

Foundation Funds
Quarterly Performance Summary
September 30, 2023

Capital Markets Overview

U.S. Equity Market

The third quarter of 2023 witnessed a notable downturn in stock performance, largely attributed to the prevailing challenges associated with interest rates and inflation. During this period, the S&P 500 Index experienced a decline of 3.3%, with the Nasdaq Composite Index performing less favorably, registering a decline of 3.9%. Nonetheless, when considering the year-to-date performance, the US equity market demonstrated resilience, with the S&P 500 recording a substantial 13% increase, while the Nasdaq surged by an impressive 27% through the third quarter. Notably, small-cap equities faced more significant headwinds, exemplified by a 5.1% decline in the Russell 2000 Index.

International Equity Markets

International Equity during Q3 was characterized by a degree of turbulence. The MSCI EAFE Index posted a decline of 4.1%, whereas the MSCI EM Index demonstrated relatively better performance, with a more modest decline of 2.9%. This relative outperformance by emerging markets occurred amidst substantial volatility in global financial markets and a robust US dollar.

Fixed Income Markets

Fixed Income markets grappled with the persistent rhetoric from the Federal Reserve regarding a prolonged period of higher interest rates. Treasuries faced a notable sell-off, particularly at the long end of the yield curve, resulting in a pronounced bear steepening. The yield on the 30-year Treasury, for instance, surged by 84 basis points, culminating in a quarter-end yield of 4.7%. Similarly, the yield on the five-year Treasury note increased by 45 basis points, reaching a 4.6% yield by the end of the quarter. Consequently, most investment-grade fixed-income indexes reported negative total returns. However, segments of the market that sought higher returns, such as high-yield and leveraged loans, managed to deliver positive returns.

Performance Overview

Foundation Preference Funds

	3 Mo	1 Yr	3 Yr	5 Yr	Return	Since
Domestic Equity Fund	-3.78%	18.27%	10.27%	8.10%	7.00%	Nov-99
<i>Domestic Equity Index</i>	-3.80%	17.90%	9.49%	8.10%	6.87%	Jan-00
International Equity Fund	-4.82%	19.64%	1.95%	2.10%	4.08%	Nov-99
<i>Int'l Equity Fund Index</i>	-3.62%	19.49%	2.81%	2.06%	3.89%	Jan-00
Core Bond Fund	-2.93%	1.25%	-4.55%	0.57%	3.79%	Nov-99
<i>Core Bond Fund Index</i>	-3.23%	0.64%	-5.21%	-0.05%	3.66%	Jan-00
High Yield Bond Fund	1.84%	10.33%	3.33%	3.43%	6.06%	Nov-99
<i>High Yield Bond Fund Index</i>	1.80%	10.83%	3.30%	3.47%	6.20%	Jan-00
Money Market Fund	1.30%	4.50%	1.48%	1.37%	1.62%	Nov-99
<i>Citi 3mth Treasury Bill</i>	1.38%	4.71%	1.78%	1.74%	2.19%	Jan-00

Foundation Standard Funds

	3 Mo	1 Yr	3 Yr	5 Yr	Return	Since
Standard-Fixed Income	-1.96%	3.12%	-2.97%	1.12%	3.81%	Jan-97
<i>Standard-Fixed Income Policy</i>	-2.24%	2.63%	-3.54%	0.70%	4.44%	Jan-97
Standard-Conservative Balanced	-2.55%	6.65%	-0.40%	2.47%	4.78%	Dec-01
<i>Standard-Conservative Balanced Policy</i>	-2.59%	6.59%	-0.86%	2.16%	4.75%	Dec-01
Standard-Moderate Balanced	-3.08%	10.47%	2.00%	3.59%	5.56%	Jan-97
<i>Standard-Moderate Balanced Policy</i>	-2.95%	10.60%	1.78%	3.47%	6.14%	Jan-97
Standard-Aggressive Balanced	-3.62%	14.62%	4.51%	4.70%	6.06%	Dec-01
<i>Standard-Aggressive Balanced Policy</i>	-3.33%	14.64%	4.37%	4.63%	6.28%	Dec-01
Standard-Equity	-4.17%	18.74%	6.79%	5.58%	6.52%	Jan-97
<i>Standard-Equity Policy</i>	-3.72%	18.72%	6.91%	5.64%	7.13%	Jan-97

Preference Fund: Domestic Equity

Performance Summary				
	3Q	3 Yr	5 Yr	Since Inception
Domestic Equity Fund	-3.78%	10.27%	8.10%	7.00%
Domestic Equity Index	-3.80%	9.49%	8.10%	6.87%

Fund Composition				
Manager	Investment Style	Position in Fund	Q3 Manager Return	Q3 Benchmark Return
BlackRock Russell 1000	Large Cap Core	69.9%	-3.2%	-3.1%
Peregrine	Small Cap Growth	4.9%	-5.7%	-7.3%
Segall Bryant Hamill	Small Cap Value	5.0%	-3.9%	-3.0%
Rhumblin	Large Cap Equal Weighted	15.4%	-4.9%	-4.9%
CenterSquare	REIT	4.7%	-7.3%	-7.1%
Cash	n/a	0.0%		

Characteristics	Sector Weights	
	Portfolio (%)	Benchmark (%)
Number of Stocks	1,419	2,994
Wtd. Avg. Mkt. Cap \$B	409.7	538.6
Median Mkt. Cap \$B	7.5	1.8
Price/Earnings ratio	19.1	20.6
Price/Book ratio	3.5	4.0
Return on Equity (%)	8.3	8.3
Current Yield (%)	2.0	1.6
Beta (5 Years, Monthly)	1.0	1.0
R-Squared (5 Years, Mont)	1.0	1.0

Top Ten Equity Holdings	
	Weight (%)
Apple Inc	4.5
Microsoft Corp	4.2
Amazon.com Inc	2.0
NVIDIA Corporation	1.8
Alphabet Inc	1.4
Tesla Inc	1.2
Meta Platforms Inc	1.2
Alphabet Inc	1.2
Berkshire Hathaway Inc	1.2
Exxon Mobil Corp	0.9

	Sector Weights	
	Portfolio (%)	Benchmark (%)
Energy	4.2	4.8
Materials	3.4	2.7
Industrials	11.2	9.8
Consumer Discretionary	10.2	10.8
Consumer Staples	6.1	6.1
Health Care	12.7	13.3
Financials	12.5	13.3
Information Technology	21.9	25.8
Communication Services	6.8	6.2
Utilities	2.6	2.3
Real Estate	8.0	2.8
Other	0.3	0.0
Cash	0.1	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				
	3Q	3 Yr	5 Yr	Since Inception
International Equity Fund	-4.82%	1.95%	2.10%	4.08%
Int'l Equity Fund Index	-3.62%	2.81%	2.06%	3.89%

Fund Composition				
Manager	Investment Style	Position in Fund	Q3 Manager Return	Q3 Benchmark Return
BlackRock	MSCI World ex US	33.4%	-4.1%	-4.1%
MFS	EAFE	11.2%	-5.5%	-4.1%
Marathon	EAFE	11.9%	-3.7%	-4.1%
Aberdeen	Emerging Markets	17.5%	-5.3%	-2.9%
Invesco International Equity	Emerging Markets	17.0%	-5.8%	-2.9%
Global Alpha International	EAFE Small Cap	9.0%	-5.4%	-4.1%
Cash	n/a	0.1%		

Characteristics	Sector Weights	
	Portfolio (%)	Benchmark (%)
Price/Earnings ratio	12.8	12.8
Price/Book ratio	2.7	2.4
Current Yield (%)	2.1	3.4
Wtd. Avg. Mkt. Cap \$B	111	82
Median Mkt. Cap \$B	16	9
Number of Stocks	1,449	2,320
5 Yr. EPS Growth rate (%)	12.2	10.5

Top Holdings	Weight (%)
Tencent Holdings LTD	1.4
Kotak Mahindra Bank Ltd	1.3
Tata Consultancy Services	1.3
HDFC Bank Ltd	1.3
Yum China Holdings Inc	1.1
Samsung electronics Co	1.0
Grupo Mexico S.A.B.	1.0
TotalEnergies SE	0.9
H World Group Limited	0.8

	Sector Weights	
	Portfolio (%)	Benchmark (%)
Energy	5.6	6.0
Materials	8.1	7.9
Industrials	13.5	13.1
Consumer Discretionary	13.8	11.9
Consumer Staples	9.8	8.4
Health Care	8.8	9.6
Financials	19.0	21.2
Information Technology	12.1	11.3
Communication Services	5.3	5.5
Utilities	2.0	3.0
Real Estate	1.8	2.0
Cash	0.2	0.0
Total	100.0	100.0

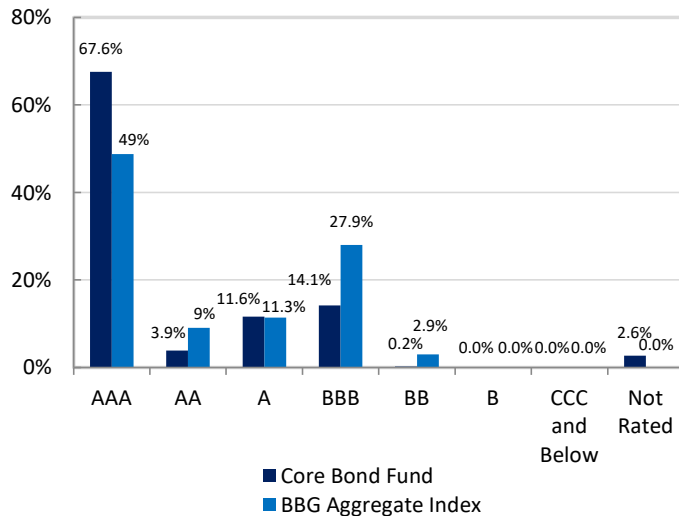
* The current International Equity custom benchmark is 33% MSCI World x US net/ 22%MSCI EAFE/10%MSCI EAFE Small Cap/35%MSCI Emerging Markets

Preference Fund: Core Bond

Performance Summary				
	3Q	3 Yr	5 Yr	Since Inception
Core Bond Fund	-2.93%	-4.55%	0.57%	3.79%
Core Bond Fund Index	-3.23%	-5.21%	-0.05%	3.66%

Fund Composition				
Manager	Investment Style	Position in Fund	Q3 Manager Return	Q3 Benchmark Return
JP Morgan Core	Core Bond	50.2%	-2.9%	-3.2%
Prudential Core	Core Bond	49.6%	-3.0%	-3.2%
Cash	n/a	0.1%		

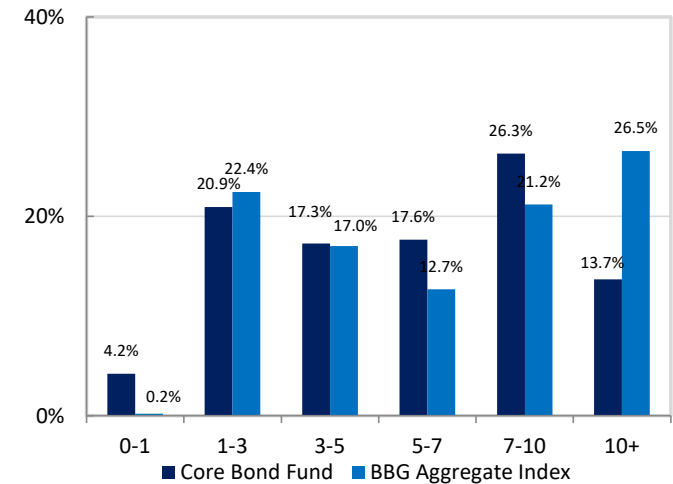
Credit Quality Allocation



Characteristics

	Portfolio	Benchmark
Holdings Count	2,741	13,358
Yield To Maturity (%)	6.1	5.4
Effective Duration	6.1	6.0
Modified Duration	5.8	5.9
Avg. Quality	AA	AA
Avg. Maturity	8.2	8.4

Maturity Allocation



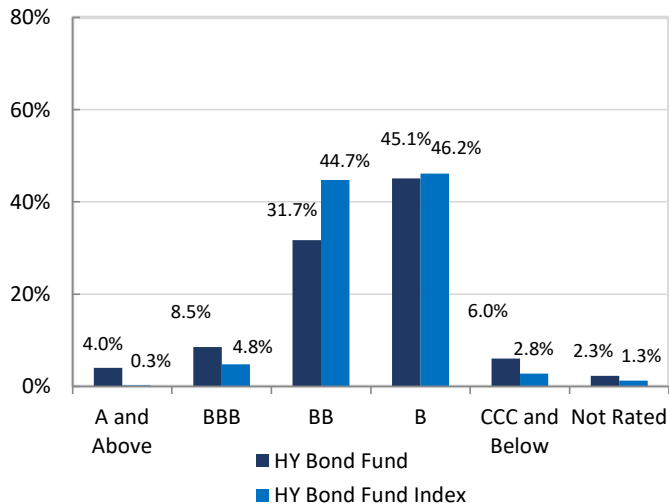
- The current Core Bond custom benchmark is Barclays Aggregate Index

Preference Fund: High Yield Bond

Performance Summary				
	3Q	3 Yr	5 Yr	Since Inception
High Yield Bond Fund	1.84%	3.33%	3.43%	6.06%
High Yield Bond Fund Index	1.80%	3.30%	3.47%	6.20%

Fund Composition				
Manager	Investment Style	Position in Fund	Q3 Manager Return	Q3 Benchmark Return
Credit Suisse	Leveraged Loan	50.6%	3.2%	3.4%
Loomis Sayles	High Yield Bond	49.1%	0.5%	0.2%
Cash	n/a	0.3%		

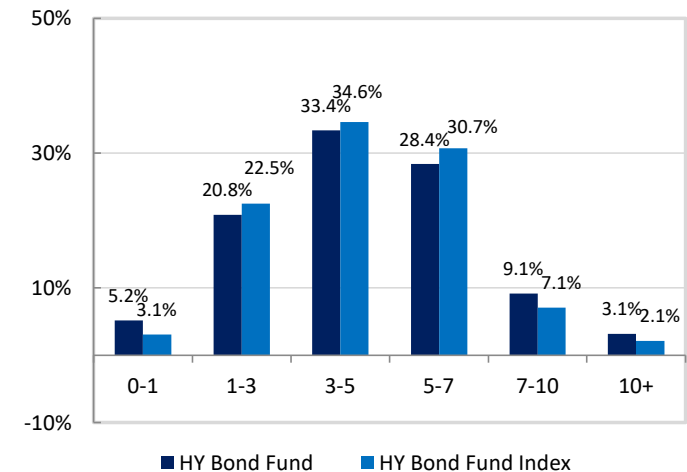
Credit Quality Allocation



Characteristics

	Portfolio	Benchmark
Holdings Count	749	1,589
Yield To Maturity (%)	9.4	8.3
Effective Duration	3.9	4.0
Modified Duration	4.1	4.0
Avg. Quality	B	BB
Avg. Maturity	5.2	5.0

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				
	3Q	3 Yr	5 Yr	Since Inception
Standard-Fixed Income	-1.96%	-2.97%	1.12%	3.81%
Standard-Fixed Income Policy	-2.24%	-3.54%	0.70%	4.44%

Composition		
	Actual	Target
Core Bond Pref. Fund	78.9%	80.0%
High Yield Bond Pref. Fund	20.3%	20.0%
Cash	0.8%	0.0%

Conservative Balanced Standard Fund

Performance Summary				
	3Q	3 Yr	5 Yr	Since Inception
Standard-Conservative Balanced	-2.55%	-0.40%	2.47%	4.78%
Standard-Conservative Balanced Polic	-2.59%	-0.86%	2.16%	4.75%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	14.1%	15.0%
International Pref. Fund	9.3%	10.0%
Core Bond Pref. Fund	58.9%	60.0%
High Yield Bond Pref. Fund	15.2%	15.0%
Cash	2.5%	0.0%

Moderate Balanced Standard Fund

Performance Summary				
	3Q	3 Yr	5 Yr	Since Inception
Standard-Moderate Balanced	-3.08%	2.00%	3.59%	5.56%
Standard-Moderate Balanced Policy	-2.95%	1.78%	3.47%	6.14%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	29.1%	30.0%
International Pref. Fund	19.2%	20.0%
Core Bond Pref. Fund	40.4%	40.0%
High Yield Bond Pref. Fund	10.4%	10.0%
Cash	0.8%	0.0%

Standard Funds (continued)

Aggressive Balanced Standard Fund

Performance Summary				
	3Q	3 Yr	5 Yr	Since Inception
Standard-Aggressive Balanced	-3.62%	4.51%	4.70%	6.06%
Standard-Aggressive Balanced Policy	-3.33%	4.37%	4.63%	6.28%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	44.2%	45.0%
International Pref. Fund	29.1%	30.0%
Core Bond Pref. Fund	20.4%	20.0%
High Yield Bond Pref. Fund	5.3%	5.0%
Cash	1.0%	0.0%

Equity Standard Fund

Performance Summary				
	3Q	3 Yr	5 Yr	Since Inception
Standard-Equity	-4.17%	6.79%	5.58%	6.52%
Standard-Equity Policy	-3.72%	6.91%	5.64%	7.13%

Composition		
	Actual	Target
Domestic Equity Pref. Fund	59.8%	60.0%
International Pref. Fund	39.4%	40.0%
Cash	0.8%	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	-3.30%	21.60%	10.20%	9.90%	11.90%	Nov-99
Russell 1000	-3.15%	21.19%	9.53%	9.63%	12.05%	Nov-99
Russell 2000	-5.10%	8.90%	7.20%	2.40%	6.60%	Nov-99
MSCI ACWI ex USA	-3.77%	20.39%	3.74%	2.58%	-4.46%	Nov-99
MSCI EAFE	-4.11%	25.65%	5.75%	3.24%	5.24%	Nov-99
MSCI Emerging Markets	-2.93%	11.70%	-1.73%	0.55%	2.09%	Nov-99
Bloomberg Aggregate	-3.23%	0.64%	-5.21%	0.10%	0.51%	Nov-99
ICE BofA BB-B US High Yield TR	0.23%	9.65%	1.28%	2.94%	3.07%	Nov-99
Credit Suisse Lev. Loans	3.37%	12.47%	5.91%	4.31%	4.39%	Nov-99