

### THE ECONOMIC CLIMATE

Real GDP grew at a 5.5% rate year-over-year in the fourth quarter (+6.9% quarterly annualized rate). Strong expenditures into new inventory boosted growth, as many businesses have struggled to replenish inventory levels in the face of global supply chain issues. Business investment and rising exports also contributed to the strong pace of growth. The U.S. labor market improved further, as unemployment fell from 3.9% to 3.6%. The labor force participation rate has gradually increased, rising from 61.6% to 62.4%.

### MARKET PORTFOLIO IMPACTS

High yield credit spreads expanded from 2.8% to 3.3%, although default activity is expected to remain historically low. It appears spread movement has been more of an effect of broader risk-off market moves, rather than a specific reflection of changing credit conditions. U.S. core CPI, excluding food & energy, rose by 6.5% year-over-year in March. Headline inflation, which is being closely watched at the moment as this includes energy & food prices, reached 8.5%. Prices in some other areas have stabilized. Many investors believe inflation peaked in March, though there remains much uncertainty around the path from here.

### THE INVESTMENT CLIMATE

In late February, Russian forces invaded Ukraine—a move which was anticipated by major Western intelligence communities. Ukraine has put together a remarkable defense thus far, as many citizens have taken up arms to defend their country. Multi-year underinvestment in energy, and now the Russia/Ukraine war, has created a shock to energy markets and crisis-level prices in many European countries. Government officials have been hesitant to vocally support increased local energy production, primarily due to climate concerns. In the U.S., many shale firms have opted to increase production but have been slow to pursue new projects—partly due to supply chain issues (shortages in labor, truck drivers, and frack sand) and due to prioritization of profits over growth.

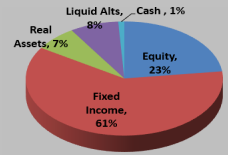
### FISCAL YEAR TO DATE PERFORMANCE

With respect to the fiscal year, the Endowment portfolio experienced a 6.0% decrease in the period ending March 2022. During the period, Equities and Fixed Income posted positive returns and outperformed their benchmarks.

Investment Pools	Three months ended 3/31/2022	Year to Date	Fiscal Year to Date	One (1) Year Return	Three (3) Year Return	Five (5) Year Return
<b>Cash Equivalent</b> 100% Cash Equivalents	0.0	0.0	0.1	0.1	0.8	1.0
<b>Global Constrained Income &amp; Growth</b> 25% Equity, 65% Fixed Income, 5% Real Estate, 5% Alternative Investments	-6.4	-6.4	-4.5	-1.0	5.5	4.9
<b>Global Constrained Balanced</b> 45% Equity, 40% Fixed Income, 10% Real Estate, 5% Alternative Investments	-7.5	-7.5	-4.4	0.4	7.7	6.7
<b>Global Growth &amp; Income</b> 60% Equity, 25% Fixed Income, 10% Real Estate, 5% Alternative Investments	-7.9	-7.9	-4.4	0.9	9.0	7.6
<b>Endowment</b>	-6.0	-6.0	-1.7	2.9	8.7	7.6
<b>Market Benchmarks</b>						
<i>Cash - 90-Day Treasury Bills</i>	0.0	0.0	0.1	0.1	0.7	1.1
<i>Bonds - Bloomberg Barclays US Aggregate</i>	-5.9	-5.9	-5.9	-4.2	1.7	2.1
<i>International Stocks - MSCI ACWI ex U.S. Gross</i>	-5.4	-5.4	-6.6	-1.5	7.5	6.8
<i>Domestic Stocks - S&amp;P 500</i>	-4.6	-4.6	6.5	15.6	18.9	16.0
<b>Blended Benchmark - Endowment<sup>1</sup></b>	-3.6	-3.6	0.5	5.6	9.8	8.5

**GLOBAL CONSTRAINED INCOME & GROWTH**

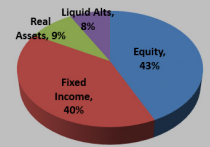
Designed for donors or nonprofits with medium-term objectives (3-5 years). While moderately conservative, this pool will have a risk of loss. A moderate portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The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



The Global Constrained Income & Growth Pool returned -6.4% during the quarter and was down 1.0% over the past year. Domestic Equity was down 7.8% and International Equity was down 12.2% over the quarter. Total Equities account for 25.9% of the portfolio, domestic equity and international equity underperformed their benchmarks over the period. The Pool's Fixed Income securities, which comprises 68.5% of its total assets, saw a loss of 5.1% for the quarter and outperformed its benchmark. The 5.1% allocation to REITs was down 6.2% and underperformed its benchmark.

**GLOBAL CONSTRAINED BALANCED**

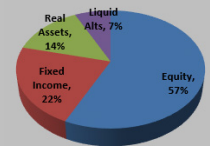
Designed for donors or nonprofits with longer-term objectives (7+ years) and spending rates of less than 4% of assets per year. A portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include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



The Global Constrained Balanced pool returned -7.5% during the quarter and was up 0.4% over the past year. Domestic Equity was down 7.7% and International Equity was down 11.7% over the quarter. Total Equities account for 48.2% of the portfolio, domestic equity and international equity underperformed their benchmarks over the period. The Pool's Fixed Income securities, which comprises 41.5% of its total assets, saw a loss of 5.2% for the quarter and outperformed its benchmark. The 9.9% allocation to REITs was down 6.3% and underperformed its benchmark.

**GLOBAL GROWTH & INCOME**

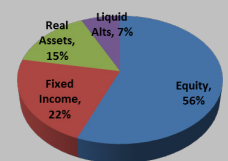
Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to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



The Global Growth & Income pool returned -7.9% during the quarter and was up 0.9% over the past year. Domestic Equity was down 7.7% and International Equity was down 11.4% over the quarter. Total Equities account for 62% of the portfolio, domestic equity and international equity underperformed their benchmarks over the period. The Pool's Fixed Income securities, which comprises 27.5% of its total assets, saw a loss of 5.2% for the quarter and outperformed its benchmark. The 9.8% allocation to REITs was down 6.3% underperforming its 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 decreased 6.0% during the quarter. For the trailing one year the Endowment was up 2.9%. Domestic Equity was down 7.7% and International Equity was down 11.0% over the quarter. Total Equities account for 59.9% of the portfolio, Domestic Equity and International Equity underperformed their benchmarks. The Pool's Fixed Income securities, which comprises 23.6% of its total assets, saw a drop of 5.1% for the quarter and outperformed its benchmark. Real Estate returned 5.7% over the quarter.

# Investment Pools Performance & Commentary

March 31, 2022

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1. 30% Russell 3000, 26% MSCI ACWI ex US, 22% Bloomberg Barclays US Aggregate, 10% FTSE NAREIT All, 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 FTSE Social Index, Vanguard Extended Market ETF

*International Equity:* Causeway International Value, EuroPacific Growth, DFA International Small Cap, Calvert Emerging Markets Equity

*Fixed Income:* Dodge & Cox Income, Met West Total Return, Vanguard Inflation Protected Securities

*Alternative Investments:* AQR Style Premia Fund

*Real Assets:* TownSquare Real Estate, Penn Square, UBS Trumbull, TA Realty Fund, Invesco Real Estate, Vanguard REIT Index

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