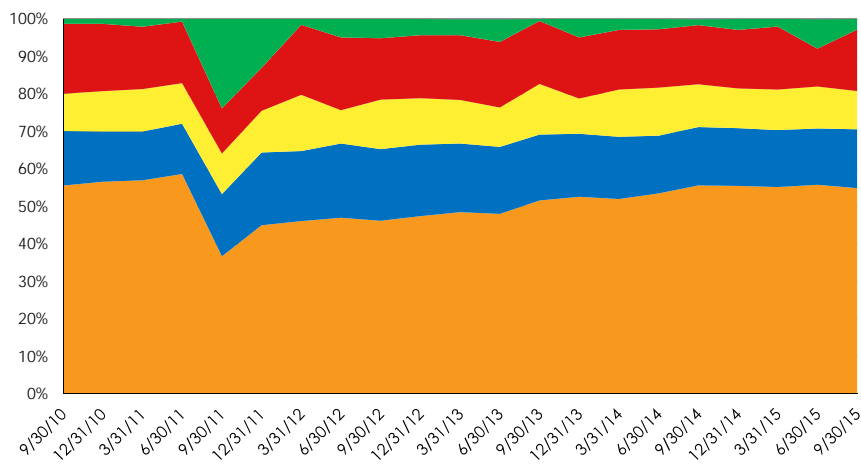


Asset Allocation

Five Year Historical Asset Allocation



Asset Class	Actual	Target	Over/Under Target
Equity	54.9%	55.0%	-0.1%
Fixed Income	15.7%	15.0%	+0.7%
Real Assets	10.2%	10.0%	+0.2%
Multi-Strategy	16.4%	20.0%	-3.6%
Cash	2.8%	0.0%	+2.8%

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

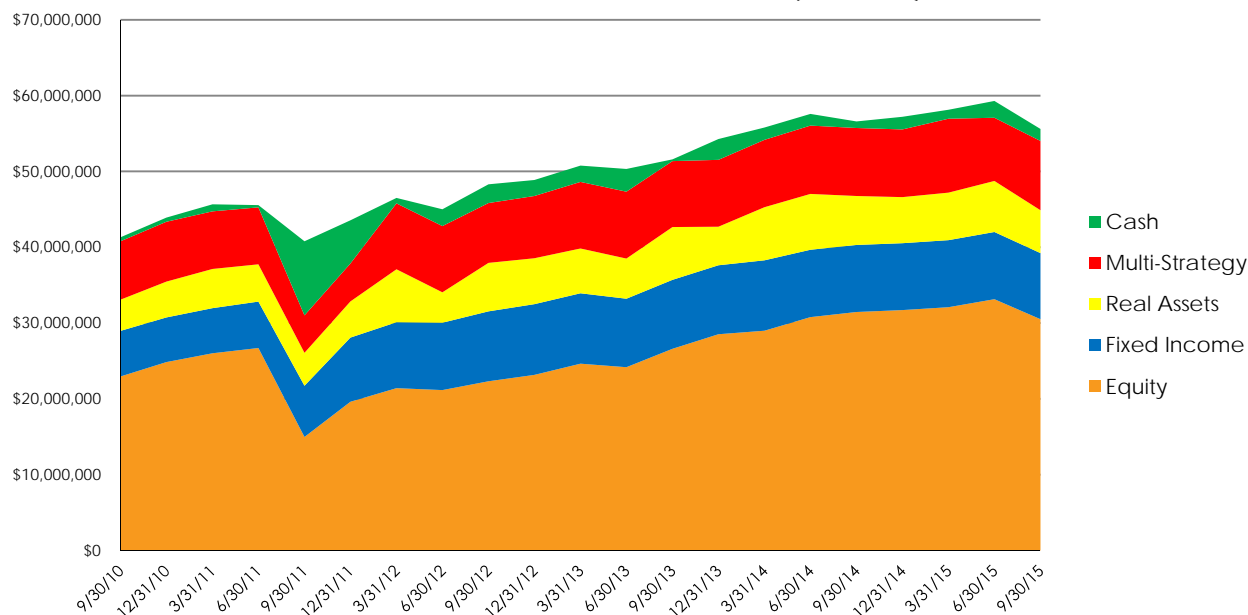
Investment Objective

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.

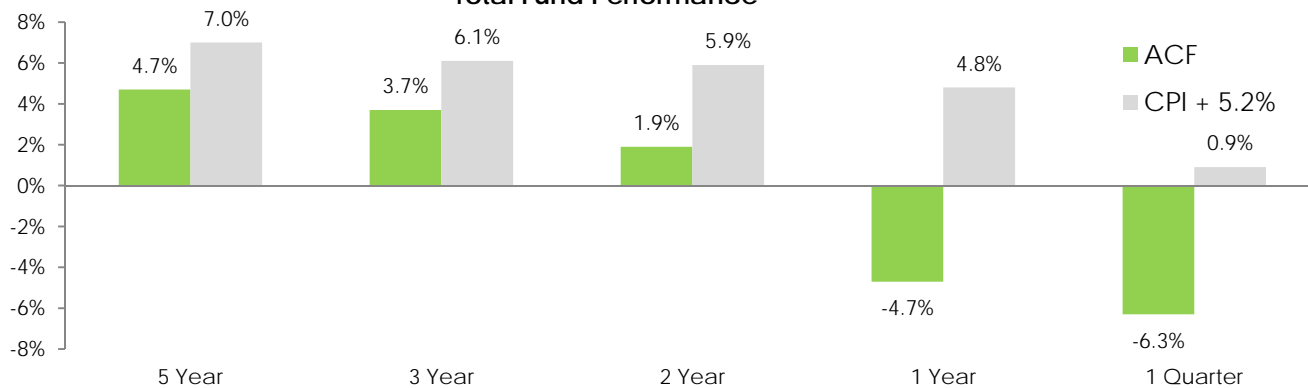
Market Commentary

- The third quarter might well be labeled the “Tale of Two Cities.” A divergence in the growth rates of developed and emerging markets have been driven by a few related factors, including the slowdown in China, the commodity shock, and a strengthening U.S. dollar.
- The uncertainty surrounding global growth caused risk assets to sell off in the quarter, with some asset classes experiencing double-digit declines. U.S. large and small capitalization equities fell for a second quarter in a row, driven by double-digit losses in the Energy and Materials sectors. Developed market equities were down meaningfully, dragged by losses in Japanese and Asia/Pacific stocks, although their emerging market counterparts were harder hit by large declines in Chinese and Brazilian stocks in the quarter.
- The U.S. yield curve flattened during the quarter, driven by falling long term yields. The ten year yield fell by nearly 30 basis points. Spreads were wider during the quarter as well, with most spread sectors underperforming similar-duration Treasuries. The decline in interest rates helped REIT performance stay afloat, as these assets have behaved more like long duration bonds recently.
- Low net exposure relative to public equity indices helped long/short equity managers protect capital as stocks declined. The *HFRI Equity Hedged Index* outpaced broad U.S. and international equity indices for the second quarter in a row.
- Commodities slid nearly 15% in the quarter and have lost over a quarter of their value over the past twelve months as measured by the *Bloomberg Commodity Index*.

Five Year Historical Market Value (millions)



Total Fund Performance



Consultants Comments

- The ACF portfolio finished the quarter down -6.3%, but led its *Policy Index* (-6.8%) by +50 basis points. Since inception, ACF (+4.5%) has outpaced its *Policy Index* (+3.8%) 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 does not recommend any changes at this time.

Manager	Category	September 30, 2015	Target
Total Portfolio		\$55,608,578	100%
Equity		\$30,513,026	54.9%
Global Equity		\$17,359,012	31.2%
Dodge & Cox (DODWX)	Global Value	\$7,363,835	13.2%
Walter Scott (DGLRX)	Global Growth	\$6,998,429	12.6%
Vanguard Total World Stock Index (VT)	Global Equity	\$2,996,747	5.4%
Small/SMID Equity		\$2,838,888	5.1%
DFA US Small Cap (DFSTX)	Small/SMID	\$2,838,888	5.1%
Emerging Markets Equity		\$1,218,107	2.2%
Eaton Vance - Parametric (EIEMX)	Structured Emerging Markets	\$1,218,107	2.2%
Long/Short Equity		\$2,599,217	4.7%
Titan Global Equity Fund, LP	Long/Short	\$2,599,217	4.7%
Private Equity		\$6,497,803	11.7%
Private Equity	Private Equity	\$6,497,803	11.7%
Fixed Income		\$8,719,722	15.7%
Goldman Sachs Strategic Income Fund (GSZIX)	Opportunistic Fixed Income	\$2,154,829	3.9%
Templeton Global Bond Plus (TGBAX)	Core Plus Fixed Income	\$2,215,884	4.0%
Janus (JFLEX)	Core Fixed Income	\$2,715,119	4.9%
PIMCO BRAVO II Fund	Global All Cap Special Situations Private Equity	\$1,633,891	2.9%
Real Asset		\$5,655,766	10.2%
Blackstone Resources Select Offshore Fund Ltd	Real Asset	\$1,735,473	3.1%
Atlantic Trust MLP Fund LLC*	Other Real Asset	\$1,526,975	2.7%
Quantum Energy Partners VI, LP	Private Equity	\$70,677	0.1%
Bridge Investment Group	Real Asset/Real Estate	\$2,322,641	4.2%
Multi-Strategy		\$9,143,967	16.4%
BlackRock Tempus Fund Ltd	Multi-Strategy	\$1,744,348	3.1%
Pentwater	Equity Hedge Funds	\$937,030	1.7%
Hudson Bay*	Multi-Strategy	\$2,845,285	5.1%
River Birch	Fixed Income Hedge Funds	\$1,654,392	3.0%
HG Vora	Multi-Strategy	\$972,132	1.7%
Alyeska	Equity Hedge Funds	\$990,780	1.8%
Cash		\$1,576,096	2.8%
Cash	Cash	\$1,576,096	2.8%

*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.