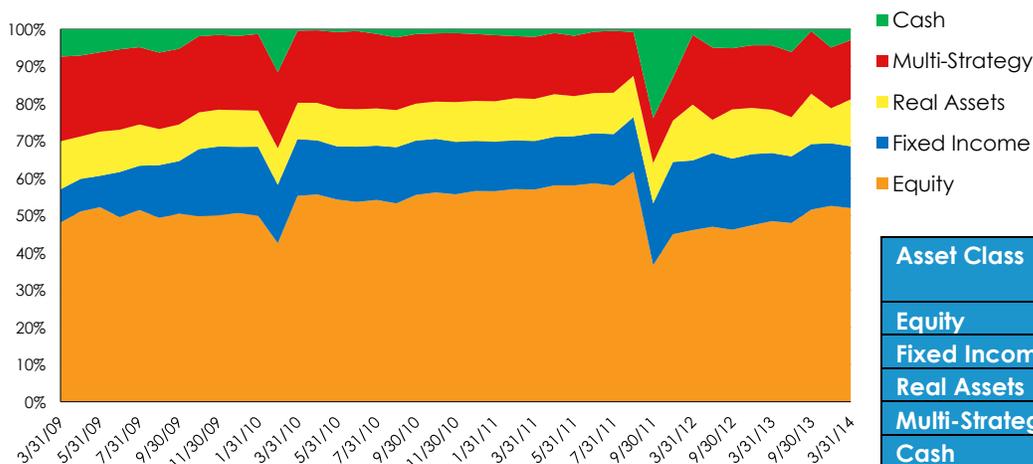


Asset Allocation

Five Year Historical Asset Allocation



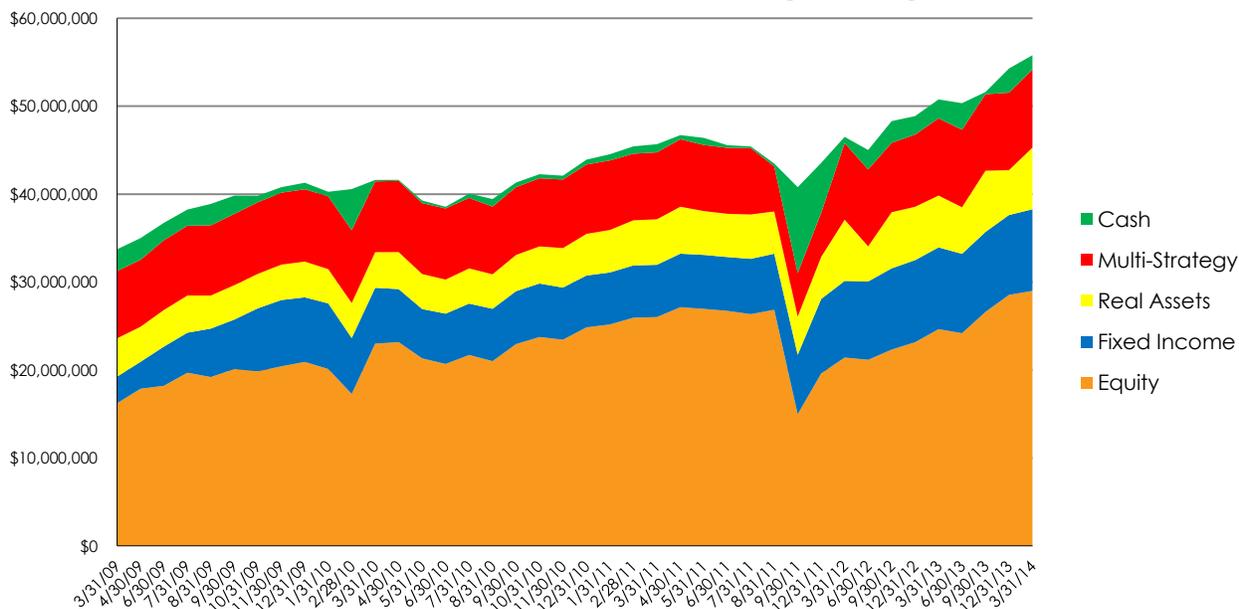
Investment Objective

The objective of the total return investment management program is to produce growth and income sufficient to support both donor goals and Foundation objectives. 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.

Consultants Comments

- Atlantic Trust (MLP) was **funded** on January 1, 2014.
- During the quarter, the Foundation **terminated** PIMCO Unconstrained, T. Rowe Price Emerging Markets, and the Colchester Global Bond Funds and **funded** Goldman Sachs Strategic Opportunities, Franklin Templeton Global Bond Plus, and PIMCO Bravo II.
- Slocum is presenting an asset allocation review this quarter.

Five Year Historical Market Value (millions)



Total Fund Performance



Consultants Comments

- The ACF portfolio finished the quarter up +1.7%, trailing its Policy Index by -70 basis points, but finishing in the top third of E&F portfolios. Since inception, ACF (+5.0%) has outpaced its Policy Index (+4.6%) by +40 basis points. During the quarter, all four asset class composites produced positive absolute returns. Though long-term performance rankings for the Foundation have not met expectations, ACF has taken a considerably lower amount of risk than its peer universe.
- Following a quarter of smooth sailing, equity investors experienced a bit of turbulence in the first quarter of the year. Although the S&P 500 added 1.8% for the quarter, it touched levels of 1,737 and 1,883. International stocks followed a similar flight plan as the MSCI EAFE Index increased 0.7%, but reached a high of 1,940 and a low of 1,796. Still basking in the glow of a successful Winter Olympics being held in his country, Russian President Vladimir Putin seized control of the Crimean Peninsula using military force. While we believe rising U.S. interest rates, a slowing Chinese economy, and weaker commodity prices pose greater threats to Emerging Market countries, geopolitical risks are affecting markets. Strong performance in the majority of fixed income sectors reminded investors of the importance of a balanced and thoughtful asset allocation. Treasuries, Agencies, Credit, MBS, and High Yield all rose by more than 100 basis points for the quarter. The question for investors is whether 2014 will bring a series of global geopolitical events that will keep interest rates below expectations or will the potential for the end of U.S. accommodative fiscal policy spur interest rates to the 3.00% level for the 10 Year Treasury. Economic activity in the Eurozone appears to have stabilized, though at a low level of growth. The Eurozone PMI and consumer confidence measures reached 3-year highs in February. Continued disinflationary pressure, however, still poses a risk in the region.

* The policy index can be thought of as the expected return if the Foundation invested only in passive indices, weighted according to the approved target weights for each asset class, without fees.

Manager	Asset Class	Liquidity	March 31, 2014	Target
Total Portfolio			\$55,790,774	100%
Equity			\$28,997,127	52.0%
Global Equity			\$12,588,882	22.6%
Dodge & Cox	Global Value	Daily	\$7,057,678	12.7%
Dreyfus	Global Equity	Daily	\$5,531,204	9.9%
Large Cap Equity			\$1,947,317	3.5%
Vanguard Dividend Appreciation	U.S. Large Cap Dividend	Daily	\$1,947,317	3.5%
SMID Equity			\$4,949,034	8.9%
DFA	U.S. Small Cap	Daily	\$4,949,034	8.9%
International Emerging Markets Equity			\$1,509,021	2.7%
Eaton Vance	Structured Emerging Markets	Daily	\$1,509,021	2.7%
Long/Short Equity			\$2,756,300	4.9%
Common Sense	Long/Short	Annually	\$163,552	0.3%
Titan	Long/Short	Quarterly	\$2,592,749	4.6%
Private Equity			\$5,246,572	9.4%
Private Equity	Private Equity	Illiquid	\$5,246,572	9.4%
Fixed Income			\$9,376,175	16.6%
PIMCO Bravo II	Global Special Situations P.E.	Illiquid	\$1,525,071	2.9%
Goldman Sachs Strategic Income Fund	Opportunistic Fixed Income	Daily	\$2,213,366	4.0%
Janus	Core Fixed Income	Daily	\$3,201,449	5.7%
Templeton Global Bond Plus	Core Plus Fixed Income	Daily	\$2,336,289	4.2%
Real Asset			\$7,012,360	12.6%
Blackstone Resources Select Offshore Fund	All Cap Real Asset	Monthly	\$3,587,184	6.4%
Atlantic Trust MLP Fund LLC	Other Real Asset	Quarterly	\$2,068,464	3.7%
Bridge Real Estate Opportunity Capital Fund	Real Asset/Real Estate	Illiquid	\$1,356,712	2.4%
Multi-Strategy			\$8,885,707	15.9%
BlackRock Tempus Fund Ltd	Multi-Strategy Hedge Funds	Semi-Annual	\$3,435,201	6.1%
Magnitude International Class A	Multi-Strategy Hedge Funds	Quarterly	\$3,032,255	5.4%
PIMCO All Asset Fund - Institutional	Tactical Asset	Daily	\$1,539,035	2.8%
Silver Creek Low Vol Strategies II, Ltd	Multi-Strategy	Liquidating	\$879,216	1.6%
Cash			\$1,619,404	2.9%
Cash	Cash Equivalents	Daily	\$1,619,404	2.9%

*The totals above 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** can include Absolute Return Strategies (ARS), and Private Equity. ARS typically include a diversified mix of non-traditional investment strategies that have a goal of lowering the investment program's overall risk (volatility of returns). Absolute Return Strategies refer to investments or investment strategy that at their core are not long-only portfolios of traditional equity or fixed income instruments. These strategies seek to generate the highest possible absolute return within diversified asset classes without the limitations imposed when managing versus a specific benchmark. ARS seek to generate a positive return regardless of the positive or negative performance of the market environment.
- **Cash** can include cash investments, money market securities, and short-term Treasuries.