Quarterly Investment Report January-March 2022

Financial Markets Review
Market volatility increased during the quarter as the outlook for global growth waned against the backdrop of geopolitical issues related to the Russian invasion of Ukraine and a rapid rise in inflation. The Fed acknowledged the lasting effect of these concerns and raised rates by 25 basis points in March. In subsequent comments, Fed officials have signaled increasingly hawkish views and markets now anticipate 50 basis point rate hikes at the Fed’s next two meetings in May and June. Expectations for Fed tightening became a headwind for financial markets during the quarter.

Global equities declined during the first quarter, with the MSCI ACWI Index falling 5.4%. US equities held up slightly better than most other regions as the S&P 500 Index fell 4.6%. International developed stocks dropped 5.9% as a stronger US dollar negatively impacted non-US holdings. Emerging market equities lost 7.0% during the quarter. From a style perspective, value outperformed growth and from a size perspective, large cap stocks outperformed small cap stocks. Energy was the best performing sector driven by higher oil prices.

Within fixed income markets, rising rates and widening spreads led to negative returns. The Bloomberg US Aggregate Index declined by 5.9% during the quarter, its worst quarterly performance in more than 40 years. Treasuries fell 5.6% but outperformed corporate bonds, which declined 7.7%. While rates increased across all maturities, the yield curve flattened as rates increased most at the short end of the curve.

Investment Pool Commentary
The Long Term Diversified Pool (LTD) declined 4.4% during the first quarter, slightly behind its Strategic Policy Benchmark but ahead of the Public Markets Benchmark. Underperformance from the active equity managers, particularly Neuberger Berman (international equity), negatively impacted performance while the Mercer Hedge Fund Investors portfolio performed favorably. Compared to the Public Markets Benchmark, the LTD Pool benefited from its allocations to alternative asset classes and relatively small allocation to fixed income. The LTD Pool lagged its benchmarks for the most recent 5-year period but performance was in line with the benchmarks for the 10-year period.

The Long Term Aggressive Growth Pool (LTAG) fell 6.0% for the quarter, slightly lagging its benchmark driven by underperformance from the Western Core Plus Bond Fund (fixed income). Since its inception (April 2019), the LTAG Pool returned 10.8%, ahead of its benchmark.

The Socially Responsible Pool (SRI) declined 8.1% during the quarter, trailing its benchmark by 270 basis points driven by underperformance from the Vanguard FTSE Social Index Fund (US equity) and the Boston Common International Social Fund (international equity). The SRI Pool outperformed its benchmark for the trailing 5-year and 10-year periods.
The **Intermediate Pool (INT)** fell 5.8% for the quarter, matching its benchmark return. Outperformance from the DFA Emerging Markets Core Equity Portfolio (emerging markets equity) was offset 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)** was flat for the quarter, in line with the 90-Day US Treasury Bill as short-term Treasury rates remained near zero for most of the quarter. As of March 31, 2022, the ST Pool’s annualized yield stood at 0.22%.

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 March 31, 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.

Risk vs. Return (10 Years)

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 March 31, 2022

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Socially Responsible Pool
Established September 2011

Net Returns - As of March 31, 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>-8.1%</td>
<td>-5.4%</td>
<td>1.3%</td>
<td>9.6%</td>
<td>9.3%</td>
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<tr>
<td>-8.1%</td>
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<td>9.5%</td>
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Socially Responsible Pool
Strategic Policy Benchmark

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## Intermediate Pool
*Established December 2005*

### Net Returns - As of March 31, 2022

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<thead>
<tr>
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<th>Quarter</th>
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<th>5 Years</th>
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<tbody>
<tr>
<td><strong>Intermediate Pool</strong></td>
<td>-5.8%</td>
<td>-5.8%</td>
<td>-5.8%</td>
<td>1.0%</td>
<td>0.7%</td>
<td>7.0%</td>
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<tr>
<td><strong>Strategic Policy Benchmark</strong></td>
<td>-5.8%</td>
<td>-5.8%</td>
<td>-5.8%</td>
<td>7.0%</td>
<td>6.8%</td>
<td>7.2%</td>
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### Asset Allocation

- **U.S. Large-Cap Equity**: 52%
- **U.S. Small-Cap Equity**: 24%
- **Developed Intl. Equity**: 16%
- **EM Equity**: 6%
- **Fixed Income**: 2%

### Risk vs. Return (10 Years)

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**Short Term Pool**

*Established May 2003*

**Net Returns - As of March 31, 2022**

2%

<table>
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<tr>
<th>Quarter</th>
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<td>0.0%</td>
<td>0.6%</td>
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**Asset Allocation**

- 100% Money Market

**Risk vs. Return (10 Years)**

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