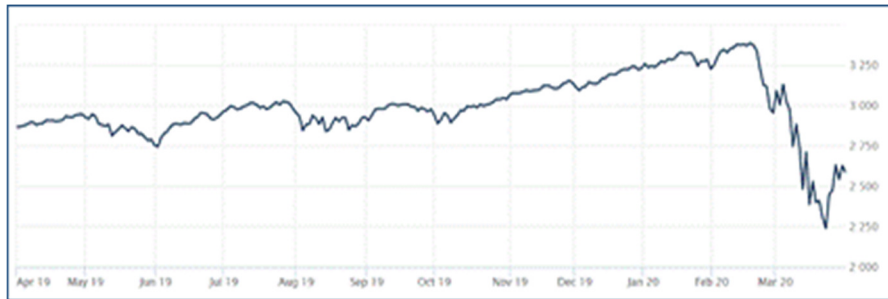


CAPITAL MARKETS

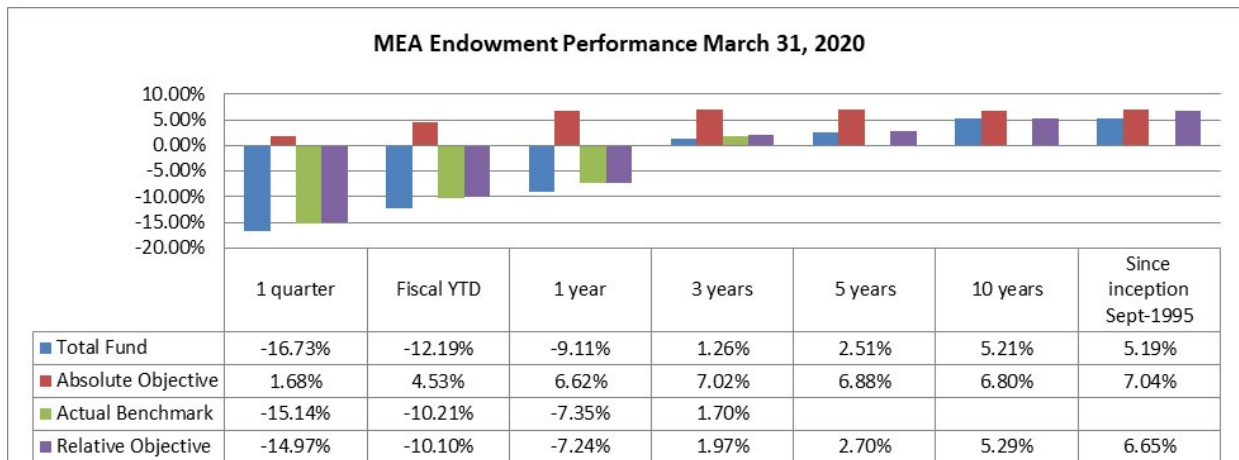
S&P 500 April 1, 2019 – March 31, 2020

COVID-19 has continued to spread at a rapid pace around the world and has now been declared a global pandemic by the World Health Organization. This has caused a severe shock to the global economy, pushing it into a deep and far reaching recession. Financial markets have responded with huge drops in equities, a rise in credit spreads and a flight to the safety of government bonds. (Source: Mercer Monthly Capital Market Monitor, March 2020)



PERFORMANCE

Fund performance relative to the absolute, actual and relative objectives is illustrated on the graph below. Note that performance is reported net of fees.



¹ The Absolute Objective consists of an 8% annual return through 6/30/2000, CPI + 3.5% from 7/1/2000 through 12/31/2004 and CPI + 5% from 1/1/2005 through current.
² The Actual Benchmark measures the Total Fund's return had it been passively invested in the underlying managers' benchmarks at the prior month end weight.
³ The Relative Objective consists of 25% S&P 500, 20% Russell Mid Cap, 20% Russell 2000, 20% MSCI EAFE, 10% NCREIF, 5% BC Aggregate prior to July 1, 2010; then 22% S&P 500, 8% Russell Mid Cap, 6% Russell 2000, 22% MSCI EAFE, 7% MSCI EM Gross, 5% BoA HY, 6% NCREIF ODCE, 5% Mennonite PE Actual and 19% BBgBarc Aggregate between July 1, 2010 and November 30, 2010; then 16.5% S&P 500, 7.5% Russell Mid Cap, 6% Russell 2000, 20% MSCI EAFE, 10% MSCI EM Gross, 5% BoA ML HY BB-B Constrained, 6% NCREIF ODCE, 16.5% BBgBarc Aggregate, 5% Mennonite PE Actual and 7.5% Bloomberg Commodities Index between December 1, 2010 and June 30 2012; then 16.5% S&P 500, 7.5% Russell Mid Cap, 6% Russell 2000, 20% MSCI EAFE, 10% MSCI EM Gross, 5% BoA ML HY BB-B Constrained, 6% NCREIF ODCE, 16.5% BBgBarc Aggregate, 5% Mennonite PE Actual, 5% Bloomberg Commodities Index and 2.5% 3 Month T-Bill between July 1, 2012 and March 31, 2013; then 16.5% S&P 500, 7.5 Russell Mid Cap, 6% Russell 2000, 20% MSCI EAFE, 10% MSCI EM Gross, 5% BoA ML HY BB-B Constrained, 6% NCREIF ODCE, 11.5% BBgBarc Aggregate, 5% Ashmore EM Custom, 5% Mennonite PE Actual, 5% Bloomberg Commodities Index and 2.5% 3 Month T-Bill between April 1, 2013 and June 30, 2013. Effective July 1, 2013 the Relative Objective consists of 15.5% S&P 500, 6.5% Russell Mid Cap, 5% Russell 2000, 17% MSCI EAFE, 10% MSCI EM Gross, 5% BoA ML HY BB-B Constrained, 3% NCREIF ODCE, 7.5% BBgBarc Aggregate, 5% Ashmore EM Custom, 10% Mennonite PE Actual, 3% Bloomberg Commodities Index, 10% HFRI Fund of Fund Composite Index and 2.5% 3 Month T-Bill.

INVESTMENT COMMITTEE UPDATES

- The Investment Committee continues to monitor the MEA Investment Fund in which nine Mennonite education institutions (both MSC and MHEA institutions) plus ten other Mennonite Church USA institutions with education-related funds participate. Since the stock market's all-time high in mid-February, the capital markets have experienced tremendous volatility resulting in an extreme drop in market values. The Fund's diversification policy provided some protection against the worst market drops. Also, the time horizon of the MEA Fund is "into perpetuity." All investment decisions have been made with the understanding that the Fund may experience short-term volatility, but performance goals are based on long-term expectations that should be able to weather short-term storms. Fortunately, the quarterly payout policy implemented by the MEA investment committee is based on a rolling 40-quarter market average to smooth out payouts. This policy provides a more predictable and stable source of funds to the institutions.
- The MEA Investment Committee met January 24-25, 2020. Meeting highlights included:
 - December 31, 2019 investment review: MEA Investment Fund's total assets as of December 31, 2019 were just under \$171 million, compared to \$162.5 million on September 30, 2019. The fund had a strong year returning (+17.46%) for the year which is just under the relative objective of (+18.11%) but outperforming the three-year relative objective (+9.55% cf. +9.16%), five-year (+6.76% cf. +6.48%) and hitting the ten-year exactly at (+7.53%).
 - Camp Friedenswald has joined the MEA Investment Fund.
 - Interviewed three emerging markets investment managers and hired Genesis as a new manager in that space. Genesis offers strong ESG impact (Environmental, Social and Governance) investing expertise.
 - Affirmed the ESG sub-committee's work on a new MEA Climate Change Statement, with the goal of approving a final version at the May 2020 meeting
 - Reviewed PIMCO All Asset All Authority in light of Mercer's recent downgrade. The Committee will consider alternatives at the May 2020 meeting
- Subcommittees of the MEA Investment Committee were hard at work during the January – March 2020 quarter working on the following items:
 - The Domestic Equities Subcommittee worked on moving from an active investment manager for domestic equities to a passive, ESG- customized manager after considering several investment strategies. Twelve managers were vetted and two selected for interviewing at the May 2020 Investment Committee meeting.
 - The ESG Subcommittee worked on developing a shared vision for the future of the MEA Investment Fund as it relates to climate risk. Along with the vision, the committee finalized a climate change position paper for approval at the May 2020 Investment Committee meeting.

Future meetings of the MEA Investment Committee

- May 7 & May 18, 2020
- September 21, 2020
- January 29-30, 2021