

Market Environment

The first quarter of 2018 is characterized by negative equity returns (S & P 500 -0.8%) and increased equity market volatility. Rising interest rates, synchronized global growth, US corporate tax cuts, a corporate profit rebound and an evolving trade environment were evident at the start of 2018 and, thus, already generally priced into the market.

Investment Pool

The Investment Pool (“Pool”) returned -0.5% for Q1 2018. The Pool’s long-term relative results have been mixed against its benchmark with the five and ten year returns outperforming compared to underperformance during the past year and three-year periods. We attribute the Pool’s recent underperformance to disappointing results in the Opportunistic/Special Situations sector, which has historically delivered strong returns, and weak returns in the Emerging Market Equity (“EME”) position of the portfolio. The EME shortfall is primarily due to below benchmark exposure to the most successful technology/consumer related names in China.

American Funds

The American Funds program was down -0.5% for Q1 2018. Longer term, the American Fund’s program outperformed its benchmark, which is composed of the indices used to measure the underlying funds, for the one, three, five and ten years ending 3/31/2018.

Conservative Fund

The Conservative Fund’s results are reflective of its primary investment, a money market fund.

Summary

Although the negative quarterly returns of the Foundation’s two diversified investment options, Pool and American Funds program, are disappointing, they are reflective of the prevailing Q1 2018 market environment. We think the investments in both options are currently positioned well to fulfill their long-term objectives of preserving purchasing power over time while minimizing the risk of disrupting annual distributions.

For more information, contact your philanthropic officer at 404.688.5525 or visit cfgreateratlanta.org

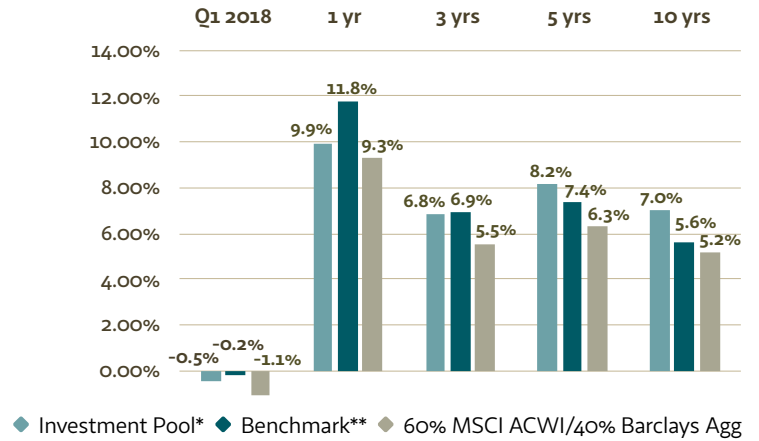
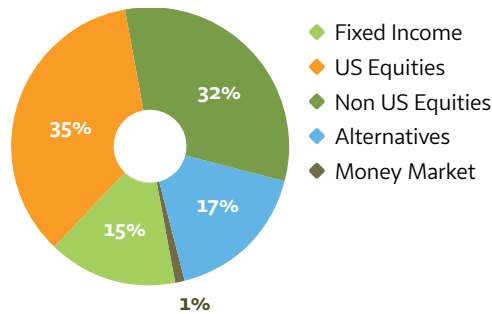
2018 Investment Report: Q1

Portfolio

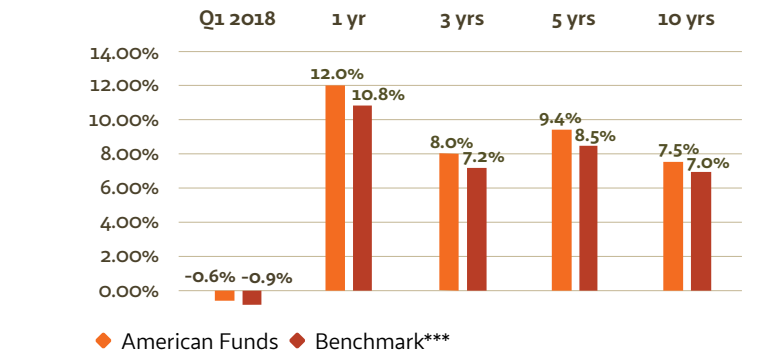
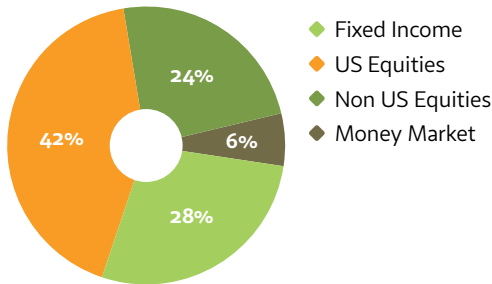
Asset Allocation

Performance

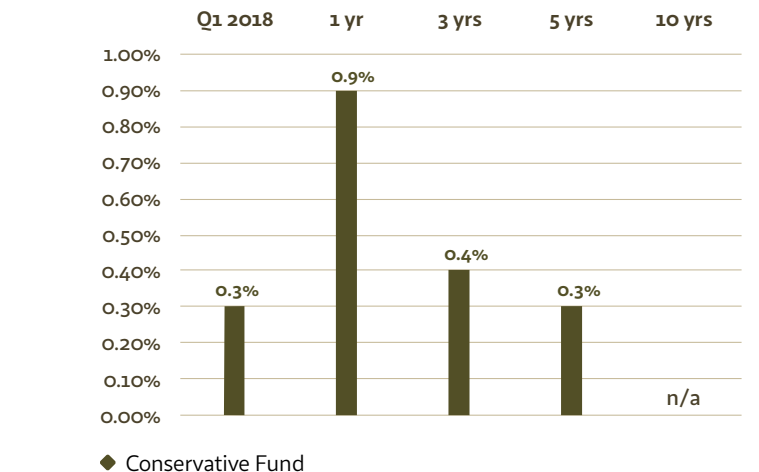
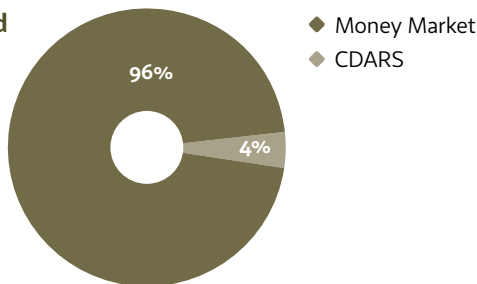
Investment Pool



American Funds



Conservative Fund



Past performance is not indicative of future results.

*Preliminary. **The benchmark is a weighted average of market indices using the Foundation's strategic asset allocation through time.

***The benchmark is a weighted average of the underlying mutual fund benchmarks that comprise the American Funds program.

Note: Please see [Benchmark Information](#) for additional information.