

2019 Investment Review

Prepared for



HUMBOLDT AREA FOUNDATION

MARCH 2020



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EXECUTIVE SUMMARY

This report reviews Humboldt Area Foundation's (HAF's) investment program, including its asset allocation policy, portfolio composition and performance through the end of 2019.

HAF's Long Term Investment pool had \$123.1 million in assets at the end of 2019. This past year was a strong year in capital markets, with all major asset classes generating solid positive return. HAF's long term pool returned +22.7% (net of fees) for the year, outperforming its policy benchmark. Longer term returns (e.g., over the last 10 years) have been strong at +8.4% annualized and net of fees.

BACKGROUND

Angeles Investment Advisors is an independent investment advisor based in southern California that has worked with the Humboldt Area Foundation since 2003, initially on a project basis to structure the portfolio and then conduct annual reviews through 2006. In 2007, HAF retained Angeles on an ongoing basis to provide consulting services regarding HAF's investment assets. This relationship encompasses preparation of this annual investment report on the Foundation's assets, as well as advice and recommendations on any other investment-related issues throughout the year, including investment policy such as the asset allocation targets, manager monitoring and selection issues, monthly performance reporting and attending Investment Committee and other meetings (including by conference call) as needed.

To prepare this report Angeles undertook the following:

- Reviewed monthly statements for the Foundation's assets and the allocations to each fund;
- Calculated returns for each asset class composite, and compared those to appropriate benchmarks;
- Evaluated performance of each fund individually; and,
- Reviewed organizational issues affecting the funds and their parent companies, including meeting with representatives of the fund families in which HAF invests.

Angeles' major findings in our investment review during 2019 are:

- **Asset Allocation:** The investment policy of HAF's Long Term Pool is to preserve the long-term purchasing power of the foundation's assets after inflation and spending. With expected inflation over the long term of 2% and HAF's spending rule of 4.5% of the market value of assets, this implies a prospective return hurdle of at least 6.5% over the long term, a relatively challenging hurdle in the future environment in which Angeles expects to have muted returns. To meet this objective, HAF has significant exposure to growth-oriented assets such as publicly traded stocks, public real estate securities, and hedge funds. This mix is expected to preserve HAF's long term purchasing power. With assistance and recommendations from Angeles, HAF reviews its long term asset allocation policy on a regular basis.
- **Performance Review:** The Long Term Pool returned +22.7% (net of all fees) in 2019, reflecting the market's strong returns across all asset classes. HAF outperformed its policy index, which returned +21.6%. The Policy Index is a benchmark composed of passive asset class index returns weighted by

HAF's long term asset allocation targets. Table 1 below provides a summary of recent and long term performance as of 12/31/2019.

Table 1
Summary of HAF Long Term Investment Pool Performance¹ – Periods Ending 12/31/19

As of December 31, 2019	1 Year	3 Yrs. (Annlzd)	5 Yrs. (Annlzd)	10 Yrs. (Annlzd)	Since Inception	Inception Date
Total Fund	22.7%	10.8%	7.7%	8.4%	6.6%	12/31/03
Policy Benchmark	21.6%	9.9%	7.0%	8.0%	6.6%	12/31/03
CPI Linked Benchmark	6.7%	6.5%	5.9%	5.9%	6.2%	

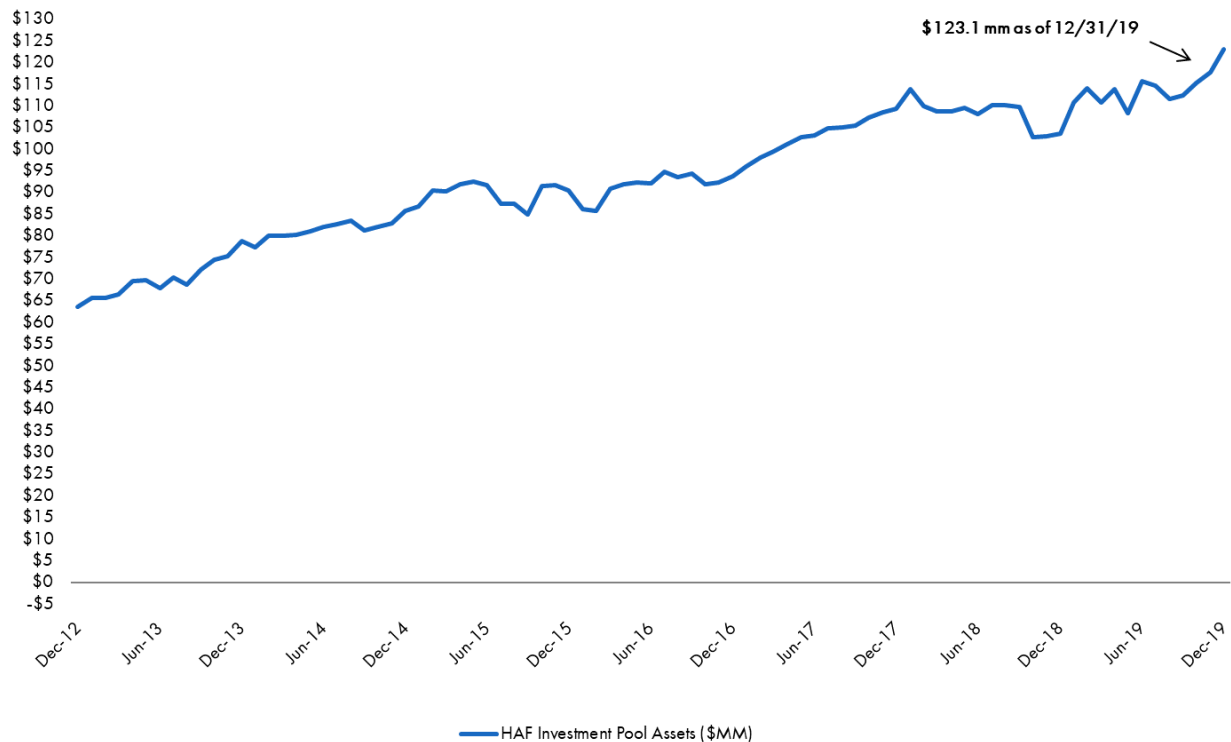
- Peer Performance Comparison:** HAF solidly outperformed the 19.6% median return generated by a peer group of 149 community foundations in 2019. Over longer term periods, e.g., 5 years, HAF outperformed the median return of the peer group of community foundations, with HAF returning 7.7% (net of fees) while the median community foundation returned 6.5% (gross of fees). HAF's returns are also better over 10 years, with HAF returning 8.4% (net of fees) and the median community foundation returning 7.5% (gross of fees). HAF also outperformed the median return of community foundations of similar size (\$100-250 mm) over the trailing 5- and 10-year periods, by 1.2% and 0.9%, respectively.
- Investment Manager Review:** Angeles continues to have confidence in the investment managers HAF has selected with the assistance of Angeles: Capital Group/American Funds, Dimensional Fund Advisors (DFA), Vanguard, PIMCO, Baird, and Dodge & Cox.
- Cost Review:** HAF's portfolio consists primarily of mutual funds from low cost mutual fund families. All of HAF's mutual fund holdings have fees below that of the respective peer group medians. Four of the eight mutual funds held in HAF's Long Term Pool reported fees in the bottom 5th (least expensive) percentile of all mutual funds in their respective peer groups. HAF's overall investment management fees for the Long Term Investment Pool are 0.53% of assets annually (53 basis points).
- HAF Socially Responsible Pool:** In 2018, Angeles assisted HAF with the development of a new investment pool, the Socially Responsible Investment Pool. This new pool was approved by HAF's Board of Directors in July 2019, and was funded on February 4, 2019 with \$1.3 million. HAF expects more assets to be added over time. This new pool invests in managers that explicitly address climate change and other environmental, social and governance (ESG) factors in their portfolios; details are provided at Exhibit 8. Angeles also monitors HAF's managers in the Long Term Pool on these factors and believes they also integrate ESG factors in their portfolios, although to a varying degree.
- Fund Review:** Angeles will continue to review the holdings and investment policy of the Foundation on an ongoing basis and recommend changes to the Investment Committee for its consideration as necessary.

¹ All returns in this report are reported on a net of fee basis.

ASSET ALLOCATION

HAF's Long Term Investment Pool assets have generally risen strongly since 2004 through a combination of market returns and successful fundraising. Market returns were exceptional in 2019 as global equity markets returned +26.4% in 2019. HAF's assets were \$123.1 million at the end of 2019, a significant increase from the prior year end that is mostly due to a rally in the equity markets. Contributions were positive: HAF reports that in 2019, the Long Term Investment Pool had inflows of \$2.6 million and withdrawals of \$0.6 million during the year, resulting in **net inflows** of approximately \$2.0 million.

Figure 1
HAF Long Term Investment Pool Assets – Through December 31, 2019



The Foundation's current investment policy is oriented to **growth/capital appreciation**, and targets the following allocations in the Long Term Pool:

- 70% in global public equity
- 10% in absolute return (hedge funds)
- 15% in fixed income
- 5% in real estate securities

As of December 31, 2019, all asset classes remained within the allowable ranges established in HAF's Investment Policy Statement and in line with the long term targets for all major asset classes. HAF rebalances its assets on a regular basis, resulting in very little variance in allocations versus policy targets.

Table 2*
Asset Allocation and Portfolio Holdings as of December 31, 2019

	Market Value	% of Total Assets		Variance from Target	Allowable Range
		Actual	Target		
Global Equity					
AF EuroPacific Growth Fund	\$23,587,424	19.2%	19.0%	0.2%	
DFA Global Equities	\$34,674,317	28.2%	28.0%	0.2%	
Vanguard Institutional Index	\$16,159,987	13.1%	14.0%	-0.9%	
AF New Perspective	\$10,917,185	8.9%	7.0%	1.9%	
Total Global Equity	\$85,338,914	69.3%	70.0%	-0.7%	55-85%
Absolute Return					
Angeles Absolute Return Fund	\$11,482,401	9.3%	10.0%	-0.7%	
Total Absolute Return	\$11,482,401	9.3%	10.0%	-0.7%	0-15%
Fixed Income					
Baird Core Plus Bond Fund	\$5,763,979	4.7%	5.6%	-0.9%	
PIMCO Income Fund	\$5,616,778	4.6%	5.6%	-1.0%	
Dodge & Cox Income Fund	\$4,794,249	3.9%	2.8%	1.1%	
Community Loans	\$1,157,389	0.9%	1.0%	-0.1%	
Total Fixed Income	\$17,332,396	14.1%	15.0%	-0.9%	10-25%
Real Estate Securities					
DFA Global Real Estate Securities	\$5,565,807	4.5%	5.0%	-0.5%	
Total Real Estate	\$5,565,807	4.5%	5.0%	-0.5%	0-7%
Cash					
TDA - Cash Sweep Account	\$25,891	0.0%	0.0%	0.0%	
TD Bank USA MMDA - Cash Reserve	\$3,333,384	0.9%	0.0%	0.9%	
Total Cash	\$3,359,275	2.7%	0.0%	2.7%	0-1%
Total Fund	\$123,078,792	100%	100%		

*Unless otherwise noted, all HAF market value data in this report was provided to Angeles by Premier Financial Group, except for the Angeles Absolute Return fund, which is updated with the December 2018 statement value.

Asset Allocation Policy:

HAF's asset allocation policy is reviewed regularly by the HAF Investment Committee with assistance and recommendations from Angeles Investment Advisors. The Committee's last major review was in July 2019, when the Investment Committee reviewed portfolio performance and again considered the advantages and disadvantages of adding private assets to the portfolio. HAF decided not to add private equity at this time.

When we review asset allocation for clients like HAF, Angeles Investment Advisors uses proprietary capital market assumptions to project future long term returns. Our assumptions include the expected return, risk (volatility or standard deviation of returns) and correlation for major asset classes. While the assumptions are for a long-term horizon, which we define as at least 10 years, Angeles updates these assumptions annually,

with our most recent review completed in January 2020. Our assumptions are net of management fees and transactions costs, but do not include any excess returns from manager outperformance.

The following table summarizes Angeles' expected returns and risk for HAF's major asset classes. Relative to our assumptions last year, Angeles expects somewhat lower returns from public equity, fixed income, public real estate and hedge funds.

Table 3
Angeles' Projected Long Term (>10 years)
Asset Class Return and Risk² Assumptions as of January 2020
(Net of Fees and Transactions Costs)

	Expected Return	Expected Risk
Global Equity	6.3%	17.0%
Absolute Return	4.5%	8.0%
Global REITs	4.0%	19.0%
Fixed Income	2.5%	5.0%
<i>Inflation</i>	2.0%	

A primary long term goal of HAF's investment policy is to preserve the inflation-adjusted purchasing power of its assets after spending and inflation. In 2018, HAF decided to increase its spending rate to 4.5% of assets, based on the average market value of HAF assets over the trailing 16 quarters.

Angeles' return expectations for HAF's Total Fund, including manager excess returns relative to benchmarks, are illustrated in the table below (**Table 4**). These return expectations reflect a full market cycle; in the short-term, excess returns achieved by managers in aggregate can vary from this amount both in a positive and negative direction.

Based on these long term capital market assumptions for future returns and HAF's current policy targets for the Long Term Investment Pool, we estimate that the expected return of the HAF Long Term Investment Pool will be 5.4% not considering any excess returns, and 6.4% with excess manager returns. **With spending of 4.5% of assets on grants plus 2.0% inflation, the Long Term Pool's expected returns based on its current asset allocation policy would likely erode the portfolio's purchasing power of its assets over the long term (more than 10 years).** In addition to withdrawals that are for spending for grantmaking, HAF charges investors an administrative cost recovery fee of 1.75%-2.0%.

² Risk is measured here by standard deviation or volatility of returns.

Table 4
Asset Allocation for the HAF Long Term Investment Pool³

	HAF Current Policy
Global Equity	70%
Hedge Funds	10%
Global REITs	5%
Fixed Income	15%
Cash	0%
Expected Return	5.4%
<i>Expected Excess Return</i>	1.0%
Expected Return incl. Mgr Excess Returns	6.4%
Expected Risk	13.4%
Sharpe Ratio	0.26
Probability of a Loss ¹ :	
1-Year	32%
5-Year	18%
10-Year	10%
<u>Expected Returns when correlations move to 1 and:</u>	
<i>2 Standard Deviation Event</i>	
<i>Very Bad Scenario²</i>	-23%

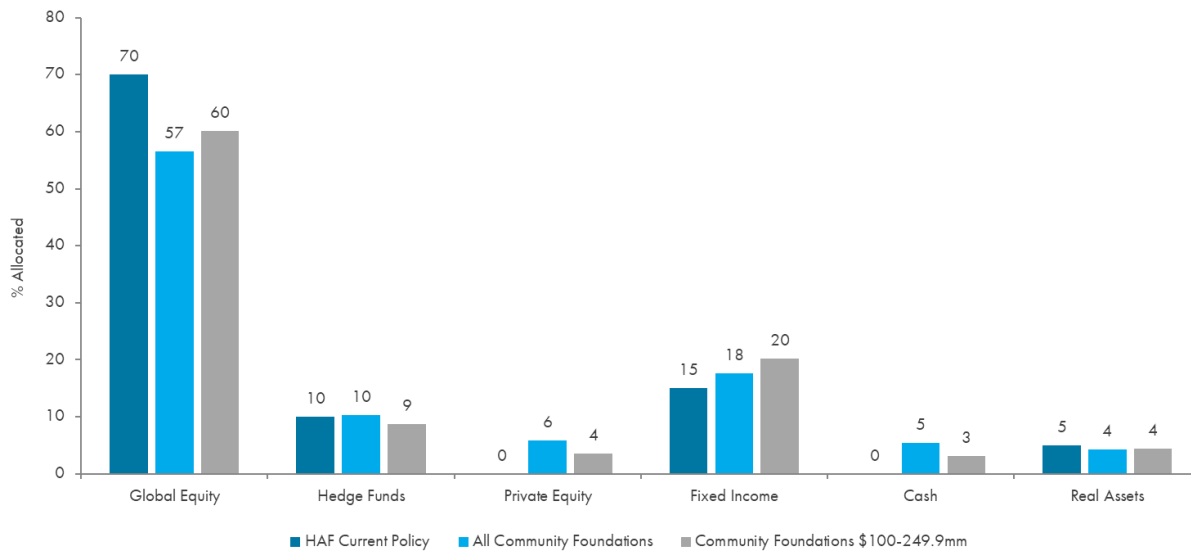
¹ Based on return assumptions without manager excess returns

² Very Bad Scenario assumes that correlations across asset classes go to 1 and each class experiences a two standard deviation negative event.

In comparison to similarly sized Community Foundation peers (\$100-\$250 million), HAF's Long Term investment policy allocations are overweight global equity, underweight fixed income, private equity, and cash, and in line with peer allocations to hedge funds and real assets. This comparison can be seen in **Figure 2** below

³ The Total Fund's expected excess return from manager outperformance is a weighted sum of the underlying asset class composites' excess returns. Global equity's expected excess return is 1.0%, absolute return's expected excess return is 1.5%, fixed income's expected excess return is 0.5%, and REITs' excess return expectation is 0% (given DFA's passively managed approach in its REIT portfolios). Sharpe Ratio is a measure of risk-adjusted returns.

Figure 2
HAF Asset Allocation vs. Community Foundation Peers⁴



Expenses:

Fees charged by the Humboldt Area Foundation’s investment mutual fund managers were all well below the median for mutual funds in each of their respective peer groups, as demonstrated in Figure 3 below. Four of the nine funds held by HAF’s Long Term Pool reported fees in the bottom 5th (least expensive) percentile of all fees for managers in their respective peer groups. Vanguard’s S&P 500 Index fund (the Vanguard Institutional Index) had the lowest fee among all HAF managers with an expense ratio of 4 basis points (bps) (0.04%).

DFA fund expense ratios remained below peers in 2019, ranging from 24 bps (DFA Global Real Estate Securities) to 30 bps (DFA World Large Stock Equity). As active managers with deep resources for fundamental company research, American Funds had relatively higher expense ratios from the rest of the portfolio with 83 bps (EuroPacific Growth Fund) and 75 bps (New Perspective Fund). However, both are still below the peer median. For fixed income, Baird Core Plus had a fee of 30 bps, Dodge & Cox Income was in the middle with 42 bps and PIMCO Income Fund had a fee of 50 bps.

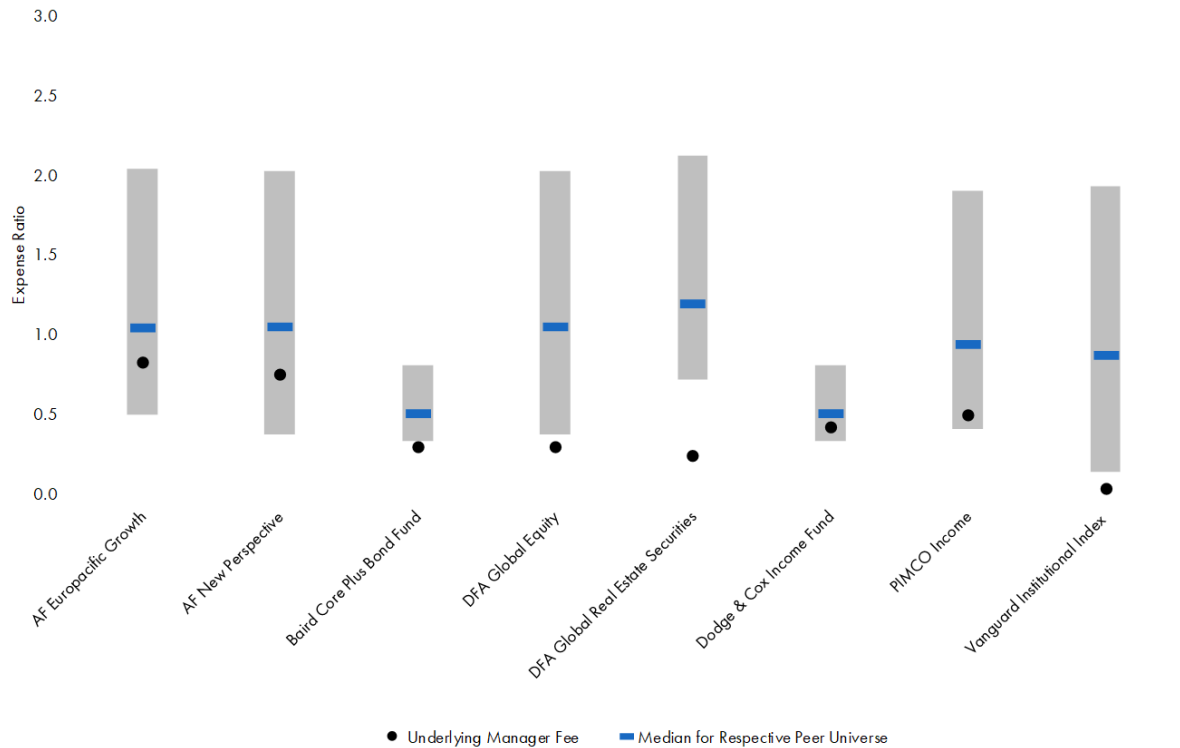
As would be expected from an alternative asset portfolio of hedge funds, the Angeles Absolute Return Fund had the highest management fee of 141 bps. In addition, the underlying hedge fund managers in the Angeles Absolute Return Fund may earn additional fees through incentive fees based on performance, and administrative fees are charged to the fund for legal, accounting, and other services from third parties. There is no additional advisory fee charged by Angeles to consulting clients such as HAF for investing in the Angeles Absolute Return Fund.

⁴ Source: Colonial Consulting, LLC and Fiscal and Administrative Officers Group (FAOG) Community Foundation Survey for the 4th quarter of 2018. Asset allocation data for “All Community Foundations” includes 109 participants and “Community Foundations \$100-\$249.9 mm” includes 29 participants. Cash also includes “other” and Real Assets includes by Real Estate and Real Assets.

Based on the approved target asset allocation and fund fees as of December 31, 2019, the combined asset-weighted fee for investment management services for the Foundation was 53 basis points (0.53%) per annum for the Long Term Investment Pool. Manager fees are netted from the performance of the funds in which HAF invests, and not paid out-of-pocket by the Foundation.

Premier Financial Group earns a fee from HAF for custody of all funds held (except American Funds, Hedge Funds, and Local Investing funds) and performance measurement this amounts to a 0.16% administration fee for the Long Term portfolio and a 0.13% fee for the SRI and Medium Term portfolios. The Foundation also pays a consulting fee to Angeles Investment Advisors, which in 2019 was 9.5 basis points (0.095% of total assets).

Figure 3
Mutual Fund Manager Fee Rankings: HAF Managers versus Mutual Fund Peer Universes



Source: Morningstar Direct. Each black circle represents the listed manager's net expense ratio. The horizontal gray bars represent fees for the 95th and 5th percentile fee within each respective manager universe.

TOTAL FUND PERFORMANCE REVIEW

All asset classes delivered positive returns in 2019, with the best returns coming from public global equity (+26.4% for the MSCI All Country World Investable Market Index, which covers US, non-US developed, and emerging country stocks across all market capitalizations). Markets were boosted by Federal Reserve rate cuts, robust economic data, the phase-one US-China trade deal, a thriving tech sector and Brexit certainty. Bond returns were positive for the year, with the Bloomberg Barclays Aggregate Index returning +8.7% and cash returning +2.3%. Global real estate securities as measured by the S&P Global REIT Index returned +23.1% in 2019.

In this environment, the Humboldt Area Foundation's Long Term Investment Pool experienced a net of fee return of +22.7% during the year, ahead of the policy index return of 21.6%, mostly due to strength on an absolute and relative basis among all of HAF's managers.

HAF outperformed its median community foundation peer in 2019, which returned +19.6%. Versus similar sized peers (with assets of \$100-250 million), HAF outperformed the +18.6% median return in 2019. HAF's somewhat higher exposure to public stocks versus its peers was one factor affecting this for 2019, a great year for equities. HAF outperformed the median community foundation over the trailing 3-, 5- and 10-year periods by an annualized 1.9%, 1.2% and 0.9%, respectively. In addition, relative to community foundations of similar size (\$100 to \$250 million), HAF also outperformed over the trailing 3-, 5- and 10-year periods, by a margin of 1.9%, 1.2% and 0.9%, respectively.⁵

Since August 1, 2015, the Foundation's Policy Index is a blended benchmark consisting of asset class index returns weighted according to the Foundation's approved target allocations as specified below:

- 70% MSCI All Country World Investable Market Index (global equity)
- 15% Bloomberg Barclays Aggregate Bond Index (US fixed income)
- 5% S&P Global REIT Index (global real estate securities)
- 10% HFRI Fund of Funds Composite Index (absolute return)

Long Term performance through the end of 2019 for the Foundation's Total Fund is shown below in **Table 5**. Performance was good on both an absolute and relative basis in 2019. **Additionally, over more meaningful periods (e.g., 5 and 10 years), HAF was ahead of benchmarks for the total fund and for all asset classes as of December 31, 2019.**

⁵ Source: Colonial Consulting, LLC and Fiscal and Administrative Officers Group (FAOG) Community Foundation Survey for the 4th quarter of 2010. Asset allocation data for "All Community Foundations" includes 149 participants and "Community Foundations \$100-\$249.9 mm" includes 42 participants. Cash also includes "other" and Real Assets includes by Real Estate and Real Assets.

Table 5
Historical Total Fund and Asset Class Performance
As of December 31, 2019 (Annualized, Net of Fees)

	Weight	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception	Inception Date
Humboldt Area Foundation Long Term	100.0%	22.7%	10.8%	7.7%	8.4%	6.6%	12/31/03
<i>Humboldt Long Term Benchmark</i>		21.7%	9.9%	6.9%	7.9%	6.6%	
<i>HAF CPI Linked Benchmark</i>		6.7%	6.5%	5.9%	5.9%	6.2%	
Total Global Equity	70.6%	27.7%	12.7%	8.9%	7.9%	7.9%	12/31/03
<i>MSCI ACWI IMI Net USD</i>		26.4%	12.1%	8.3%	8.9%	7.6%	
Total Absolute Return	9.6%	8.9%	5.1%	3.6%	--	3.8%	12/31/13
<i>HFRI Fund of Funds Index</i>		8.3%	3.9%	2.3%	--	2.5%	
Total Fixed Income	14.7%	8.6%	5.0%	4.6%	4.9%	3.9%	12/31/03
<i>BBgBarc US Aggregate TR</i>		8.7%	4.0%	3.0%	3.7%	4.2%	
Total Real Estate	4.6%	26.4%	9.8%	7.3%	10.6%	8.2%	12/31/03
<i>S&P 500 Global REIT</i>		23.1%	7.6%	5.6%	9.3%	7.2%	
Total Cash	0.4%						
<i>TDA - Cash Sweep</i>	0.0%						
<i>TD Bank USA MMDA - Cash Reserve</i>	0.4%						

Calendar Year Returns

	% of Fund	Calendar Years															
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Global Equity²	69.3%	27.7	-10.6	25.5	8.0	-1.2	3.6	25.9	17.7	-8.9	15.5	36.6	-40.2	9.0	17.2	13.0	15.8
<i>Global Equity Blended Index³</i>		26.4	-10.1	24.0	8.4	-2.2	3.8	23.6	16.8	-6.9	14.9	35.9	-41.7	8.4	18.4	8.5	14.0
Fixed Income	14.1%	8.6	0.6	6.1	5.3	1.8	5.7	1.3	4.6	7.3	7.5	11.2	-14.2	3.2	6.8	2.2	6.5
<i>Fixed Income Blended Index⁴</i>		8.7	0.0	3.5	2.7	0.5	6.0	-1.8	5.5	7.4	7.2	8.6	2.4	6.5	5.0	2.7	5.0
Real Estate Securities	4.5%	26.4	-4.2	9.2	6.6	0.7	22.7	1.8	23.5	0.8	23.7	32.2	-40.5	-18.7	35.3	13.2	32.1
<i>Real Estate Securities Index⁵</i>		23.1	-5.9	7.4	5.8	-0.4	21.5	1.7	23.2	0.1	22.7	34.4	-40.6	-17.9	35.9	14.1	34.8
Absolute Return	9.3%	8.9	-5.9	13.4	2.0	0.2	5.4	--	--	--	--	--	--	--	--	--	--
<i>HFRI Fund of Funds Index</i>		8.3	-4.1	7.6	0.5	-0.3	3.4	--	--	--	--	--	--	--	--	--	--
Total Cash	2.7%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	2.0	4.8	4.8	3.0	1.2
<i>90-day T-Bills</i>		2.3	1.9	0.0	0.3	0.0	0.0	0.0	0.1	0.1	0.1	0.2	1.8	4.7	4.8	3.0	1.2

¹ Effective August 1, 2015, the Policy Benchmark = 70% MSCI ACWIMI, 15% Bloomberg Barclays Aggregate, 10% HFRI Fund of Funds Composite Index, and 5% S&P Global REIT Index.

From January 1, 2014 to July 31, 2015, the Policy Benchmark = 70% MSCI ACWIMI, 20% Bloomberg Barclays Aggregate, 5% HFRI Fund of Funds Composite Index, and 5% S&P Global REIT Index.

From April 1, 2013 to December 31, 2013, the Policy Index = 70% MSCI All Country World Investable Market Index, 25% Bloomberg Barclays Aggregate Index, and 5% S&P Global REIT Index. From August 1, 2012 to March 31, 2013, the Policy Index = 70% MSCI All Country World Investable Market Index, 25% Bloomberg Barclays Universal Index, and 5% S&P Global REIT Index. From June 1, 2008 to July 31, 2012, the Policy Index = 35% Russell 3000 Index, 35% MSCI All Country World Ex US Investable Market Index, 25% Bloomberg Barclays Capital Universal Index (formerly Lehman Brothers Universal Index) and 5% Blended REIT Index. The Blended REIT Index consists of 50% Wilshire REIT Index and 50% S&P/Citi Global Ex US REIT Broad Market Index. From June 1, 2006 to May 31, 2008, the policy index consists of 50% Russell 3000 Index, 20% MSCI ACWI Ex-US Index, 25% Bloomberg Barclays Capital Universal Index (formerly Lehman Brothers Universal Index), and 5% DJ Wilshire REIT Index. Prior to June 1, 2006, the policy index consists of 50% Russell 3000 Index, 15% MSCI ACWI Ex-US Index, 30% Bloomberg Barclays Capital Universal Index (formerly Lehman Brothers Universal Index), and 5% DJ Wilshire REIT Index.

² Historical performance of the Global Equity composite is based on the consolidated weighted returns of the US Equity and International Equity composites.

³ Effective August 1, 2012, the Global Equity Blended Index consists of 100% MSCI All Country World Investable Market Index. Prior to August 1, 2012, the blended benchmark is calculated based on the weighted returns of the US Equity Benchmark and the International Equity Benchmark. From June 1, 2008 to August 1, 2012, the blended index consists of 50% Russell 3000 Index and 50% MSCI All Country World Ex US Investable Market Index. From June 1, 2006 to May 31, 2008, the blended index consists of 71.4% Russell 3000 Index and 28.6% MSCI ACWI Ex-US Index. Prior to June 1, 2006, the blended index consists of 76.9% Russell 3000 Index and 23.1% MSCI ACWI Ex-US Index.

⁴ Effective April 1, 2013, the Fixed Income Blended Index consists of 100% Bloomberg Barclays Aggregate Index. Prior to April 1, 2013, the blended benchmark consisted of 100% Bloomberg Barclays Universal Index.

⁵ Real Estate Securities benchmark is a custom blended benchmark: Effective August 1, 2012, the benchmark consists of 100% S&P Global REIT Index. From June 1, 2008 to July 31, 2012, the benchmark consists of 50% DJ Wilshire RE Securities and 50% S&P/Citi Global US RE Index. Prior to 6/1/08, the benchmark consists of 100% DJ Wilshire RE Secs.

^Returns are annualized for periods greater than a year.

INVESTMENT MANAGER OVERVIEW

All six of the investment management firms used by HAF — American Funds (Capital Group), Dimensional Fund Advisors (DFA), Vanguard, PIMCO, Baird, and Dodge & Cox — are solid, stable and highly-regarded organizations.

GLOBAL EQUITY REVIEW

HAF's global equity portfolio is invested in four mutual funds, and is well diversified across investment styles, geography, and market capitalization. The Foundation's total global equity composite returned +27.7% during 2019, outperforming the global equity benchmark, the MSCI All Country World Investable Market Index (ACWI IMI), which returned +26.4%. A significant portion of HAF's public equities (80%) are actively managed.

Table 6 displays the global equity portfolio's composition at the end of 2019 versus HAF's global equity policy targets. At year-end, HAF was in line with all the targets.

Table 6
Global Equity Allocation – As of 12/31/19

	Market Value	% of Total Assets		Variance from Target	Allowable Range
		Actual	Target		
Global Equity					
AF EuroPacific Growth Fund	\$23,587,424	19.2%	19.0%	0.2%	
DFA Global Equities	\$34,674,317	28.2%	28.0%	0.2%	
Vanguard Institutional Index	\$16,159,987	13.1%	14.0%	-0.9%	
AF New Perspective	\$10,917,185	8.9%	7.0%	1.9%	
Total Global Equity	\$85,338,914	69.3%	70.0%	-0.7%	55-85%

The best performer in 2019 in the equity portfolio was the Vanguard Institutional Index, returning 31.5%, matching the S&P 500 Index. A strong performer relative to its respective benchmark was American Funds EuroPacific Growth Fund, which substantially beat its benchmark in 2019. American Funds New Perspective Fund continues to be the strongest relative performing equity manager over the trailing 10 years.

While HAF's equity portfolio outperformed the benchmark, its exposure to DFA Global Equity, which is its largest holding, underperformed its respective benchmark by 100 bps. DFA's Global Equity Fund has been a strong performer over the longer term, and is low cost at 32 bps in fees, but its value and small cap orientation detracted from relative performance.

Table 7
Global Equity Performance as of December 31, 2019
(Annualized, Net of Fees)

As of December 31, 2019	% of Fund	3 Months	YTD	1 Year	3 Yrs. (Annlzd)	5 Yrs. (Annlzd)	10 Yrs. (Annlzd)	Since Inception	Inception Date
Global Equity	69%	9.5%	27.7%	27.7%	12.7%	8.9%	7.9%	7.9%	12/31/03
MSCI ACWI IMI Index		9.0%	26.4%	26.4%	12.1%	8.3%	8.9%	7.6%	
AF EuroPacific Growth Fund	19.2%	10.0%	26.9%	26.9%	12.1%	7.0%	6.4%	--	1/31/04
MSCI ACWI Ex USA		8.9%	21.5%	21.5%	9.9%	5.5%	5.0%	--	
DFA Global Equities	28.2%	9.1%	26.7%	26.7%	11.1%	8.5%	--	--	7/31/12
MSCI World		8.6%	27.7%	27.7%	12.6%	8.7%	--	--	
Vanguard Institutional Index I	13.1%	9.1%	31.5%	31.5%	15.2%	11.7%	--	--	3/29/14
S&P 500		9.1%	31.5%	31.5%	15.3%	11.7%	--	--	
AF New Perspective	8.9%	10.1%	30.1%	30.1%	16.4%	--	--	--	7/28/15
MSCI ACWI		9.0%	26.6%	26.6%	12.4%	--	--	--	

	% of Fund	Calendar Years															
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Global Equity²	69.3%	27.7	-10.6	25.5	8.0	-1.2	3.6	25.9	17.7	-8.9	15.5	36.6	-40.2	9.0	17.2	13.0	15.8
Global Equity Blended Index ³		26.4	-10.1	24.0	8.4	-2.2	3.8	23.6	16.8	-6.9	14.9	35.9	-41.7	8.4	18.4	8.5	14.0
DFA Global Equities	28.2%	26.7	26.7	-11.5	22.2	12.9	-2.7	4.6	29.2	18.2	-7.4	19.4	-40.0	4.4	20.5	11.0	19.0
MSCI World		27.7	27.7	-8.7	22.4	7.5	-0.9	4.9	26.7	15.8	-5.5	11.8	-40.7	9.0	20.1	9.5	14.7
AF EuroPacific Growth Fund	19.2%	26.9	27.0	-15.2	30.7	0.7	-0.8	-2.6	20.2	19.2	-13.6	9.4	-40.5	19.0	21.9	21.1	19.7
MSCI ACWI ex-US Index		21.5	21.5	-14.2	27.2	4.5	-5.7	-3.9	15.3	16.8	-13.7	11.2	-45.5	16.7	26.7	16.6	20.9
Vanguard Institutional Index	13.1%	31.5	31.5	-4.4	21.8	11.9	1.4	13.7	32.4	16.0	2.1	15.1	-37.0	5.5	15.8	4.9	10.9
S&P 500 Index		31.5	31.5	-4.4	21.8	12.0	1.4	13.7	32.4	16.0	2.1	15.1	-37.0	5.5	15.8	4.9	10.9
AF New Perspective	8.9%	30.1	30.1	-5.9	28.9	1.9	5.3	3.2	26.8	20.8	-7.6	12.8	-37.8	16.0	19.9	11.3	14.3
MSCI ACWI Index		26.6	26.6	-9.4	24.0	7.9	-2.4	4.2	22.8	16.1	-7.4	12.7	-42.2	11.7	21.0	10.8	15.2

Note: Performance displayed above reflects historical returns since fund inception. Some funds include extended performance based on oldest share class, adjusted for fees.

Historical performance of the Global Equity composite is based on the consolidated weighted returns of the US Equity and International Equity composites. Effective August 1, 2012, the Global Equity Blended Index consists of 100% MSCI All Country World Investable Market Index. Prior to August 1, 2012, the blended benchmark is calculated based on the weighted returns of the US Equity Benchmark and the International Equity Benchmark. From June 1, 2008 to August 1, 2012, the blended index consists of 50% Russell 3000 Index and 50% MSCI All Country World Ex US Investable Market Index. From June 1, 2006 to May 31, 2008, the blended index consists of 71.4% Russell 3000 Index and 28.6% MSCI ACWI Ex-US Index. Prior to June 1, 2006, the blended index consists of 76.9% Russell 3000 Index and 23.1% MSCI ACWI Ex-US Index.

^ Returns are annualized for periods greater than a year.

* Prior to April 1, 2008 the portfolio was based off returns from DFA Emerging Markets (DFEMX). Since April 1, 2008, the portfolio has been based off performance from DFA Emerging Markets Core Equity (DFCEX).

American Funds – EuroPacific Growth Fund (Non-US Equity)

Overview: The EuroPacific Growth Fund provides core international equity exposure by investing in non-US companies of all sizes and wide geographies, including emerging markets. The firm’s portfolio construction process is centered on in-depth company research and analysis undertaken by highly experienced managers. Typically, at least 80% of assets are invested in companies domiciled in Europe and the Pacific Basin. The portfolio is well diversified across regions and sectors, with approximately 290 names and relatively low annual turnover of ~35%.

There were a couple of changes to the portfolio management team in 2019. Mark Denning, a portfolio manager for this strategy, left the firm in September of 2019. Denning had been with the firm for 36 years and managed 7% of the EuroPacific Growth Fund, 9% of the World Growth and Income Fund, 9% of the New World Fund, and 15% of the New Economy Fund. In 2019, news emerged that Mark Denning, a co-Portfolio Investment Officer on this strategy, was personally trading securities that were held in the same funds that he was managing without disclosing it to his firm. Upon becoming aware of the matter, Capital initiated a thorough review, which included a review of the leaked documents, interviews with Denning, and analysis of positions sizing and trading activity. Based on this, they believe there was no impact to the Capital funds or their end investors. The securities in question were Mesoblast, Eros International, and Hummingbird Resources. None of these securities were held in funds where HAF has exposure as these were held in the New Economy Fund. As a result of Denning’s departure, Gerald Du Manoir, Noriko Chen, and Lara Pellini were added to the portfolio management team. The nine portfolio managers average over 25 years with Capital Group; about 20% of the fund is also managed by research analysts. The Capital System is designed so that no individual drives their success and they quickly initiated a transfer of assets and named new portfolio managers. Angeles continues to closely monitoring the situation but recommends no action at this time.

HAF invested in American Funds’ EuroPacific Growth strategy in January 2004.

Performance: EuroPacific Growth Fund returned +26.9% during 2019 versus +21.5% for its index. The fund's cash reserves at year end were 7.9%, which was higher than their historical average of 5.9%, but this was mainly a result of year-end client transactions and new additions to the portfolio management team. Several strong contributors for the year were information technology in the Netherlands, health care in Japan, and Airbus. Cash was the main detractor from performance. In addition, the fund’s overweight to emerging markets (28% vs 20.6% for the Index) held back relative returns. The portfolio’s growth orientation helped returns amid a strong environment for growth stocks.

Conclusion: EuroPacific Growth Fund remains a strong core international holding from a stable firm (owned by 400 shareholders that are mostly active employees, with no one person owning over 2.5%) and a multiple portfolio manager process that ensures continuity. Angeles remains confident in EuroPacific’s team and long-term, research-driven approach.

American Funds – New Perspective Fund (Global Equity)

Overview: The New Perspective Fund provides global equity exposure by investing in US and non-US companies of all sizes that are capable of taking advantage of changing patterns of global trade. The portfolio has significant exposure in large cap emerging market companies that are global leaders in their

industries. It also is strongly represented in the Pacific Rim and the US, with 8 of its top 10 names in the US; Amazon is the top holding at 3.1%. There were no changes at the portfolio management level.

HAF invested in American Funds' New Perspective strategy in July 2015.

Performance: New Perspective returned +30.1% in 2019, versus its index return of +26.6%. Security selection contributed to positive returns, especially in sectors the fund was underweight in like financials and communication services. The fund's cash position (4.4%) was the biggest detractor to performance given the strong equity market as well as an underweight to Apple. The portfolio's growth bias contributed to results as growth outperformed value by 10% in 2019. The portfolio's underweight to emerging markets (5% vs 12% for the MSCI ACWI) also contributed to relative returns as EM trailed developed markets during 2019.

Conclusion: New Perspective continues to deliver good returns relative to a passive alternative through an investment process that is well-resourced and consistent. New Perspective (and EuroPacific Growth Fund) are good complements to the passive and value-oriented approach of DFA and we retain confidence in this holding.

DFA – Global Equity Portfolio (Global Equity)

Overview: The DFA Global Equity Portfolio allocates its assets to a combination of underlying funds offered by DFA that invest in equities in the US, international and emerging markets. The strategy is fully diversified across over 13,078 securities and 44 countries, minimizing the effect of any single company or country on investment results. While still designed to put greater emphasis on securities with higher expected returns—small cap and value—it also provides exposure to large company stocks (56% for the fund versus 84% for the index). The portfolio is overweight the US, with 71.7% in the US at the end of 2019 versus 63.3% for the MSCI World Index.

HAF invested in DFA's Global Equity strategy in July 2012.

Performance: The DFA Global Equity fund returned +26.7% in 2019 underperforming its index return of +27.7% by 100 bps. The main driver of underperformance is attributed to the negative value premium and overweight to small cap equity (which underperformed large cap stocks during the year). Underperformance was mitigated by the fund's overweight to the US, which outpaced other regions in 2019.

Conclusion: While DFA's Global Equity fund underperformed its index in 2019, it still delivered strong absolute returns. We continue to have confidence in this fund as a low cost way for HAF to gain access to a global portfolio of stocks.

FIXED INCOME REVIEW

At the end of 2019, HAF's Long Term Pool consisted of three active bond managers and a portfolio of community loans (6% of fixed income as of year end).

At the end of the year, the fixed income allocations were in line with their targets.

Table 8
Fixed Income Allocation – as a Percent of Total Assets

	Market Value	% of Total Assets		Variance from Target	Allowable Range
		Actual	Target		
Fixed Income					
Baird Core Plus Bond Fund	\$5,763,979	4.7%	5.6%	-0.9%	
PIMCO Income Fund	\$5,616,778	4.6%	5.6%	-1.0%	
Dodge & Cox Income Fund	\$4,794,249	3.9%	2.8%	1.1%	
Community Loans	\$1,157,389	0.9%	1.0%	-0.1%	
Total Fixed Income	\$17,332,396	14.1%	15.0%	-0.9%	10-25%

Table 9
Fixed Income Fund Performance as of December 31, 2019
(Annualized, Net of Fees)

As of December 31, 2019	% of Fund	1 Year	3 Yrs. (Annlzd)	5 Yrs. (Annlzd)	10 Yrs. (Annlzd)	Since Inception	Inception Date
Fixed Income	14.1%	8.6%	5.0%	4.6%	4.9%	3.9%	12/31/03
Bloomberg-Barclays Aggregate Index		8.7%	4.0%	3.0%	3.7%	4.2%	
PIMCO Income Fund	4.6%	8.1%	5.7%	5.7%	--	--	12/31/12
BBgBarc US Agg Bond		8.7%	4.0%	3.0%	--	--	
Community Loans	0.9%	5.2%	5.2%	--	--	--	12/31/14
Baird Core Plus Bond Fund	4.7%	10.1%	4.7%	--	--	--	11/17/16
BBgBarc US Agg Bond		8.7%	4.0%	--	--	--	
Dodge & Cox Income	3.9%	9.8%	4.5%	--	--	--	11/17/16
BBgBarc US Agg Bond		8.7%	4.0%	--	--	--	

	% of Fund	Calendar Years															
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Fixed Income	14.1%	8.6	0.6	6.1	5.3	1.8	5.7	1.3	4.6	7.3	7.5	11.2	-14.2	3.2	6.8	2.2	6.5
Fixed Income Blended Index ⁴		8.7	0.0	3.5	2.7	0.5	6.0	-1.8	5.5	7.4	7.2	8.6	2.4	6.5	5.0	2.7	5.0
PIMCO Income Fund	4.6%	8.0	8.1	0.6	8.6	8.7	2.6	7.2	4.8	22.2	6.4	20.5	-5.5	--	--	--	--
Bloomberg-Barclays Aggregate Index		8.7	8.7	0.0	3.5	2.7	0.6	6.0	-2.0	4.2	7.8	6.5	5.2	--	--	--	--
Baird Core Plus Bond Fund	4.7%	10.1	10.1	-0.5	4.7	4.7	0.1	6.6	-1.3	8.0	7.9	9.8	-1.8	6.0	6.6	2.2	6.3
Bloomberg-Barclays Aggregate Index		8.7	8.7	0.0	3.5	2.7	0.6	6.0	-2.0	4.2	7.8	6.5	5.2	7.0	4.3	2.4	4.3
Dodge & Cox Income Fund	3.9%	9.8	9.8	-0.3	4.4	5.6	-0.6	5.5	0.6	7.9	4.8	7.2	-0.3	4.7	5.3	2.0	3.6
Bloomberg-Barclays Aggregate Index		8.7	8.7	0.0	3.5	2.7	0.6	6.0	-2.0	4.2	7.8	6.5	5.2	7.0	4.3	2.4	4.3
Community Loans	0.9%	5.2	5.2	5.4	4.3	5.8	--	--	--	--	--	--	--	--	--	--	--

Note: Performance displayed above reflects historical returns since fund inception. Some funds include extended performance based on oldest share class, adjusted for fees. These tables reflect historical performance for the funds in which the Long Term Investment Pool invests, but HAF did not hold these funds for the entire period shown.

[^] Returns are annualized for periods greater than a year.

⁴ The fixed income index consists of the Bloomberg Barclays US Aggregate Index is a blend of the Bloomberg Barclays Aggregate Index (which covers all investment grade dollar-denominated bonds) from 4/1/13-12/31/14 and the Universal Index (which includes investment grade and non-investment grade issues) prior to 4/1/13.

HAF's fixed income composite slightly underperformed its benchmark in 2019. The Bloomberg-Barclays Aggregate Index returned +8.7% in 2019, while HAF returned +8.6%. The strongest performer was the Baird Core Plus Bond Fund, which returned +10.1% during the year.

PIMCO – Income Fund (Opportunistic Fixed Income)

Overview: PIMCO Income fund invests in opportunistic bond sectors, with an eclectic approach that takes full advantage of the deep fixed income resources and skills at PIMCO, a global leader in bonds. The Income strategy is not benchmark dependent and is not managed to a specific benchmark, but rather is a go anywhere strategy in search of reliable income/yield. PIMCO funds are managed in the context of the firm's outlook for the global economy and markets, but investment decisions and value-added come primarily from traditional bottom-up credit analysis. This strategy allows for access to PIMCO's "top down" views and value add through strategies such as exposure to interest rates, duration, changing volatility, yield curve positioning and sector rotation.

HAF invested in the PIMCO Income strategy in December 2012.

Performance: The PIMCO Income Fund underperformed in 2019 with a return of +8.1% versus +8.7% for the Index. The main detractors to performance include short exposure to non-US developed market duration, and exposure to local and USD-denominated EM Debt (Argentina). The fund's interest rate sensitivity (duration) was well below that of the index (0.9 years vs 5.8 years for the Aggregate Index), hurting relative returns in a falling rate environment. Contributors include exposure to US duration, holdings of high yield and investment-grade corporate credit, and exposure to mortgages.

Conclusion: Angeles believes PIMCO Income Fund remains a great diversifier for HAF's fixed income portfolio that offers a significant boost to current income. The firm and investment team are highly experienced and well-resourced. The fund benefits from its investment process, which combines global top-down views on the macro-economic environment with proprietary bottom-up analysis of credit quality and market factors by the firm's global credit analysts.

Baird – Core Plus Bond Fund (Core Plus Fixed Income)

Overview: Baird's philosophy is that interest rates are difficult to forecast consistently over time. Therefore, Baird employs a duration-neutral, risk-controlled approach. They add incremental value through security selection, sector allocation, yield curve positioning and competitive execution of trades. They focus on the relative value, or risk/return profile, offered by various industry sectors within the bond market. Sector positions are analyzed on a contribution to duration basis and carefully evaluated for the return potential of each sector, focusing on general and specific risks involved.

HAF invested in the Baird Core Plus Bond Fund in November 2016.

Performance: Baird Core Plus Bond fund outperformed in 2019 with a return of +10.1% versus +8.7% for the Index. The main contributors to return were overweight to and active positioning within investment grade credit, active positioning withing MBS and ABS and overall portfolio positive convexity tilt versus the benchmark. The main detractors were an underweight to high yield credit, underweight to 1-3 year maturities as the curve steepened and favoring 20 year over 30 year maturities in the long end.

Conclusion: Baird focuses on the relative value, or risk/return profile, offered by various industry sectors within the bond market. Baird has a strong credit team and controls portfolio risk by maintaining duration neutral to the index. We continue to have confidence in this fund as a relatively low cost way for HAF to gain diversified exposure to the fixed income market in a risk-controlled fashion.

Dodge & Cox – Income Fund (Core Plus Fixed Income)

Overview: The philosophy guiding the firm’s fixed income portfolios is to construct and manage a high average quality, diversified portfolio of securities that are selected through bottom-up, fundamental analysis. They believe that by combining fundamental research with a long-term investment horizon, it is possible to uncover and act upon inefficiencies in the valuation of market sectors and individual securities. To seek attractive returns for clients, they emphasize market sector and individual security selection, strive to build portfolios that have a higher yield than the composite yield of the broad bond market, and analyze portfolio and individual security risk.

Fundamental research is central to the investment process. The purpose of their research is to find securities that they believe will provide a relatively high and predictable stream of income and an opportunity for attractive relative price performance. An extended investment horizon enables them to take advantage of short-term uncertainty in their effort to seek long-term performance. They typically construct their portfolios with the goal of generating a relatively high, sustainable income stream without assuming undue levels of risk. Though it is rarely critical in any single year, the compounding of this income can have a significant positive effect on the total return of a fixed income portfolio over longer periods of time.

HAF invested in the Dodge & Cox Income Fund in November 2016.

Performance: Dodge & Cox Income returned +9.8% net of fees versus +8.7% for the index during the year. The Fund’s strong year—in terms of both absolute and relative performance—was driven by outperformance from a wide variety of individual credit holdings and a significant overweight to the strong-performing credit sector.

Conclusion: The strategy is well-resourced with a stable investment team led by an eight-member investment committee with an average tenure at Dodge & Cox of 21 years. Reflecting Dodge & Cox’s well-known value orientation in equity, its fixed income team seeks attractively valued securities and will step into sectors that are out-of-favor with markets by taking a longer-term view. Angeles believes the fund is attractive as it seeks to deliver excess returns by taking credit risk rather than interest rate risk, which we think is more repeatable for sustained long term performance.

Regional Mission Related Investments/Community Investing (Community Loans)

Overview: Community Loans are investments in alignment with HAF’s mission that support projects which benefit the community and meet HAF due diligence standards as sound investments for the Foundation. These investments are approved on a case by case basis by the HAF Investment Committee and Board of Directors and shall comply with the guidelines outlined in the Investment Policy Statement (IPS).

As of December 31, 2019, the foundation had \$1.2 million (1% of the Long-Term Investment Pool) invested in Community Loans. This allocation is in line with the HAF Investment Policy Statement, which targets up to 5% to Community Loans.

REAL ESTATE REVIEW

HAF had 5% of its assets in global public real estate, in line with its 5% target, managed in a single fund, the DFA Global Real Estate Securities fund.

**Table 10 –
REIT Performance as of December 31, 2019
(Annualized, Net of Fees)**

As of December 31, 2019	% of Fund	1 Year	3 Yrs. (Annlzd)	5 Yrs. (Annlzd)	10 Yrs. (Annlzd)	Since Inception	Inception Date	Expense Ratio*
Real Estate Securities	4.5%	26.4%	9.8%	7.3%	10.6%	8.2%	12/31/03	
S&P Global REIT Index		23.1%	7.6%	5.6%	9.3%	7.2%		
DFA Global Real Estate Securities	4.5%	26.4%	9.8%	7.3%	--	--	7/31/12	0.24

	% of Fund	Calendar Years																
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	
Real Estate Securities	4.5%	26.4	-4.2	9.2	6.6	0.7	22.7	1.8	23.5	0.8	23.7	32.2	-40.5	-18.7	35.3	13.2	32.1	
Real Estate Securities Index ⁵		23.1	-5.9	7.4	5.8	-0.4	21.5	1.7	23.2	0.1	22.7	34.4	-40.6	-17.9	35.9	14.1	34.8	
DFA Global Real Estate Securities	4.5%	26.4	26.4	-4.2	9.2	6.6	0.7	22.7	1.8	23.2	1.8	23.8	--	--	--	--	--	
S&P Global REIT Index		23.1	23.1	-5.9	7.4	5.8	-0.4	21.5	1.7	22.4	0.6	22.1	--	--	--	--	--	

Note: Some funds include extended performance based on oldest share class, adjusted for fees. Performance displayed above reflects historical returns since fund inception. Some funds include extended performance based on oldest share class, adjusted for fees.

^ Returns are annualized for periods greater than a year.

⁵ Real Estate Securities benchmark is a custom blended benchmark: Effective August 1, 2012, the benchmark consists of 100% S&P Global REIT Index. From June 1, 2008 to July 31, 2012, the benchmark consists of 50% DJ Wilshire RE Securities and 50% S&P/Citi Global US RE Index. Prior to 6/1/08, the benchmark consists of 100% DJ Wilshire RE Secs.

DFA – Global Real Estate Securities Fund (Global REITs)

Overview: DFA's Global Real Estate Securities portfolio is designed to achieve long-term capital appreciation and invests passively in a broad range of US and non-US companies in the real estate industry with a focus on REITs. The portfolio primarily purchases shares of DFA's US Real Estate and International Real Estate Securities Portfolios.

Country weights are primarily determined by the aggregate market capitalization of the investable universe in each country and region. The country weighting methodology caps weightings at 30% (at time of purchase) to all countries except the US. Securities must pass quantitative and qualitative filters before becoming eligible for purchase into the strategy. The portfolio does invest in specialty REITs such as cell towers but does not invest in mortgage REITs (given their tendency to behave more like fixed income securities than real estate), prison REITs, REITs in extreme financial difficulties, REITs involved in mergers or consolidation, or those that may be the subject of an acquisition. The US is the largest single country holding at 65% at the end of 2019, followed by Japan at 9%.

HAF invested in DFA's Global Real Estate strategy in July 2012.

Performance: The Fund outperformed in 2019 with a return of +26.4% versus the Index's return of +23.9%.

Conclusion: DFA's Global Real Estate Securities Fund is attractive for its diversification benefits, including exposure to properties across emerging markets (2.1%). With over 400 securities, the portfolio is well diversified across geography, size and REIT type. Expenses are low, and turnover is minimal, keeping trading costs low.

HEDGE FUNDS REVIEW

At the end of 2019, HAF had \$11.5 million, or approximately 9% of the Foundation's total assets, invested in hedge funds through the Angeles Absolute Return Fund, slightly below the long term target of 10% of total Long Term Pool assets. Angeles waives its management fee for the fund for its clients, including HAF.

Table 11

Hedge Fund Allocation— as a percent of Total Assets and as of 12/31/19

	Market Value	% of Total Assets		Variance from Target	Allowable Range
		Actual	Target		
Absolute Return					
Angeles Absolute Return Fund	\$11,482,401	9.3%	10.0%	-0.7%	
Total Absolute Return	\$11,482,401	9.3%	10.0%	-0.7%	0-15%

Table 12

Angeles Absolute Return Fund Performance as of December 31, 2019 (Annualized, Net of Fees)

As of December 31, 2019	% of Fund	1 Year	3 Yrs. (Annld)	5 Yrs. (Annld)	10 Yrs. (Annld)	Since Inception	Inception Date	Expense Ratio*
Absolute Return	9.3%	8.9%	5.1%	3.6%	--	3.8%	12/31/13	
HFRI Fund of Funds Index		7.8%	3.7%	2.2%	--	2.4%		
Angeles Absolute Return Fund**	9.3%	8.9%	5.1%	3.6%	--	--	12/31/13	1.41

	% of Fund	Calendar Years					
		2019	2018	2017	2016	2015	2014
Absolute Return	9.3%	8.6	-5.9	13.4	2.0	0.2	5.4
<i>HFRI Fund of Funds Index</i>		8.3	-4.1	7.6	0.5	-0.3	3.4
Angeles Absolute Return Fund		8.6	-5.9	13.4	2.0	0.2	5.4
<i>HFRI Fund of Funds Index</i>		8.3	-4.1	7.6	0.5	-0.3	3.4

Since inception, the absolute return composite index is the HFRI Fund of Funds Composite Index.

ANGELES ABSOLUTE RETURN FUND

Overview: The Angeles Absolute Return Fund LTD (ARF) provides Angeles's manager selection and portfolio construction expertise in hedge funds in a fund-of-funds format, which allows investors to gain hedge fund exposure through a diversified structure that is administratively simple. The goal of the AIA ARF is to generate superior risk-adjusted returns with moderate volatility by investing in funds managed by historically successful and high-quality managers pursuing a cross-section of absolute return strategies. The goal of the fund is to mitigate losses in falling markets, exhibit lower correlation to traditional asset classes, and provide a range of exposures across sectors, regions, strategies, and managers.

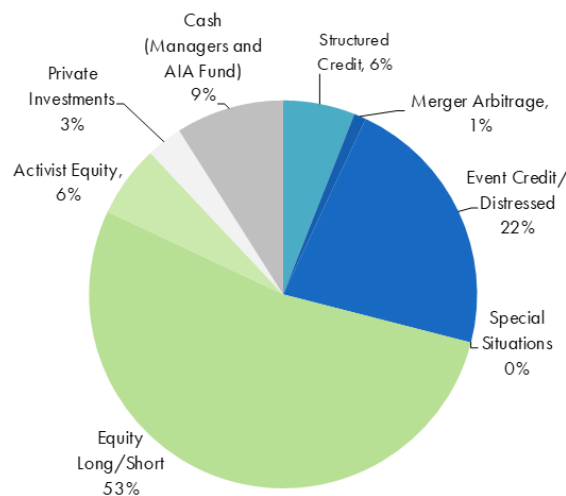
The fund is well diversified across strategies, and as of January 1st, 2020 the fund held 13 underlying managers.⁶ Managers tend to employ low to no leverage; in aggregate the fund has a leverage ratio of about 1.01x as of December 31, 2019. Changes in the Absolute Return Fund’s manager lineup that were made in 2019 include: the fund added SQN, a technology-focused long/short manager; Snow Lake, a China-focused long/short equity fund, was added to the portfolio in October 2019; AKO Global and Parsifal, both long/short equity managers, were added to the portfolio effective January 1, 2020; the fund also made a commitment to Charlesbank Credit Opportunities Fund II (a private credit drawdown fund), which has not yet called capital.

HAF invested in the Angeles Absolute Return Fund in on January 1, 2014.

Performance: The Angeles Absolute Return returned +8.9% in 2019 and outperformed the benchmark return of +7.8%. Equity oriented managers drove performance for the year, with the top contributors being Whale Rock (a technology long/short equity manager) and Salthill (a biotechnology long/short equity manager). The fund’s low beta (equity sensitivity) and lack of duration exposure led to muted performance relative to global equities and bonds.

Conclusion: The Angeles Absolute Return Fund provides an efficient structure to gain diversified exposure to direct hedge funds that implement alternative asset strategies that attempt to offer attractive, risk-adjusted rates of returns that are not highly correlated with traditional asset classes. The fund will hold approximately 5-20 managers, diversified across sectors, regions and strategies. For existing clients (including HAF), Angeles does not assess a management fee at the fund level, and fund administrative expenses are low at approximately 0.15% in 2019.

Figure 4
Strategy Allocations (% Long Exposure) as of January 1, 2020



⁶ Excluding investments in liquidation and AIA ARF’s commitment to a manager that has yet to call capital.

Table 13
Manager Allocations as of January 1, 2020

Manager	Allocation as of 1/1/2020*	Strategy	Investment Focus
Sculptor	12%	Global Credit/Distressed	Invests in U.S. and European corporate and structured credit.
Whale Rock	11%	TMT Long/Short Equity	Global technology focused long/short equity manager.
Canyon	11%	US Multi-strategy	Pursues a credit-oriented strategy focused on value and event-driven investments.
Beach Point	8%	Global Credit/Distressed	Invests in event driven and distressed credit with a focus on complex and underfollowed situations.
Green Court	7%	China Long/Short Equity	Invests in long/short equities (China) based on fundamental analysis.
Salthill	7%	Biotechnology Long/Short Equity	Invests long/short in the global biotechnology sector.
Cevian	6%	European Activist Equity	Concentrated activist equity strategy focused on investing in the Nordic region of Europe.
Deep Basin	6%	Energy Market Neutral Equity	Employs a data driven approach to investing in mid/upstream companies with 0 targeted net exposure.
Parsifal	6%	Global Long/Short Equity	Invests long/short in special situations globally
Tor	6%	Asia Credit	Invests in Pan-Asia credit opportunities.
Snow Lake	5%	China Long/Short Equity	Invests in long/short equities (China) based on fundamental analysis.
SQN	5%	TMT Long/Short Equity	Long-biased small cap technology manager.
AKO Global	2%	Global Long/Short Equity	Invests long/short globally based on in-depth fundamental and forensic analysis
Cash/Other	7%	Other	Cash, S&P 500, Side pocket investments, liquidation process

MEDIUM TERM POOL REVIEW

HAF maintains a Medium Term Pool for investment, which is appropriate for funds with a shorter time horizon.

As of the end of 2019, the Medium Term Pool held \$2.5 million in assets. The Medium Term Pool has a significantly more conservative asset allocation than the Long Term Pool, with a target of 59% in bonds, 5% in real estate securities and 18% each in US and international equity (all passively managed).

The pool experienced high returns over 2019 with a +14.7% return. However, the portfolio underperformed the policy benchmark return of +15.2%.

SOCIALLY RESPONSIBLE INVESTMENT POOL REVIEW

HAF maintains a Socially Responsible Investment Pool, which is appropriate for investors that not only want strong financial returns, but also want their assets to be invested in a responsible way with measurable impact.

As of the end of 2019, the Socially Responsible Investment Pool held \$6.8 million in assets. The Socially Responsible Investment Pool maintains a similar asset allocation to the Long Term Pool, with a target of 20% in bonds and 80% in global equity (all actively managed).

The SRP was established in February 2019, and therefore, does not have a full year of performance. Since inception of February 2019, the SRP returned 15.0% (net of fees) versus 15.1% for the Policy Index.

HAF Socially Responsible Pool (SRP) – As of December 2019

Fund Name	Style	Ticker	Fee in (bp)	Target %	Actual %	Overview
DFA US Sustainability Core 1	US Large Core	DFSIX	25	36%	32%	Tilts to stocks with high sustainability ratings, including addressing climate change, environ vulnerability, and environment strength variable. A third-party vendor, MSCI ESG Research, provides data to support.
DFA Intl Sustainability Core 1	Int'l Core	DFSPX	35	20%	24%	
DFA EM Sustainability	Emerging Markets	DESIX	63	7%	8%	
Baillie Gifford Positive Change	Foreign Blend	BPESX	65	10.5%	10%	Seeks capital appreciation with an emphasis on investing in businesses that deliver positive change by contributing towards a more sustainable and inclusive world. The Fund invests predominantly in securities issued by companies located in countries contained in the MSCI ACWI Index.
Pax Global Environmental Markets	Global Equity	PGINX	97	6.5%	6%	Focus on alternative energy, energy efficiency, water infrastructure, pollution control, environmental support services, waste management technology, sustainable food, agriculture and forestry
TIAA-CREF Social Choice	Core Bond	TSBIX	37	20%	20%	Affordable housing, community and economic development, renewable energy, climate change
TOTAL			41	100%		

In October 2019, Angeles recommended and the Investment Committee approved replacing the Hartford Global Impact with the Baillie Gifford Positive Change fund. While performance for the Hartford Global Impact Fund had been good, we recommended removal of the fund from HAF's SRP due to significant portfolio manager turnover. Co-portfolio manager Patrick Kent left the firm in February 2019 to rejoin his previous firm (Boston Company), leaving Eric Rice as sole portfolio manager on the strategy. Subsequently, on 9/23/2019, Wellington announced that Eric Rice would be leaving the firm to head up the Impact and Sustainability division at Blackrock, where he will oversee the formation of their first ESG-related equity products. The new portfolio manager assigned to cover this strategy lacks proven experience managing a social impact-based strategy. Angeles recommended replacing the fund with Baillie Gifford's Positive Change strategy. Edinburgh-based Baillie Gifford is a 100% employee-owned firm founded in 1908. It manages \$265bn in client assets and is one of our highest-conviction managers, with several strategies held across our discretionary funds and client portfolios. The firm has industry-leading impact reporting. Baillie also utilizes shareholder engagement and has engaged with 28 of the 34 companies in the portfolio.

With asset growth, HAF qualified for a lower fee share class for Pax Global (reducing the fee from 1.23% to 0.97%) and the SRP also moved to the lower fee share class for TIAA-CREF Social Choice Bond fund, which reduced the TIAA's expense ratio from 0.65% to 0.37%.

Exhibit 1:
Summary of Performance through
December 31, 2019

HUMBOLDT AREA FOUNDATION
2019 INVESTMENT PERFORMANCE REVIEW

As of December 31, 2019	Ticker	Market Value	% of Fund	Policy Target	1 Month	3 Months	YTD	1 Year	3 Yrs. (Annlzd)	5 Yrs. (Annlzd)	10 Yrs. (Annlzd)	Since Inception	Inception Date	Expense Ratio*
Total Fund		\$ 123,078,792	100%	100%	2.8%	7.2%	22.7%	22.7%	10.8%	7.7%	8.4%	6.6%	12/31/03	0.40
Policy Benchmark					2.6%	6.6%	21.6%	21.6%	9.9%	7.0%	8.0%	6.6%	12/31/03	
CPI Linked Benchmark						1.8%	6.7%	6.7%	6.5%	5.9%	5.9%	6.2%		
Global Equity		\$ 85,338,914	69%	70%	3.6%	9.5%	27.7%	27.7%	12.7%	8.9%	7.9%	7.9%	12/31/03	
MSCI ACWI IMI Index					3.5%	9.0%	26.4%	26.4%	12.1%	8.3%	8.9%	7.6%		
AF EuroPacific Growth Fund	AEPGX	\$ 23,587,424	19.2%	19%	4.3%	10.0%	26.9%	26.9%	12.1%	7.0%	6.4%	--	1/31/04	0.83
MSCI ACWI Ex USA					4.3%	8.9%	21.5%	21.5%	9.9%	5.5%	5.0%	--		
DFA Global Equities	DGEIX	\$ 34,674,317	28.2%	28%	3.5%	9.1%	26.7%	26.7%	11.1%	8.5%	--	--	7/31/12	0.32
MSCI World					3.0%	8.6%	27.7%	27.7%	12.6%	8.7%	--	--		
Vanguard Institutional Index I	VINIX	\$ 16,159,987	13.1%	14%	3.0%	9.1%	31.5%	31.5%	15.2%	11.7%	--	--	3/29/14	0.04
S&P 500					3.0%	9.1%	31.5%	31.5%	15.3%	11.7%	--	--		
AF New Perspective	ANWPX	\$ 10,917,185	8.9%	7%	3.6%	10.1%	30.1%	30.1%	16.4%	--	--	--	7/28/15	0.75
MSCI ACWI					3.5%	9.0%	26.6%	26.6%	12.4%	--	--	--		
Absolute Return		\$ 11,482,401	9.3%	10%	1.2%	3.8%	8.9%	8.9%	5.1%	3.6%	--	3.8%	12/31/13	
HFRI Fund of Funds Index					1.3%	2.5%	7.8%	7.8%	3.7%	2.2%	--	2.4%		
Angeles Absolute Return Fund**		\$ 11,482,401	9.3%	10%	1.2%	3.8%	8.9%	8.9%	5.1%	3.6%	--	--	12/31/13	1.41
Fixed Income		\$ 17,332,396	14.1%	15%	0.6%	1.3%	8.6%	8.6%	5.0%	4.6%	4.9%	3.9%	12/31/03	
Bloomberg-Barclays Aggregate Index					-0.1%	0.2%	8.7%	8.7%	4.0%	3.0%	3.7%	4.2%		
PIMCO Income Fund	PIMIX	\$ 5,616,778	4.6%	6%	1.3%	2.5%	8.1%	8.1%	5.7%	5.7%	--	--	12/31/12	0.50
BBgBarc US Agg Bond					-0.1%	0.2%	8.7%	8.7%	4.0%	3.0%	--	--		
Community Loans	--	\$ 1,157,389	0.9%	1%	0.1%	1.4%	5.2%	5.2%	5.2%	--	--	--	12/31/14	
Baird Core Plus Bond Fund	BCOIX	\$ 5,763,979	4.7%	6%	0.2%	0.5%	10.1%	10.1%	4.7%	--	--	--	11/17/16	0.30
BBgBarc US Agg Bond					-0.1%	0.2%	8.7%	8.7%	4.0%	--	--	--		
Dodge & Cox Income	DODIX	\$ 4,794,249	3.9%	3%	0.3%	0.9%	9.8%	9.8%	4.5%	--	--	--	11/17/16	0.42
BBgBarc US Agg Bond					-0.1%	0.2%	8.7%	8.7%	4.0%	--	--	--		
Real Estate Securities		\$ 5,565,807	4.5%	5%		1.6%	26.4%	26.4%	9.8%	7.3%	10.6%	8.2%	12/31/03	
S&P Global REIT Index					-0.3%	0.8%	23.1%	23.1%	7.6%	5.6%	9.3%	7.2%		
DFA Global Real Estate Securities	DFGEX	\$ 5,565,807	4.5%	5%	0.6%	1.6%	26.4%	26.4%	9.8%	7.3%	--	--	7/31/12	0.24
Cash		\$ 1,170,983	1.0%	0%										
90-Day T-Bills					0.2%	0.5%	2.3%	2.3%	1.7%	1.0%	0.6%	1.3%		
TDA - Cash Sweep Account	--	\$ 25,891	0.0%	0%	--	--	--	--	--	--	--	--		
TD Bank USA MMDA - Cash Reserve	--	\$ 1,145,091	0.9%	0%	--	--	--	--	--	--	--	--		

Note: Market value data and Total Fund returns provided by Premier. Fiscal Year is June 30.

*Estimated average total fund fee based on individual fund audited expense ratio and target allocations. Expense ratio for Angeles Absolute Return Fund only includes management fees, but does not include administrative fees or variable performance fees. Administrative fees will vary each year.

**Performance and market value are based on underlying manager estimates for the trailing month.

^ Prior to April 1, 2008, performance was for DFA Emerging Markets (DFEMX).

Effective August 1, 2015, the Policy Benchmark = 70% MSCI ACWIMI, 15% Bloomberg-Barclays Aggregate, 10% HFRI Fund of Funds Index, and 5% S&P Global REIT Index.

From January 1, 2014 to July 31, 2015, the Policy Benchmark = 70% MSCI ACWIMI, 20% Bloomberg-Barclays Aggregate, 5% HFRI Fund of Funds Index, and 5% S&P Global REIT Index.

From April 1, 2013 to December 31, 2013, the Policy Benchmark = 70% MSCI ACWIMI, 25% Bloomberg-Barclays Aggregate, and 5% S&P Global REIT Index.

From August 1, 2012 to March 31, 2013, the Policy Benchmark = 70% MSCI ACWIMI, 25% Bloomberg-Barclays Universal, 5% S&P Global REIT Index.

From June 1, 2008 to July 31, 2012, the Policy Benchmark = 35% Russell 3000 Index, 35% MSCI All Country World Ex US Investable Market Index, 25% Bloomberg-Barclays Capital Universal Index (formerly Lehman Brothers Universal Index) and 5% Blende REIT Index. From

June 1, 2006 to May 31, 2008, the policy benchmark consists of 50% Russell 3000 Index, 20% MSCI ACWI Ex-US Index, 25% Bloomberg-Barclays Capital Universal Index (formerly Lehman Brothers Universal Index) and 5% DJ Wilshire US Select REIT Ind

Prior to June 1, 2006, the policy benchmark consists of 50% Russell 3000 Index, 15% MSCI ACWI Ex-US Index, 30% Bloomberg-Barclays Capital Universal Index (formerly Lehman Brothers Universal Index), and 5% DJ Wilshire US Select REIT Index.

Exhibit 2: Fund Summaries

	Ticker	Assets (\$MM) as of 12/31/19	Expense Ratio (bps)	Turnover	Number of Holdings	Morningstar Rating
Global Equity						
AF EuroPacific Growth Fund	AEPGX	\$160,077.7	83	35%	386	ÙÙÙ
DFA Global Equities	DGEIX	\$7,483.2	32	0%	6	ÙÙÙÙ
Vanguard Institutional Index	VINIX	\$240,098.0	4	6%	509	ÙÙÙÙÙ
AF New Perspective	ANWPX	\$95,621.9	75	20%	305	ÙÙÙÙÙ
Fixed Income						
PIMCO Income Fund	PIMIX	\$136,422.6	50	472%	6354	ÙÙÙÙÙ
Baird Core Plus Bond Fund	BCOIX	\$25,922.5	30	26%	1253	ÙÙÙÙ
Dodge & Cox Income Fund	DODIX	\$65,223.8	42	37%	1031	ÙÙÙÙ
Real Estate Securities						
DFA Global Real Estate Securities	DFGEX	\$9,306.4	24	--	166	ÙÙÙÙ

Source: Morningstar;. Morningstar expense ratios are based on Annual Reports provided by managers

Exhibit 3:
Historical Fund Performance Through
December 31, 2019

Historical Fund Performance through December 31, 2019⁷

	Weight	Estimated Fee	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank
American Funds Europacific Growth	19.2%	0.83%	26.9%	66	12.1%	65	7.0%	64	6.4%	81
<i>MSCI ACWI ex USA</i>			21.5%	96	9.9%	89	5.5%	90	5.0%	96
<i>Foreign Growth MStar MF Median</i>			28.1%		12.8%		7.6%		7.6%	
DFA Global Equity Fund	28.2%	0.32%	26.7%	28	11.1%	33	8.6%	13	--	--
<i>MSCI World</i>			27.7%	23	12.6%	21	8.7%	12	--	--
<i>Foreign MStar MF Median</i>			22.6%		9.7%		5.9%		6.0%	
Vanguard Institutional Index	14.1%	0.04%	31.5%	32	15.2%	35	11.7%	28	--	--
<i>S&P 500 TR USD</i>			31.5%	31	--	--	--	--	--	--
<i>Large Cap MStar MF Median</i>			29.7%		14.1%		10.3%		12.7%	
American Funds New Perspective	8.9%	0.75%	30.1%	33	16.4%	13	--	--	--	--
<i>MSCI ACWI</i>			26.6%	74	12.4%	57	--	--	--	--
<i>Foreign Large Growth MStar MF Median</i>			28.3%		12.7%		7.3%		7.2%	

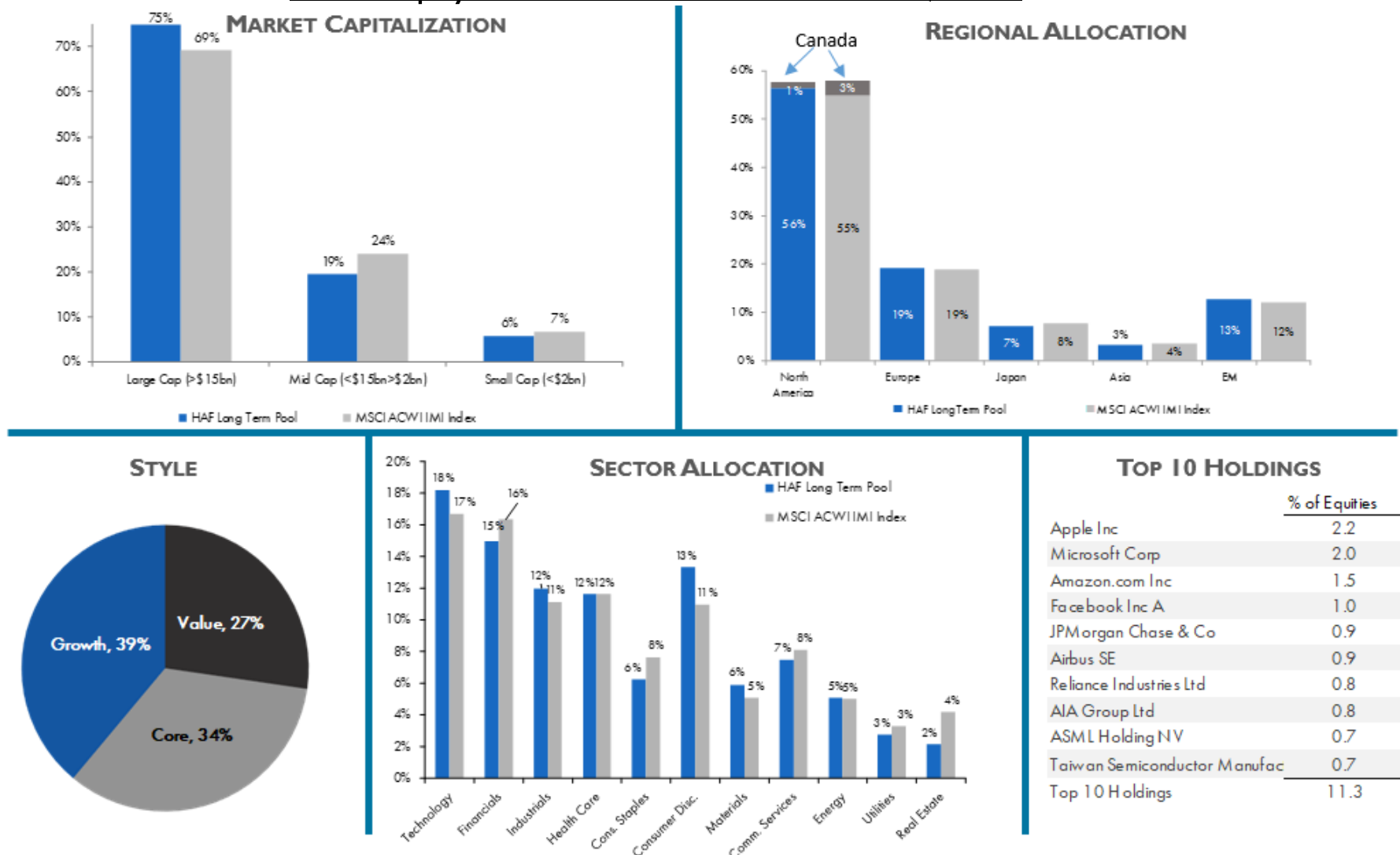
⁷ Source: Morningstar. Ranks are percentile rankings versus peer groups for managers in respective styles; 1 is the top percentile ranking will 99 is worst.

	Weight	Estimated Fee	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank
PIMCO Income Fund	4.6%	0.50%	8.0%	84	5.7%	32	5.7%	8	--	--
<i>BBgBarc US Aggregate TR</i>			8.7%	79	4.0%	89	3.0%	94	--	--
<i>Multisector Bond MStar MF Median</i>			10.7%		5.1%		4.4%		5.7%	
Baird Core Plus Bond Fund	4.7%	0.30%	10.1%	26	4.7%	27	--	--	--	--
<i>BBgBarc US Aggregate TR</i>			8.7%	68	4.0%	77	--	--	--	--
<i>Intermediate Core Plus Bond MStar MF Median</i>			9.4%		4.3%		3.4%		4.4%	
Dodge & Cox Income	3.9%	0.42%	9.8%	12	4.5%	8	--	--	--	--
<i>BBgBarc US Aggregate TR</i>			8.7%	40	4.0%	43	--	--	--	--
<i>Intermediate Core Bond MStar MF Median</i>			8.5%		3.9%		3.0%		3.8%	
DFA Global Real Estate	4.5%	0.24%	26.4%	22	9.8%	53	7.3%	28	--	--
<i>S&P 500 Global REIT</i>			23.1%	53	7.6%	82	5.6%	60	--	--
<i>Global Real Estate MStar MF Median</i>			23.4%		9.8%		6.5%		8.6%	

Performance rankings are as of 12/31/19 and rank manager's performance relative to peers. Provided by Morningstar; 1=Best, 100=Worst.

Exhibit 4:
Global Equity Characteristics
December 31, 2019

Global Equity Characteristics as of December 31, 2019



Note: All data sourced from eVestment, Morningstar, and managers as of 12/31/2018. Figures may not add up to 100% due to rounding.

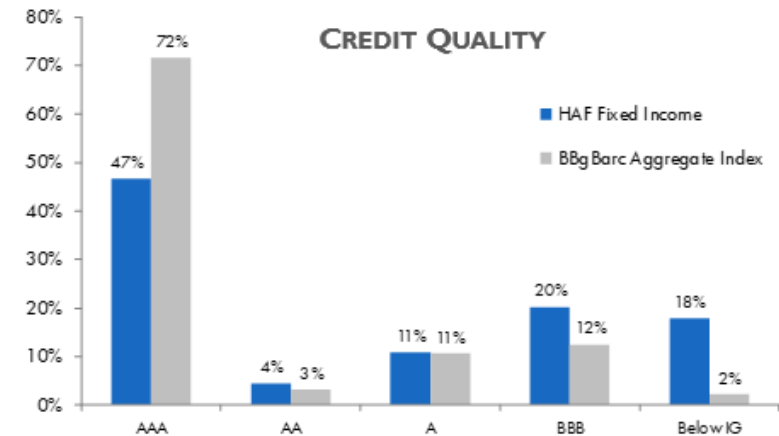
Exhibit 5:
Fixed Income Characteristics
December 31, 2019

Fixed Income Characteristics as of December 31, 2019

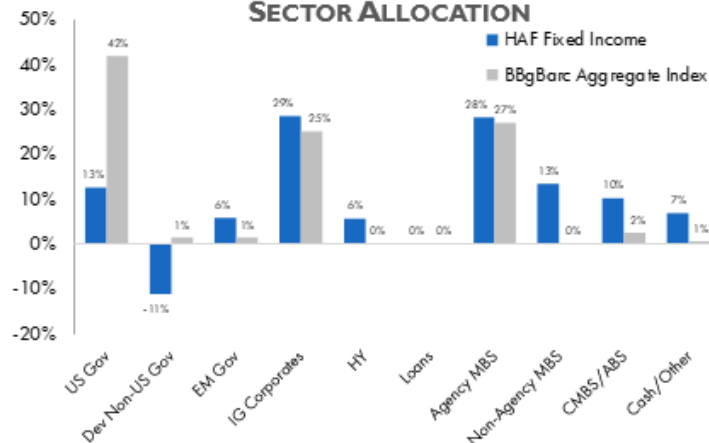
CHARACTERISTICS

	% of FI	30 Day SEC Yield	Yield-to-Maturity	Duration	Maturity	Credit Quality
PIMCO Income (PIMIX)	38%	3.1%	4.2%	0.9	2.6	BBB
Baird Core Plus (BCOIX)	40%	2.5%	2.6%	5.7	7.6	A
Dodge & Cox Income (DODIX)	22%	2.5%	2.8%	4.3	7.9	AA
Fixed Income Portfolio	100%	2.7%	3.3%	3.5	5.7	A
BBgBarc Aggregate Index	N/A	N/A	2.3%	5.8	8.0	AA
BBgBarc US Universal Index	N/A	N/A	2.6%	5.7	7.7	AA

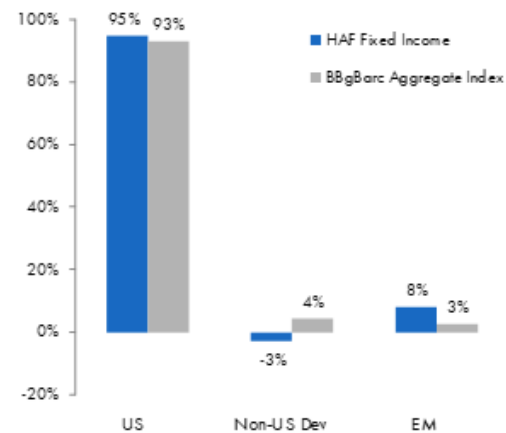
CREDIT QUALITY



SECTOR ALLOCATION



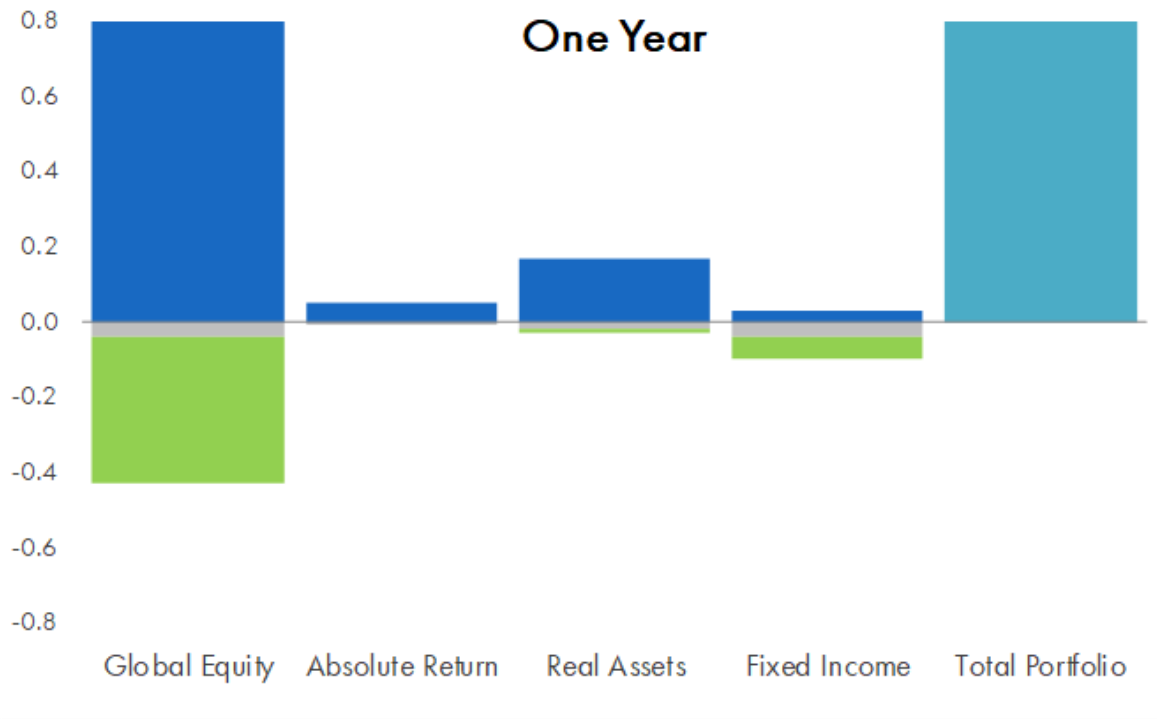
REGIONAL ALLOCATION



CURRENCY EXPOSURE

Currency	% of Portfolio
USD	99.5%
RUB	0.9%
JPY	-0.7%
ARS	-0.6%
Other	0.8%
Total	100.0%

**Exhibit 6:
Attribution Analysis (One year Ended
12/31/19)**



Asset Class Weighting Effect

Measures how an over or under weight allocation to an asset class contributes or detracts from relative performance.

Manager Style Effect

Measures the contribution to the total portfolio's relative performance based on the managers' style (determined by their benchmarks) relative to the benchmark of their respective broader asset class.

Manager Selection Effect

Measures the contribution to the total portfolio's relative performance based on the managers' excess return against their specific benchmarks.

Total Net Effect

Represents the portfolio's total active return relative to the benchmark. It is the summation of the weighting effect, manager style & selection effect and manager fee effect.

Disclosure:

Attribution data approximates gross returns* for asset classes and the total fund by weighting the returns of underlying managers by their allocation within the portfolio. Active changes in the portfolio's structure are captured by periodic allocation updates. Approximated attribution returns may differ from actual returns by as much as ½% over any twelve-month period shown. Performance data for mutual funds, ETFs, individual equities and indices provided by Morningstar. All other fund performance provided by the respective manager or calculated by Angeles.

Returns for managers and corresponding indices reflect the return earned on the investment for the period it was held within the portfolio if shorter than the time period indicated by the report. Returns are gross of Angeles' management fees, but net of all underlying manager fees.

Exhibit 7: Community Foundation Peer Comparison

Community Foundation Peer Comparison as of 12/31/2019

	4Q19	1 Year	3 Years	5 Years	10 Years
HAF Long Term Total Return (<u>Net</u> of Fees)	7.2%	22.7%	10.8%	7.7%	8.4%
Policy Index	6.6%	21.6%	9.9%	7.0%	8.0%
<i>Community Foundation (CF) Median Returns - <u>Net</u> of Fees</i>					
<i>Returns for All CFs</i>	<i>6.4%</i>	<i>19.6%</i>	<i>8.9%</i>	<i>6.5%</i>	<i>7.5%</i>
<i>n =</i>	<i>149</i>	<i>147</i>	<i>138</i>	<i>132</i>	<i>120</i>
<i>CFs \$100-250mm</i>	<i>6.3%</i>	<i>18.6%</i>	<i>8.9%</i>	<i>6.5%</i>	<i>7.5%</i>
<i>n =</i>	<i>42</i>	<i>41</i>	<i>38</i>	<i>38</i>	<i>38</i>
HAF Vs. Similar Sized Peer Median	0.9%	4.1%	1.9%	1.2%	0.9%

Community foundation returns sourced from the Colonial Consulting, LLC, and Fiscal & Administrative Officers Group (FAOG) Community Foundation Survey and are gross of fees.

Exhibit 8: HAF Medium Term Pool

HUMBOLDT AREA FOUNDATION
2019 INVESTMENT PERFORMANCE REVIEW

As of December 31, 2019	Ticker	Market Value	% of Fund	Policy Target	1 Month	3 Months	YTD	FYTD	1 Year	3 Yrs. (Annlzd)	Since Inception (11/30/11)
Total Fund		\$ 2,533,159	100%	100%	1.6%	3.8%	14.7%	7.3%	14.7%	7.3%	6.5%
Policy Benchmark					1.2%	3.3%	15.2%	4.8%	15.2%	7.1%	6.0%
US Equity		\$ 448,216	18%	18%	2.9%	9.0%	30.8%	10.2%	30.8%	14.5%	--
Russell 3000 Index					2.9%	9.1%	31.0%	10.4%	31.0%	14.6%	--
Vanguard Total Stock Market Index Fund	VTSAX	\$ 448,216	18%	18%	2.9%	9.0%	30.8%	10.2%	30.8%	14.5%	--
International Equity		\$ 446,154	18%	18%	4.2%	8.9%	21.6%	7.2%	21.6%	10.0%	7.3%
FTSE All World ex-US Index					4.4%	9.1%	22.2%	7.5%	22.2%	10.3%	7.2%
Vanguard All World ex-US Index Fund	VFWAX	\$ 446,154	18%	18%	4.2%	8.9%	21.6%	7.2%	21.6%	10.0%	7.3%
Fixed Income		\$ 1,496,063	59%	60%	0.5%	1.1%	7.6%	2.2%	7.6%	4.3%	--
Blended Fixed Income Benchmark^					0.0%	0.3%	8.0%	2.3%	8.0%	3.7%	--
Vanguard Total Bond Market Index	VBTLX	\$ 596,213	24%	24%	-0.1%	0.0%	8.7%	2.5%	8.7%	4.0%	--
Barclays US Agg Bond Index					-0.1%	0.2%	8.7%	2.5%	8.7%	4.0%	
DFA Short-Term Extended Quality	DFEQX	\$ 297,568	12%	12%	0.2%	0.5%	4.5%	1.3%	4.5%	2.6%	--
BOFAML 1-5Yr US Corp/Govt					0.2%	0.5%	5.1%	1.4%	5.1%	2.6%	
PIMCO Income Fund	PIMIX	\$ 602,282	24%	24%	1.3%	2.5%	8.1%	2.4%	8.1%	5.7%	--
Barclays US Agg Bond Index					-0.1%	0.2%	8.7%	2.5%	8.7%	4.0%	
Real Estate Securities		\$ 119,466	5%	5%	0.6%	1.6%	26.4%	7.8%	26.4%	9.8%	--
S&P Global REIT Index					-0.3%	0.8%	23.1%	6.6%	23.1%	7.6%	--
DFA Global Real Estate Securities	DFGEX	\$ 119,466	5%	5%	0.6%	1.6%	26.4%	7.8%	26.4%	9.8%	--
Cash		\$ 23,259	1%	0%							
90-Day T-Bills					0.1%	0.5%	2.3%	1.0%	2.3%	1.7%	0.7%
TDA - Cash Sweep Account	--	\$ 2,717	0%	0%	--	--	--	--	--	--	--
TD Bank USA MMDA - Cash Reserve	--	\$ 20,542	1%	0%	--	--	--	--	--	--	--

Exhibit 9: HAF Socially Responsible Pool Information

HAF Socially Responsible Pool⁸

As of December 31, 2019	Market Value	% of Fund	Policy Target	1 Month	3 Months	Since Inception (2/4/19)
Total Fund	\$ 6,796,914	90%	100%	2.7%	7.5%	15.0%
Policy Benchmark				2.8%	7.2%	15.1%
Global Equity	\$ 5,434,707	70%	80%	3.4%	9.4%	17.1%
MSCI ACWI IMI				3.5%	9.0%	16.8%
DFA Intl Sustainability Core 1 MSCI World ex USA	\$ 1,631,245	24%	24%	3.4%	9.4%	15.7%
DFA EM Sustainability MSCI EM ND	\$ 536,181	8%	8%	6.9%	10.5%	8.0%
Pax World Global Envrnmntl Mkts MSCI ACWI	\$ 404,699	6%	6%	3.7%	8.9%	--
DFA US Sustainability Core Russell 3000	\$ 2,167,294	32%	32%	2.7%	9.7%	21.3%
Baillie Gifford Positive Change MSCI ACWI	\$ 695,288	10%	10%	--	--	--
Fixed Income	\$ 1,349,974	20%	20%	-0.1%	-0.2%	7.5%
Bloomberg Barclays US Aggregate				-0.1%	0.2%	7.6%
TIAA-CREF Social Choice Bond	\$ 1,349,974	20%	20%	-0.1%	--	--
Cash	\$ 12,233	0%	0%			
90-Day T-Bills				0.1%	0.5%	2.0%
TDA - Cash Sweep Account	\$ 2,779	0%	0%	--	--	--
TD Bank USA MMDA - Cash Reserve	\$ 9,454	0%	0%	--	--	--

⁸ The HAF Socially Responsible Pool was approved by the HAF Board of Directors in July 2018 and was funded in February 2019.