

Foundation Funds

Quarterly Performance Summary

June 30, 2023

Capital Markets Overview

U.S. Equity Market

Building off the strong start to the year, U.S. stocks extended their winning streak into the second quarter. During this period, the S&P 500 advanced nearly 9%, the Nasdaq was up 13% and the Russell 2000 increased just over 5%. These gains were primarily fueled by technology companies, heightening concerns around narrowing market breadth and the undue influence of the so-called magnificent seven or super seven—Meta, Amazon, Apple, Nvidia, Microsoft, Google and Tesla—on domestic equities.

International Equity Markets

Meanwhile, international stocks were also in the black but lagged U.S. stocks on a year-to-date basis. The MSCI EAFE Index gained 3%, while the MSCI Emerging Markets Index was up almost 1% in the second quarter. China was slightly behind the broad emerging markets index, with the MSCI China Index returning 4.7% for the quarter.

Fixed Income Markets

Fixed-income markets continue to be caught in a tug-of-war between interest rates and credit spreads. Rates rose moderately in the second quarter but were offset by declining spreads.

While the Federal Reserve raised rates by 25 basis points in May—its tenth consecutive hike—it hit pause in June amid a backdrop of declining inflation and a resilient labor market. Still, Fed chair Jerome Powell reiterated that the central bank's job will not be done until inflation comes down to its stated target of 2%, underscoring the likelihood of more rate hikes in the future.

For the three months ended June 30, spreads tightened across sectors, with investment-grade and high-yield corporate bonds declining 15 basis points and 65 basis points, respectively. Yields rose, with the 10-year Treasury increasing 33 basis points to 3.81%. Alternatives also benefitted, with the HFRI Credit Index producing a 1.45% total return.

Performance Overview

Foundation Preference Funds

	3 Mo	1 Yr	3 Yr	5 Yr	Return	Since
Domestic Equity Fund	7.28%	16.83%	14.19%	10.31%	7.25%	Nov-99
<i>Domestic Equity Index</i>	7.26%	16.84%	13.73%	10.28%	7.12%	Nov-99
International Equity Fund	1.20%	13.20%	6.17%	3.14%	4.35%	Nov-99
<i>Int'l Equity Fund Index</i>	2.04%	11.50%	6.40%	2.92%	4.10%	Nov-99
Core Bond Fund	-0.69%	-0.30%	-3.21%	1.17%	3.97%	Nov-99
<i>Core Bond Fund Index</i>	-0.84%	-0.94%	-3.97%	0.58%	3.84%	Nov-99
High Yield Bond Fund	2.17%	8.92%	4.18%	3.46%	6.05%	Nov-99
<i>High Yield Bond Fund Index</i>	2.19%	9.37%	4.13%	3.55%	6.19%	Nov-99
Money Market Fund	1.22%	3.16%	1.04%	1.18%	1.58%	Nov-99
<i>Citi 3mth Treasury Bill</i>	1.25%	3.75%	1.33%	1.57%	1.80%	Nov-99

Foundation Standard Funds

	3 Mo	1 Yr	3 Yr	5 Yr	Return	Since
Standard-Fixed Income	-0.12%	1.51%	-1.73%	1.60%	3.93%	Jan-97
<i>Standard-Fixed Income Policy</i>	-0.24%	1.07%	-2.38%	1.22%	4.57%	Jan-97
Standard-Conservative Balanced	1.10%	4.80%	1.51%	3.25%	4.96%	Dec-01
<i>Standard-Conservative Balanced Policy</i>	1.11%	4.54%	0.96%	2.94%	4.94%	Dec-01
Standard-Moderate Balanced	2.34%	8.07%	4.59%	4.65%	5.74%	Jan-97
<i>Standard-Moderate Balanced Policy</i>	2.47%	8.00%	4.28%	4.50%	6.32%	Jan-97
Standard-Aggressive Balanced	3.59%	11.65%	7.80%	6.06%	6.31%	Dec-01
<i>Standard-Aggressive Balanced Policy</i>	3.81%	11.45%	7.58%	5.94%	6.52%	Dec-01
Standard-Equity	4.80%	15.23%	10.79%	7.24%	6.75%	Jan-97
<i>Standard-Equity Policy</i>	5.16%	14.88%	10.86%	7.22%	7.35%	Jan-97

Preference Fund: Domestic Equity

Performance Summary				
	2Q	3 Yr	5 Yr	Since Inception
Domestic Equity Fund	7.28%	14.19%	10.31%	7.25%
Domestic Equity Index	7.26%	13.73%	10.28%	7.12%

Fund Composition				
Manager	Investment Style	Position in Fund	Q2 Manager Return	Q2 Benchmark Return
BlackRock Russell 1000	Large Cap Core	70.8%	8.6%	8.6%
Peregrine	Small Cap Growth	4.8%	5.4%	7.1%
Segall Bryant Hamill	Small Cap Value	4.8%	4.7%	3.2%
Rhumblin	Large Cap Equal Weighted	14.9%	4.0%	4.0%
CenterSquare	REIT	4.6%	3.1%	2.6%
Cash	n/a	0.0%		

Characteristics	Sector Weights	
	Portfolio (%)	Benchmark (%)
Number of Stocks	1,402	3,010
Wtd. Avg. Mkt. Cap \$B	445.1	580.2
Median Mkt. Cap \$B	8.3	2.0
Price/Earnings ratio	20.0	22.0
Price/Book ratio	3.7	4.2
Return on Equity (%)	1.2	4.2
Current Yield (%)	1.9	1.5
Beta (5 Years, Monthly)	1.0	1.0
R-Squared (5 Years, Mont)	1.0	1.0

Top Ten Equity Holdings	
	Weight (%)
Apple Inc	5.0
Microsoft Corp	4.4
Amazon.com Inc	2.0
NVIDIA Corporation	1.7
Tesla Inc	1.3
Alphabet Inc	1.2
Meta Platforms Inc	1.1
Berkshire Hathaway Inc	1.1
Alphabet Inc	1.1
Unitedhealth Group Inc	0.8

	Sector Weights	
	Portfolio (%)	Benchmark (%)
Energy	3.7	4.2
Materials	3.3	2.8
Industrials	11.4	10.0
Consumer Discretionary	10.4	10.9
Consumer Staples	6.0	6.1
Health Care	12.7	13.5
Financials	12.1	13.0
Information Technology	22.4	26.4
Communication Services	6.4	7.8
Utilities	2.7	2.5
Real Estate	8.0	2.9
Other	0.7	0.0
Cash	0.0	0.0
Total	100.0	100.0

*The current Domestic Equity custom benchmark is 70% Russell 1000/ 15% S&P Equal Weighted/ 10% Russell 2000/ 5% NAREIT Equity Index

Preference Fund: International Equity

Performance Summary				
	2Q	3 Yr	5 Yr	Since Inception
International Equity Fund	1.20%	6.17%	3.14%	4.35%
Int'l Equity Fund Index	2.04%	6.40%	2.92%	4.10%

Fund Composition				
Manager	Investment Style	Position in Fund	Q2 Manager Return	Q2 Benchmark Return
BlackRock	MSCI World ex US	32.6%	3.1%	3.0%
MFS	EAFE	11.4%	2.7%	3.0%
Marathon	EAFE	11.8%	2.9%	3.0%
Aberdeen	Emerging Markets	17.7%	-0.3%	0.9%
Invesco International Equity	Emerging Markets	17.3%	-0.3%	0.9%
Global Alpha International	EAFE Small Cap	9.1%	-3.0%	3.0%
Cash	n/a	0.1%		

Characteristics	Sector Weights	
	Portfolio (%)	Benchmark (%)
Price/Earnings ratio	13.0	13.1
Price/Book ratio	2.7	2.4
Current Yield (%)	2.1	3.3
Wtd. Avg. Mkt. Cap \$B	115	88
Median Mkt. Cap \$B	16	9
Number of Stocks	1,439	2,308
5 Yr. EPS Growth rate (%)	11.8	10.7

Top Holdings	
	Weight (%)
Taiwan Semiconductor	3.3
Housing Development	1.9
Tencent Holdings LTD	1.7
Kotak Mahindra Bank Ltd	1.3
Tata Consultancy Services	1.2
Samsung Electronics Co	1.1
Yum China Holdings Inc	1.1
Grupo Mexico S.A.B.	0.9
Cie Financiere	0.9
AIA Group Ltd	0.9

	Sector Weights	
	Portfolio (%)	Benchmark (%)
Energy	4.7	5.4
Materials	8.2	7.9
Industrials	13.0	13.2
Consumer Discretionary	14.1	12.1
Consumer Staples	9.5	8.6
Health Care	9.0	9.5
Financials	19.6	20.6
Information Technology	12.4	11.9
Communication Services	5.8	5.5
Utilities	2.0	3.2
Real Estate	1.7	2.0
Cash	0.0	0.0
Total	100.0	100.0

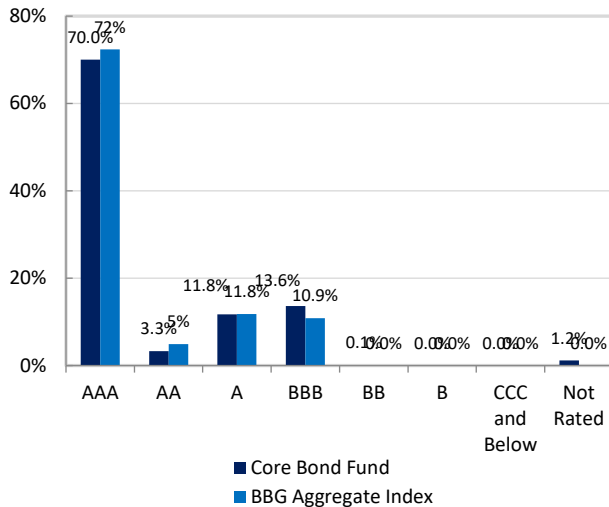
* The current International Equity custom benchmark is 33% MSCI World x US net/ 22%MSCI EAFE/10%MSCI EAFE Small Cap/35%MSCI Emerging Markets

Preference Fund: Core Bond

Performance Summary				
	2Q	3 Yr	5 Yr	Since Inception
Core Bond Fund	-0.69%	-3.21%	1.17%	3.97%
Core Bond Fund Index	-0.84%	-3.97%	0.58%	3.84%

Fund Composition				
Manager	Investment Style	Position in Fund	Q2 Manager Return	Q2 Benchmark Return
JP Morgan Core	Core Bond	49.5%	-0.9%	-0.8%
Prudential Core	Core Bond	50.3%	-0.5%	-0.8%
Cash	n/a	0.2%		

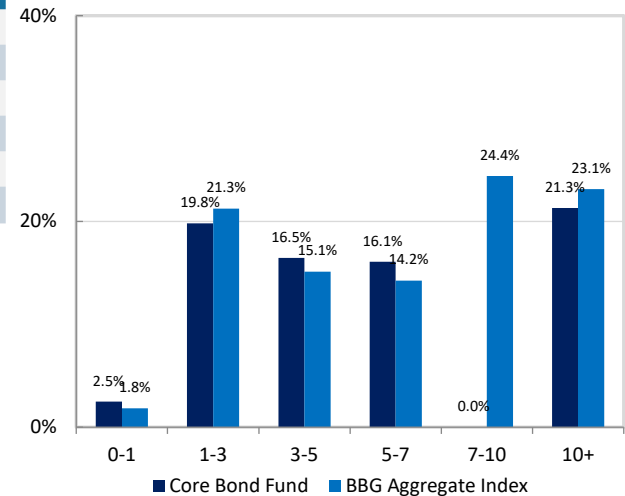
Credit Quality Allocation



Characteristics

	Portfolio	Benchmark
Holdings Count	2,693	13,358
Yield To Maturity (%)	5.6	4.8
Effective Duration	6.2	6.1
Modified Duration	6.2	6.3
Avg. Quality	A	AA
Avg. Maturity	8.6	8.6

Maturity Allocation



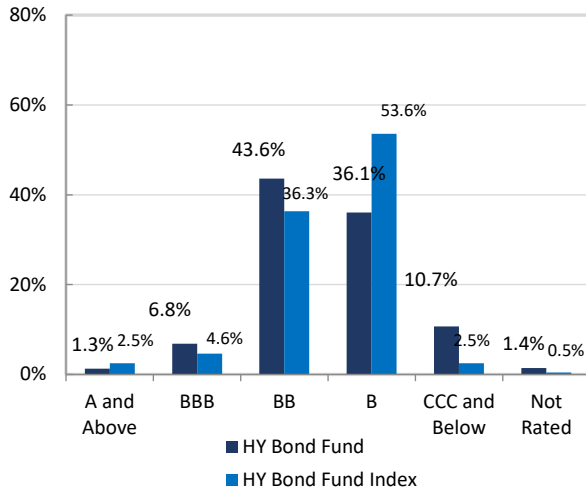
- The current Core Bond custom benchmark is Barclays Aggregate Index

Preference Fund: High Yield Bond

Performance Summary				
	2Q	3 Yr	5 Yr	Since Inception
High Yield Bond Fund	2.17%	4.18%	3.46%	6.05%
High Yield Bond Fund Index	2.19%	4.13%	3.55%	6.19%

Fund Composition				
Manager	Investment Style	Position in Fund	Q2 Manager Return	Q2 Benchmark Return
Credit Suisse	Leveraged Loan	49.5%	3.4%	3.1%
Loomis Sayles	High Yield Bond	50.1%	0.9%	1.3%
Cash	n/a	0.3%		

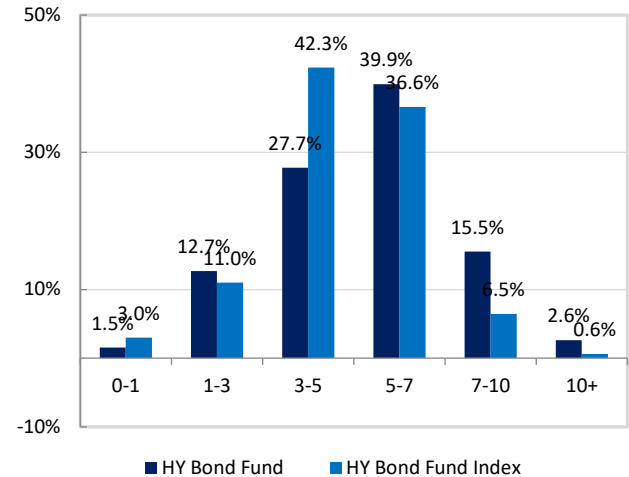
Credit Quality Allocation



Characteristics

	Portfolio	Benchmark
Holdings Count	776	1,601
Yield To Maturity (%)	8.9	7.9
Effective Duration	3.9	4.1
Modified Duration	4.3	4.1
Avg. Quality	BB	BB
Avg. Maturity	5.4	5.2

Maturity Allocation



* The current High Yield custom benchmark is 50% BofA ML US HY BB-B Constrained / 50% Credit Suisse Leveraged Loans

Standard Funds

Fixed Income Standard Fund

Performance Summary				
	2Q	3 Yr	5 Yr	Since Inception
Standard-Fixed Income	-0.12%	-1.73%	1.60%	3.93%
Standard-Fixed Income Policy	-0.24%	-2.38%	1.22%	4.57%

Composition		
	Actual	Target
Core Bond Pref. Fund	79.2%	80.0%
High Yield Bond Pref. Fund	19.8%	20.0%
Cash	1.0%	0.0%

Conservative Balanced Standard Fund

Performance Summary				
	2Q	3 Yr	5 Yr	Since Inception
Standard-Conservative Balanced	1.10%	1.51%	3.25%	4.96%
Standard-Conservative Balanced Policy	1.11%	0.96%	2.94%	4.94%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	15.8%	15.0%
International Pref. Fund	10.2%	10.0%
Core Bond Pref. Fund	58.6%	60.0%
High Yield Bond Pref. Fund	14.4%	15.0%
Cash	1.0%	0.0%

Moderate Balanced Standard Fund

Performance Summary				
	2Q	3 Yr	5 Yr	Since Inception
Standard-Moderate Balanced	2.34%	4.59%	4.65%	5.74%
Standard-Moderate Balanced Policy	2.47%	4.28%	4.50%	6.32%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	30.8%	30.0%
International Pref. Fund	19.3%	20.0%
Core Bond Pref. Fund	38.4%	40.0%
High Yield Bond Pref. Fund	9.6%	10.0%
Cash	1.8%	0.0%

Standard Funds (continued)

Aggressive Balanced Standard Fund

Performance Summary				
	2Q	3 Yr	5 Yr	Since Inception
Standard-Aggressive Balanced	3.59%	7.80%	6.06%	6.31%
Standard-Aggressive Balanced Policy	3.81%	7.58%	5.94%	6.52%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	46.3%	45.0%
International Pref. Fund	29.0%	30.0%
Core Bond Pref. Fund	19.0%	20.0%
High Yield Bond Pref. Fund	4.8%	5.0%
Cash	1.0%	0.0%

Equity Standard Fund

Performance Summary				
	2Q	3 Yr	5 Yr	Since Inception
Standard-Equity	4.80%	10.79%	7.24%	6.75%
Standard-Equity Policy	5.16%	10.86%	7.22%	7.35%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	60.7%	60.0%
International Pref. Fund	38.0%	40.0%
Cash	1.4%	0.0%

Notes

Domestic Equity Fund Benchmark: Since Inception through 12/31/2015: Wilshire 5000; 90% Russell 1000/10% Russell 2000 until 1/31/17, 65% Russell 1000/20% S&P Equal Weighted/10% Russell 2000/5% NAREIT Equity Index through 2/28/2019, 65% Russell 1000/ 15% S&P Equal Weighted/ 10% Russell 2000/ 10% NAREIT Equity Index through 1/31/2021, and gradually shifting to 70% Russell 1000/ 15% S&P Equal Weighted/ 10% Russell 2000/ 5% NAREIT Equity Index by 5/1/2021 and thereafter.

International Equity Fund Benchmark: 75% MSCI ACWI x US net/25% MSCI EAFE through 12/31/2011, 100% MSCI ACWI x US net Index through 6/30/16, 27% MSCI ACWI x US net/6% MSCI Canada IMI/32%MSCI EAFE/10%MSCI EAFE Small Cap/25%MSCI Emerging Markets through 6/30/2018 and 33% MSCI ACWI x US net/ 32%MSCI EAFE/10%MSCI EAFE Small Cap/25%MSCI Emerging Markets through 2/28/2019, 33% MSCI World x US net/ 27%MSCI EAFE/10%MSCI EAFE Small Cap/30%MSCI Emerging Markets through 1/31/2021, gradually shifting to 33% MSCI World x US net/ 22%MSCIEAFE/10%MSCI EAFE Small Cap/35%MSCI Emerging Markets by 5/1/2021 and thereafter.

Core Bond Fund Index is comprised of 75%/25% Barclays Intermediate Aggregate and Barclays Aggregate Index through 12/31/2007, 100% Barclays Agg. Index through 10/31/2016, 95% Barclays Agg/5% Barclays US TIPS through 2/28/2017, 90% Barclays Agg/10% Barclays US TIPS through 4/30/2017, 85% Barclays Agg/15% Barclays US TIPS through 5/31/2017, 80%BarclaysAgg/20% Barclays US TIPS through 3/31/2020 and Barclay Aggregate Index thereafter.

High Yield Bond Fund Index includes FTSE High Yield Cash Pay Capped Index through 3/31/15, 75% ICE BofA ML US HY BB-B Constrained / 25% Credit Suisse Leveraged Loans through 6/30/16, 66% ICE BofA ML US HY BB-B Constrained / 34% Credit Suisse Leveraged Loans through 6/30/2018, 50% ICE BofA ML US HY BB-B Constrained / 50% Credit Suisse Leveraged Loans through 3/31/2020, 60% ICE BofA ML US HY BB-B Constrained / 40% Credit Suisse Leveraged Loans through 6/30/2022, 40% ICE BofA ML US HY BB-B Constrained / 60% Credit Suisse Leveraged Loans through 4/30/2023, and 50% ICE BofA ML US HY BB-B Constrained / 50% Credit Suisse Leveraged Loans thereafter.

Market Index Returns						
	3 Mo	1 Yr	3 Yr	5 Yr	Return	Since
S&P 500	8.70%	19.60%	14.60%	12.30%	12.90%	Nov-99
Russell 1000	8.58%	19.36%	14.09%	11.92%	12.62%	Nov-99
Russell 2000	5.20%	12.30%	10.80%	4.20%	8.30%	Nov-99
MSCI ACWI ex USA	2.44%	12.72%	7.22%	3.52%	-3.27%	Nov-99
MSCI EAFE	2.95%	18.77%	8.93%	4.39%	5.73%	Nov-99
MSCI Emerging Markets	0.90%	1.75%	2.32%	0.93%	2.40%	Nov-99
Bloomberg Aggregate	-0.84%	-0.94%	-3.97%	0.77%	0.93%	Nov-99
ICE BofA BB-B US High Yield TR	1.26%	8.57%	2.64%	3.38%	3.19%	Nov-99
Credit Suisse Lev. Loans	3.12%	10.10%	6.16%	4.02%	4.11%	Nov-99