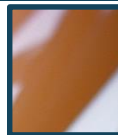


## 4<sup>th</sup> Quarter News

**It's Been a Wild and Crazy Ride!**  
A Look Back to 2016



**TPF Manager Update**  
Announcing the addition of William Blair & Company



**Who is TPF?**  
Visit [www.tpf.org](http://www.tpf.org) to see our new video



**The Bottom Line**  
A new series of thought leadership from TPF



## Who is TPF?

Our new video tells the real story!



Check it out at [www.tpf.org](http://www.tpf.org).

## TPF FUND PERFORMANCE AS OF 12-31-2016

TPF Fund	4th Q	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Benchmark</b>						
<b>TPF Balanced Fund</b>	<b>0.3%</b>	<b>5.7%</b>	<b>5.7%</b>	<b>3.1%</b>	<b>7.9%</b>	<b>5.6%</b>
Lipper MATA Moderate Index*	0.7%	7.5%	7.5%	4.0%	7.6%	4.4%
<b>TPF Large Cap Equity Fund</b>	<b>2.2%</b>	<b>5.8%</b>	<b>5.8%</b>	<b>6.0%</b>	<b>14.0%</b>	<b>7.4%</b>
Lipper Large Cap Core Index	4.2%	13.2%	13.2%	7.8%	13.7%	6.3%
<b>TPF Growth Equity Fund</b>	<b>-3.5%</b>	<b>-1.4%</b>	<b>-1.4%</b>	<b>3.4%</b>	<b>12.5%</b>	<b>7.9%</b>
Lipper Large Cap Growth Index	-1.9%	0.5%	0.5%	5.4%	13.0%	6.7%
<b>TPF Value Equity Fund</b>	<b>8.4%</b>	<b>13.0%</b>	<b>13.0%</b>	<b>8.2%</b>	<b>15.6%</b>	<b>7.2%</b>
Lipper Large Cap Value Index	7.0%	16.4%	16.4%	7.6%	14.0%	5.5%
<b>TPF International Equity Fund</b>	<b>-2.6%</b>	<b>-1.3%</b>	<b>-1.3%</b>	<b>-1.7%</b>	<b>7.6%</b>	<b>3.4%</b>
Lipper International Fund Index	-2.1%	1.7%	1.7%	-1.3%	6.9%	1.5%
<b>TPF Emerging Mkts Fund</b>	<b>-6.0%</b>	<b>11.3%</b>	<b>11.3%</b>	<b>-2.4%</b>	<b>1.2%</b>	<b>1.1%</b>
Lipper Emerging Market Fund Index	-4.6%	12.1%	12.1%	-2.3%	2.0%	1.5%
<b>TPF Small Cap Equity Fund</b>	<b>6.1%</b>	<b>18.3%</b>	<b>18.3%</b>	<b>7.0%</b>	<b>14.7%</b>	<b>9.3%</b>
Lipper Small-Cap Fund Index	7.5%	18.7%	18.7%	5.7%	13.4%	7.3%
<b>TPF Fixed Income Fund</b>	<b>-1.9%</b>	<b>3.6%</b>	<b>3.6%</b>	<b>2.9%</b>	<b>2.6%</b>	<b>4.5%</b>
Lipper Core Bond Funds Index	-2.8%	3.4%	3.4%	3.2%	3.1%	4.5%
<b>TPF Money Market Fund</b>	<b>0.07%</b>	<b>0.32%</b>	<b>0.32%</b>	<b>0.20%</b>	<b>0.18%</b>	<b>0.89%</b>
Lipper INSTI MMF Avg	0.11%	0.29%	0.29%	0.10%	0.07%	0.71%
<b>TPF Real Estate Investment Fund</b>	<b>-3.9%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>5.3%</b>	<b>5.9%</b>	<b>N/A</b>
NCREIF NFRI-ODCE (Net)	1.8%	9.1%	9.1%	11.4%	11.3%	N/A
<b>TPF Real Assets Fund</b>	<b>0.2%</b>	<b>11.3%</b>	<b>11.3%</b>	<b>-4.0%</b>	<b>-1.6%</b>	<b>N/A</b>
Blended Real Assets Index**	0.2%	10.2%	10.2%	-5.2%	-0.9%	N/A
<b>TPF Defensive Strategies Fund</b>	<b>0.8%</b>	<b>2.9%</b>	<b>2.9%</b>	<b>2.3%</b>	<b>2.9%</b>	<b>N/A</b>
Lipper Long Short Equity Index	1.9%	3.9%	3.9%	1.0%	4.3%	0.7%

Past performance is not necessarily indicative of future investment results.

The 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 0.60% annually, including fees of outside investment managers.

\*Lipper Moderate Index is the most appropriate Mixed Asset Target Allocation of the Lipper MATA indices.

\*\*The Blended Real Assets Index is comprised of 40% MSCI AC World Index (Net), 40% Blmbg. Barc. U.S. TIPS, 20% Bloomberg Commodity Index Total Return.

Please access [www.tpf.org](http://www.tpf.org) for additional information.



## It's Been a Wild and Crazy Ride!

### A Look Back to 2016

By John Furlow, TPF's EVP & COO

It's Christmas time in Texas. Of course it's 80 degrees, people are going 100 different directions, and the local theme park is packed with people celebrating their Holiday in the Park.

Like the Texas Giant rollercoaster, 2016 was an extreme year in terms of relative investment results. The 2016 coaster ride was one of the most challenging years in recent financial history with many geopolitical incidents affecting the global economy and its outlook.



Brexit, the surprising outcome of U.S. elections, Italy's constitutional referendum, the immigration crisis, terrorism, and upcoming elections in major European countries comprised the turbulent environment, and investors focused on managing an unprecedented situation. Despite this turmoil, there is expectation in the U.S. for economic growth following President-elect Trump's plans for increasing infrastructure spending, and decreasing corporate taxes, along with a widespread case for a rise in interest rates.

TPF's managers' convictions in the companies we own are demonstrated in the portfolio's low turnover last year. We believe relative investment results were driven by four themes that materialized at different times over the course of the year:

1. Companies we tend to own have been out of favor.
2. Companies we tend to avoid have been in favor.
3. The post-election market "reset".
4. The impact of isolated idiosyncratic/company-specific issues.

**Despite this turmoil, there is expectation in the U.S. for economic growth following President-elect Trump's plans for increasing infrastructure spending, and decreasing corporate taxes, along with a widespread case for a rise in interest rates.**



## It's Been a Wild and Crazy Ride!

### A Look Back to 2016 (Contd.)

We continue to believe that the health and long-term growth prospects of the companies in the TPF portfolio are sound, and that the investment process TPF has employed over the last 20 years continues to lead us to the best quality investments, setting up the portfolio for long-term success.

**The TPF Balanced Fund returned 0.3% for the quarter and a stable 5.7% for the year.**

Like most actively managed endowment portfolios, the TPF Balanced Fund had relative underperformance both for the quarter and the year. The diversified balanced strategy performed as designed, dampening the momentum swings between the peaks and valleys, giving the passengers a more predictable ride. The TPF Balanced Fund returned 0.3% for the quarter and a stable 5.7% for the year. Strong contributors for the quarter included Large Cap Value Equities and Small Cap Equities. We continue to believe in our sound, long-term strategies, and we look forward to supporting your ministry in mission throughout 2017.

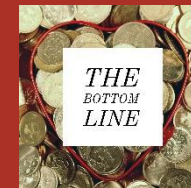
## TPF Manager Update Announcing the Addition of William Blair & Company

During the November 2016 TPF Investment Committee meeting, the Committee voted to make a manager change within the TPF Large Cap Equity Portfolio. Longtime manager Intech, a mathematical growth strategy, was replaced with William Blair & Company.

This strategy concentrates on investing in companies with prospects for above average future growth in the large market capitalization spectrum. The underlying investments typically exhibit strong growth potential through commonly tracked metrics, including return on investment (ROI) and earnings per share (EPS) growth. William Blair & Company is a preferred complement to Sands Capital Management and should add value to the portfolio going forward.

*William Blair*

## What's Coming Next from TPF?



We are thrilled to introduce a new series featuring the thought leadership of the TPF staff—a group of talented, non-profit professionals dedicated to enabling and expanding mission.

Over the course of the next six months, they will be providing valuable content and tools for you, such as how to be better stewards, how to cultivate generosity, and ways you can better manage your own privacy and security.



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