MESSAGE FROM THE INVESTMENT COMMITTEE CHAIR

Dear BCF Fundholders,

After a turbulent fourth quarter, the markets experienced a remarkable rebound in the first three months of 2019, completing one of the best quarters in recent history. In response to the December market drop, and amid concerns of a global slowdown, the Federal Reserve backed off its planned interest rate hikes, which, along with optimism about trade talks, helped fuel investor optimism.

I’m happy to report that your BCF pool enjoyed a 9.3% gain for the first quarter. Our three-year return averaged an annualized 8.2%, in line with our investable benchmark. We got impressive performance from U.S. equities (+14.0%), emerging markets (+11.4%) and non-US developed markets (+10.2%). Our modest underperformance in the first quarter is explained by our fixed income funds; in particular, Invest for More, BCF’s impact pool, which fell below the 3% target, largely because it isn’t fully invested yet—at this point we have deployed slightly less than half of the funds allocated for impact.

To that point, the Investment Committee recently approved a $1 million loan to AHC Inc., a provider of affordable housing in a number of Baltimore neighborhoods. What inspired us about AHC is not just the quality of their developments in underserved communities, but their Resident Services programs, which provide financial literacy and job-readiness training for their residents. They also offer programs for senior citizens and activities for the children living in their developments. They believe that having onsite programs such as these brings residents together, fostering stronger connections among neighbors.

Warm regards,

Patricia P. Baum
Chair, Investment Committee

<table>
<thead>
<tr>
<th></th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>5 YEAR</th>
<th>SINCE INCEPTION^2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BCF POOL</strong></td>
<td>3.2%</td>
<td>8.2%</td>
<td>4.2%</td>
<td>4.1%</td>
</tr>
<tr>
<td><strong>Benchmark</strong>^1</td>
<td>3.2%</td>
<td>8.2%</td>
<td>4.3%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

1. The BCF Benchmark is currently comprised of 38% Russell 3000 Index, 25% FTSE Developed All Cap ex US Index, 7% FTSE Emerging Markets All Cap China A Inclusion Index, 27% Barclays U.S. Aggregate Float Adjusted Index, and 3% T-Bills. Historical composition of the benchmark over time is available upon request.

2. Since inception means from August 2005 when the BCF pool was established.
BCF POOL
Endowed funds are invested in the BCF Pool, which is managed with a long-term horizon and aims to produce a relatively stable spendable amount available for grantmaking from year to year.

ASSET CLASS DESCRIPTIONS
- **EQUITY**—frequently referred to as “common stock”—may differ by geographic orientation: U.S./non-U.S./emerging markets.
- **U.S. EQUITY**
- **NON-U.S. DEVELOPED EQUITY**
- **EMERGING MARKETS**
- **FIXED INCOME**: may include bond market index funds and community impact lending.
- **CASH & EQUIVALENTS**: Investments in short-term, high-quality securities, with income largely dependent on the current interest rate environment.

MONEY MARKET POOL
Non-endowed funds are invested in the Vanguard Treasury Money-Market Fund, with a 1-Year return of 2.04%. Non-endowed fundholders with a longer time-horizon for grantmaking may recommend investment in the BCF Pool.

INVEST FOR MORE
Funds allocated to Invest for More will support local impact investments in companies, organizations, and funds with the intention of generating a measurable, beneficial social impact as well as a financial return.

Current local impact investments include:
- **$1,029,866**
  - RBC Funds Access Capital Community Investment Fund
- **$507,329**
  - Reinvestment Fund Notes
- **$795,087**
  - Cash and Cash Equivalents

For additional details about Invest for More, please visit [www.bcf.org/investformore](http://www.bcf.org/investformore)

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**AS OF 3/31/2019**

<table>
<thead>
<tr>
<th>ASSET CLASS</th>
<th>ACTUAL</th>
<th>TARGET</th>
<th>INVESTMENT</th>
<th>BENCHMARK</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. EQUITY</strong></td>
<td>37.9%</td>
<td>38%</td>
<td>Vanguard Total Stock Market Index Fund (VITSX)</td>
<td>Russell 3000 Index</td>
</tr>
<tr>
<td><strong>NON-U.S. DEVELOPED EQUITY</strong></td>
<td>25.1%</td>
<td>25%</td>
<td>Vanguard Developed Markets Index Fund (VTMNX)</td>
<td>FTSE Developed All Cap ex US Index</td>
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<tr>
<td><strong>EMERGING MARKETS</strong></td>
<td>7.3%</td>
<td>7%</td>
<td>Vanguard Emerging Markets Stock Index Fund (VEMIX)</td>
<td>FTSE Emerging Markets All Cap China A Inclusion Index</td>
</tr>
<tr>
<td><strong>OTHER</strong></td>
<td>.5%</td>
<td>0%</td>
<td>Siquer Guff Distressed Opportunities Fund III</td>
<td>Redeeming Hedge Funds</td>
</tr>
<tr>
<td><strong>FIXED INCOME</strong></td>
<td>25.8%</td>
<td>23%</td>
<td>Vanguard Intermediate-Term Bond Index Fund (VBIMX)</td>
<td>Bloomberg Barclays U.S. Aggregate Float Adjusted Index</td>
</tr>
<tr>
<td></td>
<td>1.7%</td>
<td>4%</td>
<td>Vanguard Total Bond Market Index Fund (VBTIX)</td>
<td>Local Impact Investments</td>
</tr>
<tr>
<td><strong>CASH AND EQUIVALENTS</strong></td>
<td>1.7%</td>
<td>3%</td>
<td>Vanguard Treasury Money Market Fund (VUSXX)</td>
<td>Citigroup 3 Month Treasury Bill Index</td>
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