

Investment Pools Performance & Commentary December 31, 2022

Page 1

THE ECONOMIC CLIMATE

Real GDP increased at a 2.9% rate in the fourth quarter (1.0% year-over-year growth), slightly exceeding expectations. Consumer spending, private inventory investment, government expenditures, and nonresidential investment were supportive of growth. Unemployment remained near historic lows during the quarter, at 3.5% in December. While this figure suggests a strong and resilient job market, the workforce remains much smaller than pre-pandemic times as more than two million workers remain out of the labor force.

MARKET PORTFOLIO IMPACTS

Inflation fears continue to ease as domestic inflation fell further. Headline inflation was 6.5% year-over-year in December—the lowest since October 2021—while core inflation came in at 5.7%. Prices for most goods and services have moderated with the exception of shelter costs, which increased at a worryingly fast pace of 10.0% annualized in December.

U.S. real personal spending held steady at 2.0% year-over-year in August. Households focused spending on services over goods, which has removed some stress from supply chains and likely helped to normalize global transportation issues. Relatively strong spending seems to suggest it is possible that inflation moderates without a painful slowdown in the economy.

THE INVESTMENT CLIMATE

China's rapid pivot away from a "Zero Covid" policy towards the end of Q4 added a large tailwind to emerging market equity performance and the global growth outlook. Despite this positive news, an uptick in virus cases poses challenges for China's reopening. Credit performed well in the fourth quarter, as resilient U.S. economic growth combined with expectations for the Fed to ease their tightening cycle helped mitigate investor concerns of a near-term cyclical downturn.

FISCAL YEAR TO DATE PERFORMANCE

With respect to the fiscal year, the Endowment portfolio experienced a -5.5% decrease during the period ending September 2022. During the period, Equities and Fixed Income posted negative returns. Equities underperformed their benchmarks while Fixed Income outperformed their benchmark.

Investment Pools	Three months ended 12/31/2022	Year to Date	Fiscal Year to Date	One (1) Year Return	Three (3) Year Return	Five (5) Year Return
Cash Equivalent 100% Cash Equivalents	0.8	1.5	1.3	1.5	0.7	1.3
Global Constrained Income & Growth 25% Equity, 65% Fixed Income, 5% Real Estate, 5% Alternative Investments	4.5	-15.7	-1.3	-15.7	-0.3	1.5
Global Constrained Balanced 45% Equity, 40% Fixed Income, 10% Real Estate, 5% Alternative Investments	6.3	-18.8	-0.6	-18.8	0.4	2.2
Global Growth & Income 60% Equity, 25% Fixed Income, 10% Real Estate, 5% Alternative Investments	7.5	-20.1	0.1	-20.1	0.9	2.5
Endowment	5.7	-16.0	-0.1	-16.0	2.1	3.0
Market Benchmarks						
Cash - 90-Day Treasury Bills	0.8	1.5	1.3	1.5	0.7	1.1
Bonds - Bloomberg Barclays US Aggregate	1.9	-13.0	-3.0	-13.0	-2.7	0.0
International Stocks - MSCI ACWI ex U.S.	14.3	-16.0	3.0	-16.0	0.1	0.9
Domestic Stocks - S&P 500	7.6	-18.1	2.3	-18.1	7.7	9.4
Blended Benchmark - Endowment¹	6.2	-12.2	0.9	-12.2	3.4	4.4

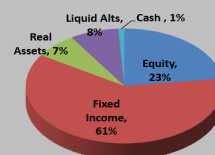
Investment Pools Performance & Commentary

December 31, 2022

Page 2

GLOBAL CONSTRAINED INCOME & GROWTH

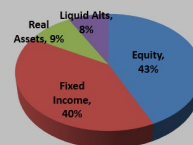
Designed for donors or nonprofits with medium-term objectives (3-5 years). While moderately conservative, this pool will have a risk of loss. A moderate portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The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



The Global Constrained Income & Growth Pool returned 4.5% during the quarter and was down 15.7% over the past year. Domestic Equity was up 5.1% and International Equity was up 16.3% over the quarter. Total Equities account for 27.0% of the portfolio. Domestic equities underperformed its benchmarks while International Equity outperformed the benchmark. The Pool's Fixed Income securities, which comprise 68.3% of its total assets, posted 2.3% return for the quarter and outperformed its benchmark. The 4.6% allocation to REITs was up 3.7% and underperformed its benchmark.

GLOBAL CONSTRAINED BALANCED

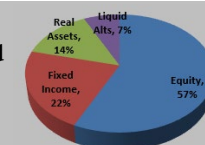
Designed for donors or nonprofits with longer-term objectives (7+ years) and spending rates of less than 4% of assets per year. A portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include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



The Global Constrained Balanced pool returned 6.3% during the quarter and was down 18.8% over the past year. Domestic and International Equities were positive over the quarter posting 5.1% and 16.3% returns respectively. Total Equities account for 49.3% of the portfolio, Domestic Equities underperformed the benchmark while International Equity outperformed its benchmark. The Pool's Fixed Income securities, which comprises 41.2% of the total assets, posted a 2.3% return for the quarter and outperformed its benchmark. The 9.3% allocation to REITs was up 3.7% and underperformed its benchmark.

GLOBAL GROWTH & INCOME

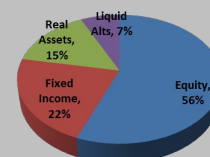
Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to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



The Global Growth & Income pool returned 7.5% during the quarter and was down 20.1% over the past year. Domestic Equities returned 4.8% and International Equities gained 16.3% over the quarter. Total Equities account for 63.4% of the portfolio. Domestic Equities underperformed its benchmark while International Equities outperformed. The Pool's Fixed Income securities, which comprises 26.7% of its total assets, posted a 2.4% return for the quarter and outperformed its benchmark. The 9.6% allocation to REITs was up 3.7% and underperformed 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 gained 5.7% during the quarter. For the trailing one year the Endowment was down 16.0%. Domestic Equities were up 5.1% and International Equities were up 16.2% over the quarter. Total Equities account for 62.0% of the portfolio, Domestic Equities underperformed the benchmark while International Equities outperformed benchmarks. The Pool's Fixed Income securities, which comprises 22.1% of its total assets, saw a gain of 2.5% for the quarter and outperformed its benchmark. Real Estate returned -5.8% over the quarter and underperformed its benchmark.

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.