Quarterly Investment Report April-June 2022

Financial Markets Review
High inflation, an increasingly hawkish Federal Reserve, and economic uncertainty have weighed on markets in 2022. Global equities reached bear market territory with the MSCI ACWI Index down 20% year-to-date through June. Market behavior this year appears to be a mostly rational response to the increase in longer-term interest rates, along with the rise in economic uncertainty from inflationary pressures, the Ukraine-Russia conflict, Chinese lockdowns, and monetary policy tightening.

Global equities posted steep declines during the second quarter, with the MSCI ACWI Index falling 15.7% for the quarter. The S&P 500 Index fell 16.1% during the quarter and was down 20.0% year-to-date. International developed stocks declined 14.5% for the quarter as a stronger US dollar continued to detract from the returns of non-US holdings. Emerging market equities outperformed other regions during the quarter, falling 11.4% as Chinese equities posted modest gains. US large-caps fared slightly better than their small-cap counterparts year-to-date. Value stocks outperformed growth stocks for the quarter and year-to-date.

Rising rates and widening spreads continued to weigh on fixed income returns during the quarter. The Bloomberg US Aggregate Index declined 4.7% for the quarter, bringing its year-to-date return to -10.3%. Treasuries fell 3.8% but outperformed corporate bonds, which declined 7.3%. The yield curve flattened during the quarter but yields moved higher across the curve.

Investment Pool Commentary
The Long Term Diversified Pool (LTD) declined 9.4% during the second quarter, moderately outperforming its Strategic Policy Benchmark and well ahead of the Public Markets Benchmark. The Mercer Hedge Fund Investors portfolio, the Lazard Global Listed Infrastructure portfolio, and the Cohen & Steers Institutional Realty Shares outperformed their respective benchmarks. Additionally, the LTD Pool’s below-benchmark duration position within fixed income protected value. Compared to the Public Markets Benchmark, the LTD Pool benefited from its allocations to alternative asset classes. The LTD Poollagged its benchmarks for the most recent 5-year period but for the 10-year period, performance was in line with the Strategic Policy Benchmark and ahead of the Public Markets Benchmark.

The Long Term Aggressive Growth Pool (LTAG) fell 13.2% for the quarter, slightly lagging its benchmark due to underperformance from the Western Core Plus Bond Fund (fixed income). Since its inception (April 2019), the LTAG Pool returned 5.1%, outperforming its benchmark.

The Socially Responsible Pool (SRI) declined 13.1% during the quarter, trailing its benchmark driven by underperformance from the Vanguard FTSE Social Index Fund (US equity) and the Boston Common International Social Fund (international equity). The SRI Pool matched its benchmark for the 5-year period and outperformed its benchmark for the 10-year period.
The **Intermediate Pool (INT)** fell 10.3% for the quarter, slightly lagging its benchmark return driven by underperformance from the Western US Core Plus Fund (fixed income). The INT Pool outperformed its benchmark for the trailing 5- and 10-year periods.

The **Short Term Pool (ST)** returned 0.1% for the quarter, matching the 90-Day US Treasury Bill as short-term Treasury rates increased during the quarter. As of June 30, 2022, the ST Pool’s annualized yield stood at 1.21%.

For questions or additional information, please contact your relationship manager or [click here to visit our website](#).
Long Term Diversified Pool
Established December 1990

Net Returns - As of June 30, 2022

The Strategic Policy Benchmark represents the weighted average return of the underlying asset class benchmarks using the pool's strategic asset allocation through time. The Public Markets Benchmark represents 70% MSCI All Country World Index (ACWI)/30% Bloomberg Barclays Aggregate Bond Index.

Per industry standard, investment pool returns are reported net of underlying investment manager fees. Returns do not incorporate other pool expenses including custody, consulting, and legal fees, or ACF's investment oversight fee. Actual returns for individual fund-holders may vary from the pool(s) in which they are invested due to the timing of contributions and grants/distributions.
Long Term Aggressive Growth Pool
Established April 2019

Net Returns - As of June 30, 2022

<table>
<thead>
<tr>
<th>Quarter</th>
<th>YTD</th>
<th>1 Year</th>
<th>5 Years</th>
<th>10 Years</th>
<th>Since Est.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-13.2%</td>
<td>-13.1%</td>
<td>-14.9%</td>
<td>-14.7%</td>
<td>5.1%</td>
</tr>
<tr>
<td></td>
<td>-18.5%</td>
<td>17.8%</td>
<td></td>
<td></td>
<td>4.4%</td>
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</table>

Asset Allocation
- U.S. Equity: 15%
- Intl. Equity: 7%
- Fixed Income: 31%
- Money Market: 47%

Risk vs. Return (Since Inception)

The Strategic Policy Benchmark represents the weighted average return of the underlying asset class benchmarks using the pool's strategic asset allocation through time.

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Socially Responsible Pool
Established September 2011

Net Returns - As of June 30, 2022

Quarter | YTD | 1 Year | 5 Years | 10 Years | Since Est. |
Socially Responsible Pool | Strategic Policy Benchmark

Asset Allocation

- U.S. Large-Cap Equity: 31%
- Intl. Equity: 25%
- Fixed Income: 44%

Risk vs. Return (10 Years)

The Strategic Policy Benchmark represents the weighted average return of the underlying asset class benchmarks using the pool’s strategic asset allocation through time.

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Intermediate Pool
Established December 2005

Net Returns - As of June 30, 2022

![Chart showing net returns for different time periods (Quarter, YTD, 1 Year, 5 Years, 10 Years, Since Est.) with comparison to Strategic Policy Benchmark, showing Intermediate Pool with negative returns and Strategic Policy Benchmark with small positive returns.]

Asset Allocation

- 31% Intermediate Pool
- 48% U.S. Large-Cap Equity
- 2% U.S. Small-Cap Equity
- 14% Developed Intl. Equity
- 5% EM Equity
- 2% Fixed Income

Risk vs. Return (10 Years)

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Short Term Pool
Established May 2003

Net Returns - As of June 30, 2022

2%

0% 1% 2%
Quarter YTD 1 Year 5 Years 10 Years Since Est.
Short Term Pool Strategic Policy Benchmark

Asset Allocation
100%
Money Market

Risk vs. Return (10 Years)

The Strategic Policy Benchmark represents the weighted average return of the underlying asset class benchmarks using the pool’s strategic asset allocation through time.

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