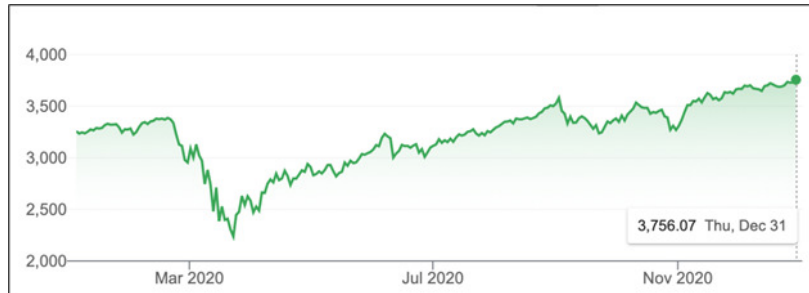


CAPITAL MARKETS

S&P 500 January 1 – December 31, 2020

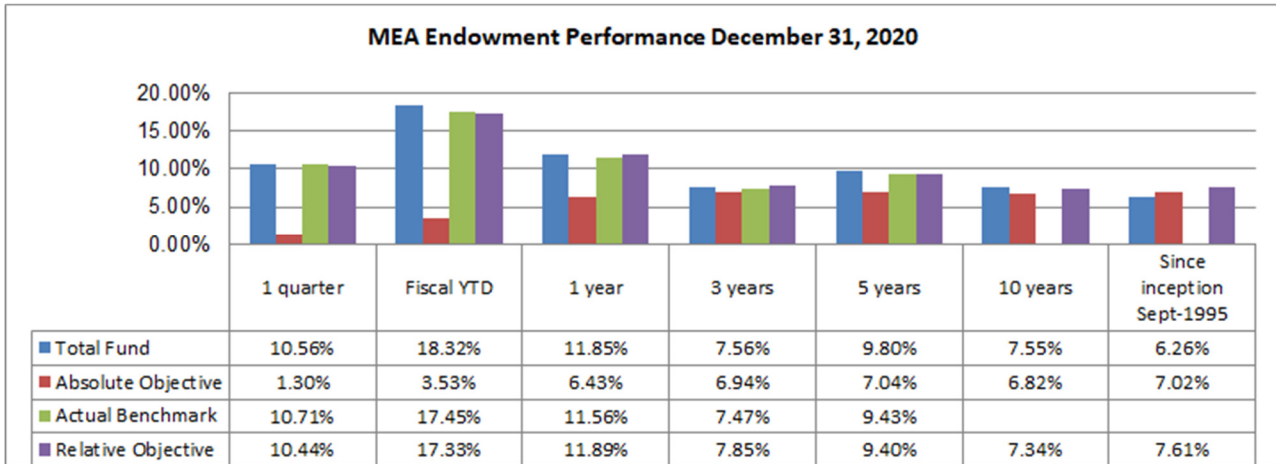
Over the month of December 2020, vaccine roll-outs and another fiscal stimulus package in the US offset bad news on the virus front and another lockdown-induced global economic slowdown. Restrictions went back to levels last seen in June in many countries as new COVID-19 cases across the developed world surged with a new COVID-19 strain starting to spread globally.



Equity markets looked beyond this, pricing a strong recovery in 2021 as vaccination programs reach critical mass. With the US election yielding a centrist government and Brexit now resolved in an orderly manner, major political tail risks that could have held back the recovery have receded for now. Global equity markets posted solid mid-single digit returns. (Source: Mercer Monthly Capital Market Monitor)

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

October – December 2020

ESG subcommittee: Addressing ESG (environmental, social and governance) concerns continue to be a priority for the MEA Investment Fund. The **ESG subcommittee** met in November to develop the following work plan for 2021:

November 9, 2020

- Discussed two pledges on racial equity; and,
- Clarified goals for “identifying and prioritizing specific steps to ensure climate-related risks and opportunities are embedded into our assessment of portfolio risks and opportunities, manager selection, and proxy voting.”[MEA IC Climate Position 5.26]
- Bring recommendations to the full committee at the January 2021 meeting.

Winter/Spring, 2021

- Evaluate managers on key ESG issues (climate-related risks and opportunities, racial equity, gender equity, other?)
- Utilize Mercer’s resources for these evaluations.
- Share evaluation and recommendations, if any, to the full committee at the May 2021 meeting.

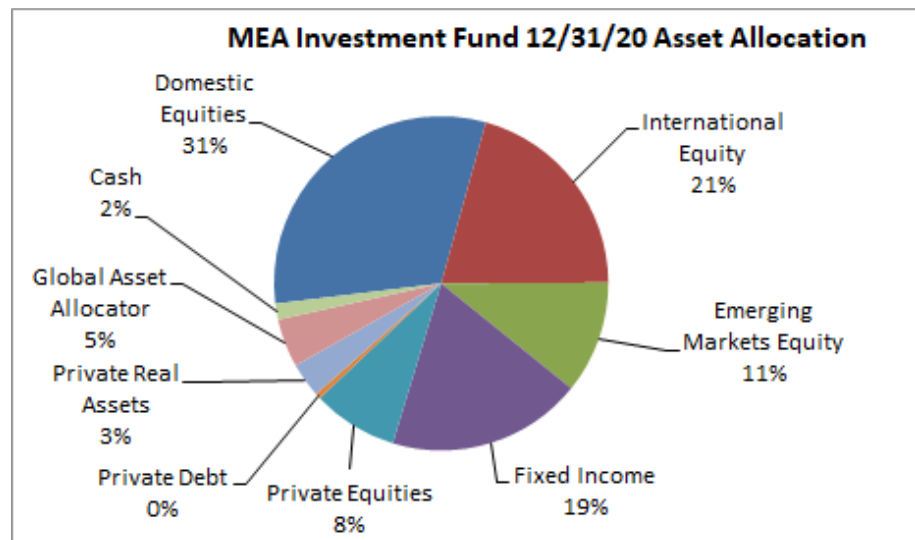
Summer, 2021

- Identify next steps, especially longer term ESG integration.
- Work with the full committee to implement recommendations.
- Bring recommendations, if any, to the full committee at the September 2021 meeting.

Fall, 2021

- Finalize our ESG evaluation and implementation process.
- Transfer leadership of the ESG subcommittee for 2022 to Susan Taylor (one-year rotating leaderships for ESG subcommittee).

Asset Allocation: Setting the MEA Investment Fund’s asset allocation is considered one of the most, if not *the* most important function of the Investment Committee. The current asset allocation as of 12/31/20 is depicted on the graph the right.



Future meetings of the MEA Investment Committee

- January 29-30, 2021
- May 17, 2021
- September 20, 2021

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