Investment Pools Performance & Commentary
September 30, 2013

Third Quarter 2013 Market Environment

The U.S. economy continues to grow, but remains historically weak. The unemployment rate has trended lower, but only due to a fall in the labor force participation rate. Inflation (both CPI and PCE) also continues to trend lower, well below the Fed 2.5% threshold. Look for U.S. growth to slow toward 1% in Q4 (with the risk of a slip below 1%).

Europe has staged a bit of a comeback with broad based economic improvements. The economic rebound has helped to improve the equity markets, closing the performance gap relative to the U.S. In Japan, the great monetary experiment continues and with recent expansions in both GDP and CPI, some express hope that QE is working. EM growth, while still positive, continues to struggle as industrial production and consumption growth remain slow. Exports have seen some improvement due to currency depreciation, but it has not been enough to offset the weaker economic sectors.

The global equity markets have had their rising trend interrupted with two declines of nearly 6% due to concerns over Fed tapering and the government shutdown/default. Despite these declines, the trend in equities remains slightly positive for both the S&P 500 and EAFE, while the trend in EM equities has fully shifted to a slight downtrend. As a result of recent economic improvements, EAFE equity valuations have moved from rich toward neutral and offer the best global relative value. With the current interest rate rise being one of the worst in history, valuation of the interest rates markets in the U.S., Canada, and EM have moved from rich to neutral. While the long-term trend of interest rates remain bearish (expecting higher rates), in the short-term we expect to see rates move lower and the US-10 year yield approach 2.25%. Investment grade and high yield credit spreads have seen little movement over the past few months despite high yield spreads remaining historically rich. At the same time, EM spreads have seen the most significant move (similar to equities) from slightly tighter spreads toward slightly wider.

Underlying Investment Managers

Domestic Equity: Vanguard 500 Index, T. Rowe Price Large Cap Growth, Barrow Hanley Large Cap Value, Vanguard Extended Market ETF
International Equity: Dodge & Cox International Stock, EuroPacific Growth, Vanguard Emerging Market ETF
Fixed Income: Dodge & Cox Income, PIMCO Total Return, JP Morgan High Yield, Vanguard Inflation Protected Securities
Real Assets: Credit Suisse Commodity Return Strategy, Penn Square, UBS Trumbull, Vanguard REITs
Liquid Alternatives: PIMCO All Asset All Authority

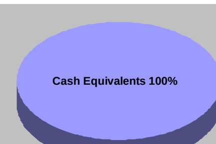
Investment Pools	Three months ended 9/30/13	Year to Date	Fiscal Year to Date	One (1) Year Return	Three (3) Year Return	Five (5) Year Return
Cash Equivalent 100% Cash Equivalents	*0.1*	*0.3*	*0.1*	*0.4*	*0.8*	*0.7*
Global Constrained Income & Growth 25% Equity, 75% Fixed Income	*2.9*	*3.0*	*2.9*	*4.8*	*6.5*	*8.4*
Global Constrained Balanced 50% Equity, 50% Fixed Income	*4.1*	*7.8*	*4.1*	*10.5*	*8.8*	*9.0*
Global Growth & Income 65% Equity, 30% Fixed Income, 5% Commodities	*5.4*	*9.1*	*5.4*	*11.8*	*9.2*	*8.7*
Endowment	*5.4*	*8.5*	*5.4*	*11.2*	*8.9*	*7.1*
Market Benchmarks						
Cash - *90-Day Treasury Bills*	*0.0*	*0.0*	*0.0*	*0.1*	*0.1*	*0.1*
Bonds - *Barclays Capital Aggregate*	*0.6*	*-1.9*	*0.6*	*-1.7*	*2.9*	*5.4*
International Stocks - *MSCI ACWI ex U.S. Gross*	*10.2*	*10.5*	*10.2*	*17.0*	*6.4*	*6.7*
Domestic Stocks - *S&P 500*	*5.2*	*19.8*	*5.2*	*19.3*	*16.3*	*10.0*
Blended Benchmark - Endowment[1]	*5.1*	*9.1*	*5.1*	*10.7*	*8.9*	*

1. 30% Russell 3000, 26% MSCI ACWI ex US, 22% BC Aggregate, 10% NCREIF Property Index, 5% DJ UBS Commodity Index, 7% CPI +5% Index.
** Benchmark was created in 2010*

Notes: *The above are the historical returns for each of the five investment pool.* ***Investment performance of individual funds may vary from the total pool return due to the timing of contributions and grants. Historical returns are not a predictor of future returns. The returns above are net of fees paid to investment managers. This fee represents the plans' blended expense ratio and is between 50 and 60 basis points annually. The fee for our investment consultant, Wurts & Associates, is not reflected in the returns and is provided through your administrative fee.***

CASH EQUIVALENT

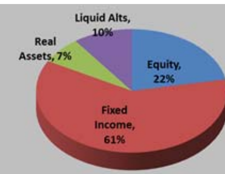
A cash-equivalent pool designed for donors or nonprofits that wish to make grants immediately or for funds that cannot sustain any loss of principal over any time horizon.



During the quarter, the Short Term Pool returned 0.1% given the tepid yields available across the CD and money market universes. Over the past year, the Short-Term Pool has returned 0.4% as the Federal Reserve continues to keep rates near historic lows. When the Fed starts raising short-term interest rates, the yield for the Short-Term Pool should improve.

GLOBAL CONSTRAINED INCOME & GROWTH

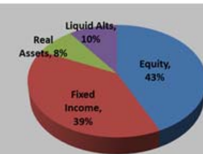
Designed for donors or nonprofits with medium-term objectives (3-5 years). While moderately conservative, this pool will have a risk of loss. A moderate portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include an allocation to illiquid alternative investments.



The Global Constrained Income & Growth Pool gained 2.9% during the quarter and is up 4.8% over the past year. Both domestic and international developed equities experienced positive absolute returns during the quarter. The Pool's fixed income securities, which comprise 61% of its total assets, also gained on an absolute basis and had mixed performance on a relative basis. The allocation to REITs was the only detractor from absolute performance during the quarter.

GLOBAL CONSTRAINED BALANCED

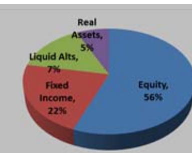
Designed for donors or nonprofits with longer-term objectives (7+ years) and spending rates of less than 4% of assets per year. A portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include an allocation to illiquid alternative investments.



The Global Constrained Balanced pool gained 4.1% during the quarter and is up 10.5% over the past year. Domestic and International Equities contributed the most positive performance, as most asset classes within the portfolio were contributors. The allocation to REITs was the only detractor from absolute performance during the quarter.

GLOBAL GROWTH & INCOME

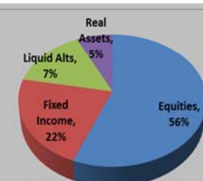
Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include an allocation to illiquid alternative investments.



The Global Growth & Income pool gained 5.4% during the quarter and is up 11.8% over the past year. Domestic and International Equities contributed the most positive performance, as most asset classes within the portfolio were contributors. The allocation to REITs was the only detractor from absolute performance during the quarter.

ENDOWMENT POOL

Designed for donors or nonprofits with endowment-like objectives (20+ years), willing to accept moderate illiquidity and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The pool may include an allocation to illiquid alternative investments. The management of this pool will be consistent with endowment best practices.



The Endowment pool gained 5.4% during the quarter and ranked in the 27th percentile in the Endowment Universe. The Pool is up 11.2% over the past year and ranks in the 65th percentile in the Endowment Universe. Similar to the Global Growth & Income Pool, the domestic equity allocation positively contributed to performance over the most recent quarter and one year as markets continued to rally. The allocation to REITs was the only detractor from absolute performance during the quarter.