

First Quarter 2013 Market Environment

The U.S. economy continues to provide growth slightly below trend. To generate real self-sustaining growth, wages and/or credit must expand to allow for consumption increases. Look for a rebound in Q1 2013 GDP toward 2%, however, the second half of 2013 holds the risk of growth slowing to 0 – 1%, and the risk of recession increasing.

European household consumption continues to decline, along with confidence, as the unemployment rate continues to increase. Though the rise in unemployment has not been felt equally across countries; Germany experienced a new low while Spain reached a new high. One driver generating economic growth is expanding exports. While export growth remains positive, the rate of growth has declined significantly since the peak in 2010.

The current cycle is still relatively young, but is the weakest in terms of GDP growth. The economy continues to be restricted by the lack of wage and credit growth despite the record monetary and fiscal accommodation. With slowing growth and higher equity prices, in anticipation of infinite QE, the risk of an equity market correction remains high. Several equity market valuations are in the same range as the 2000 and 2007 peaks. Interest rates remain rich, but are likely to stay lower for longer. Spreads, with the high equity correlation, are likely to move wider with the equity correction. Expect to see EAFE and EM equities outperform the U.S. in a correction.

In the U.S., the broad S&P 500 Index gained 10.6%, while small-cap stocks outperformed their larger counterparts. Equity prices in foreign markets were mixed during the first quarter. The MSCI EAFE (Europe, Australia, Far East) Index of developed markets increased 5.2% while the MSCI Emerging Markets Index decreased by -1.6%. Global fixed income posted negative returns, with the Barclays Capital Global Aggregate Bond Index decreasing -2.1% in the quarter. Within domestic credit markets, the Barclays Capital Aggregate Index lost -0.1%. The Treasury Inflation-Protected Securities (TIPS) index lost -0.4%, ending a positive rally lasting eight consecutive quarters.

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 3/31/13	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	0.1	0.4	0.6	0.8	0.9
Global Constrained Income & Growth 25% Equity, 75% Fixed Income	2.0	2.0	7.7	7.9	7.8	6.7
Global Constrained Balanced 50% Equity, 50% Fixed Income	3.5	3.5	11.0	8.8	8.8	6.1
Global Growth & Income 65% Equity, 30% Fixed Income, 5% Commodities	4.1	4.1	12.5	8.6	8.7	5.1
Endowment	3.6	3.6	11.9	8.2	8.1	3.6
Market Benchmarks						
Cash - 90-Day Treasury Bills	0.0	0.0	0.1	0.2	0.1	0.3
Bonds - Barclays Capital Aggregate	-0.1	-0.1	1.7	3.8	5.5	5.5
International Stocks - MSCI ACWI ex U.S. Gross	3.3	3.3	17.5	8.9	4.9	0.1
Domestic Stocks - S&P 500	10.6	10.6	17.2	14.0	12.7	5.8
Blended Benchmark - Endowment¹	4.3	4.3	11.7	8.8	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.

CASH EQUIVALENT

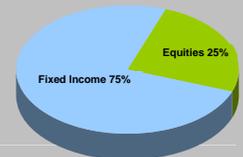
A cash-equivalent pool designed for donors or nonprofits that wish to make grants immediately or for funds that cannot sustain any loss of principal over any time horizon.



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 0.6% 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 2.0% during the quarter and is up 7.9% over the past year. Both domestic and international equities experienced positive absolute returns during the quarter. The Pool's fixed income securities, which comprise 75% of its total assets, performed well on a relative and absolute basis. The allocation to TIPS was the only detractor from absolute performance posting a -0.3% return in 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 3.5% during the quarter and is up 8.8% over the past year. Most asset classes contributed to the positive return for the quarter with domestic equities posting the strongest absolute returns. As with the Global Constrained Income & Growth pool, the Global Constrained Balanced Pool's fixed income investments benefited from exposure to core fixed income.

GLOBAL GROWTH & INCOME

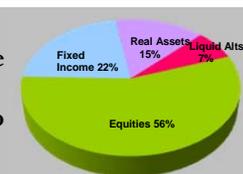
Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to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



The Global Growth & Income pool gained 4.1% during the quarter and is up 8.6% over the past year. Most asset classes contributed positively to the Pool's return, with domestic equities posting the largest gains. The Pool's allocation to fixed income also posted strong positive absolute and relative gains.

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 3.6% during the quarter and is up 8.2% over the past year. Similar to the Global Growth & Income Pool, a high domestic equity allocation contributed to the strong performance over the most recent quarter and one year as markets rallied. The Pool's allocation to fixed income and real estate also benefited the portfolio over the quarter.