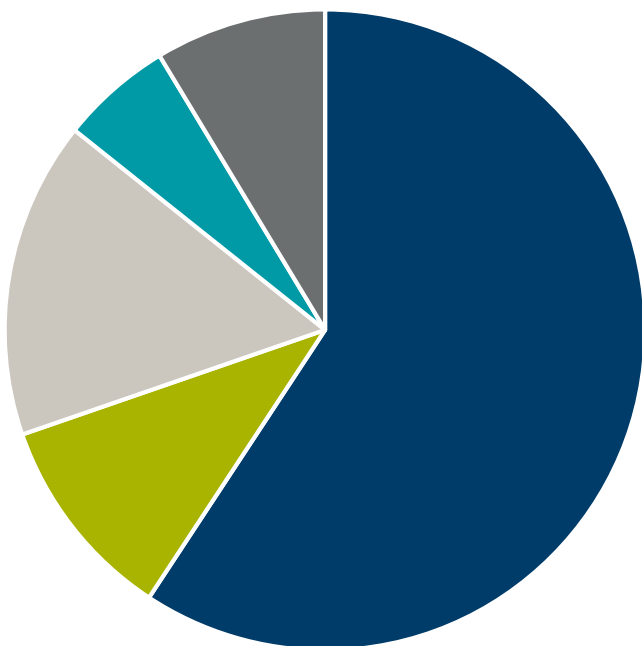


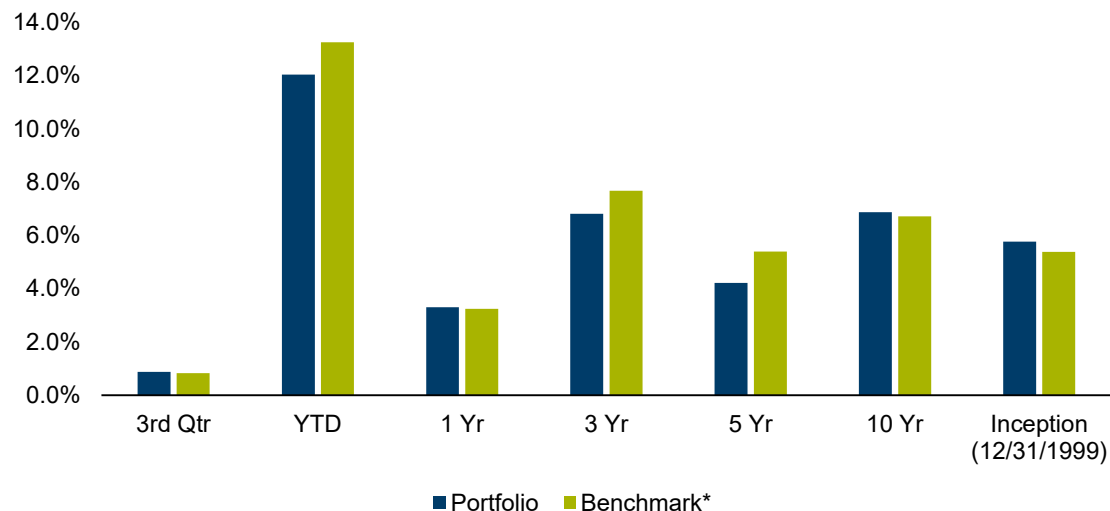
Greater Tacoma Community Foundation – Endowment Portfolio

Portfolio composition



- 59% Equity
- 10% Private Equity
- 16% Fixed Income
- 9% Liquid Alternatives
- 6% Real Estate

Endowment Performance



	3rd Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception (12/31/1999)
Portfolio	0.9%	12.0%	3.3%	6.8%	4.2%	6.9%	5.8%
Benchmark*	0.8%	13.3%	3.2%	7.7%	5.4%	6.7%	5.4%

Local impact investments may represent up to 3% of the portfolio, spread across real estate, fixed income, and equity.

Data as-of September 30, 2019. Source: Vanguard

*Returns are net of investment management fee

**Time weighted benchmark. Benchmark history available upon request.

3rd Quarter Overview

Global equity market performance mixed

In light of some intra-quarter volatility, global equity markets ended the third quarter mixed. U.S. equities¹ returned 1.1% and once again outpaced international equity markets⁷, which ended the period down 1.7%. U.S. large cap² and mid cap³ stocks led the way returning 1.6% and 0.6%, respectively. In a reversal from the first half of 2019, U.S. small cap⁴ stocks ended the third quarter in negative territory, down 1.5%. The size advantage was pronounced over the trailing 12 month period, as large- and mid-cap U.S. stocks ended the period up 4.2% and 3.7%, respectively. U.S. small cap stocks, conversely, were down 3.8% over the cumulative one-year period.

From a style perspective, U.S. value⁶ stocks advanced ahead of their growth counterparts⁵, returning 1.2% versus 1.1% during the third quarter, and 3.1% versus 2.7% over a one-year period. In light of the persistent uncertainty in global markets, developed international⁹ and emerging markets⁸ equities ended the third quarter in the red, down 1.7% and 3.8%, respectively. Over the trailing 12 months, emerging markets gained 0.91%, outperforming the -1.7% return posted by developed international equities.

Fixed income produces positive results as yields across the curve move lower

The broad U.S. fixed income market¹⁰ continued its winning streak, up 2.3% during the third quarter and 10.4% for the trailing twelve month period as interest rates declined across the yield curve on the Federal Reserve's continued dovish stance and expectations for low inflation. The yield curve flattened modestly in the quarter as the short- and long-end of the curve fell further than the intermediate portion. The ten-year Treasury note fell from 2.00% to 1.67% during the third quarter.

Portions of the yield curve have been inverted since the end of May. The spread between two-year and ten-year Treasury securities narrowed to 0.05%, down from 0.25% at the end of the first quarter, and down 0.27% from a year earlier. Market participants continue to monitor the relationship between short-term and long-term yields, as an inverted yield curve is widely considered an indicator of a possible recession. U.S. credit bonds¹¹ outpaced Treasury securities¹² for the quarter, returning 2.9% versus 2.4% and, over the past year, returning 12.6% versus 10.5%. Credit spreads narrowed, allowing U.S. high yield corporate bonds¹³ to return 1.3% for the quarter and 6.4% for the trailing 12 months. Meanwhile, hedged international bonds outperformed their unhedged counterparts, as U.S. dollar strength contributed to higher returns, and added to its sizable advantage relative to unhedged bonds over the trailing 12 month period. The hedged index¹⁴ returned 3.1% for the quarter and 11.5% over the past year, while the unhedged index¹⁵ returned -0.6% for the quarter and 5.3% over the trailing 12 month.

The Fed acts to stem a slowdown in the U.S.

The Federal Reserve cut policy interest rates twice in third quarter as a pre-emptive measure to stem further weakness in U.S. economic data. This is a notable shift from April and May when Fed Chairman Jerome Powell stated, "We don't see a strong case for moving in either direction." Vanguard has revised our outlook for U.S. Federal Reserve interest rate policy, and now expects one more cut this year, bringing our projection to three rate cuts in 2019. Potential further cuts down the road will likely depend on trade tensions and the shape of the yield curve.

Final Thoughts

Vanguard's current outlook reflects a softening of global economic conditions amid an escalation in global trade tensions and modest deterioration in economic fundamentals. Over the medium term, we continue to expect lower returns from both equities and fixed income relative to history while continuing to stress the importance of a long-term perspective. Based on expectations for higher volatility and lower returns on the horizon, Vanguard believes a low-cost, globally diversified portfolio along with periodic rebalancing is best suited for navigating changing market conditions and greatly increases the chances for investment success.

Index Returns

1) CRSP US Total Market Index, 2) CRSP US Mega-Cap Index, 3) CRSP US Mid-Cap Index, 4) CRSP US Small-Cap Index, 5) Russell 3000 Growth Index, 6) Russell 3000 Value Index, 7) FTSE Global All-Cap ex-US Index, 8) FTSE Emerging Markets Index, 9) FTSE Developed All-Cap ex-US Index, 10) BloombergBarclays US Aggregate Float-Adjusted Bond Index, 11) BloombergBarclays US Credit Index, 12) BloombergBarclays US Treasury Index, 13) BloombergBarclays US Corporate High Yield Index, 14) Bloomberg Barclays Global Aggregate ex-USD Float-Adjusted RIC-Capped (USD-Hedged) Bond Index, 15) BloombergBarclays Global Aggregate ex-USD Index

Sources:

Vanguard, U.S. Treasury, Trading Economics, Bureau of Economic Analysis, CNBC, BBC, Wall Street Journal, MarketWatch

Benchmark History

Endowment History

From inception through 7/31/2013, the benchmark is represented by 32% S&P 500 Index, 3% Russell Midcap Index, 3% Russell 2000 Index, 11% MSCI EAFE Index, 2% MSCI Small Cap EAFE Index, 8% MSCI Emerging Markets Index, 22% Barclays U.S. Aggregate Bond Index, 3% Barclays U.S. TIPS Index, 6% DJ/CS HFI Long/Short Equity, 3% DB Liquid Commodity Index–OY Div., 7.00% U.S. T-Bill + 3%. **From 8/31/2013 to 9/30/2016**, the benchmark is represented by 10% S&P 500 Index, 5% Russell Midcap Index, 5% Russell 2000 Index, 10% MSCI EAFE Index, 2% MSCI Small Cap EAFE Index, 8% MSCI Emerging Markets Index, 18% Barclays U.S. Aggregate Bond Index, 2% Barclays U.S. TIPS Index, 5% DJ/CS HFI Long/Short Equity, 7.5% Bloomberg Commodity Index 7.50%, 20% U.S. T-Bill + 3%, 7.5%, FTSE EPRA/NAREIT Global Index. **From 10/1/2016 through 6/30/2018**, the benchmark is represented by 40% Spliced Total Stock Market Index, 26% Spliced Total International Stock Index, 10% Spliced Bloomberg Barclays US Agg Float Adj Ix, 4% Bloomberg Barclays GA ex-USD FIAj RIC Cplx Hgd, 10% REIT Spliced Index, 5% Citi 3 month Treasury Bill, 5% FTSE 3-month U.S.T-Bill Index + 4%. **Thereafter**, the benchmark is represented by 40% Spliced Total Stock Market Index, 26% Spliced Total International Stock Index, 10% Spliced Bloomberg Barclays US Agg Float Adj Ix, 4% Bloomberg Barclays GA ex-USD FIAj RIC Cplx Hgd, 10% REIT Spliced Index, 10% Citi 3 month Treasury Bill.

Note: Inception date of MSCI Small Cap EAFE Index total return series is 1/31/2001, prior to that the price only series was used.

Annuity History

From inception through 9/30/2016, the benchmark is represented by 5% Russell 2500 Index, 26% Russell 1000 Index, 5% Russell 2000 Value Index, 23% MSCI EAFE Index, 35% Barclays U.S. Aggregate Bond Index, 6% FTSE NAREIT Equity Index. **From 10/31/2016**, the benchmark is represented by 36% Spliced Total Stock Market Index, 23% Spliced Total International Stock Index, 25% Spliced BBgBarc US Agg Float Adj Ix, 6% REIT Spliced Index, 5% Citi 3mth Treasury Bill, 5% FTSE 3-month U.S.T-Bill Index + 4%.

Short-Term History

From 10/31/2010 through 9/30/2016, the benchmark is represented by 10% Russell 3000 Index, 5% MSCI AC World Index ex-U.S., 70% Barclays U.S. Aggregate Bond Index, 15% Barclays Inst'l Money Market. **From 10/31/2016**, the portfolio is represented by 17% Spliced Total Stock Market Index, 8% Spliced Total International Stock Index, 65% Spliced BBgBarc US Agg Float Adj Ix, 10% Citi 3 month Treasury Bill.