ELCA Endowment Fund Pooled Trust - Fund A

Fund Overview

Description
The ELCA Endowment Fund Pooled Trust (Fund A, or the Fund), was established to allow for the collective long-term investment of funds belonging to the Evangelical Lutheran Church in America (ELCA), its congregations, synods, seminaries and other eligible affiliated entities. To the extent practicable, the Fund pursues investment objectives in line with the Economic Social Criteria Investment Screens approved by the ELCA Church Council. Incorporated into the Fund’s accounting are unitization and quarterly endowment distributions. The ELCA Foundation administers the Fund and the investment advisor is Portico Benefit Services.

Only ELCA-related institutions can be eligible to participate in this investment fund that is exempt from most security registration requirements in accordance with the Philanthropy Protection Act of 1995.

About Performance
The investment results depicted herein represent historical net performance after the deduction of investment manager and custodian fees and expenses including the administrative fee of 60 basis points (0.60%). Prior to July 2017, the total fee was 100 basis points (1.00%). Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. Performance for periods greater than one year is annualized. Underlying returns have been provided by Portico Benefit Services, Grosvenor, JP Morgan, and Hamilton Lane. Past performance is not a guarantee of future results.

*Since Inception: July 1, 1999.

Target Allocation

Benchmark: Equity - 65% MSCI All Country World Index; Fixed Income - 35% Bloomberg Barclays U.S. Aggregate Bond Index

Information Disclosures: This report is intended to provide current Fund performance information for the ELCA Endowment Fund Pooled Trust (the Fund). Investor participants own units of the Fund, receive quarterly account statements, and have online access to monthly performance reporting. The minimum initial investment is $25,000, and the minimum for deposits thereafter is $2,000. There are no charges for withdrawals, or opening or closing an account.

THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN. AN OFFERING IS MADE ONLY BY THE CONFIDENTIAL DISCLOSURE STATEMENT, which contains details about risks, underlying investments and administration. The Confidential Disclosure Statement is available to representatives of eligible organizations by calling the ELCA Foundation at 800-638-3522.

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Data as of October 31, 2018
2018 has been what can best be described as a "rolling bear market" with US stocks finally being hit in October. The inexorable rise in interest rates in September and early October was the "tipping point" for what was a sharp correction to both US and International equity markets. Despite the correction, the US economy remains strong with healthy GDP growth, low unemployment, and positive wage growth.

Domestic Equity Markets
US Equities were down sharply in October, as the S&P 500 fell -6.8% with all but 2 sectors posting losses for the month. Energy and Consumer Discretionary had the biggest losses with each posting an -11.3% decline. They were followed by Industrials and Materials, which fell -10.8% and -9.5%, respectively. The only 2 sectors to post positive returns for October were Utilities, which gained +2.0%, and Consumer Staples, which gained +2.3%

International Equity Markets
US Equities were not alone in declining as International equities struggled as well. The MSCI All Country World ex USA index posted a loss of -8.1% for the month of October for US-currency investors. From a country perspective, Japan continues to be the laggard on the year through October. The MSCI Emerging Markets index posted a -8.7% loss for US-currency investors, with China continuing to hamper emerging market returns posting a loss of -18.9% year-to-date through October.

Fixed Income Markets
The bond markets were broadly down for the month of October. The Bloomberg Barclays US Aggregate Bond index, a general measure of the bond market, lost -0.8% during the month. Riskier parts of the bond market, such as US high yield debt, fared worse during October as the Bloomberg Barclays High Yield index, a measure of lower-rated corporate bonds, posted a loss of -1.6%. US Treasuries posted a loss -0.5% indicated by the Bloomberg Barclays Treasury index.