



A business of Morgan Stanley

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The information herein has been provided by Graystone Consulting, a business of Morgan Stanley, at the request of the Central Kansas Community Foundation and obtained from sources believed 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 services.

## **Report Prepared For:**

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**Central Kansas Community Foundation**  
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## Balanced Fund

### Fund Overview

#### Fund Assets Under Management

\$21,164,512

#### 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.

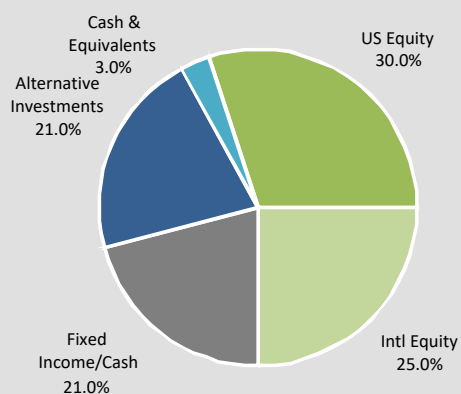
#### About Performance

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

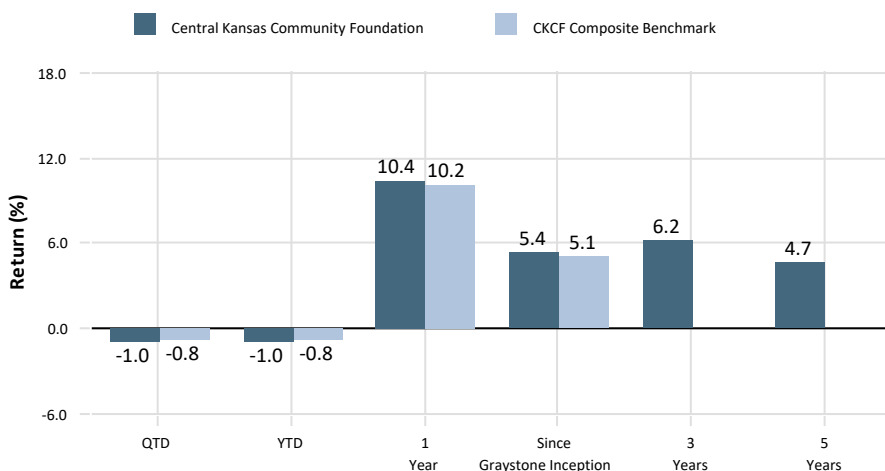
Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. Performance for periods greater than one year is annualized. The performance data presented has been prepared by the fund or its sponsor.

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

#### Target Asset Allocation

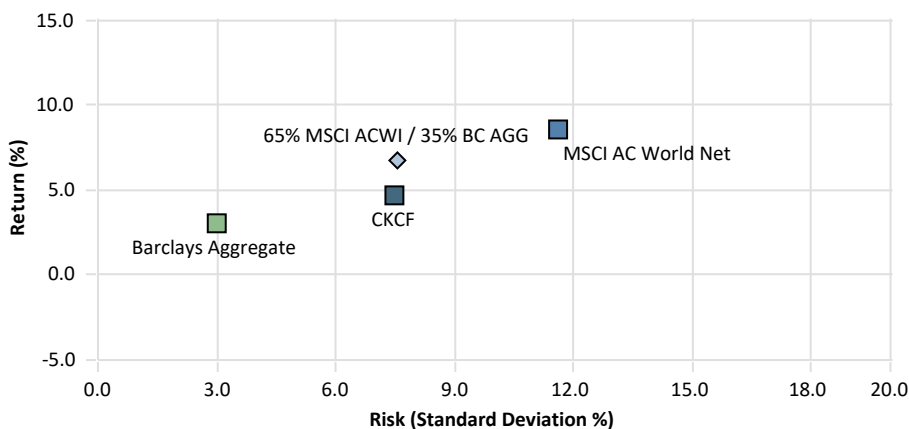


### Multi-Period Performance Analysis



	QTD	YTD	1 Year	Since Graystone Inception	3 Years	5 Years
<b>Central Kansas Community Foundation</b>	<b>-0.97</b>	<b>-0.97</b>	<b>10.37</b>	<b>5.41</b>	<b>6.19</b>	<b>4.67</b>
<i>CKCF Composite Benchmark</i>	<i>-0.77</i>	<i>-0.77</i>	<i>10.19</i>	<i>5.14</i>	<i>N/A</i>	<i>N/A</i>
<i>MSCI AC World Net</i>	<i>-1.11</i>	<i>-1.11</i>	<i>16.04</i>	<i>8.66</i>	<i>11.02</i>	<i>8.51</i>
<i>Barclays Aggregate</i>	<i>1.92</i>	<i>1.92</i>	<i>9.64</i>	<i>4.30</i>	<i>4.62</i>	<i>3.01</i>

### 5 Years Risk / Return Performance Analysis



	Return	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
<b>Central Kansas Community Foundation</b>	<b>4.67</b>	<b>7.55</b>	<b>0.50</b>	<b>-9.87</b>	<b>-1.77</b>	<b>0.97</b>
<i>Barclays Aggregate</i>	<i>3.01</i>	<i>3.04</i>	<i>0.65</i>	<i>-3.28</i>	<i>2.98</i>	<i>0.01</i>
<i>MSCI AC World Net</i>	<i>8.51</i>	<i>11.76</i>	<i>0.66</i>	<i>-14.25</i>	<i>-1.57</i>	<i>1.53</i>
<i>65% MSCI ACWI / 35% BC AGG</i>	<i>6.74</i>	<i>7.60</i>	<i>0.76</i>	<i>-8.97</i>	<i>0.00</i>	<i>1.00</i>

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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](mailto:angie@centralkansascf.org),

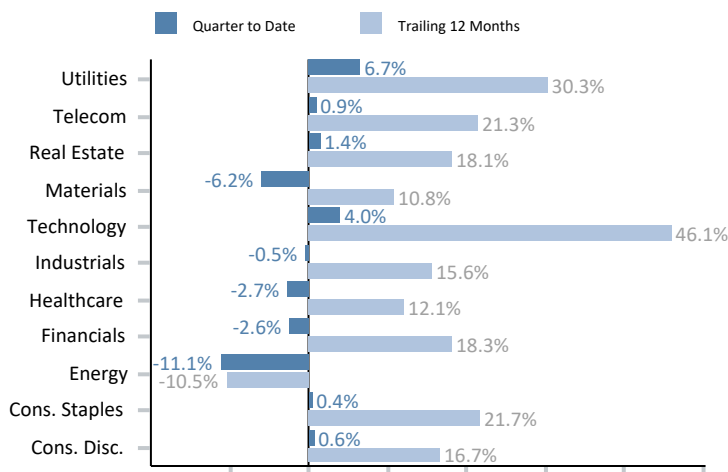
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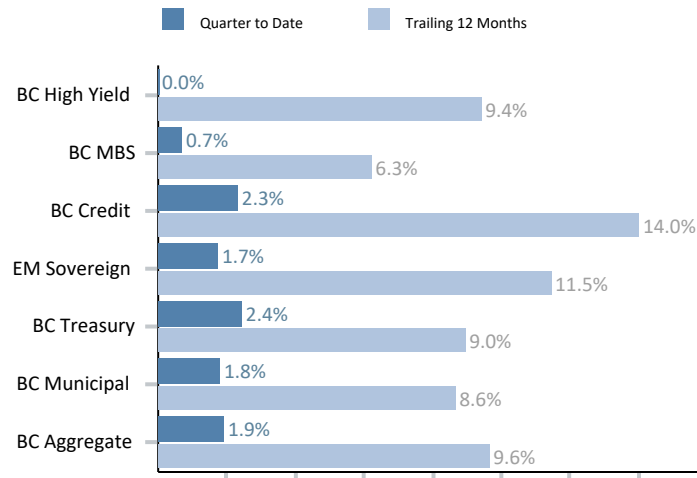
## Market Commentary

The S&P 500 capped off an historic year for returns in the fourth quarter with its strongest finish since 2013. Equities were up 9.07% on the quarter and gained 32.6% in 2019. International markets underperformed the US slightly, though still performed nicely. Monetary easing from the Fed continued in the fourth quarter, with an additional 25 bps rate cut in October along with more than \$300 billion added back to the balance sheet. Global central banks joined in, creating an easing in financial conditions that powered equities to new highs. Positive sentiment contributed to the rally, especially around trade. In October, the US and China announced a "Phase One" deal to be finalized in early 2020. Investors hope this deal will begin to resolve the uncertainty that has pervaded the global economy since early 2018, and potentially further stimulate tepid growth.

### S&P 500 Sector Performance



### Bond Market Performance



### Equity Markets Commentary

US equities rose in the fourth quarter, as the S&P 500 gained 9.07% and 10 of 11 sectors finished in the black. Tech led, gaining 14.40%. Other outperformers included Health Care and Financials, which were up 14.37% and 10.44% respectively. Real Estate was the only money loser, falling -0.54%. Utilities trailed as well, up only 0.80%. Other major US indices were positive on the quarter; the Dow Jones added 6.67% and the NASDAQ gained 12.49%.

International underperformed slightly in the fourth quarter, as the US continued its market leadership. International markets rose on positive trade news, incremental improvement in European economic data, and a weakening of the US dollar. The MSCI EAFE Index (a benchmark for international developed markets) added 8.21% for US-currency investors and the MSCI Emerging Markets Index rose 11.93% for US-currency investors.

### Fixed Income Markets Commentary

The bond market was flat in the fourth quarter as the Fed meeting expectations and improving sentiment surrounding global growth kept bond yields steady to slightly higher across the curve. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, rose 0.18%. Riskier parts of the bond market such as US high yield debt rose, buoyed by the market's risk-on sentiment. The Bloomberg Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, gained 2.61%.

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