

TPF exists to enable and expand mission.

Driven by this purpose, our dedicated team provides cost effective, long-term investment management services to each of our partners.

Let's Play Ball...

Short sleeve shirts, ball caps, hotdogs, and a bag of peanuts—March 31st signaled opening day at ballparks all over the country. It also signaled the close of the first quarter of 2014. The opposing pitchers had a full arsenal of pitches this quarter, and much like 2013, the first quarter was full of volatility and sector rotation. Our leadoff batter, TPF Balanced Fund, started the year with a positive 0.82% return. While the heart of the TPF batting order struggled a little, their long term batting average was mostly unaffected. It's a long season, and even our defense is ready for it! The bottom end of the TPF batting order proved their worth in the field as our defensive players. One trend of the quarter is that growth equities mostly struck out in the month of March. This, combined with a modest quarterly return in the rest of the equity markets, provided an average start to the TPF season.

The TPF Balanced Fund started the year with a **positive return of 0.82%**.

Your team managers, the TPF Investment Committee, met in February to carefully review the lineup of investment managers. They are working with our consultants, Segal Rogercasey, to look at weaknesses in the lineup and possibly make some moves or trades. The Investment Committee will meet again in May, and any changes will be announced at that time.

TPF FUND PERFORMANCE AS OF 3-31-14

TPF Fund	1 st Q	1 Yr	3 Yrs	5 Yrs
Benchmark	2014	1 Yr	3 Yrs	5 Yrs
TPF Balanced Fund	0.8%	12.5%	9.4%	15.2%
Lipper Balanced Index*	1.8%	15.0%	9.9%	16.2%
TPF Large Cap Equity Fund	1.5%	26.2%	16.2%	23.2%
Lipper Large Cap Core Fund Index	2.0%	21.6%	13.8%	19.9%
TPF Growth Equity Fund	0.2%	27.3%	16.5%	24.3%
Lipper Large Cap Growth Fund Index	-0.1%	25.0%	13.2%	20.3%
TPF Value Equity Fund	2.4%	26.0%	16.2%	22.9%
Lipper Large Cap Value Fund Index	2.3%	22.5%	13.4%	19.9%
TPF International Equity Fund	0.3%	19.2%	11.5%	18.5%
Lipper International Fund Index	0.4%	17.2%	6.6%	16.5%
TPF Emrg. Markets Equity Fund	1.0%	-6.9%	1.0%	15.3%
Lipper Emrg. Market Fund Index	-0.4%	-1.1%	-1.5%	15.7%
TPF Small Cap Equity Fund	-1.0%	22.2%	15.0%	27.2%
Lipper Small Cap Fund Index	0.8%	23.1%	12.8%	24.3%
TPF Fixed Income Fund	1.5%	-1.5%	3.4%	5.9%
Lipper Immediate Inv Grade	2.0%	0.2%	4.5%	7.3%
TPF Money Market Fund	.03%	.15%	.16%	.16%
Lipper Inst. Money Market Fund Avg	0.0%	0.0%	.02%	.05%
TPF Real Estate Invst. Fund	0.2%	3.9%	8.4%	-2.7%
NCREIF NFI-ODCE (Net)	2.9%	12.9%	12.5%	2.7%
TPF Real Assets Fund	2.9%	2.4%	N/A	N/A
Blended Real Assets Index ++	5.1%	6.4%	2.3%	N/A
TPF Defensive Strategies Fund	-0.4%	4.5%	8.3%	N/A
Lipper Long Short Equity Index	0.6%	8.2%	4.7%	9.7%
TPF Alt. Strategies Fund**	1.3%	4.9%	2.9%	4.7%
HRI Fund of Funds Composite **	2.5%	7.7%	2.6%	4.7%

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 0.55% 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.

Where Do We Begin?:

The Importance of Financial Policies and Procedures

Not long ago, Melinda Hunt, Director of Ministry Services at Texas Presbyterian Foundation, answered a phone call from the Treasurer of a small church in Arkansas who had some important questions for her. "You have been telling us for years that we need to have a plan in place



in case we received a sizeable gift from an estate. We thought that would never happen, but it did! One of our longtime members left us \$15,000. Is it too late to set policies and procedures? Can you help us?" Melinda quickly worked a visit to Arkansas into her travel schedule. During this visit, she was able to partner with the Session and the pastor to establish the necessary guidelines and framework for receiving permanent gifts and bequests.

Financial policies and procedures are critical to diligent financial stewardship. It is impossible to anticipate when or if a gift will be made, but it is easier to expedite the establishment of these policies and procedures before facing the emotions and temptations of having extra money.

You cannot anticipate when or if a gift will be given, but it is easier to finalize policies and procedures before a gift is received.

Once the money arrives, people have their own ideas, rationale, and suggestions for the ways in which the funds should be used. Additionally, clearly defined policies give churches and organizations permission to turn down gifts. And we all know that not all gifts fulfill the work or mission of your church/organization. Gifts can also come with unacceptable strings or intolerable tax consequences.

And as for our small church in Arkansas?

According to Melinda, "That small church has been able to provide scholarships for their graduating high school seniors thanks to the gift of the long time teacher who loved her church. Education was important to this woman, and she is remembered annually with the awarding of scholarships."

TPF looks forward to partnering with Sessions, Trustees, and Pastors as you draft your policies and procedures. To schedule an appointment for these services, call TPF at (800)955-3155 or contact us online at www.tpf.org.

UPDATE is published quarterly by
Texas Presbyterian Foundation
6100 Colwell Blvd., Suite 250, Irving TX, 75039
800.955.3155 • www.tpf.org



Great Things

TPF's Annual Financial Education Forum

Wednesday, June 18th | 9:30 am to 4:30 pm
Texas Presbyterian Foundation
6100 Colwell Blvd. | Irving, TX 75039

We invite you to join us for an exciting, educational event that will cover such topics as upcoming legal and legislative changes that affect non-profits, audit preparation, security, and managing Board relationships.

For additional information please contact [Beth Wilt at beth.wilt@tpf.org](mailto:beth.wilt@tpf.org) or 800.955.3155.

Spotlight: Middle Governing Councils

"Our presbytery has been fortunate in that we have not felt the pain of decreasing funds as much as others," stated Rev. Bill Galbraith, General Presbyter of Arkansas, "but we have been aided in providing mission and new church development dollars by our partnership with Texas Presbyterian Foundation." TPF is proud to provide cost effective investment services with solid returns to the following presbyteries and middle governing councils:

- Arkansas
- Eastern Oklahoma
- Grace
- Indian Nations
- Mission
- New Covenant
- Tres Rios
- Palo Duro
- Pines
- Grace
- South Louisiana
- Synod of the Sun
- Hispanic American Council

Middle governing councils' investments make up approximately 3% of our \$657 MM managed assets, or approximately \$20 MM. "All anyone needs to do is look at the numbers," said Mr. Forbes Baker, Director of Business Affairs and Finance for New Covenant Presbytery, when asked about why they partner with TPF for their investments.

"When you look at the three, five, and ten year numbers for their returns, it is easy to understand that the approach used by TPF is one that produces results in both the up and down markets."

What's the Buzz About XP?

As you may have heard in recent news, the widely utilized Windows XP Operating System is no longer being supported by Microsoft. What that means in a nutshell is that Microsoft will no longer provide updates or regular security patches for that particular software, putting systems running the software at risk. Here at TPF, keeping up with technological and security updates is vital. Our workstations and servers all run up-to-date fully supported software and undergo regular security scans and updates. This is just one of many methods employed to ensure our data and our partners' information is protected.