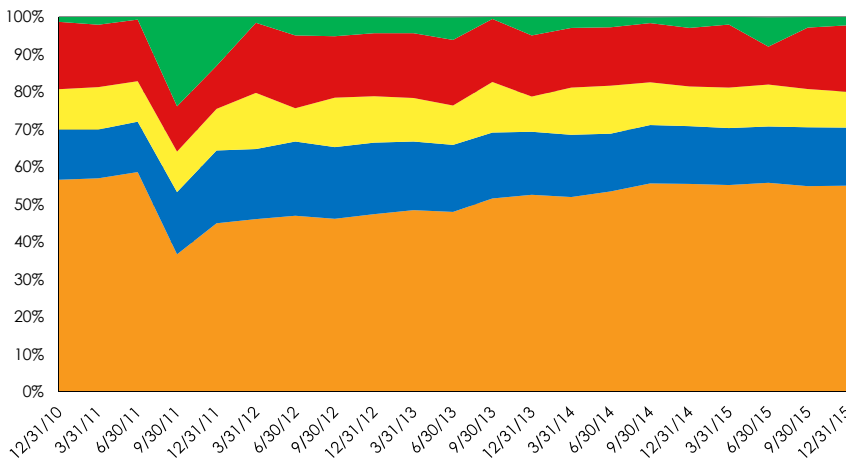


Asset Allocation

Five Year Historical Asset Allocation



Asset Class	Actual	Target	Over/Under Target
Equity	55.0%	55.0%	0.0%
Fixed Income	15.5%	15.0%	+0.5%
Real Assets	9.6%	10.0%	-0.4%
Multi-Strategy	17.7%	20.0%	-2.3%
Cash	2.2%	0.0%	+2.2%

- Cash
- Multi-Strategy
- Real Assets
- Fixed Income
- Equity

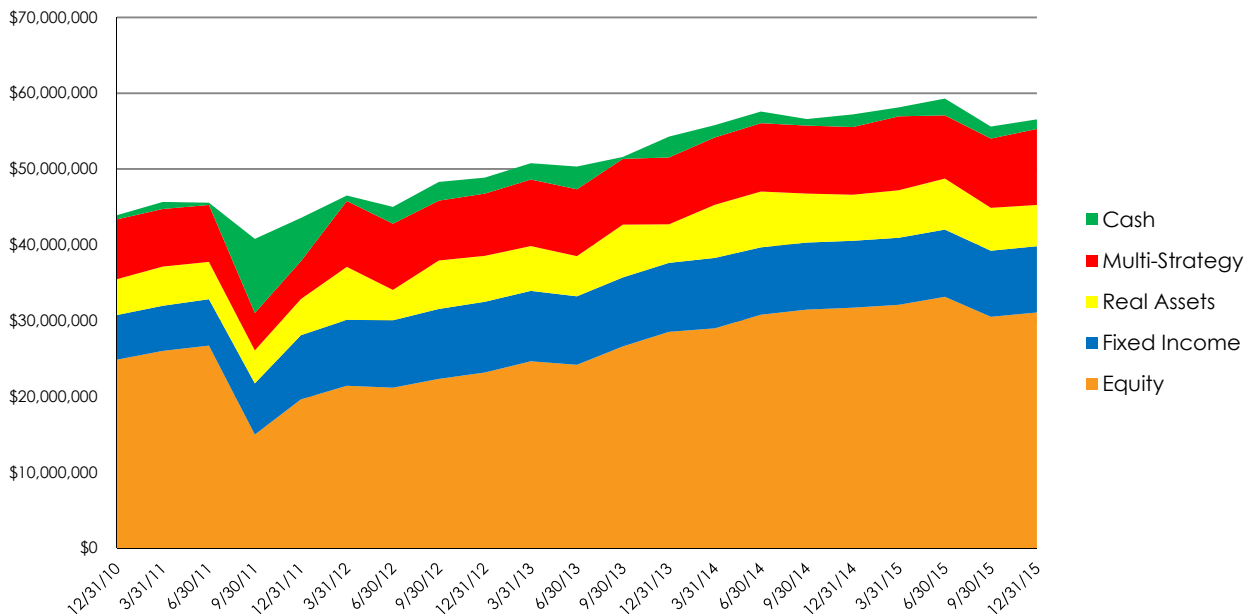
Investment Objective

The objective of the total return investment management program is to produce growth and income sufficient to support both donor goals and the objectives of the Foundation. The long-term objective of total return (the sum of earned interest and dividends and realized and unrealized gains or losses less all investment management costs) shall be CPI plus the current spending rate plus the Foundation’s average administration fees of 1.2%. Significant emphasis shall be placed upon the preservation and enhancement of the purchasing power of the principal amount of assets in the investment account.

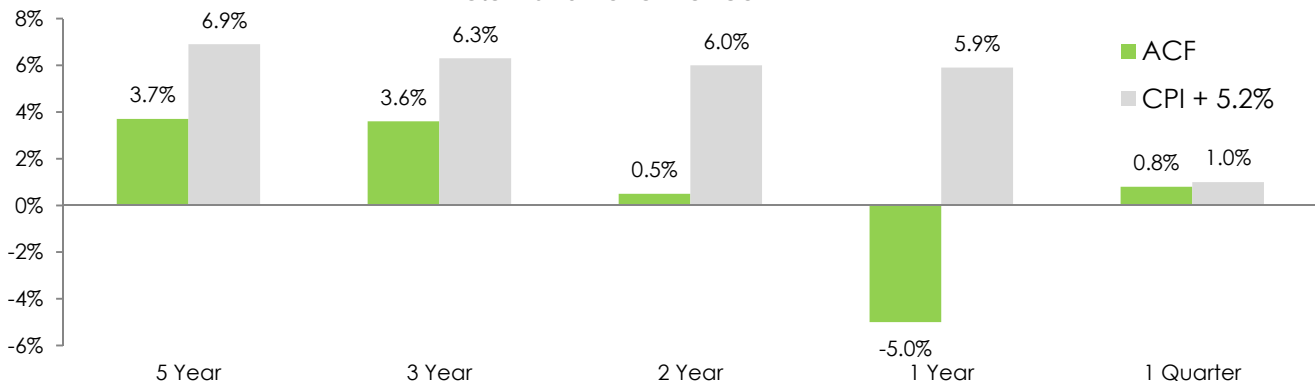
Market Commentary

- The fourth quarter saw much of the uncertainties surrounding global growth and central bank policies arrested, allowing for some recovery in many asset classes. Better global growth data, stabilizing comments and actions from the Peoples Bank of China, and the successful implementation of the first Fed rate hike since 2006 all served to bolster markets.
- Concerns over growth risks were replaced by concerns over tail risks as investors struggled to interpret the implications of continued price declines in commodities, particularly oil, as well as the rising dollar. These concerns resulted in widening credit spreads and curtailed any meaningful rebound in commodity-driven asset classes, including emerging markets.
- U.S. large and small capitalization stocks rebounded in the quarter, recouping some—or all—of third quarter losses and developed market equities clawed back to nearly flat returns for the year.
- The December Federal Reserve rate hike increased the Fed Funds rate by 25 basis points, raising U.S. yields across all maturities. Despite anxieties surrounding the initial Fed interest rate hike, the actual event went off with little fanfare. Although all sectors except Financials generated negative quarterly returns, investment grade credit issuance outperformed similar duration Treasuries while high yield trailed.
- In general, long/short equity managers helped provide ballast to portfolios in 2015, although dispersion in manager-specific performance during the past year was significant.
- Commodities struggled in the quarter, declining over 10%, as represented by the *Bloomberg Commodity Index*, while MLP’s shed nearly one-third of their value in 2015.

Five Year Historical Market Value (millions)



Total Fund Performance



Consultants Comments

- The ACF portfolio finished the quarter up +0.8%, but trailed its *Policy Index* (+0.9%) by -10 basis points. Since inception, ACF (+4.5%) has outpaced its *Policy Index* (+3.8%) by +70 basis points. Performance over shorter term periods has trailed the absolute benchmark, *CPI + 5.2%*, which is expected. Portfolio risk remains well below the blended benchmark of 70% *MSCI World Index* and 30% *Barclays Global Aggregate Index* over all measured periods.
- The ACF portfolio continues to be rebalanced regularly, in line with its policy targets.
- ACF is transitioning the multi-strategy portfolio in order to improve risk-adjusted returns and reduce fees.
- Slocum does not recommend any changes at this time.

Manager	Category	December 31, 2015	Target
Total Portfolio		\$56,544,152	100% 100%
Equity		\$31,073,786	55.0% 55.0%
Global Equity		\$18,048,760	31.9% --
Dodge & Cox (DODWX)	Global Value	\$7,621,813	13.5%
Walter Scott (DGLRX)	Global Growth	\$7,320,710	12.9%
Vanguard Total World Stock Index (VT)	Global Equity	\$3,106,237	5.5%
Small/SMID Equity		\$2,915,893	5.2% --
DFA US Small Cap (DFSTX)	Small/SMID	\$2,915,893	5.2%
Emerging Markets Equity		\$1,201,119	2.1% --
Eaton Vance – Parametric (EIMX)	Structured Emerging Markets	\$1,201,119	2.1%
Long/Short Equity		\$2,713,992	4.8% --
Titan Global Equity Fund, LP	Long/Short	\$2,713,992	4.8%
Private Equity		\$6,194,023	11.0% --
Private Equity	Private Equity	\$6,194,023	11.0%
Fixed Income		\$8,738,991	15.5% 15.0%
Goldman Sachs Strategic Income Fund (GSZIX)	Opportunistic Fixed Income	\$2,146,388	3.8%
Templeton Global Bond Plus (TGBAX)	Core Plus Fixed Income	\$2,265,885	4.0%
Janus (JFLEX)	Core Fixed Income	\$2,692,827	4.8%
PIMCO BRAVO II Fund	Global All Cap Special Situations Private Equity	\$1,633,891	2.9%
Real Asset		\$5,440,308	9.6% 10.0%
Blackstone Resources Select Offshore Fund Ltd	Real Asset	\$1,528,882	2.7%
Atlantic Trust MLP Fund LLC*	Other Real Asset	\$1,375,563	2.4%
Quantum Energy Partners VI, LP	Private Equity	\$177,418	0.3%
Bridge Investment Group	Real Asset/Real Estate	\$2,358,445	4.2%
Multi-Strategy		\$10,023,580	17.7% 20.0%
BlackRock Tempus Fund Ltd	Multi-Strategy	\$1,719,576	3.0%
Pentwater	Equity Hedge Funds	\$980,894	1.7%
Hudson Bay*	Multi-Strategy	\$2,789,083	4.9%
River Birch	Fixed Income Hedge Funds	\$1,603,661	2.8%
HG Vora	Multi-Strategy	\$1,438,724	2.5%
Alyeska	Equity Hedge Funds	\$1,491,643	2.6%
Cash		\$1,267,486	2.2% --
Cash	Cash	\$1,267,486	2.2%

*Performance and Market Values based off of estimates.
Totals may not sum to 100.0% due to rounding.

Asset Class Definitions

- **Equities** can include but is not limited to strategies such as global equities, domestic equities, international equities, and emerging markets equities. It can include structures such as separate accounts, mutual funds and commingled funds for long-only equities, and limited partnerships and mutual funds for long/short equities and private equity.
- **Fixed Income** can include but is not limited to strategies such as global bonds, domestic fixed income securities, international, and emerging markets fixed income. It can include structures such as separate accounts, mutual funds and commingled funds for long-only fixed income, and limited partnerships and mutual funds for long/short fixed income and opportunistic structures. Securities can include, but are not limited to, Treasuries, U.S. government Agency securities, Asset backed securities and other Sovereign bonds, as well as Corporate bonds and other non-agency securities.
- **Real Assets** refers to any investment or investment strategy that is composed of real property, buildings and developments, timber, or commodities (through both public mutual or commingled funds and private partnership structures). The goal of the Albuquerque Community Foundation's investment in real assets is to hedge against unexpected inflation, decrease overall portfolio volatility, and achieve diversification benefits, thereby increasing the overall total portfolio's return.
- **Multi-Strategy Investments** in response to market opportunities, dynamically allocate capital among strategies that cross traditional asset class definitions without the limitations imposed when managing versus a specific benchmark. Multi-strategy investments seek to generate a positive return regardless of the performance of the public, long-only markets.
- **Cash** can include cash investments, money market securities, and short-term Treasuries.