

## Foundation Funds

### Quarterly Performance Summary

December 31, 2019

#### Capital Markets Overview

##### U.S. Equity Market

Equities ended 2019 in a blaze of glory, bolstered by a trade pact between the United States and China. The S&P 500 returned 9.1% during the fourth quarter (31.5% over the trailing 12 months), with growth outperforming value by 3.2%, which is in line with a trend established in the aftermath of the financial crisis. While growth stocks have exhibited an annualized difference totaling 3.6% over value stocks during the last 10 years, it is important that exposures remain balanced in a diversified portfolio. During the quarter, small caps edged out large caps while large caps dominated over the trailing 12 months.

##### International Equity Markets

International stocks also saw strong returns during the quarter, as emerging markets led the way returning 11.8% with non-US developed market stocks up 8.2%. During 2019, non-US developed markets were up 22.0% compared to emerging markets returning 18.4%. Opposed to the US, developed international small caps outperformed large caps by 3.0% over the trailing 12 months with total returns of 24.9%.

##### Fixed Income Markets

Fixed-income securities ended 2019 in the black, reversing declines from the year earlier. Spreads on high-yield credit narrowed for the most part of the year, but segments in the high-yield and bank loan market showed signs of stress toward the end of 2019. On a risk-adjusted basis, high-yield and bank loan CCC-bonds posted their worst performance since the financial crisis. US credit ended the year up 13.7%, according to the Barclays Aggregate Index, while the Barclays High Yield Index gained 14.3% in 2019; the Credit Suisse Leveraged Loan Index returned 8.2% during the same period.

## Performance Overview

Foundation Standard Funds							
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Return	Since
Standard-Equity	8.47%	26.79%	26.79%	11.91%	8.66%	6.80%	Jan-97
<i>Standard-Equity Policy</i>	8.64%	26.20%	26.20%	12.08%	8.49%	7.49%	Jan-97
Standard-Fixed Income	0.63%	9.21%	9.21%	4.34%	3.68%	4.60%	Jan-97
<i>Standard-Fixed Income Policy</i>	0.67%	9.27%	9.27%	4.22%	3.45%	5.44%	Jan-97
Standard-Conservative Balanced	2.58%	13.38%	13.38%	6.33%	4.99%	5.62%	Dec-01
<i>Standard-Conservative Balanced Policy</i>	2.69%	13.54%	13.54%	6.28%	4.83%	5.70%	Dec-01
Standard-Moderate Balanced	4.45%	17.53%	17.53%	8.13%	6.27%	6.11%	Jan-97
<i>Standard-Moderate Balanced Policy</i>	4.60%	17.69%	17.69%	8.25%	6.11%	6.83%	Jan-97
Standard-Aggressive Balanced	6.50%	21.98%	21.98%	10.03%	7.53%	6.56%	Dec-01
<i>Standard-Aggressive Balanced Policy</i>	6.61%	21.95%	21.95%	10.20%	7.35%	6.85%	Dec-01
Foundation Preference Funds							
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Return	Since
Domestic Equity Fund	7.70%	30.22%	30.22%	13.46%	11.00%	6.86%	Nov-99
Domestic Equity Index	7.91%	30.16%	30.16%	13.58%	10.76%	6.73%	Nov-99
International Equity Fund	9.63%	23.53%	23.53%	10.27%	5.93%	4.78%	Nov-99
Int'l Equity Fund Index	9.51%	21.44%	21.44%	10.11%	5.62%	4.46%	Nov-99
Core Bond Fund	0.28%	9.05%	9.05%	4.25%	3.39%	4.87%	Nov-99
Core Bond Fund Index	0.30%	8.66%	8.66%	3.88%	2.97%	4.86%	Nov-99
High Yield Bond Fund	2.11%	10.71%	10.71%	5.01%	5.02%	6.67%	Nov-99
High Yield Bond Fund Index	2.13%	11.62%	11.62%	5.47%	5.38%	6.89%	Nov-99
Money Market Fund	0.34%	1.69%	1.69%	1.26%	0.85%	1.69%	Nov-99
Citi 3mth Treasury Bill	0.46%	2.26%	2.26%	1.65%	1.05%	1.72%	Nov-99
Market Returns							
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Return	Since
S&P 500	9.07%	31.49%	31.49%	15.27%	11.70%	6.41%	Nov-99
Russell 1000	9.04%	31.43%	31.43%	15.05%	11.48%	6.68%	Nov-99
Russell 2000	9.94%	25.52%	25.52%	8.59%	8.23%	8.41%	Nov-99
MSCI ACWI ex USA	8.92%	21.51%	21.51%	9.87%	5.51%	4.47%	Nov-99
MSCI EAFE	8.17%	22.01%	22.01%	9.56%	5.67%	3.90%	Nov-99
MSCI Emerging Markets	11.84%	18.44%	18.44%	11.57%	5.61%	7.74%	Nov-99
Barclays Aggregate	0.18%	8.72%	8.72%	4.03%	3.05%	4.96%	Nov-99
BofA Merrill Lynch US High Yield BB-B Rated	2.58%	15.14%	15.14%	6.48%	6.12%	6.70%	Nov-99
Credit Suisse Lev. Loans	1.68%	8.17%	8.17%	4.48%	4.54%	4.77%	Nov-99

Data as of December 31, 2019

## Domestic Equity Fund Summary

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Domestic Equity Fund	7.70%	13.46%	11.00%	6.86%
Domestic Equity Index	7.91%	13.58%	10.76%	6.73%

Fund Composition				
Manager	Investment Style	Position in Fund	4Q Manager Return	4Q Benchmark Return
BlackRock Russell 1000	Large Cap Core	51.0%	9.1%	1.4%
Jacobs Levy	Large Cap Core	14.5%	8.1%	1.4%
Rhumblin	Large Cap Equal Weighted	15.1%	7.6%	0.8%
Peregrine	Small Cap Growth	5.2%	11.4%	-4.2%
Wellington	Small Cap Value	4.5%	8.0%	-0.6%
CenterSquare	REIT	9.7%	-1.0%	7.8%
Cash	n/a	0.1%		

Characteristics	Russell 3000	
	Portfolio	Russell 3000
Number of Holdings	1,237	2,992
Weighted Avg. Market Cap. (\$B)	195.46	230.54
Median Market Cap. (\$B)	11.21	1.76
Price To Earnings	23.30	22.77
Price To Book	3.36	3.65
Price To Sales	1.81	1.93
Return on Equity (%)	20.84	20.88
Yield (%)	1.83	1.79
Beta	0.99	1.00
R-Squared	0.99	1.00

Top Holdings	
MICROSOFT	3.43%
APPLE	3.25%
AMAZON.COM	2.32%
ALPHABET 'C'	1.53%
FACEBOOK CLASS A	1.11%
BERKSHIRE HATHAWAY 'B'	1.00%
JP MORGAN CHASE & CO.	0.98%
ALPHABET A	0.91%
JOHNSON & JOHNSON	0.87%
MASTERCARD	0.85%

Characteristics	Russell 3000	
	Portfolio	Russell 3000
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	3.75	4.05
Materials	2.91	2.85
Industrials	9.83	9.89
Consumer Discretionary	8.68	10.04
Consumer Staples	5.82	6.45
Health Care	12.38	14.16
Financials	11.66	13.49
Information Technology	20.59	22.43
Communication Services	7.83	9.41
Utilities	2.68	3.24
Real Estate	12.91	3.99

\*The current 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				
	4Q	3 Yr	5 Yr	Since Inception
International Equity Fund	9.63%	10.27%	5.93%	4.78%
Int'l Equity Fund Index	9.51%	10.11%	5.62%	4.46%

Fund Composition				
Manager	Investment Style	Position in Fund	4Q Manager Return	4Q Benchmark Return
BlackRock	MSCI World ex US	33.8%	7.9%	-0.9%
MFS	EAFE	13.9%	9.8%	-1.1%
Marathon	EAFE	13.5%	10.0%	-1.1%
AQR International	EAFE Small Cap	8.4%	12.4%	-0.4%
Aberdeen	Emerging Markets	15.0%	9.4%	-4.2%
Invesco International Equity	Emerging Markets	15.2%	11.8%	-4.2%
Cash	n/a	0.1%		

Characteristics	MSCI	
	Portfolio	ACWI ex USA
Number of Holdings	1,821	2,379
Weighted Avg. Market Cap. (\$B)	60.5	74.1
Median Market Cap. (\$B)	7.6	8.2
Price To Earnings	17.9	16.3
Price To Book	2.6	2.4
Price To Sales	1.3	1.2
Return on Equity (%)	15.8	15.1
Yield (%)	2.8	3.0
Beta	1.0	1.0
R-Squared	1.0	1.0

Top Holdings	
TAIWAN SEMICON.MNFG.	1.68%
ROCHE HOLDING	1.14%
AIA GROUP	1.14%
CASH - USD	1.12%
NESTLE 'R'	1.12%
SAMSUNG ELTN.PREF.	0.99%
TENCENT HOLDINGS	0.96%
HOUSING DEVELOPMENT FINANCE CORPORATION	0.66%
BP	0.65%
CGI	0.64%

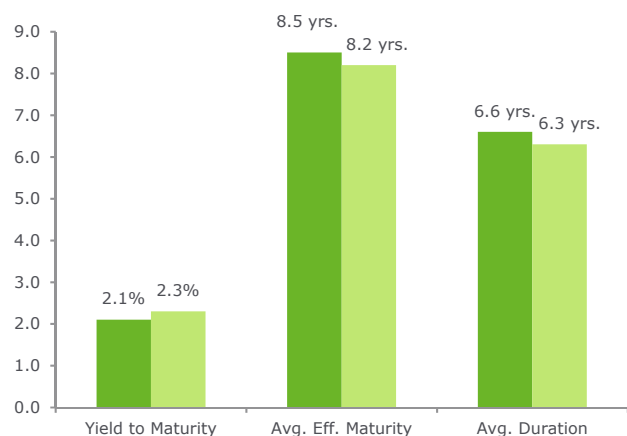
Characteristics	MSCI	
	Portfolio	ACWI ex USA
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	4.39	6.49
Materials	6.17	7.39
Industrials	15.40	11.99
Consumer Discretionary	11.61	11.80
Consumer Staples	10.64	9.40
Health Care	8.44	8.83
Financials	19.01	21.52
Information Technology	11.31	9.33
Communication Services	6.19	6.64
Utilities	2.23	3.42
Real Estate	3.44	3.15

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

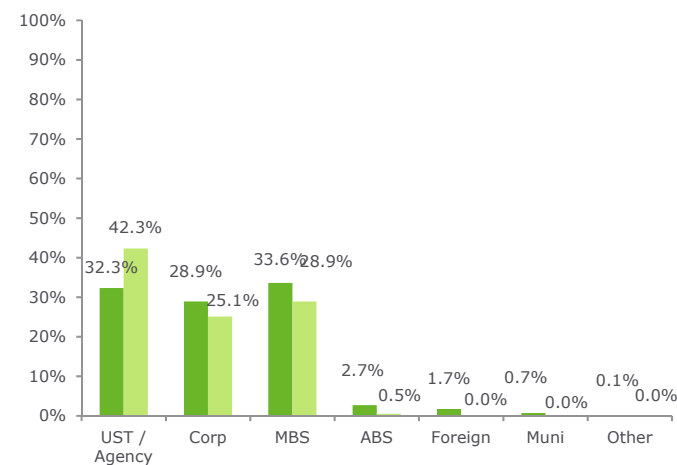
## Core Bond Fund Summary

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Core Bond Fund	0.28%	4.25%	3.39%	4.87%
Core Bond Fund Index	0.30%	3.88%	2.97%	4.86%

Fund Composition				
Manager	Investment Style	Position in Fund	4Q Manager Return	4Q Benchmark Return
JP Morgan Core	Core Bond	39.8%	-0.1%	2.3%
Prudential Core	Core Bond	40.0%	0.3%	2.3%
BlackRock TIPS	TIPS	20.1%	0.8%	1.3%
Cash	n/a	0.1%		



Top Holdings	
FNMA ACTUAL/360 BALLOON DUS	3.67%
FNMA CONV 30 YR SF	2.83%
UST 0.125 07/15/24	1.20%
UNITED STATES TREASURY	1.07%
UST 0.625 01/15/24	1.05%
UNITED STATES TREASURY	0.83%
GNMA2 SINGLE FAMILY 30 YR MULTIPLE	0.80%
UST 0.625 04/15/23 When Iss	0.80%
UST 0.375 07/15/23	0.77%
UST IO Str 02/15/23	0.75%



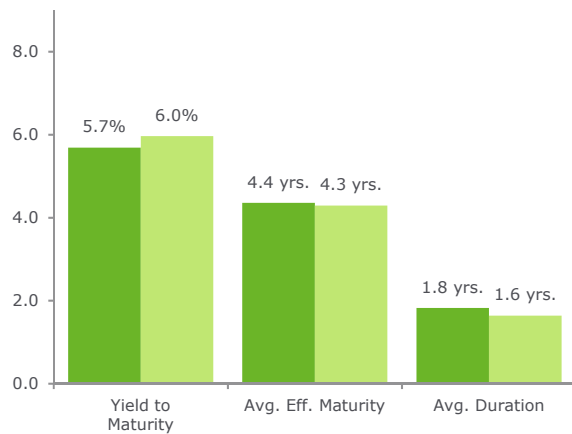
■ Core Bond Fund ■ Barclays Aggregate

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

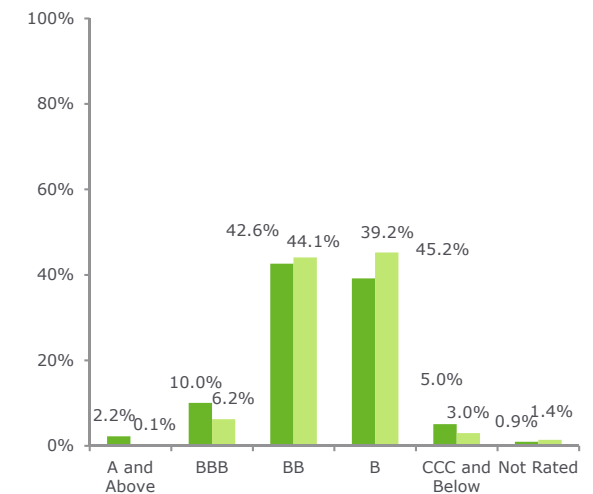
## High Yield Bond Fund Summary

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
High Yield Bond Fund	2.11%	5.01%	5.02%	6.67%
High Yield Bond Fund Index	2.13%	5.47%	5.38%	6.89%

Fund Composition				
Manager	Investment Style	Position in Fund	4Q Manager Return	4Q Benchmark Return
Credit Suisse	Leveraged Loan	50.0%	1.9%	0.9%
Loomis Sayles	High Yield Bond	49.9%	2.3%	1.7%
Cash	n/a	0.1%		



Top Holdings	
CASH - USD	4.03%
ENEI 8.750 09/24/73	1.89%
ZIGGO 5.500 01/15/27 '22	1.59%
ALLY FINANCIAL INC	1.55%
UBER 7.500 09/15/27 '22	1.43%
GGP 5.750 05/15/26	1.38%
PP HESS MIDSTREAM 5.625 21526	1.36%
TDG 6.250 03/15/26	1.31%
LBTYA 5.500 05/15/29	1.30%
VRX 9.250 04/01/26	1.25%



■ High Yield Fund ■ High Yield Custom Benchmark

\* The current High Yield custom benchmark is 50% Bloomberg Barclays US High Yield/50% CS Leveraged Loan

## Standard Funds Summary

### Equity Standard Fund

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Standard-Equity	8.47%	11.91%	8.66%	6.80%
Standard-Equity Policy	8.64%	12.08%	8.49%	7.49%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	54.41%	55.0%
International Pref. Fund	44.62%	45.0%
Cash	0.96%	0.0%

### Fixed Income Standard Fund

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Standard-Fixed Income	0.63%	4.34%	3.68%	4.60%
Standard-Fixed Income Policy	0.67%	4.22%	3.45%	5.44%

Composition		
	Actual	Target
Core Bond Pref. Fund	78.74%	80.0%
High Yield Bond Pref. Fund	19.82%	20.0%
Cash	1.44%	0.0%

### Conservative Balanced Standard Fund

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Standard-Conservative Balanced	2.58%	6.33%	4.99%	5.62%
Standard-Conservative Balanced Policy	2.69%	6.28%	4.83%	5.70%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	14.08%	13.8%
International Pref. Fund	11.60%	11.2%
Core Bond Pref. Fund	56.91%	60.0%
High Yield Bond Pref. Fund	14.40%	15.0%
Cash	3.01%	0.0%

## Standard Funds Summary (continued)

### Moderate Balanced Standard Fund

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Standard-Moderate Balanced	4.45%	8.13%	6.27%	6.11%
Standard-Moderate Balanced Policy	4.60%	8.25%	6.11%	6.83%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	27.82%	27.5%
International Pref. Fund	22.85%	22.5%
Core Bond Pref. Fund	38.33%	40.0%
High Yield Bond Pref. Fund	9.75%	10.0%
Cash	1.25%	0.0%

### Aggressive Balanced Standard Fund

Performance Summary				
	4Q	3 Yr	5 Yr	Since Inception
Standard-Aggressive Balanced	6.50%	10.03%	7.53%	6.56%
Standard-Aggressive Balanced Policy	6.61%	10.20%	7.35%	6.85%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	41.29%	41.3%
International Pref. Fund	34.23%	33.7%
Core Bond Pref. Fund	18.75%	20.0%
High Yield Bond Pref. Fund	4.76%	5.0%
Cash	0.97%	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