Central Kansas Community Foundation

Data as of March 31, 2019

Balanced Fund

Fund Overview

Fund Assets Under Management
$19,746,478.23

Annual Investment Management Costs
Please contact the Foundation office or your local representative for more information regarding fees and investment management costs.

Description

The objective of the portfolio is to seek competitive market returns so as to preserve the purchasing power of the funds to meet the charitable needs of the Foundation.

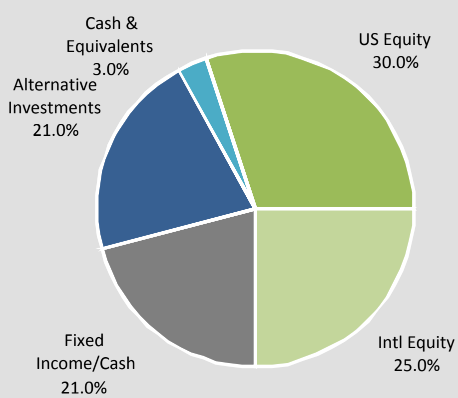
About Performance

The investment results depicted herein represent historical Net performance after the deduction of investment management costs.

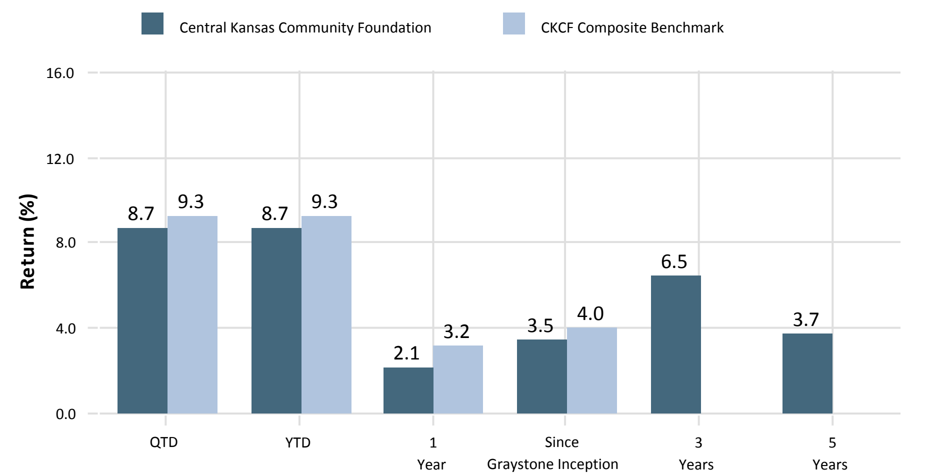
Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. Performance for periods greater than one year is annualized. The performance data presented has been prepared by the fund or its sponsor.

Past performance is not a guarantee of future results.

Target Asset Allocation

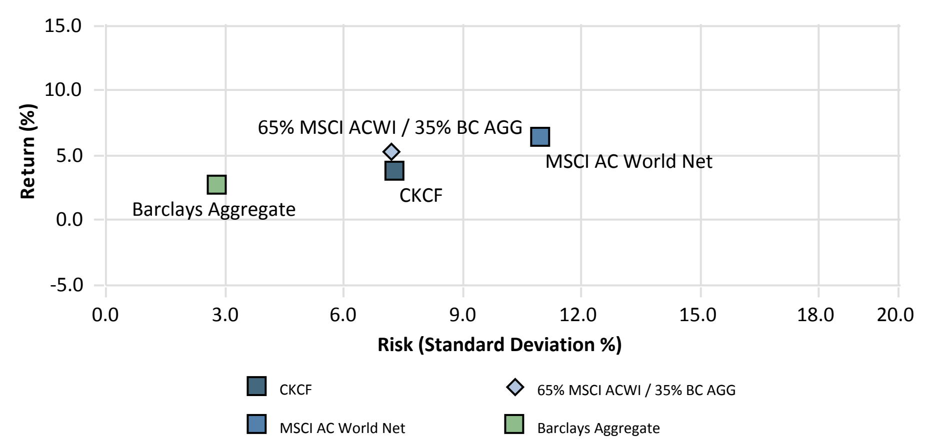


Multi-Period Performance Analysis



	QTD	YTD	1 Year	Since Graystone Inception	3 Years	5 Years
Central Kansas Community Foundation	**8.72**	**8.72**	**2.13**	**3.48**	**6.50**	**3.74**
CKCF Composite Benchmark	*9.31*	*9.31*	*3.16*	*4.03*	*N/A*	*N/A*
MSCI AC World Net	*12.18*	*12.18*	*2.60*	*5.91*	*10.67*	*6.45*
Barclays Aggregate	*2.94*	*2.94*	*4.48*	*1.80*	*2.03*	*2.74*

5 Years Risk / Return Performance Analysis



	Return	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Central Kansas Community Foundation	**3.74**	**7.38**	**0.44**	**-10.07**	**-1.46**	**1.00**
Barclays Aggregate	*2.74*	*2.86*	*0.71*	*-3.28*	*2.46*	*0.06*
MSCI AC World Net	*6.45*	*11.06*	*0.56*	*-14.25*	*-1.30*	*1.51*
65% MSCI ACWI / 35% BC AGG	*5.29*	*7.27*	*0.65*	*-8.97*	*0.00*	*1.00*

Further information, including current Portfolio size, performance, fees, and information pertaining to underlying holdings & investments, can be obtained from the Foundation office by contacting Angie Tatro, Executive Director, at 316-283-5474 or via email at angie@centralkansascf.org,

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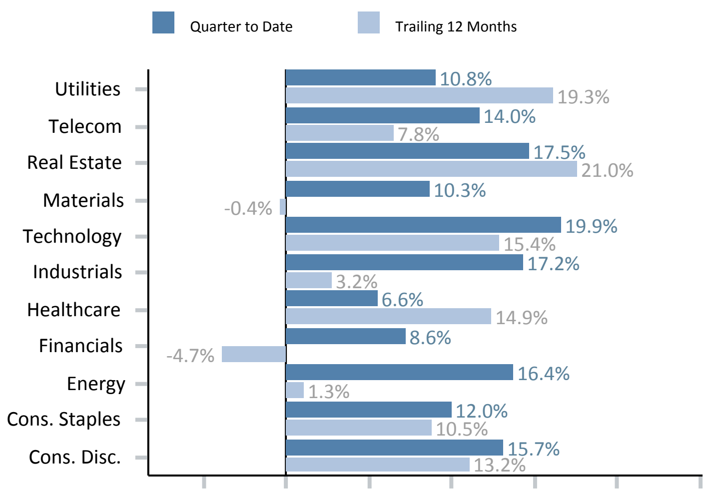
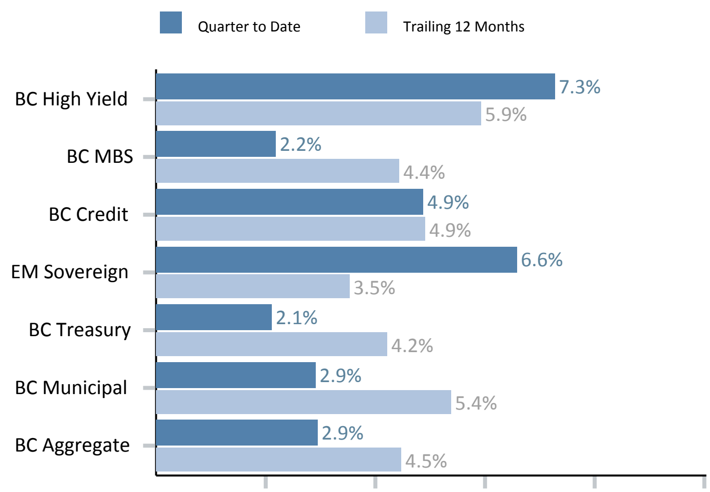
Market Commentary

The first quarter of 2019 was an about-face from the difficult period that ended 2018. After posting the worst quarterly returns since 2011, the beginning of this year saw the best three-month performance since 2009. Despite the improved headline numbers and broad asset class reversals, the investment environment remains difficult. Companies have broadly brought down earnings expectations for the year and generally posted weak fourth quarter results. The economic slowdown that began at the end of last year has continued, as was seen in weaker manufacturing output across the US, Europe, and China. Fears of a global growth slowdown prompted a dovish pivot from the Federal Reserve. The central bank reduced its outlook for rate hikes for the year and announced its balance sheet normalization program would scare down before ending in September. While Morgan Stanley & Co.'s US Economics team expects growth to improve during 2019, MS & Co.'s CIO and Chief US Equity Strategist, Mike WIlson, has maintained his 2019 price target of 2,750 for the S&P 500, with a bear case of 2,400 and a bull case of 3,000. Rich valuations in US stocks suggest investors should wait for a more attractive entry point, or look internationally, where the Global Investment Committee favors exposure to Chinese and emerging market equities.

S&P 500 Sector Performance



Bond Market Performance



Equity Markets Commentary

US Equities gained 13.6% on a total return basis in the first quarter of 2019, recovering much of Q4 2018's 13.5% pullback. Every market sector generated a positive return. Technology was the leader, rising 19.9% over the period. It was followed by Real Estate (+17.5%) and Industrials (+17.2%). Conversely, Health Care (+6.6%), Financials (+8.6%), and Materials (+10.3%) trailed the broader market's move higher. Other major US indices rose in the first three months of the year as well, with the Dow Jones increasing 11.8% and the NASDAQ jumping 16.8%. Across cap sizes, mid edged out large. The Russell Midcap ended the quarter 16.5% higher. It outpaced the Russell 1000 (+14.0%) and the Russell 2000, a small cap index (+14.5%).

The equity rally was not limited to domestic stocks; international equities posted strong performance as well. The MSCI Emerging MArkets Index extended its rally that began last September and ended Q1 with a 9.9% gain. European and Japanese equities also returned 10.7% and 7.3%, respectively, for US investors. Morgan Stanley & Co. Research analysts continue to see value in international stocks, specifically in emerging markets. The anticipated depreciation of the dollar versus other major currencies should provide a boost to equity returns outside of the US.

Fixed Income Markets Commentary

Bonds continued their rally that began at the end of 2018 throughout the first quarter. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, returned 2.9% through the first three months of the year. This occurred as 10-year Treasuries fell from 2.68% to 2.41% at the end of the period. In the last two weeks of the quarter, the 3-month Treasury bill and 10-year actually briefly inverted for the first time since 2007. Riskier parts of the market were also bid up by investors. The Bloomberg Barclays Capital High Yield Index gained 7.3% on the quarter.

Important Disclosures:

*March 2016 - Present: Growth Pool Composite: 20% Income/Deflation Benchmark; 6% Non-Traditional Benchmark; 74% Capital Appreciation Benchmark.
Prior to March 2016: Growth Pool Composite: 14% Income/Deflation Benchmark; 8% Non-Traditional Benchmark; 78% Capital Appreciation Benchmark.

Further information, including current Portfolio size, performance, fees, and information pertaining to underlying holdings & investments, can be obtained from the Foundation office by contacting Angie Tatro, Executive Director, at 316-283-5474 or via email at angie@centralkansascf.org,
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