

THE ECONOMIC CLIMATE

Growth strengthened across developed and emerging economies. Business surveys suggest conditions are improving in both manufacturing and service industries. The U.S. job market tightened as unemployment dropped from 4.4% to 4.2%. Unemployment has not been this low since March of 2001. Job creation data disappointed in September, though this may largely be attributed to the effects of hurricanes Harvey and Irma. The IMF raised its projections for global GDP growth 0.1% for both 2017 and 2018 to 3.6% and 3.7%, respectively. For comparison, global GDP growth was 3.2% in 2016. Also, an independence movement in Catalonia has received little attention from the financial community, and risk premiums may not reflect the negative possible knock-on effects on the EU.

MARKET PORTFOLIO IMPACTS

Improving economic growth, low inflation, low unemployment, and supportive monetary policy across most markets has created a positive environment for global risk assets, justifying a moderate overweight risk position. Economic conditions in emerging markets also improved. Emerging Markets materially outperformed global equities over the quarter (7.9% MSCI EM vs. 5.2% MSCI ACWI) and year-to-date (27.8% vs. 17.3%). Several countries, such as Brazil and Russia, are still at the beginning stages of recovery. Lower inflation has allowed emerging central banks to pursue looser monetary policy, which should provide a tailwind to further economic growth.

THE INVESTMENT CLIMATE

Global interest rates are still at historic lows, and very little monetary tightening is priced in across developed markets over the next few years. Even in the U.S., the market is only expecting two rate hikes through the end of next year. The Fed will begin to reduce its balance sheet in October. The central bank's plan is to runoff \$6 billion of mortgage-backed securities per month. At the same time, valuations across global equities and credit are elevated, and have been so for the past few years. Further price appreciation through equity multiple expansion or credit spread contraction is unlikely.

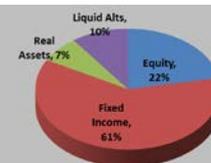
FISCAL YEAR TO DATE PERFORMANCE

With respect to the fiscal year, the Endowment portfolio experienced a 4.0% gain in the period ending September 2017. During the period, Domestic Equity and International Equity saw strong positive performance and outperformed their benchmarks. Domestic Fixed Income, Commodities, and Alternatives posted positive returns and outperformed their benchmarks. Real estate saw positive performance but lagged its benchmark.

Investment Pools	Three months ended 9/30/17	Year to Date	Fiscal Year to Date	One (1) Year Return	Three (3) Year Return	Five (5) Year Return
Cash Equivalent 100% Cash Equivalents	0.3	0.6	0.3	0.7	0.3	0.2
Global Constrained Income & Growth 22% Equity, 61% Fixed Income, 7% Real Estate, 10% Alternative Investments	2.4	6.8	2.4	6.1	3.9	4.6
Global Constrained Balanced 43% Equity, 39% Fixed Income, 8% Real Estate, 10% Alternative Investments	3.3	9.7	3.3	9.7	5.0	6.7
Global Growth & Income 56% Equity, 22% Fixed Income, 10% Real Estate, 12% Alternative Investments	4.0	11.9	4.0	12.2	5.6	7.6
Endowment	4.0	12.0	4.0	13.2	5.9	7.6
Market Benchmarks						
Cash - 90-Day Treasury Bills	0.3	0.6	0.3	0.7	0.3	0.2
Bonds - Bloomberg Barclays US Aggregate	0.8	3.1	0.8	0.1	2.7	2.1
International Stocks - MSCI ACWI ex U.S. Gross	6.3	21.3	6.3	20.2	5.2	7.5
Domestic Stocks - S&P 500	4.5	14.2	4.5	18.6	10.8	14.2
Blended Benchmark - Endowment¹	3.6	11.0	3.6	11.8	6.1	7.5

GLOBAL CONSTRAINED INCOME & GROWTH

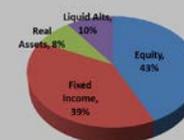
Designed for donors or nonprofits with medium-term objectives (3-5 years). While moderately conservative, this pool will have a risk of loss. A moderate portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The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



The Global Constrained Income & Growth Pool returned 2.4% during the quarter and was up 6.1% over the past year. Domestic Equity gained 4.6% and International Equity was up 7.0% over the quarter. Total Equities account for 22% of the portfolio, Domestic equity and International Equity outperformed their benchmark. The Pool's Fixed Income securities, which comprises 61% of its total assets, returned 0.9% for the quarter and outperformed its benchmark. The 7% allocation to REITs was up 0.9% and 10% allocation to Alternatives saw a gain of 4.7%. While REITs underperformed its benchmark, Alternatives outperformed their benchmark.

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 returned 3.3% during the quarter and was up 9.7% over the past year. Domestic Equity gained 4.6% and International Equity was up 7.0% over the quarter. Total Equities account for 43% of the portfolio, both Domestic equity and International Equity outperformed their benchmark. The Pool's Fixed Income securities, which comprises 39% of its total assets, returned 0.9% for the quarter and outperformed its benchmark. The 8% allocation to REITs was up 0.9% and 10% allocation to Alternatives saw a gain of 4.7%. While REITs underperformed their benchmark, Alternatives outperformed their benchmark.

GLOBAL GROWTH & INCOME

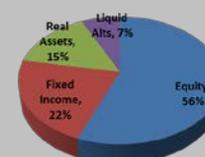
Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to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



The Global Growth & Income pool returned 4.0% during the quarter and was up 12.2% over the past year. Domestic Equity gained 4.6% and International Equity was up 7.0% over the quarter. Total Equities account for 56% of the portfolio, Domestic equity and International Equity outperformed their benchmarks. The Pool's Fixed Income securities, which comprises 22% of its total assets, returned 0.9% for the quarter and outperformed its benchmark. The 10% allocation to REITs was up 0.9% and 12% allocation to Alternatives saw a gain of 4.7%. While REITs underperformed its benchmark, Alternatives outperformed their benchmarks. Commodities saw a 4.0% increase and outperformed the benchmark.

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 4.0% during the quarter which ranked in the 10th percentile. For the trailing one year the Endowment was up 13.2%. Domestic Equity gained 18.6% and International Equity was up 23.2% over the quarter. Total Equities account for 56% of the portfolio, Domestic equity and International Equity outperformed their benchmarks. The Pool's Fixed Income securities, which comprises 22% of its total assets, returned 0.9% for the quarter and outperformed its benchmark. Real Estate and Alternatives were both positive (1.2% and 4.7% respectively) over the quarter. Commodities saw a 4.0% increase and outperformed the benchmark.

1. 30% Russell 3000, 26% MSCI ACWI ex US, 22% Bloomberg Barclays US Aggregate, 10% NCREIF Property Index, 5% Bloomberg Commodity Index, 7% HFRI Fund of Funds Composite Index.

Notes: The above are the historical returns for each of the five investment pools. 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, Verus, is not reflected in the returns.

Underlying Investment Managers

Domestic Equity: Vanguard 500 Index, T. Rowe Price Large Cap Growth, Touchstone Value fund Ins, Vanguard Extended Market ETF

International Equity: Dodge & Cox International Stock, EuroPacific Growth, DFA International Small Cap, Harding Loevner Emerging Markets

Fixed Income: Dodge & Cox Income, Met West Total Return, Voya Floating Rate I, Vanguard Inflation Protected Securities

Alternative Investments: AQR Style Premia Fund

Real Assets: Gresham Commodity, TownSquare Real Estate, Penn Square, UBS Trumbull, Vanguard REITs

Note: Performance for Penn Square Global Real Estate II and Town Square Real Estate Alpha Fund I is lagged by one quarter.