



Quarterly Investment Report: July-September 2024

Financial Markets Review

Global equity markets had a strong third quarter despite a late July/early August spike in volatility spurred by concerns over a weaker-than-expected US jobs report and unwinding of the yen carry trade. However, subsequent labor market data eased concerns. Improving inflation along with solid corporate profits and economic growth fostered optimism that the US economy was on its way to a soft landing. The Fed cut rates by 50 basis points in September, joining many global central banks in the launch of a rate-cutting campaign.

The MSCI ACWI Index returned 6.6% for the quarter as investors reacted positively to the prospect of lower interest rates. US stocks trailed their international counterparts largely driven by a weaker US dollar. The S&P 500 Index returned 5.9% while the MSCI EAFE Index gained 7.3%. Emerging markets advanced 8.7% for the quarter, outperforming the developed markets driven by a significant rally in Chinese equities supported by China's stimulus measures. Small-cap stocks outperformed large-caps while value stocks outperformed growth, led by traditional value sectors such as utilities, industrials, and financials.

Treasury yields fell sharply and September saw an end to the inverted yield curve with the 2-year Treasury yield dropping to 3.66% and the 10-year yield declining to 3.81% at quarter-end. The Bloomberg US Aggregate Bond Index returned 5.2% for the quarter as fixed income markets benefited from falling Treasury yields.

Investment Pool Commentary

The **Long Term Diversified Pool (LTD)** returned 4.4% during the third quarter, slightly behind its Policy Benchmark. Results were dampened by underperformance within the emerging markets equity and real assets allocations along with an overweight to private equity as public markets outperformed. The Pool benefited from outperformance within its diversified hedge funds allocation. The LTD Pool trailed its Public Markets Benchmark driven by the Pool's allocations to alternative asset classes as public markets posted exceptional returns. For the 3-year period, the LTD Pool performed in line with its Policy Benchmark and slightly ahead of the Public Markets Benchmark. The Pool slightly trailed both benchmarks for the 10-year period.

The **Long Term Aggressive Growth Pool (LTAG)** advanced 6.5% for the quarter, matching its benchmark as all of the Pool's managers performed in line with their respective benchmarks. Since its inception (April 2019), the LTAG Pool had an annualized return of 9.1%, closely aligned with its benchmark.

The **Socially Responsible Pool (SRI)** returned 5.8% during the quarter, slightly behind its benchmark as the Vanguard FTSE Social Index Fund (US Equity) underperformed the S&P 500 Index. Outperformance from the Calvert Bond Fund (Fixed Income) benefited results. For the 10-year period, the SRI Pool had an annualized return of 8.0%, in line with its benchmark.

The **Intermediate Pool (INT)** gained 5.6% for the quarter, matching the return of its benchmark. The positive impact of outperformance from the Mercer HFI Portfolio (Diversified Hedge Funds) was offset by underperformance from the DFA Emerging Markets Core Fund (Emerging Markets Equity). For the 10-year period, the INT Pool had an annualized return of 6.2%, slightly outperforming its benchmark.

The **Short Term Pool (ST)** returned 1.3% for the quarter, similar to the 90-Day US Treasury Bill. The yield on the Short Term Pool declined in September following the Fed's rate cut. As of September 30, 2024, the ST Pool's annualized yield stood at 4.83%.

For questions or additional information, please contact your relationship manager or [click here to visit our website](#).

Long Term Diversified Pool

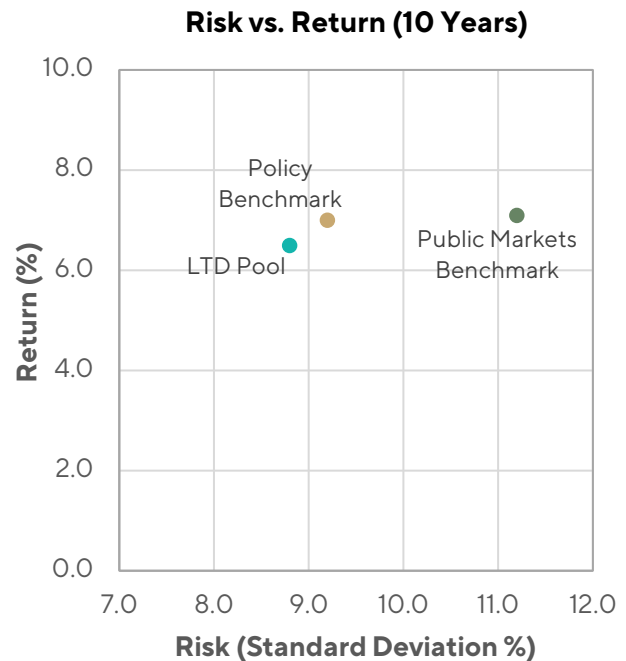
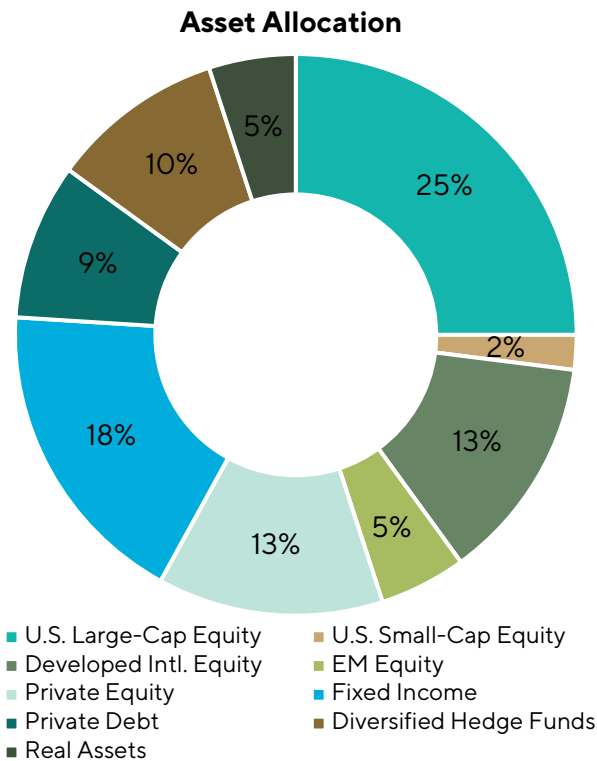
Objective: To grow capital long term through a highly-diversified portfolio designed to reduce public market volatility through diversification and enhance returns through private market investments.

Total Pool Assets: \$580.1 million

Number of Fundholders: 1,213

Estimated Annual Investment Expenses¹: 0.92%

Net Returns ²	YTD	1 Year	3 Years	5 Years	15 Years	Since Inc. Dec 1990
Long Term Diversified Pool	10.2	17.4	5.2	7.9	7.5	7.5
Strategic Policy Benchmark ³	10.4	18.6	5.3	8.5	7.5	7.8
Public Markets Benchmark ⁴	13.7	24.9	4.9	8.5	7.7	7.4



¹ Represents total estimated annual pool investment expenses, including underlying manager fees, ACF's investment oversight fee, and custody, consulting, and legal expenses.

² Investment pool returns are reported net of underlying investment manager fees. Actual returns for individual fundholders may vary from the pool(s) in which they are invested due to the timing of contributions and grants/distributions.

³ Strategic Policy Benchmark represents 23% Russell 1000 Index, 2% Russell 2000 Index, 14% MSCI EAFE Index, 6% MSCI Emerging Markets Index, 20% Bloomberg U.S. Aggregate Index, 10% Custom Private Equity Benchmark, 10% Custom Private Fixed Income Benchmark, 10% HFRI Fund of Funds Composite Index, 5% FTSE Global Core Infrastructure 50/50 Index

⁴ Public Markets Benchmark represents 70% MSCI ACWI IMI Index and 30% Bloomberg U.S. Aggregate Index

Long Term Aggressive Growth Pool

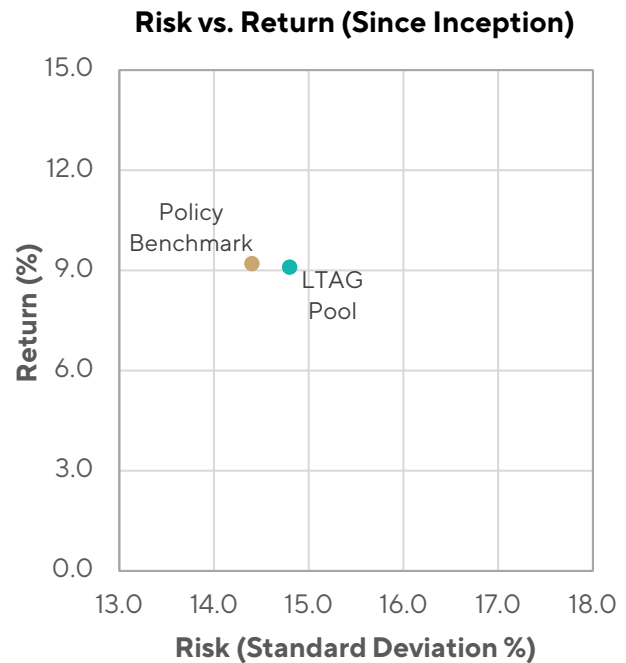
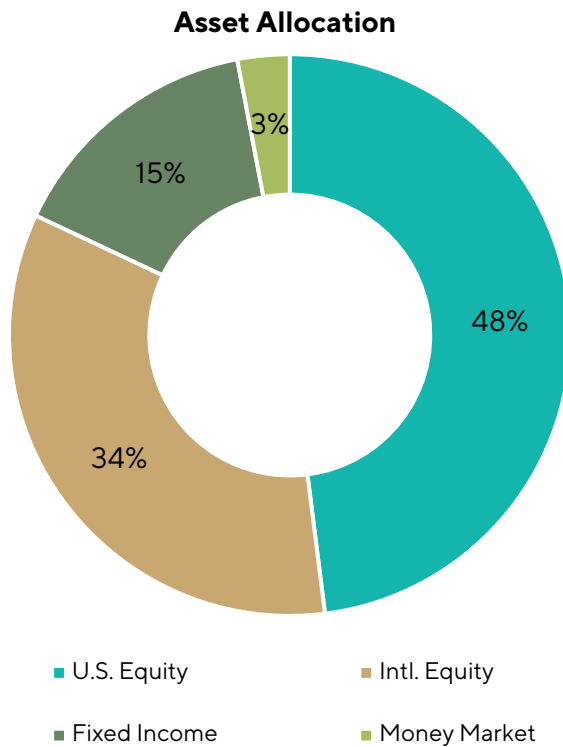
Objective: To maximize growth of capital long term through funds that emphasize public equities with less diversification and a high level of volatility.

Total Pool Assets: \$7.1 million

Number of Fundholders: 35

Estimated Annual Investment Expenses¹: 0.22%

Net Returns ²	YTD	1 Year	3 Years	5 Years	15 Years	Since Inc. Apr 2019
LT Aggressive Growth Pool	15.0	27.1	5.7	9.8	---	9.1
Strategic Policy Benchmark ³	14.9	26.4	6.0	9.8	---	9.2



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² Investment pool returns are reported net of underlying investment manager fees. Actual returns for individual fundholders may vary from the pool(s) in which they are invested due to the timing of contributions and grants/distributions.

³ Strategic Policy Benchmark represents 45% Russell 3000 Index, 35% MSCI ACWI ex US IMI Index, 15% Bloomberg U.S. Aggregate Index, and 5% 90-day U.S. T-Bills

Socially Responsible Pool

Objective: To grow capital long term through funds screened for environmental, social, and governance (ESG) factors.

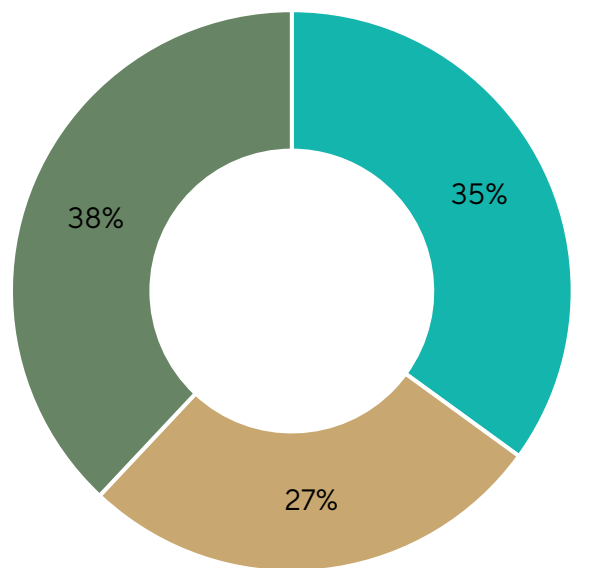
Total Pool Assets: \$36.9 million

Number of Fundholders: 186

Estimated Annual Investment Expenses¹: 0.58%

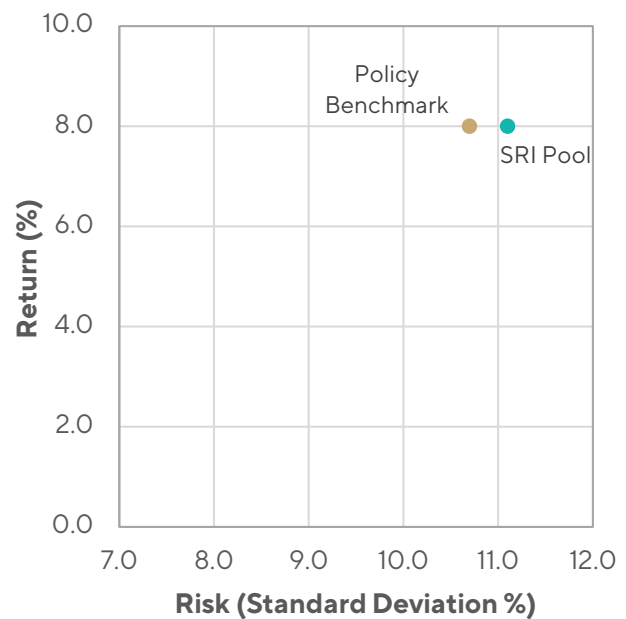
Net Returns ²	YTD	1 Year	3 Years	5 Years	15 Years	Since Inc. Sep 2011
Socially Responsible Pool	12.5	23.6	3.0	8.2	---	9.3
Strategic Policy Benchmark ³	12.4	23.0	5.2	8.5	---	9.4

Asset Allocation



■ U.S. Large-Cap Equity ■ Intl. Equity ■ Fixed Income

Risk vs. Return (10 Years)



¹ Represents total estimated annual pool investment expenses, including underlying manager fees, ACF's investment oversight fee, and custody, consulting, and legal expenses.

² Investment pool returns are reported net of underlying investment manager fees. Actual returns for individual fundholders may vary from the pool(s) in which they are invested due to the timing of contributions and grants/distributions.

³ Strategic Policy Benchmark represents 33% S&P 500 Index, 27% MSCI EAFE and 40% Bloomberg U.S. Aggregate Index

Intermediate Pool

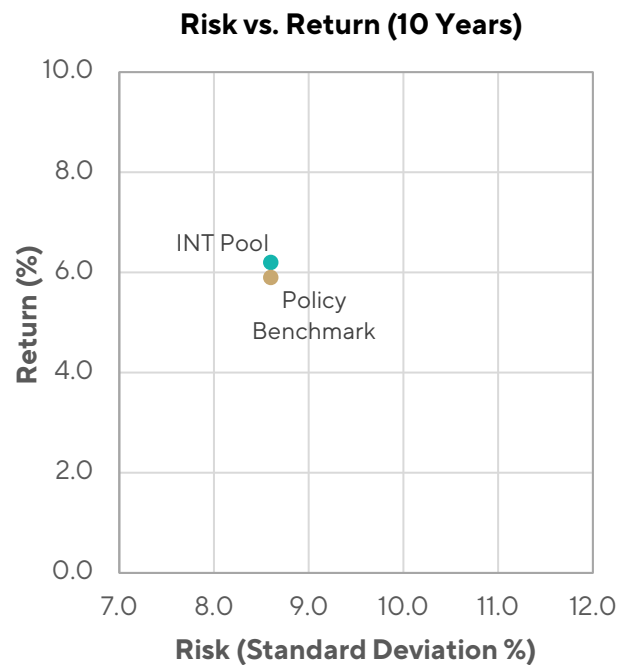
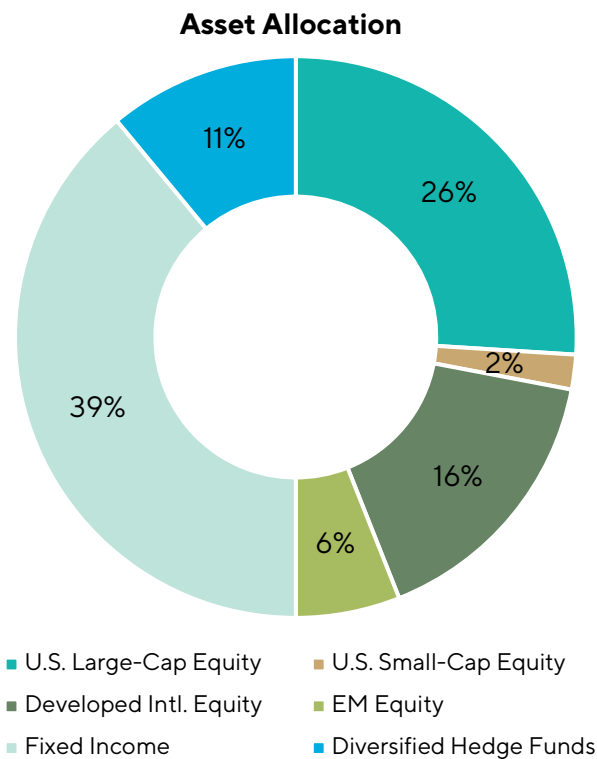
Objective: To grow capital through a balanced mix of growth-oriented and defensive investments with a moderate level of volatility.

Total Pool Assets: \$95.9 million

Number of Fundholders: 255

Estimated Annual Investment Expenses¹: 0.35%

Net Returns ²	YTD	1 Year	3 Years	5 Years	15 Years	Since Inc. Dec 2005
Intermediate Pool	11.1	20.5	3.4	6.7	7.0	6.3
Strategic Policy Benchmark ³	11.1	20.6	3.4	6.4	6.8	6.0



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² Investment pool returns are reported net of underlying investment manager fees. Actual returns for individual fundholders may vary from the pool(s) in which they are invested due to the timing of contributions and grants/distributions.

³ Strategic Policy Benchmark represents 26% Russell 1000 Index, 2% Russell 2000 Index, 16% MSCI EAFE Index, 6% MSCI Emerging Markets Index, 40% Bloomberg U.S. Aggregate Index, 10% HFRI Fund of Funds Composite Index

Short Term Pool

Objective: To preserve capital with minimal volatility.

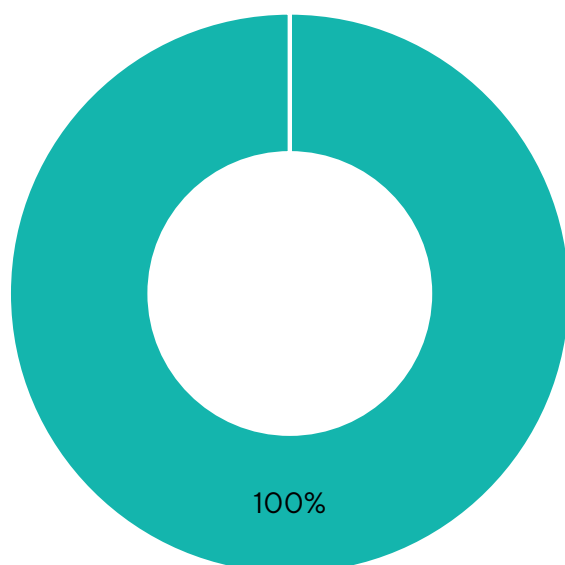
Total Pool Assets: \$60.9 million

Number of Fundholders: 281

Estimated Annual Investment Expenses¹: 0.15%

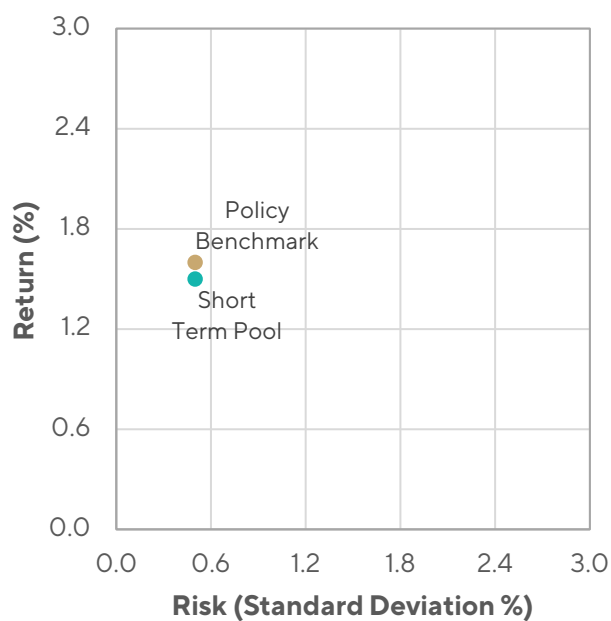
Net Returns ²	YTD	1 Year	3 Years	5 Years	15 Years	Since Inc. May 2003
Short Term Pool	3.9	5.3	3.4	2.2	1.0	1.5
Strategic Policy Benchmark ³	4.0	5.4	3.5	2.3	1.1	1.6

Asset Allocation



■ Treasury Money Market Fund

Risk vs. Return (10 Years)



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² Investment pool returns are reported net of underlying investment manager fees. Actual returns for individual fundholders may vary from the pool(s) in which they are invested due to the timing of contributions and grants/distributions.

³ Strategic Policy Benchmark represents 100% 90-Day US T-Bills