**SHORT TERM INVESTMENT FUND**

**FUND INFORMATION**

Fund Type...... Short Term Fixed Income

Inception Date...................... April 2012

Expense Ratio........................... 0.34%

**FUND OVERVIEW**

Managed in a manner consistent with Quaker values, the Short Term Investment Fund’s (STIF) objective is to achieve investment returns in excess of those available from money markets and other short term funds. The fund seeks to preserve capital through investing in high quality, short term bonds and other short-term instruments.

**FUND MANAGEMENT**

STIF is designed for consistent, low volatility performance with an emphasis on low risk, high credit quality and liquidity. It is diversified across principal sectors of the domestic bond market including US Agency, Corporate and Mortgage bonds. Value is added through sector rotation and security selection. Daily liquidity is maintained through an allocation to money market funds. The investment approach balances fundamental qualitative and quantitative analysis. Additional yield is captured by diversifying beyond ultra-short money market instruments. Coupon income and bond maturities are reinvested in short term, relatively higher yielding securities.

**INVESTOR PROFILE**

The fund is well suited for investors needing liquidity in a one to four-year time frame. This may include reserves or funds needed for capital projects.

---

Total Net Assets, December 31, 2019 $19.35 MM
Unit Value, December 31, 2019 $10.81

**BOND CHARACTERISTICS (as of 12/31/19)**

<table>
<thead>
<tr>
<th>Yield to Maturity</th>
<th>1.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Yield</td>
<td>2.7%</td>
</tr>
<tr>
<td>Average Coupon</td>
<td>2.8%</td>
</tr>
<tr>
<td>Duration</td>
<td>1.6 Years</td>
</tr>
<tr>
<td>Average Maturity</td>
<td>1.7 Years</td>
</tr>
</tbody>
</table>

**BOND CREDIT QUALITY (as of 12/31/19)**

<table>
<thead>
<tr>
<th></th>
<th>AAA</th>
<th>AA</th>
<th>A</th>
<th>BBB and below</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>43.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AA</td>
<td>16.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>40.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB and below</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SECTOR ALLOCATIONS – DECEMBER 31, 2019**

- US Agencies 42.1%
- Corporates 55.5%
- Money Mkt 2.5%

**INVESTMENT RETURNS**

<table>
<thead>
<tr>
<th></th>
<th>4Q19</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>Since Inception*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term Invest Fd</td>
<td>0.56%</td>
<td>3.90%</td>
<td>2.22%</td>
<td>1.78%</td>
<td>1.47%</td>
</tr>
<tr>
<td>Blended Benchmark1</td>
<td>0.49%</td>
<td>3.23%</td>
<td>1.77%</td>
<td>1.29%</td>
<td>0.98%</td>
</tr>
<tr>
<td>Lipper Money Mkt Fnd</td>
<td>0.38%</td>
<td>1.97%</td>
<td>1.41%</td>
<td>0.87%</td>
<td>0.57%</td>
</tr>
</tbody>
</table>

1 Blended Benchmark: 80% BofA Merrill Lynch 1-3 Year US Treasury & Agency Index, 20% Lipper Money Market Index.

Returns greater than one year are annualized

*Inception Date: April 30, 2012

**RISKS**

The fund’s value is subject to the interest rate and price movements of the bond market and individual holdings. If interest rates rise significantly from current levels, bond returns will decline and may turn negative in the short term. Mortgage related securities are more sensitive to interest rate changes as interest rates rise. In extreme cases fund holdings may have their credit ratings downgraded or suffer a default.
**SOCIALLY RESPONSIBLE INVESTING**

Quaker testimonies and values guide Friends Fiduciary’s investment activities in three primary ways:

- We actively screen out companies that do not meet our SRI restrictions.
- We vote shareholder proxies to communicate our Quaker values on environmental, financial, social and governance issues.
- We join other institutional and faith-based investors in company dialogues and shareholder resolutions to encourage reforms.

In our collaborations with other like-minded institutional investors we seek to improve corporate disclosures and encourage just and sustainable business practices.

**ABOUT FRIENDS FIDUCIARY**

Friends Fiduciary Corporation (FFC) is a Quaker non-profit organization providing cost effective, socially responsible investment management services exclusively to Quaker meetings, churches, schools and organizations.

FFC manages over $500 million for more than 400 constituents across the country. Friends Fiduciary is a manager of managers, selecting best in class investment managers, who implement our Quaker socially responsible investment criteria.

We are the most active Quaker organization engaging in shareholder and policy advocacy and the Quaker voice on important business issues. We believe Quaker values support long term company and shareholder value.

**WHY FRIENDS FIDUCIARY?**

We deliver...

- Excellent investment returns
- Institutional investment management
- A disciplined Quaker SRI approach
- Excellent customer service

...at cost

For more information, please contact us.

Friends Fiduciary Corporation
1700 Market Street, Suite 1535, Philadelphia, PA 19103
Tel. 215-241-7272  Fax 215-241-7871
info@friendsfiduciary.org, www.friendsfiduciary.org