

# Investment Performance Summary

As of 6/30/2016



Individual Investment Options	YTD	1 Month	3 Month	1 Year	3 Years	5 Years	10 Years
<b>Equity Pool TR</b>	<b>2.70</b>	<b>0.00</b>	<b>2.10</b>	<b>-0.71</b>	<b>8.89</b>	<b>8.57</b>	<b>5.75</b>
Blended Equity Benchmark	2.60	-0.19	1.89	-0.72	8.94	9.15	6.17
S&P 500 TR USD	3.84	0.26	2.46	3.99	11.66	12.10	7.42
MSCI ACWI Ex USA NR USD	-1.02	-1.53	-0.64	-10.24	1.16	0.10	1.87
<b>Intermediate-Term Fixed Income Pool TR</b>	<b>5.96</b>	<b>2.02</b>	<b>2.46</b>	<b>6.23</b>			
Intermediate-Term Fixed Income Benchmark	6.01	1.88	2.43	6.32	4.51	4.47	
<b>Short-Term Fixed Income Pool TR</b>	<b>2.77</b>	<b>0.89</b>	<b>1.04</b>	<b>2.72</b>			
Short-Term Fixed Income Benchmark	2.81	0.85	1.08	2.78	2.21	2.03	
<b>Money Market Pool TR</b>	<b>0.06</b>	<b>0.01</b>	<b>0.03</b>	<b>0.09</b>	<b>0.04</b>	<b>0.03</b>	<b>1.12</b>
USTREAS T-Bill Auction Ave 3 Mon	0.14	0.02	0.07	0.19	0.08	0.08	0.95

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>3.10</b>	<b>0.29</b>	<b>2.03</b>	<b>0.47</b>	<b>7.91</b>	<b>7.72</b>	<b>5.95</b>
Aggressive Mix Benchmark	3.03	0.12	1.86	0.47	7.88	8.10	6.12
<b>Moderately Aggressive Mix TR</b>	<b>3.15</b>	<b>0.47</b>	<b>1.82</b>	<b>1.24</b>	<b>6.61</b>	<b>6.47</b>	<b>5.48</b>
Moderately Aggressive Mix Benchmark	3.11	0.33	1.71	1.27	6.54	6.68	5.50
<b>Moderate Mix TR</b>	<b>3.01</b>	<b>0.60</b>	<b>1.57</b>	<b>1.81</b>	<b>5.15</b>	<b>5.12</b>	<b>5.05</b>
Moderate Mix Benchmark	3.01	0.50	1.50	1.86	5.06	5.17	4.87
<b>Conservative Mix TR</b>	<b>2.84</b>	<b>0.74</b>	<b>1.31</b>	<b>2.29</b>	<b>3.67</b>	<b>3.72</b>	<b>4.49</b>
Conservative Mix Benchmark	2.87	0.66	1.29	2.36	3.53	3.60	4.14
<b>Risk Averse Mix TR</b>	<b>0.06</b>	<b>0.01</b>	<b>0.03</b>	<b>0.09</b>	<b>0.04</b>	<b>0.03</b>	<b>1.12</b>
USTREAS T-Bill Auction Ave 3 Mon	0.14	0.02	0.07	0.19	0.08	0.08	0.95

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 6/30/2016

## Trailing Returns

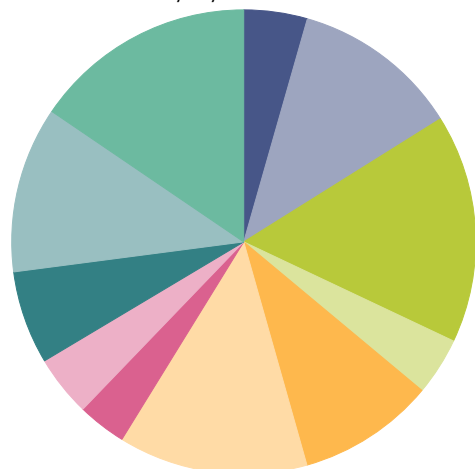
Equity Pool & Blended Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Equity Pool TR</b>	<b>2.70</b>	<b>2.10</b>	<b>-0.71</b>	<b>8.89</b>	<b>8.57</b>	<b>5.75</b>
Blended Equity Benchmark	2.60	1.89	-0.72	8.94	9.15	6.17

## 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>3.69</b>	<b>2.70</b>	<b>2.24</b>	<b>11.16</b>	<b>11.67</b>	<b>7.62</b>
CRSP US Total Market TR USD	3.66	2.69	2.14	11.09	11.56	7.58
<b>Vanguard Developed Markets Idx Instl</b>	<b>-2.21</b>	<b>-0.21</b>	<b>-8.45</b>	<b>2.79</b>	<b>2.10</b>	<b>1.98</b>
FTSE Developed ex North America NR USD	-4.09	-1.43	-9.65	2.22	1.53	1.89
<b>Vanguard Emerging Mkts Stock Idx I</b>	<b>7.84</b>	<b>2.33</b>	<b>-12.08</b>	<b>-0.71</b>	<b>-3.49</b>	<b>3.59</b>
FTSE Emerging NR USD	7.87	1.71	-12.18	-0.77	-3.21	4.06

## Equity Pool - Equity Sectors (Morningstar)

Portfolio Date: 6/30/2016



	%
Basic Materials	4.4
Consumer Cyclical	11.7
Financial Services	15.9
Real Estate	4.0
Consumer Defensive	9.5
Healthcare	13.2
Utilities	3.4
Communication Services	4.2
Energy	6.5
Industrials	11.6
Technology	15.5
<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: 6/30/2016

Total Market Value: \$400,725,894	Market Value (mil)	Portfolio Weighting %
Vanguard Instl Ttl Stk Mkt Idx InstlPIs	\$ 299.5	75%
Vanguard Developed Markets Idx Instl	\$ 79.7	20%
Vanguard Emerging Mkts Stock Idx I	\$ 20.1	5%

## Top Stock Holdings

1. Apple Inc.
2. Microsoft Corp.
3. Exxon Mobil Corp.
4. Johnson & Johnson
5. General Electric Co
6. Amazon.com Inc.
7. Berkshire Hathaway Inc B
8. Facebook Inc A
9. AT&T Inc
10. JPMorgan Chase & Co.

Trailing Twelve Month Dividend Yield: 2.18%

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%	

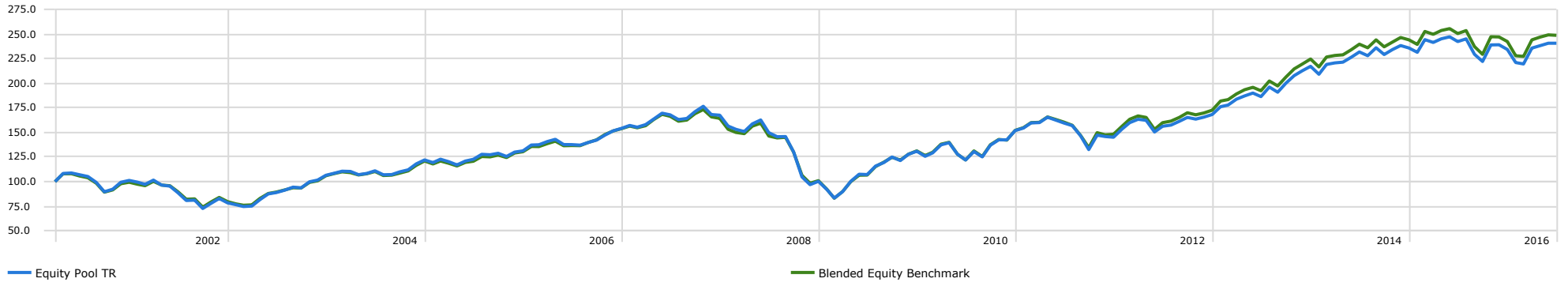
Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .06%

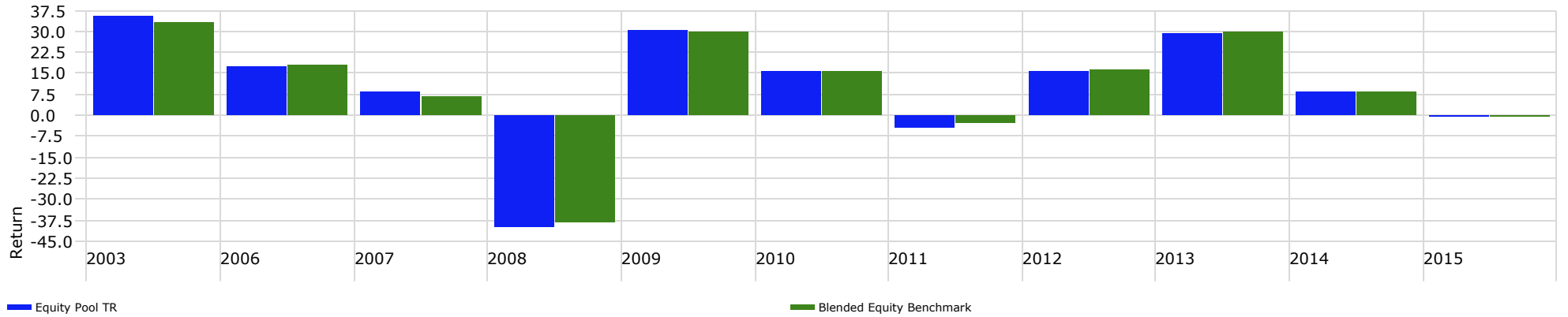
# Equity Pool

## Investment Growth

Time Period: 4/1/2001 to 6/30/2016



## Calendar Year Returns



## Equity Pool TR - Quarterly Returns

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
2016	0.59	2.10			2.70
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 6/30/2016

## 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>5.96</b>	<b>2.46</b>	<b>6.23</b>			
Intermediate-Term Fixed Income Benchmark	6.01	2.43	6.32	4.51	4.47	

## 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>6.89</b>	<b>2.72</b>	<b>7.74</b>	<b>5.09</b>	<b>5.07</b>	<b>6.43</b>
Barclays US 5-10Y GovCredit FIAdj TR USD	6.93	2.74	7.68	5.08	5.08	
<b>Vanguard Mortgage-Backed Sec Idx I</b>	<b>2.92</b>	<b>1.12</b>	<b>4.03</b>			
Barclays US MBS TR USD	3.10	1.11	4.34	3.76	3.01	4.96
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Adm</b>	<b>2.69</b>	<b>0.85</b>	<b>1.64</b>	<b>0.56</b>		
Barclays U.S. Treasury TIPS 0-5Y TR USD	2.68	0.85	1.66	0.63	0.58	2.90
<b>SPDR® Barclays High Yield Bond ETF</b>	<b>7.39</b>	<b>5.07</b>	<b>-2.00</b>	<b>2.20</b>	<b>4.13</b>	
Barclays VLI High Yield TR USD	8.90	5.04	0.92	3.78	5.56	7.52

## Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 6/30/2016

Total Market Value: \$93,614,611	Market Value (mil)	Portfolio Weight %
Vanguard Interm-Term Bond Index I	\$ 65.5	70%
Vanguard Mortgage-Backed Sec Idx I	\$ 18.6	20%
SPDR® Barclays High Yield Bond ETF	\$ 4.8	5%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 4.7	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	2.77%
Average Effective Duration	5.60 years
SEC Yield	2.04%

# Short-Term Fixed Income Pool

As of 6/30/2016

## 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>2.77</b>	<b>1.04</b>	<b>2.72</b>			
Short-Term Fixed Income Benchmark	2.81	1.08	2.78	2.21	2.03	

## 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>2.56</b>	<b>0.94</b>	<b>2.55</b>	<b>1.84</b>		
Barclays US 1-5Y GovCredit FIAdj TR USD	2.61	0.98	2.63	1.93	1.77	
<b>Vanguard Mortgage-Backed Sec Idx I</b>	<b>2.92</b>	<b>1.12</b>	<b>4.03</b>			
Barclays US MBS Float Adjusted TR USD	2.93	1.07	4.06	3.60	2.93	
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Adm</b>	<b>2.69</b>	<b>0.85</b>	<b>1.64</b>	<b>0.56</b>		
Barclays U.S. Treasury TIPS 0-5Y TR USD	2.68	0.85	1.66	0.63	0.58	2.90
<b>PowerShares Senior Loan ETF</b>	<b>4.58</b>	<b>2.48</b>	<b>0.41</b>	<b>1.64</b>	<b>2.94</b>	
S&P/LSTA U.S. Leveraged Loan 100 TR USD	5.36	2.80	0.69	2.16	3.46	4.35

## Short-Term Fixed Income Pool Holdings

Portfolio Date: 6/30/2016

Total Market Value: \$135,586,259	Market Value (mil)	Portfolio Weight %
Vanguard Short-Term Bond Idx I	\$ 95.2	70%
Vanguard Mortgage-Backed Sec Idx I	\$ 27.2	20%
PowerShares Senior Loan ETF	\$ 6.6	5%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 6.6	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	1.81%
Average Effective Duration	2.76 years
SEC Yield	1.35%

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# Money Market Pool

As of 6/30/2016

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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	0.02%	0.07%
1 Year	0.09%	0.19%
3 Years	0.04%	0.08%
5 Years	0.03%	0.08%
10 Years	1.12%	0.95%

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

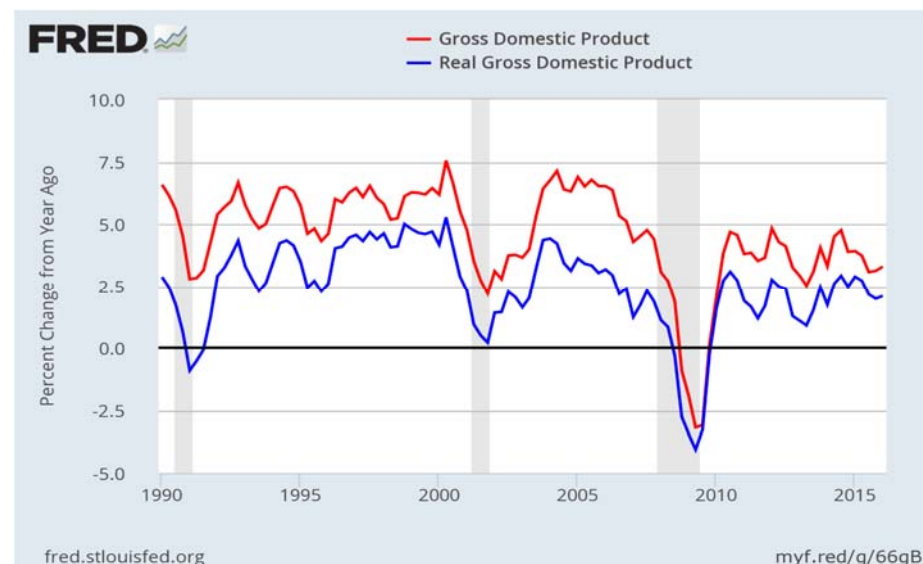
**Estimated Current Yield: 0.16%**

# Investment Commentary—June 30, 2016

Just when it appeared the Federal Reserve had things well in hand and would achieve their inflation targets and normalize short term interest rates, along came Brexit. The United Kingdom's vote to leave the Eurozone confounded all the political pundits and upset the projections made by the investment experts. The long term effects of the UK's departure will take years to be fully known. However, it does add one more layer of uncertainty to the investment outlook.

Equity markets declined and then rebounded while long term yields on US Treasuries and other sovereign bonds fell to historical lows after the end of the second quarter. The rebound in the U.S. equity markets has taken large company stocks to historical highs since the end of the quarter.

A traditional reading of the equity market's activity would lead one to conclude the economy will stay healthy with corporate revenues and earnings accelerating after a difficult 18 months. A traditional reading of the bond market, on the other hand, would suggest economic activity is declining and the global economy is in the midst of a recession. Meanwhile, the U.S. economy continues to muddle along at *real* growth rates of 1.5 to 3.0% (blue line below) as measured by the year-to-year comparisons (not to be confused with the quarter-to-quarter numbers used in the news reports).



As we draw closer to November the outcome of the national election in the U.S. will become a factor in the capital markets since the two presidential candidates have substantially different visions of the future direction of the economy. However, given the capital markets experience with the Brexit vote, one could be excused for giving little heed to the pundits and prognosticators on this issue.

The Equity Pool gained 2.10% during the second quarter bringing the year-to-date performance to 2.70%. Small and mid-sized companies led the way with returns of 3.97% and 2.34% respectively during the quarter. Emerging markets continued their rebound (+1.71%) while developed markets were down slightly (-0.21%) due to the turbulence from the Brexit vote.

As noted previously, interest rates declined during the quarter causing bond prices to rise. As a result, the Intermediate-Term Fixed Income Pool gained 2.46% while the Short-Term Fixed Income Pool gained 1.04%. The yield on the benchmark ten year Treasury Note declined from 1.78% to 1.49% over the course of the quarter. After the close of the quarter the yield dropped even further to a post World War II low of 1.38%. Since then it has rebounded to 1.60%. The low level of interest rates probably has more to do with the incredibly low level of yields in Europe (-0.50% to +0.50% for ten year sovereign bonds, *no typo*) rather than fundamental factors in the U.S. At some point, one would expect the influences exerted by a U.S. economy growing 3-4% in *nominal* terms (red line on the chart) to produce some upward effect on long term interest rates.

**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 placed 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 has begun transitioning from the previous prime money market fund to a government securities money market fund. Government securities money market funds are exempt from these new regulations as are prime money market funds held by individuals. The transition to the new money market fund should be complete by September 30, 2016.