

THE ECONOMIC CLIMATE

Real GDP grew at a 2.3% rate year-over-year in the second quarter (2.0% quarterly annualized rate). U.S. Q2 consumer spending came in stronger than any time since 2014, while weak business inventory investment acted as a slight drag. Trade policies and conflict likely weighed on economic progress. Uncertainty regarding the future of U.S.-China trade relations and supply chain disruptions caused by new tariff impositions are expected to hinder growth in the future.

MARKET PORTFOLIO IMPACTS

U.S. equities outperformed international in Q3 (S&P 500 +1.7%, MSCI EAFE -1.1%) as domestic markets continued to lead. Some convergence of U.S. interest rates with the ultra-low rates of international markets likely supported equity prices over the quarter. Core inflation has crept up to cycle-highs in 2019, increasing to 2.4% YoY in September. Headline inflation rose 1.7% YoY, dragged down by falling energy prices. Neither the media nor investors appear to be concerned about rising inflation, as of yet. Investors remain focused on deflationary forces in the global economy.

THE INVESTMENT CLIMATE

The Federal Open Market Committee cut the range for its benchmark interest rate by 0.25% in both its July and September meetings, bringing the new range for federal funds to 1.75-2.00%. Global sovereign bonds rallied, encouraged by muted inflation expectations and dovish guidance from global central banks. Central bankers appealed for fiscal action, citing the limited capacity of monetary policy to sustain further economic expansion.

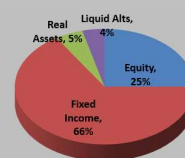
FISCAL YEAR TO DATE PERFORMANCE

With respect to the fiscal year, the Endowment portfolio experienced a 0.4% gain in the period ending September 2019. Over the past year, domestic equity and fixed income posted positive returns but underperformed the benchmark.

Investment Pools	Three months ended 9/30/2019	Year to Date	Fiscal Year to Date	One (1) Year Return	Three (3) Year Return	Five (5) Year Return
Cash Equivalent 100% Cash Equivalents	0.5	1.7	0.5	2.3	1.5	1.0
Global Constrained Income & Growth 22% Equity, 61% Fixed Income, 7% Real Estate, 10% Alternative Investments	1.6	10.4	1.6	6.0	1.8	3.9
Global Constrained Balanced 43% Equity, 39% Fixed Income, 8% Real Estate, 10% Alternative Investments	1.3	12.7	1.3	5.0	6.1	4.7
Global Growth & Income 56% Equity, 22% Fixed Income, 10% Real Estate, 12% Alternative Investments	1.0	14.1	1.0	3.4	6.7	5.0
Endowment	0.4	10.9	0.4	1.8	6.8	5.0
Market Benchmarks						
Cash - 90-Day Treasury Bills	0.5	1.7	0.5	2.3	1.5	1.0
Bonds - Bloomberg Barclays US Aggregate	2.3	8.5	2.3	2.9	3.4	2.7
International Stocks - MSCI ACWI ex U.S. Gross	-1.7	12.1	-0.7	6.8	3.4	5.5
Domestic Stocks - S&P 500	1.7	20.6	1.7	4.3	13.4	10.8
Blended Benchmark - Endowment¹	0.3	12.1	0.3	3.5	7.2	5.6

GLOBAL CONSTRAINED INCOME & GROWTH

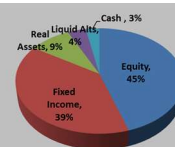
Designed for donors or nonprofits with medium-term objectives (3-5 years). While moderately conservative, this pool will have a risk of loss. A moderate portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The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



The Global Constrained Income & Growth Pool returned 1.6% during the quarter and was up 6.0% over the past year. Domestic Equity gained 1.0% and International Equity fell -2.1% over the quarter. Total Equities account for 24.7% of the portfolio, Domestic equity and International Equity underperformed their benchmarks. The Pool's Fixed Income securities, which comprise 64.8% of its total assets, returned 2.0% for the quarter, underperforming its benchmark's return. The 4.9% allocation to REITs was up 7.6% and the 4.9% allocation to Alternatives saw a loss of -0.6%. Both REITS and Alternatives outperformed their benchmarks.

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 1.3% during the quarter and is up 5.0% over the past year. Domestic Equity returned 1.0% and International Equity was down -2.0% over the quarter. Total Equities account for 45.0% of the portfolio, Domestic and international equity both underperformed their benchmark. The Pool's Fixed Income securities, which comprises 40.2% of its total assets, returned 2.0% for the quarter, underperforming its benchmark's return. The 9.9% allocation to REITs was up 7.6% and the 4.5% allocation to Alternatives saw a loss of -0.6%. Both REITS and Alternatives outperformed their benchmarks.

GLOBAL GROWTH & INCOME

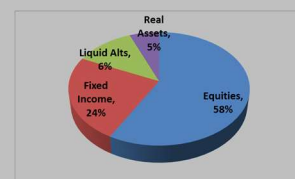
Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to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



The Global Growth & Income pool returned 1.0% during the quarter and was up 3.4% over the past year. Domestic Equity gained 1.0% and International Equity fell -2.1% over the quarter. Total Equities account for 59.4% of the portfolio, both equity composites underperformed their benchmarks. The Pool's Fixed Income securities, which comprises 25.4% of its total assets, returned 2.0% for the quarter, underperforming its benchmark's return. The 10.0% allocation to REITs was up 7.6% and the 4.9% allocation to Alternatives saw a loss of -0.7%. Both REITS and Alternatives outperformed their 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 0.4% during the quarter. For the trailing one year the Endowment was up 1.8%. Domestic Equity gained 0.9% and International Equity was down -2.1% over the quarter. Total Equities account for 58.2% of the portfolio, both equity composites underperformed their benchmarks. The Pool's Fixed Income securities, which comprises 23.7% of its total assets, returned 2.0% for the quarter, matching its benchmark's return. Real Estate and Alternatives returned 1.6% and 0.6% respectively over the quarter.

Investment Pools Performance & Commentary

September 30, 2019

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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, 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, Vanguard Inflation Protected Securities

Alternative Investments: BlackRock Style Advantage, AQR Style Premia Alternative

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

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