

Objectives

- Financial Objectives:**
- Support a stream of regular distributions in support of annual budgetary needs; and
 - Preserve the real (inflation-adjusted) purchasing power of the Endowment Fund net of regular distributions
- Investment Objectives:**
- Target a real annualized total return, net of investment expenses, over a five to seven year horizon, that aligns with financial objectives;
 - Outperform the Endowment Fund's benchmark consistent with volatility targets; and
 - Adhere to the Social Witness Principles of the General Assembly of the PC(USA)

June 30, 2019

Account / Group Name	Market Value + Accruals	Ending Weight	Rate of Return (%)					
			3 Mos	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Presbyterian Endowment Fund	738,680,604	100.0	3.4	12.2	7.1	9.9	5.0	8.0
<i>60/40 Total Benchmark</i>			<i>3.5</i>	<i>12.3</i>	<i>7.0</i>	<i>8.0</i>	<i>5.1</i>	<i>7.9</i>

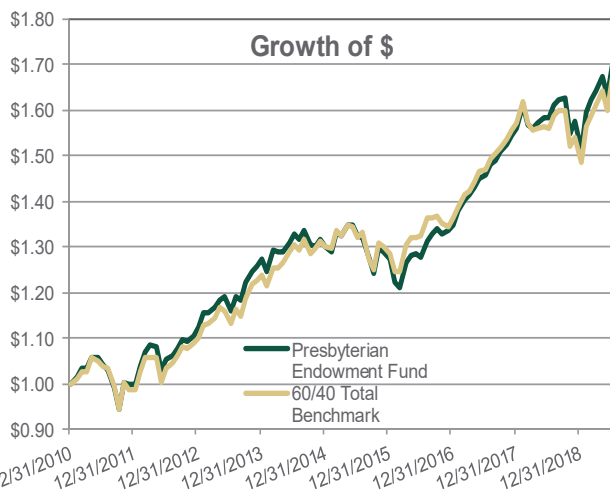
60/40 Total Benchmark: 60% MSCI ACWI ND / 40% Bloomberg Barclays US Aggregate

All returns are net of fees - Past performance is no guarantee of future investment results.

Commentary

Current Quarter

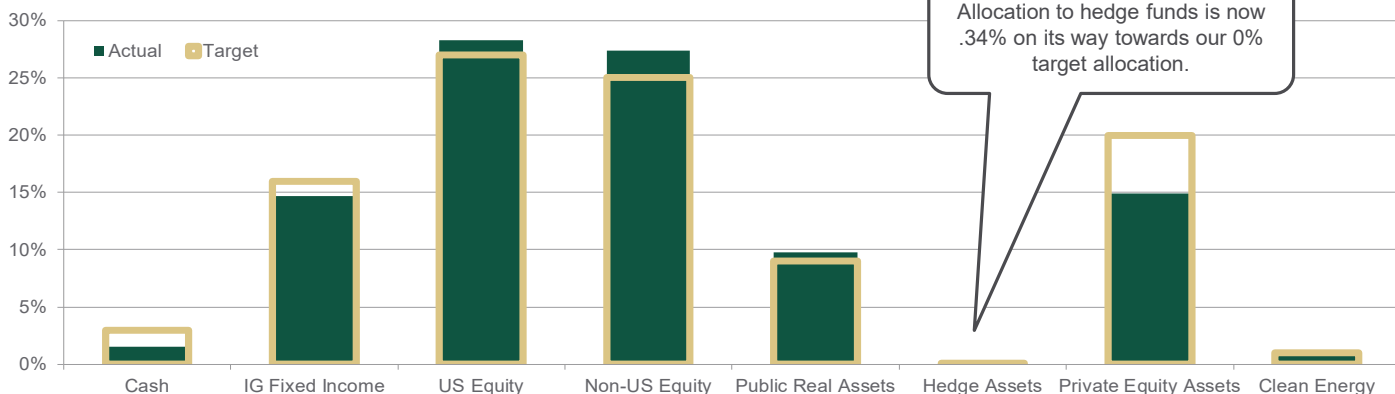
- For the quarter, the total program returned 3.4% vs. the 60/40 benchmark of 3.5%.
- US Equities were the primary driver of returns, appreciating over 4% in the quarter and almost 19% YTD,
- Clean Energy was also strong, returning 9.7% during this quarter.
- Fixed Income program returned 3.2% for the quarter in line with expectations.
- Overweight to Non-US and Emerging Markets was a small drag on returns as U.S. markets outperformed the rest of the world.



Tactical Themes

- Maintain relative overweight to Non-US Equities based on higher relative expected returns.
- Continue to underweight allocation to IG Fixed Income in current economic and interest rate environment, while strategic allocations to Real Assets remains intact.
- Continuing to build out Private Equity exposure towards its target portfolio allocation.

Actual vs. Target Allocation



Asset allocation does not guarantee a profit or protection against a loss in declining markets

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