



Q2 2016 GTCF INVESTMENT UPDATE FROM FUND EVALUATION GROUP

The U.S. stock market continued its upward trend after recovering from a rather wobbly start to the calendar year. For the second quarter of 2016 the S&P 500 posted 2.4%, bringing the year-to-date return to 3.8%. The impact of the Brexit vote in late June detracted from performance (*over a 5% decline in two days in the US and nearly double digit declines in Europe*) but rebounds in July were pronounced, although not reflected in the June 30 returns. Many of the areas of the market that underperformed in previous periods all experienced strong results on the quarter: Value stocks outperformed growth stocks, small cap stocks outperformed large cap stocks, emerging markets outperformed developed markets, and energy related investments were positive nearly 20%. Bonds too experienced positive gains in the quarter as investors spooked by the Brexit vote found shelter in the safety of US Treasuries. Interestingly, bonds have outperformed US large cap stocks at the halfway point of 2016.

As the markets advanced so did the Foundation's Endowment. For the quarter GTCF posted a +2.0% return for the quarter with the Annuity Pool at +2.2%, the Short Term pool at +1.7% and the Socially Responsive pool posting +1.8%. The allocation of the Endowment remains in line with targets and expectations with 53% of the asset invested in stocks, 23% invested in bonds, and the remaining amount allocated across real estate, energy-related investments, and hedge funds.

Q2 2016 ENDOWMENT POOL UPDATE:

ENDOWMENT POOL ASSET ALLOCATION						
Global Equity	53%					
Global Fixed Income	23%					
Real Assets	14%					
Diversifying Strategies	10%					

	QTR	YTD	1- YEAR	3- YEAR	7- YEAR	10- YEAR
Endowment Pool Performance	1.8%	2.6%	-2.5	3.7%	8.3%	4.4%
Benchmarks:						
S&P 500 Index	2.4%	3.8%	4.0%	11.6%	14.9%	7.4%
MSCI EAFE Index	-1.5%	-4.4%	-10.2%	2.1%	6.0%	1.6%
Barclays Capital Aggregate Bond Index	2.2%	5.3%	6.0%	4.1%	4.6%	5.1%
HFRI Fund of Funds Index	0.7%	-2.4%	-5.2%	2.0%	2.8%	1.6%

Q2 2016 SRI POOL UPDATE:

Socially Responsive Investment Pool Asset Allocation	
Global Equity	51%
Global Fixed Income	30%
Real Assets	8%
Diversifying Strategies	11%

Performance as of 6/30/2016	Qtr	YTD
SRI Pool	1.8%	4.0%
Benchmarks:		
S&P 500 Index	2.4%	3.8%
MSCI EAFE Index	-1.5%	-4.4%
Barclays U.S. Aggregate Bond Index	2.2%	5.3%

Q2 2016 SHORT-TERM POOL UPDATE:

Target Asset Allocation	
Cash	10%
Global Equity	25%
Domestic Fixed Income	65%

Performance as of 6/30/2016	<i>Annualized</i>				
	Qtr	YTD	1-Year	3-year	5-year
Short-Term Pool	1.7%	2.3%	.1%	1.9%	1.9%
Benchmarks:					
S&P 500 Index	2.4%	3.8%	4.0%	11.6%	12.1%
MSCI EAFE Index	-1.5%	-4.4%	-10.2%	2.1%	1.7%
Barclays U.S. Aggregate Bond Index	2.2%	5.3%	6.0%	4.1%	3.8%