INVESTMENT UPDATE: COLEMAN FOUNDATION May, 2018

To: Michael W. Hennessy (MH), Esther Barron (EB), & R. Michael Furlong (MF), Alison Fitzgerald (AF)

From: Daniel B. Wanzenberg (DW) & Trevor C. Davies (TD)

Re: **Market Update as of May 03, 2018 with performance updates through 03/31/2018**

Allocation and Performance *(please see the asset allocation spreadsheet **as of 5/4/2018**, which is at the end of this report)*

Volatility experienced during the first quarter of 2018, continued through April as Geopolitical headlines unsettled investors and led to meaningful swings in the market day-to-day. As the prospect of a "trade war" between the US and China took center stage for much of the month, alongside rising tension between the US and Russia over the current political and economic state of Syria, the market was juxtaposed with geopolitical uncertainty coupled with an intriguing earnings season. Furthermore, as uncertainty continued surrounding the Iranian Nuclear Deal, oil prices rose over 7% for the month, and as a result, commodities were one of the top performing asset classes in April, up 2.6%. Through April 30, 32% of the S&P 500 index, by market cap, has reported and the US first quarter earnings show strong momentum, with earnings-per-share growth of 23%. Additionally, of the S&P companies that have reported, over three-quarters have exceeded expectations. However, despite the strong reports, the S&P 500 ended the month up only 0.4%. It remains to be seen how the market reacts to the two expected interest rates increase by the Fed over the remainder of 2018.

Globally, the MSCI Emerging Markets Index returned 1.2%, the Japan TOPIX 3.6%, MSCI Europe ex UK 4.5%, and the UK FTSE 100 returned 6.8%. The strong returns in the UK and Europe can be attributed to a 1.8% decline in the euro and sterling both against the dollar over the month boosted international earnings.

CFI Equity: (Current 71.4% vs. Target 70.0%)

CFI US Public Equity *(*review manager commentaries and additional attachments/performance attribution)

(+/-) Dana: *Large Cap* - outperformed the S&P 500 index (-0.44% vs. -0.77%) for the first quarter. (Full Year 2017 – 28.37% vs. 20.46%)

Small Cap **-** underperformed the Russell 2000 index (-3.47% vs. -0.18%) for the first quarter. (2017 – 13.22% vs. 14.21%)

(+) **In-House Equities:** At 03-31-18 CFI owned 15 stocks in the In-House account. For the Quarter these stocks were down -1.14%. The best performing stocks in this group have been Amazon, Mastercard, and Intel.

(+) **Pinnacle Associates:** Pinnacle performed in-line with the Russell 2500 index (-0.26% vs. -0.34%) during the quarter. (2017 – 25.88% vs. 16.31%)

(-) **Fuller & Thaler (F&T)**: The F&T Micro-cap portfolio underperformed the Russell Microcap index (-4.64% vs. 0.68%) for the quarter. (2017 – 28.36% vs. 13.17%)

(-) **LaSalle Street**: The LaSalle Street Small Cap portfolio underperformed the Russell 2000 index (-2.48% vs. -0.18%) for the quarter. (2017 – 14.17% vs. 14.21%)

CFI International Equity:

(=) Blackrock Passive (MSCI ACWI ex/US): The MSCI ACWI ex/US index returned -1.34% for the quarter. (2017 – 27.04%)

(+) **WCM Focused International Growth:** WCM Focused Growth outperformed the MSCI ACWI ex US Growth index (1.55% vs. -0.87%) for the quarter. (2017 – 33.04% vs. 32.01%)

(+) **WCM Focused International Value:** WCM Focused Value outperformed the MSCI ACWI ex US index (1.79% vs. -1.34%) for the quarter. (2017 – 24.81% vs. 27.04%)

CFI Private Equity:

CFI now is invested in five funds managed by two different firms (Portfolio Advisors and Brickman) in the Private Equity space.

Portfolio Advisors: CFI started investing in these Funds in 2007 and 2008. All three Funds will no longer make any major new investments and any remaining commitments will be used as a reserve for existing investments and netted against distributions from each fund as needed. All of these Funds are in the process of liquidation of their Investments and returning the proceeds to Investors. The following is the current recap of CFI's 3-31-18 Estimated Market Values (MV) of each Commitment and Proceeds Returned to CFI for the First Quarter, 2018:

Equity Fund IV 3-31-18 MV $1,959,647 with Total Distributions in 2018 of $223,572.

Equity Fund V 3-31-18 MV $2,044,651 with Total Distributions in 2018 of $202,313.

Secondary Fund 3-31-18 MV $796,556 with Total Distributions in 2018 of $46,794.

Total Distributions for the First Quarter, 2018 from PA was $472,679. Up from the First Quarter of 2017 $345,426 or +37.%. For All Funds, Fund IV, Fund V and the Secondary Fund have returned all the original investment made to Date. Total MV PA Funds at 3-31-18 is $4,800,854 vs 3-31-17 MV 6,126,190.

Brickman Real Estate LP (Brickman Fund V and Fund VI and commitment to Fund VII) Fund V during the First Quarter, 2018 the Fund called $0 for new investments, and returned $0 Capital. Current Estimated MV of Fund V at 3-31-18 is $908,572. Fund V will no longer make any major investments in Buildings, only improvements to currently owned Buildings. Fund V is also in the process of liquidation of their Buildings over the next several years which will affect the Overall Performance of this Fund.

During First Quarter, 2018 Fund VI also called $0 for new Investments and returned $0 Capital. Esti**mated** MV of Fund VI at 3-31-18 is $5,000,883. During 2017, CFI made a committed $5 million to Brickman's Fund VII, no Funds have been call to date.

Hillcrest Credit and Income Fund II, LP: CFI has committed $5 million to this (Brickman) Fund, initial closing 7-28-16, which will target a market segment in subordinate debt and preferred equity in high quality real estate assets in top U.S. metropolitan markets. CFI is considering this to be a Fixed Income Investment with the Fund's first capital call in January of 2018 of $1,113,586. Estimated MV at 3-31-18 $959,263.

CFI Fixed Income: (Current 27.4% vs. Target 28.5%)

(=) Wasmer Schroeder (WS) Traditional: WS performed in-line with the Barclays Agg. 3-5 yr. index (-0.79% vs. -0.86%) for the quarter. 2017 – 2.44% vs. 1.75%

(=) Wasmer Schroeder CMBS/Hybrid Account: This strategy is being reconfigured and redeployed into an expanded credit and security account to be managed by Wasmer.

(-) **NorthCoast Tactical Income:** underperformed the Barclays Agg. 3-5 yr. index (-1.20% vs.-0.86%) for the quarter. 2017 – 8.94% vs. 1.75%

(+) **Lord Abbett Short Duration Funds –** Holder of cash until Capital Calls on investments. Current daily Yield 4%.

(+) **Goldman Sachs Broad Street Realty Fund:** annualized distributions are providing income at approximately 9% (income Return).

(+) **Hillcrest Realty Income:** just started with capital call in January 2018.

Open Items:

INTL rebalancing

Daniel B. Wanzenberg

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Trevor C. Davies

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Dana Investment Advisors

Market Commentary:

Equities started strong in January by continuing with many of 2017's market trends. The S&P 500 Index set multiple new highs before peaking on January 26th. Markets then declined in 7 of the next 9 trading days, with 3 trading days seeing one-day losses greater than 2% on the S&P 500 Index, an event that did not occur once in the prior 16 months. However, this drop in prices barely reached the -10% "correction" level with most of the Index loss being recovered over the following week. Nevertheless, volatility remained elevated through the end of the quarter, as compared to the exceptionally low volatility levels of 2017. In just the first quarter of 2018, the S&P 500 Index experienced daily moves of 1% or more almost 3 times more often than in all of 2017. The S&P 500 Index spent most of February and March in positive YTD territory, before a technology-led decline in stocks overtook the market in the second half of March. The S&P 500 Index finished the bumpy quarter with a modest negative total return of -0.76%.

Large Cap – Strategy Commentary

The Dana Large Cap Equity Strategy posted a total return of -0.44% during Q1, slightly negative but still ahead of the benchmark S&P 500 Index. The mega-cap size headwind disappeared in Q1, though the equally-weighted S&P 500 Index still underperformed the cap-weighted index. The growth headwind remained strong in Q1 with an over 4% spread between the Russell 1000 Growth and Value Indexes at quarter end. Four of the Strategy's 12 Information Technology holdings posted double-digit returns making it the Strategy's strongest-performing sector, and one of only two S&P 500 Index sectors with positive net returns in Q1. Materials was the weakest Strategy sector, while the Telecommunication Services sector displayed the greatest weakness for the S&P 500 Index.

SECTOR CONTRIBUTORS

Consumer Staples – outperformance was helped by the acquisition of Dr. Pepper Snapple Group (DPS); other holdings in the sector also collectively performed better than sector average

Information Technology – four of the top six Q1 performers were Information Technology stocks, led by FinTech stocks Broadridge Financial Solutions, Inc. (BR) and Mastercard, Inc. (MA)

SECTOR DETRACTORS

Consumer Discretionary – lack of exposure to Amazon.com, Inc. (AMZN) accounted for a majority of the underperformance in the sector; Comcast Corporation (CMCSA) and D.R. Horton, Inc. (DHI) lagged

Industrials – housing-related holdings Owens Corning (OC) and Stanley Black & Decker (SWK) both suffered declines which drove underperformance in the Industrials sector

SELECT ADDITIONS

Best Buy Company, Inc. (BBY) – U.S.-based consumer electronics retailer was an early victim of the e-commerce threat but, several years later, has shown an ability to adapt and thrive in the omnichannel retail landscape; management has emphasized e-commerce, instituted price matching, halted store growth, and prioritized service elements of the business; at 14x forward earnings with a 2.5% dividend and 8% free cash flow yield, valuation is quite reasonable

Cisco Systems, Inc. (CSCO) – global networking leader is exposed to favorable end markets and retains competitive moats across the majority of its product lines; a 7% free cash flow yield and $35B in net cash make CSCO a defensive holding with capital return or acquisition optionality

SELECT DELETIONS

Broadcom Ltd. (AVGO) – diversified semiconductor supplier was a strong contributor through its holding period; an aggressive roll-up strategy culminating in a recent ~$100B hostile bid for QCOM has added considerable volatility to shares; relatively high exposure to a slower growing smartphone market is a near-term headwind

Ingredion, Inc. (INGR) – INGR was a reasonable performer through its holding period in an underperforming Consumer Staples sector; modest cost pressures in select international markets slowed margin growth following a strong 2016; a deteriorating quantitative score reflects declining return metrics and revenue stagnation

SMID Cap – Strategy Commentary

The Dana Small Cap Equity Strategy returned -3.47% during the quarter. While performing well within several sectors, weakness in Information Technology and Health Care detracted from overall returns. Corporate tax cuts and a strong economy drove corporate earnings growth, an especially positive development for small-cap stocks. We continue to adhere to our relative investment discipline by holding higher quality stocks with good growth prospects at attractive relative valuations.

SECTOR CONTRIBUTORS

Consumer Staples – Blue Buffalo Pet Products, Inc. (BUFF) and Central Garden and Pet Company (CENT) had double-digit returns despite weak sector returns for the index; BUFF's strong organic growth and protein exposure proved to be attractive to more traditional Consumer Staples companies and the stock surged on news that General Mills would acquire the firm; CENT continued to make accretive acquisitions and deliver on earnings

Industrials – another weak sector in the small cap space during Q1, Strategy holdings were led by solid performance from ASGN Incorporated (ASGN), which reported positive tax guidance in January, followed by an accretive acquisition and positive pre-announcement on Q4 earnings

SECTOR DETRACTORS

Health Care – pharmaceutical companies Corcept Therapeutics, Inc. (CORT), ANI Pharmaceuticals, Inc. (ANIP) and Prestige Brands (PBH) detracted from performance while index peers outperformed; all three companies rallied in January before pulling back in the February sell-off; Corcept shares reacted to an ANDA filed by Teva; ANI also plunged during the sell-off but both firms reported decent Q4 results; Prestige Brands reported a weak quarter and guided margins down as multiple headwinds became evident in 2018

Information Technology – electronic equipment manufacturers Rogers Corporation (ROG) and Coherent, Inc. (COHR), and software company Progress Software (PRGS) pressured sector returns; Rogers surprised with strong sales growth that exceeded expectations, but earnings missed estimates on reduced gross margins, and the firm guided EPS down for Q1 and Q2; Coherent also reported strong sales growth which beat estimates, but the market remains focused on iPhone X risk

SELECT ADDITIONS

Alarm.com Holdings, Inc. (ALRM) – this cloud-based enabler of the connected home has beaten consensus estimates every quarter since its 2015 IPO; free cash flow is inflecting upward and the balance sheet reflects a net cash position

Bottomline Technologies, Inc. (EPAY) – this financial services software vendor has exceeded consensus revenue expectations in each of the last three quarters driven in part by its pivot to cloud subscription and transaction-based revenue; software companies in the financial vertical can be attractive targets for strategic acquirers

SELECT DELETIONS

Sucampo Pharmaceuticals, Inc. (SCMP) – acquired by Mallinckrodt (MNK) for $18 a share in late December; Sucampo's cash flow and orphan pipeline made it an attractive acquisition

Prestige Brands Holdings, Inc. (PBH) – management ably guided the firm through challenges in recent quarters, but margins will continue to face pressure from inventory drawdowns and rising freight and storage costs; margin pressure will impede creating balance sheet capacity for M&A

Pinnacle Associates

The portfolio underperformed primarily due to weakness in the Technology and Consumer Discretionary sectors. The Telecom and Health Care sectors also underperformed, but to a lesser extent. In Technology, most holdings were affected by the broad sell off triggered by the high level issues noted above, and less so due to any deterioration in company specific fundamentals. These include Cognex Corp., a leader in factory automation, Trimble Navigation, a leader in GPS technologies, and various holdings in the semiconductor space. Ambarella, a producer of advanced video technologies incorporated into security cameras, drones and automobiles, was particularly impacted by the autonomous car accidents occurring late in Q1. An exception was Finisar, a fiber optic equipment and 3D sense manufacturer, which had a company specific execution issue. Finisar underperformed after reports indicated the company is behind schedule in ramping production of 3D sense solutions (3D sense technology enables facial recognition in the newest iphones). In Consumer Discretionary, TV station stocks fell due to speculation Q1 ad revenues were off to a slow start and delays in the government's review of the pending Sinclair Broadcasting/Tribune Media merger. Regional casino operator Boyd Gaming corrected off highs after reporting a slightly disappointing 4th quarter. We believe fundamentals remain intact. In Telecom, Cincinnati Bell significantly underperformed due to a weak 4th quarter and disappointing 2018 cash flow guidance. In Health Care, positive returns in several holdings were offset by weakness in Portola Pharmaceuticals, Ionis Pharmaceuticals and Regeneron Pharmaceuticals. Portola fell after an unexpected negative opinion by the Committee for Medicinal Products for Human Use (CHMP) in Europe for the company's blood thinner Betrixaban. This drug has gained approval in the U.S. Shares were also pressured when Portola announced it received a letter from the FDA regarding its second major drug under development, AndexXa, a blood thinning reversal agent. The letter caused some uncertainty as to the timing for an FDA approval decision. Ionis, which is gearing up for a commercial launch of its new treatment for amyloidosis, came under pressure after Pfizer reported surprisingly positive phase 3 results for its own amyloidosis drug. Lastly, Regeneron trended down slightly on continued concerns of future competition for top selling age-related macular

degeneration drug Eylea, and a perceived mediocre launch of atopic dermatitis treatment Dupixent. This was despite what we believe was a solid Q4 reported by the company.

Positive impacts from the Materials and Industrials sectors represented partial offsets to the negative performance noted above. In Materials, the portfolios lack of exposure to this underperforming sector resulted in a positive contribution to relative performance. In Industrials, Hexcel Corp., a supplier of composite fiber to Boeing and Airbus, railroad operator Kansas City Southern, and temporary staffing firm Robert Half all outperformed. A meaningfully lower weighting in Industrials, which was also an underperforming sector, also benefitted performance.

During the quarter, we initiated new positions in semiconductor capital equipment companies Advanced Energy Industries and Ultra Clean Holdings, gene therapy biopharmaceutical Spark Therapeutics, and theme park operator Seaworld Entertainment.

Fuller & Thaler

The first quarter saw mixed returns across the overall equity market. In the small-cap and micro-cap areas growth outperformed value.

The Micro-Cap strategy had a negative first quarter, returning -4.65% gross of fees underperforming versus the Russell Micro Cap Index return of 0.68% and underperforming the Russell 2000 return of -0.08%.

The Micro-Cap Strategy in the first quarter saw underperformance in the months of January and February and slight outperformance in March. Under performance in the quarter came from stock selection in the technology and consumer discretionary sectors and from our below sector allocation in financials, real estate and healthcare stocks. The portfolio was also impacted by liquidity in the quarter as the above chart displays; the least liquid stocks in the benchmark and portfolio (the bottom quintile) were positive for the quarter while the larger quintiles were mixed at best. The portfolio was also impacted by our overweight in the value portion of the portfolio (overreaction stocks) and the underperformance of value stocks in the quarter relative to growth stocks.

Stocks in both the value and growth portion of the portfolio were major contributors to the underperformance. Names that hurt performance included Tile Shop (TTS), Smart Sand (SND), Control4 (CTRL), Internap (INAP), and Pixelworks (PXLW). Names that helped performance included SMART Global Holdings (SMRT), Quinstreet (QNST), Immersion (IMMR), T2 Biosystems (TTOO), and USA Truck (USAK). Portfolio positioning is unchanged with a continued underweight in financials and a continued over weight in the technology, consumer discretionary, and industrial sectors. Merger and acquisition activity was limited in the micro-cap space this quarter with only one portfolio company acquired in the quarter Layne Christensen (LAYN).

There have been a number of new opportunities in the micro-cap area recently, with 11 new stocks added to the portfolio in the last quarter; five growth stocks (four earnings surprise stocks and one upgrade) and six value stocks (five insider buy, one buyback). We expect the Micro-Cap Strategy to continue to provide superior performance over the long run because of its ability to identify and take advantage of mis-priced stocks across a spectrum of industries and sectors due to behavioral bias.

Wasmer Schroeder

Intermediate Taxable Fixed Income (ITTX)

- The Coleman Foundation account outperformed its primary benchmark, gross of management fees, for the quarter. The account returned -0.91% against -0.98% for the index.
- Unlike the 4th quarter, the corporate bond market experienced increased volatility and had negative excess returns for the quarter. The corporate bond market was the worst performing sector across all fixed income markets and the overweight by the portfolio hurt performance.
- The taxable municipal market did not experience the spread widening seen across all other credit sectors due to light supply and their high quality bias. This sector contributed to performance by outperforming the Treasury component of the index.
- Duration management of the portfolio was neutral to the benchmark from both an overall standpoint and yield curve placement.
- Sector allocation at quarter end was 48% corporate bonds, 47% taxable municipal bonds and a small allocation to securitized bonds with the remainder in cash. We anticipate maintaining these allocation for the foreseeable future, with the exception of letting the MBS securities pay down over time and reinvesting back into corporate bonds.

Multi-Sector Income (MITX)

- The MITX account fully transitioned to the new strategy during the quarter. At quarter end the account held 41% taxable municipals, 29% corporates and 19% preferred stock with the remainder in cash.
- The total return for the quarter was -0.71% vs. -1.46% for the Bloomberg Barclays Aggregate index. Again, the allocation to taxable municipal bonds benefited the account and contributed to outperformance.

WCM

For 2018's 1st Quarter, the Focused Growth International ADR (FGI ADR) portfolio delivered a positive return of +1.8%[1], not only outperforming the MSCI ACWI ex US index by ~+290 basis points (bps)[1], but also delivering a positive return in a down quarter. For the trailing year, FGI is ~+630 bps[1] ahead of that benchmark.

After a robust 2017, the major, non-U.S. equity benchmarks (ACWI ex US, EAFE) declined in Q1 as volatility returned. Sector leadership was mixed: Tech and Utilities were the two best performing sectors in Q1, while Telecom, Materials, and Staples brought up the rear. Consequently, FGI's bottom-up sector

biases provided a modest tailwind. More significantly, solid, broad-based stock selection was the primary driver of outperformance, once again spotlighting the benefit of positive-moat-trajectory businesses during uncertain times.

Keeping an eye on the longer term, the three-year excess return relative to the benchmark now stands at ~+470 bps (annualized)[1], the five-year is ~+430 bps (annualized)[1], and the ten-year excess is ~+630 bps (annualized)[1].

For 2018 Q1, sector-based attribution reveals that about eighty-five percent of outperformance was stock selection, with the balance from allocation. Geography-based attribution shows that allocation was actually a headwind, meaning selection accounted for all the outperformance.

Contributors:

The primary sector-allocation contributor was our overweight to Tech (best benchmark sector). Our underweight to Telecom (worst in benchmark) also helped slightly. On the selection side, most sectors were contributors; Tech was the stand out. Picks in Health Care, Discretionary, and Industrials were also additive. Regionally, selection dominated. Europe and Asia/Pac were the standouts; EM selection was also a contributor.

Detractors:

The only detractors vis-à-vis sector allocation—and small ones at that—were our slight overweight to Staples (3rd worst benchmark sector) and our underweight to Utilities (2nd best benchmark sector). For selection, the weak spots were Materials and Financials. Selection in Staples also detracted, but less so. Regional analysis reveals that our underweight to Asia/Pacific (best benchmark region) and our overweight to Europe (3rd worst region) detracted. For selection, there were no material detractors.

Comments:

The major non-U.S. equity benchmarks declined in Q1, following a robust 2017. Looking ahead, we expect continued volatility around interest rates, macro, trade, and potential political shifts, among other things. A “risk off” backdrop is favorable for our kinds of businesses: growth, expanding moats, and strong FCF generation. We made several tactical trades in Q1, all with an eye toward upgrading the quality of the portfolio.

The upshot of our bottom-up approach, from a portfolio standpoint, is an overweight to Tech / Health Care / Discretionary, and an underweight to Financials / Energy—an allocation that, we think, best positions the portfolio to take advantage of the long-lasting tailwinds around the world. That same bottom-up work has also driven the most notable shift in our sector weights over the last couple of years: a meaningful reduction in our Staples exposure. For a long time, the Staples sector housed many attractive, defensive-growth ideas, but shifts in the market—for example, falling barriers-to-entry for FMCG businesses, the channel shift from brick & mortar to e-commerce, and increased local competition for the large multinationals—mean a less attractive outlook for many of these names. Whereas, in the past, innovation and rising EM exposure boosted growth, that ship may have sailed. Today, most Staples are seeing decelerating organic growth while trying to shift investors’ attention to

EBIT margin improvement. For our part, as our Staples weight has come down, we've built up our Industrials-related exposure. Overall, though, we always seek—and can still find—enticing opportunities across the board: beneficiaries of secular tailwinds, with strengthening competitive advantages plus strong, moat-complementary cultures, and trading at reasonable valuations.

Buy: Pernod Ricard SA

France-based Pernod Ricard is the second largest alcohol/spirits company by sales. Its spirits portfolio is skewed toward premium categories and includes top selling brands such as Martell (cognac), Jameson (Irish whiskey), Chivas Regal (blended Scotch), and The Glenlivet (single malt Scotch). Brand equity forms the basis of its moat, and it's enhanced by structural barriers to entry (more than half of Pernod's business is in spirits that need to be aged), regional requirements (e.g., Scotch must come from Scotland), and tremendous distribution. We see a positive moat trajectory driven by a cultural turnaround in the US that will enable market share gains. Pernod offers better growth prospects and better value than most traditional FMCG companies, while facing fewer disruptive threats.

Buy: Hexagon AB

Sweden-based Hexagon is a global leader in industrial software. It is positioned to benefit from the tailwinds of industrial automation and increased use of 3D mapping in infrastructure investment. Its moat comes from its leading technology position in the various niches within which it operates, and the trajectory is positive as its software packages become a larger and increasingly more important part of its offering, driving margins and ROIC upwards.

Sell: Reckitt Benckiser Group plc

We sold in favor of a much better idea in Pernod Ricard. Reckitt is facing pricing pressure and we worry it could face more margin risk beyond its recent reset. We can also see issues if RB levers up (even more) for additional M&A.

Buy and Manage:

We added to Adidas AG and Hexagon AB to round into full positions.

There were no trims in Q1.