

THE ECONOMIC CLIMATE

Global growth forecasts for 2018 have been revised higher, most notable in the Eurozone. U.S. expected 2018 GDP growth is 2.6%, above the expansion average. The Eurozone has experienced an impressive economic recovery. In the 3rd quarter, real GDP accelerated to 2.6%, the fastest pace of growth since 2011. With the signing of the Tax Cuts and Jobs Act analysts are expecting corporate earnings growth to increase by about 2%. U.S. consumer confidence fell from its 17 year high of 128.6 in November to 122.1 in December; consumer expectations remain at historically high levels. A net 37% of small businesses are expecting the economy to continue to improve from current conditions.

MARKET PORTFOLIO IMPACTS

A synchronized pickup in global economic growth, low inflation, strong employment, and accommodative central banks should support global equities moving forward, this justifies maintaining an overweight equity position. Equities continued to outperform expectations with the S&P 500 closing the quarter up 6.6%. This trend carried over into international equities as well with both international developed (MSCI EAFE +4.3%) and emerging markets (MSCI EM +7.4%) continuing with strong performance. Low inflation levels continue to prevent central banks from normalizing interest rates. Headline inflation actually fell from 2.2% to 2.1% in the fourth quarter.

THE INVESTMENT CLIMATE

Global equities produced strong returns over the quarter and finished the year on a positive note. Emerging market equities led the way, driven by high earnings growth and expansion of valuation multiples off of low levels. The outlook for U.S. equity earnings has improved further, following the signing of the Tax Cuts and Jobs Act. S&P 500 earnings expectations for 2018 revised upwards from 11.1% to 13.1%. U.S. high yield spreads became increasingly tight. Credit premiums are near all-time lows, which may warrant an underweight to U.S. credit.

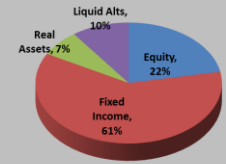
FISCAL YEAR TO DATE PERFORMANCE

With respect to the fiscal year, the Endowment portfolio experienced a 8.1% gain in the period ending December 2017. During the period, Domestic Fixed Income, Commodities, Real Estate, and Alternatives posted positive returns and outperformed their benchmarks. Domestic Equity and International Equity saw positive performance but lagged its benchmark.

Investment Pools	Three months ended 12/31/17	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	0.9	0.6	0.9	0.4	0.3
Global Constrained Income & Growth 22% Equity, 61% Fixed Income, 7% Real Estate, 10% Alternative Investments	2.2	9.1	4.6	9.1	4.3	4.7
Global Constrained Balanced 43% Equity, 39% Fixed Income, 8% Real Estate, 10% Alternative Investments	3.2	13.1	6.6	13.1	5.6	6.8
Global Growth & Income 56% Equity, 22% Fixed Income, 10% Real Estate, 12% Alternative Investments	3.7	16.0	7.8	16.0	6.5	7.8
Endowment	3.9	16.3	8.1	16.3	7.1	7.9
Market Benchmarks						
Cash - 90-Day Treasury Bills	0.3	0.9	0.6	0.9	0.4	0.3
Bonds - Bloomberg Barclays US Aggregate	0.4	3.5	1.2	3.5	2.2	2.1
International Stocks - MSCI ACWI ex U.S. Gross	5.1	27.8	11.6	27.8	8.3	7.3
Domestic Stocks - S&P 500	6.6	21.8	11.4	21.8	11.4	15.8
Blended Benchmark - Endowment¹	3.8	15.3	7.6	15.3	7.2	8.0

GLOBAL CONSTRAINED INCOME & GROWTH

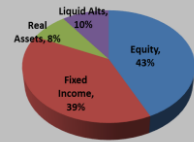
Designed for donors or nonprofits with medium-term objectives (3-5 years). While moderately conservative, this pool will have a risk of loss. A moderate portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The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



The Global Constrained Income & Growth Pool returned 2.2% during the quarter and was up 9.1% over the past year. Domestic Equity gained 6.2% and International Equity was up 3.6% over the quarter. Total Equities account for 23% of the portfolio, Domestic equity and International Equity underperformed their benchmark. The Pool's Fixed Income securities, which comprises 60% of its total assets, returned 0.6% for the quarter and outperformed its benchmark. The 6% allocation to REITs was up 1.4% and 11% allocation to Alternatives saw a gain of 5.7%. While REITs underperformed its benchmark, Alternatives outperformed their benchmark.

GLOBAL CONSTRAINED BALANCED

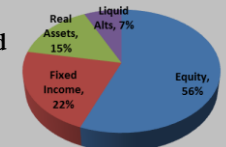
Designed for donors or nonprofits with longer-term objectives (7+ years) and spending rates of less than 4% of assets per year. A portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include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



The Global Constrained Balanced pool returned 3.2% during the quarter and was up 13.1% over the past year. Domestic Equity gained 6.2% and International Equity was up 3.7% over the quarter. Total Equities account for 44% of the portfolio, both Domestic equity and International Equity underperformed their benchmark. The Pool's Fixed Income securities, which comprises 39% of its total assets, returned 0.6% for the quarter and outperformed its benchmark. The 6% allocation to REITs was up 1.4% and 11% allocation to Alternatives saw a gain of 5.7%. While REITs underperformed their benchmark, Alternatives outperformed their benchmark.

GLOBAL GROWTH & INCOME

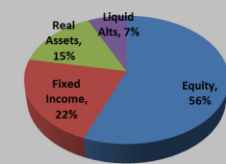
Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to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



The Global Growth & Income pool returned 3.7% during the quarter and was up 16% over the past year. Domestic Equity gained 6.2% and International Equity was up 3.7% over the quarter. Total Equities account for 58% of the portfolio, Domestic equity and International Equity underperformed their benchmarks. The Pool's Fixed Income securities, which comprises 22% of its total assets, returned 0.6% for the quarter and outperformed its benchmark. The 10% allocation to REITs was up 1.4% and 10% allocation to Alternatives saw a gain of 5.7%. While REITs underperformed its benchmark, Alternatives outperformed their benchmarks. Commodities saw a 6.1% 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 3.9% during the quarter which ranked in the 21st percentile. For the trailing one year the Endowment was up 16.3%. Domestic Equity gained 6.2% and International Equity was up 3.7% over the quarter. Total Equities account for 56% of the portfolio, Domestic equity and International Equity underperformed their benchmarks. The Pool's Fixed Income securities, which comprises 21% of its total assets, returned 0.6% for the quarter and outperformed its benchmark. Real Estate and Alternatives were both positive (2.8% and 5.7% respectively) over the quarter. Commodities saw a 6.1% increase and outperformed the benchmark.

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.