

# Investment Performance Summary

As of 12/31/2025

KERN COMMUNITY  
FOUNDATION

Growing community.  
Growing philanthropy.

Individual Investment Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Domestic Equity Pool TR	<b>17.14</b>	<b>-0.03</b>	<b>2.43</b>	<b>17.14</b>	<b>22.25</b>	<b>13.09</b>	<b>14.26</b>
Domestic Equity Benchmark	17.15	-0.03	2.45	17.15	22.24	13.08	14.25
S&P 500 TR USD	17.88	0.06	2.66	17.88	23.01	14.42	14.82
International Equity Pool TR	<b>33.04</b>	<b>2.81</b>	<b>4.85</b>	<b>33.04</b>	<b>17.22</b>	<b>8.13</b>	<b>8.57</b>
International Equity Benchmark	32.88	3.06	5.20	32.88	17.23	8.02	8.46
MSCI ACWI Ex USA NR USD	32.39	3.00	5.05	32.39	17.33	7.91	8.41
Intermediate-Term Fixed Income Pool	<b>8.40</b>	<b>-0.17</b>	<b>1.19</b>	<b>8.40</b>	<b>5.44</b>	<b>0.26</b>	<b>2.49</b>
Intermediate-Term Fixed Income Benchmark	8.58	-0.07	1.30	8.58	5.50	0.35	2.58
Short-Term Fixed Income Pool TR	<b>6.62</b>	<b>0.24</b>	<b>1.28</b>	<b>6.62</b>	<b>5.14</b>	<b>1.56</b>	<b>2.20</b>
Short-Term Fixed Income Benchmark	6.67	0.27	1.29	6.67	5.19	1.65	2.30
Money Market Pool TR	<b>3.82</b>	<b>0.29</b>	<b>0.90</b>	<b>3.82</b>	<b>4.29</b>	<b>2.67</b>	<b>1.72</b>
USTREAS T-Bill Auction Ave 3 Mon	4.29	0.31	0.97	4.29	4.99	3.41	2.28

Individual investment options allow donors to recommend a custom allocation strategy, which can include one or more Investment Pools. Please refer to the quarterly Investment Performance Supplemental Report for benchmark definitions.

\*The Domestic Equity TR, the International Equity TR, the Domestic Equity Benchmark and the International Equity Benchmark have an inception date of 6/30/19: performance prior to that date is pro forma.

Investment Mix Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Aggressive Mix TR	<b>18.18</b>	<b>0.62</b>	<b>2.68</b>	<b>18.18</b>	<b>17.18</b>	<b>9.36</b>	<b>10.52</b>
Aggressive Mix Benchmark	18.19	0.69	2.78	18.19	17.22	9.37	10.53
Moderately Aggressive Mix TR	<b>15.53</b>	<b>0.52</b>	<b>2.36</b>	<b>15.53</b>	<b>14.47</b>	<b>7.67</b>	<b>8.69</b>
Moderately Aggressive Mix Benchmark	15.56	0.58	2.44	15.56	14.53	7.72	8.74
Moderate Mix TR	<b>12.43</b>	<b>0.39</b>	<b>1.96</b>	<b>12.43</b>	<b>11.31</b>	<b>5.65</b>	<b>6.53</b>
Moderate Mix Benchmark	12.51	0.44	2.02	12.51	11.41	5.76	6.63
Conservative Mix TR	<b>9.34</b>	<b>0.29</b>	<b>1.56</b>	<b>9.34</b>	<b>8.10</b>	<b>3.63</b>	<b>4.33</b>
Conservative Mix Benchmark	9.49	0.34	1.62	9.49	8.28	3.83	4.50
Risk Averse Mix TR	<b>3.82</b>	<b>0.29</b>	<b>0.90</b>	<b>3.82</b>	<b>4.29</b>	<b>2.67</b>	<b>1.72</b>
USTREAS T-Bill Auction Ave 3 Mon	4.29	0.31	0.97	4.29	4.99	3.41	2.28

Investment Mix options offer a simple, one-stop approach to an investment strategy that best reflects your charitable goals. Donors recommend one option, which Greater Horizons rebalances.

Returns for periods greater than 1 year are compound annual returns. TR = Total Return

Current Investment Mix Allocations	Domestic Equity Pool	Int'l Equity Pool	Inter-Term Fixed Income Pool	Short-Term Fixed Income Pool	Money Market Pool
Aggressive	55%	22%	10%	10%	3%
Moderately Aggressive	43%	17%	10%	25%	5%
Moderate	29%	11%	15%	35%	10%
Conservative	14%	6%	18%	42%	20%
Risk Averse	0%	0%	0%	0%	100%

## Estimated Investment Management Fees for the Investment Mix Options

Aggressive	0.06%
Moderately Aggressive	0.07%
Moderate	0.08%
Conservative	0.09%
Risk Averse	0.14%

Performance is presented gross of Kern Community Foundation administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

## Customer Service

If you have any questions about your fund or wish to request a change in your investment mix, please contact Donor Services at 661.616.2617 or [donorservices@ kernfoundation.org](mailto:donorservices@ kernfoundation.org).

Contact Thomas Shepherd at [thomas@ kernfoundation.org](mailto:thomas@ kernfoundation.org) or 661.325.5346 for more information on the pools, including their component funds and blended benchmarks or the Investment Policy Statement.

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661.325.5346 [www.kernfoundation.org](http://www.kernfoundation.org)

# Domestic Equity Pool

As of 12/31/2025

## Trailing Returns

Domestic Equity Pool & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Domestic Equity Pool TR</b>	<b>17.14</b>	<b>2.43</b>	<b>17.14</b>	<b>22.25</b>	<b>13.09</b>	<b>14.26</b>
Domestic Equity Benchmark	17.15	2.45	17.15	22.24	13.08	14.25
S&P 500 TR USD	17.88	2.66	17.88	23.01	14.42	14.82
Russell 3000 TR USD	17.15	2.40	17.15	22.25	13.15	14.29

## Purpose

The purpose of the Domestic Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the Equity Pool is to obtain broad equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

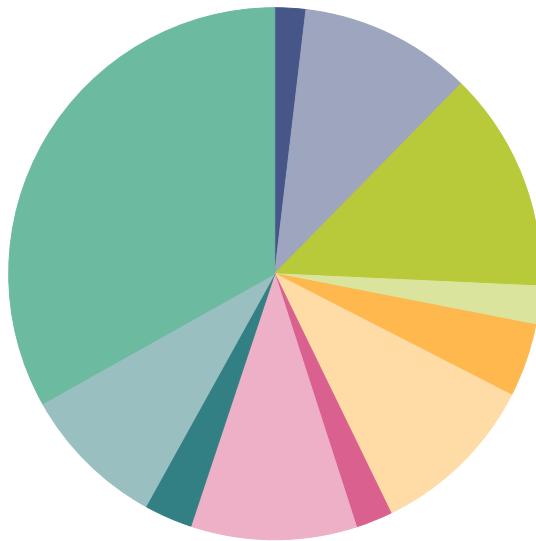
## Trailing Returns

Equity Pool Holdings & Benchmarks	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Instl Ttl Stk Mkt Idx InstlPls</b>	<b>17.16</b>	<b>2.44</b>	<b>17.16</b>	<b>22.27</b>	<b>13.10</b>	<b>14.27</b>
CRSP US Total Market TR USD	17.15	2.45	17.15	22.24	13.08	14.25

## Top Holdings - Domestic Equity Pool

Portfolio Date: 12/31/2025	Market Value (mil)	Portfolio Weighting %
Vanguard Instl Ttl Stk Mkt Idx InstlPls	\$ 679.9	100.0%

## Equity Sectors (Morningstar) - Domestic Equity Pool



	%
Basic Materials	1.9
Consumer Cyclical	10.5
Financial Services	13.4
Real Estate	2.3
Consumer Defensive	4.5
Healthcare	10.3
Utilities	2.2
Communication Services	10.1
Energy	2.9
Industrials	8.8
Technology	33.1
<b>Total</b>	<b>100.0</b>

Equity Benchmark Current

CRSP US Total Stock Market 100%

Source: Morningstar Direct

## Top Stock Holdings

1. NVIDIA Corp
2. Apple inc
3. Microsoft Corp
4. Amazon.com Inc
5. Alphabet Inc Class A
6. Broadcom Inc
7. Alphabet Inc Class C
8. Meta Platforms Inc Class A
9. Tesla Inc
10. Eli Lilly and Co

Trailing Twelve Month Dividend Yield: 1.30%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .03%

# International Equity Pool

As of 12/31/2025

## Trailing Returns

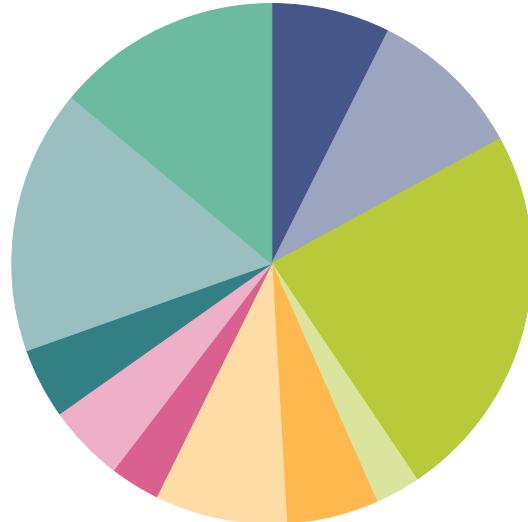
Equity Pool & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>International Equity Pool TR</b>	<b>33.04</b>	<b>4.85</b>	<b>33.04</b>	<b>17.22</b>	<b>8.13</b>	<b>8.57</b>
International Equity Benchmark	32.88	5.20	32.88	17.23	8.02	8.46
FTSE Global All Cap ex US TR USD	32.37	4.89	32.37	17.64	8.38	8.88

Performance for the International Equity Pool prior to 06/30/2019 is pro-forma based on the experience of the previous Equity Pool

## Trailing Returns

International Equity Pool Holding & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Developed Markets Index Instl</b>	<b>35.16</b>	<b>5.68</b>	<b>35.16</b>	<b>17.94</b>	<b>9.13</b>	<b>8.73</b>
FTSE Developed ex US All Cap NR USD	34.56	6.06	34.56	17.77	8.92	8.52
<b>Vanguard Emerging Mkts Stock Idx Instl</b>	<b>24.79</b>	<b>1.38</b>	<b>24.79</b>	<b>14.80</b>	<b>4.67</b>	<b>8.14</b>
FTSE Emerging NR USD	26.01	1.80	26.01	15.43	4.89	8.56

## Equity Sectors (Morningstar) - International Equity Pool



International Equity Benchmark	Current
FTSE Developed ex US All Cap	80%
FTSE Emerging Markets	20%

Source: Morningstar Direct

## Purpose

The purpose of the International Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the International Equity Pool is to obtain broad international equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

## Top Holdings - International Equity Pool

Portfolio Date: 12/31/2025	Market Value (mil)	Portfolio Weighting %
Total Market Value: \$280,606,259		
Vanguard Developed Markets Index Ins Pls	\$ 224.1	80%
Vanguard Emerging Mkts Stock Idx Instl	\$ 56.5	20%

## Top Stock Holdings

1. Taiwan Semiconductor Manufacturing Co Ltd
2. ASML Holdings NV
3. Samsung Electronics Co Ltd
4. Tencent Holdings Ltd
5. Roche Holdings AG
6. AstraZeneca PLC
7. HSBC Holdings PLC
8. Novartis AG Registered Shares
9. Nestle SA
10. SAP SE

Trailing Twelve Month Dividend Yield: 2.93%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .05%

# Intermediate-Term Fixed Income Pool

As of 12/31/2025

## Trailing Returns

Int-Term Fix. Inc. Pool & Blended Benchmark	Year	Quarter	1 Year	3 Years	5 Years	10 Years
	To Date			Annualized	Annualized	Annualized
<b>Intermediate-Term Fixed Income Pool TR</b>	<b>8.40</b>	<b>1.19</b>	<b>8.40</b>	<b>5.44</b>	<b>0.26</b>	<b>2.49</b>
Intermediate-Term Fixed Income Benchmark	8.58	1.30	8.58	5.50	0.35	2.58

## Purpose

The purpose of the Intermediate-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgage-backed securities, and U.S. Treasury Inflation-Protected Securities. The average effective duration and interest rate risk of the Pool will be commensurate with broad fixed income benchmarks such as the Barclays US Aggregate Bond index.

## Trailing Returns

Short-Term Fix. Inc. Pool Holdings & Benchmarks	Year	Quarter	1 Year	3 Years	5 Years	10 Years
	To Date			Annualized	Annualized	Annualized
<b>Vanguard Inter-Term Bond Index I</b>	<b>8.58</b>	<b>1.14</b>	<b>8.58</b>	<b>5.36</b>	<b>-0.18</b>	<b>2.49</b>
Bloomberg US 5-10 GovCredit FIAdj TR USD	8.76	1.23	8.76	5.36	-0.15	2.55
<b>Vanguard Mortgage-Backed Secs Idx Instl</b>	<b>8.44</b>	<b>1.57</b>	<b>8.44</b>	<b>4.92</b>	<b>0.16</b>	<b>1.53</b>
Bloomberg US MBS TR USD	8.58	1.71	8.58	4.90	0.15	1.59
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Ins</b>	<b>6.06</b>	<b>0.39</b>	<b>6.06</b>	<b>5.14</b>	<b>3.54</b>	<b>3.16</b>
Bloomberg US TIPS 0-5 Year TR USD	6.07	0.39	6.07	5.11	3.54	3.18
<b>State Street® SPDR® Port Hi Yld Bd ETF</b>	<b>8.52</b>	<b>1.33</b>	<b>8.52</b>	<b>10.09</b>	<b>4.73</b>	<b>5.68</b>
ICE BofA US High Yield TR USD	8.50	1.35	8.50	10.03	4.50	6.45

## Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2025	Market Value (mil)	Portfolio Weight %
Total Market Value: \$289,474,513		
Vanguard Inter-Term Bond Index Ins Plus	\$ 202.2	70.0%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 60.8	21.0%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 13.0	4.5%
State Street® SPDR® Port Hi Yld Bd ETF	\$ 13.0	4.5%

## Intermediate-Term Fixed Income Benchmark Weights

## Percent

## Inception Date: January 1, 2014

Bloomberg US 5-10 GovCredit FIAdj TR USD	70%	Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.
Bloomberg US MBS TR USD	21%	
Bloomberg US TIPS 0-5 Year TR USD	4.5%	Estimated Pool Investment Management Fee: 0.05%
ICE BofA US High Yield TR USD	4.5%	

## Fixed Income Pool Statistics

Average Yield to Maturity	4.45%
Average Effective Duration	5.46 years
Trailing Twelve Month Yield	3.94%

# Short-Term Fixed Income Pool

As of 12/31/2025

## Trailing Returns

Short-Term Fix. Inc. Pool & Blended Benchmark	Year To Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Short-Term Fixed Income Pool TR</b>	<b>6.62</b>	<b>1.28</b>	<b>6.62</b>	<b>5.14</b>	<b>1.56</b>	<b>2.20</b>
Short-Term Fixed Income Benchmark	6.67	1.29	6.67	5.19	1.65	2.30

## Purpose

The purpose of the Short-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The Pool will have a lower average effective duration than broad fixed income market benchmarks such as the Barclays U.S. Aggregate Bond Index, hence limiting overall interest rate risk.

## Trailing Returns

Short-Term Fix. Inc. Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Short-Term Bond Idx I</b>	<b>6.10</b>	<b>1.20</b>	<b>6.10</b>	<b>4.90</b>	<b>1.54</b>	<b>2.13</b>
Bloomberg US 1-5Y GovCredit FlAdj TR USD	6.11	1.18	6.11	4.91	1.56	2.17
<b>Vanguard Mortgage-Backed Secs Idx Instl</b>	<b>8.44</b>	<b>1.57</b>	<b>8.44</b>	<b>4.92</b>	<b>0.16</b>	<b>1.53</b>
Bloomberg US MBS Float Adjusted TR USD	8.53	1.73	8.53	5.03	0.30	1.64
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Ins</b>	<b>6.06</b>	<b>0.39</b>	<b>6.06</b>	<b>5.14</b>	<b>3.54</b>	<b>3.16</b>
Bloomberg US TIPS 0-5 Year TR USD	6.07	0.39	6.07	5.11	3.54	3.18
<b>Invesco Senior Loan ETF</b>	<b>6.66</b>	<b>1.65</b>	<b>6.66</b>	<b>8.81</b>	<b>5.37</b>	<b>4.72</b>
Morningstar LSTA US LL100 Index TR USD						

## Short-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2025	Market Value (mil)	Portfolio Weight %
Total Market Value: \$281,174,471		
Vanguard Short-Term Bond Idx InstlPls	\$ 196.2	70.0%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 58.8	21.0%
Invesco Senior Loan ETF	\$ 12.6	4.5%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 12.6	4.5%

## Short-Term Fixed Income Benchmark Weights

## Percent

## Inception Date: January 1, 2014

Bloomberg US 1-5Y GovGredit FlAdj TR USD	70%	Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.
Bloomberg US MBS Float Adjusted TR USD	21%	
Bloomberg US TIPS 0-5 Year TR USD	4.5%	Estimated Pool Investment Management Fee: 0.08%
Morningstar LSTA US LL 100 Index TR USD	4.5%	

## Fixed Income Pool Statistics

Average Yield to Maturity	4.07%
Average Effective Duration	2.98 years
Trailing Twelve Month Yield	4.11%

# Money Market Pool

As of 12/31/2025

## Purpose

The purpose of the Money Market Pool is to provide liquidity for participating charitable funds and organizations in funding grant making and payment of fees and administrative costs while providing desired principal stability. The long term investment objective of the Money Market Pool is to seek a competitive market return to preserve and grow the portfolio, provide cash flows to meet charitable needs now and those in the future. As such, the Money Market Pool is highly liquid, which enables donors to access funds for grants in a timely manner. The Money Market Pool invests in bank deposits and obligations of the United States government and its agencies.

## Money Market Trailing Returns

Time Period	Money Market Pool	90 Day Treasury Bills
Year to Date	3.82%	4.29%
3 Months	0.90%	0.97%
1 Year	3.82%	4.29%
3 Years	4.29%	4.99%
5 Years	2.67%	3.41%
10 Years	1.72%	2.28%

*Performance periods greater than 12 months are annualized.  
Performance is net of investment management fees but not the Foundation's administrative fees.*

Current Month Return Annualized: 3.51%

# Investment Commentary

## December 31, 2025

Global equity and fixed income markets posted positive returns in the fourth quarter, with the MSCI All Country World Index returning +3.3% (+22.3% YTD) and the Bloomberg U.S. Aggregate Bond Index gaining +1.1% (+7.3% YTD). During the period, the U.S. Federal Reserve ("Fed") implemented two additional 0.25% rate cuts, lowering the target range to 3.5% to 3.75%, and extended the easing cycle that began in September. These policy adjustments lowered short-term borrowing costs, supporting risk assets amid ongoing concerns about moderating economic growth and labor-market softness in the United States.

Domestic equity markets, as measured by the S&P 500 Index, returned +2.7% (+17.9% YTD), supported by expectations of continued monetary easing, earnings strength among mega-cap technology companies, and resilient consumer spending. U.S. small-cap equities, as measured by the Russell 2000 Index, advanced +2.2% (+12.8% YTD), while mid-cap equities were essentially unchanged, with the Russell Mid Cap Index returning +0.2% (+10.6% YTD). From a sector perspective, healthcare (+11.7% Q4, +14.6% YTD) and communication services (+7.3% Q4, +33.6% YTD) led performance for the quarter. After lagging earlier in the year, health care benefited from a rotation into defensive companies with stronger-than-expected earnings. Rate-sensitive sectors such as real estate (-2.9% Q4, +3.2% YTD) and utilities (-1.4% Q4, +16.0% YTD) lagged, driven by a late quarter increase in U.S. Treasury yields that weighed on valuations. For the year, the S&P 500 Index delivered its third consecutive year of double-digit gains, fueled by persistent enthusiasm around artificial intelligence. The top performing sectors for the year were communication services (+33.6% YTD) and technology (+24.0% YTD). Consumer staples (+3.9% YTD) and consumer discretionary (+6.0% YTD) sectors underperformed for the year. In 2025, U.S. consumer spending was characterized by a sharp divide, or "k-shaped" recovery, where resilient spending by affluent households helped offset a broader slowdown among lower-income groups. This dynamic created a performance gap across equity markets as continued inflationary pressures on lower-income households, tariff uncertainty, and a decline in investor sentiment served as headwinds for consumer-oriented sectors for the year.

Developed international equities, as measured by the MSCI EAFE Index, gained +4.9% (+31.2% YTD). Emerging markets also advanced, with the MSCI Emerging Markets Index returning +4.7% (+33.6% YTD). International markets outperformed U.S. equities in 2025, supported by a weaker U.S. dollar, improving corporate earnings across Europe and Asia, and targeted fiscal initiatives that helped bolster regional demand. Emerging markets were further supported by countries tied to AI-related supply chains, improving technology fundamentals, and region-specific policy developments. Both indices ended the year with some of their strongest results in more than a decade. Attractive relative valuations across both developed and emerging markets remain a source of investor interest.

Fixed income markets were positive for the quarter as yields moved lower following the Fed's rate cuts, and credit conditions remained stable. The Bloomberg U.S. Aggregate Bond Index returned +1.1% (+7.3% YTD). High-yield credit outperformed investment-grade credit, supported by solid corporate earnings and favorable supply-and-demand dynamics. Credit spreads, a valuation measure that is the difference in yield between a corporate bond and a "risk-free" governmental bond, remained at historically tight levels for both investment-grade and high-yield credit. Municipal bonds also delivered positive performance, with the Bloomberg Municipal Bond Index returning +1.6% (+4.3% YTD). Overall, the fixed-income environment reflected greater stability than earlier in the year, with investors gaining renewed confidence in the trajectory of interest rates and the resilience of corporate and municipal borrowers.