

2nd Quarter News

It's Snowing in Summer?
The Latest on the Unpredictable
Financial Markets



Impact and Inspiration:
Focus on Enterprising Outreach



**TPF Investment
Committee:**
Asset Allocation Update



Upcoming Webinar:
The Word on the Street



Leverage
our own
endowment
to reduce
costs

**PURPOSEFUL
COST
EFFICIENCIES
HELP US**

Cultivate our
streamlined,
experienced
staff

Perform
outside
services

**BETTER SERVE
OUR
PATRNS**

Determine
negotiated
fees with
investment
managers

TPF Fund Performance as of 06-30-2019

	2nd Qtr	1 Yr	3 Yrs	5 Yrs	10 Yrs
TPF Balanced Fund Lipper MATA Moderate Index	3.7%	6.3%	10.0%	6.1%	9.5%
	3.1%	6.2%	7.7%	5.0%	8.4%
TPF Large Cap Equity Fund Lipper Large Cap Core Index	5.0%	9.9%	17.7%	11.3%	15.7%
	4.1%	9.1%	13.9%	9.6%	13.4%
TPF Growth Equity Fund Lipper Large Cap Growth Index	5.5%	14.3%	22.4%	13.8%	17.4%
	4.7%	11.0%	18.7%	12.4%	15.0%
TPF Value Equity Fund Lipper Large Cap Value Index	4.5%	6.3%	13.4%	8.9%	14.1%
	3.6%	7.4%	11.4%	7.6%	12.4%
TPF International Equity Fund Lipper International Index	4.6%	1.1%	8.6%	2.5%	8.4%
	3.5%	0.1%	8.8%	2.6%	7.3%
TPF Emerging Mkts Equity Fund Lipper Emerging Mkt Index	2.3%	5.3%	7.2%	1.6%	5.5%
	1.9%	2.8%	10.2%	2.6%	6.3%
TPF Small Cap Equity Fund Lipper Small Cap Index	3.1%	6.2%	17.1%	11.3%	16.9%
	3.9%	1.9%	12.6%	7.3%	13.5%
TPF Fixed Income Fund Lipper Core Bond Index	3.0%	6.8%	3.1%	2.7%	4.2%
	3.2%	8.0%	2.6%	3.1%	4.8%
TPF Money Market Fund Lipper Inst MM Fund Avg	0.6%	2.1%	1.2%	0.8%	0.5%
	0.6%	2.2%	1.3%	0.8%	0.4%
TPF Real Estate Inv Fund NCREIF NFRI-ODCE (Net)	1.2%	2.9%	5.1%	4.6%	6.5%
	1.2%	6.6%	7.0%	9.2%	7.7%
TPF Real Assets Fund Real Assets Custom Blend	1.7%	-3.2%	3.2%	-2.5%	N/A
	2.7%	3.0%	5.3%	-2.9%	N/A
TPF Defensive Strategies Fund Lipper Long Short Equity Index	3.0%	4.7%	3.6%	2.8%	N/A
	0.9%	1.4%	4.3%	2.0%	N/A

Past performance is not necessarily indicative of future investment results. The report shows total returns for periods less than one year and compounded annual rates of return for longer periods. The returns are net of all operating expenses, totaling approximately 0.60% annually, including fees of outside investment managers.

*Lipper Moderate Index is the most appropriate Mixed Asset Target Allocation of the Lipper MATA indices.
**The Blended Real Assets Index is comprised of 40% MSCI AC World Index (Net), 40% Blmbg. Barc. U.S. TIPS, 20% Bloomberg Commodity Index Total Return.

Please access www.tpf.org for additional information.



It's Snowing in Summer? The Latest on the Unpredictable Financial Markets

By John Furlow, TPF's Executive Vice President

Over the last six weeks, the weather has been volatile and unpredictable throughout most of our nation. Many of us have experienced sudden, violent storms, oddly mild temperatures, and even snow in summer. So how do we know what to expect? Of course, even the expert meteorologists cannot predict the weather, so no one really knows. Just like the weather, the stock markets are also unpredictable.

In the past six weeks, we have seen continued volatility, and the same issues that loomed over the markets in Q1 are still in place.

However, I do also have good news. I'm happy to report that strategic investors were rewarded in the month of June. The Russell 1000 rebounded with a robust 7% in June and up 18.84% year to date.



TPF's active equity managers all performed ahead of their respective benchmarks for the second quarter, continuing to confirm the benefits of active management. Like the inevitable return to Texas summer heat, the TPF Balanced Fund bounced back in June from the difficult markets in May. It turned in a healthy 3.7% for the quarter and 13.4% year to date, outpacing the Lipper MATA Index by 1.60%.

TPF's Balanced Fund returned a healthy 3.7% for the quarter and 13.4% year to date, outpacing the Lipper MATA Index by 1.60%.

We believe that the TPF Balanced Fund is built to be flexible and adaptable to withstand the sudden changes in the weather, keeping the assets entrusted to us standing strong.



Impact and Inspiration: Focus on Enterprising Outreach

This quarter, TPF added partners in Alaska and Illinois, as well as churches in two different denominations. One might ask, "how in the world did churches in Alaska and Illinois hear about Texas Presbyterian Foundation?" And that would be a good question!

Over the past year, TPF has focused on offering webinars on key topics of interest for our partners, increasing the educational content we provide, and leading more seminars at regional and national gatherings. All with the intent of helping more people and organizations enable and expand mission. We have intentionally expanded our reach to the broader United States with the hopes of offering our extraordinary customer service, dedicated relationships, quality investment returns at a reasonable cost, and legacy building services.



Our partners from Tolono Presbyterian Church in Tolono, Illinois participated in a recent webinar, "Overcoming the Empty Offering Plate," and they were intrigued by the services. A member said, "We were getting ready to sell some farm land that had been given to the church, and we needed a place to invest the funds. So, we checked out TPF and decided to invest there. It was easy, and the staff was very helpful."

These are just two examples of ways in which TPF is actively increasing our outreach and impact. As always, we are thankful for any referrals from current partners to help us continue our increased impact on mission.

TPF Investment Committee: Asset Allocation Update

The TPF Investment Committee along with our consultants, Segal Marco Advisors, continually monitors and evaluates the asset allocation of the TPF Balanced Fund and the manager allocations within the sub-funds. "We (Segal Marco Advisors) believe setting a proper asset allocation policy, coupled with regular review of that policy, is critical to building successful investment programs." During the May 2019 Investment Committee meeting, we performed a deep dive into some of the strategies that give the TPF Balanced Fund portfolio its diversification. The Committee concluded that the allocation is well situated for the volatility we are experiencing in the markets.

THE WORD ON THE STREET

We've made it through the first two quarters of 2019, and of course the financial markets continue to fluctuate for better or worse. But what's really happening now? What key elements are having the highest impact, now and in the future? Join us for this informative and interactive webinar to find out!



Register today at
www.tpf.org



The Closing Bell is published quarterly by Texas Presbyterian Foundation

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