

Prepared for

Community Foundation for Muskegon County

*Serving the Community Foundations of Muskegon,
Mason, and Oceana Counties*

December 11, 2017



Vanguard

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Agenda

- I. Market recap
 - II. Portfolio review
 - III. Segregated accounts reporting
 - IV. Economic outlook
 - V. Risk/return analysis
- Appendix

Presented by:

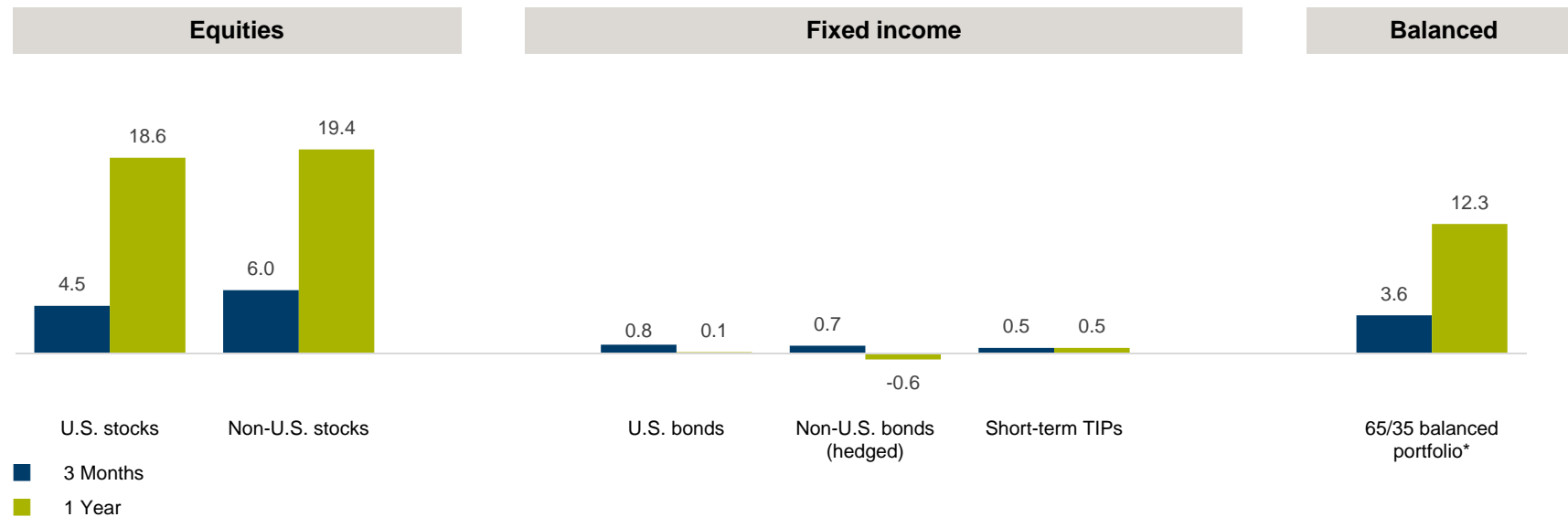
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Senior Investment Consultant
Vanguard Institutional Advisory Services®

Market recap

Global equities continue upward trend, bonds remain flat

- U.S. equities posted their eighth consecutive positive quarter amidst distractions with the administration and some uncertainty around the ability to enact fiscal stimulus
- International equities have outperformed U.S. equities over the last 3 and 12 months on better than expected economic data and on dollar weakness
- Global fixed remain relatively flat as short- rates and longer-term rates trend upward marginally over the quarter.

Global market returns as of September 30, 2017 (%)



Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Sources: Barclays, FTSE, MSCI, Russell, and Dow Jones.

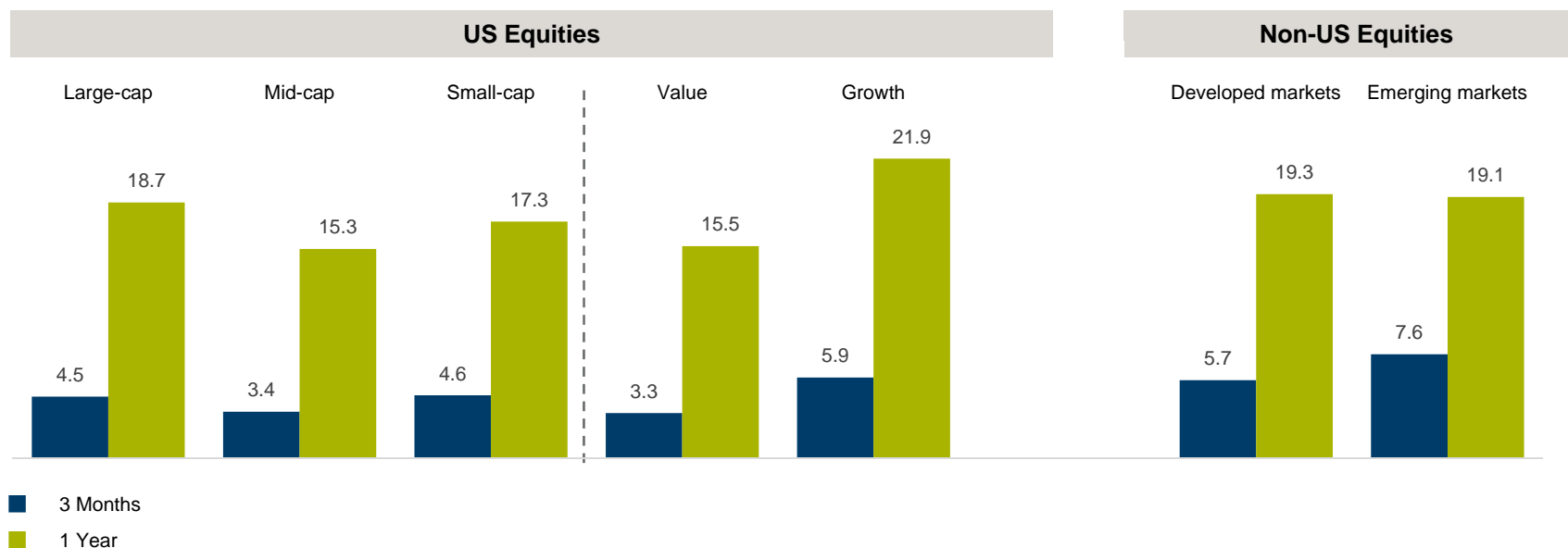
US Stocks (CRSP US Total Market Index), Non-US Stocks (FTSE Global All-Cap ex-US Index), US Bonds (Barclays US Aggregate Float Adjusted Index), Non-US Bonds hedged (Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index hedged), Short-term TIPS (Barclays US 0-5 Year TIPS Index).

* 65/35 balanced portfolio Static Composite (39% U.S. stocks, 26% International stocks, and 24.5% Investment-grade U.S. bonds, 10.5% Investment-grade international bonds).

Positive global equity returns across market capitalizations and styles

- U.S. small-cap stocks have marginally outperformed U.S. large-cap stocks in the trailing 3 months while large-cap stocks lead the way over the trailing 12 months
- U.S. growth stocks extended their rally this year by outperforming value stocks for the last 3 and 12 months, led by strong results in Information Technology
- International equities have had a positive year for both developed and emerging markets investors

Global equity market returns as of September 30, 2017 (%)



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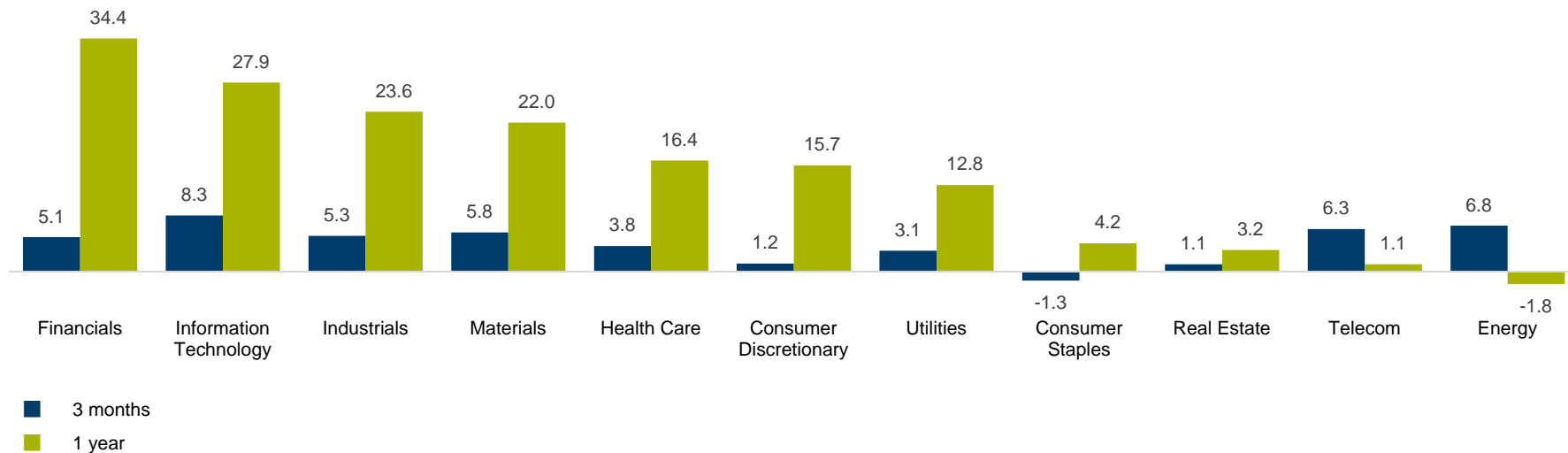
Sources: Barclays, FTSE, MSCI, Russell, and Dow Jones.

Large-cap (CRSP US Large Cap Index), Mid-cap (CRSP US Mid Cap Index), Small-cap (CRSP US Small Cap Index); Value (Russell 3000 Value Index), Growth (Russell 3000 Growth Index); Developed markets (FTSE Developed All Cap ex-US Index), Emerging markets (FTSE Emerging Markets All Cap China A Inclusion Index)

U.S. sector performance – most sectors positive for prior 3 and 12 months

- Financials were the best performing sector over the trailing 12 months as investors expect higher rates to benefit banks and other financial institutions
- Information Technology was the best performing sector over the trailing 3 months as investors search for companies with higher growth and innovation prospects
- Energy has struggled in the trailing 12 months as OPEC has not materially reduced oil supply

U.S. equity sector returns as of September 30, 2017 (%)



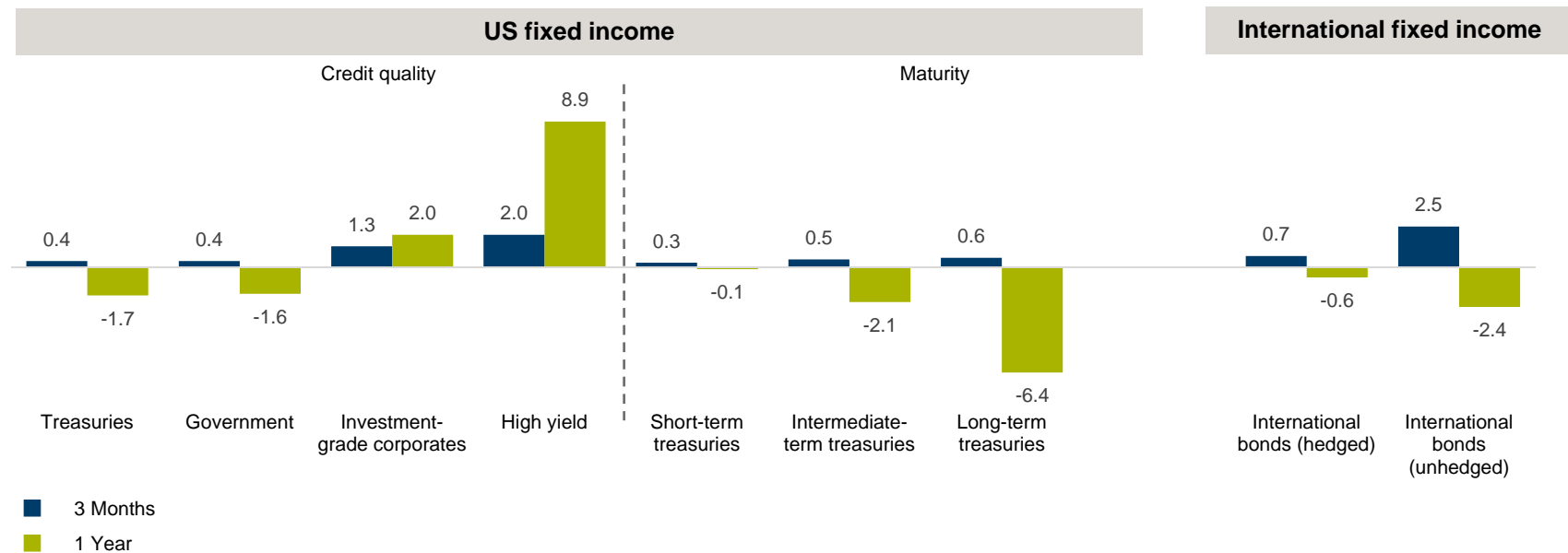
Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Sources: FactSet and Vanguard.
 U.S. markets measured by CRSP US Total Market Index, and international markets represented by FTSE All-Cap ex US Index. Past performance is no guarantee of future returns.

Global bond returns remain muted as low yields persist

- Higher growth and inflation expectations paired with three increases to the Fed Funds rate have caused a parallel shift upward across the yield curve during the trailing 12 months
- “Soft” inflation data has helped keep intermediate and long-term bonds within a tight yield range during the past quarter
- Hedged international bonds returned a small loss over the past 12 months, despite positive returns in the last quarter. Unhedged international bonds are displaying more return volatility due to currency fluctuations, with a weaker U.S. dollar enhancing the past quarter return

Global fixed income market returns as of September 30, 2017 (%)

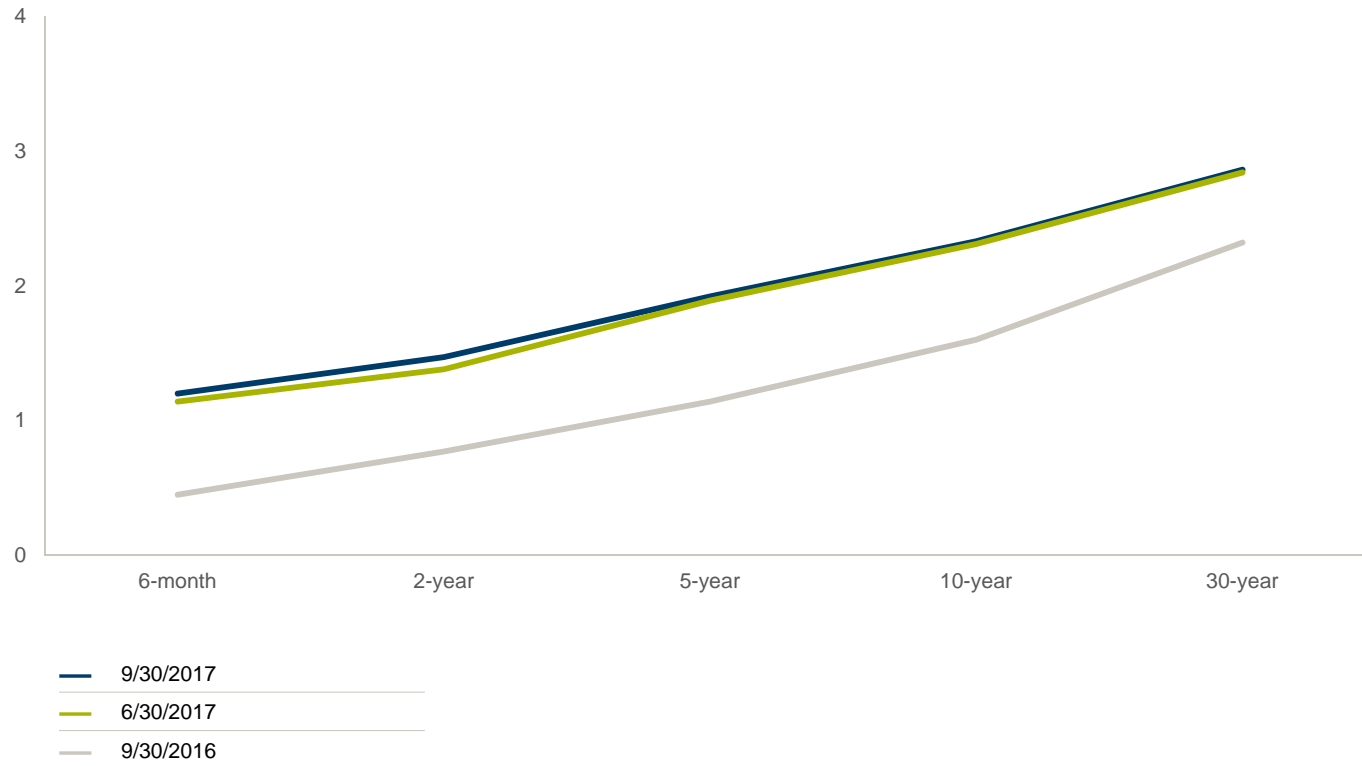


Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Sources: Barclays, FTSE, MSCI, Russell, and Dow Jones.
 Treasuries-Government-Investment Grade Corporates-High Yield (Barclays US Treasury/Government/Credit/Corporate High Yield Indices); Short-Inter-Long-term Treasuries (Barclays US 1-5/5-10/Long Year Treasury Indices)
 International Bonds Hedged (Barclays Global Aggregate ex-USD Float Adj. RIC Cap Index hedged) Unhedged (Barclays Global Aggregate ex-USD Index)

U.S. Treasury yield curve – Slight flattening of the yield curve over last 3 months

Yield (%) and change (bps)		6 month	2 year	5 year	10 year	30 year
—	Current Yield (%)	1.20	1.47	1.92	2.33	2.86
—	3 Mo. Δ	6	9	3	2	2
—	12 Mo. Δ	75	70	78	73	54



Market leadership changes

- The positions of the various asset classes change meaningfully over the last 10-years, which points to the value of diversification
- Emerging markets equities appeared at both the top and bottom multiple times, demonstrating the relatively high volatility level of single asset classes
- The balanced portfolio generally falls near the middle, demonstrating the volatility dampening effect of high-grade fixed income

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	10-Year Average
Emg	41.7	5.7	85.2	28.5	8.7	18.1	38.8	30.4	5.1	21.3	8.3
Dev	12.9	5.2	58.2	26.9	7.8	17.8	34.2	13.2	2.5	18.4	7.5
Grw	11.4	1.8	37.0	19.8	5.0	17.5	33.1	12.7	1.4	17.1	7.1
Cmd	11.1	-23.3	36.7	17.6	3.9	17.4	32.7	12.4	0.9	12.1	7.1
Bal	8.9	-24.6	28.6	16.7	2.2	16.4	20.5	8.8	0.5	11.4	5.8
Bnd	7.0	-26.2	28.4	16.2	1.5	16.4	16.8	6.4	0.0	10.3	5.4
Lrg	5.8	-33.8	27.2	16.1	0.1	15.8	7.4	6.0	-0.6	8.6	5.0
T-Bill	4.7	-36.3	24.7	15.1	-0.1	15.2	6.7	4.9	-1.8	7.4	4.4
IB	4.3	-36.6	19.8	12.1	-0.9	12.7	2.5	2.6	-3.6	7.3	4.3
HF	4.2	-37.6	18.7	11.2	-4.2	6.5	1.2	2.5	-4.1	4.9	2.6
HY	1.9	-38.0	13.4	6.5	-8.9	4.2	0.1	0.0	-4.4	3.1	1.4
Val	-1.0	-38.4	5.9	5.2	-12.7	3.5	-2.0	-0.6	-4.5	2.6	0.7
Sml	-1.6	-44.2	4.4	3.3	-13.4	0.1	-3.2	-4.4	-13.5	2.5	-0.6
REIT	-16.8	-54.2	0.2	0.1	-20.0	-1.1	-9.6	-17.0	-24.7	0.3	-6.2

Val	Value oriented U.S. based stocks (Russell 3000 Value Index)
Grw	Growth oriented U.S. based stocks (Russell 3000 Growth Index)
Lrg	Large U.S. based stocks (Russell 1000 Index)
Sml	Small U.S. based stocks (Russell 2000 Index)
Dev	International stocks from developed countries (FTSE Developed All Cap ex US Index)
Emg	International stocks from emerging countries (FTSE Emerging ACap CN A Inclus Idx)
Bnd	Investment-grade U.S. bonds (BloomBarc US Aggregate Bond Index)
HY	High-yield U.S. bonds (BloomBarc US Corp High Yield Index)
IB	Investment-grade international bonds (BloomBarc GA ex-USD Index Hedged)
T-Bill	Short-term Treasury rates (Citigroup 3-Month US T-Bill Index)
REIT	U.S. public equity real estate (REIT) (MSCI US REIT Index)
Cmd	Commodities (Bloomberg Commodity Index)
HFI	Hedge funds (HFRX Global Hedge Fund Index*)
Bal	Balanced Static Composite (39% U.S. stocks**, 26% Int'l stocks†, 24.5% Invest-grade U.S. bonds††, 10.5% Invest-grade Int'l bonds††)

Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Source: Vanguard. Last observation: December 31, 2016; 10-year average performance from December 31, 2007 through December 31, 2016.

* Source: Hedge Fund Research, Inc.

** U.S. stocks: MSCI US Broad Market Index.

† International Stocks: FTSE Global All Cap ex-US Index.

†† Bonds: BloomBarc US Aggregate Bond Index and BloomBarc GA ex-USD Index Hedged.

Portfolio summary

Asset allocation summary of CFMC VIAS composite portfolio As of September 30, 2017

Investment	Market value as of September 30, 2017	June target allocation	Actual weight	Variance	Policy Target allocation	Variance (%)	Variance (\$)
Domestic equity							
Total Stock Market Index Fund Institutional Shares	\$69,615,086	39.0%	39.0%	0.0%	39.0%	0.0%	-\$47,955.03
<i>Domestic equity subtotal</i>	<i>\$69,615,086</i>	<i>39.0%</i>	<i>39.0%</i>	<i>0.0%</i>	<i>39.0%</i>	<i>0.0%</i>	
International equity							
Total International Stock Index Fund Institutional Shares	\$46,548,969	26.0%	26.1%	0.1%	26.0%	0.1%	\$106,941.65
<i>International equity subtotal</i>	<i>\$46,548,969</i>	<i>26.0%</i>	<i>26.1%</i>	<i>0.1%</i>	<i>26.0%</i>	<i>0.1%</i>	
Fixed income							
Total Bond Market Index Fund Institutional Shares	\$38,108,276	25.0%	24.9%	-0.1%	25.0%	-0.1%	-\$91,773.41
Total Bond Market ETF (held at PNC in pledge)*	\$6,455,746						
<i>Fixed income subtotal</i>	<i>\$44,564,022</i>	<i>25.0%</i>	<i>24.9%</i>	<i>-0.1%</i>	<i>25.0%</i>	<i>-0.1%</i>	
Other investments							
REIT Index Fund	\$17,895,105	10.0%	10.0%	0.0%	10.0%	0.0%	\$32,786.79
<i>Other investments subtotal</i>	<i>\$17,895,105</i>	<i>10.0%</i>	<i>10.0%</i>	<i>0.0%</i>	<i>10.0%</i>	<i>0.0%</i>	
Total portfolio	\$178,623,182	100.0%	100.0%		100.0%		

* Total Bond Market ETF market value is reported by Community Foundation for Muskegon County staff.

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

Market Performance

Periods Ending September 30, 2017

Name	Sep-17	Last 3 Months	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
US Equity							
CRSP US Total Market TR USD	2.5	4.5	14.0	18.6	10.7	14.2	7.7
S&P 500	2.1	4.5	14.2	18.6	10.8	14.2	7.4
S&P 400 MidCap	3.9	3.2	9.4	17.5	11.2	14.4	9.0
S&P 600 SmallCap	7.7	6.0	8.9	21.1	14.1	15.6	9.3
International Equity							
MSCI Emerging Markets	-0.4	7.9	27.8	22.5	4.9	4.0	1.3
MSCI Emerging Markets NR LCL	0.4	7.6	23.5	21.8	8.5	7.9	3.9
MSCI EAFE	2.5	5.4	20.0	19.1	5.0	8.4	1.3
MSCI EAFE NR LCL	2.7	3.4	11.2	19.0	7.9	12.3	2.6
MSCI ACWI ex USA	1.9	6.2	21.1	19.6	4.7	7.0	1.3
Fixed Income Domestic							
BBgBarc US Aggregate TR	-0.5	0.8	3.1	0.1	2.7	2.1	4.3
BBgBarc US Corporate 1-5 Years TR	-0.1	0.8	2.6	1.8	2.4	2.2	4.0
BBgBarc US Credit/Corp 5-10 Yr TR	-0.4	1.4	5.1	1.9	4.3	3.7	6.2
BBgBarc US Corporate Long TR	-0.1	2.0	8.5	3.0	6.1	4.8	7.7
BBgBarc US Govt/Credit Long TR	-1.0	1.5	7.7	-0.8	5.5	3.9	7.4
BBgBarc US Treasury Strips 20-30 Yr Equal Parity TR	-2.8	0.7	8.7	-9.2	6.6	3.7	8.9
BBgBarc US High Yield TR	0.9	2.0	7.0	8.9	5.8	6.4	7.8
BBgBarc US Govt TR	-0.8	0.4	2.3	-1.6	2.0	1.3	3.6
BBgBarc US Credit TR	-0.2	1.3	5.1	2.0	3.9	3.2	5.5
BBgBarc US Treasury 1-5 Yr TR	-0.3	0.3	1.1	-0.1	1.2	0.8	2.4
BBgBarc US Treasury 5-10 Yr TR	-1.2	0.5	2.6	-2.1	2.6	1.4	4.8
BBgBarc US Treasury Long TR	-2.2	0.6	6.0	-6.4	4.9	2.8	6.9
BBgBarc US Treasury TIPS 0-5 Yr TR	-0.1	0.5	0.7	0.5	0.6	0.2	2.3
BBgBarc US TIPS TR	-0.6	0.9	1.7	-0.7	1.6	0.0	3.9
Fixed Income International							
BBgBarc Global Aggregate ex US Tres Hedged TR	-0.5	0.7	1.3	-0.6	3.4	3.7	4.3
BBgBarc Emerging Markets TR	0.1	2.3	7.5	4.7	5.5	4.4	7.2
REIT							
MSCI US REIT Gross	-0.1	0.9	3.6	0.5	9.7	9.6	5.8

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

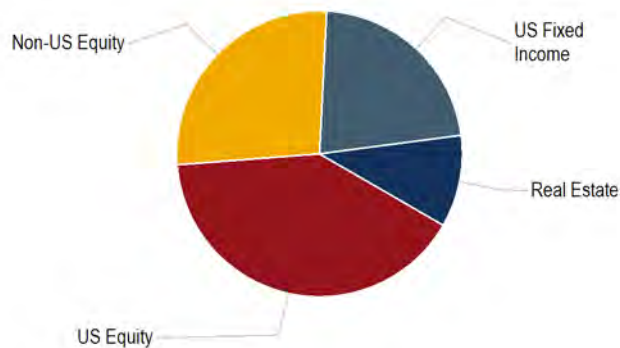
Total Portfolio Performance & Asset Allocation

Performance Summary

	Ending September 30, 2017								Inception	
	Market Value (\$)	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
COMMUNITY FOUNDATION FOR MUSKEGON COUNTY (Gross)	172,167,437	1.32	3.64	11.96	11.87	7.30	--	--	6.94	Apr-14
COMMUNITY FOUNDATION FOR MUSKEGON COUNTY (Net)		1.31	3.62	11.91	11.81	7.25	--	--	6.90	
0JABQX Composite Benchmark		1.31	3.59	11.39	11.37	7.15	--	--	6.80	Apr-14

- 0JABQX Composite Benchmark = 39% Spliced Total Stock Market Index / 26% Spl Total International Stock Index / 25% Spliced BBgBarc USAgg Float Adj Ix / 10% REIT Spliced Index

Current Allocation as of September 30, 2017



	Current	%	Policy	Difference*
US Equity	\$69,615,086	40.4%	39.0%	1.4%
Non-US Equity	\$46,548,969	27.0%	26.0%	1.0%
US Fixed Income	\$38,108,276	22.1%	25.0%	-2.9%
Real Estate	\$17,895,105	10.4%	10.0%	0.4%
Total	\$172,167,437	100.0%	100.0%	

*Difference between Policy and Current Allocation

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

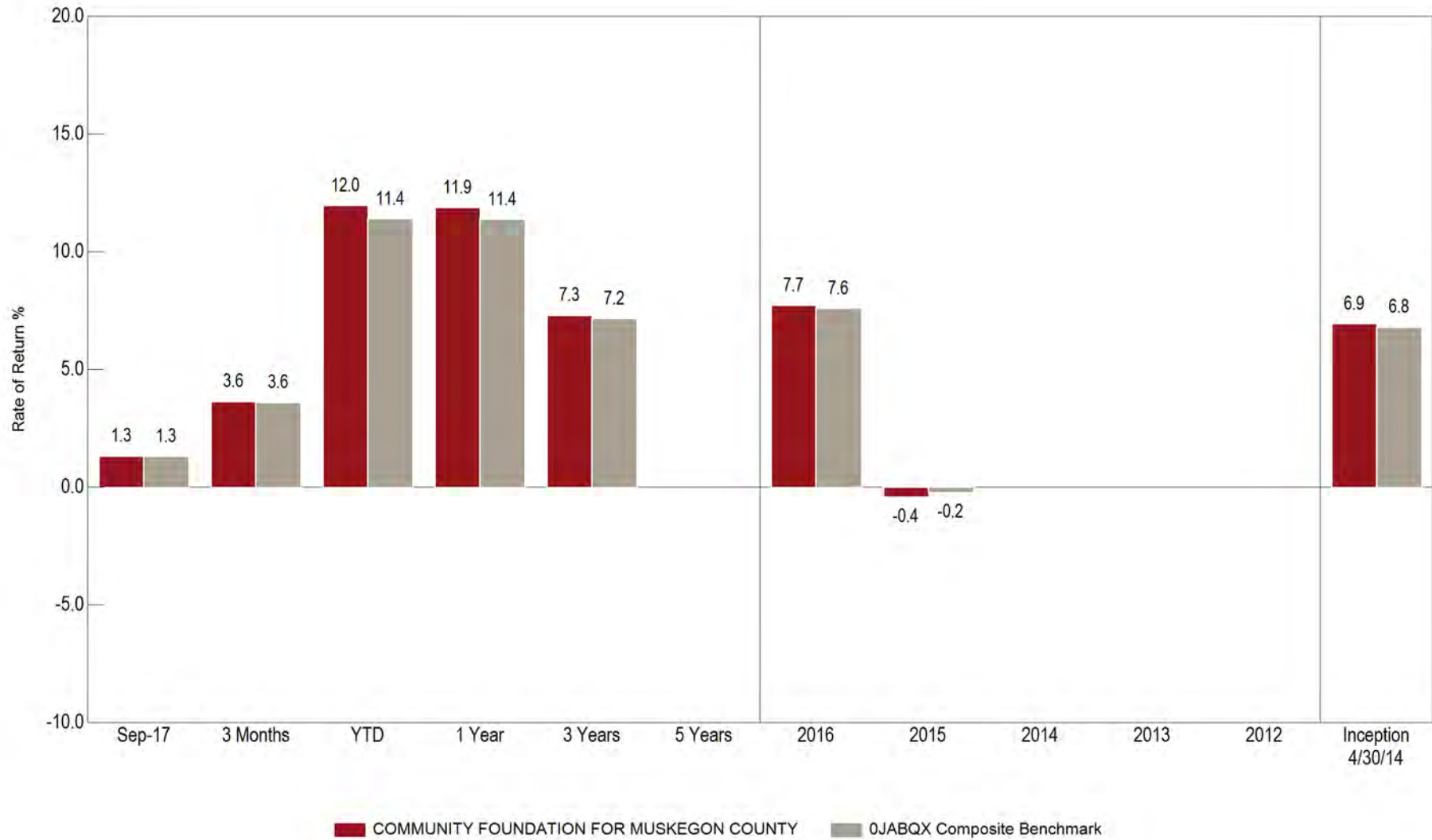
Performance Summary (Gross of Fees)

			Ending September 30, 2017							Inception	
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
COMMUNITY FOUNDATION FOR MUSKEGON COUNTY	172,167,437	100.00	1.32	3.64	11.96	11.87	7.30	--	--	6.94	Apr-14
OJABQX Composite Benchmark			1.31	3.59	11.39	11.37	7.15	--	--	6.80	Apr-14
Total Equity	116,164,055	67.47	2.18	5.11	16.96	18.94	8.61	--	--	8.16	Apr-14
Equity Domestic	69,615,086	40.43	2.45	4.55	13.96	18.66	10.71	--	--	10.85	Apr-14
Spliced Total Stock Market Index			2.46	4.55	13.96	18.64	10.71	14.19	7.68	10.84	Apr-14
Vanguard® Total Stock Market Index Fund Institutional Shares	69,615,086	40.43	2.45	4.54	13.95	18.64	10.70	14.19	7.70	10.84	Apr-14
Spliced Total Stock Market Index			2.46	4.55	13.96	18.64	10.71	14.19	7.68	10.84	Apr-14
Multi-Cap Core Funds Average			2.52	3.92	12.59	16.78	8.16	12.24	5.82	8.20	Apr-14
Equity International	46,548,969	27.04	1.79	5.96	21.63	19.30	5.33	--	--	4.04	Apr-14
Spl Total International Stock Index			1.87	6.02	20.93	19.39	5.26	7.46	1.35	4.10	Apr-14
Vanguard® Total International Stock Index Fund Inst Shares	46,548,969	27.04	1.79	5.97	21.63	19.30	5.32	7.51	1.33	4.03	Apr-14
Spl Total International Stock Index			1.87	6.02	20.93	19.39	5.26	7.46	1.35	4.10	Apr-14
International Funds Average			2.21	5.87	21.75	18.52	5.31	7.78	1.17	3.76	Apr-14
Total Fixed Income	38,108,276	22.13	-0.53	0.73	3.14	-0.12	2.63	--	--	2.68	Apr-14
Fixed Income Domestic	38,108,276	22.13	-0.53	0.73	3.14	-0.12	2.63	--	--	2.68	Apr-14
Spliced BBgBarc USAgg Float Adj Ix			-0.50	0.83	3.21	0.06	2.72	2.07	4.30	2.77	Apr-14
Vanguard® Total Bond Market Index Fund Institutional Shares	38,108,276	22.13	-0.53	0.73	3.15	-0.12	2.63	1.98	4.25	2.71	Apr-14
Spliced BBgBarc USAgg Float Adj Ix			-0.50	0.83	3.21	0.06	2.72	2.07	4.30	2.77	Apr-14
Spl Interm Inv-Grade Debt Funds Avg			-0.40	0.80	3.22	0.44	2.45	2.04	3.87	2.49	Apr-14
Total Real Estate	17,895,105	10.39	-0.12	0.87	3.49	0.44	9.55	--	--	8.43	Apr-14
Real Estate Domestic	17,895,105	10.39	-0.12	0.87	3.49	0.44	9.55	--	--	8.43	Apr-14
REIT Spliced Index			-0.10	0.93	3.61	0.54	9.67	9.58	6.00	8.55	Apr-14
Vanguard® REIT Index Fund Institutional Shares	17,895,105	10.39	-0.12	0.87	3.49	0.45	9.55	9.50	6.05	8.43	Apr-14
REIT Spliced Index			-0.10	0.93	3.61	0.54	9.67	9.58	6.00	8.55	Apr-14
Real Estate Funds Average			-0.35	0.68	3.55	0.97	8.51	8.46	4.70	7.65	Apr-14

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

Total Portfolio Performance (Gross of Fees)

as of September 30, 2017



COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

Cash Flow Summary

	Month Ending September 30, 2017			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Vanguard® REIT Index Fund Institutional Shares	\$16,329,913	\$1,590,333	-\$25,141	\$17,895,105
Vanguard® Total Bond Market Index Fund Institutional Shares	\$40,577,177	-\$2,258,524	-\$210,377	\$38,108,276
Vanguard® Total International Stock Index Fund Inst Shares	\$45,747,559	-\$15,470	\$816,880	\$46,548,969
Vanguard® Total Stock Market Index Fund Institutional Shares	\$67,594,665	\$365,281	\$1,655,140	\$69,615,086
Total	\$170,249,315	-\$318,381	\$2,236,503	\$172,167,437

Net Investment Change is inclusive of income.



COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

Investment Expense Analysis

As Of September 30, 2017

Name	Market Value	% of Portfolio	Expense Ratio
Total Equity	\$116,164,055	67.5%	
Equity Domestic	\$69,615,086	40.4%	
Vanguard® Total Stock Market Index Fund Institutional Shares	\$69,615,086	40.4%	0.040%
Equity International	\$46,548,969	27.0%	
Vanguard® Total International Stock Index Fund Inst Shares	\$46,548,969	27.0%	0.090%
Total Fixed Income	\$38,108,276	22.1%	
Fixed Income Domestic	\$38,108,276	22.1%	
Vanguard® Total Bond Market Index Fund Institutional Shares	\$38,108,276	22.1%	0.040%
Total Real Estate	\$17,895,105	10.4%	
Real Estate Domestic	\$17,895,105	10.4%	
Vanguard® REIT Index Fund Institutional Shares	\$17,895,105	10.4%	0.100%
Total	\$172,167,437	100.0%	0.060%

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

Benchmark History

As Of September 30, 2017

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

9/1/2017	Present	39% Spliced Total Stock Market Index / 26% Spl Total International Stock Index / 25% Spliced BBgBarc USAgg Float Adj Ix / 10% REIT Spliced Index
8/1/2017	8/31/2017	38% Spliced Total Stock Market Index / 25.33% Spl Total International Stock Index / 26.67% Spliced BBgBarc USAgg Float Adj Ix / 10% REIT Spliced Index
7/1/2017	7/31/2017	37.5% Spliced Total Stock Market Index / 25% Spl Total International Stock Index / 27.5% Spliced BBgBarc USAgg Float Adj Ix / 10% REIT Spliced Index
5/1/2014	6/30/2017	10% REIT Spliced Index / 30% Spliced BBgBarc USAgg Float Adj Ix / 24% Spl Total International Stock Index / 36% Spliced Total Stock Market Index

Total Equity

N/A

Equity Domestic

4/30/2014 Present 100% CRSP US Total Market TR USD

Vanguard® Total Stock Market Index Fund Institutional Shares

4/30/2014 Present 100% CRSP US Total Market TR USD

Equity International

4/30/2014 Present 100% FTSE Global All Cap ex US

Vanguard® Total International Stock Index Fund Inst Shares

4/30/2014 Present 100% FTSE Global All Cap ex US

Total Fixed Income

N/A

Fixed Income Domestic

4/30/2014 Present 100% BBgBarc US Aggregate Float Adjusted TR

Vanguard® Total Bond Market Index Fund Institutional Shares

4/30/2014 Present 100% BBgBarc US Aggregate Float Adjusted TR

Total Real Estate

N/A

Real Estate Domestic

4/30/2014 Present 100% MSCI US REIT



Benchmark History

As Of September 30, 2017

Vanguard® REIT Index Fund Institutional Shares

4/30/2014	Present	100% MSCI US REIT
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Total Portfolio Net of Fees returns reflect the deduction of fund expense ratios, purchase or redemption fees, and any advisory service fee applied to the client portfolio.

Total Portfolio returns represent client-specific time-weighted returns (TWR) are presented gross of any applicable service fees with the exception of mutual fund expense ratios and other security-level expenses.

Client performance inception date is generally the first month-end after initial funding. Mutual funds and all investments are subject to risk, including the possible loss of the money you invest. Diversification does not ensure a profit or protect against a loss.

Performance figures assume the reinvestment of dividends and capital gains distributions. The fund performance percentages are based on fund total return data, adjusted for expenses, obtained from Lipper, a Thomson Reuters Company. The total return data was not adjusted for fees and loads.

Benchmark comparative indexes represent unmanaged or average returns on various financial assets, which can be compared with funds' total returns for the purpose of measuring relative performance.

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Quarterly summary of combined historical performance as of September 30, 2017

	Annualized returns						Calendar return						
	QTR	YTD	1 year	3 year	5 year	10 year	2016	2015	2014	2013	2012	2011	2010
CFMC Composite Portfolio	3.63	11.92	11.82	7.26	7.70	4.60	7.67	-0.42	5.68	12.35	12.21	-3.47	13.95
<i>CFMC Composite Benchmark*</i>	3.57	11.37	11.35	7.14	9.07	5.63	7.59	-0.20	7.08	19.26	12.92	0.70	12.98

Notes:

Composite performance data consists of previous providers' portfolio and benchmark returns through April 2014; VIAS returns thereafter. Data prior to May 2014 is based upon information taken from the previous providers' quarterly performance reports and is provided as an estimate only. Composite does not include segregated accounts or pledge holdings.

Return calculations are derived from Morningstar Direct.

* Composite Benchmark allocations over time:

50% S&P 500 / 10% Russell 2000 / 10% MSCI EAFE / 30% LB AGG from March 2004 to March 2005;

45% S&P 500 / 12.5% Russell 2000 / 12.5% MSCI EAFE / 30% LB AGG from March 2005 to December 2007;

55% Russell 3000 / 15% MSCI AC World Index ex-US / 30% LB AGG from December 2007 to December 2008;

55% Russell 3000 / 15% MSCI AC World Index ex-US / 30% Barclays AGG from December 2008 to April 2014;

36% Spliced Total Stock Market Index (CRSP US Total Market Index) / 30% Spliced Barclays US Agg Float-Adj Ix (Barclays U.S. Aggregate Float Adjusted Index)/24% Spliced Total Int'l Stock Index (FTSE Global All Cap ex US Index) / 10% REIT Spliced Index (MSCI US REIT Index) from May 2014 to June 2017.

39% Spliced Total Stock Market Index (CRSP US Total Market Index) / 25% Spliced Barclays US Agg Float-Adj Ix (Barclays U.S. Aggregate Float Adjusted Index)/26% Spliced Total Int'l Stock Index (FTSE Global All Cap ex US Index) / 10% REIT Spliced Index (MSCI US REIT Index) since July 2017.

Segregated accounts reporting

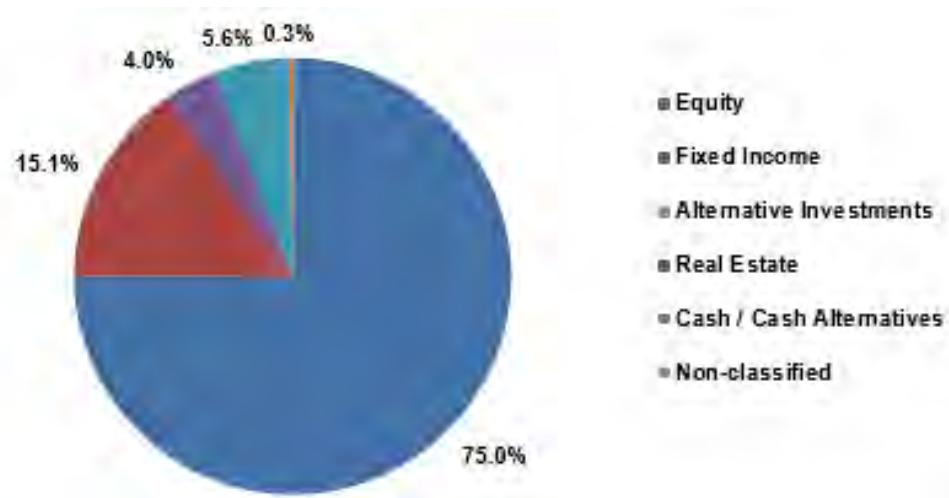
Quarterly investment performance summary of segregated accounts

Account name	Investment manager	Q32017 return	YTD 2017	Market value as of 9/30/2017
Freedom - Willard Bosma	RJ	+3.38%	+10.48%	\$461,303
Maykol	ML	+2.54%	+7.79%	\$112,514
J Hanna/M Murphy	UBS	+3.73%	+11.83%	\$1,200,933
Ernest E Settle	UBS	+3.70%	+11.38%	\$1,243,223
Cutler	Schwab	+3.49%	+6.99%	\$213,301
The 2012 Fund	Schwab	+0.02%	+0.04%	\$614,975
MI Heritage Trails (MICHHT)	UBS	+3.47%	+11.15%	\$1,327,311
Donahue	NW	+1.32%	+2.94%	\$152,257
G & B Hilt Fund	UBS	+3.30%	+10.96%	\$6,986,443
Collins	RJ	+3.52%	+11.11%	\$676,999
Smith	RJ	+2.19%	+7.86%	\$40,749
Campbell Scholarship	ML	+2.48%	+8.63%	\$26,251
Shelby Rotary	LPL	+2.36%	+3.52%	\$357,569

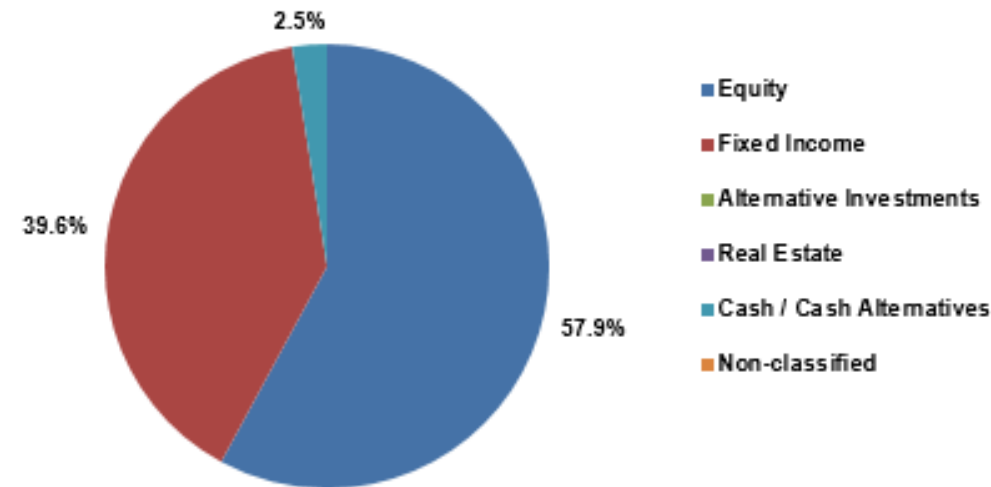
* Total Bond Market ETF market value is reported by Community Foundation for Muskegon County staff.

Quarterly asset allocation summary of segregated accounts as of September 30, 2017

RJ – Freedom – Willard Bosma (\$461,303)



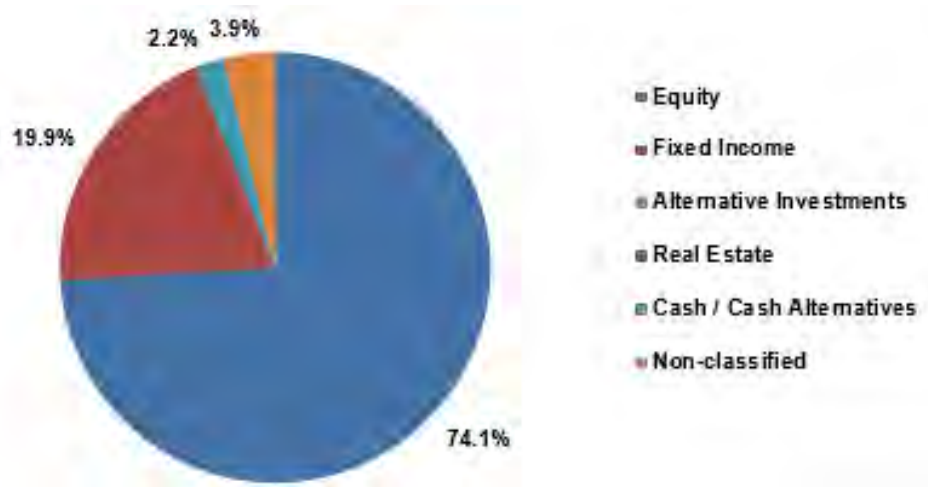
ML – Maykol (\$112,514)



Quarterly asset allocation summary of segregated accounts as of September 30, 2017

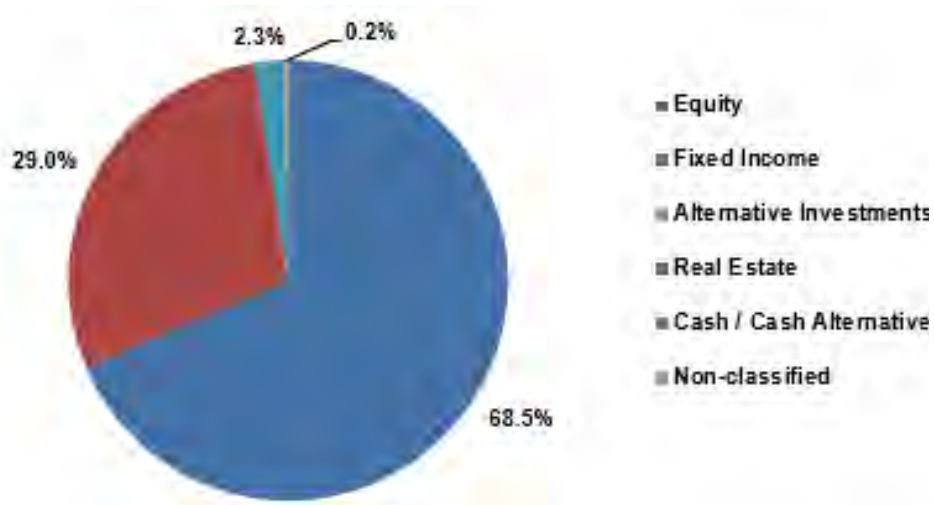
UBS – J Hanna/M Murphy (\$1,200, 933)

UBS – Ernest E Settle (\$1,243,223)

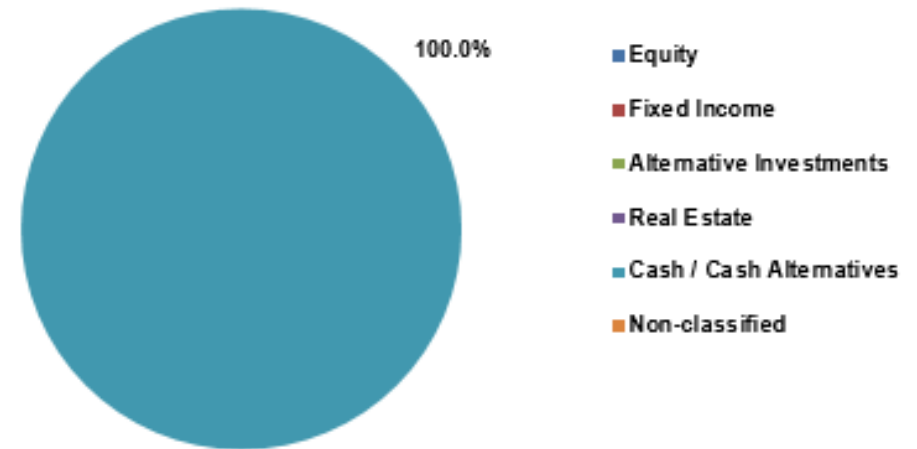


Quarterly asset allocation summary of segregated accounts as of September 30, 2017

Schwab – Cutter (\$195,813)

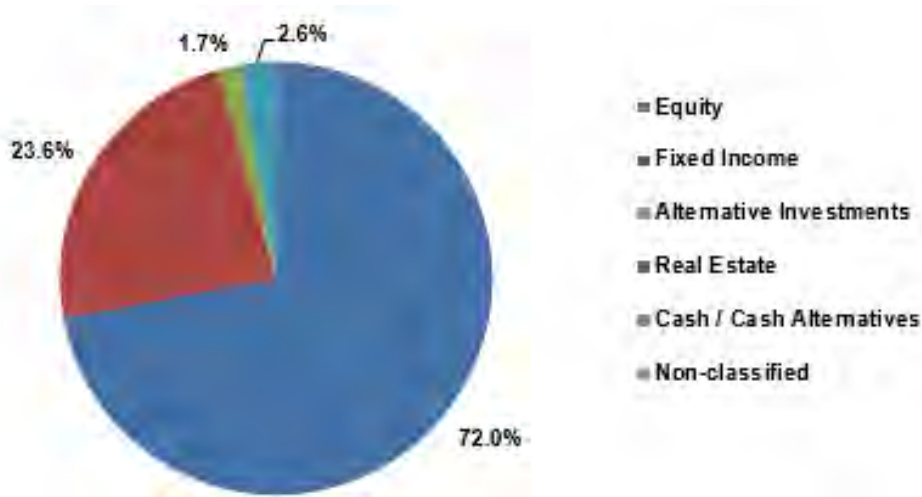


Schwab – The 2012 Fund (\$614,975)

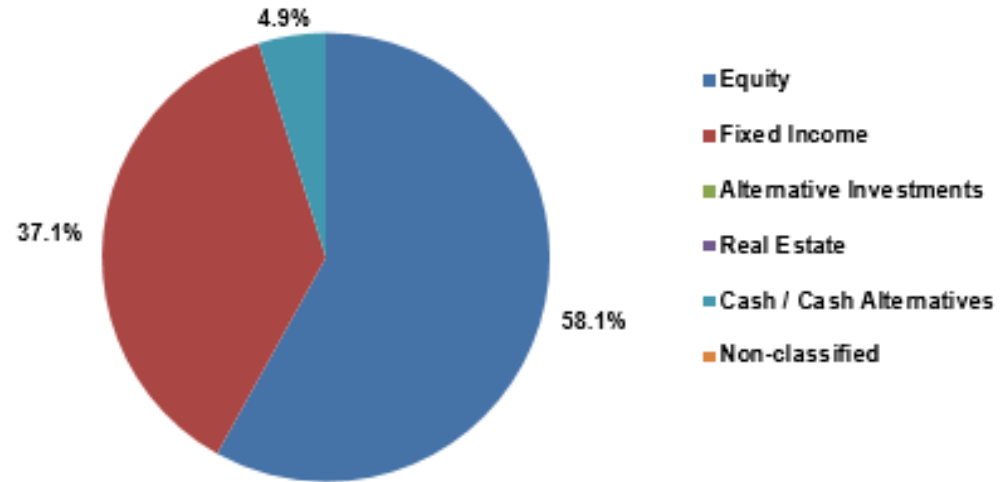


Quarterly asset allocation summary of segregated accounts as of September 30, 2017

UBS –MI Heritage Trails (MICHHT) (\$1,327,311)

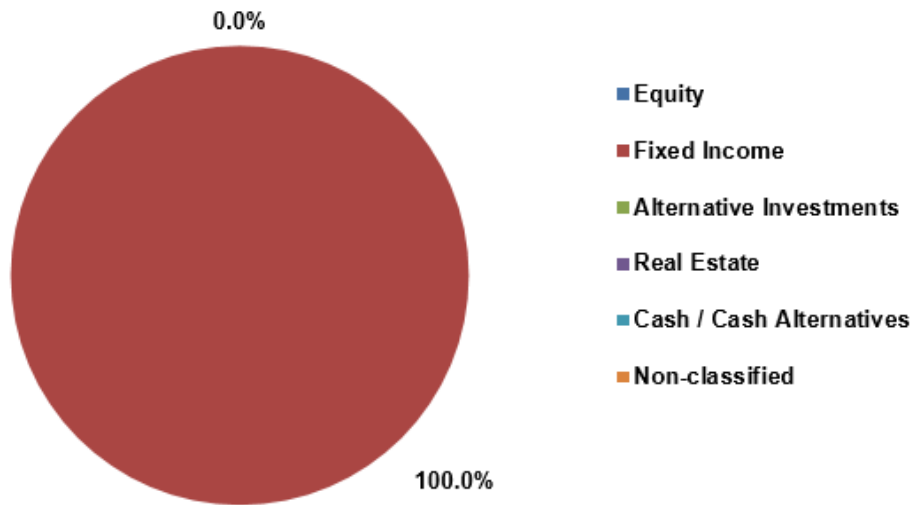


ML –Campbell Scholarship (\$26,251)

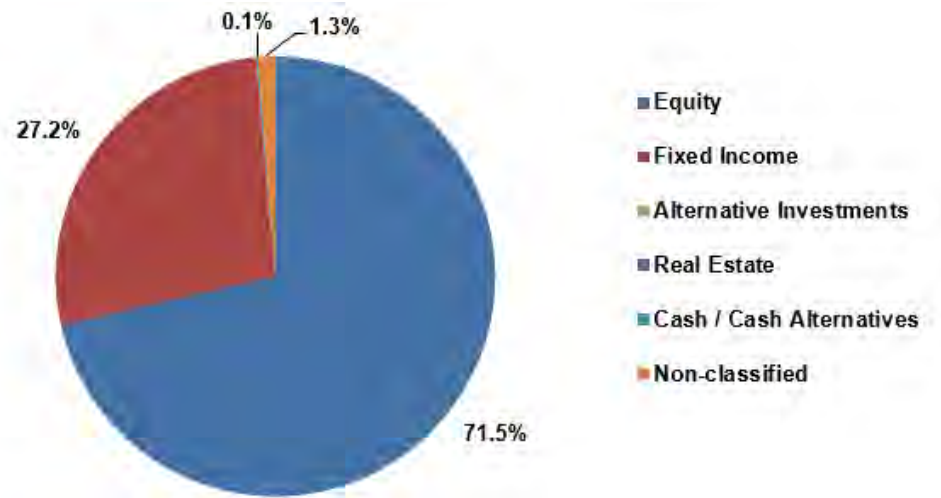


Quarterly asset allocation summary of segregated accounts as of September 30, 2017

NW – Donahue (\$152,257)

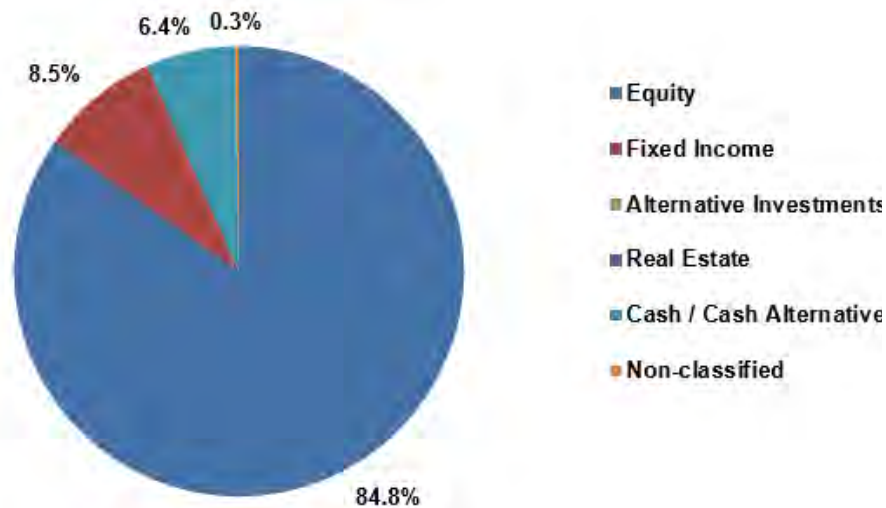


UBS – G&B Hilt Fund (hilt05) (\$6,986,443)

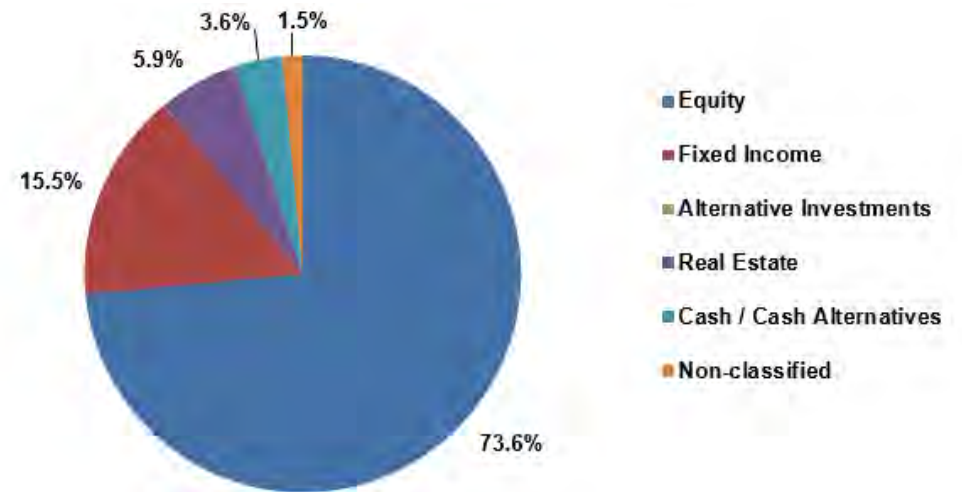


Quarterly asset allocation summary of segregated accounts as of September 30, 2017

RJ – Collins (\$676,999)

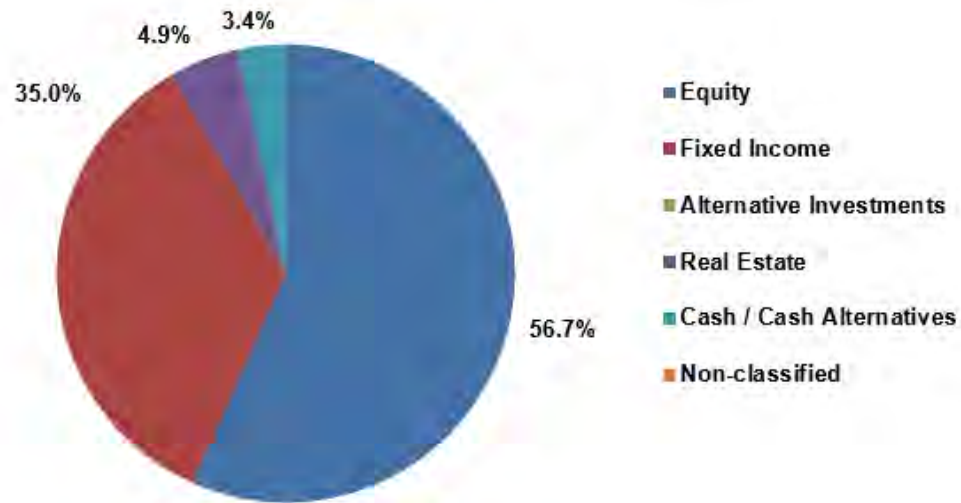


RJ – Smith (\$40,749)



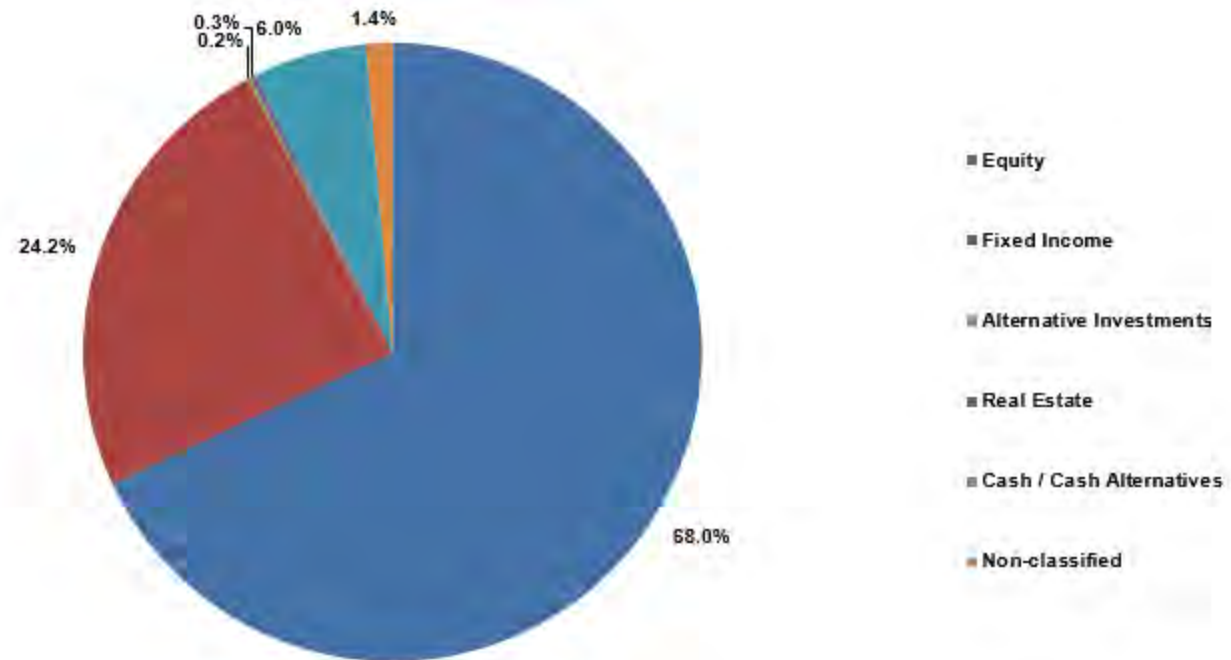
Quarterly asset allocation summary of segregated accounts as of September 30, 2017

LPL – Shelby Rotary (\$357,569)



Quarterly asset allocation summary of segregated accounts as of September 30, 2017

Combined Segregated Accounts (\$13,413,827)



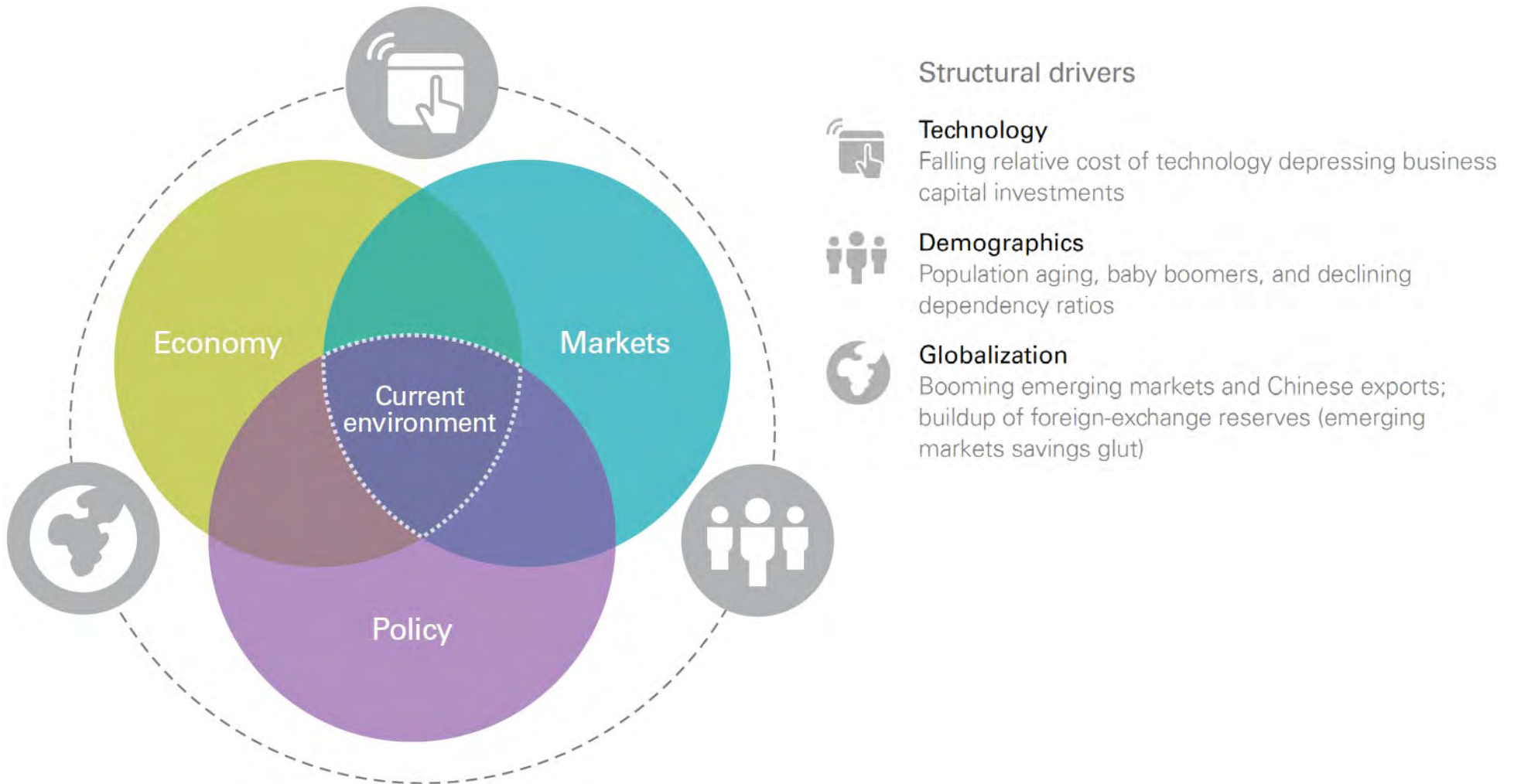
Economic outlook

Broad strokes

1. **Growth:** Growth will stabilize at lower trend, driven by structural forces. This is not stagnation, but a reflection of fundamentals including technology, demographics, and globalization.
2. **Inflation:** Ever-tightening labor markets, particularly in U.S., should place modest upward pressure on otherwise low inflation. Central banks will continue to struggle to meet 2% targets as a result of structural factors, such as technology.
3. **Policy and interest rates:** European Central Bank and Bank of Japan may not raise rates this decade, but monetary policy is reaching its limits. This will contribute to the gradual nature of Fed's normalization. We view the low-rate environment as secular, not temporary. Fiscal support likely in the years ahead, but this will not be a panacea.
4. **Global Asset Returns:** A guarded view given global crosscurrents of low yields and equity valuations. Principles of portfolio construction remain unchanged. 10-year expected returns for balanced portfolios lower than historical averages, with shorter-term expectations even lower. The next five years will not look like the last five.

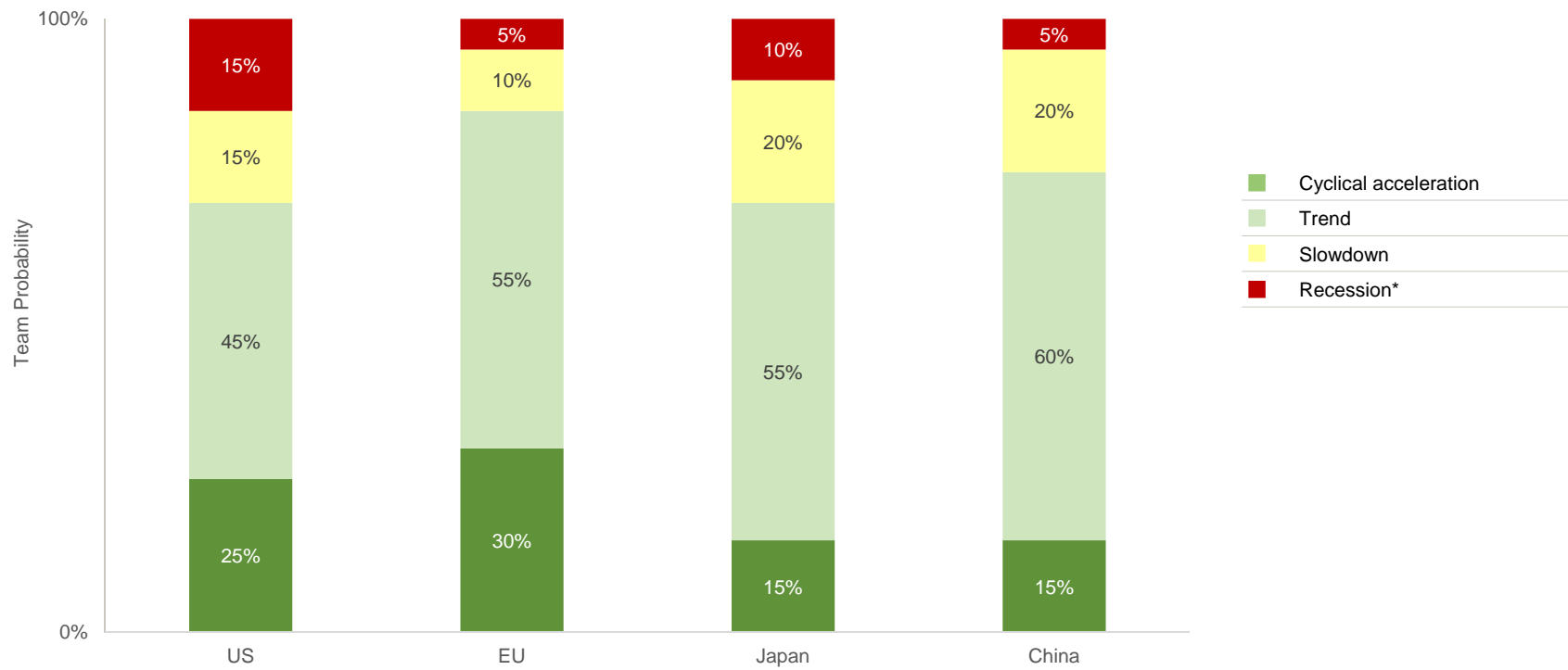
Global economic outlook: Low growth, not stagnation

Long-term structural forces intersect to shape growth, policy, and interest rates



A probabilistic view of the growth outlook

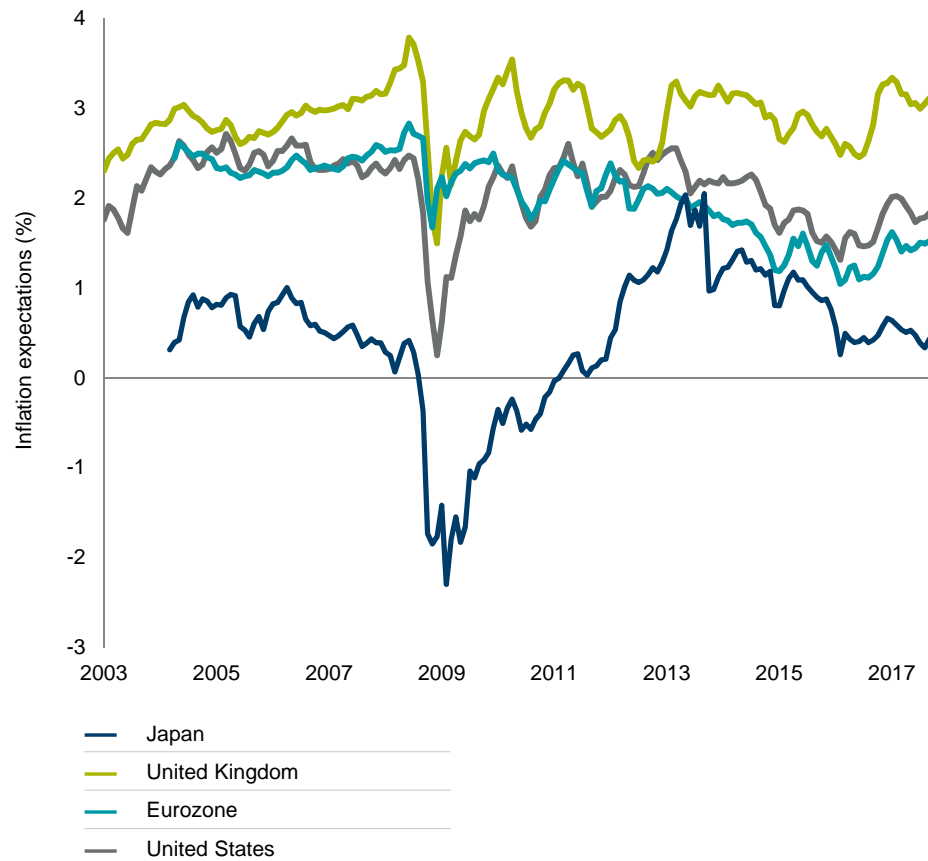
Stronger demand in the short term will push trend growth globally



*For China –Hard landing

Secular deflationary forces persist, though some headwinds should fade at margin

Inflation expectations have picked up

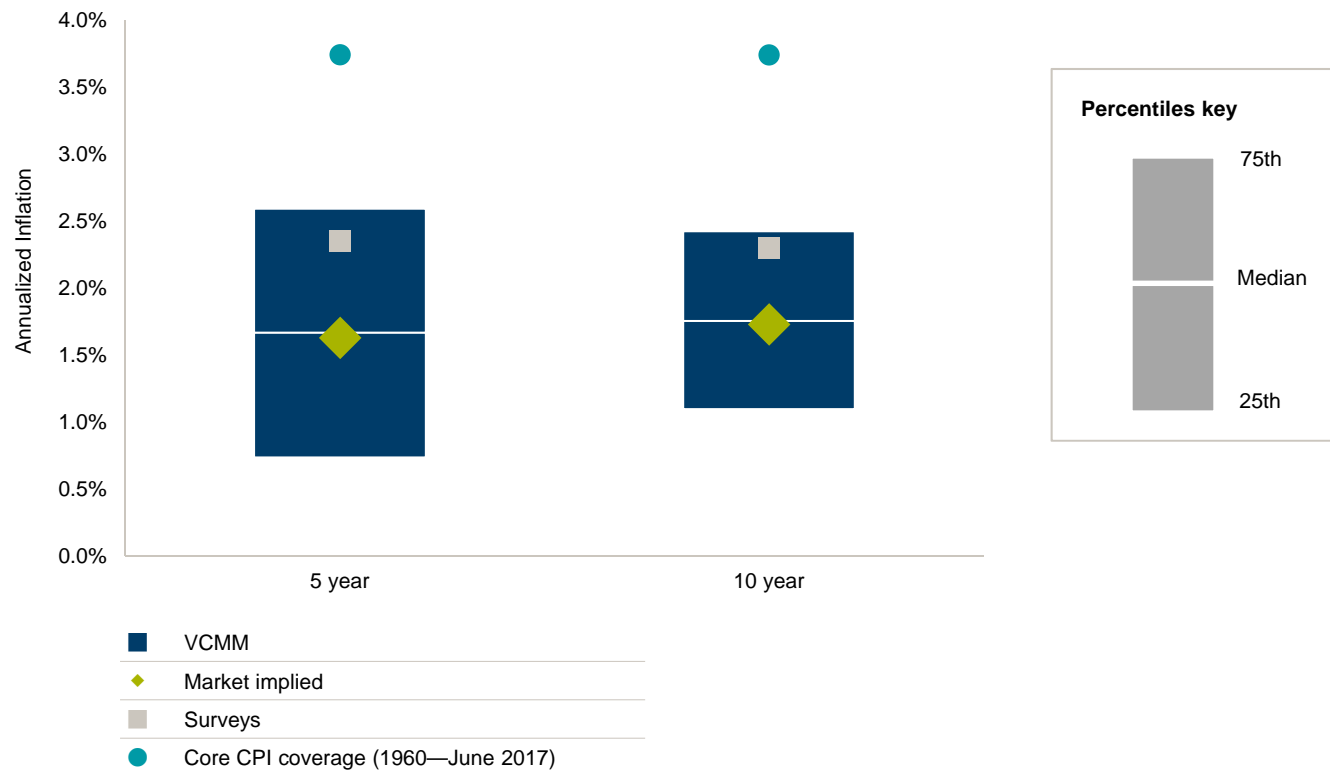


- Central banks continue to struggle to meet 2% targets, prompting extreme policy responses such as QE and negative rates
- Outside of the United Kingdom, achieving more than 2% core inflation in developed markets could take several years and ultimately require a more vibrant global rebound

Sources: Thompson Reuters Datastream and Moody's Databuffet
Notes: The data is as of June 30, 2017.

A look at the U.S. inflation outlook through multiple lenses

U.S. inflation outlook is near 2%

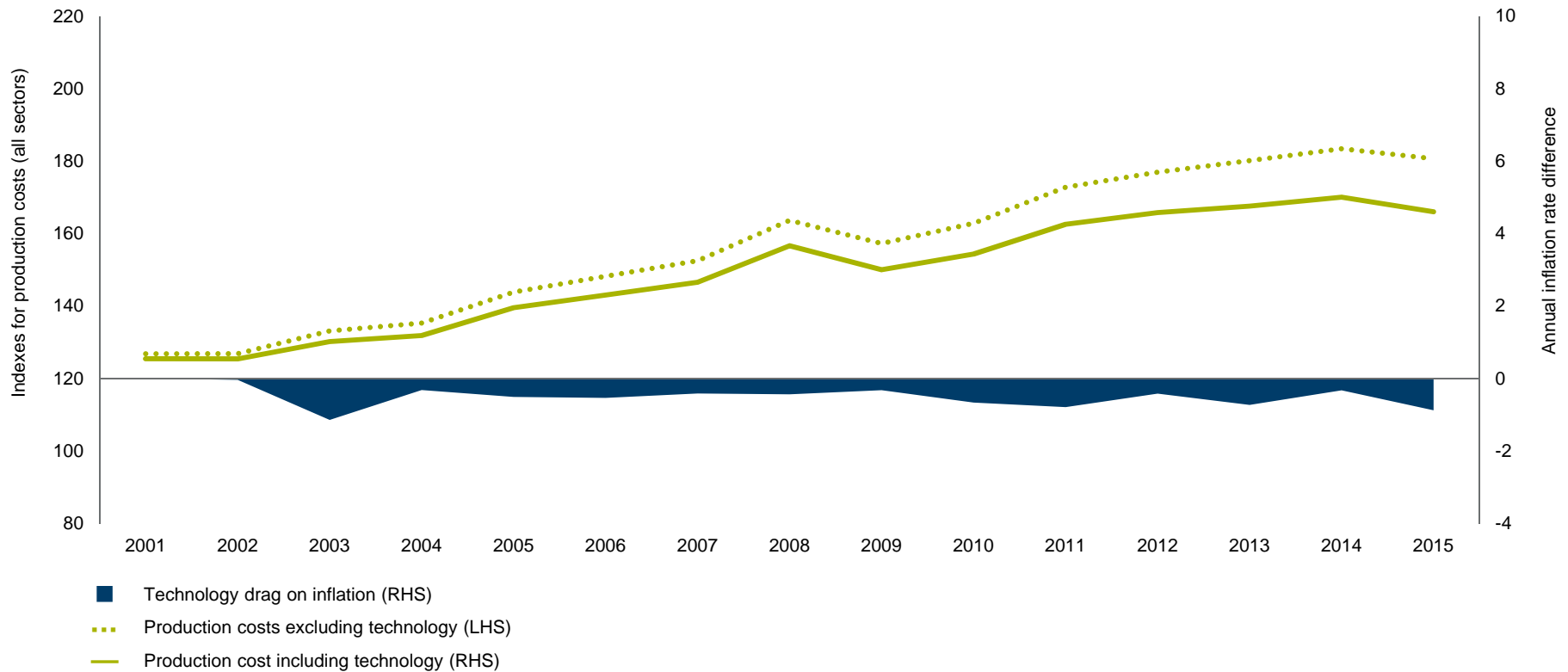


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Sources: Vanguard calculations based on data from U.S. Bureau of Labor Statistics, Federal Reserve System, Thomson Reuters Datastream, Moody's Analytics, Barclays and Bloomberg.
 Notes: Green diamonds on box-plot represent latest values (June 30, 2017) of Federal Reserve's five-year and ten-year breakeven inflation indexes. Tan boxes represent latest (March 31, 2017) median values of five-year and ten-year annualized CPI inflation forecasts in Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters (March 2017).

The Growing reach of Moore's Law

Moore's Law is a drag (on inflation)

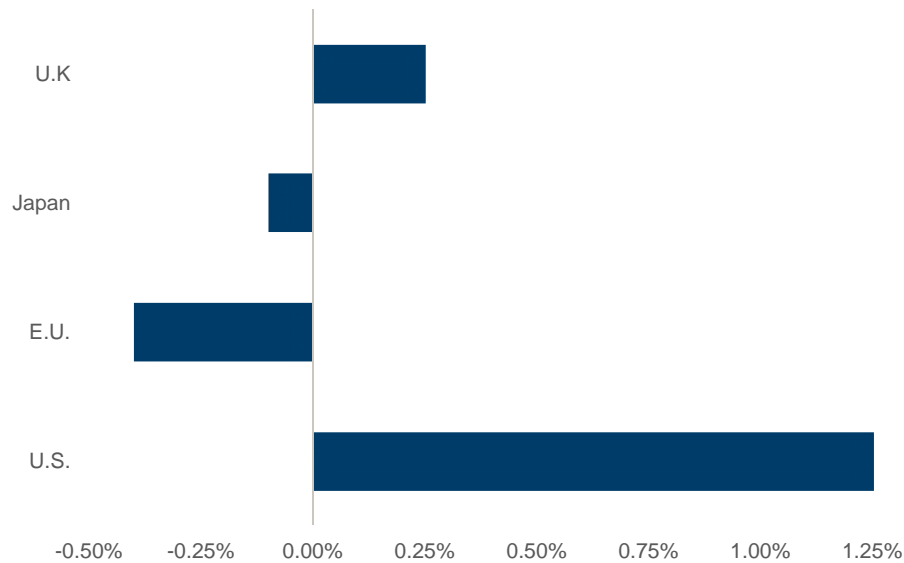


Notes: In the BEA's input-output data (I-O), we identified technology-related inputs as follows: computer and electronic products; broadcasting and telecommunications; data processing, internet publishing, and other information services; and computer systems design and related services. We identified as closely as possible Producer Price Index (PPI) series for each industry in the I-O, including all four technology inputs. As for the contribution of tech prices to each industry's price inflation, the weightings of the technology inputs were calculated using 2001 prices, reached by deflating both technology and industry data by their respective PPIs. The weightings were multiplied by technology's PPI to arrive at the contribution to each industry's PPI. For each industry's PPI minus technology, we subtracted the tech contribution from PPI and divided it by one minus technology's weight. Industries are defined according to the 2007 North American Industry Classification System (NAICS).

Sources: Vanguard calculations, based on data from Moody's Analytics Data Buffet, Thomson Reuters Datastream, BEA, and BLS.

Central Banks to remain on hold in 2017

Anticipated central bank policy rates at the end of 2017

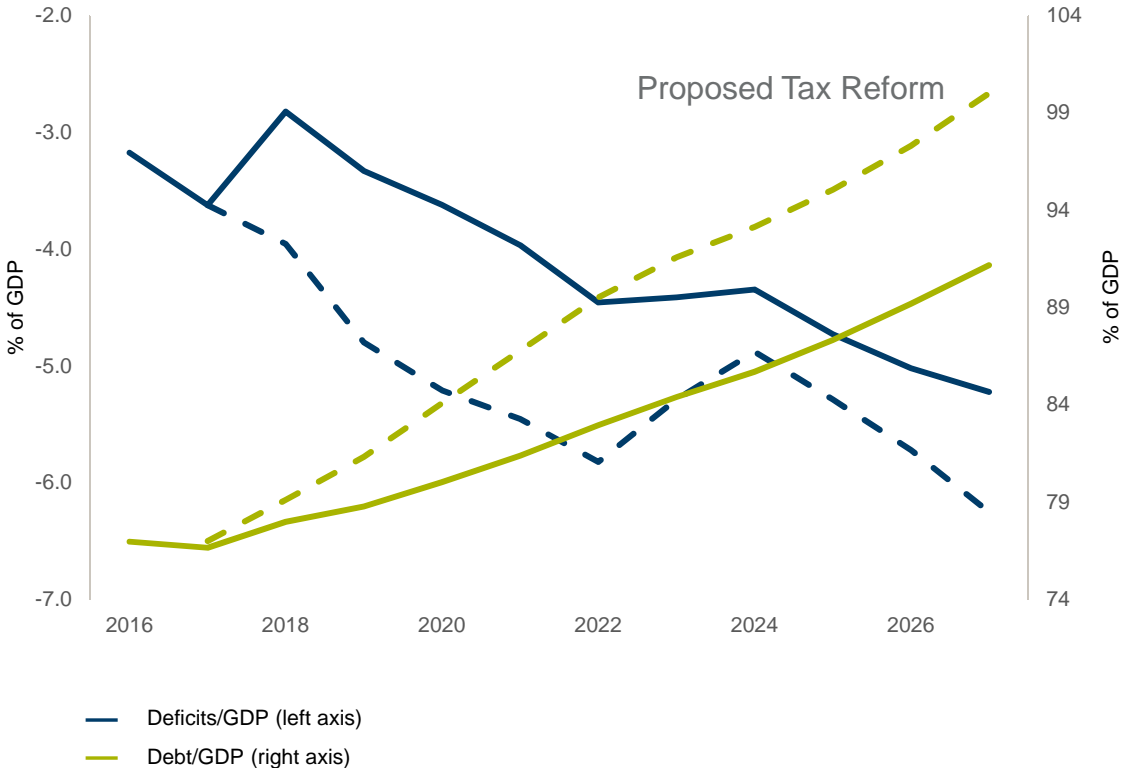


Framework for Fed's balance sheet normalization

- The Fed has begun a gradual balance sheet normalization
- The run-off will start at \$10B per month in October (\$6B in Treasuries and \$4B in MBS) and increase by \$10B every three months until it reaches \$50B
- The balance sheet should shrink by about \$1T over the next 2 years
- Market impact should be minimal – committee hopeful that normalization process “runs quietly in the background” per Yellen
- Fed likely to continue with gradual pace of rate normalization after they are comfortable that market reaction to balance sheet will be muted and inflation is heading back towards their 2% target

Sound fiscal policies may take time

A worsening U.S. fiscal outlook (next five years)



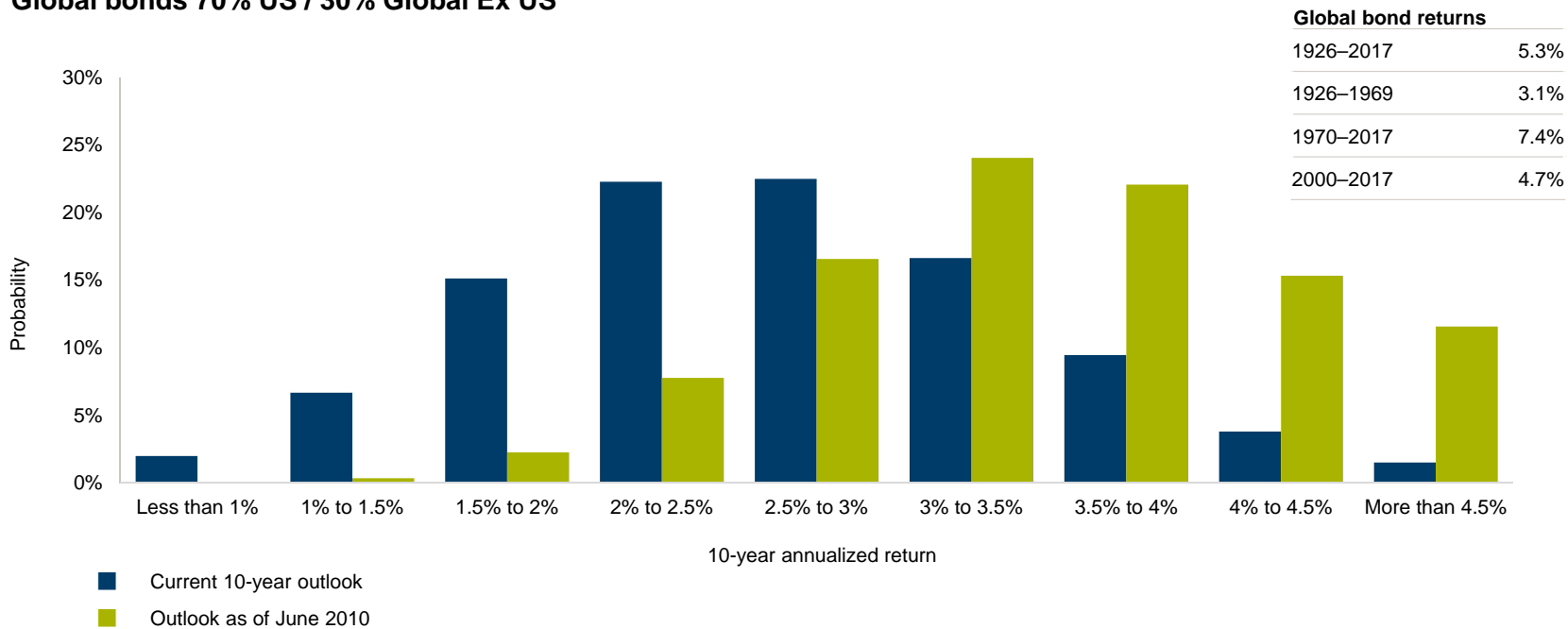
- Depending on scoring methodology, the most recent tax reform proposal is estimated to reduce federal revenue between \$1.5 and \$2.5 trillion over the next decade

Source: Vanguard, Tax Policy Center, Congressional Budget Office.

Projected global fixed income ten-year return outlook

VCMM-simulated distribution of expected average annualized nominal return of total fixed income market as of June 2010 and June 2017

Global bonds 70% US / 30% Global Ex US

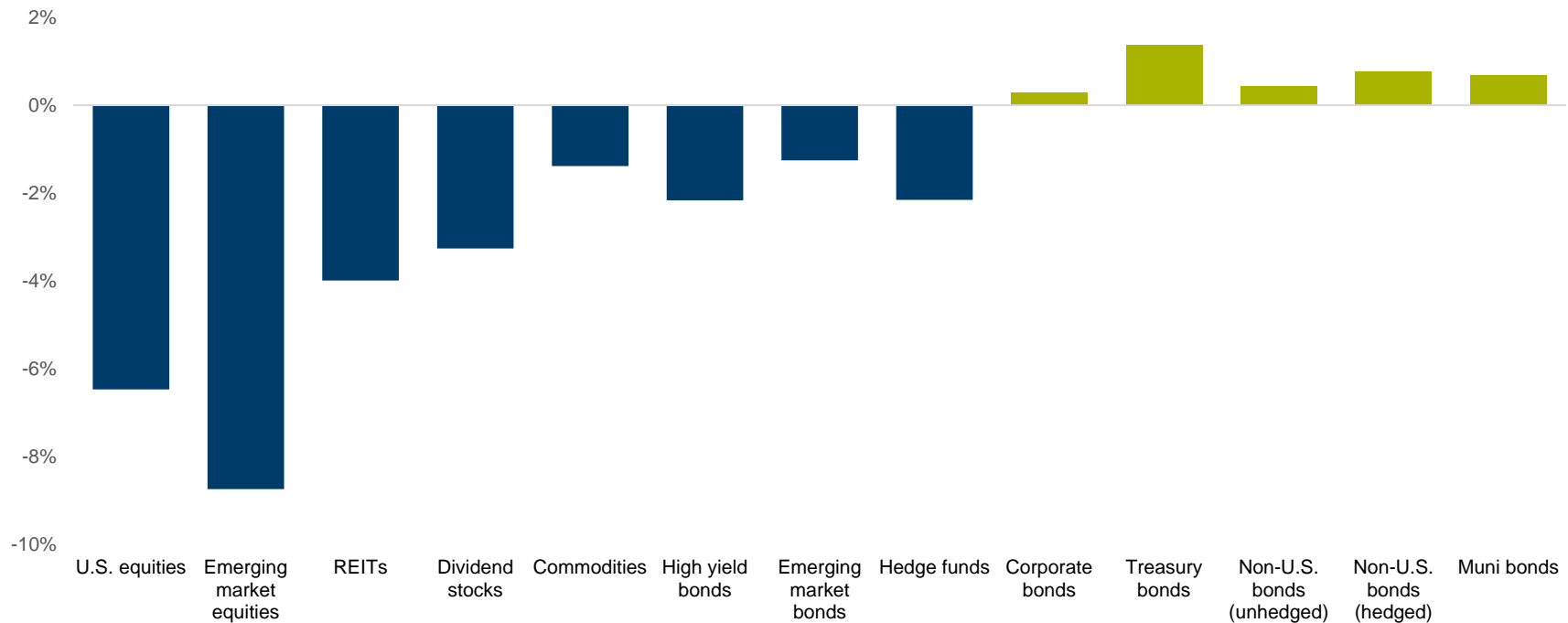


IMPORTANT: The projections or other information generated by the VCMM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from VCMM, derived from 10,000 simulations for global equity returns and fixed income returns in USD. Simulations as of June 30, 2017. Results from the model may vary with each use and over time. For more information, please see the Important information slide.

Note: Figure displays projected range of returns for a portfolio of 70% U.S. bonds and 30% ex-U.S. bonds, rebalanced quarterly. For details, see *Vanguard's economic and investment outlook* (Davis, Aliaga-Diaz, Westaway, Wang, Patterson, and Ahluwalia 2016). Source: Vanguard.

Bonds can provide ballast in an equity bear market

Median return of various asset classes during the worst decile of monthly equity returns 1988-2017



Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

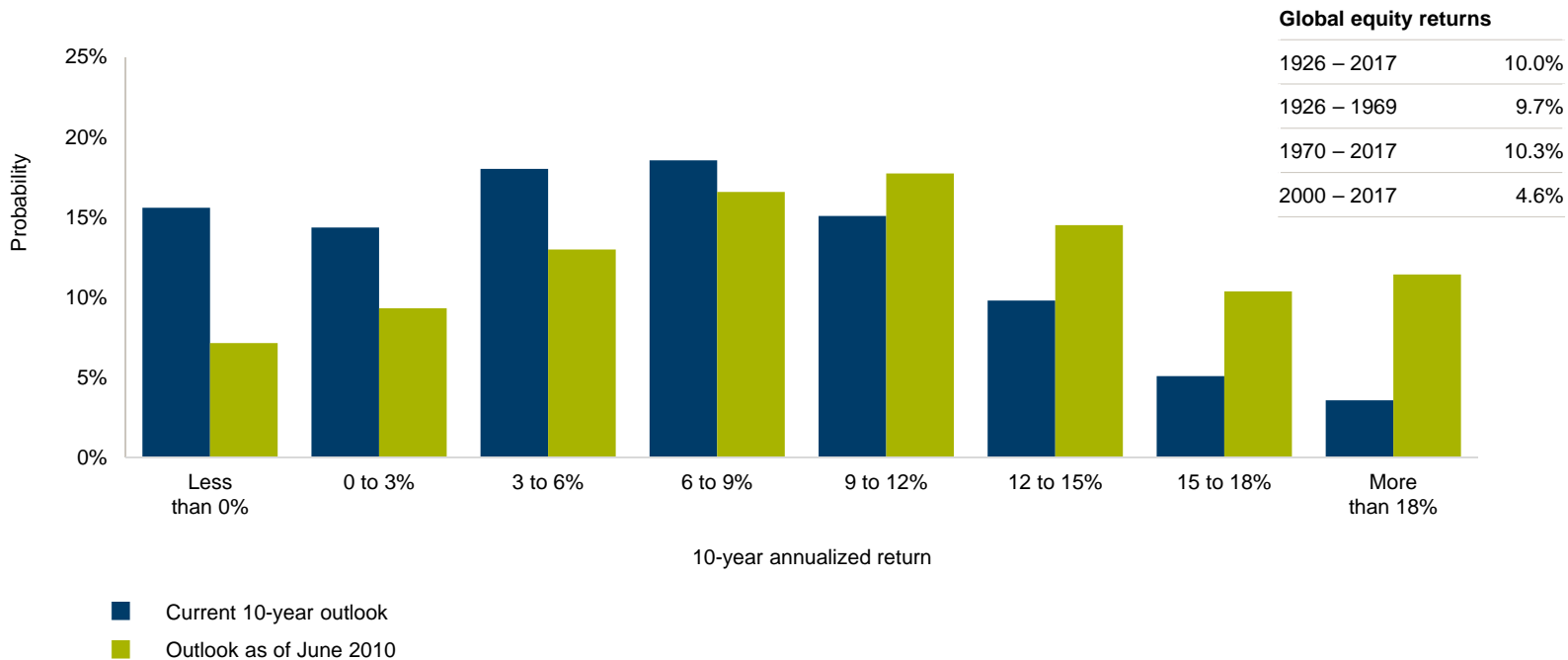
Sources: Vanguard calculations based on data from Thomson Reuters Datastream, Bloomberg Barclays, HFRI, MSCI, FTSE, CRSP, S&P, and Dow Jones.

Notes: U.S. stocks represented by Dow Jones U.S. Total Stock Market Index through April 2005, MSCI US Broad Market Index through June 2013 and CRSP US Total Market Index thereafter; emerging markets stocks are represented by MSCI Emerging Markets Index; REITs by FTSE NAREIT Equity REIT Index; dividend stocks by Dow Jones U.S. Select Dividend Index; commodities by S&P GSCI Commodity Index; high yield bonds by Bloomberg Barclays U.S. Corporate High Yield Bond Index; emerging market bonds by Bloomberg Barclays EM USD Aggregate Index; investment-grade corporate bonds by Bloomberg Barclays U.S. Corporate Index; U.S. Treasury bonds by Bloomberg Barclays U.S. Treasury Bond Index; Hedge fund index by HFRI fund-weighted total return Index and international bonds by Bloomberg Barclays Global Aggregate ex-USD Bond Index. The Dow Jones U.S. Select Dividend Index starts in January 1992; Bloomberg Barclays EM USD Aggregate Index starts in January 1993; hedge fund data start in 1994 and Bloomberg Barclays Global Aggregate ex USD Bond Index starts in January 1990. All data provided through September 30, 2017.

Projected global equity ten-year return outlook

VCMM-simulated distribution of expected average annualized nominal return of global equity market as of June 2010 and June 2017

Global equity 60% US / 40% Global Ex US



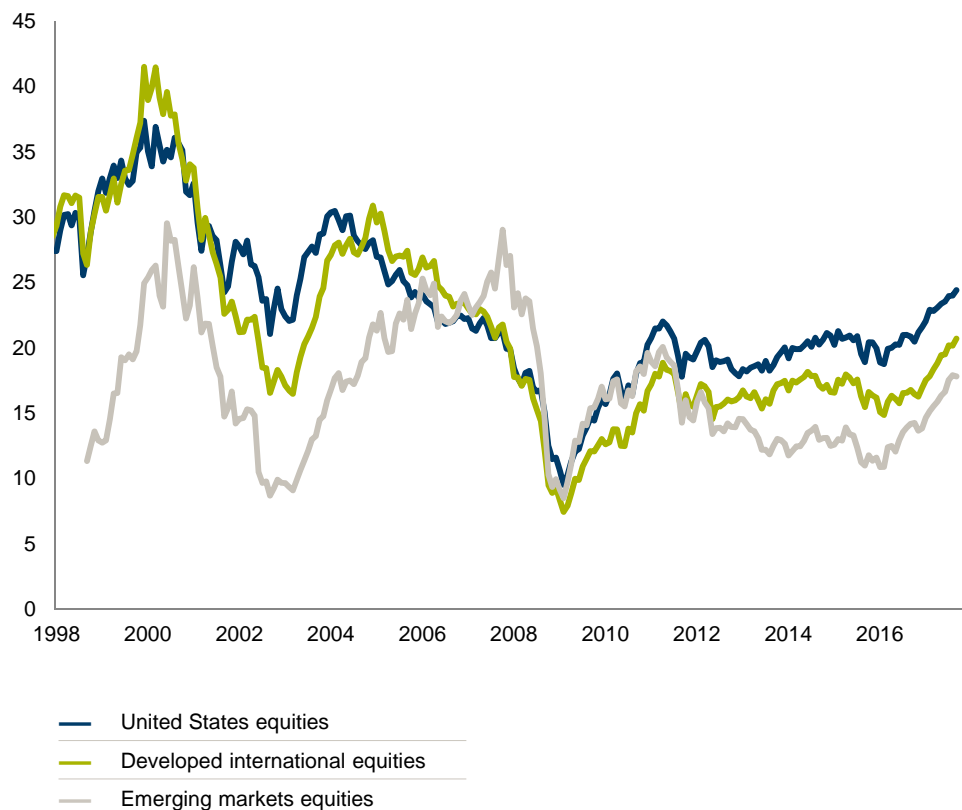
IMPORTANT: The projections or other information generated by the VCMM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from the VCMM are derived from 10,000 simulations for global equity returns in USD. Simulations are as of June 30, 2017. Results from the model may vary with each use and over time. For more information, please see the important information slide.

Sources: Vanguard.

Notes: Figure displays projected range of potential returns for portfolios of 60% U.S./40% ex-U.S. equities unhedged in USD, rebalanced annually. For details on benchmarks used for historical returns, see "Indexes used in our historical calculations," on page 5 of 2017 economic and market outlook: Stabilization, not stagnation (Davis et. al 2016).

Variation in sector composition can drive divergent valuations

Valuations across regions



Top 5 sector weights (US) and corresponding P/E ratios

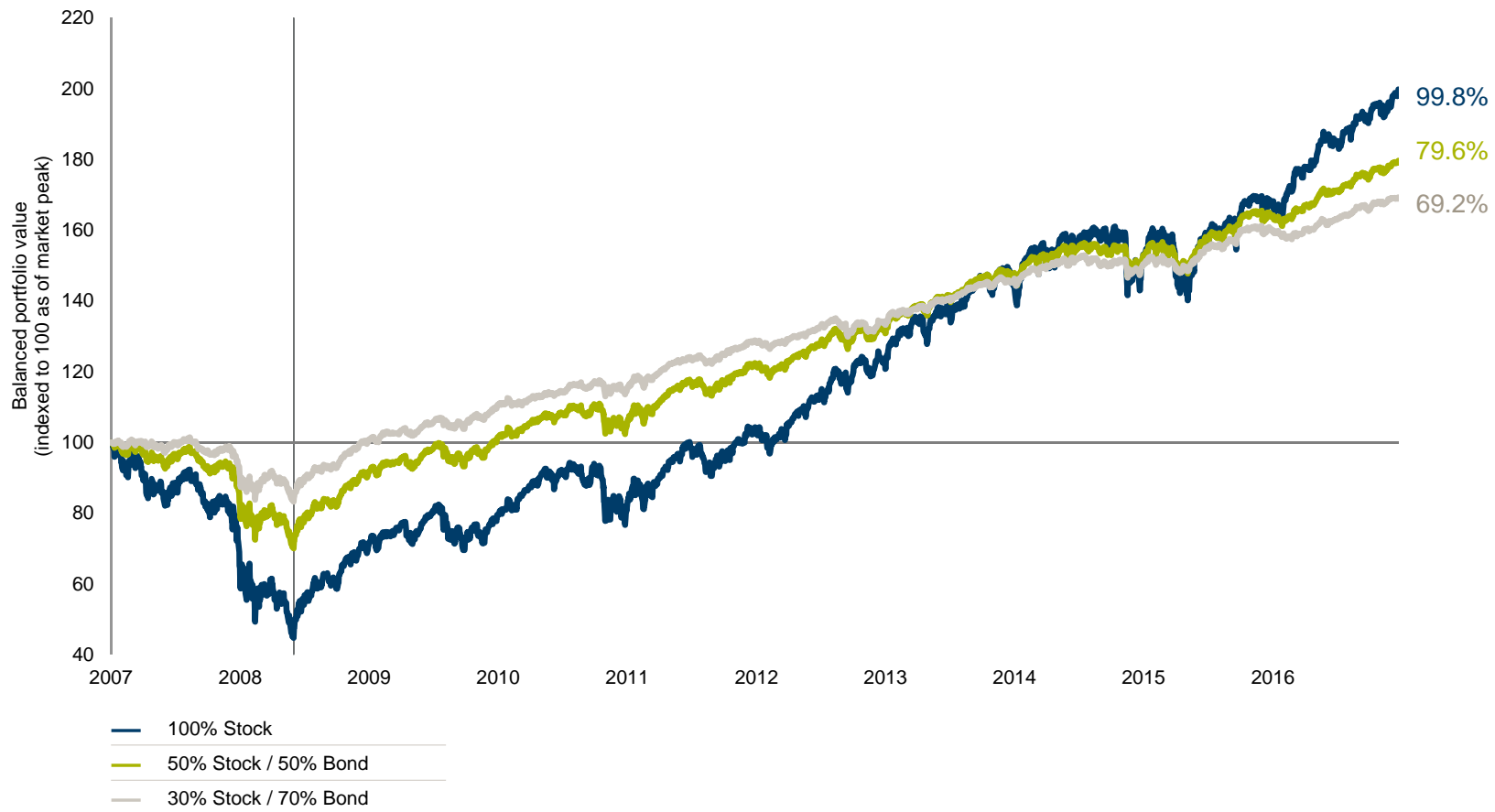
GICS Sector	S&P 500		MSCI EAFE		MSCI EM	
	Weight	P/E	MSCI EAFE	P/E	MSCI EM	P/E
Information Technology	23.23%	22.93	6.27%	28.80	27.70%	19.84
Health Care	14.51%	21.39	10.58%	30.16	2.29%	29.67
Financials	14.61%	16.14	21.53%	17.06	23.40%	10.70
Consumer Discretionary	11.85%	21.49	12.21%	16.19	10.31%	23.03
Consumer Staples	8.23%	20.99	11.22%	24.26	6.49%	27.67

Sources: Thomson Reuters Datastream, Bloomberg

Notes: Right side chart displays the price-to-earnings ratio defined by the most recent price divided by 12-month trailing earnings. United States is represented by the S&P 500 Index, Developed ex US is represented by the MSCI EAFE Index, and Emerging Markets is represented by the MSCI Emerging Markets Index. All three indices are denominated in U.S. dollars and represent an unhedged position with data as of September 30, 2017.

The benefits of long-term perspective, balance and diversification

A balanced diversified investor has fared relatively well



Sources: Vanguard calculations based on data from FactSet.

Notes: Each balanced portfolio represented by the mixture of equity and fixed income from the following indices: S&P 500 Total Return Index for equities and Bloomberg Barclays U.S. Aggregate Bond Index for fixed income. Each portfolio is constructed using historical daily data implemented with a monthly rebalancing scheme. Data as of September 30, 2017. Past performance is no guarantee of future returns.

Important information

IMPORTANT: The projections or other information generated by the Vanguard Capital Markets Model® (VCMM) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. VCMM results will vary with each use and over time.

The VCMM projections are based on a statistical analysis of historical data. Future returns may behave differently from the historical patterns captured in the VCMM. More importantly, the VCMM may be underestimating extreme negative scenarios unobserved in the historical period on which the model estimation is based.

The Vanguard Capital Markets Model® is a proprietary financial simulation tool developed and maintained by Vanguard's primary investment research and advice teams. The model forecasts distributions of future returns for a wide array of broad asset classes. Those asset classes include U.S. and international equity markets, several maturities of the U.S. Treasury and corporate fixed income markets, international fixed income markets, U.S. money markets, commodities, and certain alternative investment strategies. The theoretical and empirical foundation for the Vanguard Capital Markets Model is that the returns of various asset classes reflect the compensation investors require for bearing different types of systematic risk (beta). At the core of the model are estimates of the dynamic statistical relationship between risk factors and asset returns, obtained from statistical analysis based on available monthly financial and economic data from as early as 1960. Using a system of estimated equations, the model then applies a Monte Carlo simulation method to project the estimated interrelationships among risk factors and asset classes as well as uncertainty and randomness over time. The model generates a large set of simulated outcomes for each asset class over several time horizons. Forecasts are obtained by computing measures of central tendency in these simulations. Results produced by the tool will vary with each use and over time.

All investing is subject to risk, including the possible loss of money you invest. Diversification does not ensure a profit or protect against a loss. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk. These risks are especially high in emerging markets. Investments in bonds are subject to the risk that an issuer will fail to make payments on time, and that bond prices will decline because of rising interest rates or negative perceptions of an issuer's ability to make payments.

Risk/return analysis

Total return framework, risk/return study

Time horizon: 10 years			10-year asset class return distribution					
Asset classes	Current portfolio	Proposed portfolio	5	25	50	75	95	Volatility
U.S. equities	39.0%	39.0%	-5.7%	0.8%	5.5%	10.3%	17.4%	17.9%
Non-U.S. equities (unhedged)	26.0%	31.0%	-3.2%	2.8%	7.2%	11.5%	18.1%	18.6%
U.S. Bonds	25.0%	25.0%	1.4%	2.2%	2.7%	3.3%	4.1%	4.8%
REITs	10.0%	5.0%	-4.2%	0.9%	4.5%	8.0%	13.3%	18.6%
median return (geometric)	5.6%	5.7%						
median inflation-adjusted return	3.8%	3.9%						
median risk (volatility)	12.2%	12.5%						
sharpe ratio	0.31	0.31						

Portfolio return distribution											
	5	10	20	30	40	50	60	70	80	90	95
Current Portfolio	-1.4%	0.1%	2.0%	3.3%	4.5%	5.6%	6.7%	8.0%	9.4%	11.4%	13.0%
Proposed Portfolio	-1.4%	0.1%	2.0%	3.3%	4.6%	5.7%	6.9%	8.1%	9.6%	11.6%	13.3%

Inflation-adjusted portfolio return distribution											
	5	10	20	30	40	50	60	70	80	90	95
Current Portfolio	-3.3%	-1.8%	0.0%	1.4%	2.6%	3.8%	4.9%	6.2%	7.7%	9.7%	11.4%
Proposed Portfolio	-3.4%	-1.9%	0.0%	1.5%	2.7%	3.9%	5.0%	6.3%	7.8%	9.9%	11.7%

Appendix

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

Market Performance

Periods Ending October 31, 2017

Name	Oct-17	Last 3 Months	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
US Equity							
CRSP US Total Market TR USD	2.2	4.8	16.4	24.0	10.5	15.1	7.7
S&P 500	2.3	4.8	16.9	23.6	10.8	15.2	7.5
S&P 400 MidCap	2.3	4.6	11.9	23.5	10.7	15.1	9.0
S&P 600 SmallCap	0.9	5.9	10.0	27.9	11.8	16.3	9.2
International Equity							
MSCI Emerging Markets	3.5	5.4	32.3	26.5	5.7	4.8	0.6
MSCI Emerging Markets NR LCL	3.9	6.6	28.3	25.7	9.4	8.8	3.4
MSCI EAFE	1.5	4.0	21.8	23.4	6.1	8.5	1.1
MSCI EAFE NR LCL	3.0	5.7	14.5	21.1	9.0	12.7	2.7
MSCI ACWI ex USA	1.9	4.3	23.4	23.6	5.7	7.3	0.9
Fixed Income Domestic							
BBgBarc US Aggregate TR	0.1	0.5	3.2	0.9	2.4	2.0	4.2
BBgBarc US Corporate 1-5 Years TR	0.1	0.3	2.8	2.0	2.3	2.1	3.9
BBgBarc US Credit/Corp 5-10 Yr TR	0.3	0.8	5.5	2.8	4.1	3.5	6.1
BBgBarc US Corporate Long TR	0.8	2.0	9.3	5.9	5.7	4.5	7.6
BBgBarc US Govt/Credit Long TR	0.4	1.7	8.1	2.5	4.8	3.8	7.2
BBgBarc US Treasury Strips 20-30 Yr Equal Parity TR	0.1	2.1	8.8	-3.3	5.1	3.7	8.8
BBgBarc US High Yield TR	0.4	1.3	7.5	8.9	5.6	6.3	7.8
BBgBarc US Govt TR	-0.1	0.1	2.1	-0.6	1.7	1.3	3.5
BBgBarc US Credit TR	0.3	1.0	5.4	3.2	3.6	3.1	5.5
BBgBarc US Treasury 1-5 Yr TR	-0.1	-0.1	1.0	0.0	1.0	0.8	2.3
BBgBarc US Treasury 5-10 Yr TR	-0.2	-0.1	2.4	-1.2	2.1	1.4	4.6
BBgBarc US Treasury Long TR	-0.1	1.1	5.9	-2.4	3.9	2.8	6.7
BBgBarc US Treasury TIPS 0-5 Yr TR	0.2	0.4	0.9	0.6	0.7	0.2	2.2
BBgBarc US TIPS TR	0.2	0.6	1.9	-0.1	1.4	-0.1	3.8
Fixed Income International							
BBgBarc Global Aggregate ex US Tres Hedged TR	0.7	1.2	2.0	1.3	3.4	3.8	4.3
BBgBarc Emerging Markets TR	0.4	1.8	7.9	5.8	5.3	4.2	7.0
REIT							
MSCI US REIT Gross	-1.0	-1.3	2.6	5.6	5.9	9.5	5.6

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

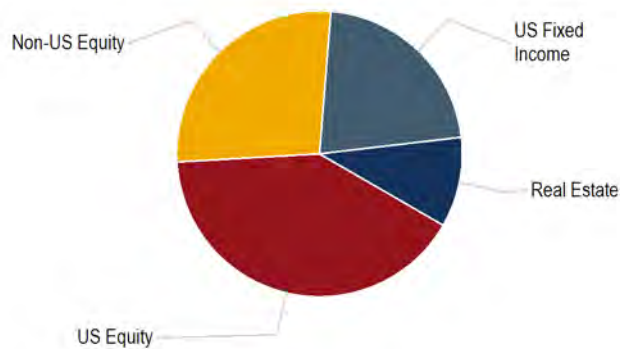
Total Portfolio Performance & Asset Allocation

Performance Summary

	Ending October 31, 2017								Inception	
	Market Value (\$)	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
COMMUNITY FOUNDATION FOR MUSKEGON COUNTY (Gross)	174,433,923	1.33	3.10	13.44	15.74	6.98	--	--	7.17	Apr-14
COMMUNITY FOUNDATION FOR MUSKEGON COUNTY (Net)		1.32	3.07	13.38	15.68	6.93	--	--	7.13	
0JABQX Composite Benchmark		1.26	3.01	12.79	15.04	6.89	--	--	7.01	Apr-14

- 0JABQX Composite Benchmark = 39% Spliced Total Stock Market Index / 26% Spl Total International Stock Index / 25% Spliced BBgBarc USAgg Float Adj Ix / 10% REIT Spliced Index

Current Allocation as of October 31, 2017



	Current	%	Policy	Difference*
US Equity	\$71,127,498	40.8%	39.0%	1.8%
Non-US Equity	\$47,452,294	27.2%	26.0%	1.2%
US Fixed Income	\$38,135,816	21.9%	25.0%	-3.1%
Real Estate	\$17,718,315	10.2%	10.0%	0.2%
Total	\$174,433,923	100.0%	100.0%	

*Difference between Policy and Current Allocation

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

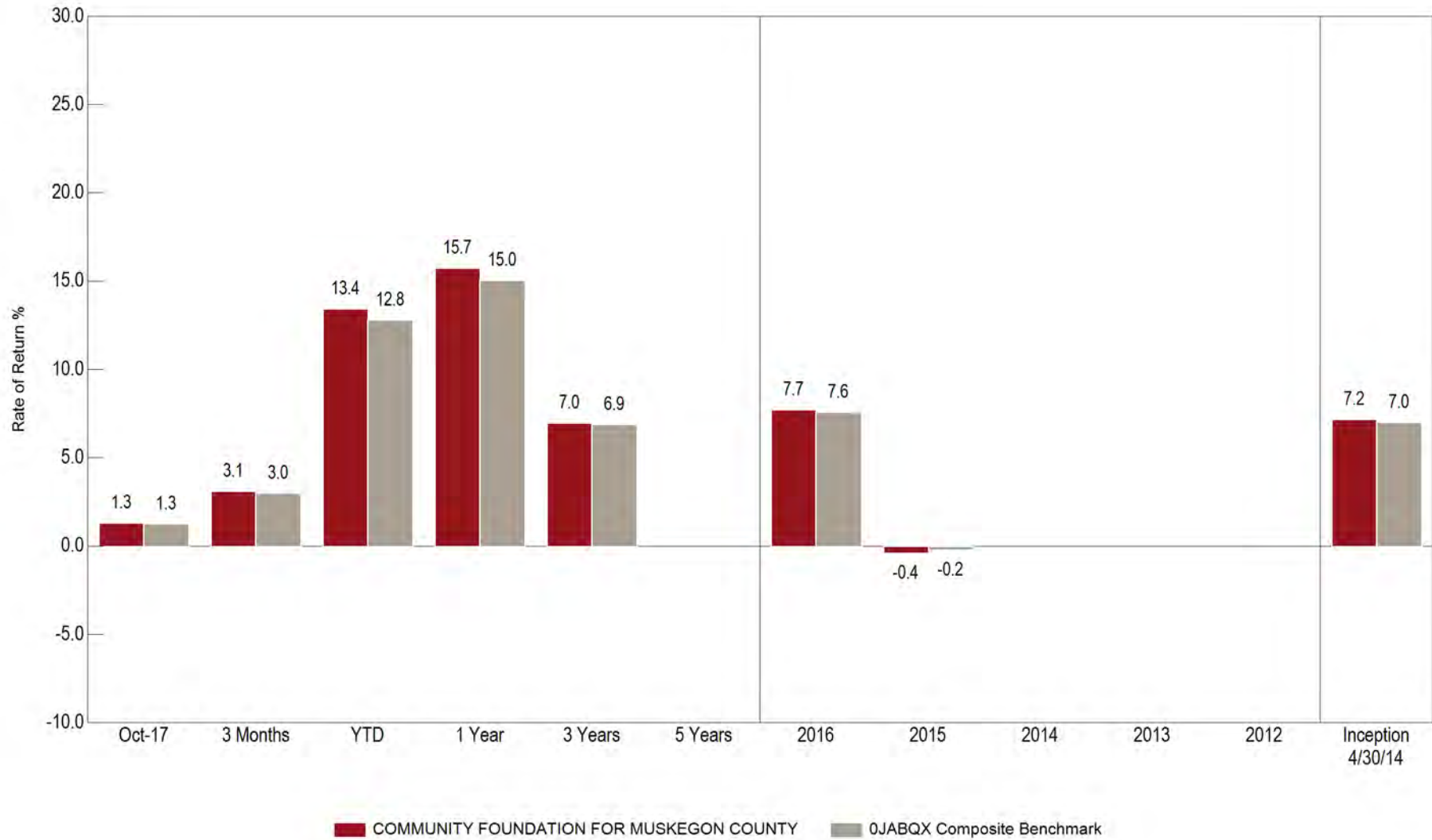
Performance Summary (Gross of Fees)

			Ending October 31, 2017							Inception	
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
COMMUNITY FOUNDATION FOR MUSKEGON COUNTY	174,433,923	100.00	1.33	3.10	13.44	15.74	6.98	--	--	7.17	Apr-14
OJABQX Composite Benchmark			1.26	3.01	12.79	15.04	6.89	--	--	7.01	Apr-14
Total Equity	118,579,792	67.98	2.08	4.68	19.39	23.93	8.80	--	--	8.60	Apr-14
Equity Domestic	71,127,498	40.78	2.17	4.86	16.44	23.98	10.51	--	--	11.26	Apr-14
Spliced Total Stock Market Index			2.16	4.85	16.43	23.96	10.50	15.09	7.72	11.25	Apr-14
Vanguard® Total Stock Market Index Fund Institutional Shares	71,127,498	40.78	2.17	4.86	16.42	23.96	10.49	15.09	7.73	11.25	Apr-14
Spliced Total Stock Market Index			2.16	4.85	16.43	23.96	10.50	15.09	7.72	11.25	Apr-14
Multi-Cap Core Funds Average			1.77	4.04	14.59	21.54	8.05	12.91	5.76	8.54	Apr-14
Equity International	47,452,294	27.20	1.94	4.43	23.99	23.78	6.10	--	--	4.51	Apr-14
Spl Total International Stock Index			1.91	4.36	23.24	23.52	6.32	7.80	1.01	4.56	Apr-14
Vanguard® Total International Stock Index Fund Inst Shares	47,452,294	27.20	1.94	4.43	23.99	23.78	6.10	7.79	0.94	4.50	Apr-14
Spl Total International Stock Index			1.91	4.36	23.24	23.52	6.32	7.80	1.01	4.56	Apr-14
International Funds Average			1.57	4.20	23.67	23.19	6.10	7.97	0.84	4.13	Apr-14
Total Fixed Income	38,135,816	21.86	0.12	0.45	3.27	0.81	2.34	--	--	2.65	Apr-14
Fixed Income Domestic	38,135,816	21.86	0.12	0.45	3.27	0.81	2.34	--	--	2.65	Apr-14
Spliced BBgBarc USAgg Float Adj Ix			0.07	0.47	3.28	0.94	2.41	2.04	4.21	2.73	Apr-14
Vanguard® Total Bond Market Index Fund Institutional Shares	38,135,816	21.86	0.12	0.45	3.27	0.81	2.35	1.98	4.16	2.68	Apr-14
Spliced BBgBarc USAgg Float Adj Ix			0.07	0.47	3.28	0.94	2.41	2.04	4.21	2.73	Apr-14
Spl Interm Inv-Grade Debt Funds Avg			0.06	0.40	3.28	1.18	2.20	1.96	3.82	2.45	Apr-14
Total Real Estate	17,718,315	10.16	-0.99	-1.37	2.47	5.44	5.79	--	--	7.91	Apr-14
Real Estate Domestic	17,718,315	10.16	-0.99	-1.37	2.47	5.44	5.79	--	--	7.91	Apr-14
REIT Spliced Index			-0.99	-1.33	2.58	5.56	5.89	9.54	5.77	8.02	Apr-14
Vanguard® REIT Index Fund Institutional Shares	17,718,315	10.16	-0.99	-1.37	2.47	5.44	5.79	9.47	5.82	7.92	Apr-14
REIT Spliced Index			-0.99	-1.33	2.58	5.56	5.89	9.54	5.77	8.02	Apr-14
Real Estate Funds Average			-0.34	-0.71	3.20	5.63	5.28	8.54	4.49	7.35	Apr-14

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

Total Portfolio Performance (Gross of Fees)

as of October 31, 2017



COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

Cash Flow Summary

	Month Ending October 31, 2017			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Vanguard® REIT Index Fund Institutional Shares	\$17,895,105	\$0	-\$176,790	\$17,718,315
Vanguard® Total Bond Market Index Fund Institutional Shares	\$38,108,276	-\$18,795	\$46,335	\$38,135,816
Vanguard® Total International Stock Index Fund Inst Shares	\$46,548,969	\$0	\$903,325	\$47,452,294
Vanguard® Total Stock Market Index Fund Institutional Shares	\$69,615,086	\$0	\$1,512,411	\$71,127,498
Total	\$172,167,437	-\$18,795	\$2,285,281	\$174,433,923

Net Investment Change is inclusive of income.



COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

Investment Expense Analysis

As Of October 31, 2017

Name	Market Value	% of Portfolio	Expense Ratio
Total Equity	\$118,579,792	68.0%	
Equity Domestic	\$71,127,498	40.8%	
Vanguard® Total Stock Market Index Fund Institutional Shares	\$71,127,498	40.8%	0.040%
Equity International	\$47,452,294	27.2%	
Vanguard® Total International Stock Index Fund Inst Shares	\$47,452,294	27.2%	0.090%
Total Fixed Income	\$38,135,816	21.9%	
Fixed Income Domestic	\$38,135,816	21.9%	
Vanguard® Total Bond Market Index Fund Institutional Shares	\$38,135,816	21.9%	0.040%
Total Real Estate	\$17,718,315	10.2%	
Real Estate Domestic	\$17,718,315	10.2%	
Vanguard® REIT Index Fund Institutional Shares	\$17,718,315	10.2%	0.100%
Total	\$174,433,923	100.0%	0.060%

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

Benchmark History

As Of October 31, 2017

COMMUNITY FOUNDATION FOR MUSKEGON COUNTY

9/1/2017	Present	39% Spliced Total Stock Market Index / 26% Spl Total International Stock Index / 25% Spliced BBgBarc USAgg Float Adj Ix / 10% REIT Spliced Index
8/1/2017	8/31/2017	38% Spliced Total Stock Market Index / 25.33% Spl Total International Stock Index / 26.67% Spliced BBgBarc USAgg Float Adj Ix / 10% REIT Spliced Index
7/1/2017	7/31/2017	37.5% Spliced Total Stock Market Index / 25% Spl Total International Stock Index / 27.5% Spliced BBgBarc USAgg Float Adj Ix / 10% REIT Spliced Index
5/1/2014	6/30/2017	10% REIT Spliced Index / 30% Spliced BBgBarc USAgg Float Adj Ix / 24% Spl Total International Stock Index / 36% Spliced Total Stock Market Index

Total Equity

N/A

Equity Domestic

4/30/2014 Present 100% CRSP US Total Market TR USD

Vanguard® Total Stock Market Index Fund Institutional Shares

4/30/2014 Present 100% CRSP US Total Market TR USD

Equity International

4/30/2014 Present 100% FTSE Global All Cap ex US

Vanguard® Total International Stock Index Fund Inst Shares

4/30/2014 Present 100% FTSE Global All Cap ex US

Total Fixed Income

N/A

Fixed Income Domestic

4/30/2014 Present 100% BBgBarc US Aggregate Float Adjusted TR

Vanguard® Total Bond Market Index Fund Institutional Shares

4/30/2014 Present 100% BBgBarc US Aggregate Float Adjusted TR

Total Real Estate

N/A

Real Estate Domestic

4/30/2014 Present 100% MSCI US REIT



Benchmark History

As Of October 31, 2017

Vanguard® REIT Index Fund Institutional Shares

4/30/2014 Present 100% MSCI US REIT

Vanguard REIT Index Fund (VGSNX)

Investment approach

- Seeks to track the performance of the MSCI US REIT Index.
- Equity real estate investment trusts.
- Passively managed, full-replication approach.
- Benchmark index covers two-thirds of the REIT market.
- Low expenses minimize net tracking error.

Key facts

Expense ratio as of 05/25/2017	10 bps
As reported in the most recent prospectus.	
Designation	Sector/specialized
Inception date	05/13/1996
Institutional Shares inception date	12/02/2003
Total net assets as of 09/30/2017 (\$M)	\$63,652
Net fund assets for VGSNX as of 09/30/2017 (\$M)	\$8,518
Holdings	155
Indexed to	MSCI US REIT Index (RMSG)
Turnover rate (fiscal year-end 01/31/2017)	6.7%
CUSIP	921908869
Investment manager	Vanguard Equity Index Group

Risk and volatility

	R ²	Beta
Primary benchmark	1.00	1.00
Broad-based benchmark	0.19	0.62

R-squared and beta are calculated from trailing 36-month fund returns relative to the associated benchmark. Broad-based benchmark: Dow Jones U.S. Total Stock Market Float Adjusted Index.

Performance



	Annualized					
	Quarter-end	Year-to-date	1-year	3-year	5-year	10-year
■ Fund	0.87%	3.49%	0.45%	9.55%	9.50%	6.05%
■ Benchmark	0.93%	3.61%	0.54%	9.67%	9.58%	6.00%
+/- Benchmark	-0.06%	-0.12%	-0.09%	-0.12%	-0.08%	0.05%

REIT Spliced Index: MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index thereafter.

Performance versus competitors

Percentage of Real Estate Funds outperformed by VGSNX



Source: Lipper, a Thomson Reuters Company. Based on total returns as of September 30, 2017. Number of funds in category: 1-year, 242; 3-year, 215; 5-year, 189; 10-year, 129. Results will vary for other time periods.

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance. Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Vanguard Total Bond Market Index Fund (VBTIX)

Investment approach

- Seeks to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index.
- Broadly diversified exposure to investment-grade U.S. bond market.
- Passively managed using index sampling.
- Intermediate-duration portfolio.
- Provides moderate current income with high credit quality.

Share of U.S. bond market (%)



- 100% Bloomberg Barclays U.S. Aggregate Float Adjusted Index

As measured by the Bloomberg Barclays U.S. Aggregate Bond Index.

Key facts

Expense ratio as of 04/26/2017	4 bps
As reported in the most recent prospectus.	
Designation	Treasury/agency/blend intermediate-term
Inception date	12/11/1986
Institutional Shares inception date	09/18/1995
Total net assets as of 09/30/2017 (\$M)	\$189,796
Net fund assets for VBTIX as of 09/30/2017 (\$M)	\$38,173
Holdings	8,248
Indexed to	Bloomberg Barclays U.S. Aggregate Float Adjusted Index (LBUFTRUU)
Turnover rate (fiscal year-end 12/31/2016)	61.0%
CUSIP	921937504
Investment manager	Vanguard Fixed Income Group

Risk and volatility

	R ²	Beta
Primary benchmark	0.99	1.03
Broad-based benchmark	0.99	1.03

R-squared and beta are calculated from trailing 36-month fund returns relative to the associated benchmark. Broad-based benchmark: Spliced Bloomberg Barclays U.S. Aggregate Float Adjusted Index.

Performance



	Annualized					
	Quarter-end	Year-to-date	1-year	3-year	5-year	10-year
Fund	0.73%	3.15%	-0.12%	2.63%	1.98%	4.25%
Benchmark	0.83%	3.21%	0.06%	2.72%	2.07%	4.30%
+/- Benchmark	-0.10%	-0.06%	-0.18%	-0.09%	-0.09%	-0.05%

Spliced Bloomberg Barclays U.S. Aggregate Float Adjusted Index: Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter.

Performance versus competitors

Percentage of Core Bond Funds outperformed by VBTIX



Source: Lipper, a Thomson Reuters Company. Based on total returns as of September 30, 2017. Number of funds in category: 1-year, 482; 3-year, 419; 5-year, 377; 10-year, 293. Results will vary for other time periods.

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month end, visit our website at vanguard.com/performance.

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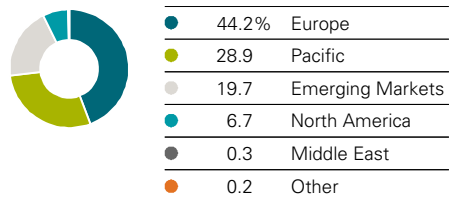
The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Vanguard Total International Stock Index Fund (VTSNX)

Investment approach

- Seeks to track the performance of the FTSE Global All Cap ex US Index.
- Broad exposure across developed and emerging non-U.S. equity markets.
- Passively managed.
- Fund remains fully invested.
- Low expenses minimize net tracking error.

Regional diversification



Key facts

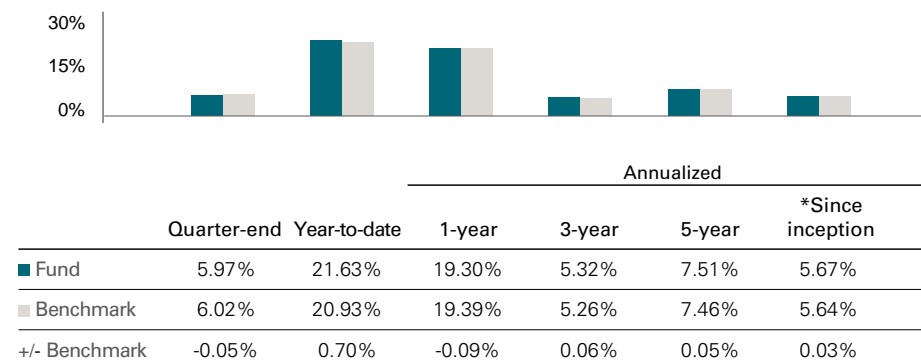
Expense ratio as of 02/23/2017	9 bps
As reported in the most recent prospectus.	
Designation	International/global blend
Inception date	04/29/1996
Institutional Shares inception date	11/29/2010
Total net assets as of 09/30/2017 (\$M)	\$306,577
Net fund assets for VTSNX as of 09/30/2017 (\$M)	\$28,743
Holdings	6,273
Indexed to	FTSE Global All Cap ex US Index (TGPVAN17)
Turnover rate (fiscal year-end 10/31/2016)	3.1%
CUSIP	921909784
Investment manager	Vanguard Equity Index Group

Risk and volatility

	R ²	Beta
Primary benchmark	0.98	0.94
Broad-based benchmark	0.98	0.94

R-squared and beta are calculated from trailing 36-month fund returns relative to the associated benchmark.
Broad-based benchmark: FTSE Global All Cap ex US Index.

Performance



Spliced Total International Stock Index: Total International Composite Index through August 31, 2006; MSCI EAFE + Emerging Markets Index through December 15, 2010; MSCI ACWI ex USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.

* Since fund's inception, November 29, 2010.

Performance versus competitors

Percentage of International Funds outperformed by VTSNX



Source: Lipper, a Thomson Reuters Company. Based on total returns as of September 30, 2017. Number of funds in category: 1-year, 1412; 3-year, 1167; 5-year, 1019. Results will vary for other time periods.

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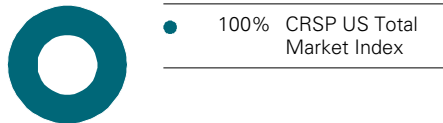
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Vanguard Total Stock Market Index Fund (VITSX)

Investment approach

- Seeks to track the performance of the CRSP US Total Market Index.
- Large, mid-, and small-cap equity diversified across growth and value styles.
- Passively managed, using index sampling.
- Fund remains fully invested.
- Low expenses minimize net tracking error.

Share of U.S. stock market (%)



As measured by the MSCI US Broad Market Index.

Key facts

Expense ratio as of 04/27/2017	3.5 bps
As reported in the most recent prospectus.	
Designation	Domestic large-cap blend
Inception date	04/27/1992
Institutional Shares inception date	07/07/1997
Total net assets as of 09/30/2017 (\$M)	\$620,506
Net fund assets for VITSX as of 09/30/2017 (\$M)	\$104,559
Holdings	3,626
Indexed to	CRSP US Total Market Index (CRSPTMT)
Turnover rate (fiscal year-end 12/31/2016)	4.1%
CUSIP	922908801
Investment manager	Vanguard Equity Index Group

Risk and volatility

	R ²	Beta
Primary benchmark	1.00	1.00
Broad-based benchmark	1.00	1.00

R-squared and beta are calculated from trailing 36-month fund returns relative to the associated benchmark.
Broad-based benchmark: Dow Jones U.S. Total Stock Market Float Adjusted Index.

Performance



	Annualized					
	Quarter-end	Year-to-date	1-year	3-year	5-year	10-year
Fund	4.54%	13.95%	18.64%	10.70%	14.19%	7.70%
Benchmark	4.55%	13.96%	18.64%	10.71%	14.19%	7.68%
+/- Benchmark	-0.01%	-0.01%	0.00%	-0.01%	0.00%	0.02%

Spliced Total Stock Market Index: Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.

Performance versus competitors

Percentage of Multi-Cap Core Funds outperformed by VITSX



Source: Lipper, a Thomson Reuters Company. Based on total returns as of September 30, 2017. Number of funds in category: 1-year, 721; 3-year, 617; 5-year, 546; 10-year, 377. Results will vary for other time periods.

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Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

All data as of September 30, 2017, unless otherwise noted.

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Total Portfolio Net of Fees returns reflect the deduction of fund expense ratios, purchase or redemption fees, and any advisory service fee applied to the client portfolio.

Total Portfolio returns represent client-specific time-weighted returns (TWR) are presented gross of any applicable service fees with the exception of mutual fund expense ratios and other security-level expenses.

Client performance inception date is generally the first month-end after initial funding. Mutual funds and all investments are subject to risk, including the possible loss of the money you invest. Diversification does not ensure a profit or protect against a loss.

Performance figures assume the reinvestment of dividends and capital gains distributions. The fund performance percentages are based on fund total return data, adjusted for expenses, obtained from Lipper, a Thomson Reuters Company. The total return data was not adjusted for fees and loads.

Benchmark comparative indexes represent unmanaged or average returns on various financial assets, which can be compared with funds' total returns for the purpose of measuring relative performance.

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