Quarterly Investment Report: October-December 2021

Financial Markets Review
Investors had a lot to be thankful for in 2021 as risk assets provided strong returns during the year’s final quarter. The global growth outlook remains positive; however, another COVID-19 scare, tighter monetary policy and soaring inflation dominated the news during the quarter. However, the immediate economic impact was limited and equity markets ended the year on a positive note.

Global equities posted strong returns in the fourth quarter, with the MSCI All Country World Index gaining 6.7% and finishing the year with an 18.5% gain. The S&P 500 Index returned 11.0% during the quarter as US equities outpaced most other regions. The S&P 500 Index performed exceptionally well in 2021, returning 28.7% for the year. International developed stocks advanced 2.7% for the quarter and finished the year with an 11.3% gain. Emerging market equities struggled compared to their developed market counterparts, falling 1.3% during the quarter and 2.5% for the year. From a style perspective, growth and value produced similar results at the total market level, with growth outperforming value among large-caps and value outperforming among small- and mid-caps.

Fixed income markets, as represented by the Bloomberg Barclays US Aggregate Index (US Agg), were flat during the quarter with similar performance for Treasuries and corporate bonds. For the year, the US Agg declined 1.5% as Treasury yields rose across the intermediate and long portions of the yield curve. Closer to year-end, short-term yields moved higher in anticipation of a tighter monetary policy from the Fed.

Investment Pool Commentary
The Long Term Diversified Pool (LTD) returned 4.0% during the fourth quarter and 14.6% for the calendar year. The LTD Pool matched its Strategic Policy Benchmark and slightly lagged the Public Markets Benchmark for the quarter. For the calendar year, the LTD Pool outperformed both of its benchmarks, benefiting from its active small-cap and international equity managers and allocations to private markets, real assets, and diversified hedge funds. The LTD Pool lagged its benchmarks for the most recent 5-year period but performance was closely aligned with the benchmarks for the 10-year period.

The Long Term Aggressive Growth Pool (LTAG) gained 5.1% for the quarter, leaving it up 14.5% for the calendar year, ahead of its benchmark for both periods. The Pool benefited from outperformance in international equities for both periods. Since its inception in April 2019, the LTAG Pool returned 14.5% on an annualized basis, outperforming its benchmark.
The **Socially Responsible Pool (SRI)** gained 4.1% during the quarter and 11.3% for the calendar year. The SRI Pool lagged its benchmark for both periods driven by underperformance from international equity manager Boston Common. Longer term performance for Boston Common and the SRI Pool remains favorable. The SRI Pool outperformed its benchmark for the trailing 5-year and 10-year periods.

The **Intermediate Pool (INT)** returned 3.0% for the quarter and 8.2% for the calendar year, slightly outperforming its benchmark for both periods. The INT Pool benefited from strong performance from emerging markets equity manager DFA. The INT Pool outperformed its benchmark for the trailing 5- and 10-year periods.

The **Short Term Pool (ST)** was flat for the quarter, in line with the 90-Day US Treasury Bill as short-term Treasury rates remained near zero. As of December 31, 2021, the ST Pool’s annualized yield remained at 0.01%.

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 December 31, 2021

<table>
<thead>
<tr>
<th></th>
<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>Returns</td>
<td>14.6%</td>
<td>14.2%</td>
<td>14.6%</td>
<td>14.2%</td>
<td>12.0%</td>
<td>12.0%</td>
</tr>
<tr>
<td></td>
<td>4.0%</td>
<td>4.0%</td>
<td>4.3%</td>
<td>10.7%</td>
<td>11.1%</td>
<td>9.0%</td>
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<td></td>
<td></td>
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<td></td>
<td>9.0%</td>
<td>9.0%</td>
<td>9.3%</td>
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<td></td>
<td></td>
<td>7.8%</td>
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<td></td>
<td></td>
<td></td>
<td>7.8%</td>
</tr>
</tbody>
</table>

Legend:
- Long Term Diversified Pool
- Strategic Policy Benchmark
- Public Markets Benchmark

Asset Allocation

U.S. Large-Cap Equity: 30%
U.S. Small-Cap Equity: 18%
Developed Intl. Equity: 10%
EM Equity: 9%
Private Equity: 7%
Private Debt: 2%
Real Assets: 5%

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. 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 December 31, 2021

<table>
<thead>
<tr>
<th></th>
<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>5.1%</td>
<td>4.7%</td>
<td>14.5%</td>
<td>13.5%</td>
<td>14.5%</td>
<td>13.5%</td>
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<td></td>
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<tr>
<td>Long Term Aggressive Growth Pool</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Strategic Policy Benchmark</td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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</tbody>
</table>

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 December 31, 2021

<table>
<thead>
<tr>
<th>Period</th>
<th>Socio-Sensitive Pool</th>
<th>Strategic Policy Benchmark</th>
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</thead>
<tbody>
<tr>
<td>Quarter</td>
<td>4.1%</td>
<td>5.1%</td>
</tr>
<tr>
<td>YTD</td>
<td>11.3%</td>
<td>13.7%</td>
</tr>
<tr>
<td>1 Year</td>
<td>11.3%</td>
<td>13.7%</td>
</tr>
<tr>
<td>5 Years</td>
<td>12.5%</td>
<td>11.4%</td>
</tr>
<tr>
<td>10 Years</td>
<td>11.0%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Since Est.</td>
<td>11.4%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

Asset Allocation

- U.S. Large-Cap Equity: 30%
- Intl. Equity: 29%
- Fixed Income: 41%

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 December 31, 2021

<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>Intermediate Pool</td>
<td>8.2%</td>
<td>7.6%</td>
<td>8.2%</td>
<td>9.2%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Strategic Policy Benchmark</td>
<td>2.9%</td>
<td>8.8%</td>
<td>8.0%</td>
<td>6.9%</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

Asset Allocation

- U.S. Large-Cap Equity: 49%
- U.S. Small-Cap Equity: 27%
- Developed Intl. Equity: 16%
- EM Equity: 6%
- Fixed Income: 2%

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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Short Term Pool
Established May 2003

Net Returns - As of December 31, 2021

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