

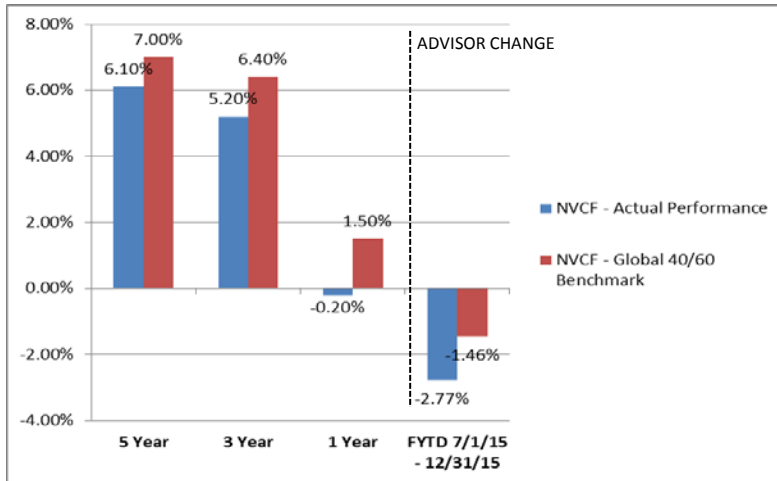


BAKER STREET ADVISORS

Independent. Customized. Focused.

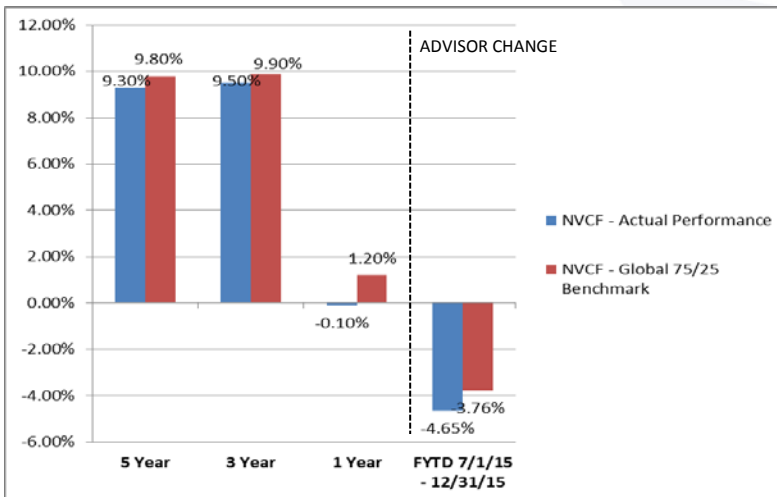
2015 Investment Report for Donors

NAPA VALLEY
COMMUNITY FOUNDATION



Intermediate-Term Pool

- A conservative portfolio that focuses on capital preservation and income as opposed to growth
- A long-term strategic allocation equal to 60% bonds and 40% global stocks
- Ideal for assets that are to be granted within 1.5 – 5 years



Long-Term Pool

- A more aggressive portfolio with a primary objective of growth
- A long-term strategic allocation equal to 25% bonds and 75% global stocks
- Ideal for assets that are to be granted over 5-10 years or more and for permanent endowments and legacy funds in pursuit of longer-term growth

Performance data include all interest, dividends and other earnings and are net of fees.

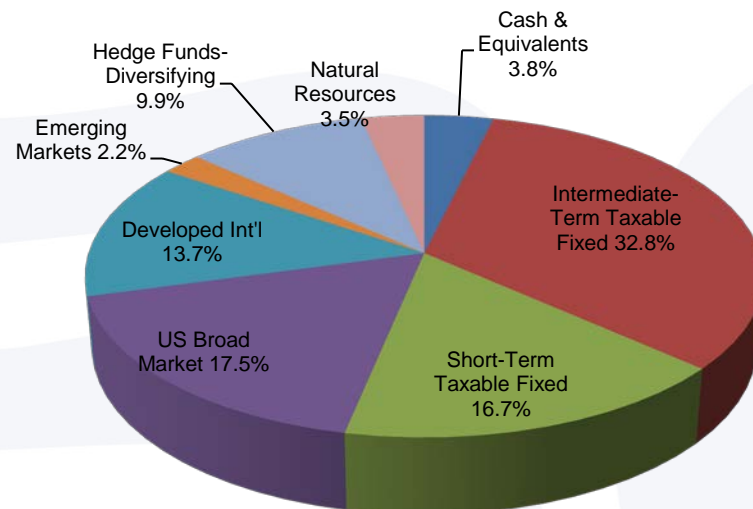
Current Portfolio Allocation – Intermediate-Term Pool*



BAKER STREET ADVISORS

Intermediate-Term Pool

ASSET CLASS	CURRENT ALLOCATION	
Cash & Equivalents	\$222,362	3.8%
Cash & Equivalents	\$222,362	3.8%
Domestic Fixed Income	\$2,905,124	49.5%
Intermediate-Term Taxable Fixed	\$1,923,627	32.8%
Short-Term Taxable Fixed	\$981,496	16.7%
Domestic Equities	\$1,026,312	17.5%
Broad Market	\$1,026,312	17.5%
International Equities	\$933,875	15.9%
Developed	\$806,077	13.7%
Emerging	\$127,798	2.2%
Alternatives - Hedge Funds	\$580,982	9.9%
Hedge Funds-Diversifying	\$580,982	9.9%
Alternatives - Hard Assets	\$202,789	3.5%
Natural Resources	\$202,789	3.5%
GRAND TOTAL	\$5,871,443	100.0%



* Total approx. assets of NVCF at December 31, 2015: \$21,240,000

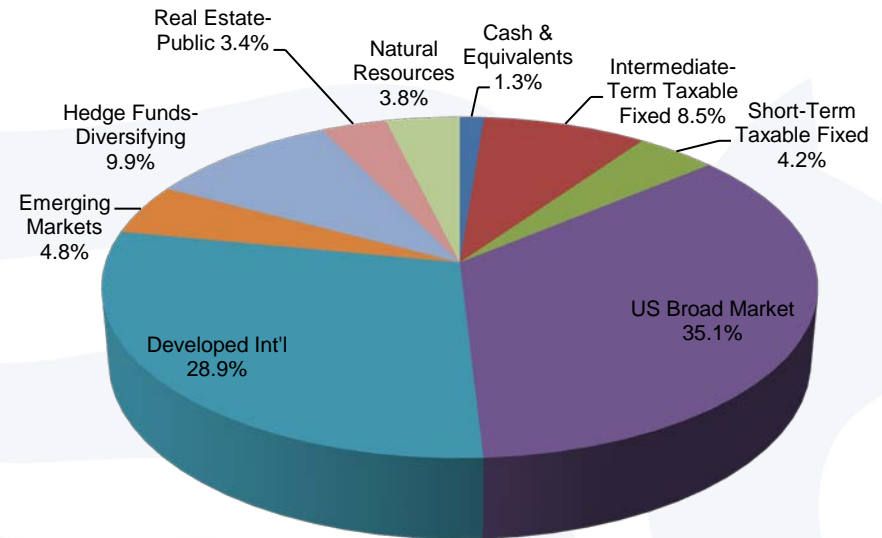
Current Portfolio Allocation – Long-Term Pool*



BAKER STREET ADVISORS

Long-Term pool

ASSET CLASS	CURRENT ALLOCATION	
Cash & Equivalents	\$76,390	1.3%
Cash & Equivalents	\$76,390	1.3%
Domestic Fixed Income	\$771,709	12.7%
Intermediate-Term Taxable Fixed	\$517,519	8.5%
Short-Term Taxable Fixed	\$254,190	4.2%
Domestic Equities	\$2,134,917	35.1%
Broad Market	\$2,134,917	35.1%
International Equities	\$2,049,011	33.7%
Developed	\$1,758,154	28.9%
Emerging	\$290,857	4.8%
Alternatives - Hedge Funds	\$604,293	9.9%
Hedge Funds-Diversifying	\$604,293	9.9%
Alternatives - Hard Assets	\$439,821	7.2%
Real Estate-Public	\$206,653	3.4%
Natural Resources	\$233,167	3.8%
GRAND TOTAL	\$6,076,140	100.0%



* Total approx. assets of NVCF at December 31, 2015: \$21,240,000



- The first half of 2015 could be characterized as a regime of slowing earnings growth being offset by expanding price/earnings multiples. In contrast, the second half saw a continuation of the earnings growth slowdown, but with no offset from rising valuation. With liquidity tightening, earnings growth slowing, and multiples flat, there was little to support equities in the second half of 2015.
- 2015 was a stealth correction year. The market was flat, while the Fed started a tightening campaign, and the S&P 500 index had a drawdown of about 10% from the 2015 high, with a lot more stocks going down than up.
- In the first two weeks of 2016, stocks have taken a pounding and investor sentiment has cratered with uncertainty surrounding US growth, global growth (especially in China), currencies, commodities, and Fed policy. Although it's never easy to live through turbulent market times, it can flush out some of the excesses in the market and set up the next move higher. As always, patience, diversification, discipline, and a long-term perspective are required.
- While global stock markets are increasingly pricing in fears of a prolonged global recession, the global economy has yet to weaken significantly or reflect excesses that make it especially vulnerable to the risks posed by falling oil prices, slowing Chinese economic growth, or a slow and measured pace of Fed rate hikes. Risks have risen for the US and global economy, but neither a domestic nor global recession appears to be on the imminent horizon – but oil needs to stabilize to stem some of the recent volatility.

Finance Committee



BAKER STREET ADVISORS

Responsible for overseeing the finances and investments of the Foundation, under the direction of the Board of Directors.



Iain Silverthorne, Committee Chair
Partner, Evercore Wealth Management

Iain Silverthorne advises high-net-worth individuals and families on their wealth management and financial planning needs. Prior to joining Evercore, he was a Senior VP at U.S. Trust, B of A Wealth Management.



Liz Christensen, Committee Member
Former Managing Director, Barclays Global Investors

Liz Christensen worked as the Chief Administrative Officer for BGI, a global position which included Finance, Human Resources, Data Security, and Facilities. Prior to that assignment, Liz worked at the SF Federal Reserve as Senior VP and member of their management committee.



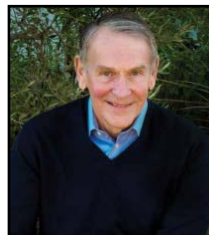
Kevin Corley, Committee Member
Winegrower and President, Monticello Vineyards

Kevin Corley is the Winegrower and President of Monticello Vineyards. A former banker, Kevin also serves as Treasurer for the Queen of the Valley Medical Center Foundation Board, and is the Immediate Past President of the Boys & Girls Club of Napa Valley Board of Directors.



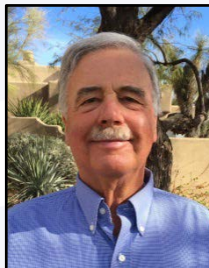
Patrick Gleeson, Committee Member
Independent Consultant

Patrick Gleeson is working with a number of local businesses as an investment advisor, marketing consultant, and operations consultant. He was the CEO of Meyer Family Enterprises for ten years. Patrick is the Chair of the Board of Directors of Napa Valley Community Foundation and also serves as a Director of both Sunrise Montessori and Sureharvest.



Rick Jones, Committee Member
Owner, Jones Family Vineyards, Calistoga

Rick Jones is also a Director of OLE Health, NapaLeams, Raising a Reader, St. Helena Hospital, and the St. Helena Hospital Foundation.



Walter Klenz, Committee Member
Former Managing Director, Foster's Group Global Wine Business

Walter Klenz worked at Beringer Vineyards from 1976 to 2005, overseeing the sale of the company to the Foster's Group where he retired. He served on the Board of AmericaWest Airlines from 1998 to 2005. Currently he is a Board member of Columbia Sportswear Company, The Vincraft Group, J. Lohr Winery, Free Flow Wines, and Sonoma State University's Wine Business Institute which he helped found in 1995. Walter is a past President of the Napa Valley Vintners as well as a prior Chairman of the Wine Institute.



Brenda Perry, CPA, Committee Member
Director, Jones & Perry, Inc.

Brenda Perry was previously with Deloitte and currently works with Jones & Perry, Inc., a Napa CPA firm. The firm provides tax and accounting services to small business and individuals, as well as audit, consulting, and tax services to nonprofit organizations. She was previously a part-time instructor in accounting at Napa College, and has been a Board member with a number of local nonprofit organizations including NapaLeams, the Rotary Club of Napa, and Napa Emergency Women's Services.



Portfolio Value: For securities for which there is no active market, Baker Street Advisors shall use such information in good faith as deemed relevant to determine the value. These securities are only valued periodically. Because of this, the value shown on reports may lag the current market value, both for those securities and for the total value of the account and portfolio. In absence of readily determinable market value, such securities will be valued at cost.

Portfolio Performance: Performance data include all interest, dividends and other earnings and are net of fees. Performance does not include self-directed (unmanaged) securities. For periods greater than one year, the performance data are annualized. The performance data noted are historical and should not be taken as an indication of future performance. The performance data were prepared by Baker Street Advisors and have not been compiled, reviewed or audited by an independent accountant.

NVCF Intermediate-Term Pool (40/60) Global Benchmark: Based on Napa Valley Community Foundation's preferred asset allocation, the benchmark is 40% MSCI All Country World Index / 60% Barclays Aggregate Bond Index. This benchmark reflects the portfolio's predominant focus on US and Non-US equities of all market capitalizations and US bonds of all ranges and sizes.

NVCF Long-Term Pool (75/25) Global Benchmark: Based on Napa Valley Community Foundation's preferred asset allocation, the benchmark is 75% MSCI All Country World Index / 25% Barclays Aggregate Bond Index. This benchmark reflects the portfolio's predominant focus on US and Non-US equities of all market capitalizations and US bonds of all ranges and sizes.