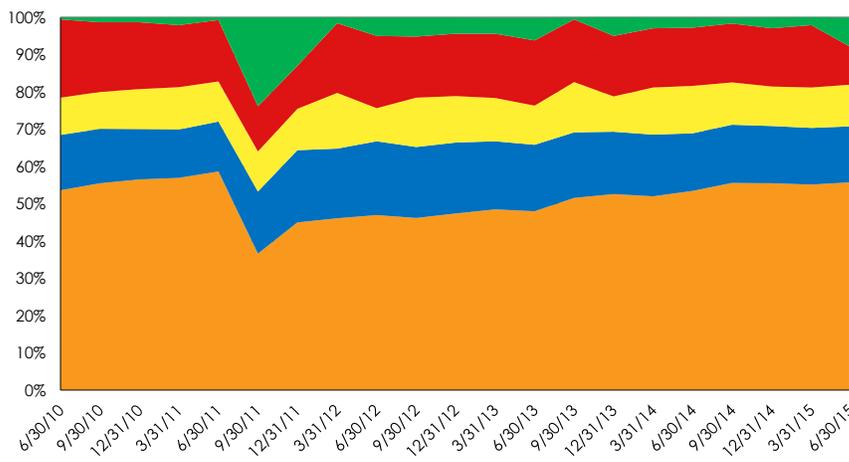


**Asset Allocation**

**Five Year Historical Asset Allocation**



Asset Class	Actual	Target	Over/Under Target
Equity	55.8%	55.0%	+0.8%
Fixed Income	15.0%	15.0%	--
Real Assets	11.2%	10.0%	+1.2%
Multi-Strategy	10.1%	20.0%	-9.9%
Cash	7.8%	0.0%	+7.8%

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

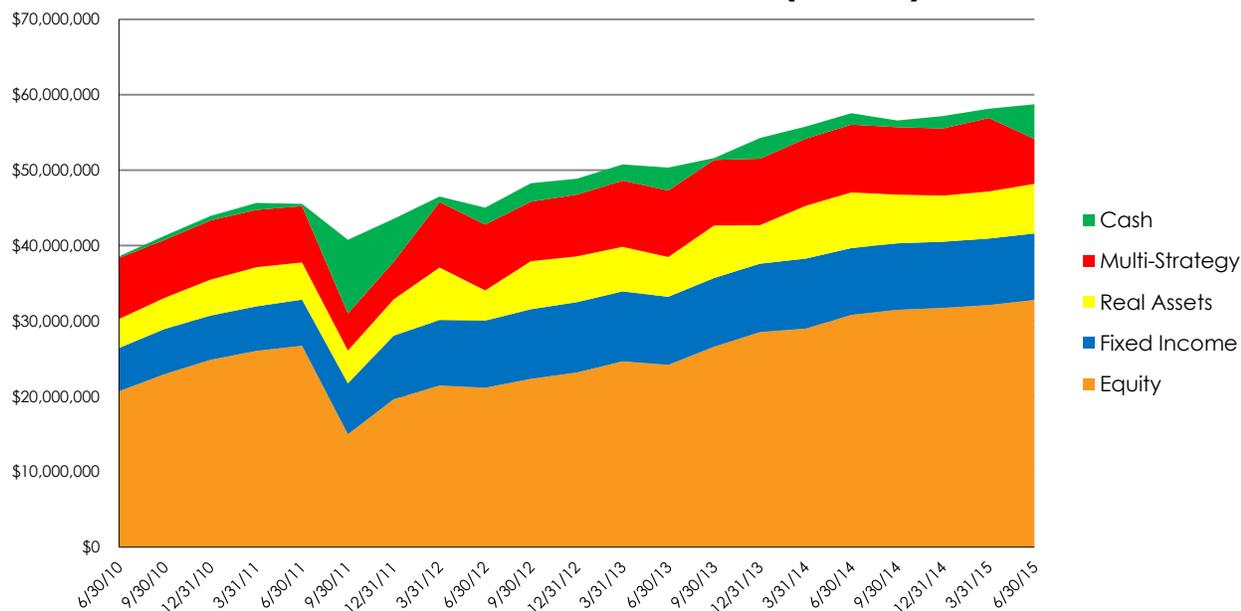
**Investment Objective**

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.

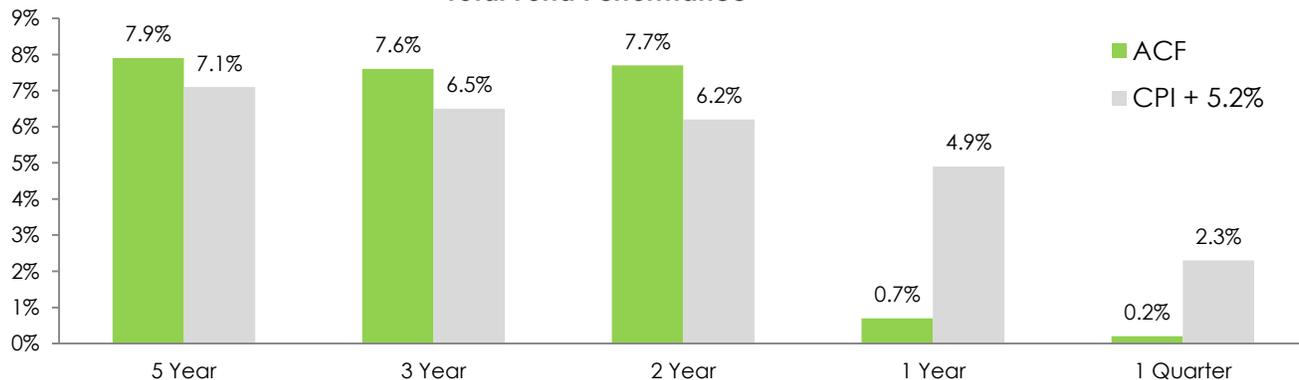
**Market Commentary**

- Dislocated economic and political factors in the quarter caused asset performance to balance on a knife's edge. Rising payrolls, muted inflation, and pent up housing demand point toward higher U.S. economic growth potential while evolving risks in Greece and China point toward slowing global growth. The uncertainty surrounding these economic and political conditions resulted in heightened volatility in the capital markets.
- U.S. equities see-sawed throughout the past three months, ending the quarter barely in positive territory. The Healthcare sector in general—and Biotechnology in particular—has been a key factor in relative performance, regardless of market capitalization or style. Dispersion of returns across developed markets resulted in a minor net gain for Non-U.S. equities. Exposure to Japan and growth stocks boosted performance, while Asia ex-Japan and value stocks detracted. Long/short equity managers, represented by the *HFRI Equity Hedged Index*, outpaced broad U.S. and international equity indices, despite the lower beta of the hedge funds.
- The U.S. yield curve steepened in the quarter, causing credit markets to sell off and spread sectors to underperform similar duration Treasuries during the period. Concern over Puerto Rican debt made headlines, though risks of broader contagion appear limited. A rise in interest rates resulted in losses in REITs, which have behaved more like long duration bonds recently. REITs were one of the worst performing assets in the quarter.
- Commodities recouped a portion of the sizeable losses sustained over the past twelve months.

**Five Year Historical Market Value (millions)**



**Total Fund Performance**



**Consultants Comments**

- The ACF portfolio finished the quarter up +0.2%, trailing its Policy Index by -40 basis points. Since inception, ACF (+5.0%) has outpaced its Policy Index (+4.3%) by +70 basis points. Performance over shorter term periods have trailed the absolute benchmark, CPI +5.2%, which is expected. More importantly, the ACF portfolio has led the absolute benchmark over the trailing 2, 3, and 5-year periods. 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 is comfortable with the current investment strategy and is not recommending any changes at this time.

Manager	Category	June 30, 2015	Target
<b>Total Portfolio</b>		<b>\$58,750,979</b>	<b>100%</b>
<b>Equity</b>		<b>\$32,792,241</b>	<b>55.8%</b>
<b>Global Equity</b>		<b>\$15,960,754</b>	<b>27.2%</b>
Dodge & Cox	Global Value	\$8,470,863	14.4%
Walter Scott	Global Equity	\$7,489,891	12.7%
<b>Large Cap Equity</b>		<b>\$3,117,182</b>	<b>5.3%</b>
Vanguard Dividend Appreciation	U.S. Large Cap Dividend	\$3,117,182	5.3%
<b>Small/SMID Equity</b>		<b>\$3,147,292</b>	<b>5.4%</b>
DFA US Small Cap (DFSTX)	Small/SMID	\$3,147,292	5.4%
<b>Emerging Markets Equity</b>		<b>\$1,438,447</b>	<b>2.4%</b>
Eaton Vance - Parametric	Structured Emerging Markets	\$1,438,447	2.4%
<b>Long/Short Equity</b>		<b>\$2,770,203</b>	<b>4.7%</b>
Titan Global Equity Fund, LP	Long/Short	\$2,770,203	4.7%
<b>Private Equity</b>		<b>\$6,358,362</b>	<b>10.8%</b>
Private Equity	Private Equity	\$6,358,362	10.8%
<b>Fixed Income</b>		<b>\$8,830,232</b>	<b>15.0%</b>
Goldman Sachs Strategic Income Fund (GSZIX)	Opportunistic Fixed Income	\$2,172,640	3.7%
Templeton Global Bond Plus (TGBAX)	Core Plus Fixed Income	\$2,360,091	4.0%
Janus	Core Fixed Income	\$2,702,406	4.6%
PIMCO BRAVO II Fund	Global All Cap Special Situations Private Equity	\$1,595,095	2.7%
<b>Real Asset</b>		<b>\$6,577,312</b>	<b>11.2%</b>
Blackstone Resources Select Offshore Fund Ltd CI B	Real Asset	\$2,072,948	3.5%
Atlantic Trust MLP Fund LLC	Other Real Asset	\$2,069,456	3.5%
Quantum Energy Partners VI, LP	Private Equity	\$38,207	0.1%
Bridge Investment Group	Real Asset/Real Estate	\$2,396,701	4.1%
<b>Multi-Strategy</b>		<b>\$5,940,411</b>	<b>10.1%</b>
BlackRock Tempus Fund Ltd	Multi-Strategy	\$267,575	0.5%
Pentwater	Equity Hedge Funds	\$1,093,696	1.9%
Hudson Bay	Multi-Strategy Hedge Funds	\$2,868,229	4.9%
River Birch	Fixed Income Hedge Funds	\$1,710,911	2.9%
<b>Cash</b>		<b>\$4,610,783</b>	<b>7.8%</b>
Cash	Cash	\$2,202,607	3.7%
Cash – BlackRock Redemption(not yet received)	Cash Equivalents	\$2,408,177	4.1%

\*The totals above may not sum to 100.0% due to rounding.

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**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.