April 2020 Investment Report

Highlights

- Global COVID-19 fatalities totaled 187,000 during April—the deadliest month yet for the pandemic.
- During the first quarter of 2020, Gross Domestic Product (GDP) decreased 4.8% in the U.S., 3.8% in the Eurozone and 6.8% in China.
- U.S. stocks rebounded sharply in April. The S&P 500 gained 12.8% as lawmakers and the Federal Reserve announced new programs to support the economy.
- Oil prices fell 8.0%, although prices had declined far more compared to where they ended the month. The price of the futures contract for May delivery of West Texas Intermediate (WTI) crude oil dropped into negative territory for the first time ever—closing at minus $37.60 on April 20th—as oil supply approached storage capacity. Crude oil sellers were actually paying buyers to take delivery of oil owned by the sellers.
- In April, MAF, USEF, IEF and FIF outperformed their respective benchmarks. IPF underperformed its benchmark during the month.

Monthly Overview

Social distancing and stay-at-home orders implemented to slow the spread of COVID-19 continued to severely impact world economies during the month of April. Despite these extreme measures, the death toll from the respiratory disease rose significantly worldwide, bringing total fatalities from the pandemic to more than 230,000.

United States

GDP fell at a seasonally adjusted annual rate of 4.8% during the first quarter of 2020. This was the largest decline since the fourth quarter of 2008, when U.S. GDP fell 8.4%. Weekly initial jobless claims reached 3.8 million during the week ending April 25th, bringing total claims to more than 30 million in a six-week period.

Despite a lack of positive economic data, the U.S. stock market continued its rebound, which began during the last week of March. During April, the S&P 500 returned 12.8%—its best monthly performance since 1987. The index gained 30% since its 2020 low on March 23. Technology stocks led U.S. market gains, as technology usage continues to increase during shelter-in-place orders. The tech-heavy NASDAQ Composite gained 15.5% in April.

Eurozone

Eurozone GDP decreased 3.8% in the first quarter. The European Central Bank (ECB) announced it would lower the interest rate of the Targeted Longer-Term Refinancing Operations (TLTRO) program to negative 1% starting in June. The TLTRO program enables commercial banks to borrow money from the ECB, which they can then lend to promote economic activity.

China

Chinese economic data was mixed in April, as the country slowly emerged from near stand-still at the onset of COVID-19. First quarter Chinese GDP dropped 6.8% from one year ago. This was the first decline since China began reporting GDP in 1992. The China Manufacturing Purchasing Managers Index (PMI), as reported by the National Bureau of Statistics, came in at 50.8 after a reading of 52.0 in March. The PMI index provides an early glimpse of economic activities and an index value of above 50 implies economic expansion.

Crude Oil

Oil prices ended the month of April down 8.0%, albeit with dramatic wild swings during the month. The drop in oil demand due to the pandemic caused the May futures contract to trade as low as negative $37.60 per barrel on April 20—the first occurrence of negative pricing in the history of the oil futures market. The June and July futures contract prices rebounded towards the end of April amid expectations for decreasing supply due to production cuts.

Source: FactSet; Bloomberg, IMF, ECB, Nikkei, Reuters, WSJ, IHS Markit, World Health Organization, John Hopkins University, BEA.gov and federalreserve.gov.

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Market Performance

**Stocks**
- Russell 3000 Index: 
  - Month: -10.42%
  - YTD: 13.24%
- S&P 500 Index: 
  - Month: -9.29%
  - YTD: 12.82%
- Russell 2000 Index: 
  - Month: -21.08%
  - YTD: 13.74%
- MSCI AC World Index Ex U.S. IMI: 
  - Month: -17.93%
  - YTD: 8.15%
- MSCI EAFE Index: 
  - Month: -17.84%
  - YTD: 6.46%
- MSCI Emerging Market IMI Index: 
  - Month: -17.14%
  - YTD: 9.61%

**Bonds**
- Barclays U.S. Treasury Index: 
  - Month: -8.75%
  - YTD: 4.51%
- Barclays U.S. Credit Index: 
  - Month: 1.29%
  - YTD: 4.58%
- Barclays U.S. Corp High Yield Index: 
  - Month: 0.64%
  - YTD: 8.89%

**Currencies**
- U.S. Dollar Index: 
  - Month: -0.03%
  - YTD: 2.73%
- British pound vs USD: 
  - Month: -4.79%
  - YTD: 1.73%
- Euro vs USD: 
  - Month: -0.18%
  - YTD: 0.95%
- Japanese yen vs USD: 
  - Month: -2.42%
  - YTD: 1.63%

**Commodities**
- Bloomberg Commodity Index: 
  - Month: -24.47%
  - YTD: -1.54%

*Source: FactSet, as of April 30, 2020*
The unemployment rate rose the highest level since the Great Depression. The wage growth reflected the low-paid workers who went off payrolls.

Year-over-year CPI decreased sharply in March, and inflation remained below the 2% target.

Q1 2020 real GDP declined 4.8%, the worst read since Q4 2008.

Consumer Confidence declined sharply to the lowest level in 6 years. Small Business Optimism also decreased during this period.

U.S. housing starts fell 22% in March. Home prices increased in February, year over year.

The Fed Funds rate remained near zero. The Trade Weighted Dollar Index rose.

Chart of Month
- As the drop in crude oil demand due to the pandemic caused oil storage facilities to near capacity, the May WTI futures contract traded at negative $37.60 per barrel on April 20.
- This was the first negative price in the history of the oil futures market.
- Oil prices rebounded at the end of April due to the expectation of lower oil supply in the coming months.
Investment Fund Review (Net-of-Fees Performance)\textsuperscript{1}

**Equity Funds**

**U.S. Equity Fund**

<table>
<thead>
<tr>
<th>Fund</th>
<th>April</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equity Fund</td>
<td>+13.51%</td>
<td>-10.51%</td>
</tr>
<tr>
<td>Russell 3000 Index</td>
<td>+13.24%</td>
<td>-10.42%</td>
</tr>
<tr>
<td>Difference (percentage points)</td>
<td>+0.27</td>
<td>-0.09</td>
</tr>
</tbody>
</table>

- During the month, the fund benefited most from outperforming active managers, as the majority of active strategies beat their respective benchmarks. Also contributing to relative performance was an overweight to small- and mid-cap growth oriented companies and stocks excluded from compliance with Wespath’s Exclusions policy (described here). To a lesser extent, the fund’s underweight to large-cap technology companies and dedicated holdings in private real estate and private equity detracted from relative performance.

- Year to date, the fund’s relative performance was negatively impacted by an overweight allocation to small- and mid-cap companies and a corresponding underweight to large-cap companies. Specifically, the fund’s underweight position in a number of well-performing large technology-related companies detracted from relative performance. On the other hand, the fund’s relative year-to-date performance benefited from sizable outperformance by a mid-cap strategy and two growth-oriented strategies, along with investments in alternatives and stocks excluded in compliance with Wespath’s Exclusions policy.

**International Equity Fund**

<table>
<thead>
<tr>
<th>Fund</th>
<th>April</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Equity Fund</td>
<td>+8.26%</td>
<td>-16.89%</td>
</tr>
<tr>
<td>MSCI ACWI ex U.S. Investable Market Index (Net)</td>
<td>+8.15%</td>
<td>-17.93%</td>
</tr>
<tr>
<td>Difference (percentage points)</td>
<td>+0.11</td>
<td>+1.04</td>
</tr>
</tbody>
</table>

- During the month, the fund benefited most from the majority of active managers outperforming their respective benchmarks and an underweight in the poor performing Japanese equity market. Investments in private equity and private real estate detracted from benchmark-relative performance.

- Year to date, the fund benefited from the majority of active managers outperforming their respective benchmarks, as well as investments in alternative strategies and stock excluded in compliance with Wespath’s Exclusions policy.
U.S. Equity Index Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>April</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equity Index Fund</td>
<td>+13.29%</td>
<td>-10.36%</td>
</tr>
<tr>
<td>Russell 3000 Index</td>
<td>+13.24%</td>
<td>-10.42%</td>
</tr>
<tr>
<td>Difference (percentage points)</td>
<td>+0.05</td>
<td>+0.06</td>
</tr>
</tbody>
</table>

- The U.S. Equity Index Fund is a passively managed fund designed so that it closely matches the fund benchmark, less fees and expenses. Wespath’s Exclusions policy positively impacted benchmark-relative performance year to date.

Fixed Income Funds

Fixed Income Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>April</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income Fund</td>
<td>+2.96%</td>
<td>+0.25%</td>
</tr>
<tr>
<td>Barclays U.S. Universal (ex MBS) Index</td>
<td>+2.40%</td>
<td>+3.30%</td>
</tr>
<tr>
<td>Difference (percentage points)</td>
<td>+0.56</td>
<td>-3.05</td>
</tr>
</tbody>
</table>

- The fund outperformed its benchmark during the month due to allocations to corporate credit—both high-yield and investment-grade rated. Security selection in the corporate debt sector also added to benchmark-relative performance.
- Year to date, overweight allocations to emerging market debt and corporate bonds detracted from benchmark-relative performance, while exposure to multi-family housing through high-quality U.S. agency commercial mortgage-backed securities and the Positive Social Purpose Lending program added to benchmark-relative performance.

Extended Term Fixed Income Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>April</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extended Term Fixed Income Fund</td>
<td>+2.99%</td>
<td>+6.20%</td>
</tr>
<tr>
<td>Barclays U.S. Government/Credit Long Term Index</td>
<td>+4.51%</td>
<td>+11.00%</td>
</tr>
<tr>
<td>Difference (percentage points)</td>
<td>-1.52</td>
<td>-4.80</td>
</tr>
</tbody>
</table>

- In both the month and year-to-date periods, the fund’s policy of maintaining a lower sensitivity to interest rate movements detracted from benchmark-relative returns. The allocation to structured U.S. agency mortgage-backed securities detracted from the month’s benchmark-relative performance but contributed positively to relative year-to-date performance.
Inflation Protection Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>April</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation Protection Fund</td>
<td>+1.90%</td>
<td>-3.65%</td>
</tr>
<tr>
<td>IPF Benchmark</td>
<td>+2.48%</td>
<td>-1.74%</td>
</tr>
<tr>
<td>Difference (percentage points)</td>
<td>-0.58</td>
<td>-1.91</td>
</tr>
</tbody>
</table>

- During the month, the fund’s overweight exposure to U.S. inflation-linked securities and allocations to below-investment-grade, floating-rate bank loans added to benchmark-relative performance, while its underweight exposure to U.K. inflation-linked securities detracted.
- Year to date, the fund’s overweight exposure to energy commodities and its allocation to the diversifying strategy of below-investment-grade, floating-rate bank loans detracted from benchmark-relative performance. The fund’s underweight exposure to U.K. inflation-linked securities also detracted.

Balanced Fund

Multiple Asset Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>April</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Asset Fund</td>
<td>+8.14%</td>
<td>-9.09%</td>
</tr>
<tr>
<td>MAF Benchmark</td>
<td>+7.93%</td>
<td>-8.39%</td>
</tr>
<tr>
<td>Difference (percentage points)</td>
<td>+0.21</td>
<td>-0.70</td>
</tr>
</tbody>
</table>

- During the month, the U.S. Equity Fund, International Equity Fund and Fixed Income Fund positively contributed to benchmark-relative performance, while the Inflation Protection Fund detracted from benchmark-relative performance.
- Year to date, the International Equity Fund positively contributed to benchmark-relative performance, while the U.S. Equity Fund, Fixed Income Fund and Inflation Protection Fund detracted from relative performance.

Social Values Choice Suite of Funds

Social Values Choice Bond Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>April</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Values Choice Bond Fund</td>
<td>+3.08%</td>
<td>+2.10%</td>
</tr>
<tr>
<td>Barclays U.S. Universal (ex MBS) Index</td>
<td>+2.40%</td>
<td>+3.30%</td>
</tr>
<tr>
<td>Difference (percentage points)</td>
<td>+0.68</td>
<td>-1.20</td>
</tr>
</tbody>
</table>

- The fund’s overweight allocation to corporate bonds and mortgage-backed securities added to benchmark-relative performance during the month, while it detracted on a year-to-date basis.
Social Values Choice Equity Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>April</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Values Choice Equity Fund</td>
<td>+10.50%</td>
<td>-10.47%</td>
</tr>
<tr>
<td>SVCEF Benchmark&lt;sup&gt;iv&lt;/sup&gt;</td>
<td>+10.38%</td>
<td>-10.48%</td>
</tr>
<tr>
<td>Difference (percentage points)</td>
<td>+0.12</td>
<td>+0.01</td>
</tr>
</tbody>
</table>

- The Social Values Choice Equity Fund is a passively managed fund designed so that it closely matches the fund benchmark, less fees and expenses. The fair market valuation policy (described here) negatively affected benchmark-relative performance during the month and year to date.

U.S. Treasury Inflation Protection Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>April</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Inflation Protection Fund</td>
<td>+3.04%</td>
<td>+4.98%</td>
</tr>
<tr>
<td>Barclays U.S. Inflation Linked Bond Index</td>
<td>+2.92%</td>
<td>+4.90%</td>
</tr>
<tr>
<td>Difference (percentage points)</td>
<td>+0.12</td>
<td>+0.08</td>
</tr>
</tbody>
</table>

- The U.S. Treasury Inflation Protection Fund is a passively managed fund designed so that it closely matches the performance of the fund benchmark, less fees and expenses.
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\[i\] Historical returns are not indicative of future performance. Fund returns are net of fees. Please refer to the *Investment Funds Description – P Series* for more information about the funds. This is not an offer to purchase securities.

\[ii\] The benchmark for the Inflation Protection Fund is comprised of 80% Barclays World Government Inflation Linked Bond Index (Hedged), 10% Barclays Emerging Market Tradeable Inflation Linked Bond Index (Unhedged) and 10% Bloomberg Commodity Index.

\[iii\] The benchmark for the Multiple Asset Fund is comprised of 35% Russell 3000 Index, 30% MSCI All Country World Index (ACWI) excluding USA Investable Market Index (IMI), 25% Barclays Capital U.S. Universal Index ex-Mortgage Backed Securities, and 10% Inflation Protection Fund (IPF) Benchmark.

\[iv\] The benchmark for the Social Values Choice Equity Fund is the MSCI World Environmental, Social and Governance (ESG) ex Fossil Fuels Index.