



Objectives

Financial Objectives:

- Provide a stream of relatively stable and constant earnings in support of annual budgetary needs; and
- Preserve and enhance the real (inflation-adjusted) purchasing power of the Endowment Fund.

Investment Objectives:

- Attain a real compound annual return to support spending formula, net of investment expenses, on average, over a five- to seven-year period;
- Outperform the Endowment Fund's custom policy benchmark; and
- Invest in accordance with the Social Witness Principles of the General Assembly of the PC(USA).

Quarterly Performance Commentary

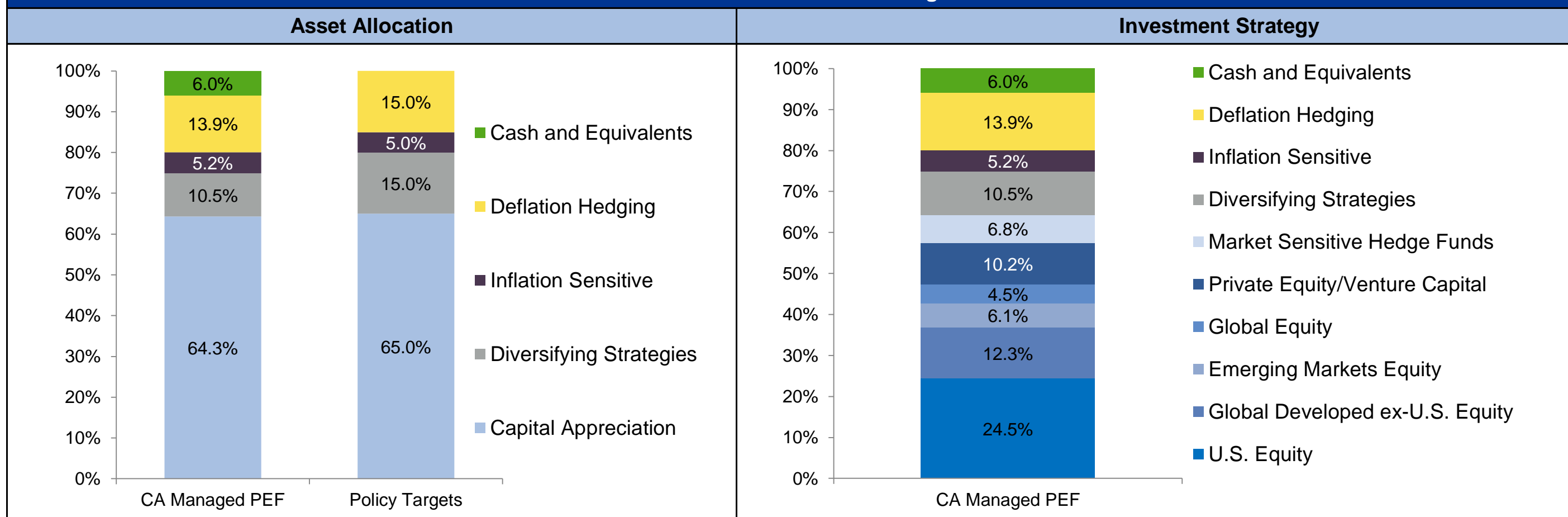
- Global equity markets (MSCI ACWI Index (Net)) were positive for the quarter, returning +6.9%. U.S. stocks (Russell 3000 Index; +5.7%) underperformed emerging market stocks (MSCI Emerging Markets Index (Net); +11.4%) and developed non-U.S. stocks (MSCI EAFE Index (Net); +7.2%). Bonds were positive for the quarter, returning +1.0% (BBG Barclays Government / Credit Index).
- In March, PEF returned +0.8%. This is compared to +0.6% for the Policy Benchmark. For the quarter to date, PEF returned +4.6% versus +4.0% for the Policy Benchmark.
- PEF's Capital Appreciation strategies returned +6.5% during the quarter, while Diversifying Strategies returned +1.9%. PEF's macroeconomic hedges - Inflation Sensitive and Deflation Hedging strategies - returned +0.2% and +1.6%, respectively.

Performance

		Performance					Value of \$1 Over Time
		QTD	Trailing 1-Year	Trailing 3-Year	Since C A Oversight	Trailing 5-Year	
		12/31/2016 3/31/2017	3/31/2016 3/31/2017	3/31/2014 3/31/2017	12/31/2012 3/31/2017	3/31/2012 3/31/2017	
CA Managed PEF	\$669.4 mm	4.6%	11.4%	3.0%	5.5%	5.4%	
<u>Benchmarks</u>							
Policy Benchmark		4.0%	11.3%	3.9%	6.3%	6.1%	
<u>Market Indices</u>							
MSCI All Country World Index (Net)		6.9%	15.0%	5.3%	9.3%	8.8%	
BBG Barclays Govt/Credit Index		1.0%	0.5%	2.7%	1.8%	2.5%	

The performance data shown is past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate and current market performance may be lower or higher than the performance quoted.

Current Portfolio Positioning



Notes:

Inception Date: 12/31/2010
 Policy Benchmark: 55% Long Only Equity Custom Benchmark / 10% HFRI Equity Hedge Index / 15% HFRI Event Driven Index / 5% Inflation Sensitive Custom Benchmark / 12% BBG Barclays Gov't/Credit Index / 3% Citigroup World Government Bond Index from 9/1/15 to present.
 MSCI All Country World Index (Net): Represents global equities, including public equities of U.S., ex-U.S., and emerging market companies. Benchmark includes MSCI All Country World Index from Inception through 8/31/15 and MSCI All Country World Index (Net) from 9/1/15 to the present.