

THE ECONOMIC CLIMATE

Real GDP growth unexpectedly slowed in Q1 to 1.6% quarter-over-quarter (3.0% year-over-year), falling short of economist forecasts for 2.5% growth. The GDP release reflected positive but decelerating spending by households, slowing exports, and less government expenditures. Residential fixed investment accelerated partly driven by new single-family home construction, while private inventory investment fell. The U.S. job market has been incredibly resilient, with unemployment rising slightly from 3.7% to 3.8% but labor participation improving from 62.5% to 62.7%. Some economists and investors have begun to partially attribute surprisingly strong labor conditions to substantial immigration (both legal and illegal) in recent years.

MARKET PORTFOLIO IMPACTS

The 10-year U.S. Treasury yield rose 32 basis points to 4.20% during Q1 on broad acknowledgment that disinflation trends have stalled and that the Federal Reserve may not cut rates in 2024 as significantly as markets had hoped for. Market-priced volatility (Cboe VIX Index) remained incredibly low during the quarter, ending at 13.0 in March. Historically, market volatility of this level has coincided with strong upward trending risk markets and investor enthusiasm.

THE INVESTMENT CLIMATE

Equity markets delivered another quarter of large gains—much of the performance fueled by richer valuations rather than fundamentals. Credit spreads declined further to very low levels, leading to moderate returns for higher risk credit. Many markets appear to be priced to perfection as recession fears subside. U.S. inflation increased in Q1, following a handful of hotter-than-expected inflation and jobs reports. Headline inflation increased from 3.3% to 3.5% year-over-year in March, while core CPI (ex-food & energy) declined slightly from 3.9% to 3.8%. It now seems more likely that inflation ends this year closer to, or above, 3% rather than 2%.

FISCAL YEAR TO DATE PERFORMANCE

With respect to the fiscal year, the Endowment portfolio experienced a 4.7% increase during the period ending March 2024. A strong start to the year as equity markets continued to trade higher throughout the first quarter.

Investment Pools	Three months ended 3/31/2024	Year to Date	Fiscal Year to Date	One (1) Year Return	Three (3) Year Return	Five (5) Year Return
Cash Equivalent 100% Cash Equivalents	0.4	0.4	1.1	1.5	0.8	0.9
Global Constrained Income & Growth 25% Equity, 65% Fixed Income, 5% Real Estate, 5% Alternative Investments	1.6	1.6	6.3	7.8	0.4	3.7
Global Constrained Balanced 45% Equity, 40% Fixed Income, 10% Real Estate, 5% Alternative Investments	3.1	3.1	8.6	11.7	1.6	5.5
Global Growth & Income 60% Equity, 25% Fixed Income, 10% Real Estate, 5% Alternative Investments	4.3	4.1	10.1	14.3	2.4	6.6
Endowment	9.0	14.1	4.7	14.1	2.6	7.2
Market Benchmarks						
<i>Cash - 90-Day Treasury Bills</i>	1.3	1.3	1.4	5.2	2.6	2.0
<i>Bonds - Bloomberg Barclays US Aggregate</i>	-0.8	-0.8	2.6	1.7	-2.5	0.4
<i>International Stocks - MSCI ACWI ex U.S.</i>	8.2	8.2	16.0	23.2	7.0	10.9
<i>Domestic Stocks - S&P 500</i>	10.6	10.6	19.4	29.9	11.5	15.0
Blended Benchmark - Endowment¹	4.3	4.3	9.3	12.8	4.3	7.3

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 7.8% over the past year. Domestic Equity was up 9.8% and International Equity was up 2.5% over the quarter. Total Equities account for 29% of the portfolio. Domestic Equities and International Equity underperformed their benchmarks. The Pool's Fixed Income securities, which comprise 65.5% of its total assets, posted a -0.5% return for the quarter and outperformed its benchmark. The 5.2% allocation to REITs was down -0.5% and outperformed its benchmark.

GLOBAL CONSTRAINED BALANCED

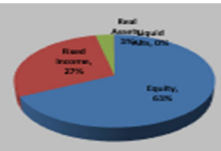
Designed for donors or nonprofits with longer-term objectives (7+ years) and spending rates of less than 4% of assets per year. A portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include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



The Global Constrained Balanced pool returned 3.1% during the quarter and was up 11.7% over the past year. Domestic and International Equities were positive over the quarter posting 9.9% and 2.5% returns respectively. Total Equities account for 48.6% of the portfolio, Domestic Equities and International underperformed their benchmarks. The Pool's Fixed Income securities, which comprise 39% of the total assets, posted a -0.4% return for the quarter and outperformed its benchmark. The 9.2% allocation to REITs was down -0.5% and outperformed its benchmark.

GLOBAL GROWTH & INCOME

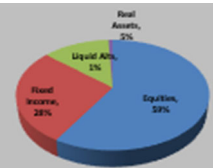
Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements an with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to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



The Global Growth & Income pool returned 4.3% during the quarter and was up 14.3% over the past year. Domestic Equities and International Equities posted 9.8% and 2.5% returns respectively over the quarter. Total Equities account for 64% of the portfolio. Domestic Equities and International Equities underperformed their benchmarks. The Pool's Fixed Income securities, which comprise 25.9% of its total assets, posted a -0.4% return for the quarter and outperformed its benchmark. The 9.8% allocation to REITs was down -0.5% 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 posted 3.9% during the quarter. For the trailing one year the Endowment was up 11.8%. Domestic Equities and International Equities were up 9.9% and 2.6% respectively over the quarter. Total Equities account for 61.4% of the portfolio, Domestic Equities and International underperformed their benchmark. The Pool's Fixed Income securities, which comprise 25.2% of its total assets, posted a -0.4% for the quarter and outperformed its benchmark. Real Estate returned -1.8% 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 at least one quarter.