Price To Sales	1.2	1.2
Return on Equity (%)	15.9	15.5
Yield (%)	2.7	3.2
Beta	1.0	1.0
R-Squared	1.0	1.0

Top Holdings	
TAIWAN SEMICON.MNFG.	1.74%
MEDIA NUSNT.CITRA	1.72%
SAMSUNG ELECTRONICS	1.69%
TENCENT HOLDINGS	1.54%
AIA GROUP	1.17%
HOUSING DEVELOPMENT FINANCE CORPORATION	1.11%
ALIBABA GROUP HLDG.SPN. ADR 1:1	1.03%
SHINHAN FINL.GROUP	1.01%
CASH - USD	0.77%
SAMSUNG ELTN.PREF.	0.77%

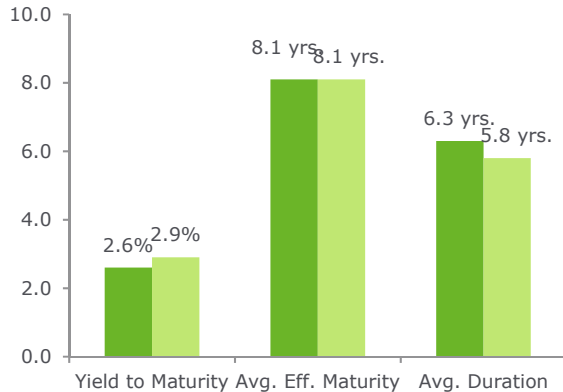
Characteristics	MSCI	
	Portfolio	ACWI ex USA
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	4.79	7.44
Materials	6.75	7.62
Industrials	11.45	11.70
Consumer Discretionary	14.11	11.08
Consumer Staples	9.35	9.93
Health Care	7.31	8.40
Financials	20.71	21.66
Information Technology	11.06	8.36
Communication Services	7.92	7.00
Utilities	1.82	3.36
Real Estate	3.69	3.45

\*International Equity custom benchmark is 33% MSCI World ex US/27% MSCI EAFE/10% MSCI EAFE Small Cap/30% MSCI EM

## Core Bond Fund Summary

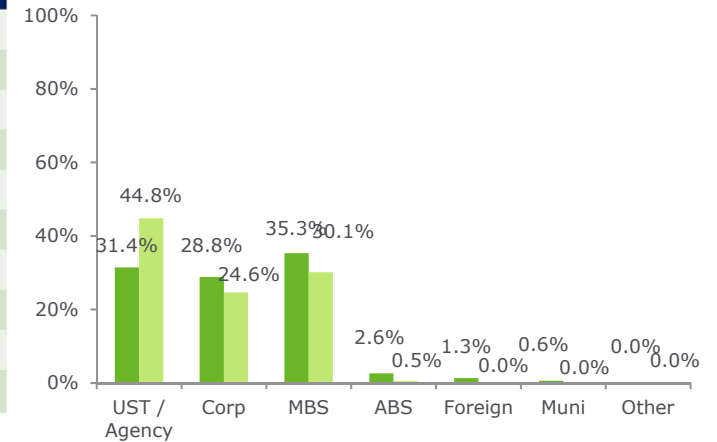
Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
Core Bond Fund	3.17%	2.41%	3.01%	4.77%
Core Bond Fund Index	2.99%	1.92%	2.68%	4.77%

Fund Composition				
Manager	Investment Style	Position in Fund	1Q Manager Return	1Q Benchmark Return
JP Morgan Core	Core Bond	39.9%	3.1%	2.9%
Prudential Core	Core Bond	39.9%	3.3%	2.9%
BlackRock TIPS	TIPS	20.0%	3.2%	3.2%
Cash	n/a	0.2%		



Top Holdings	
FNMA ACTUAL/360 BALLOON DUS	3.66%
FNMA CONV 30 YR SF	2.30%
GNMA2 SINGLE FAMILY 30 YR MULTIPLE	1.81%
FHLMC GOLD 30 YR	1.14%
UST 0.375 07/15/23	0.93%
UST 0.125 01/15/23	0.91%
UNITED STATES TREASURY	0.90%
UST 0.375 07/15/27 When Iss	0.87%
UNITED STATES TREASURY	0.84%
UST 0.125 07/15/26 When Iss	0.83%

■ Core Bond Fund ■ Barclays Aggregate



\*Core Bond custom benchmark is 80% Barclays Aggregate/20% US TIPS

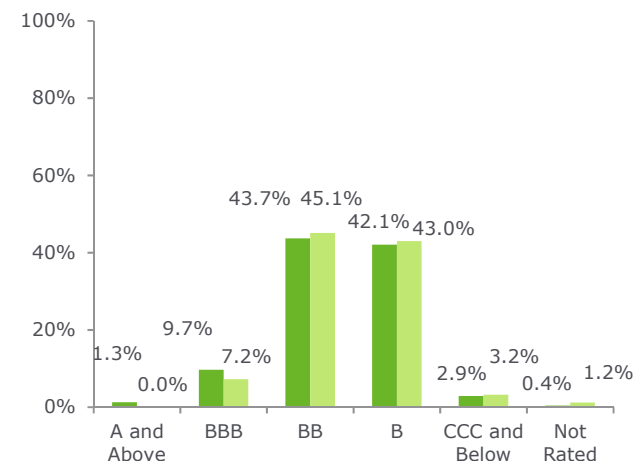
## High Yield Bond Fund Summary

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
High Yield Bond Fund	5.29%	6.60%	3.86%	6.66%
High Yield Bond Fund Index	5.54%	7.01%	3.99%	6.86%

Fund Composition				
Manager	Investment Style	Position in Fund	1Q Manager Return	1Q Benchmark Return
Credit Suisse	Leveraged Loan	49.3%	3.2%	3.8%
Loomis Sayles	High Yield Bond	50.4%	N/A	N/A
Cash	n/a	0.3%		



Top Holdings	
EURAM 12.000 08/15/20 '18	5.47%
TKO 8.750 06/15/22 '19	2.84%
WTI 9.750 11/01/23 '20	2.54%
CASH - USD	2.43%
SIX FLAGS ENTERTAINMENT CORP	2.22%
CDK 4.875 06/01/27 '22	2.05%
OWENS & MINOR INC	1.68%
ENTG 4.625 02/10/26	1.68%
CARS DB CARSDB 2047-04-15 00:00:00.	1.67%
TRS 4.875 10/15/25 '20	1.66%



■ High Yield Fund    ■ High Yield Custom Benchmark

\*High Yield custom benchmark is 50% Bloomberg Barclays US High Yield/50% CS Leveraged Loan  
During the quarter Nomura and Fort Washington were liquidated to fund Loomis Sayles

## Standard Funds Summary

### Equity Standard Fund

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
Standard-Equity	12.60%	10.45%	6.81%	6.47%
Standard-Equity Policy	12.61%	10.86%	6.86%	7.18%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	54.50%	55.0%
International Pref. Fund	44.06%	45.0%
Cash	1.45%	0.0%

### Fixed Income Standard Fund

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
Standard-Fixed Income	3.53%	3.21%	3.15%	4.51%
Standard-Fixed Income Policy	3.51%	2.94%	3.00%	5.37%

Composition		
	Actual	Target
Core Bond Pref. Fund	79.13%	80.0%
High Yield Bond Pref. Fund	19.66%	20.0%
Cash	1.20%	0.0%

### Conservative Balanced Standard Fund

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
Standard-Conservative Balanced	5.67%	5.13%	4.12%	5.44%
Standard-Conservative Balanced Policy	5.76%	4.96%	4.07%	5.52%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	13.77%	13.8%
International Pref. Fund	10.95%	11.2%
Core Bond Pref. Fund	60.02%	60.0%
High Yield Bond Pref. Fund	14.59%	15.0%
Cash	0.67%	0.0%

## Standard Funds Summary (continued)

### Moderate Balanced Standard Fund

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
Standard-Moderate Balanced	7.91%	6.88%	5.11%	5.91%
Standard-Moderate Balanced Policy	8.03%	6.96%	5.08%	6.65%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	27.57%	27.5%
International Pref. Fund	22.53%	22.5%
Core Bond Pref. Fund	39.24%	40.0%
High Yield Bond Pref. Fund	9.70%	10.0%
Cash	0.95%	0.0%

### Aggressive Balanced Standard Fund

Performance Summary				
	1Q	3 Yr	5 Yr	Since Inception
Standard-Aggressive Balanced	10.25%	8.70%	6.02%	6.23%
Standard-Aggressive Balanced Policy	10.32%	8.93%	6.00%	6.52%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	41.15%	41.3%
International Pref. Fund	33.38%	33.7%
Core Bond Pref. Fund	19.50%	20.0%
High Yield Bond Pref. Fund	4.85%	5.0%
Cash	1.11%	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 2/28/2019: 65% Russell 1000/20% S&P 500 Equal Weighted/10% Russell 2000/5% NAREIT Equity; 3/1/2019 to present: 65% Russell 1000/15% S&P 500 Equal Weighted/10% Russell 2000/10% 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 6/30/2018: 27% MSCI ACWI ex-U.S. Index/6% MSCI Canada IMI/32% MSCI EAFE/10% MSCI EAFE Small Cap/25% MSCI EM; 7/1/2018 to 2/28/2019: 33% MSCI ACWI x US net/ 32% MSCI EAFE/10% MSCI EAFE Small Cap/25% MSCI Emerging Markets; 3/1/2019 to present: 33% MSCI ACWI x US net/ 27% MSCI EAFE/10% MSCI EAFE Small Cap/30% MSCI Emerging Markets

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 6/30/2018: 66% BofA ML US HY BB-B Constrained/34% Credit Suisse Leveraged Loans; 7/1/2018 to present: 50% BofA ML US HY BB-B Constrained/50% Credit Suisse Leveraged Loans