

Callan



August 2020

Endowment Fund Investment Board

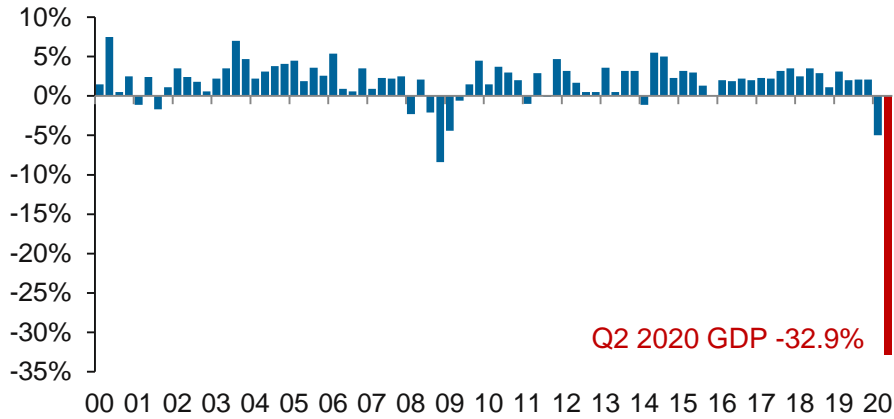
Second Quarter 2020 Performance Review

Janet Becker-Wold, CFA
Senior Vice President

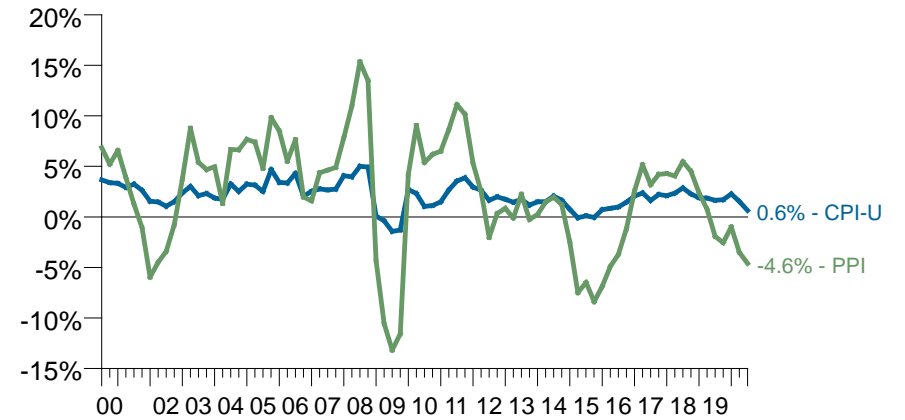
U.S. Economy—Summary

For periods ended June 30, 2020

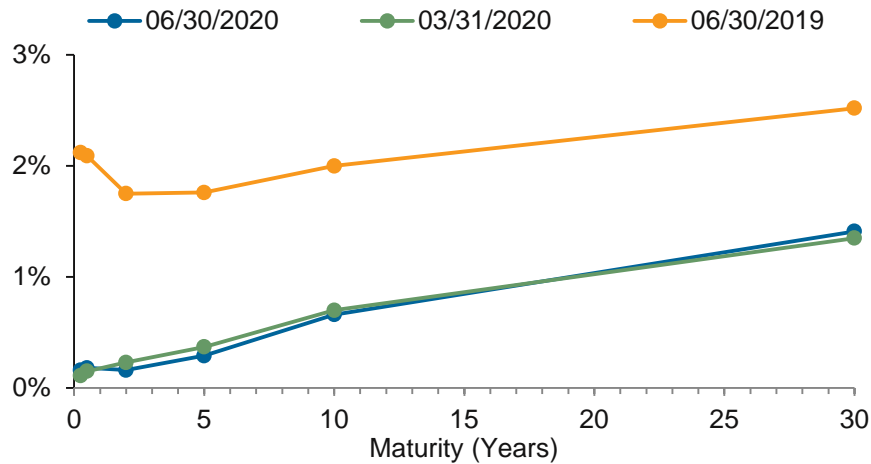
Quarterly Real GDP Growth



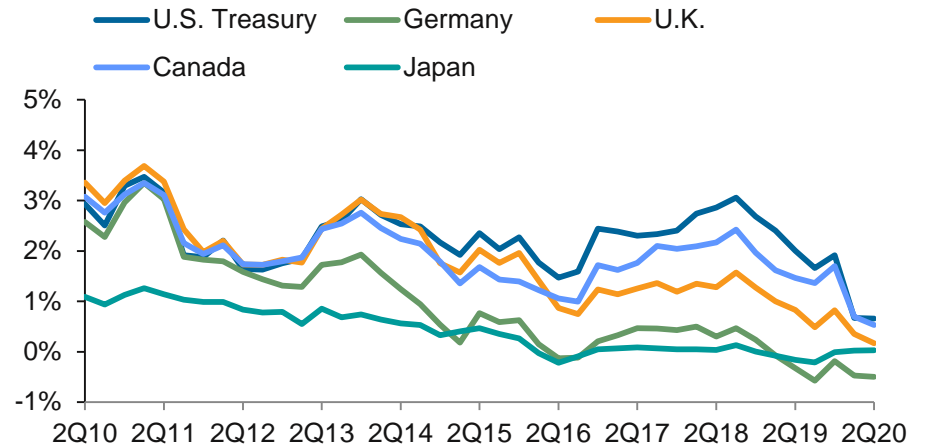
Inflation Year-Over-Year



U.S. Treasury Yield Curves



10-Year Global Government Bond Yields



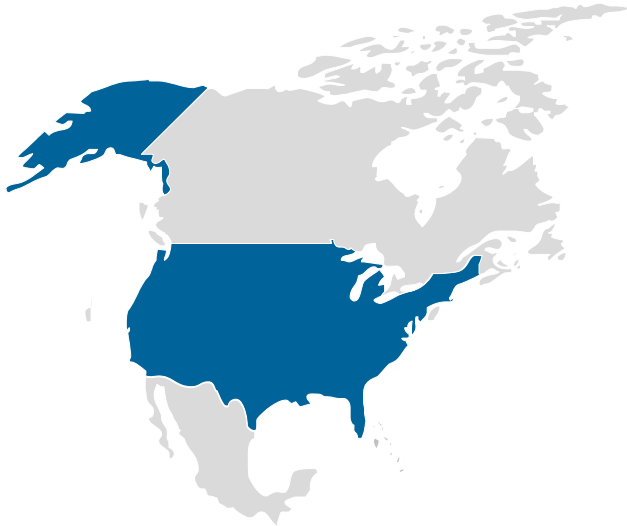
Sources: Bloomberg, Bureau of Labor Statistics, Callan

Market Environment: 2Q20

High degree of uncertainty

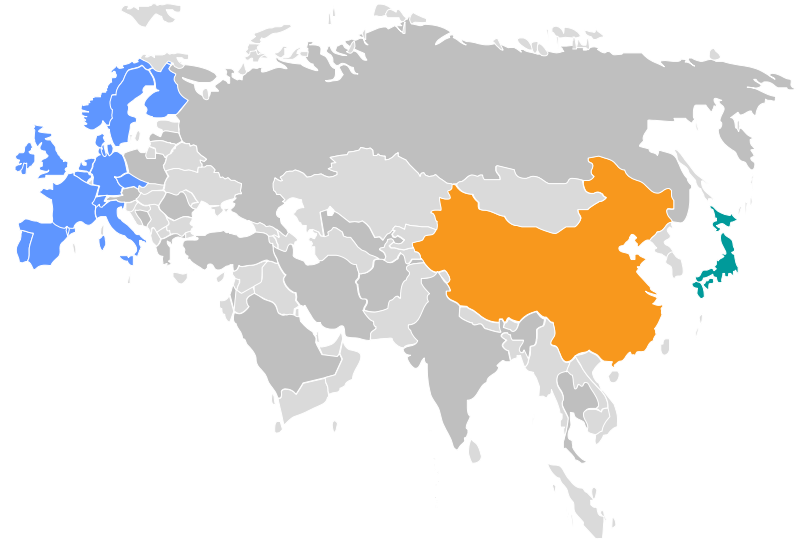
U.S.

- 1Q GDP contracted 5.0%, 2Q down 32.9% annualized
- Retail sales, durable goods, personal spending rebounded in May but not fully recovered
- Unemployment (11.1% in June) remains elevated
 - *Jobless claims, around 1.5 million per week, have decelerated.*
- Housing benefited from relatively low mortgage rates
- Fed left rates close to 0% and expects to be on hold until at least 2022



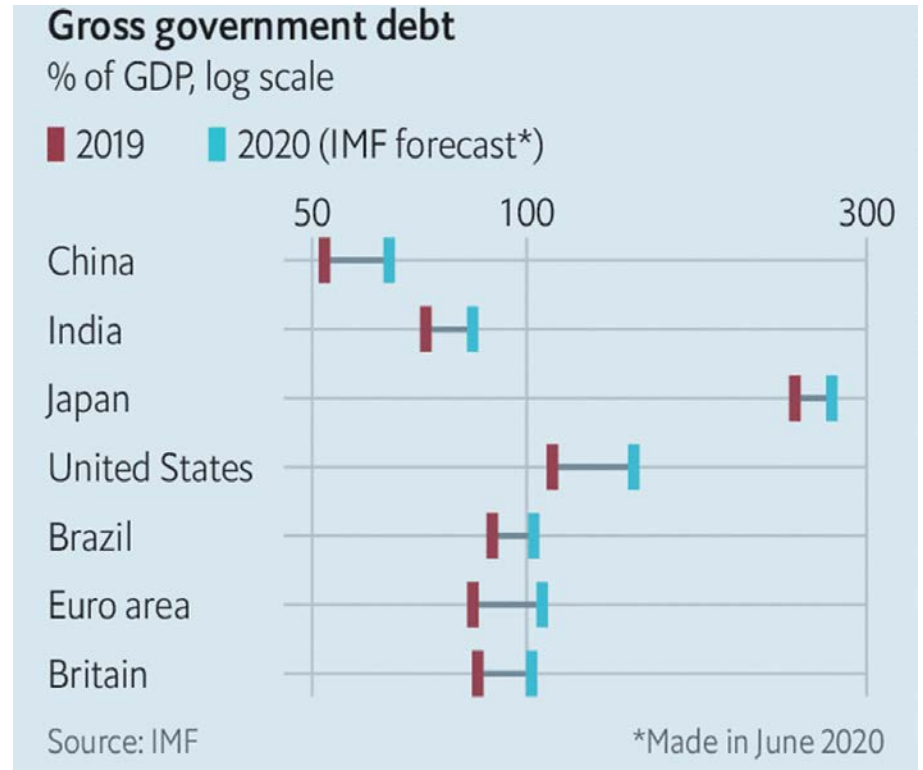
Overseas

- Euro zone 1Q GDP contracted 3.8%; largest quarterly drop on record
- U.K. GDP sank 20% in April, most ever
- Japan's economy shrank 4.4% in April
- China's GDP fell 6.8% in 1Q, first contraction in 28 years.
 - *Chinese government unveiled fiscal stimulus of US\$506B, bringing budget deficit to a record high of 3.6% of GDP.*
 - *Growth is expected to be positive in 2Q.*



IMF GDP Forecasts for 2020

From bad to worse



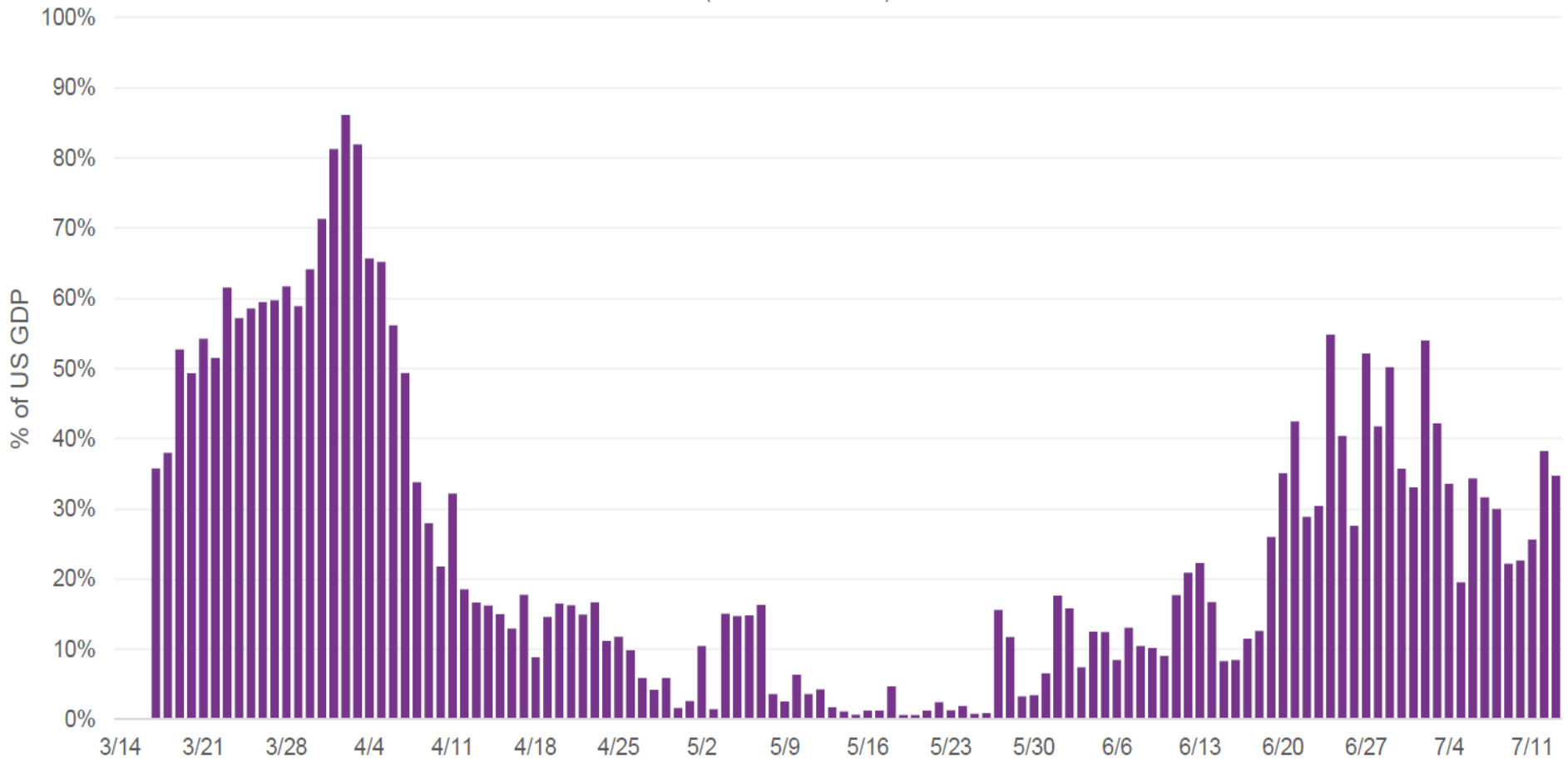
On June 24th the IMF said the economic slump caused by the COVID-19 pandemic would be worse than forecast in April, and that governments would be left more indebted as a result.

- The IMF thinks advanced economies' combined GDP at the end of 2021 will still be lower than it was in the first quarter of 2019.
- But it warned of an unusual degree of uncertainty surrounding the numbers, which assume persistent social distancing, lower productivity, and widespread economic scarring.

Source: The Economist

Gauging the Economic Impact of Coronavirus Cases in the U.S.

Aggregate Contribution to GDP
States With Increasing Cases and Positive Test Rates
(3/14/20–7/13/20)



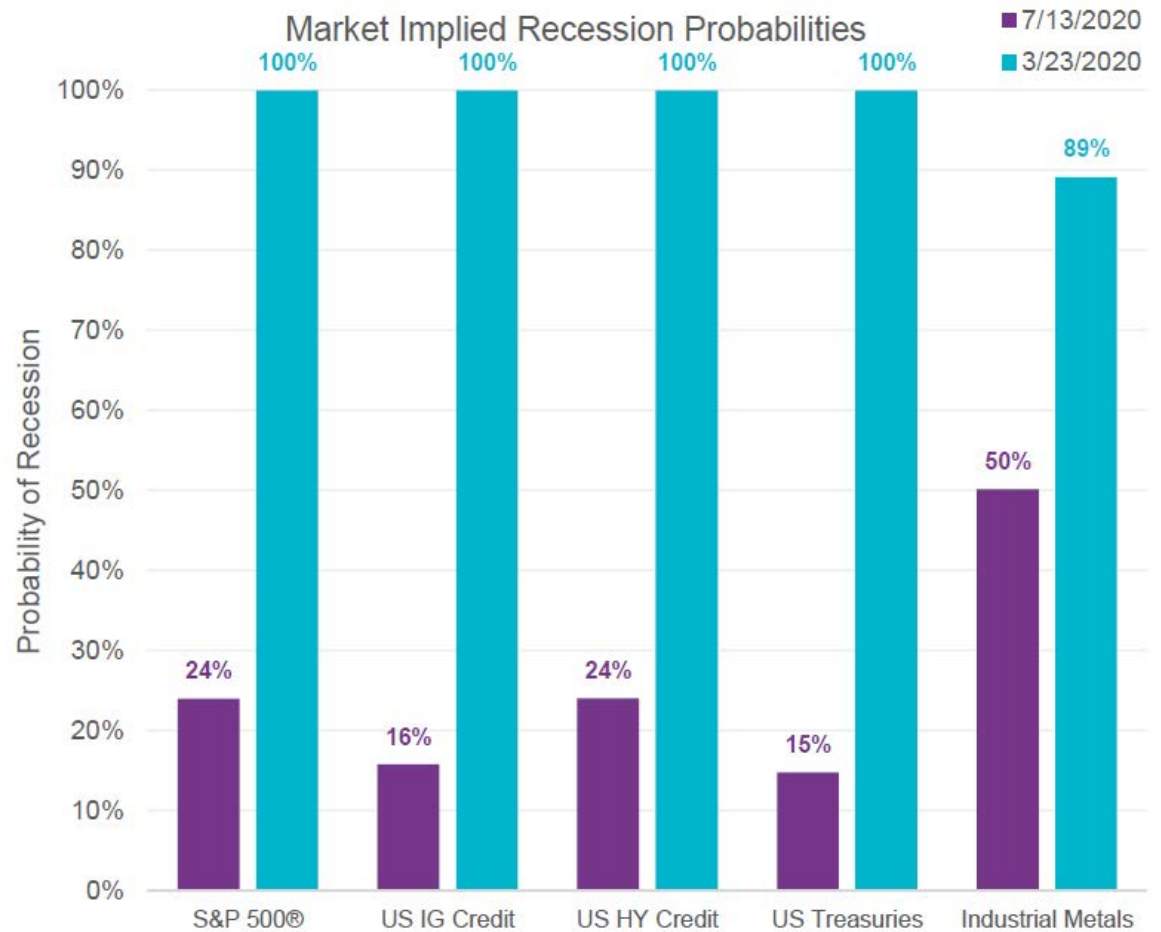
Source: Natixis Coronavirus Dashboard – July 13, 2020, COVID Tracking Project, BEA. Aggregate includes states with 1 week increase in daily cases greater than 10% and 1 week increase in positive test rate greater than 1%.

Is the Market Pricing in a Recession?

Recession probability for S&P 500 and Industrial Metals represents current drawdown compared to average peak to trough drawdown during recessions.

IG and HY probabilities reflect current option adjusted spreads compared to recessionary and non-recessionary averages.

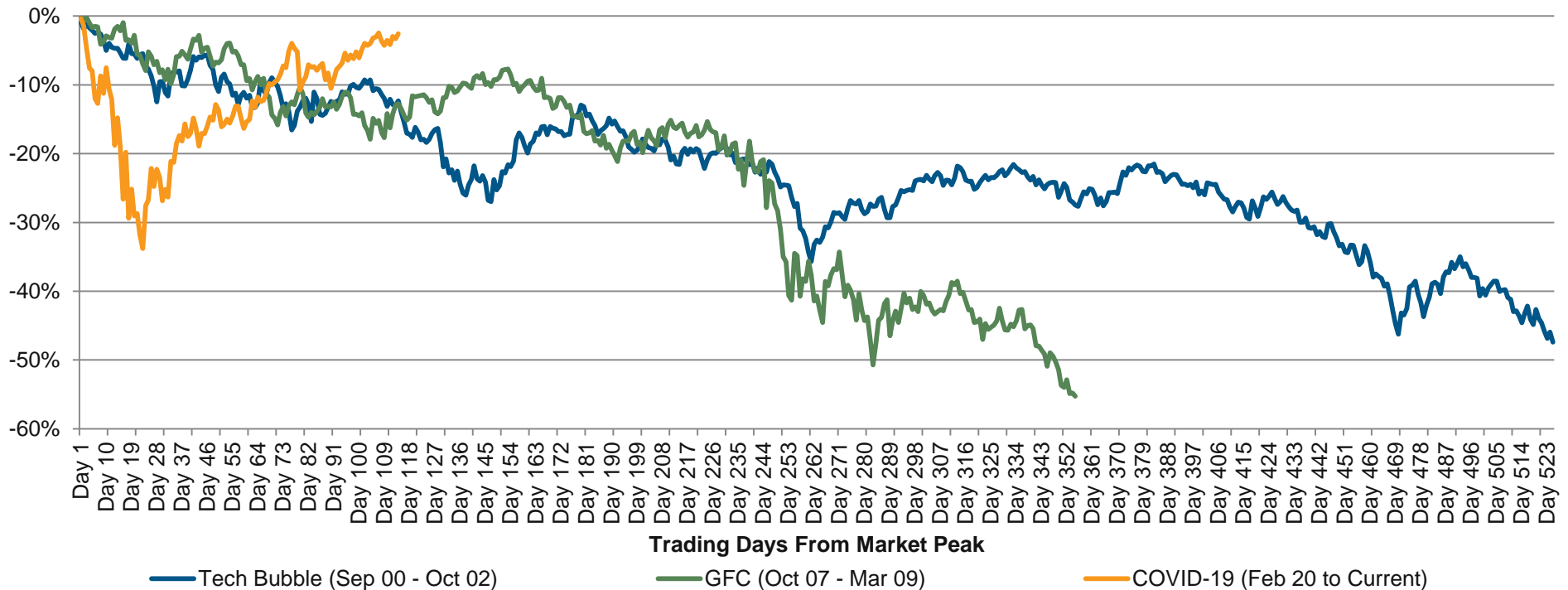
US Treasuries probability reflects current change in 5 Yr yield as compared to average change in recession.



Source: Natixis All Clear Dashboard – July 13, 2020, FactSet, Bloomberg.

“The Worst is Behind Us” or “Calm Before the Storm”?

**S&P 500 Index Cumulative Returns
Market Peak-to-Trough for Recent Corrections vs.
Current Path of COVID-19 Correction Through 7/31/20**

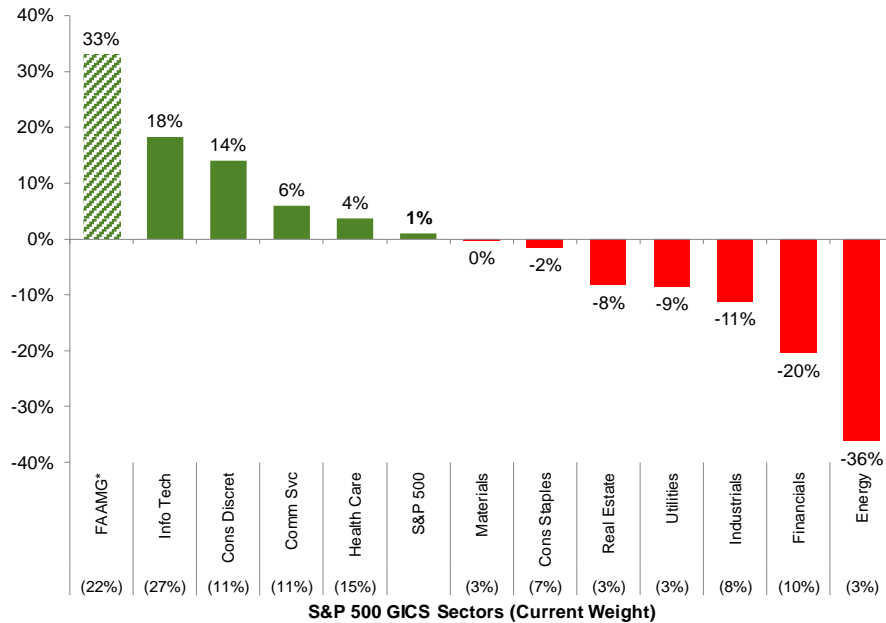


After the sharpest and fastest equity market decline ever, the S&P 500 Index is on a path toward an equally impressive recovery.

- After falling 34% in just 23 days, the market is down only about 5% from the high point reached on February 19.
- Many prior market crashes saw a relief rally followed by a second leg down but the COVID-19 correction tale remains to be told.

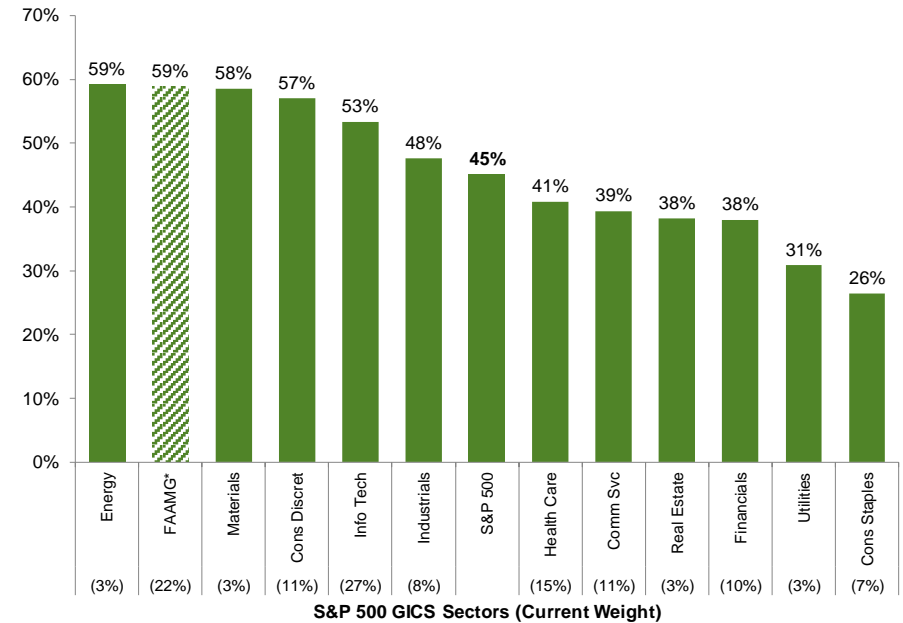
Broad Recovery Since March, but Concentrated Performance YTD

1. S&P 500 Sector Total Returns YTD Through 7/15/20



* FAAMG includes Facebook, Apple, Amazon, Microsoft and Google.

2. S&P 500 Sector Total Returns Since the 3/23 Trough Through 7/15/20



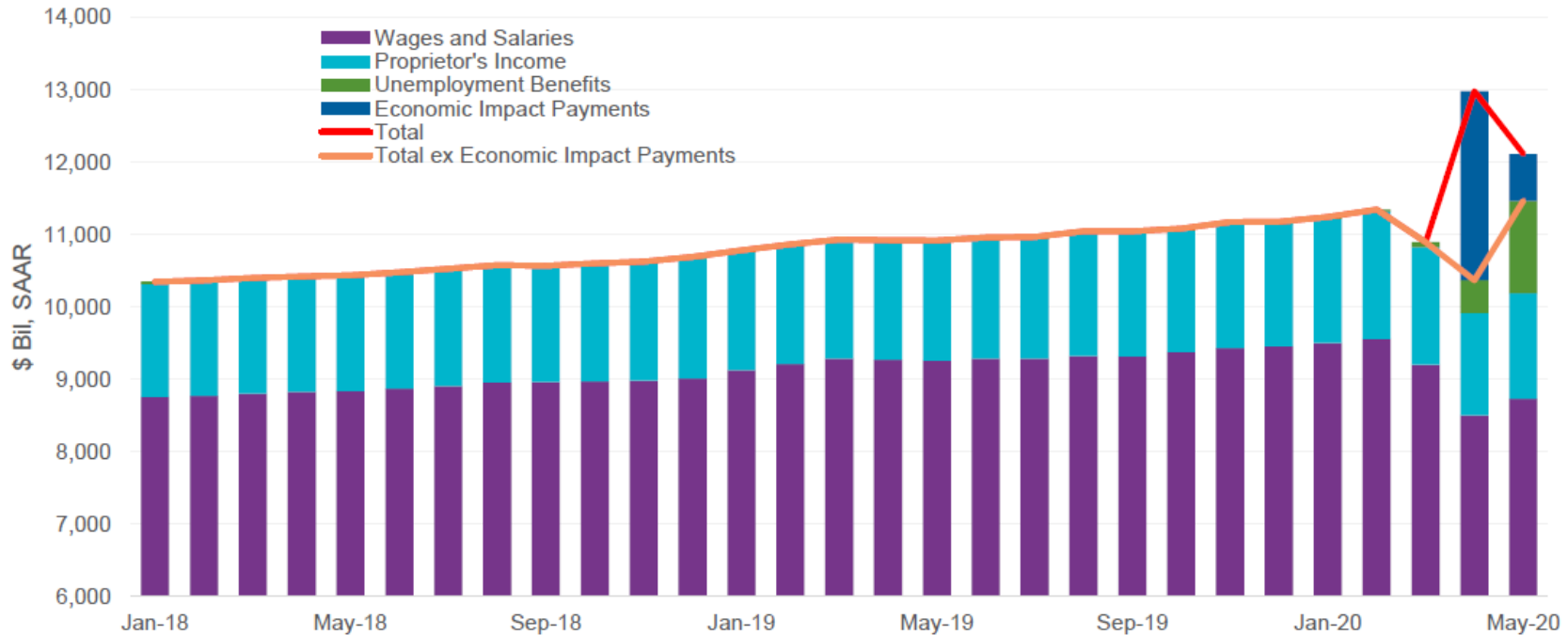
* FAAMG includes Facebook, Apple, Amazon, Microsoft and Google.

- Growth sectors, such as Information Technology, have significantly outperformed YTD as low interest rates and a scarcity of growth has increased the premium for these stocks.
- Traditional cyclical sectors such as Financials, Energy, and Industrials are lagging.
- All sectors have generated sizable returns since the March trough in a broader-based market rally.
- Top five stocks are up 35% YTD, rest of the S&P 500 is down about 5%.

Sources: Bloomberg, Goldman Sachs Investment Strategy Group

Impact of Fiscal Policy Response on Personal Income

US Personal Income
(1/31/18–5/31/20)



- Representing the massive scale of the fiscal response, personal incomes remained above pre-crisis levels in May.
 - Incomes declined from lofty April levels as a result of lower disbursements of Economic Impact Payments (stimulus checks).
 - However, unemployment benefits, including the \$600 weekly booster, more than offset the decline in wages and salaries and proprietor's income.
- Said another way, with nearly 19.5 million jobs lost through the crisis, personal incomes were higher than pre-crisis levels as a result of unemployment benefit transfers alone.
 - Economic Impact Payments were an added but crucial kicker. Still, an extension of these critical benefits is likely needed to prevent further pain and a longer recovery, but so far the social safety net is working exactly as intended.

Source: Natixis Charts and Smarts – July 2020, Bloomberg, BEA.
SAAR = Seasonally Adjusted Annual Rate

Callan Periodic Table of Investment Returns

Trailing periods as of June 30, 2020

Annual Returns					Trailing Periods				Quarterly Returns		
2015	2016	2017	2018	2019	1-Year	3-Year	5-Year	10-Year	1Q20	2Q20	YTD 2020
Large Cap Equity	Small Cap Equity	Emerging Market Equity	U.S. Fixed Income	Large Cap Equity	U.S. Fixed Income	Large Cap Equity	Large Cap Equity	Large Cap Equity	U.S. Fixed Income	Small Cap Equity	U.S. Fixed Income
1.38%	21.31%	37.28%	0.01%	31.49%	8.74%	10.73%	10.73%	13.99%	3.15%	25.42%	6.14%
U.S. Fixed Income	High Yield	Dev ex-U.S. Equity	High Yield	Small Cap Equity	Large Cap Equity	U.S. Fixed Income	High Yield	Small Cap Equity	Global ex-U.S. Fixed Income	Large Cap Equity	Global ex-U.S. Fixed Income
0.55%	17.13%	24.21%	-2.08%	25.52%	7.51%	5.32%	4.79%	10.50%	-2.68%	20.54%	0.61%
Real Estate	Large Cap Equity	Large Cap Equity	Global ex-U.S. Fixed Income	Dev ex-U.S. Equity	Global ex-U.S. Fixed Income	High Yield	U.S. Fixed Income	High Yield	High Yield	Emerging Market Equity	Large Cap Equity
-0.79%	11.96%	21.83%	-2.15%	22.49%	0.71%	3.33%	4.30%	6.68%	-12.68%	18.08%	-3.08%
Dev ex-U.S. Equity	Emerging Market Equity	Small Cap Equity	Large Cap Equity	Real Estate	High Yield	Global ex-U.S. Fixed Income	Small Cap Equity	Real Estate	Large Cap Equity	Dev ex-U.S. Equity	High Yield
-3.04%	11.19%	14.65%	-4.38%	21.91%	0.03%	2.52%	4.29%	6.30%	-19.60%	15.34%	-3.80%
Small Cap Equity	Real Estate	Global ex-U.S. Fixed Income	Real Estate	Emerging Market Equity	Emerging Market Equity	Small Cap Equity	Global ex-U.S. Fixed Income	Dev ex-U.S. Equity	Dev ex-U.S. Equity	High Yield	Emerging Market Equity
-4.41%	4.06%	10.51%	-5.63%	18.44%	-3.39%	2.01%	2.89%	5.43%	-23.26%	10.18%	-9.78%
High Yield	Dev ex-U.S. Equity	Real Estate	Small Cap Equity	High Yield	Dev ex-U.S. Equity	Emerging Market Equity	Emerging Market Equity	U.S. Fixed Income	Emerging Market Equity	Real Estate	Dev ex-U.S. Equity
-4.47%	2.75%	10.36%	-11.01%	14.32%	-5.42%	1.90%	2.86%	3.82%	-23.60%	10.07%	-11.49%
Global ex-U.S. Fixed Income	U.S. Fixed Income	High Yield	Dev ex-U.S. Equity	U.S. Fixed Income	Small Cap Equity	Dev ex-U.S. Equity	Dev ex-U.S. Equity	Emerging Market Equity	Real Estate	Global ex-U.S. Fixed Income	Small Cap Equity
-6.02%	2.65%	7.50%	-14.09%	8.72%	-6.63%	0.84%	2.01%	3.27%	-28.53%	3.38%	-12.98%
Emerging Market Equity	Global ex-U.S. Fixed Income	U.S. Fixed Income	Emerging Market Equity	Global ex-U.S. Fixed Income	Real Estate	Real Estate	Real Estate	Global ex-U.S. Fixed Income	Small Cap Equity	U.S. Fixed Income	Real Estate
-14.92%	1.49%	3.54%	-14.57%	5.09%	-16.25%	-1.60%	1.27%	1.98%	-30.61%	2.90%	-21.33%

Sources: ● Bloomberg Barclays Aggregate ● Bloomberg Barclays Corp High Yield ● Bloomberg Barclays Global Aggregate ex US
 ● FTSE EPRA Nareit Developed ● MSCI World ex USA ● MSCI Emerging Markets ● Russell 2000 ● S&P 500

U.S. Equity Performance

Cyclicals snap back though Tech still favored

- Consumer Discretionary fared best (+32.9%) as consumer activity recovered along with economies reopening.
- Energy (+30.5%) and Materials (+26.0%) also regained ground.
- Tech (+30.5%) remains an investor favorite in seemingly every market environment.

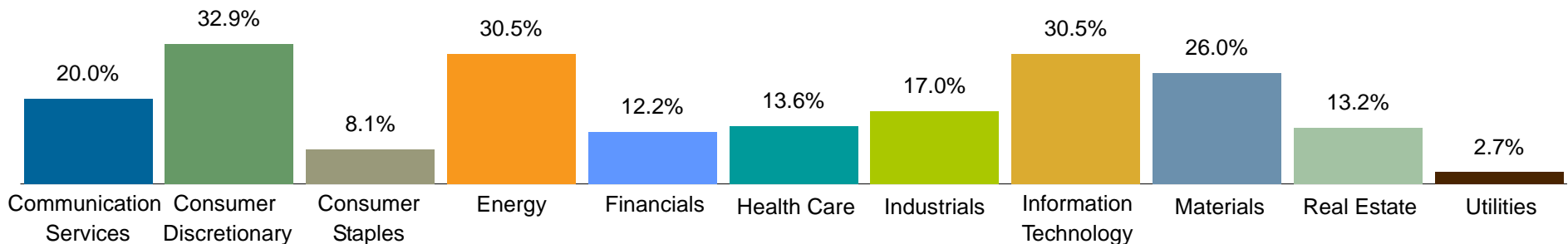
Large cap outpaces small cap for quarter

- The small cap Russell 2000 Index followed up its worst quarter on record (1Q20: -30.6%) with its third-best quarter on record (2Q20: +25.4%).

Growth outpaces value across market capitalizations

- Spread between Russell 1000 Growth (+27.8%) and Russell 1000 Value (+14.3%) second widest on record.
- Spread between Russell 2000 Growth (+30.6%) and Russell 2000 Value (+18.9%) fourth widest on record.

Economic Sector Quarterly Performance (S&P 500)

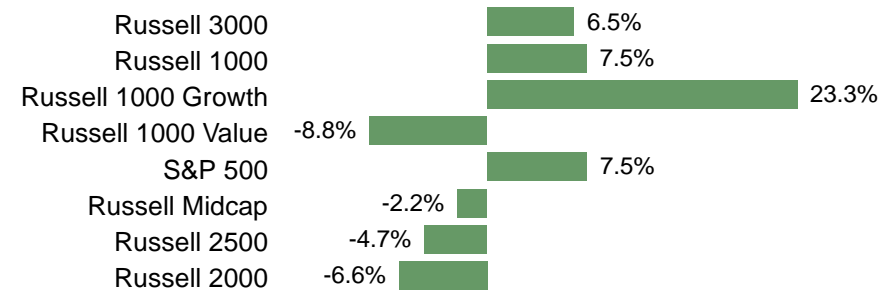


Sources: FTSE Russell, S&P Dow Jones Indices

U.S. Equity: Quarterly Returns



U.S. Equity: One-Year Returns



Global ex-U.S. Equity Performance

Broad-based recovery

- Having just posted the worst quarter in the benchmark’s history, the broad MSCI ACWI ex USA gained 16.1% in Q2, a top 10 mark in the history of the index.
- Emerging markets (+18.1%) outperformed the developed markets EAFE Index (+14.9%).
 - *Despite strong performance, both benchmarks trailed compared to U.S. equities.*

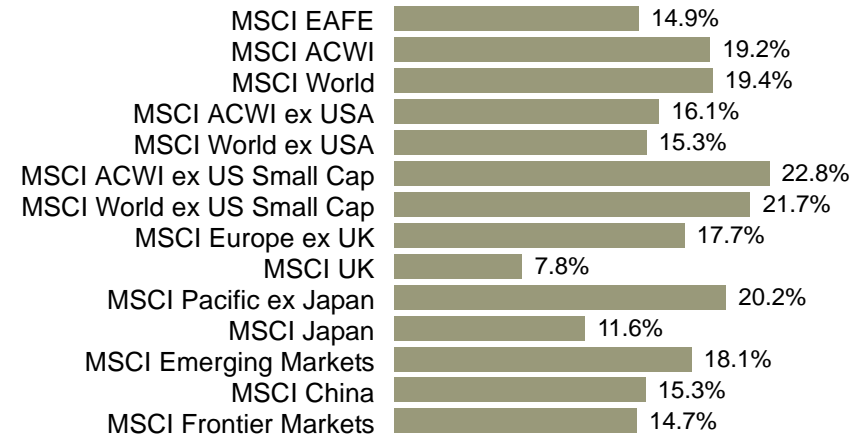
Currencies

- After rallying during the chaos of Q1, safe-haven currencies such as the U.S. dollar and yen sold off in Q2.

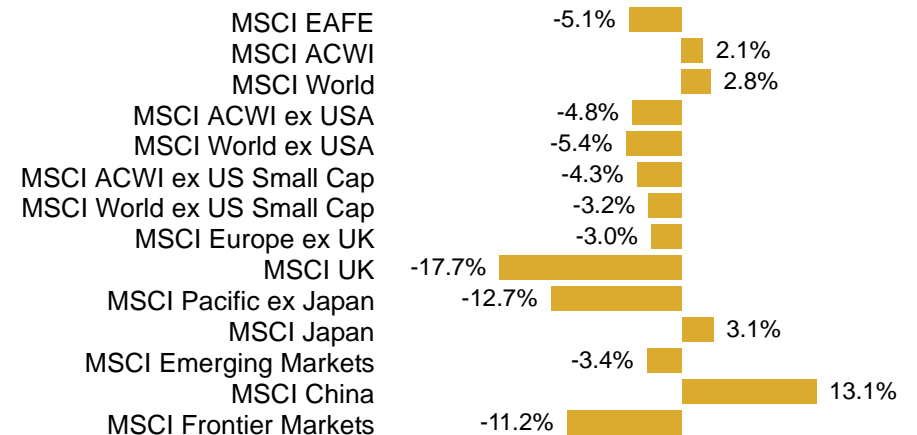
Growth vs. value

- Growth continued to outperform value across markets and capitalizations.

Global Equity: Quarterly Returns



Global Equity: Annual Returns



Source: MSCI

U.S. Fixed Income Performance

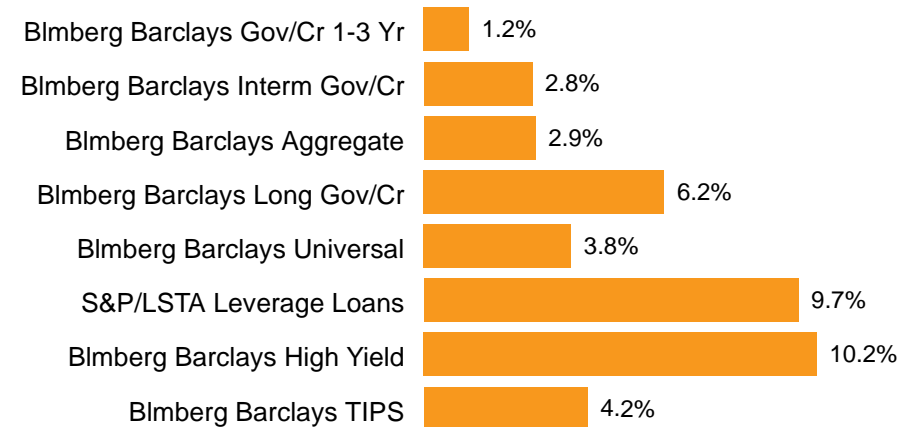
Corporates rallied as risk appetite reemerged

- The riskiest sectors rallied the most with the Bloomberg High Yield Index gaining 10.2% and the S&P/LSTA Leveraged Loan Index climbing 9.7%.
- High yield spreads blew out from the 300-400 bp range to reach double-digits in the first quarter, but tightened meaningfully to end the second quarter at about 625 bps.

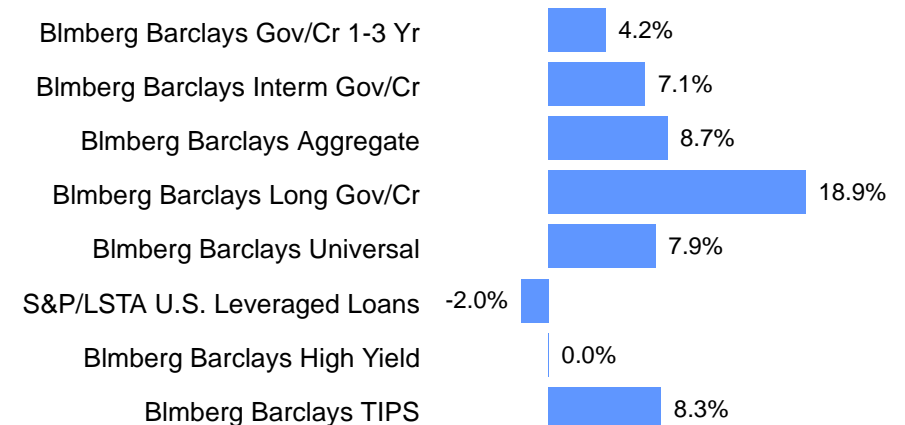
Treasury yields were range-bound

- The Treasury yield curve was little changed over the quarter and sovereign bonds underperformed corporates as a result.
- The 10-year Treasury fell only four basis points and ended the quarter yielding 0.66%.
- TIPS outperformed nominal Treasuries as expectations for inflation recovered somewhat. The 10-year breakeven spread ended the quarter at 134 bps, up from 87 bps last quarter but still down from 177 bps at the end of 2019.

U.S. Fixed Income: Quarterly Returns



U.S. Fixed Income: Annual Returns



Sources: Bloomberg Barclays, S&P Dow Jones Indices

Callan

Fund Specific Review

Endowments – Asset Allocation

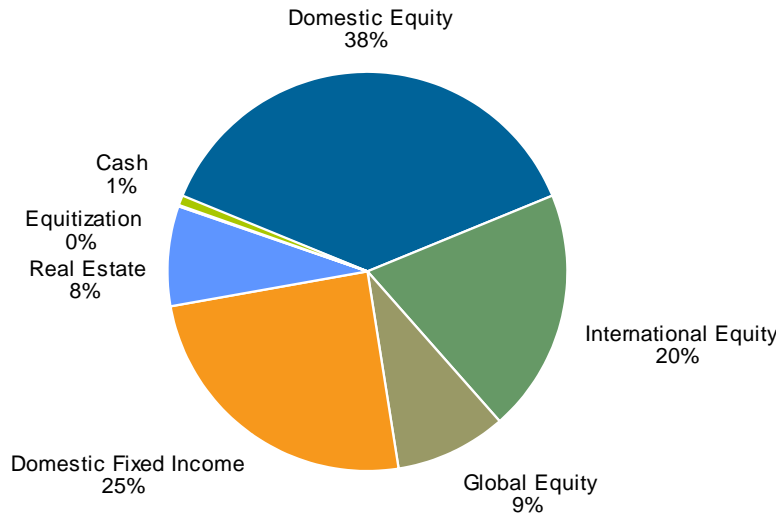
	June 30, 2020				March 31, 2020	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Total Equity	\$1,685,894,199	66.37%	\$(151,131,665)	\$330,383,353	\$1,506,642,511	68.39%
Domestic Equity	\$956,609,492	37.66%	\$(107,000,000)	\$203,662,036	\$859,947,457	39.04%
Large Cap	\$664,327,531	26.15%	\$(60,000,000)	\$131,575,991	\$592,751,540	26.91%
NTGI S&P 500 SMA	280,621,124	11.05%	(24,000,000)	51,312,390	253,308,734	11.50%
LSV Asset Mgmt	122,116,306	4.81%	(5,000,000)	18,393,559	108,722,747	4.94%
Boston Partners	125,424,567	4.94%	(5,000,000)	18,631,280	111,793,288	5.07%
Sands Capital	136,165,533	5.36%	(26,000,000)	43,238,762	118,926,771	5.40%
Mid Cap	\$187,851,580	7.39%	\$(25,000,000)	\$42,031,150	\$170,820,430	7.75%
Sycamore Capital	89,793,831	3.53%	(12,000,000)	17,818,201	83,975,630	3.81%
Times Square	98,057,749	3.86%	(13,000,000)	24,212,949	86,844,800	3.94%
Small Cap	\$104,430,382	4.11%	\$(22,000,000)	\$30,054,895	\$96,375,487	4.37%
Barrow, Hanley	49,273,880	1.94%	(12,000,000)	14,138,105	47,135,775	2.14%
Eagle Asset Management	55,156,502	2.17%	(10,000,000)	15,916,790	49,239,712	2.24%
International Equity	\$500,895,922	19.72%	\$(28,054,626)	\$87,844,105	\$441,106,442	20.02%
Allianz	2,985	0.00%	(41,044)	106	43,923	0.00%
Schroder QEP Intl Value	212,147,688	8.35%	(11,999,576)	29,607,511	194,539,754	8.83%
SSgA MSCI EAFE	27,773	0.00%	(14,005)	39	41,739	0.00%
Vanguard	48,798,804	1.92%	(4,000,000)	7,968,172	44,830,632	2.04%
WCM	239,918,671	9.44%	(12,000,000)	50,268,276	201,650,394	9.15%
Global Equity	\$228,388,785	8.99%	\$(16,077,039)	\$38,877,213	\$205,588,612	9.33%
Aberdeen	7,335	0.00%	(40,410)	429	47,316	0.00%
Fiera	113,656,706	4.47%	(6,000,000)	16,349,096	103,307,610	4.69%
Wellington	114,724,662	4.52%	(10,000,000)	22,527,546	102,197,115	4.64%
Lazard	83	0.00%	(36,629)	141	36,571	0.00%
Domestic Fixed Income	\$626,250,254	24.65%	\$134,000,000	\$24,707,591	\$467,542,663	21.22%
DoubleLine	147,220,541	5.80%	35,000,000	6,719,848	105,500,693	4.79%
State Street Global Advisors	333,658,986	13.13%	70,000,000	8,765,444	254,893,542	11.57%
Western	145,370,727	5.72%	29,000,000	9,222,299	107,148,429	4.86%
Real Estate	\$205,383,194	8.08%	\$(5,360,477)	\$1,913,909	\$208,829,762	9.48%
RREEF America REIT II	106,257,957	4.18%	0	998,143	105,259,814	4.78%
UBS Trumbull Property	99,125,237	3.90%	(5,360,477)	915,766	103,569,948	4.70%
Equitization	\$1,633,919	0.06%	\$400,000	\$384,193	\$849,726	0.04%
Cash	\$21,170,915	0.83%	\$2,118,505	\$6,453	\$19,045,957	0.86%
Total Plan ex Equitization	\$2,538,698,563	99.94%	\$(20,373,637)	\$357,011,307	\$2,202,060,893	99.96%
Total Plan	\$2,540,332,482	100.0%	\$(19,973,637)	\$357,395,500	\$2,202,910,619	100.0%

+ \$337 million

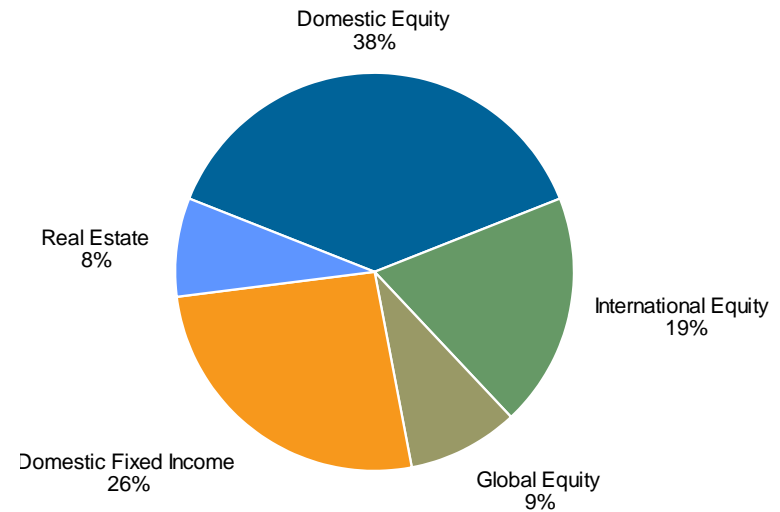
Endowments – Asset Allocation

June 30, 2020

Actual Asset Allocation



Target Asset Allocation

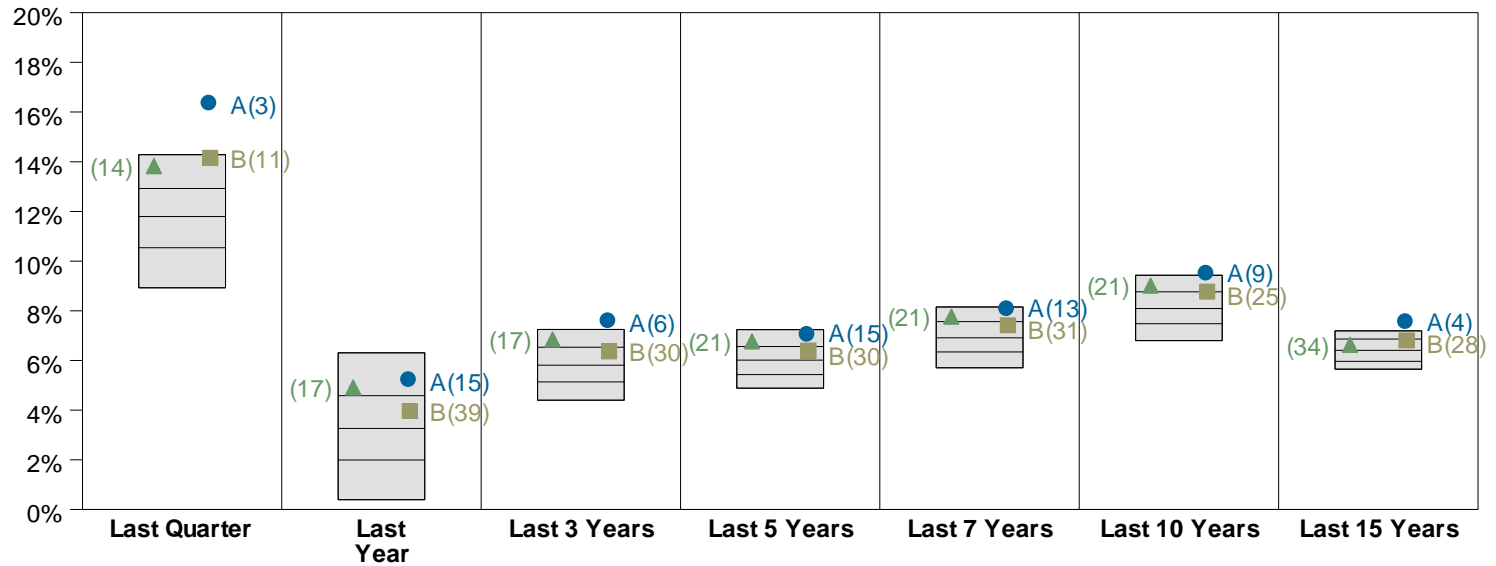


Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	956,609	37.7%	38.0%	(0.3%)	(8,717)
International Equity	500,896	19.7%	19.0%	0.7%	18,233
Global Equity	228,389	9.0%	9.0%	(0.0%)	(241)
Domestic Fixed Income	626,250	24.7%	26.0%	(1.3%)	(34,236)
Real Estate	205,383	8.1%	8.0%	0.1%	2,157
Equitization	1,634	0.1%	0.0%	0.1%	1,634
Cash	21,171	0.8%	0.0%	0.8%	21,171
Total	2,540,332	100.0%	100.0%		

Endowments – Total Fund Performance

June 30, 2020

Performance vs Callan Public Fund Sponsor Database (Gross)

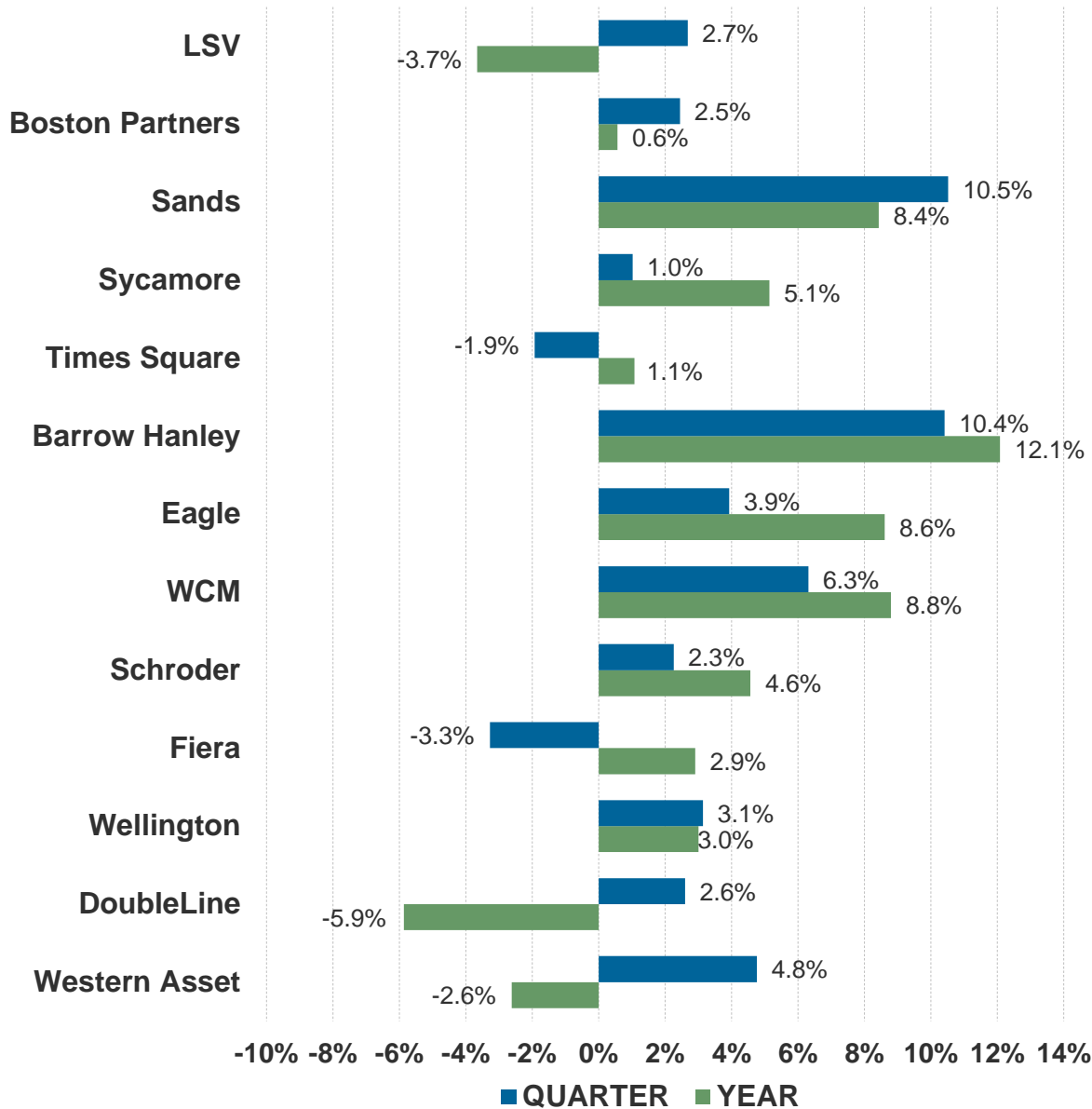


10th Percentile	14.29	6.31	7.25	7.25	8.15	9.43	7.19	
25th Percentile	12.92	4.59	6.54	6.56	7.57	8.76	6.86	
Median	11.79	3.26	5.81	6.02	6.91	8.09	6.41	
75th Percentile	10.54	1.99	5.14	5.43	6.35	7.48	5.97	
90th Percentile	8.92	0.39	4.40	4.88	5.71	6.80	5.65	
Total Plan	● A	16.31	5.17	7.55	7.00	8.03	9.46	7.52
Secondary Benchmark	■ B	14.16	3.96	6.37	6.40	7.42	8.77	6.81
Total Plan Target	▲	13.83	4.92	6.85	6.77	7.77	9.02	6.64

- For the quarter, outperformed the target by 2.5%, ranking 3rd percentile (8th against Endowment/Foundation Database).
- For the Fiscal Year, the Fund returned 5.2% (15th percentile), 0.3% ahead of the target benchmark.
- Fund ranks 13th and 9th percentile for the 7 and 10-year periods, respectively, 4th percentile for 15 years.

Endowments Dashboard

% Deviation from Benchmark



Quarter:

Below Benchmark:

- Times Square
- Fiera

Year:

Below Benchmark:

- LSV
- DoubleLine
- Western Asset

*Notes: WCM is compared to the MSCI ACWI ex-U.S. Growth Index. Schroder is compared to the MSCI ACWI ex-U.S. Value Index..

Endowments – U.S. Equity Manager Performance

June 30, 2020

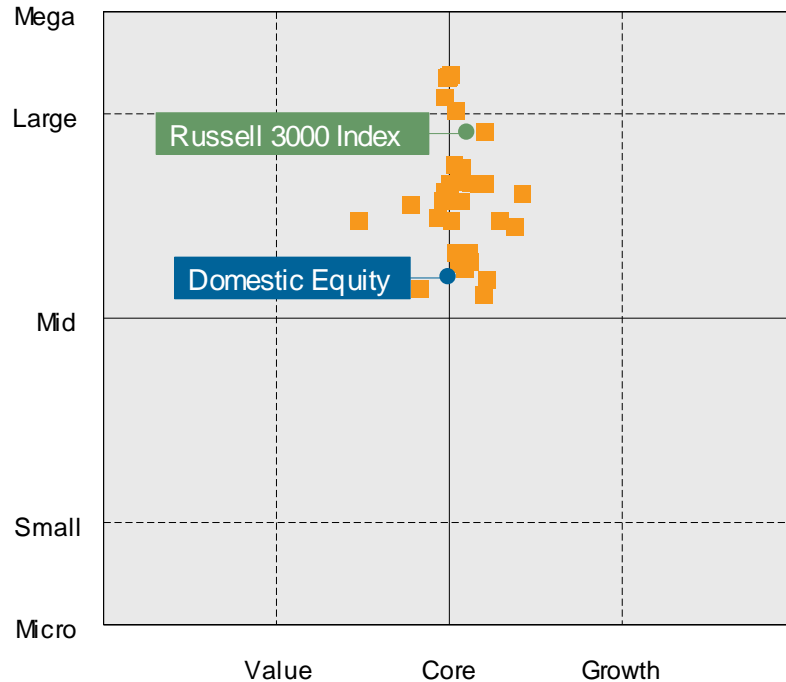
		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	
+2.1%	Domestic Equity	24.10%	4.64%	9.69%	9.47%	13.84%	
		Russell 3000	22.03%	6.53%	10.04%	10.03%	13.72%
+0.8%	Large Cap	22.58%	5.04%	10.02%	9.91%	14.20%	
		Russell 1000	21.82%	7.48%	10.64%	10.47%	13.97%
	Large Cap Core	20.57%	7.33%	10.67%	10.68%	13.96%	
		NTGI S&P 500 SMA	20.57%	7.33%	10.67%	10.68%	-
	S&P 500	20.54%	7.51%	10.73%	10.73%	13.99%	
	Large Cap Value	16.97%	(9.93%)	1.36%	4.19%	11.08%	
LSV Asset Management		17.09%	(12.11%)	0.35%	3.72%	10.74%	
Boston Partners		16.85%	(7.91%)	2.28%	4.60%	-	
Russell 1000 Value	14.29%	(8.84%)	1.82%	4.64%	10.41%		
Large Cap Growth	38.54%	32.48%	26.22%	19.47%	19.73%		
	Sands Capital	38.54%	32.48%	26.22%	18.74%	20.59%	
	Russell 1000 Growth	27.84%	23.28%	18.99%	15.89%	17.23%	
+0.3%	Mid Cap	24.87%	3.50%	9.57%	8.67%	12.71%	
		Russell MidCap Index	24.61%	(2.24%)	5.79%	6.76%	12.35%
		Sycamore Capital	21.09%	-	-	-	-
		Russell MidCap Value Idx	19.95%	(11.81%)	(0.54%)	3.32%	10.29%
		Times Square	28.56%	13.83%	15.81%	12.47%	15.21%
Russell MidCap Growth Idx	30.26%	11.91%	14.76%	11.60%	15.09%		
+6.9%	Small Cap	32.31%	3.98%	7.65%	8.06%	13.52%	
		Russell 2000	25.42%	(6.63%)	2.01%	4.29%	10.50%
		Barrow, Hanley	29.50%	(4.83%)	1.24%	4.34%	11.48%
		Russell 2000 Value	18.91%	(17.48%)	(4.35%)	1.26%	7.82%
		Eagle Asset Management	34.72%	12.87%	13.98%	11.59%	15.19%
Russell 2000 Growth	30.58%	3.48%	7.86%	6.86%	12.92%		

- Each capitalization segment posted positive absolute and relative returns – best relative return was small cap
- In a break from recent performance trends, small and mid-cap outperformed large cap. Growth continues to outperform.

U.S. Equity Style Map

(\$956.6 Million; 37.7% of the Portfolio)

Style Map vs Pub Pln- Dom Equity Holdings as of June 30, 2020



- U.S. Equity composite exhibits a smaller capitalization bias. Primarily resulting from an overweight to mid cap.
- Index performance for quarter: small cap beat mid and large cap.
- Russell 1000 was the strongest market segment for all other time periods.

Returns
for Periods Ended June 30, 2020

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell:1000 Index	21.8	7.5	10.6	10.5	14.0
Russell:Midcap Index	24.6	(2.2)	5.8	6.8	12.3
Russell:2000 Index	25.4	(6.6)	2.0	4.3	10.5

Endowments – International, Fixed Income & RE Performance

June 30, 2020

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
International Equity	20.28%	1.85%	5.59%	4.96%	6.22%
International Equity Target (1)	16.12%	(4.80%)	1.14%	2.26%	4.97%
MSCI ACWI x US (Net)	16.12%	(4.80%)	1.14%	2.26%	4.97%
Vanguard	17.49%	(4.23%)	-	-	-
MSCI EAFE - Net	14.88%	(5.13%)	0.81%	2.05%	5.73%
WCM	25.77%	15.80%	14.42%	12.89%	-
MSCI ACWI ex US Growth	19.23%	6.13%	6.45%	5.99%	7.41%
Schroder	15.42%	(9.65%)	-	-	-
MSCI ACWI ex US Value	12.99%	(14.78%)	(3.38%)	(0.66%)	3.37%
Global Equity	19.30%	5.77%	8.10%	6.76%	8.55%
Fiera	16.15%	5.79%	-	-	-
Wellington	22.55%	5.77%	-	-	-
MSCI ACWI - Net	19.22%	2.11%	6.14%	6.46%	9.16%
Domestic Fixed Income	4.83%	6.58%	4.77%	3.91%	3.61%
85% Agg/ 15% TIPS	3.10%	8.67%	5.28%	4.22%	3.76%
State Street Global Advisors	3.23%	8.17%	5.16%	4.14%	3.72%
SSGA Benchmark (2)	3.26%	8.62%	5.27%	4.21%	3.76%
DoubleLine	5.57%	3.14%	-	-	-
Western	7.74%	6.48%	-	-	-
Blmbg Aggregate	2.90%	8.74%	5.32%	4.30%	3.82%
Real Estate	0.94%	5.58%	6.53%	-	-
RREEF America REIT II	0.95%	5.57%	6.86%	-	-
NCREIF ODCE Value Wt Lag	0.98%	4.88%	6.81%	-	-
UBS Trumbull Property Income	0.92%	5.57%	6.21%	-	-
Hybrid Debt Index Lag	0.19%	2.21%	3.85%	4.59%	6.12%
Cash	0.05%	1.36%	1.56%	1.03%	0.63%
3-month Treasury Bill	0.02%	1.63%	1.77%	1.19%	0.64%
Total Plan ex Equitization	16.30%	5.49%	7.65%	6.97%	9.33%
Total Plan	16.31%	5.17%	7.55%	7.00%	9.46%
Total Plan Target	13.83%	4.92%	6.85%	6.77%	9.02%
Secondary Benchmark	14.16%	3.96%	6.37%	6.40%	8.77%
CPI All Urban Consumers	(0.12%)	0.65%	1.72%	1.56%	1.69%

- International equity outperformed the target for the quarter (+4.2%) and year (+6.7%).
- Global equity was just ahead of the target for the quarter and led by 3.7% for the year.
- Fixed income topped the custom benchmark over the quarter (+1.7%) but lagged for the year (-2.1%).
 - Both DoubleLine and Western lagged the Aggregate Index for the year.
- Real estate led the ODCE index over the last year (+0.7%).

*Current Quarter Target = 38.0% Russell 3000 Index, 26.0% Blmbg Aggregate, 19.0% MSCI ACWI ex US (Net), 9.0% MSCI ACWI (Net), and 8.0% NCREIF NFI-ODCE Val Wt Gr lagged 3 months.

**Secondary Benchmark = 26.2% Russell 1000 Index, 22.0% Blmbg Aggregate, 19% MSCI ACWI ex US (Net), 9% MSCI ACWI (Net), 7.6% Russell MidCap Index, 8.0% NCREIF NFI-ODCE Val Wt Gr lagged 3 months, 4.2% Russell 2000 Index, and 4.0% Blmbg US TIPS.

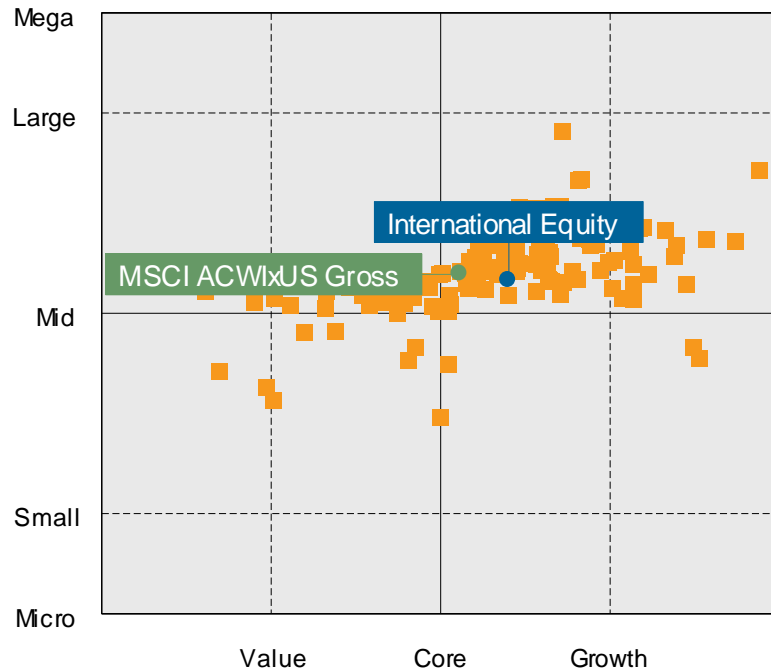
(1) International Equity Target = 100% MSCI ACWI x US (net). Prior to 6/30/2008 = 100% MSCI EAFE

(2) SSGA Benchmark = 73% Agg/ 27% TIPS. Prior to 12/31/18 = 85% Agg/ 15% TIPS

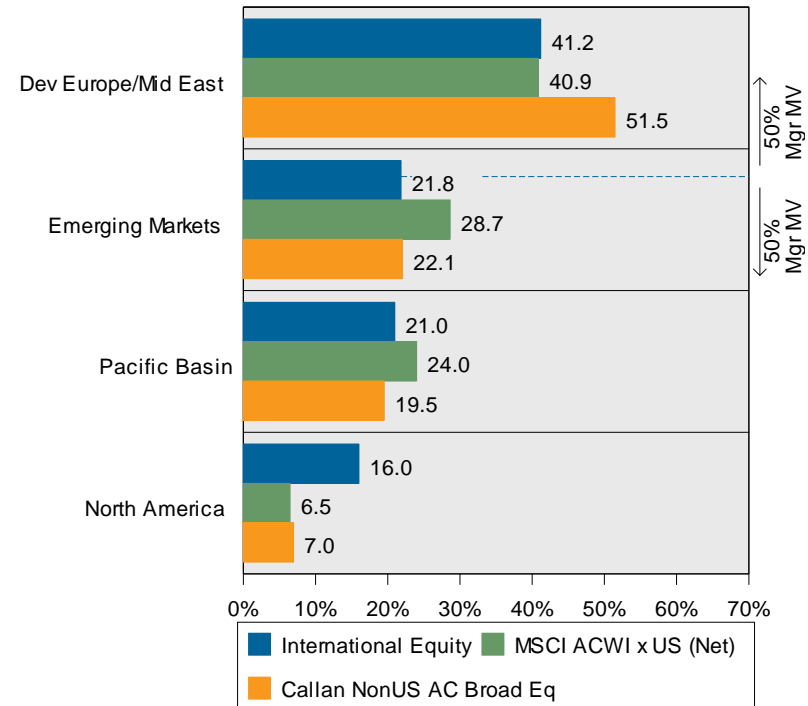
International Equity

(\$500.9 Million; 19.7% of the Portfolio)

Style Map vs Callan NonUS Eq Holdings as of June 30, 2020



Regional Allocation June 30, 2020

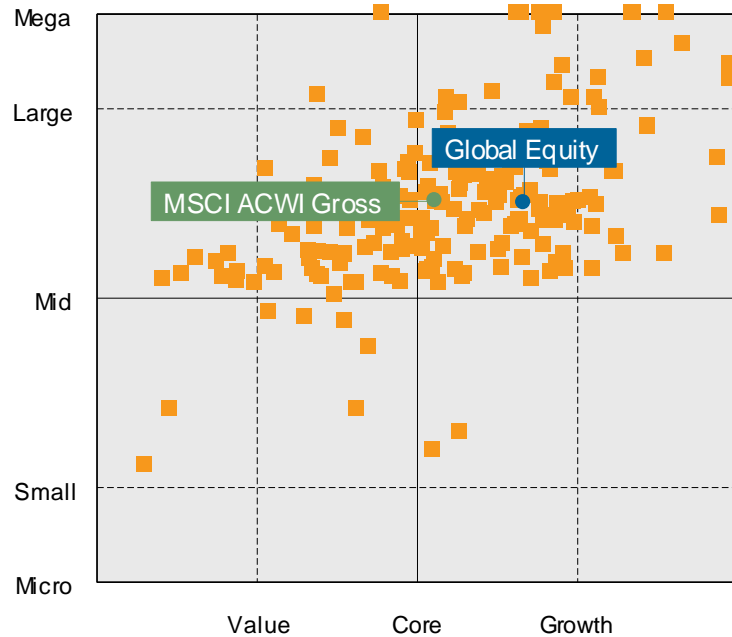


- International composite exhibits a growth bias relative to the Index. WCM is more growth than Schroder is value.
- Portfolio's regional exposure is tilted toward North America and Developed Europe/Middle East and away from Emerging Markets.

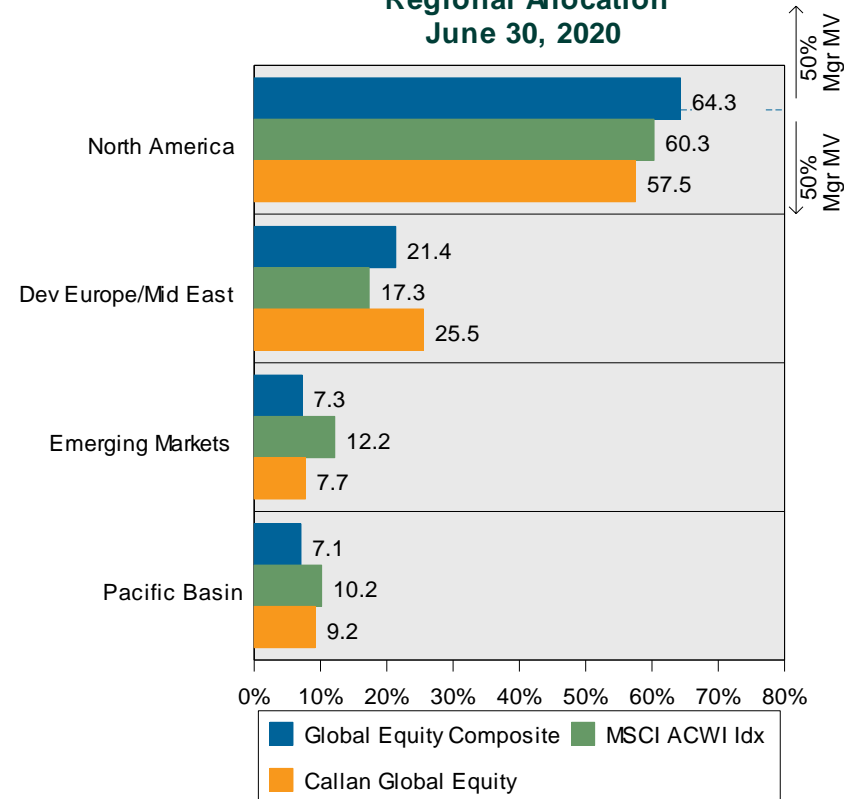
Global Equity

(\$228.4 Million; 9.0% of the Portfolio)

Style Map vs Callan Global Equity Holdings as of June 30, 2020



Regional Allocation June 30, 2020

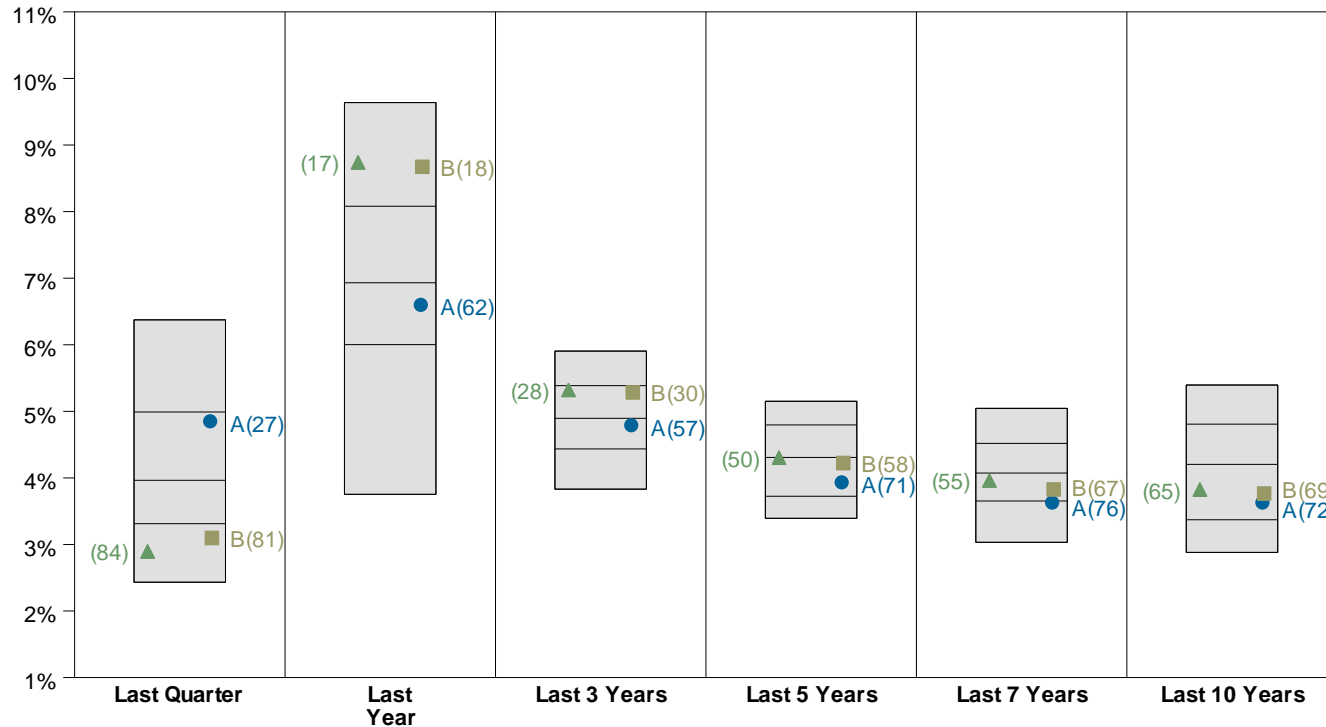


- Global composite exhibits a growth bias relative to the Index. Both Fiera and Wellington exhibit growth characteristics.
- Composite is modestly overweight North America and underweight Emerging Markets.

Fixed Income Performance and Ranking

June 30, 2020

Performance vs Public Fund - Domestic Fixed (Gross)



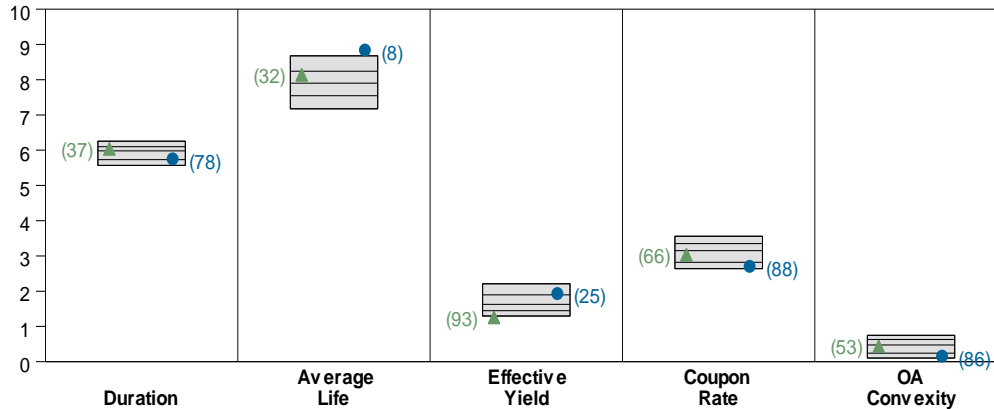
10th Percentile	6.37	9.64	5.90	5.15	5.04	5.40	
25th Percentile	4.99	8.08	5.38	4.80	4.52	4.81	
Median	3.96	6.93	4.89	4.31	4.07	4.20	
75th Percentile	3.31	6.00	4.43	3.73	3.65	3.37	
90th Percentile	2.43	3.75	3.83	3.39	3.03	2.88	
Domestic Fixed Income	● A	4.83	6.58	4.77	3.91	3.61	3.61
85% Agg/ 15% TIPS	■ B	3.10	8.67	5.28	4.22	3.83	3.76
Blmbg Aggregate	▲	2.90	8.74	5.32	4.30	3.96	3.82

- Core plus managers, DoubleLine and Western, rebounded strongly and outperformed the Aggregate Index after trailing in the first quarter.

Fixed Income

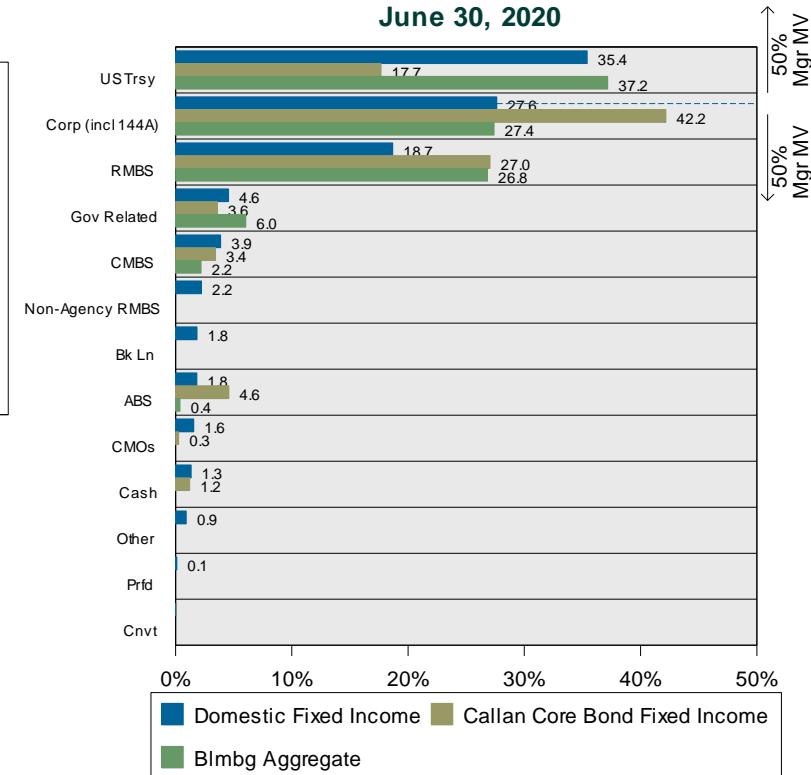
(\$626.3 Million; 24.7% of the Portfolio)

Fixed Income Portfolio Characteristics
Rankings Against Callan Core Bond Fixed Income
as of June 30, 2020



	Duration	Average Life	Effective Yield	Coupon Rate	OA Convexity
10th Percentile	6.25	8.68	2.21	3.56	0.75
25th Percentile	6.10	8.24	1.90	3.35	0.63
Median	5.98	7.90	1.62	3.15	0.47
75th Percentile	5.73	7.55	1.45	2.82	0.24
90th Percentile	5.57	7.17	1.29	2.64	0.10
Domestic Fixed Income ●	5.71	8.80	1.89	2.66	0.12
Blmbg Aggregate ▲	6.04	8.14	1.25	3.03	0.44

Sector Allocation
June 30, 2020

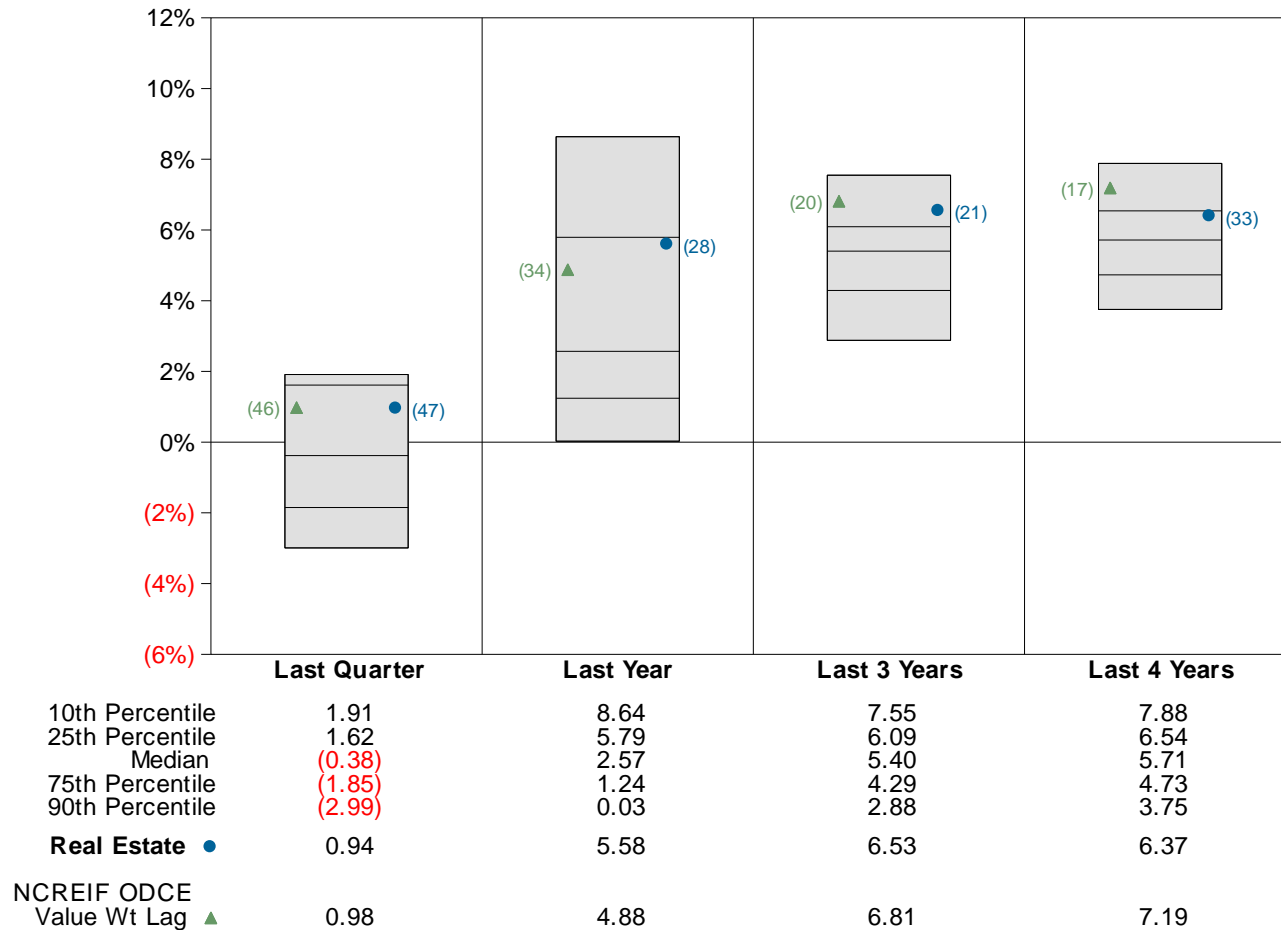


- Composite has a lower duration than the Index with a higher effective yield.
- Composite is slightly underweight US Treasuries and meaningfully underweight RMBS and overweight structured debt and bank loans.

Real Estate Performance and Ranking (Returns Lagged One Quarter)

June 30, 2020

Performance vs Callan Open End Core Cmmingled Real Est



- There are two funds in the Real Estate Portfolio: UBS Trumbull Property Income and RREEF America II.
- The RREEF America Fund is overweight Retail and Industrial and underweight Office and Multi-Family.
- The Trumbull Property Income Fund's (real estate debt fund) largest exposures are to Multi-Family and Retail followed by Industrial.

Endowments Compliance Report

Ending June 30, 2020

Asset Allocation			
Category	Range	Target	Actual
Equities	63%-69%	66.0%	66.4%
Domestic	33%-43%	38.0%	37.7%
Large cap	21%-31%	26.2%	26.2%
Mid cap	4%-12%	7.6%	7.4%
Small cap	3%-7%	4.2%	4.1%
International	15%-23%	19.0%	19.7%
Global	5-13%	9.0%	9.0%
Fixed Income	23%-29%	26.0%	24.7%
Real Estate	4%-12%	8.0%	8.1%
Cash and Equivalents	0%-5%	0.0%	0.8%

Rebalancing		
Applied when appropriate	Yes	

Performance		
Managers remain in specified style	Yes	
Active managers above median/indices for 3-years	No	See Note 1 below

Note 1: Sycamore, Schroder, Fiera, Wellington, DoubleLine, and Western Asset have less than 3 years performance history.

LSV is below benchmark and median; Boston Partners is below median but above benchmark.

Callan

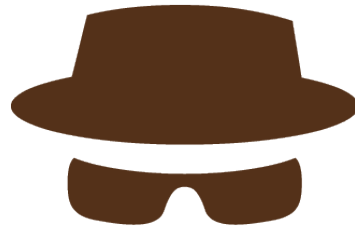
Appendix

Published Research Highlights from 2Q20

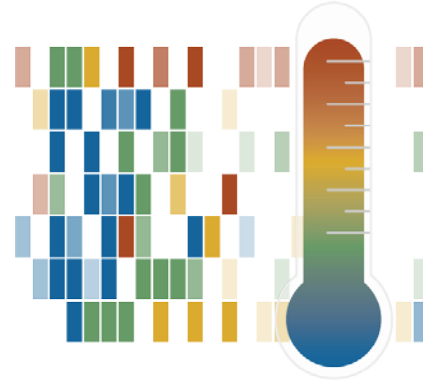
Coping with COVID-19: Investment Manager Survey



Breaking Bad: Better Call Hedge Funds?



Real Estate Indicators: Too Hot to Touch or Cool Enough to Handle?



Pandemic Reshapes the Outlook for Farmland Investments



Recent Blog Posts

Callan Survey: DC Plan Response to CARES Act Varied

Jana Steele

'Social Washing' and How COVID-19 Has Emphasized the 'S' in ESG

Aaron Quach

Plus our [blog](#) contains a wide array of other posts related to the pandemic

Additional Reading

Private Equity Trends quarterly newsletter

Active vs. Passive quarterly charts

Capital Market Review quarterly newsletter

Monthly Updates to the Periodic Table

Market Pulse Flipbook quarterly markets update

Callan Institute Events

Upcoming conferences, workshops, and webinars

“Callan College”

Introduction to Investments—Virtual

This program familiarizes institutional investor trustees and staff and asset management advisers with basic investment theory, terminology, and practices. It is held over three days with virtual modules of 2.5-3 hours. This course is designed for individuals with less than two years of experience with asset-management oversight and/or support responsibilities. Tuition is \$950 per person and includes instruction and digital materials.

Next Session: October 13-15, 2020

Additional information can be found at:
www.callan.com/cc-introduction-virtual/

“Research, education, and dialogue are more important than ever in these extraordinary times, which is why I’m pleased to announce that we are adding more webinars, and we plan to expand our events to include roundtables and other interactive digital offerings.”

Barb Gerraty
Director, Callan Institute



Upcoming Webinars

Demystifying China

July 29, 2020

In this webinar, Callan’s China specialists will discuss:

- The key factors driving China’s economic growth
- China’s capital markets and where they fit in a global equity structure
- Characteristics of the China manager universe and product offerings
- Strategies for investing in future opportunities

Opportunities in Private Credit

August 20, 2020

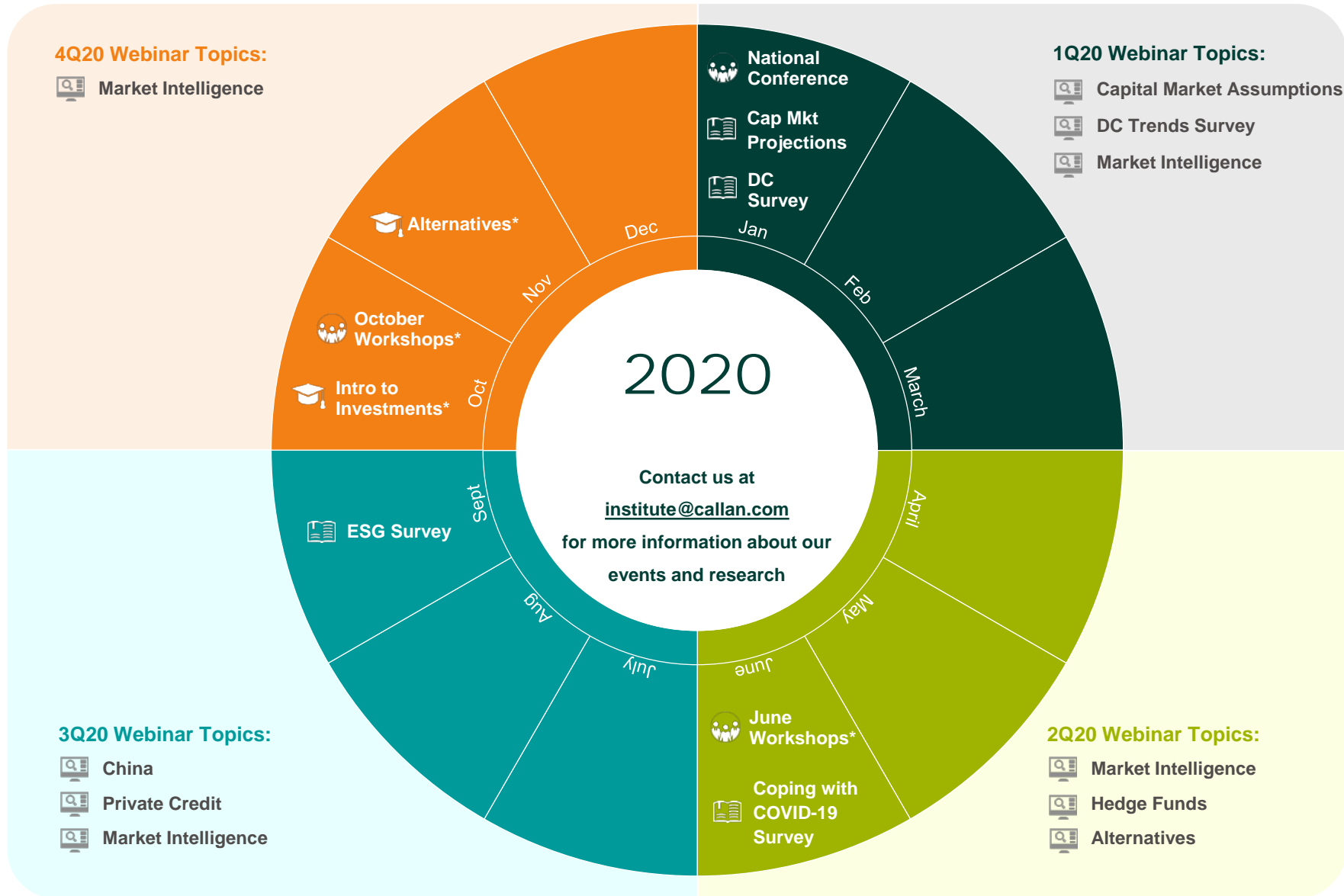
Register at www.callan.com/callan-institute-events

On-Demand Webinars

Visit our website for On-Demand webinar options at
www.callan.com/on-demand-webinars/

Our most recent webinar covered strategies in alternatives.

Content Calendar – Callan Institute



"Callan College"

Conference/Workshop

Publication

Webinar

*Held virtually, program may be modified

Callan Updates

Firm updates by the numbers, as of June 30, 2020

Total Associates: 199

Ownership

- 100% employees
- Broadly distributed across more than 95 shareholders

Leadership Changes

- No executive additions or departures
- No leadership changes this quarter

Total General and Fund Sponsor Consultants: > 45

Total Specialty and Research Consultants: > 60

Total CFA/CAIA/FRMs: more than 55

Total Fund Sponsor Clients: more than 400

AUA: more than \$2.5 trillion

“We’ve been taking precautions to combat the spread of the virus and to safeguard the health of our employees, our clients, and the community at large. Our hearts go out to those directly affected by the virus, and to those whose lives are being disrupted by the downstream social and economic effects.”

- CEO & Chief Research Officer Greg Allen on Callan's COVID-19 Response

