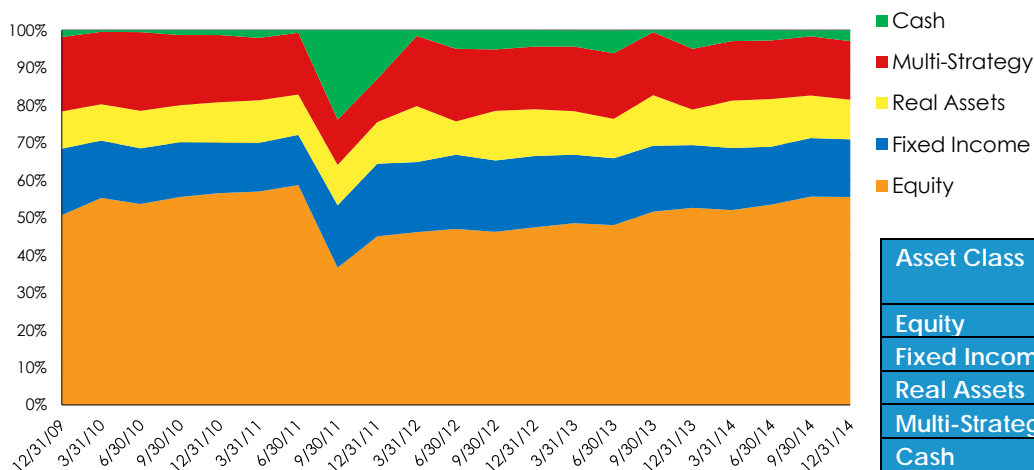


Asset Allocation

Five Year Historical Asset Allocation



Asset Class	Actual	Target	Over/Under Target
Equity	55.5%	55.0%	+0.5%
Fixed Income	15.4%	15.0%	+0.4%
Real Assets	10.6%	10.0%	+0.6%
Multi-Strategy	15.6%	20.0%	-4.4%
Cash	2.9%	0.0%	+2.9%

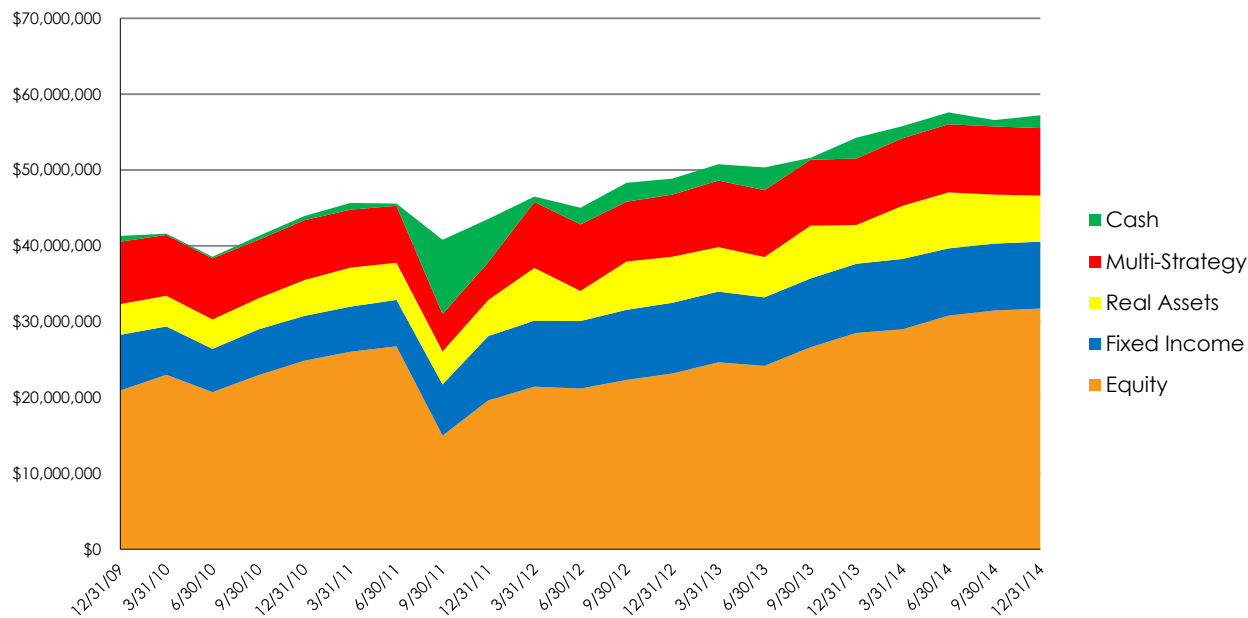
Investment Objective

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.

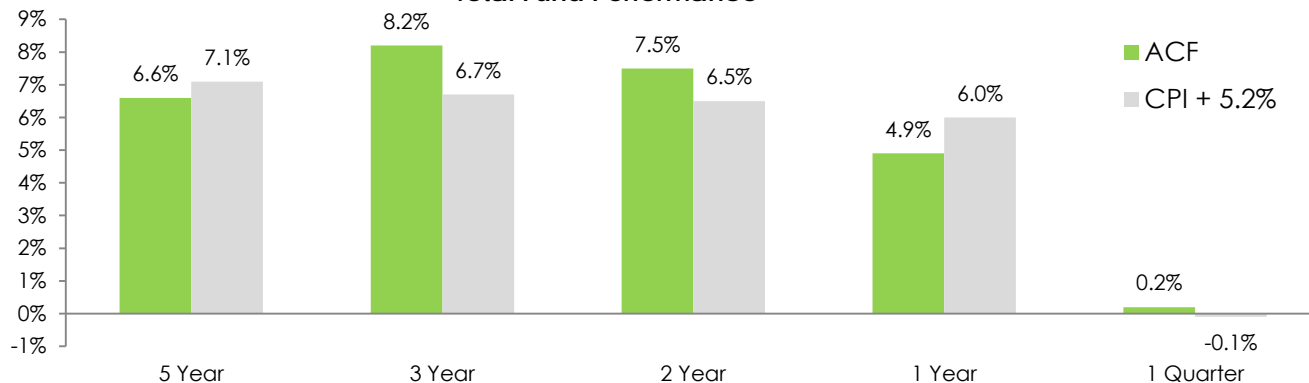
Market Commentary

- Equity markets continued to exhibit extraordinary volatility in the fourth quarter driven by; uncertainty about global growth, geopolitical unrest, European deflationary concerns, and collapsing oil prices. U.S. large cap stocks were the name of the game in 2014, benefiting from sky-high profit margins, a strengthening dollar, and better relative value than bonds. U.S. small cap equities made a solid comeback in the fourth quarter, pulling the Russell 2000 Index out of the red and into positive territory for the year. Non-U.S. equities faltered in 2014 due to lackluster growth in developed economies, a host of political and economic issues in emerging markets, skittish markets, and a stronger dollar.
- Global demand for long dated U.S. debt caused further flattening of the yield curve. A deliberate lack of duration was a headwind for many active managers, while a stronger dollar put pressure on Local Currency debt markets. High Yield markets started off the year strong, however volatility spiked in the latter half of the year thanks to concerns over the effect of falling oil prices on the Energy sector.
- Oil prices plunged nearly 50% in the second half of 2014, placing considerable strain on the energy sector and oil exporting economies. Lower energy costs should provide a substantial boost to consumption and growth of oil importing economies.

Five Year Historical Market Value (millions)



Total Fund Performance



Consultants Comments

- The ACF portfolio finished the quarter up +0.2%, outpacing its Policy Index by +200 basis points. Since inception, ACF (+5.0%) has outpaced its Policy Index (+4.2%) by +80 basis points. During the quarter, all asset class composites, with the exception of the Multi-Strategy composite, produced strong positive relative returns. Manager selection and diversification within each asset class contributed to ACF's outperformance relative to its Policy Index during the quarter.
- The ACF portfolio continues to be rebalanced regularly, in line with its policy targets.
- Slocum is not recommending any changes at this time.

Manager	Asset Class	Liquidity	December 31, 2014	Target
Total Portfolio			\$57,199,157	100%
Equity			\$31,722,664	55.5%
Global Equity			\$15,593,795	27.3%
Dodge & Cox	Global Value	Daily	\$8,288,694	14.5%
Dreyfus	Global Equity	Daily	\$7,305,101	12.8%
Large Cap Equity			\$3,186,642	5.6%
Vanguard Dividend Appreciation	U.S. Large Cap Dividend	Daily	\$3,186,642	5.6%
SMID Equity			\$3,014,960	5.3%
DFA	U.S. Small Cap	Daily	\$3,014,960	5.3%
International Emerging Markets Equity			\$1,436,756	2.5%
Eaton Vance	Structured Emerging Markets	Daily	\$1,436,756	2.5%
Long/Short Equity			\$2,718,415	4.8%
Common Sense	Long/Short	Annually	\$23,982	0.1%
Titan	Long/Short	Quarterly	\$2,694,434	4.7%
Private Equity			\$5,772,095	10.1%
Private Equity	Private Equity	Illiquid	\$5,772,095	10.1%
Fixed Income			\$8,806,550	15.4%
PIMCO Bravo II	Global Special Situations P.E.	Illiquid	\$1,563,773	2.7%
Goldman Sachs Strategic Income Fund	Opportunistic Fixed Income	Daily	\$2,191,699	3.8%
Janus	Core Fixed Income	Daily	\$2,689,924	4.7%
Templeton Global Bond Plus	Core Plus Fixed Income	Daily	\$2,361,153	4.1%
Real Asset			\$6,086,066	10.6%
Blackstone Resources Select Offshore Fund	All Cap Real Asset	Monthly	\$2,149,154	3.8%
Atlantic Trust MLP Fund LLC	Other Real Asset	Quarterly	\$2,026,405	3.5%
Bridge Real Estate Opportunity Capital Fund	Real Asset/Real Estate	Illiquid	\$1,910,507	3.3%
Multi-Strategy			\$8,911,826	15.6%
BlackRock Tempus Fund Ltd	Multi-Strategy Hedge Funds	Semi-Annual	\$3,416,344	6.0%
Magnitude International Class A	Multi-Strategy Hedge Funds	Quarterly	\$3,229,555	5.6%
PIMCO All Asset Fund - Institutional	Tactical Asset	Daily	\$1,516,392	2.7%
Silver Creek Low Vol Strategies II, Ltd	Multi-Strategy	Liquidating	\$749,535	1.3%
Cash			\$1,672,053	2.9%
Cash	Cash Equivalents	Daily	\$1,672,053	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.