

# Investment Performance Summary

As of 3/31/2016



Individual Investment Options	YTD	1 Month	3 Month	1 Year	3 Years	5 Years	10 Years
<b>Equity Pool TR</b>	<b>0.59</b>	<b>7.34</b>	<b>0.59</b>	<b>-2.38</b>	<b>8.65</b>	<b>8.06</b>	<b>5.29</b>
Blended Equity Benchmark	0.70	7.39	0.70	-2.26	8.87	8.77	5.82
S&P 500 TR USD	1.35	6.78	1.35	1.78	11.82	11.58	7.01
MSCI ACWI Ex USA NR USD	-0.38	8.13	-0.38	-9.19	0.32	0.31	1.94
<b>Intermediate-Term Fixed Income Pool TR</b>	<b>3.43</b>	<b>1.01</b>	<b>3.43</b>	<b>2.15</b>			
Intermediate-Term Fixed Income Benchmark	3.50	1.10	3.50	2.36	2.55	4.55	
<b>Short-Term Fixed Income Pool TR</b>	<b>1.71</b>	<b>0.61</b>	<b>1.71</b>	<b>1.49</b>			
Short-Term Fixed Income Benchmark	1.71	0.63	1.71	1.56	1.50	2.13	
<b>Money Market Pool TR</b>	<b>0.04</b>	<b>0.02</b>	<b>0.04</b>	<b>0.07</b>	<b>0.04</b>	<b>0.03</b>	<b>1.23</b>
USTREAS T-Bill Auction Ave 3 Mon	0.07	0.03	0.07	0.12	0.07	0.07	1.07

Individual investment options allow donors to recommend a custom allocation strategy, which can include one or more Investment Pools.

Please refer to the quarterly Investment Performance Supplemental Report for benchmark definitions

Investment Mix Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
<b>Aggressive Mix TR</b>	<b>1.05</b>	<b>6.04</b>	<b>1.05</b>	<b>-1.39</b>	<b>7.47</b>	<b>7.33</b>	<b>5.54</b>
Aggressive Mix Benchmark	1.15	6.08	1.15	-1.27	7.54	7.82	5.81
<b>Moderately Aggressive Mix TR</b>	<b>1.30</b>	<b>4.68</b>	<b>1.30</b>	<b>-0.58</b>	<b>6.05</b>	<b>6.20</b>	<b>5.12</b>
Moderately Aggressive Mix Benchmark	1.38	4.72	1.38	-0.46	6.02	6.51	5.21
<b>Moderate Mix TR</b>	<b>1.42</b>	<b>3.29</b>	<b>1.42</b>	<b>0.08</b>	<b>4.53</b>	<b>4.97</b>	<b>4.77</b>
Moderate Mix Benchmark	1.49	3.33	1.49	0.20	4.41	5.09	4.66
<b>Conservative Mix TR</b>	<b>1.51</b>	<b>1.90</b>	<b>1.51</b>	<b>0.67</b>	<b>2.98</b>	<b>3.68</b>	<b>4.30</b>
Conservative Mix Benchmark	1.56	1.93	1.56	0.77	2.77	3.61	3.99
<b>Risk Averse Mix TR</b>	<b>0.04</b>	<b>0.02</b>	<b>0.04</b>	<b>0.07</b>	<b>0.04</b>	<b>0.03</b>	<b>1.23</b>
USTREAS T-Bill Auction Ave 3 Mon	0.07	0.03	0.07	0.12	0.07	0.07	1.07

Investment Mix options offer a simple, one-stop approach to an investment strategy that best reflects your charitable goals. Donors recommend one option, which Greater Horizons rebalances.

The Long Term I Mix TR has been renamed the Moderately Aggressive Mix TR  
The Aggressive Mix TR inception date is 6/30/14; performance prior to that date is pro-forma.

Returns for periods greater than 1 year are compound annual returns.  
TR = Total Return

Current Investment Mix Allocations	Equity Pool	Inter-Term Fixed Income Pool	Short-Term Fixed Income Pool	Money Market Pool
Aggressive	80%	10%	10%	0%
Moderately Aggressive	60%	14%	21%	5%
Moderate	40%	18%	27%	15%
Conservative	20%	22%	33%	25%
Risk Averse	0%	0%	0%	100%

#### Estimated Investment Management Fees for the Investment Mix Options

Aggressive	0.07%
Moderately Aggressive	0.08%
Moderate	0.10%
Conservative	0.11%
Risk Averse	0.14%

Performance is presented gross of Greater Horizons administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

#### Customer Service

If you have any questions about your fund or wish to request a change in your investment mix, please contact Donor Services at support@greaterhorizons.org or 866.627.3440.

Contact David Anderson at anderson@growyourgiving.org or 816.627.3407 for more information on the pools, including their component funds and blended benchmarks, the Board of Directors Investment Committee, or the Investment Policy Statement.

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# Equity Pool

As of 3/31/2016

## Trailing Returns

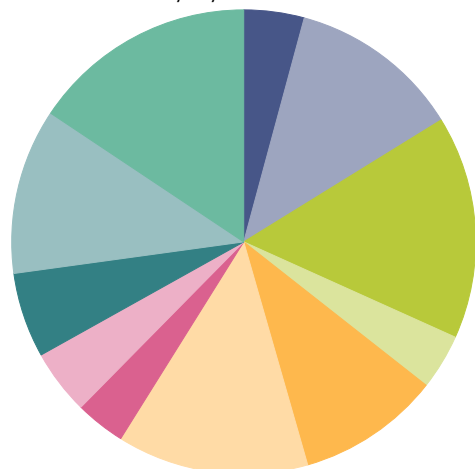
Equity Pool & Blended Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Equity Pool TR</b>	<b>0.59</b>	<b>0.59</b>	<b>-2.38</b>	<b>8.65</b>	<b>8.06</b>	<b>5.29</b>
Blended Equity Benchmark	0.70	0.70	-2.26	8.87	8.77	5.82

## Trailing Returns

Equity Pool Holdings & Benchmarks	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Instl Ttl Stk Mkt Idx InstlPIs</b>	<b>0.97</b>	<b>0.97</b>	<b>-0.34</b>	<b>11.20</b>	<b>11.08</b>	<b>7.13</b>
CRSP US Total Market TR USD	0.95	0.95	-0.45	11.14	10.95	7.08
<b>Vanguard Developed Markets Idx Instl</b>	<b>-2.01</b>	<b>-2.01</b>	<b>-7.32</b>	<b>2.56</b>	<b>2.55</b>	<b>2.10</b>
FTSE Developed ex North America NR USD	-2.70	-2.70	-7.78	2.26	2.15	2.13
<b>Vanguard Emerging Mkts Stock Idx I</b>	<b>5.38</b>	<b>5.38</b>	<b>-12.61</b>	<b>-4.32</b>	<b>-4.11</b>	<b>2.88</b>
FTSE Emerging NR USD	6.06	6.06	-12.04	-3.93	-3.88	3.43

## Equity Pool - Equity Sectors (Morningstar)

Portfolio Date: 3/31/2016



	%
Basic Materials	4.2
Consumer Cyclical	12.0
Financial Services	15.5
Real Estate	3.9
Consumer Defensive	10.0
Healthcare	13.3
Utilities	3.5
Communication Services	4.5
Energy	5.9
Industrials	11.5
Technology	15.6
<b>Total</b>	<b>100.0</b>

## Purpose

The purpose of the Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the Equity Pool is to obtain broad equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

## Equity Pool - Top Holdings

Portfolio Date: 3/31/2016

Total Market Value: \$401,964,139	Market Value (mil)	Portfolio Weighting %
Vanguard Instl Ttl Stk Mkt Idx InstlPIs	301	75
Vanguard Developed Markets Idx Instl	80	20
Vanguard Emerging Mkts Stock Idx I	20	5

## Top Stock Holdings

1. Apple Inc.
2. Microsoft Corp.
3. Exxon Mobil Corp.
4. Johnson & Johnson
5. General Electric Co
6. Berkshire Hathaway Inc B
7. Facebook Inc A
8. AT&T Inc
9. Proctor & Gamble Co
10. Wells Fargo & Co

Trailing Twelve Month Dividend Yield: 2.26%

Equity Benchmark	Current	Equity Benchmark 01/14 - 03/15	Equity Benchmark 2011-2013	Equity Benchmark 2003-2011
CRSP US Total Stock Market	75%	CRSP US Total Stock Market 75%	Wilshire 5000 78.5%	Wilshire 5000 80%
FTSE Developed ex North Amer.	20%	FTSE Developed ex North Amer. 15%	MSCI EAFE 16.5%	MSCI EAFE 20%
FTSE Emerging Markets	5%	FTSE Emerging Markets 10%	MSCI Emerging Markets 5.0%	

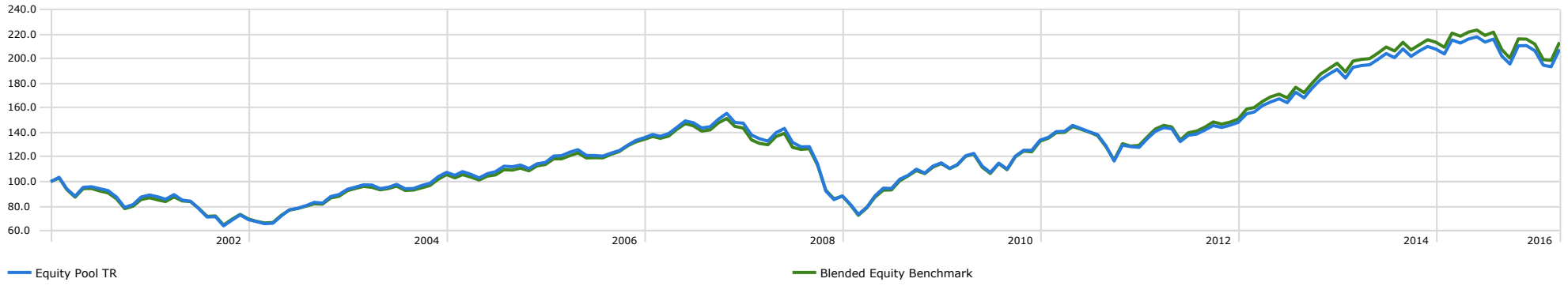
Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .06%

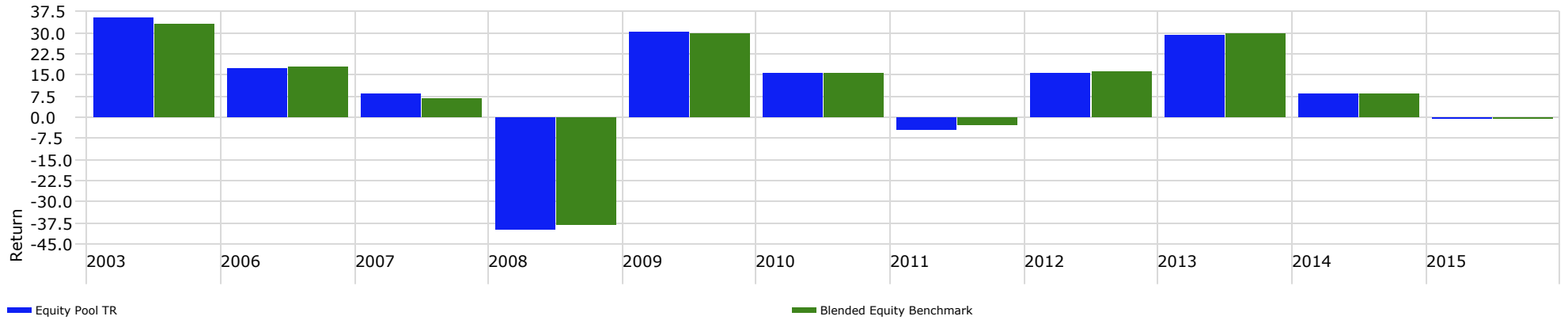
# Equity Pool

## Investment Growth

Time Period: 1/1/2001 to 3/31/2016



## Calendar Year Returns



## Equity Pool TR - Quarterly Returns

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
2016	0.59				
2015	2.40	0.38	-8.36	5.50	-0.62
2014	1.59	5.04	-1.13	2.89	8.56
2013	9.26	1.43	7.25	8.64	29.12
2012	12.55	-4.32	5.76	1.77	15.90
2011	5.36	-0.29	-16.92	9.50	-4.43
2010	4.97	-11.22	12.30	10.87	16.03
2009	-10.40	19.30	16.60	4.70	30.49
2008	-9.92	-0.77	-13.02	-22.99	-40.13
2007	2.50	6.29	1.88	-2.06	8.71
2006	7.19	-2.21	3.35	8.35	17.37

# Intermediate-Term Fixed Income Pool

As of 3/31/2016

## Trailing Returns

Int-Term Fixed Income Pool & Blended Benchmark	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Intermediate-Term Fixed Income Pool TR</b>	<b>3.43</b>	<b>3.43</b>	<b>2.15</b>			
Intermediate-Term Fixed Income Benchmark	3.50	3.50	2.36	2.55	4.55	

## Purpose

The purpose of the Intermediate-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasuries notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The average effective duration and interest rate risk of the Pool will be commensurate with broad fixed income benchmarks such as the Barclays U.S. Aggregate Bond Index.

## Trailing Returns

Int-Term Fix. Income Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Interm-Term Bond Index I</b>	<b>4.06</b>	<b>4.06</b>	<b>2.89</b>	<b>2.77</b>	<b>5.20</b>	<b>6.08</b>
Barclays US 5-10Y GovCredit FIAdj TR USD	4.08	4.08	2.89	2.80	5.19	
<b>Vanguard Mortgage-Backed Sec Idx I</b>	<b>1.79</b>	<b>1.79</b>	<b>2.18</b>			
Barclays US MBS TR USD	1.98	1.98	2.43	2.70	3.24	4.85
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Adm</b>	<b>1.82</b>	<b>1.82</b>	<b>1.32</b>	<b>-0.54</b>		
Barclays U.S. Treasury TIPS 0-5Y TR USD	1.81	1.81	1.41	-0.45	0.72	2.97
<b>SPDR® Barclays High Yield Bond ETF</b>	<b>2.21</b>	<b>2.21</b>	<b>-7.36</b>	<b>-0.20</b>	<b>3.25</b>	
Barclays VLI High Yield TR USD	3.67	3.67	-4.26	1.45	4.70	7.00

## Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 3/31/2016

Total Market Value: \$87,715,121	Market Value (mil)	Portfolio Weight %
Vanguard Interm-Term Bond Index I	61	70
Vanguard Mortgage-Backed Sec Idx I	18	20
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	4	5
SPDR® Barclays High Yield Bond ETF	4	5

## Int.-Term Fixed Income Benchmark Weights

## Percent

Barclays US 5-10Y Gov/Credit FIAdj TR USD	70%
Barclays US MBS Float Adjusted TR USD	20%
Barclays VLI High Yield TR USD	5%
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%

## Inception Date: January 1, 2014

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.

Estimated Pool Investment Management Fee: .11%

## Fixed Income Pool Statistics

Average Yield to Maturity	2.80%
Average Effective Duration	5.47 years
SEC Yield	2.28%

# Short-Term Fixed Income Pool

As of 3/31/2016

## Trailing Returns

Short-Term Fix. Inc. Pool & Blended Benchmark	Year To Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Short-Term Fixed Income Pool TR</b>	<b>1.71</b>	<b>1.71</b>	<b>1.49</b>			
Short-Term Fixed Income Benchmark	1.71	1.71	1.56	1.50	2.13	

## Purpose

The purpose of the Short-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The Pool will have a lower average effective duration than broad fixed income market benchmarks such as the Barclays U.S. Aggregate Bond Index, hence limiting overall interest rate risk.

## Trailing Returns

Short-Term Fix. Inc. Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Short-Term Bond Idx I</b>	<b>1.61</b>	<b>1.61</b>	<b>1.54</b>	<b>1.27</b>		
Barclays US 1-5Y GovCredit FIAdj TR USD	1.61	1.61	1.62	1.34	1.88	
<b>Vanguard Mortgage-Backed Sec Idx I</b>	<b>1.79</b>	<b>1.79</b>	<b>2.18</b>			
Barclays US MBS Float Adjusted TR USD	1.85	1.85	2.33	2.62	3.16	
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Adm</b>	<b>1.82</b>	<b>1.82</b>	<b>1.32</b>	<b>-0.54</b>		
Barclays U.S. Treasury TIPS 0-5Y TR USD	1.81	1.81	1.41	-0.45	0.72	2.97
<b>PowerShares Senior Loan ETF</b>	<b>2.05</b>	<b>2.05</b>	<b>-2.23</b>	<b>0.68</b>	<b>2.42</b>	
S&P/LSTA U.S. Leveraged Loan 100 TR USD	2.49	2.49	-2.14	1.16	2.78	4.15

## Short-Term Fixed Income Pool Holdings

Portfolio Date: 3/31/2016

Total Market Value: \$128,321,616	Market Value (mil)	Portfolio Weight %
Vanguard Short-Term Bond Idx I	94	70
Vanguard Mortgage-Backed Sec Idx I	27	20
PowerShares Senior Loan ETF	7	5
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	6	5

## Short-Term Fixed Income Benchmark Weights

### Percent

Barclays US 1-5Y GovCredit FIAdj TR USD	70%
Barclays US MBS Float Adjusted TR USD	20%
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%
S&P/LSTA U.S. Leveraged Loan 100 TR USD	5%

## Inception Date: January 1, 2014

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.

Estimated Pool Investment Management Fee: .12%

## Fixed Income Pool Statistics

Average Yield to Maturity	1.93%
Average Effective Duration	2.64 years
SEC Yield	1.52%

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# Money Market Pool

As of 3/31/2016

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## Purpose

The purpose of the Money Market Pool is to provide liquidity for participating charitable funds and organizations in funding grant making and payment of fees and administrative costs while providing desired principal stability. The long term investment objective of the Money Market Pool is to seek a competitive market return to preserve and grow the portfolio, provide cash flows to meet charitable needs now and those in the future. The performance objective of the Money Market Pool is to meet or exceed the performance of the 90-Day Treasury Bill, a truly "liquid" money market benchmark. As such, the Money Market Pool is highly liquid, which enables donors to access funds for grants in a timely manner.

The Money Market Pool invests primarily in bank deposits and high-quality institutional money market funds. The money market fund's holdings include U.S. dollar denominated money market securities of domestic and foreign issuers rated in the highest category by at least two nationally recognized rating services, U.S. Government securities, and repurchase agreements.

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### Money Market Trailing Returns

Time Period	Money Market Pool	90 Day Treasury Bills
3 Months	0.04%	0.07%
1 Year	0.07%	0.12%
3 Years	0.04%	0.07%
5 Years	0.03%	0.07%
10 Years	1.23%	1.07%

*Performance periods greater than 12 months are annualized.  
Performance is net of investment management fees but not the  
Foundation's administrative fees.*

**Estimated Current Yield: 0.16%**

# Investment Commentary—March 31, 2016

In December of last year, as noted in the previous Investment Commentary, the Federal Reserve Open Market Committee began the process of normalizing interest rates by raising the target rate for overnight loans among banks (the ‘fed funds’ rate) by a quarter of one percent from a range of 0.00%-0.25% to a range of 0.25%-0.50%. We said that some would view this increase as cataclysmic while others would view it as long overdue. Each side got its anticipated reaction during the first quarter. As measured by the CSRP U.S. Total Stock Market Index, U.S. stocks declined 5.7% in January, were virtually unchanged in February and gained 7.0% in March. Thus, the overall gain of 0.9% for the quarter masked a very volatile quarter.

The bond market, on the other hand, was not intimidated by Federal Reserve’s rate increase. The benchmark 10 year U.S. Treasury yield began the year at 2.27%. By February 11th it had plummeted to its low for the quarter at 1.63% before rebounding to finish the quarter at 1.78%, substantially below its level at the beginning of the year.



More importantly, there was an increase in the bond market’s expectations for growth in the Consumer Price Index over the next five years. Expectations for CPI inflation over the next five years began the quarter at 1.31%, dropped to .93% on February 9th and then finished the quarter at 1.43%. While part of this increase is related to the rebound in the prices of oil, it is significant that the bond

market is signaling a higher inflation rate over the next five years. Since the end of the quarter the bond market’s expectations for CPI inflation have continued to increase and were at 1.60% on April 29th. The Federal Reserve’s hopes of reviving inflation appear to be alive and well.

The Equity Pool gained 0.59% in the turbulent quarter. Large stocks continued to lead the way (+1.1%) as they have for the last several years. However, emerging markets rebounded by 5.4% from last year’s decline. With a decline of 2%, the weakest sector was foreign developed markets. An acceleration of the U.S. inflation rate could be a positive for companies that have seen profits decline over the last year as revenues continued stagnant and managers were unable to find more cost reductions. An increasing inflation rate might also stimulate the ingredient missing from this economic cycle—higher levels of capital spending by corporations. Accelerating capital expenditures could help to extend the life of this economic expansion.

The Intermediate-Term Fixed Income Pool gained 3.4% for the quarter due to the previously mentioned decline in the 10 year Treasury yield. Should the inflation rate begin to increase it is reasonable to assume that interest rates would follow. As has been noted before, higher interest rates may have a negative effect on the returns of both fixed income pools depending on the pace of the increases-. The Short-Term Fixed Income Pool gained 1.7% during the quarter as short-term interest rates also declined. The short-term maturities in this Pool are less impacted by changes in interest rates as can be seen by the relative performance of the two Pools.

**Special Note:** Effective October 14, 2016, new SEC regulations governing institutional prime money market funds will become mandatory. Prime money market funds invest in a broad range of money market instruments. Institutional prime money market funds will be subject to a floating “net asset value” which means that the \$1.00 price normally associated with money market funds could move up or down. In times of financial stress these institutional funds will have additional restrictions place on them. The Investment Committee believes these regulations are inimical to the interests of donors participating in the Money Market Pool. Thus, the Money Market Pool will begin transitioning from its current prime money market fund to a government securities money market fund. Government securities money market funds are exempt from these new regulations as are money market funds used by individuals. The transition to the new money market fund should be complete by September 30, 2016.