

# Central Kansas Community Foundation

Data as of January 31, 2018

## Balanced Fund

### Fund Overview

#### Fund Assets Under Management

\$19,447,921.72

#### 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.

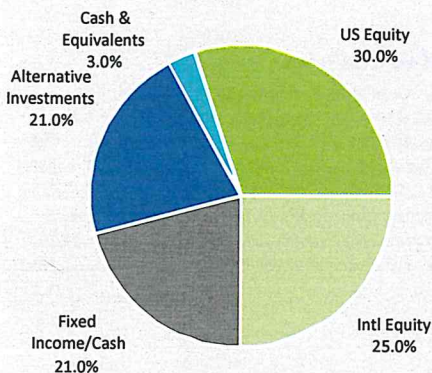
### About Performance

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

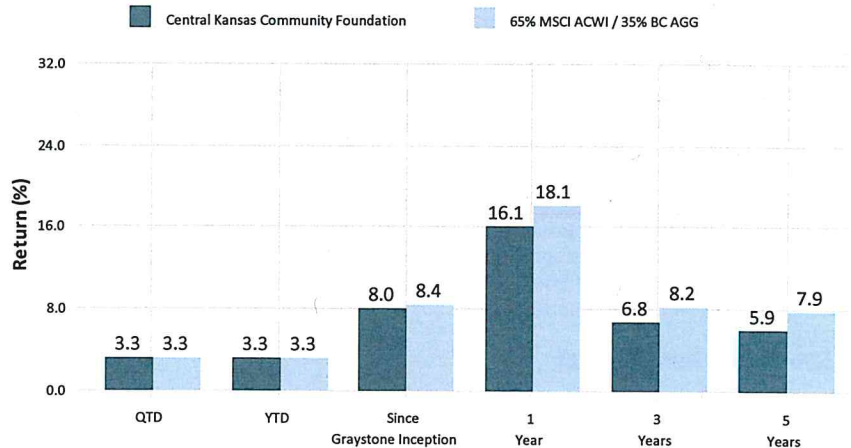
Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. Performance for periods greater than one year is annualized. The performance data presented has been prepared by the fund or its sponsor.

**Past performance is not a guarantee of future results.**

### Target Asset Allocation

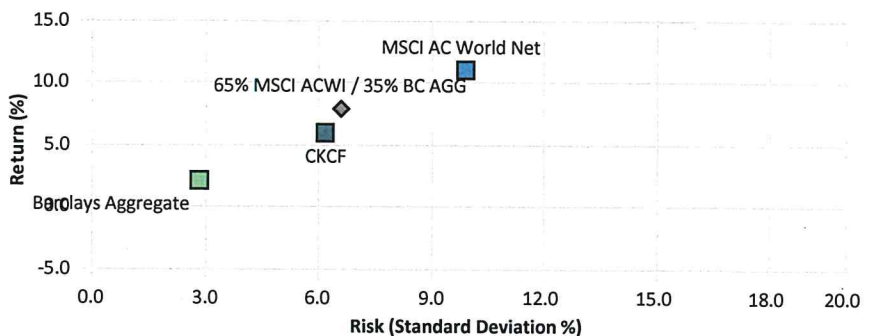


### Multi-Period Performance Analysis



	QTD	YTD	Since Graystone Inception	1 Year	3 Years	5 Years
Central Kansas Community Foundation	3.27	3.27	7.98	16.12	6.79	5.90
65% MSCI ACWI / 35% BC AGG	3.26	3.26	8.40	18.07	8.17	7.91
MSCI AC World Net	5.64	5.64	13.85	27.47	11.90	11.02
Barclays Aggregate	-1.15	-1.15	-1.24	2.15	1.14	2.01

### 5 Years Risk / Return Performance Analysis



	Return	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Central Kansas Community Foundation	5.90	6.23	0.91	-9.20	5.74	0.17
65% MSCI ACWI / 35% BC AGG	7.91	6.63	1.15	-8.32	7.18	0.44
MSCI AC World Net	11.02	10.02	1.07	-13.45	11.23	0.15
Barclays Aggregate	2.01	2.88	0.61	-3.67	0.00	1.00

**Information Disclosures:** The underlying data has been obtained from sources the Foundation believes to be reliable but we do not guarantee their accuracy, and any such information may be incomplete or condensed. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security or a recommendation of the services supplied by any money management organization.

Note: index returns are for illustrative purposes only. Index returns do not reflect any management fees, costs or expenses. Also, one cannot directly invest in an index.

Further information, including current Fund or Portfolio size, performance, fees, and updated Information for Participants, can be obtained from the Foundation office by contacting Angie Tatro, Executive Director, at 316-283-5474 or via email at [angie@centralkansascf.org](mailto:angie@centralkansascf.org).

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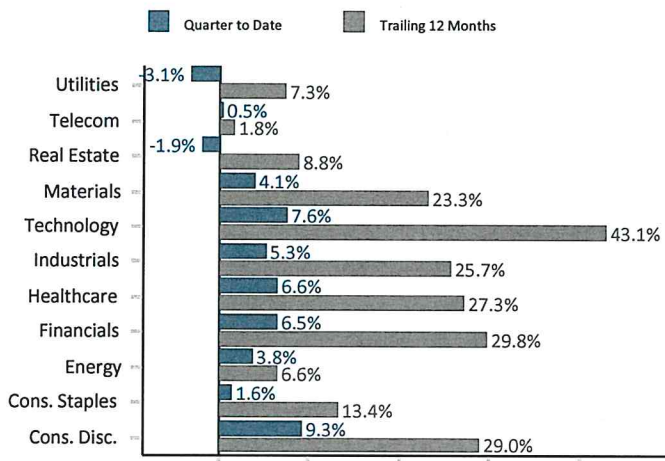
## Market Commentary

### Capital Markets Commentary

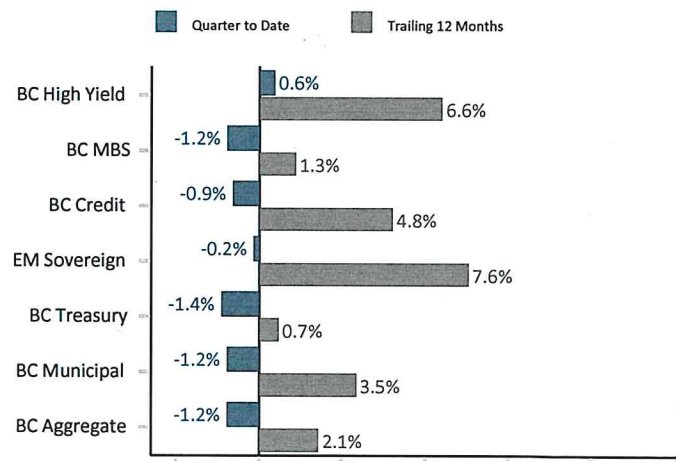
Risk markets globally made new highs in the fourth quarter of 2017. The synchronicity of the recovery is the broadest since 2009 from the Great Recession, but the rate of change looks close to peaking. As we move into 2018, we are not as bullish as 2017 but we remain constructive. In the fourth quarter, tax reform was passed and became law ahead of our early-2018 expectations. While we are not surprised that tax reform got done, we are surprised by the timing and potential size of it. This led to better relative performance of US versus international developed markets during the fourth quarter and helped drive the S&P 500 close to our 2,700 price target. The Federal Open Market Committee also made news this quarter, as it hiked rates for the third time in 2017 and signaled 3 further hikes in 2018 on the back of strong labor market dynamics, excellent economic data, and historically loose financial conditions. However, inflation continues to remain below target and will require close monitoring by the Fed in 2018 if they wish to accomplish their hiking plans.

For the quarter, US equities posted strong performance, especially the Consumer Discretionary sector of the S&P 500, which returned 9.9%. Healthcare (1.5%) and Utilities (0.2%) were clear laggards as markets discount more potential downside than upside ahead. While the US had solid performance (6.6%), Europe returns lagged registering a 0.7% total return. However, the largest returns for the quarter (and the year) actually came from emerging markets at 7.3% for the quarter, with India's 11.8% return a clear standout. For the one-year period ending December 29, 2017, global equities rallied with double-digit returns exceeding 20% in most regions. Commodities and managed futures lagged for the one-year period.

### S&P 500 Sector Performance



### Bond Market Performance



### Equity Markets Commentary

In the fourth quarter, emerging markets (EM) and international developed regions both delivered positive returns (in USD). The MSCI EAFE Index (a benchmark for international developed markets) increased 4.3% for US-currency investors and increased 3.7% for local-currency investors, as the US dollar significantly depreciated in relation to the currencies of many nations in the index. For the fourth quarter, the MSCI Emerging Markets Index increased 7.5% for US-currency investors and 5.7% for local-currency investors. The MSCI Europe Index increased 2.3% for US-currency investors and increased 1.3% for local-currency investors during 4Q17.

### Fixed Income Markets Commentary

The bond market registered positive returns during the fourth quarter. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, increased 0.4% for the quarter as the curve continued to flatten. Interest rates increased during the fourth quarter, as the yield on the 10-year US Treasury note increased to a quarter-end 2.41% from 2.33% at the end of 3Q17. This came out to a 3.1% increase in rates for the quarter. Riskier parts of the bond market such as US high yield debt also increased in the fourth quarter. The Bloomberg Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, rose 0.5%.

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