ELCA Foundation
Evangelical Lutheran Church in America

Data as of July 31, 2018

ELCA Endowment Fund Pooled Trust - Fund A

Fund Overview

Description

Endowment Fund “A,” of 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.

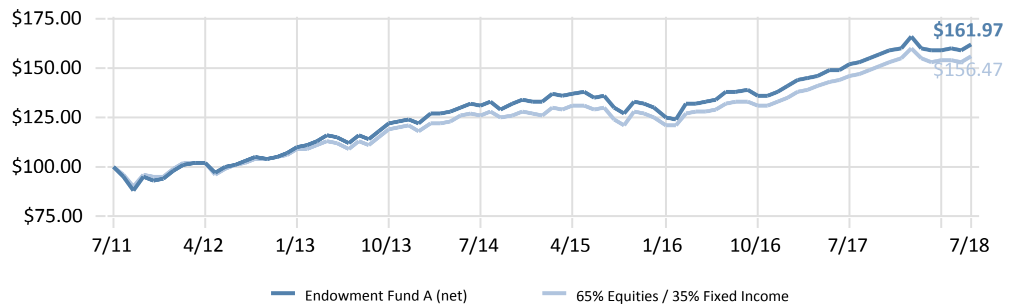
About Performance

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***.

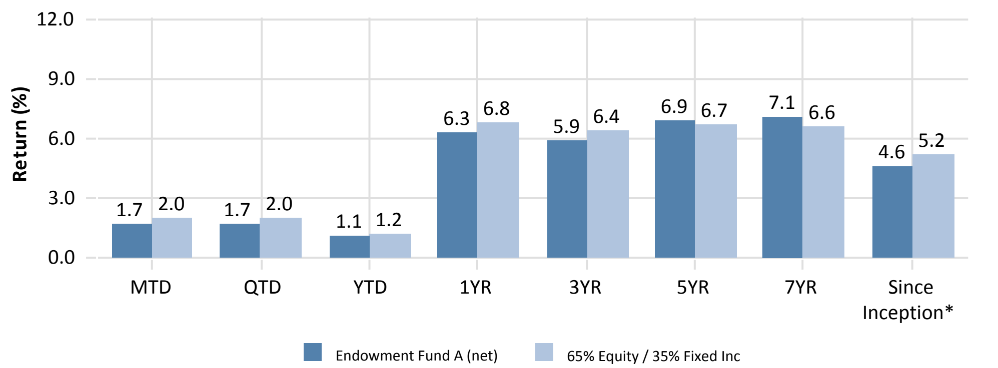
*Since Inception: July 1, 1999.

Glossary: Equity-MSCI ACWI; Fixed Income-Barclays U.S. Aggregate Index. The **Sharpe Ratio** is a risk adjusted measure of performance. The higher the Sharpe Ratio, the stronger the portfolio's risk adjusted return. **Max Drawdown** measures the largest single drop from peak to trough of a portfolio's return. **Alpha** s a measure of performance above or below the benchmark. A positive alpha indicates returns greater than the benchmark. **Beta** is a measure of performance relative to the performance of the benchmark. A beta of 1 indicates that the portfolio moves hand-in-hand with the benchmark.

Growth of $100 (7 Years Performance Analysis)

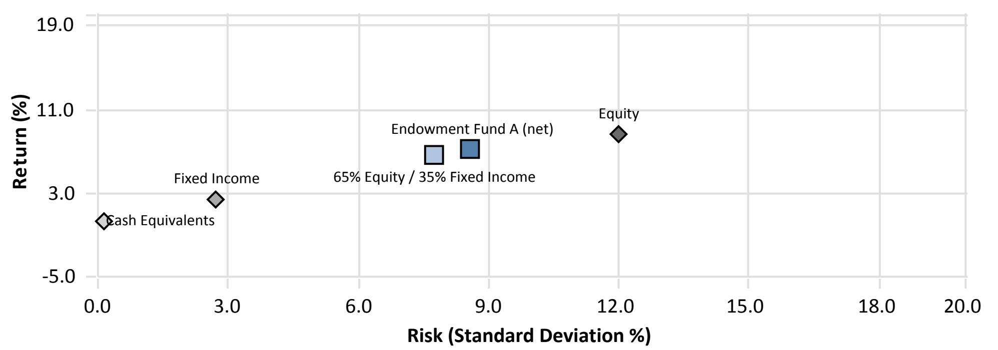


Multi-Period Performance Analysis



	MTD	QTD	YTD	1YR	3YR	5YR	7YR	Since Inception*
Endowment Fund A (net)	**1.72**	**1.72**	**1.08**	**6.27**	**5.87**	**6.87**	**7.13**	**4.61**
65% Equity / 35% Fixed Inc	1.97	1.97	1.18	6.81	6.43	6.74	6.60	5.18

7 Years Risk / Return Performance Analysis



	Return	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Endowment Fund A (net)	**7.13**	**8.64**	**0.81**	**-11.93**	**-0.05**	**1.09**
65% Equity / 35% Fixed Income	6.60	7.82	0.82	-9.87	0.00	1.00

Information Disclosures: This report is intended to provide current Fund value information for Endowment Fund A of 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, 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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Quarterly Portfolio Commentary (as of June 30, 2018)

Fund A generated a gain of +0.23% net return during the second quarter, which was closely inline with the 65% equity / 35% fixed income benchmark return of +0.29%. For the trailing 12 months, Fund A posted a +6.70% return net of investment costs, closely inline with the benchmark return of +6.80%.

Global Equity

Fund A's U.S. equity component returned +3.68% net for the second quarter, trailing the benchmark of +3.89%.The large cap components drove much of the underperfomance as the portfolio continues to maintain underweight positions in few high-flying names within the technology sector. The small/mid cap value portfolio also struggled during the quarter as value continued to struggle versus its growth counterpart.

Fund A's non-U.S. equity component also trailed its benchmark for the quarter, returning -3.91% net versus the benchmark return of -2.61%. Similar to the US equity program, managers with a value-focused investment process struggled during the quarter, particularly in June. While the growth components each met or exceeded their benchmarks, they were more than offset by losses in the value and core components.

Global Fixed Income

In the second quarter of 2018, Fund A's investment grade fixed-income portfolio returned -0.21% net, inline with the custom benchmark of -0.21%. Treasury yield curve flattened with two-year yields rising by 0.26% and the 30-year bond by only 0.02%. Credit spreads widened by about 0.12% contributing -0.95% to the benchmark's return. Holding fewer Corporates than the benchmark helped the pool erase earlier underperformance.

High-yield bonds posted a positive return of +0.70% net for second quarter of 2018; Fund A's high-yield pool underperformed the benchmark return of +0.87% for the quarter. Low yields and tight spreads made finding value-adding opportunities hard to come by and unattractive to reach down in quality for yield.

Inflation-indexed bonds outperformed nominal Treasuries again in the second quarter by about 1.0% for the broad market. The pool return was inline with the benchmark due to its full-replication, passive approach, returning +0.68% net.

Real Estate

Fund A's global real estate securities component returned +4.87% net in the second quarter of 2018, compared to the custom benchmark return of +5.79%. The U.S. REIT portfolio had a tough quarter on a relative basis, returning -1.26%, while Global Ex U.S. REITs were flat returning -0.01% for the quarter.

Absolute Return

The second quarter once again exhibited market volatility which many underlying managers were able to capitalize on. Security selection once again came into focus as earnings dispersion widened. Focused catalyst and trading managers were able to capitalize on this trend. Returns in excess of 4% were generated by such idiosyncratic trades. The ELCA Absolute Return Fund gained a further 1.2% on the quarter, ahead of the peer universe index return of 0.10%.

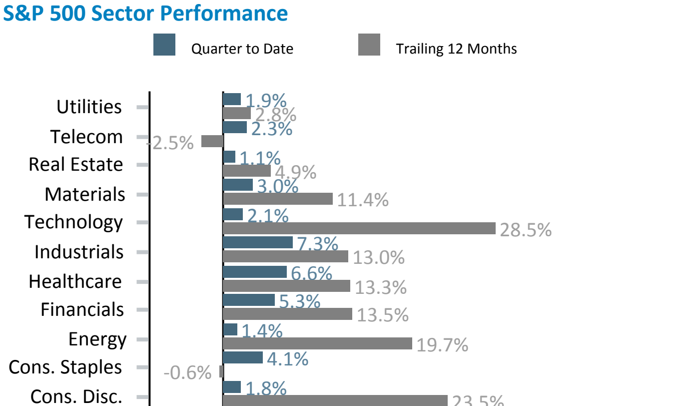
Global Infrastructure

Infrastructure assets generated positive cash flow during the second quarter. The current pool of assets generates a cash yield circa 7%. Absolute performance was 3.24% versus the Global Infrastructure benchmark of 2.6%.

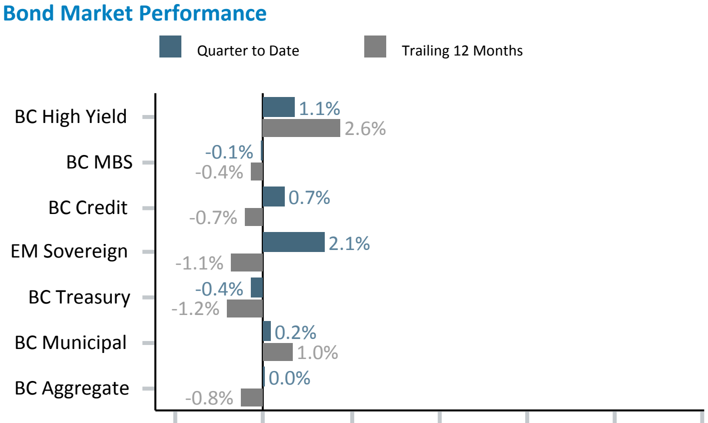
Private Markets

Fund A's private markets allocation continues to build. Secondary transactions saw re-valuations resulting in a return for the Fund of 10.7% during Q2.

S&P 500 Sector Performance



Bond Market Performance



Equity Markets Commentary

US equities generated positive returns in the second quarter, as the S&P 500 rose 3.4% and 7 of the 11 sectors finished in the black. Energy led the way, +13.5% as oil prices rebounded and moved over $70 per barrel. It was followed by Consumer Discretionary and Tech, which increased by 8.2% and 7.1%, respectively. Industrials were the greatest laggards, losing 3.2%. They were followed closely by Financials, which shed 3.2%. We saw varying levels of return across market-cap sizes. The Russell 2000, a small cap index, gained 7.75%. It outpaced the large cap Russell 1000 (+3.8%) and the Russell Midcap (+2.8%) handily.

International equities were challenged by a rising US dollar and other geopolitical pressures. For Q2, the MSCI Emerging Markets Index dropped 7.7% for US-currency investors as weaknesses in China, Turkey, and Argentina were amplified by the stronger dollar. The MSCI Europe index dropped 0.9%, while MSCI Japan fell 2.1%. Both European and Japanese returns were positive on a local currency basis, further reflecting the impact that the dollar had on international stocks.

Fixed Income Markets Commentary

The bond market registered slightly negative returns during the second quarter. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, fell 0.16% as interest rates increased. The yield on the 10-year US Treasury note increased to a quarter-end 2.86% from 2.74% at the end of March. The intra-quarter move to 3.11% in May marked a six-year high in rates. Riskier parts of the bond market such as US high yield debt fared better in the second quarter. The Bloomberg Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, gained 1.03%.