



# December 2013 UPDATE

Current News and Information for TPF Partners

## From the Driver's Seat...



**John Furlow, Jr. ,  
Our very own COO,  
Executive VP, and  
Race Car Driver  
Extraordinaire**

In 2013, our ride with the market felt like we were in a racecar going over 200 mph! The Russell 3000 posted incredible speed reaching 33.5% for the year. And the fourth quarter of 2013 ended up being a sprint to the finish with domestic equities posting double digit

returns. Not since the 90s have we seen the rapid market speeds reached in 2013. The good news for us? Our TPF portfolios continued to see outstanding performance posted by large, small and international equity funds. While the equity markets were running away with the race, the fixed income markets went a couple laps down, posting negative returns for the year.

### The TPF Balanced Fund is built for endurance and returned 17.6% for 2013.

Despite our defensive positions, the TPF Balanced Fund returned a respectable 17.6% for 2013, which was competitive for this class of investment. Because the TPF Balanced Fund is built for endurance and not a sprint, we have always been able to stay on the track and finish our race. Remember the big crash that happened in the final corner of 2008? Well, we survived the big crash!

As always, the TPF Investment Committee continues to review the performance of our funds, making modifications as necessary to keep them on track. Looking back over the last five years, we have achieved what we set out to do—support mission, while protecting and growing your investments.

## TPF FUND PERFORMANCE AS OF 12-31-13

TPF Fund	4 <sup>th</sup> Q	1 Yr	3 Yrs	5 Yrs
Benchmark	2013	1 Yr	3 Yrs	5 Yrs
<b>TPF Balanced Fund</b>	<b>5.3%</b>	<b>17.6%</b>	<b>10.5%</b>	<b>13.9%</b>
Lipper Balanced Index*	6.4%	20.3%	10.8%	14.1%
<b>TPF Large Cap Equity Fund</b>	<b>10.6%</b>	<b>37.0%</b>	<b>17.8%</b>	<b>21.1%</b>
Lipper Large Cap Core Fund Index	9.5%	31.8%	15.0%	17.1%
<b>TPF Growth Equity Fund</b>	<b>10.6%</b>	<b>37.4%</b>	<b>18.3%</b>	<b>23.9%</b>
Lipper Large Cap Growth Fund Index	10.7%	35.4%	15.1%	19.4%
<b>TPF Value Equity Fund</b>	<b>11.2%</b>	<b>37.7%</b>	<b>17.7%</b>	<b>19.3%</b>
Lipper Large Cap Value Fund Index	9.7%	33.2%	14.7%	16.4%
<b>TPF International Equity Fund</b>	<b>6.0%</b>	<b>26.0%</b>	<b>12.5%</b>	<b>15.4%</b>
Lipper International Fund Index	6.0%	21.2%	7.6%	13.4%
<b>TPF Emrg. Markets Equity Fund</b>	<b>-1.2%</b>	<b>-8.2%</b>	<b>0.4%</b>	<b>15.4%</b>
Lipper Emrg. Market Fund Index	1.8%	-1.3%	-1.1%	15.2%
<b>TPF Small Cap Equity Fund</b>	<b>8.9%</b>	<b>36.3%</b>	<b>19.3%</b>	<b>25.0%</b>
Lipper Small Cap Fund Index	8.8%	36.6%	15.4%	21.4%
<b>TPF Fixed Income Fund</b>	<b>-.04%</b>	<b>-3.0%</b>	<b>3.1%</b>	<b>5.7%</b>
Lipper Immediate Inv Grade	0.2%	-1.4%	4.1%	7.0%
<b>TPF Money Market Fund</b>	<b>.04%</b>	<b>.15%</b>	<b>.15%</b>	<b>.18%</b>
Lipper Inst. Money Market Fund Avg	0.0%	0.0%	.03%	.07%
<b>TPF Real Estate Invst. Fund</b>	<b>1.1%</b>	<b>10.2%</b>	<b>9.6%</b>	<b>-4.1%</b>
NCREIF NFI-ODCE (Net)	3.4%	12.0%	13.2%	-0.2%
<b>TPF Real Assets Fund</b>	<b>0.5%</b>	<b>3.3%</b>	<b>N/A</b>	<b>N/A</b>
Blended Real Assets Index ++	2.4%	8.7%	3.0%	N/A
<b>TPF Defensive Strategies Fund</b>	<b>3.4%</b>	<b>7.0%</b>	<b>10.3%</b>	<b>N/A</b>
Lipper Long Short Equity Index	4.3%	12.7%	5.4%	7.9%
<b>TPF Alt. Strategies Fund**</b>	<b>2.4%</b>	<b>6.2%</b>	<b>3.4%</b>	<b>4.2%</b>
HRI Fund of Funds Composite **	3.8%	8.9%	2.7%	4.1%

Past performance is not necessarily indicative of future investment results.

The above report shows total returns for periods less than one year and compounded annual rates of return for longer periods.

The returns are net of all operating expenses, totaling approximately 0.6% annually, including fees of outside investment managers.

\*Lipper Balanced Index is the most aggressive Mixed Asset Target Allocation of the Lipper MATA indices.

\*\*Valuations of TPF Alternative Strategies Fund and its benchmark lag one month.

++The Blended Real Assets Index is comprised of 1/3 Dow Jones UBS Commodity Index, 1/3 S&P National Resource, and 1/3 UBS 50/50 Infrastructure and Utilities.

## Serving God's People Together: Our Partnership with Austin Presbyterian Theological Seminary

For 111 years, Austin Presbyterian Theological Seminary has provided high quality graduate theological education for pastors and servants of the church.

The ministry of these graduates has touched many and continues to transform lives throughout this region and the world.

The President of Austin Seminary, Rev. Dr. Ted Wardlaw believes that “the church today is in a different place and serves an ever changing world in which leaders must adapt while bringing their hearts and souls to the task. Over the years, and still today, Austin Seminary is blessed by the gifts and resources of many individuals and families, which provide students with a rigorous education, in a residential setting, at an



**Over the past five years, TPF has helped Austin Presbyterian Theological Seminary realize an additional \$100,000 for support of mission.**

affordable cost. Without such gifts, which have established endowed funds that support need based tuition assistance, subsidized on-campus housing and merit based awards, many students who have great gifts for the ministry would not be able to pursue their passion or follow God's call to serve.”

Texas Presbyterian Foundation has been a long time investment partner with Austin Presbyterian Theological

Seminary. Because of TPF's lower cost structure as compared to a commercial investment house and high returns, Austin Presbyterian Theological Seminary has realized an additional \$100,000 annually over the past five years—money that can be used to fulfill the mission of the institution. In addition, TPF has saved the Seminary significant custody costs.

Texas Presbyterian Foundation and Austin Presbyterian Theological Seminary have enjoyed a long partnership and “we look forward to growing and enriching that relationship” says President Wardlaw.

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## ABC's of TPF's Lingo Gift Calculator



### What is the TPF Gift Calculator?

The Gift Calculator is a charitable giving tool available on the TPF website. The Gift Calculator allows a donor to anonymously see the charitable, personal, and tax benefits of a planned gift.

Please access the Gift Calculator at [www.tpfgift.org](http://www.tpfgift.org).

## Securing the Future

### Defensive Strategies Pooled Fund

The TPF Defensive Strategies Pooled Fund is a broadly diversified portfolio of mutual funds employing a variety of alternative investment strategies, initially including merger arbitrage, put and call options, and long and short term equity. TPF's Investment Committee decided to further diversify this fund by adding an allocation to managed futures. **Our Defensive Strategies Pooled Fund is designed to provide portfolio diversification that is critical in a volatile market environment.** Today the Fund is invested in the following mutual funds:

- **16.7%** is managed by Water Island Capital in The Arbitrage Fund
- **16.7%** is managed by Westchester Capital Management in The Merger Fund
- **16.7%** is managed by Gateway Investment Advisors in The Gateway Fund
- **16.7%** is managed by Diamond Hill Capital Management, Inc. in The Diamond Hill Long-Short Fund
- **16.7%** is managed by Turner Investments in The Turner Spectrum Long-Short Equity Fund
- **16.7%** is managed by AQR in The AQR Managed Futures Strategies Fund I

The TPF Defensive Strategies Pooled Fund was created in October 2010. Additionally, the TPF Balanced Pooled Fund has a 10% allocation to this fund, as well as the Fund being available for direct investment by our partners who create their own allocation models.