

### THE ECONOMIC CLIMATE

Real GDP increased at a 2.7% rate in the fourth quarter (0.9% growth year-over-year). The U.S. economy was supported by mild but positive growth across most aspects of activity. Unemployment continued to suggest a strong labor market, unchanged at 3.5% in March. Widespread layoffs in the technology sector have captured headlines, though the sector makes up a rather small segment of overall jobs. The labor participation rate is showing positive signs as workers who had left the job market during the pandemic are once again seeking employment.

### MARKET PORTFOLIO IMPACTS

The U.S. inflation picture continued to improve. March headline CPI came in at 5.0% year-over-year—the lowest since Q2 2021. Core inflation remained stubbornly high at 5.6% year-over-year. Many of the goods and services that initially contributed to high inflation, such as used cars, food, and energy, have moderated in price. U.S. real (inflation-adjusted) personal consumption expenditures were modest in February at 2.5% growth year-over-year. Household purchases of services continued to climb, while goods purchases remained flat. During the pandemic, an unprecedented surge in spending on goods occurred to the detriment of services. It appears that trend has now normalized.

### THE INVESTMENT CLIMATE

U.S. yield curve inversion reached even more extreme levels during Q1. The 10-year 2-year yield spread (short-term interest rates being higher than long-term interest rates) reached ~107 bps on March 8th. Inversion has historically preceded recession. Silicon Valley Bank (SVB) failed and was transitioned to government ownership on March 10th. SVB is among the top 20 largest banks in the United States with approximately 1% of all U.S. domestic bank deposits. In the near-term, sentiment seems to have been shored up by backstops from the Federal Reserve, Treasury, and FDIC, though we are watching conditions closely.

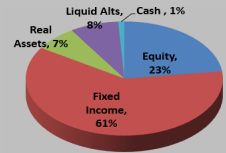
### FISCAL YEAR TO DATE PERFORMANCE

With respect to the fiscal year, the Endowment portfolio experienced a 5.7% increase during the period ending March 2023. 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 3/31/2023	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	1.1	1.1	2.4	2.5	0.9	1.4
<b>Global Constrained Income &amp; Growth</b> 25% Equity, 65% Fixed Income, 5% Real Estate, 5% Alternative Investments	5.2	5.2	3.9	-5.2	4.1	2.7
<b>Global Constrained Balanced</b> 45% Equity, 40% Fixed Income, 10% Real Estate, 5% Alternative Investments	6.4	6.4	5.8	-6.5	7.8	3.6
<b>Global Growth &amp; Income</b> 60% Equity, 25% Fixed Income, 10% Real Estate, 5% Alternative Investments	7.1	7.1	7.2	-7.0	10.1	4.1
<b>Endowment</b>	6.0	6.0	5.7	-5.5	9.1	4.2
<b>Market Benchmarks</b>						
<i>Cash - 90-Day Treasury Bills</i>	1.1	1.1	2.4	2.5	0.9	1.4
<i>Bonds - Bloomberg Barclays US Aggregate</i>	3.0	3.0	-0.1	-4.8	-2.8	0.9
<i>International Stocks - MSCI ACWI ex U.S.</i>	6.9	6.9	10.0	-5.1	11.8	2.5
<i>Domestic Stocks - S&amp;P 500</i>	7.5	7.5	10.0	-7.7	18.5	11.2
<b>Blended Benchmark - Endowment<sup>1</sup></b>	4.6	4.6	5.6	-4.7	9.9	5.5

### GLOBAL CONSTRAINED INCOME & GROWTH

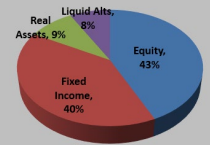
Designed for donors or nonprofits with medium-term objectives (3-5 years). While moderately conservative, this pool will have a risk of loss. A moderate portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The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



The Global Constrained Income & Growth Pool returned 5.2% during the quarter and was down -5.2% over the past year. Domestic Equity was up 9.4% and International Equity was up 10.1% over the quarter. Total Equities account for 25.8% of the portfolio. Domestic and International Equity both outperformed their benchmark. The Pool's Fixed Income securities, which comprise 64.6% of its total assets, posted a 3.4% return for the quarter and outperformed its benchmark. The 4.5% allocation to REITs was up 2.4% and outperformed its benchmark.

### GLOBAL CONSTRAINED BALANCED

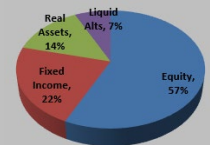
Designed for donors or nonprofits with longer-term objectives (7+ years) and spending rates of less than 4% of assets per year. A portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include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



The Global Constrained Balanced pool returned 6.4% during the quarter and was down 6.5% over the past year. Domestic and International Equities were positive over the quarter posting 9.3% and 9.9% returns respectively. Total Equities account for 49.0% of the portfolio, both Domestic Equities and International Equities outperformed their benchmark. The Pool's Fixed Income securities, which comprises 42.0% of the total assets, posted a 3.4% return for the quarter and outperformed its benchmark. The 8.6% allocation to REITs was up 2.4% and outperformed its benchmark.

### GLOBAL GROWTH & INCOME

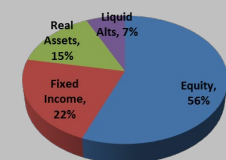
Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to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



The Global Growth & Income pool returned 7.1% during the quarter and was down 7.0% over the past year. Domestic Equities returned 9.2% and International Equities gained 9.5% over the quarter. Total Equities account for 63.5% of the portfolio. Domestic and International Equities outperformed their posting 9.2% and 9.5%, respectively. The Pool's Fixed Income securities, which comprises 26.8% of its total assets, posted a 3.4% return for the quarter and outperformed its benchmark. The 9.3% allocation to REITs was up 2.4% and outperformed 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 6.0% during the quarter. For the trailing one year the Endowment was down 5.5%. Domestic Equities were up 9.4% and International Equities were up 9.5% over the quarter. Total Equities account for 62.1% of the portfolio, Domestic and International Equities outperformed their benchmarks. The Pool's Fixed Income securities, which comprises 25.1% of its total assets, saw a gain of 3.3% for the quarter and outperformed its benchmark. Real Estate returned -4.4% over the quarter and underperformed its benchmark.

# Investment Pools Performance & Commentary

March 31, 2023

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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.