

Investment Performance Summary

As of 6/30/2018



Individual Investment Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Equity Pool TR	1.40	-0.07	1.99	12.69	10.01	11.60	7.98
Equity Benchmark	1.32	-0.04	2.12	12.79	10.06	11.66	8.60
S&P 500 TR USD	2.65	0.62	3.43	14.37	11.93	13.42	10.17
MSCI ACWI Ex USA NR USD	-3.77	-1.88	-2.61	7.28	5.07	5.99	2.54
Intermediate-Term Fixed Income Pool TR	-1.80	0.00	-0.11	-0.87	1.68		
Intermediate-Term Fixed Income Benchmark	-1.70	-0.07	-0.11	-0.73	1.83	2.54	
Short-Term Fixed Income Pool TR	-0.33	0.06	0.20	0.04	1.00		
Short-Term Fixed Income Benchmark	-0.29	0.00	0.22	0.14	1.11	1.43	
Money Market Pool TR	0.43	0.10	0.26	0.71	0.31	0.19	0.30
USTREAS T-Bill Auction Ave 3 Mon	0.88	0.16	0.48	1.47	0.75	0.46	0.33

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
Aggressive Mix TR	0.95	-0.05	1.60	10.01	8.31	9.71	7.41
Aggressive Mix Benchmark	0.90	-0.04	1.70	10.12	8.39	9.74	7.78
Moderately Aggressive Mix TR	0.60	-0.02	1.23	7.45	6.52	7.66	6.26
Moderately Aggressive Mix Benchmark	0.60	-0.03	1.32	7.59	6.62	7.68	6.45
Moderate Mix TR	0.27	0.01	0.87	4.95	4.67	5.55	5.14
Moderate Mix Benchmark	0.34	0.00	0.96	5.16	4.82	5.57	5.14
Conservative Mix TR	-0.08	0.03	0.51	2.48	2.81	3.43	3.92
Conservative Mix Benchmark	0.06	0.02	0.59	2.76	3.00	3.45	3.74
Risk Averse Mix TR	0.43	0.10	0.26	0.71	0.31	0.19	0.30
USTREAS T-Bill Auction Ave 3 Mon	0.88	0.16	0.48	1.47	0.75	0.46	0.33

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	0.06%
Moderately Aggressive	0.07%
Moderate	0.09%
Conservative	0.10%
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 6/30/2018

Trailing Returns

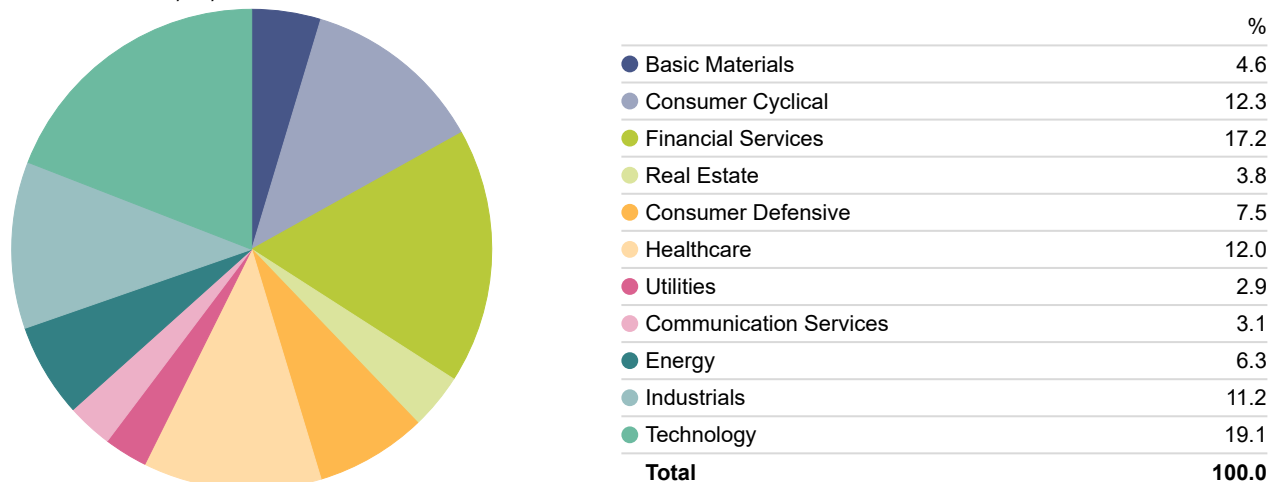
Equity Pool & Blended Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Equity Pool TR	1.40	1.99	12.69	10.01	11.60	7.98
Equity Benchmark	1.32	2.12	12.79	10.06	11.66	8.60

Trailing Returns

Equity Pool Holdings & Benchmarks	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Instl Ttl Stk Mkt Idx InstlPIs	3.30	3.93	14.85	11.64	13.33	10.40
CRSP US Total Market TR USD	3.29	3.91	14.83	11.60	13.28	10.35
Vanguard Developed Markets Index Instl	-2.65	-1.59	7.33	5.70	6.97	3.26
FTSE Developed ex US All Cap NR USD	-3.00	-1.19	7.52	5.53	6.74	
Vanguard Emerging Mkts Stock Idx Instl	-7.21	-9.08	6.28	3.58	4.35	1.83
FTSE Emerging NR USD	-6.92	-8.23	7.29	4.23	4.73	2.28

Equity Pool - Equity Sectors (Morningstar)

Portfolio Date: 6/30/2018



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: 6/30/2018

	Market Value (mil)	Portfolio Weighting %
Total Market Value: \$488,226,264.28		
Vanguard Instl Ttl Stk Mkt Idx InstlPIs	\$ 351.6	72%
Vanguard Developed Markets Index Ins Pls	\$ 113.2	23%
Vanguard Emerging Mkts Stock Idx Instl	\$ 23.4	5%

Top Stock Holdings

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

Trailing Twelve Month Dividend Yield: 2.17%

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: .05%

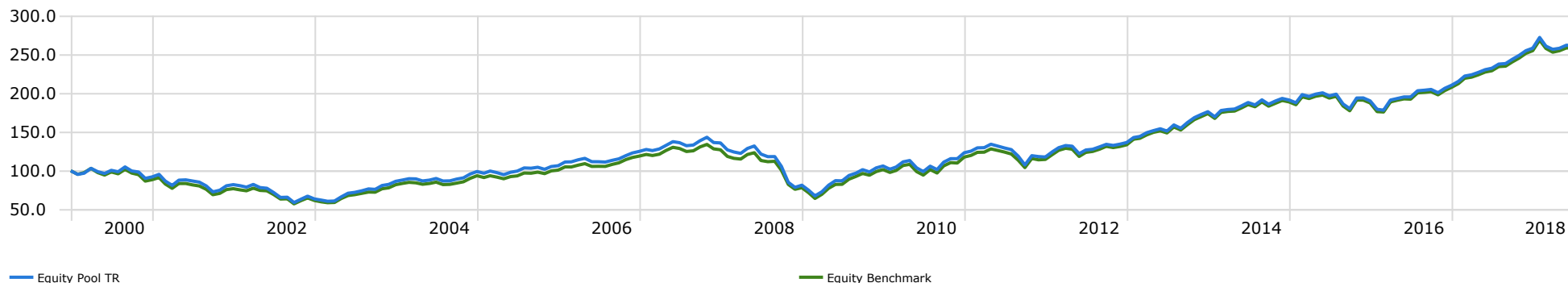
Equity Benchmark	Current	Equity Benchmark 03/15 - 04/17	Equity Benchmark 01/14 - 03/15	Equity Benchmark 2011-2013	Equity Benchmark 2003-2011
CRSP US Total Stock Market	72%	CRSP US Total Stock Market 75%	CRSP US Total Stock Market 75%	Wilshire 5000 78.5%	Wilshire 5000 80%
FTSE Developed ex US All Cap	23%	FTSE Developed ex US All Cap 20%	FTSE Developed ex North Amer. 15%	MSCI EAFE 16.5%	MSCI EAFE 20%
FTSE Emerging Markets	5%	FTSE Emerging Markets 5%	FTSE Emerging Markets 10%	MSCI Emerging Markets 5.0%	

Source: Morningstar Direct

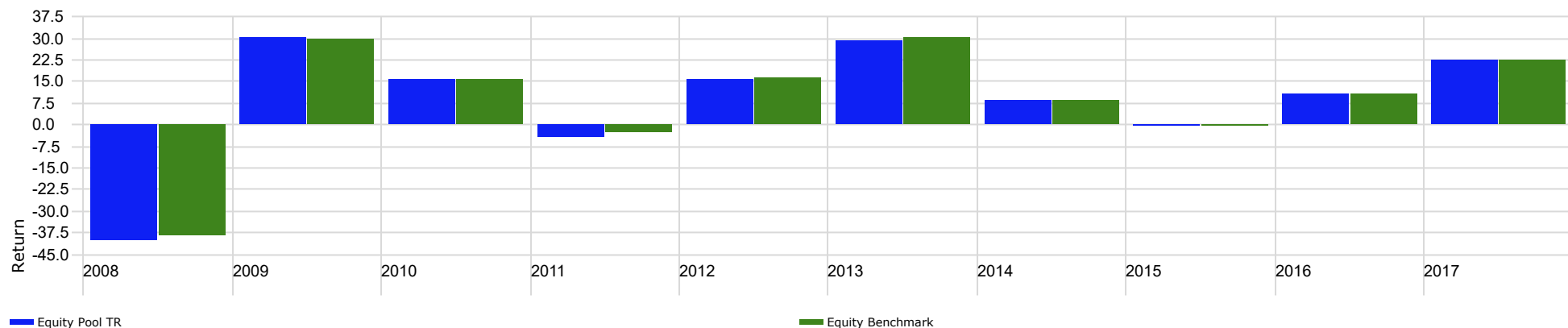
Equity Pool

Investment Growth

Time Period: 1/1/2000 to 6/30/2018



Calendar Year Returns



Equity Pool TR - Quarterly Returns

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
2018	-0.58	1.99			1.47
2017	6.42	3.78	4.95	5.89	22.73
2016	0.59	2.10	4.95	2.65	10.64
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

Source: Morningstar Direct

Intermediate-Term Fixed Income Pool

As of 6/30/2018

Trailing Returns

Int-Term Fixed Income Pool & Blended Benchmark	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Intermediate-Term Fixed Income Pool TR	-1.80	-0.11	-0.87	1.68		
Intermediate-Term Fixed Income Benchmark	-1.70	-0.11	-0.73	1.83	2.54	

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
Vanguard Interm-Term Bond Index I	-2.25	-0.28	-1.37	1.72	2.55	4.68
BBgBarc US 5-10Y GovCredit FIAdj TR USD	-2.19	-0.32	-1.30	1.78	2.58	
Vanguard Mortgage-Backed Secs Idx Instl	-0.97	0.25	0.02	1.31		
BBgBarc US MBS TR USD	-0.95	0.24	0.15	1.46	2.25	3.54
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	0.73	0.53	1.36	1.10	0.67	
BBgBarc U.S. Treasury TIPS 0-5Y TR USD	0.70	0.48	1.39	1.12	0.72	1.47
Xtrackers USD High Yield Corp Bd ETF	0.10	1.20	1.76			
Solactive USD HY Corp Total Mkt TR USD	0.20	1.21	2.03	4.98	4.92	

Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 6/30/2018

	Market Value (mil)	Portfolio Weight %
Total Market Value	\$116,550,690.47	
Vanguard Interm-Term Bond Index I	\$ 81.7	70%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 23.1	20%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 6.0	5%
Xtrackers USD High Yield Corp Bd ETF	\$ 5.8	5%

Int.-Term Fixed Income Benchmark Weights

	Percent	Inception Date: January 1, 2014
Barclays US 5-10Y Gov/Credit FIAdj TR USD	70%	Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.
Barclays US MBS Float Adjusted TR USD	20%	
Solactive USD HY Corp Total Mkt TR USD	5%	Estimated Pool Investment
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%	Management Fee: 0.07%

Fixed Income Pool Statistics

Average Yield to Maturity	3.53%
Average Effective Duration	5.78 years
Trailing Twelve Month Yield	2.81%

Short-Term Fixed Income Pool

As of 6/30/2018

Trailing Returns

Short-Term Fix. Inc. Pool & Blended Benchmark	Year To Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Short-Term Fixed Income Pool TR	-0.33	0.20	0.04	1.00		
Short-Term Fixed Income Benchmark	-0.29	0.22	0.14	1.11	1.43	

Trailing Returns

Short-Term Fix. Inc. Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
Vanguard Short-Term Bond Idx I	-0.31	0.20	-0.21	0.79	1.07	
BBgBarc US 1-5Y GovCredit FIAdj TR USD	-0.33	0.17	-0.20	0.84	1.13	
Vanguard Mortgage-Backed Secs Idx Instl	-0.97	0.25	0.02	1.31		
BBgBarc US MBS Float Adjusted TR USD	-0.92	0.24	0.15	1.38	2.17	
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	0.73	0.53	1.36	1.10	0.67	
BBgBarc U.S. Treasury TIPS 0-5Y TR USD	0.70	0.48	1.39	1.12	0.72	1.47
Invesco Senior Loan ETF	1.47	0.37	2.90	2.79	2.58	
S&P/LSTA U.S. Leveraged Loan 100 TR USD	1.83	0.42	3.73	3.69	3.37	

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: 0.09%

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.

Short-Term Fixed Income Pool Holdings

Portfolio Date: 6/30/2018

Total Market Value: \$180,371,010.87	Market Value (mil)	Portfolio Weight %
Vanguard Short-Term Bond Idx I	\$ 126.5	70%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 36.1	20%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 8.9	5%
Invesco Senior Loan ETF	\$ 8.9	5%

Fixed Income Pool Statistics

Average Yield to Maturity	3.08%
Average Effective Duration	3.03 years
Trailing Twelve Month Yield	2.02%

Money Market Pool

As of 6/30/2018

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. 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 in bank deposits and obligations of the United States government and its agencies.

Money Market Trailing Returns

Time Period	Money Market Pool	90 Day Treasury Bills
3 Months	0.26%	0.48%
1 Year	0.71%	1.47%
3 Years	0.31%	0.75%
5 Years	0.19%	0.46%
10 Years	0.30%	0.33%

*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: 1.04%

Investment Commentary—June 30, 2018

It seems that “silly season” came early this year. Traditionally, “silly season” occurs “in midsummer or during a holiday period, characterized by exaggerated news stories, frivolous entertainments, outlandish publicity stunts, etc.”¹ because events have slowed down and real news becomes scarce. While we are unaware of any outlandish publicity stunts, there have been plenty of exaggerated investment news stories. Some tout the approaching end of the investment world while others say we are about to enter “Investment Nirvana.” Each pundit appears to have 100% confidence in the analysis presented.

The reason we label it “silly season” is because we are in that curious time between the implementation of major changes in government policies and the effects of those changes. Fiscal policy, such as the 2018 reduction in corporate tax rates, and monetary policy, such as the Federal Reserve’s decision to reduce the size of its balance sheet, take time to work into the system. The pundits (and some investors), however, expect instant results. Thus, we experience the crosscurrents we witnessed in the second quarter. To add to the uncertainty, the Trump administration has begun a trade “skirmish” with the intent of rewriting the rules of international trade.



Meanwhile, corporate earnings are showing strong growth with the first quarter recording a 20% gain versus 2017, as shown by the chart. Inflation, as viewed by the Federal Reserve, has accelerated from 1.3% to 1.96% and is threatening to move above the Fed’s target of 2%. These results help to explain why the stock market was up in the second quarter while the intermediate-term bond market showed slightly negative returns.

What is an investor to do? Go back to the fundamentals of investing. Now is the time to review the portfolio’s asset allocation to make sure it reflects the fund’s objectives, cash flow needs, risk tolerance and time horizon. While investing is a long term exercise, it also requires periodic checks to ensure that the portfolio’s structure is in line with its long term objectives.

The Equity Pool gained 1.99% in the second quarter which turned the year-to-date return to a gain of 1.40%. An old investing adage says “when the U.S. catches a cold, the rest of the world gets pneumonia.” The U.S. total stock market index gained 3.9% in the quarter while the rest of the world lost 2.6% bringing the rest of the world’s decline to 3.8% for the first six months of the year. Small company stocks were the standout performers with a 7.75% gain in the quarter and a 7.66% gain year-to-date. Small companies are believed to be less exposed to trade policy changes while benefiting more from the changes in fiscal and monetary policies.

The Intermediate-Term Fixed Income Pool had a loss of -0.11% for the quarter, bringing the year-to-date loss to -1.80% as the yield on the ten-year U.S. Treasury note increased during the quarter from 2.74% to 2.85% after beginning the year at 2.40%. The Short-Term Fixed Income Pool had a positive return of 0.20% which cut the year-to-date decline to -0.33%. The shorter maturities in the Short-Term Pool make the prices less sensitive to changes in bond yields.

Portfolio Change:

In May, the Investment Committee voted to make a minor change in the Intermediate-Term Fixed Income Pool. The Xtrackers USD High-Yield Corporate Bond ETF (symbol HYL B) replaced the SPDR Bloomberg Barclays High Yield Bond ETF (symbol JNK). The Xtrackers High-Yield ETF tracks a slightly larger universe of bonds while having a management fee that is 50% less than the SPDR High Yield Bond ETF.

¹ Dictionary.com Unabridged based on the Random House Unabridged Dictionary, © Random House, Inc. 2018