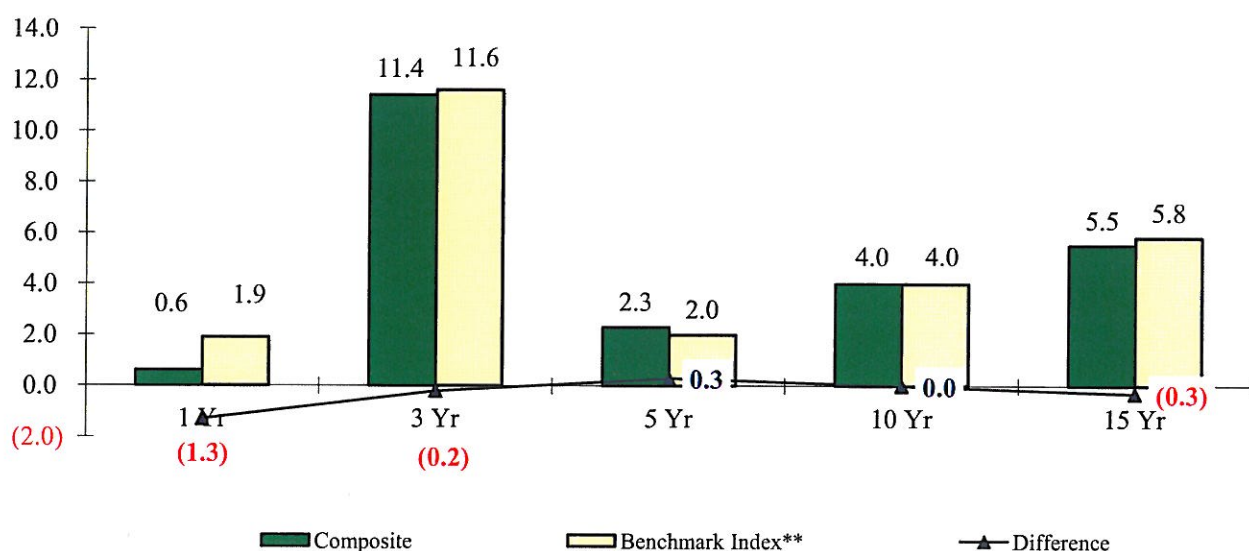


Community Foundation of Louisville  
Balanced Fund  
Investment Performance Executive Summary  
For the Quarter Ended December 31, 2011  
Time Weighted Rates of Return in Percentages (net of fees)

	<u>QTR</u>	<u>YTD</u>	<u>1 Yr</u>	<u>Annualized</u>			
				<u>3 Yr</u>	<u>5 Yr</u>	<u>10 Yr</u>	<u>15 Yr</u>
Composite	7.1	0.6	0.6	11.4	2.3	4.0	5.5
Benchmark Index**	7.1	1.9	1.9	11.6	2.0	4.0	5.8
<i>Difference</i>	0.0	(1.3)	(1.3)	(0.2)	0.3	0.0	(0.3)



A significant rally in domestic equities in October paved the way for a strong fourth quarter to cap off a volatile year for the markets. The S&P 500 gained 11.8% in the quarter and finished with a modest gain of 2.1% for 2011. International stocks remained hampered by the sovereign debt crisis in Europe and gained only 3.3%, significantly trailing U.S. stocks in the quarter. The MSCI EAFE International Stock Index finished 2011 with a loss of 12.1%. Bonds continued to perform well as the Barclays Aggregate Index gained 1.1% in the quarter and posted a strong calendar year gain of 7.8%.

The Balanced Fund appreciated 7.1% in value for the quarter to end the 2011 calendar year up a modest 0.6%. Relative performance was right on the benchmark (+7.1%) for the quarter but trailed for the year (+1.9%). For the calendar year, relative performance was most negatively impacted by exposures to smaller capitalization and international stocks as well as poor relative performance from the Balanced Fund's active fixed income manager. The Balanced Fund's equity managers provided a modest offset to these two factors but not enough to counterbalance the relatively poor bond results.

While calendar year returns for the Balanced Fund were modest, given the volatile, macro-economic events both financially and geopolitically during the year, we are somewhat thankful for positive results in such a difficult environment.

\*\* From 6/30/93-6/30/99, 60% S&P 500 Stock Index and 40% Barclays Capital Govt. Corp. Bond Index.  
From 7/1/99-6/30/07, 65% S&P 500 Stock Index and 35% BC Aggregate Bond allocation  
From 7/1/07 forward 52% Wilshire 5000 Stock Index, 13 % MSCI EAFE Index and 35% BC Aggregate Bond Index