

Investment Pools Performance & Commentary

June 30, 2016

THE ECONOMIC CLIMATE

The U.K.'s unexpected decision to leave the European Union in its June 23rd referendum caused a wave of volatility throughout the global financial markets. Brexit resulted in \$3 trillion in global equity market losses in two days as investors reacted to the surprise; however, most markets recouped these losses by the end of the quarter. Economic growth has been mixed across the developed markets. Brazil, Russian, India and China's economies exhibited a slight improvement in growth. However, China remains a source of uncertainty as capital continues to flow out of the country. Additionally, fixed asset investment has fallen to a 15 year low. Higher commodity prices provided a tailwind for emerging market equities, which outperformed international developed markets during the quarter. Inflation around the world continued downward, with the U.S. and the Eurozone being an exception.

MARKET PORTFOLIO IMPACTS

The U.S. dollar rose 0.5% in Q2 on a trade-weighted basis. Stabilization of the dollar should have a positive impact on corporate earnings in future quarters. Investors who have unhedged international equity exposure would also benefit. Equity market risks continue to appear asymmetrical to the downside. In the U.S. Earnings growth is expected to remain negative for Q2. This would mark the fifth consecutive quarter of year-over-year earnings contraction. Fixed income implied volatility rose during the quarter but remains below average. Market expectations of a more gradual pace of interest rate hikes has helped keep short term fixed income risk low.

THE INVESTMENT CLIMATE

Government bond yields have reached all-time lows in many developed countries around the globe and a third of government bonds are now trading with a negative yield, accounting for more than \$10 trillion in market value. Germany became the second G-7 nation, after Japan, to issue negative yielding instruments, highlighting the willingness of investors to hold high quality instruments with negative yield. Further U.S. earnings weakness could cause an adjustment of risk appetite amongst investors. Markets may experience higher than normal levels of volatility as political uncertainty remains high both internationally and within the U.S.

FISCAL YEAR TO DATE PERFORMANCE

With respect to the fiscal year, the Endowment portfolio experienced a decline in the period ending June, 2016. During the period, Domestic Equity, International Equity, Alternatives and Commodities composites posted negative returns. Domestic Fixed Income return was positive but underperformed its benchmark. The allocation to Real Estate saw a gain and outperformed its benchmark.

Investment Pools	Three months ended 6/30/16	Year to Date	Fiscal Year to Date	One (1) Year Return	Three (3) Year Return	Five (5) Year Return
Cash Equivalent 100% Cash Equivalents	0.0	0.1	0.2	0.2	0.3	0.5
Global Constrained Income & Growth 22% Equity, 61% Fixed Income, 7% Real Estate, 10% Alternative Investments	2.1	3.8	2.0	2.0	4.4	4.7
Global Constrained Balanced 43% Equity, 39% Fixed Income, 8% Real Estate, 10% Alternative Investments	2.0	3.1	-0.2	-0.2	4.9	5.5
Global Growth & Income 56% Equity, 22% Fixed Income, 10% Real Estate, 12% Alternative Investments	2.3	3.1	-1.3	-1.3	5.4	5.2
Endowment	1.8	2.4	-2.1	-2.1	5.2	5.1
Market Benchmarks						
Cash - 90-Day Treasury Bills	0.1	0.1	0.2	0.2	0.1	0.1
Bonds - Barclays Capital Aggregate	2.2	5.3	6.0	6.0	4.1	3.8
International Stocks - MSCI ACWI ex U.S. Gross	-0.4	-0.7	-9.8	-9.8	1.6	0.6
Domestic Stocks - S&P 500	2.5	3.8	4.0	4.0	11.7	12.1
Blended Benchmark - Endowment¹	2.2	3.6	0.4	0.4	5.8	5.5

1. 30% Russell 3000, 26% MSCI ACWI ex U.S., 22% BC Aggregate, 10% NCREIF Property Index, 5% Bloomberg Commodity Index, 7% CPI +6.5% Index.

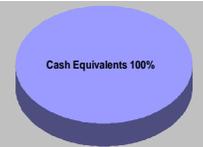
Notes: The above are the historical returns for each of the five investment pools. Investment performance of individual funds may vary from the total pool return due to the timing of contributions and grants. Historical returns are not a predictor of future returns. The returns above are net of fees 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.

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CASH EQUIVALENT

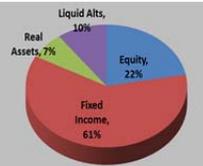
A cash-equivalent pool designed for donors or nonprofits that wish to make grants immediately or for funds that cannot sustain any loss of principal over any time horizon.



During the quarter, the Short Term Pool returned 0.0% given the tepid yields available across the CD and money market universes. Over the past year, the Short-Term Pool has returned 0.2% as the Federal Reserve continues to keep rates near historic lows.

GLOBAL CONSTRAINED INCOME & GROWTH

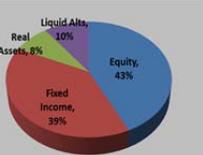
Designed for donors or nonprofits with medium-term objectives (3-5 years). While moderately conservative, this pool will have a risk of loss. A moderate portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The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



The Global Constrained Income & Growth Pool gained 2.1% during the quarter and was up 2.0% over the past year. Domestic and International Equities gained over the quarter. Total Equities account for 22% of the portfolio, and while Domestic equity was in line with its benchmark, International Equity outperformed. The Pool's Fixed Income securities, which comprises 61% of its total assets, gained 2.2% which was in line with its benchmark. The 7% allocation to REITs saw a gain of 6.8% over the quarter and underperformed its benchmark. Alternatives were flat and lagged their benchmark over the quarter.

GLOBAL CONSTRAINED BALANCED

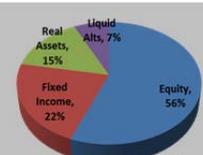
Designed for donors or nonprofits with longer-term objectives (7+ years) and spending rates of less than 4% of assets per year. A portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include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



The Global Constrained Balanced pool gained 2.0% during the quarter and was down -0.2% over the past year. Domestic Equity gained 2.6% and International Equity saw modest gains over the quarter. Total Equities account for 43% of the portfolio, and while Domestic equity was slightly ahead of its benchmark, International Equity outperformed. The Pool's Fixed Income securities, which comprises 39% of its total assets, gained 2.1% but slightly lagged its benchmark. The 8% allocation to REITs saw a gain of 6.8% over the quarter but underperformed its benchmark. Alternatives were flat and lagged their benchmark over the quarter.

GLOBAL GROWTH & INCOME

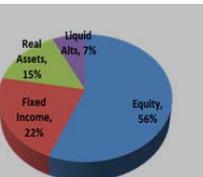
Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to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



The Global Growth & Income pool gained 2.3% during the quarter and was down -1.3% over the past year. Domestic Equity gained 2.5% and International Equity was almost flat over the quarter. Total Equities account for 56% of the portfolio, and while Domestic equity was in line with its benchmark, International Equity outperformed. The Pool's Fixed Income securities, which comprises 22% of its total assets, gained 2.2% in line with its benchmark. The 10% allocation to REITs saw a gain of 6.8% over the quarter but underperformed its benchmark. Alternatives were flat but Commodities saw strong returns at 11.5%. However, both lagged their respective benchmarks.

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 1.8% during the quarter which ranked in the 42nd percentile. For the trailing one year the Endowment was down -2.1%. Domestic Equity gained 2.5% and International Equity was almost flat over the quarter. Total Equities account for 56% of the portfolio, and while Domestic equity was in line with its benchmark, International Equity outperformed. The Pool's Fixed Income securities, which comprises 22% of its total assets, gained 2.1% but slightly lagged its benchmark. Real Estate saw a gain of 2.2% over the quarter and outperformed its benchmark. Alternatives were flat but Commodities saw strong returns at 11.5%. However, both lagged their respective benchmarks.

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.