Dear Friends,

Thank you for investing with Friends Fiduciary! This is the 2019 fourth quarter update with important news and information about Friends Fiduciary and your account with us.

2019 Fourth Quarter Summary:

What a difference a year makes! Twelve months ago the investor outlook for 2019 was filled with gloom and pessimism following sharply lower fourth quarter 2018 investment returns and a general outlook for 2019 that called for higher interest rates and a continuation of the trade war with China. Fast forward one year and the tone has improved dramatically as three interest rate cuts by the Federal Reserve Bank and improving global economic conditions have given investors faith that the economic expansion will continue. A big boost to investor sentiment came in October 2019 as the U.S. announced progress on trade negotiations with China. This prompted a rally in U.S. and international stocks sending the S&P 500 Index up +9.1% and the MSCI ACWI ex-US Index of foreign stocks up +8.9% in the fourth quarter. Mid and small cap stocks also joined the rally with the Russell MidCap and Russell Small Cap Indices rising +7.1% and +9.9%, respectively. Interest rate sensitive sectors composed of bonds and REITs (Real Estate Investment Trusts) were relatively flat in the quarter posting investment returns of +0.2% and -0.8%, respectively, but both sectors enjoyed strong gains earlier in the calendar year.

The following table shows unit value changes for our funds throughout the quarter, and we are pleased to report that all co-mingled funds posted positive unit value gains. The Growth & Income Fund unit price jumped $2.78 closing the quarter at $57.19, while the Quaker Green Fund had a unit value increase of $1.74 to $41.45. Powered by a strong move in large cap domestic stocks, the Quaker Index Fund posted a $4.00 increase to $48.95 per unit. Short Term Investment Fund (STIF) posted a $0.05 gain to $10.81 per unit as the yield on the two-year note moved down slightly from 1.62% to 1.57%.

<table>
<thead>
<tr>
<th>Fund Unit Values</th>
<th>September 30, 2019</th>
<th>October 31, 2019</th>
<th>November 30, 2019</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth &amp; Income</td>
<td>$54.41</td>
<td>$55.23</td>
<td>$56.17</td>
<td>$57.19</td>
</tr>
<tr>
<td>Quaker Green</td>
<td>$39.71</td>
<td>$40.10</td>
<td>$40.81</td>
<td>$41.45</td>
</tr>
<tr>
<td>Quaker Index</td>
<td>$44.95</td>
<td>$45.92</td>
<td>$47.56</td>
<td>$48.92</td>
</tr>
<tr>
<td>Short Term</td>
<td>$10.76</td>
<td>$10.79</td>
<td>$10.79</td>
<td>$10.81</td>
</tr>
</tbody>
</table>

[Continued on reverse]
**2020 Standard Distribution Rates:**
The 2020 standard distribution rates are 4.0% and 3.5% for the Quaker Growth & Income Fund and Quaker Green Fund, respectively. The June 2020 per-unit distributions will be $1.04/unit and $0.67/unit for the Quaker Growth & Income Fund and Quaker Green Fund, respectively. Constituents may take more or less than the announced standard distribution rate. Each constituent group can decide the proper distribution levels for their meeting or organization. To request a distribution rate other than the standard rate, please contact Tim McElroy at tmcelroy@friendsfiduciary.org or 215-241-7272.

*REMINDER* Tell Us When Your Officers Change:
Please tell us when you have a new treasurer or other authorized individual who will have authority over your account(s) at Friends Fiduciary. To notify us of a change, please complete an account authorization form found on our website under “Our Funds” on the home page and then click on “Constituent Forms,” and print or download, “Account Authorization Form.”

**Planned Giving:**
Friends Fiduciary is uniquely poised to help Friends faith communities and organizations acquire and steward resources. We are a recognized and respected entity in Quaker communities, which puts Friends at ease when making financial decisions. Our long-standing relationships with Quaker organizations gives us insight into those entities, allowing us to more effectively steward gifts and preserve donor intent. Friends Fiduciary also gives donors an easy way to support multiple Quaker organizations with a single gift. Our goal is to support both the donor and the Quaker organizations they value.

Many organizations and individuals reached out to share ways that Friends Fiduciary could be more effective in its support of giving. We listened and are eager to implement several new strategies during the new year which include an improved web presence and facilitating ways to give directly to monthly meetings and churches. If you have other ideas that would be helpful to your organization, let us know! Mimi Blackwell, Planned Giving Program Manager, would welcome your call 215-241-7272 or email mblackwell@friendsfiduciary.org.

**Save the date -- 2020 Quaker Fundraisers Gathering in Philadelphia, October 4th-6th.**

**Annual Independent Audits:**
Copies of the Friends Fiduciary, annual independent audits are sent to all fund representatives of constituent investor organizations in mid-June, following completion of the audit and acceptance by the Friends Fiduciary Board of Directors. In addition, quarterly holdings lists are available to constituent investor organizations upon request; simply email us at info@friendsfiduciary.org or call us at 215-241-7272.

If you have any questions about your statement, account, or Friends Fiduciary, please don’t hesitate to contact us at info@friendsfiduciary.org or 215-241-7272.

Sincerely,

Jeff Perkins
Executive Director