

THE ECONOMIC CLIMATE

Real GDP increased at a 2.0% rate in Q1 (1.8% growth year-over-year). The slowdown from the prior quarter reflected weaker inventory buildups and slower business investment. An upturn in consumer spending was the greatest support to economic growth, as consumption has ticked along at a steady rate. The unemployment rate remained very tight at 3.6% in June. The workforce appears to be experiencing a healthy, and possibly low pain, rebalancing of resources. Many workers are returning to the workforce while fewer job openings are being posted. Both of these effects reduce the mismatch between workers available and available jobs.

MARKET PORTFOLIO IMPACTS

The U.S. consumer has shown resiliency. Household budgets have been strained by high inflation and a jump in interest rates; however, the boom in wealth over the past decade, fueled by a substantial bull market in stocks and in residential real estate, may provide a cushion in the next downturn. It remains unclear whether the U.S. will face recession in the near-term. The CBOE VIX implied volatility index fell to a surprisingly low level, despite broad expectations of recession, regional bank risks, and other not-yet-known consequences of liquidity withdrawal from the financial system. The index fell from 18.7% to 13.6% during the second quarter.

THE INVESTMENT CLIMATE

The Fed implemented an additional rate hike to a new range of 5.00–5.25%, but longer-term U.S. interest rates remain anchored. This has resulted in the most deeply inverted U.S. yield curve since the early 1980s at -1.06% (defined as 10-year UST yield minus 2-year UST yield). Inflation fell further in the U.S., with June CPI coming in at a surprisingly low 3% year-over-year and Core CPI at 4.8%. Weakening energy prices have had a big impact on overall inflation levels, though prices appear to also be softening across many other types of goods and services, suggesting milder inflation is not solely an energy story.

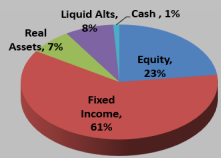
FISCAL YEAR TO DATE PERFORMANCE

With respect to the fiscal year, the Endowment portfolio experienced an 8.8% increase during the period ending June 2023. During the period equities returned strong performance while most fixed income instruments traded slightly lower.

Investment Pools	Three months ended 6/30/2023	Year to Date	Fiscal Year to Date	One (1) Year Return	Three (3) Year Return	Five (5) Year Return
Cash Equivalent 100% Cash Equivalents	1.2	2.3	3.6	3.6	1.3	1.6
Global Constrained Income & Growth 25% Equity, 65% Fixed Income, 5% Real Estate, 5% Alternative Investments	1.4	6.7	5.4	5.4	1.7	3.0
Global Constrained Balanced 45% Equity, 40% Fixed Income, 10% Real Estate, 5% Alternative Investments	2.8	9.5	8.8	8.8	4.5	4.2
Global Growth & Income 60% Equity, 25% Fixed Income, 10% Real Estate, 5% Alternative Investments	3.9	11.2	11.3	11.3	6.3	4.9
Endowment	2.9	9.1	8.8	8.8	6.3	4.9
Market Benchmarks						
Cash - 90-Day Treasury Bills	1.2	2.3	3.5	3.5	1.2	1.6
Bonds - Bloomberg Barclays US Aggregate	-0.8	2.1	-0.9	-0.9	-4.0	0.8
International Stocks - MSCI ACWI ex U.S.	2.4	9.5	12.7	12.7	7.2	3.5
Domestic Stocks - S&P 500	8.7	19.6	19.6	19.6	14.6	12.3
Blended Benchmark - Endowment¹	3.2	8.0	9.0	9.0	7.0	6.0

GLOBAL CONSTRAINED INCOME & GROWTH

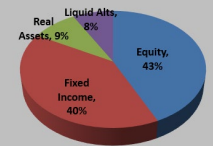
Designed for donors or nonprofits with medium-term objectives (3-5 years). While moderately conservative, this pool will have a risk of loss. A moderate portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The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



The Global Constrained Income & Growth Pool returned 1.4% during the quarter and was up 5.4% over the past year. Domestic Equity was up 9.4% and International Equity was up 1.8% over the quarter. Total Equities account for 28.4% of the portfolio. Domestic outperformed its benchmark while International Equity underperformed. The Pool's Fixed Income securities, which comprise 66.3% of its total assets, posted -0.7% return for the quarter and outperformed its benchmark. The 5.3% allocation to REITs was up 3.1% and outperformed its benchmark.

GLOBAL CONSTRAINED BALANCED

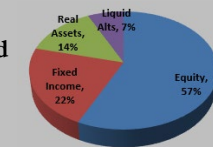
Designed for donors or nonprofits with longer-term objectives (7+ years) and spending rates of less than 4% of assets per year. A portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include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



The Global Constrained Balanced pool returned 2.8% during the quarter and was up 8.8% over the past year. Domestic and International Equities were positive over the quarter posting 9.4% and 1.8% returns respectively. Total Equities account for 48.9% of the portfolio, Domestic Equities outperformed its benchmark while International Equities underperformed. The Pool's Fixed Income securities, which comprises 41.1% of the total assets, posted a -0.7% return for the quarter and outperformed its benchmark. The 9.6% allocation to REITs was up 3.1% and outperformed its benchmark.

GLOBAL GROWTH & INCOME

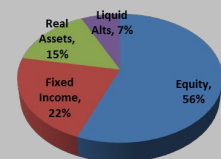
Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to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



The Global Growth & Income pool returned 3.9% during the quarter and was up 11.3% over the past year. Domestic Equities returned 9.3% and International Equities gained 1.6% over the quarter. Total Equities account for 64% of the portfolio. Domestic Equities outperformed its benchmark while International Equities underperformed, posting 1.6%. The Pool's Fixed Income securities, which comprises 25.8% of its total assets, posted a -0.6% return for the quarter and outperformed its benchmark. The 10.2% allocation to REITs was up 3.1% 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 2.9% during the quarter. For the trailing one year the Endowment was up 8.8%. Domestic Equities were up 9.3% and International Equities were up 1.6% over the quarter. Total Equities account for 59.9% of the portfolio, Domestic Equities outperformed its benchmarks while International lagged its benchmark. The Pool's Fixed Income securities, which comprises 26.9% of its total assets, post a -0.5% for the quarter and outperformed its benchmark. Real Estate returned -3.1% 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.