



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.

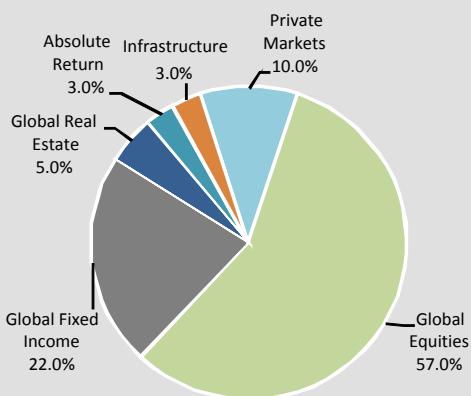
Only ELCA-related institutions can be eligible to participate in this investment fund that is exempt from most security registration requirements in accordance with the Philanthropy Protection Act of 1995.

About Performance

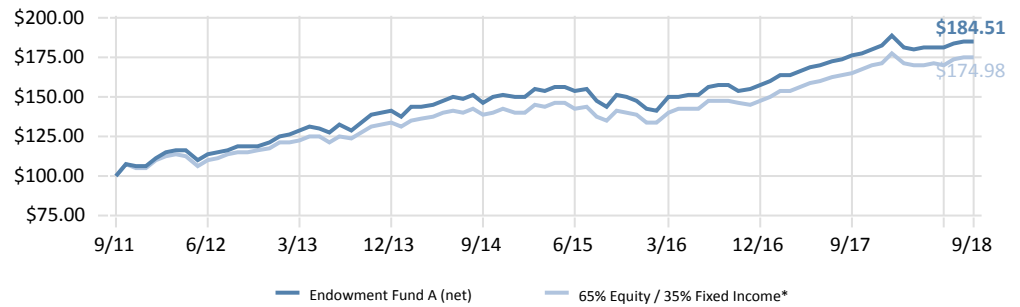
The investment results depicted herein represent historical net performance after the deduction of investment manager and custodian fees and expenses including the administrative fee of 60 basis points (0.60%). Prior to July 2017, the total fee was 100 basis points (1.00%). Annual, cumulative and annualized 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.

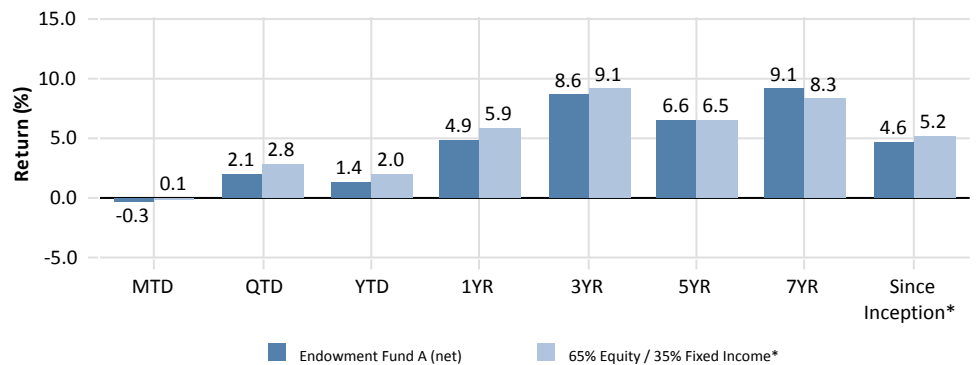
Target Allocation



Growth of \$100 (7 Years Performance Analysis)

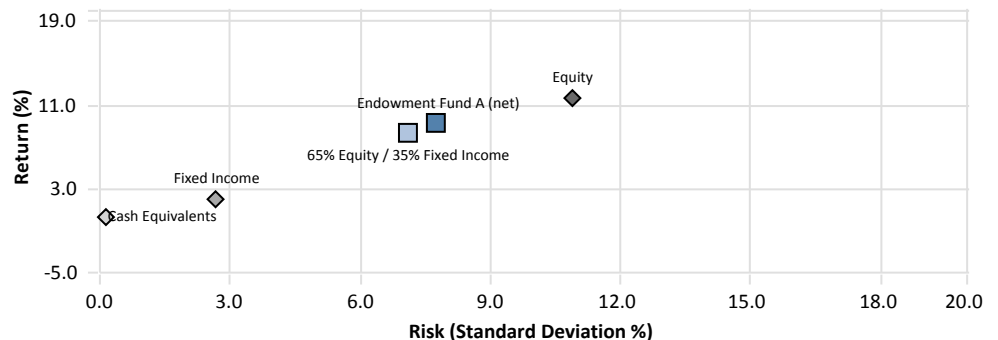


Multi-Period Performance Analysis



	MTD	QTD	YTD	1YR	3YR	5YR	7YR	Since Inception*
Endowment Fund A (net)	-0.30	2.05	1.41	4.90	8.61	6.58	9.15	4.59
65% Equity / 35% Fixed Income*	0.06	2.78	1.98	5.90	9.14	6.47	8.32	5.18

7 Years Risk / Return Performance Analysis



	Return	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Endowment Fund A (net)	9.15	7.82	1.11	-9.69	0.21	1.07
65% Equity / 35% Fixed Income*	8.32	7.19	1.10	-8.32	0.00	1.00

*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, 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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Capital Markets Commentary (as of September 30, 2018)

Capital Markets Overview

The summer of 2018 generally passed quietly in the financial markets, with the S&P 500 not registering a single 1% move in the third quarter as the index reached all-time highs. US and international markets performance continued to diverge, especially in emerging markets. This was driven, in part, by geopolitical tensions and partly by increasingly positive economic data coming out of the US, epitomized by the 4.2% GDP growth in 2Q 2018.

Domestic Equity Markets

US Equities generated positive returns in the third quarter, as the S&P 500 rose 7.71% and all 11 sectors finished in the black. Health care led the way, jumping 14.53% as investors rotated into the traditionally defensive sector. It was followed by Industrials and Communication Services, which increased 10.00% and 9.94%, respectively. Materials were the greatest laggards, gaining only 0.36%. They were followed closely by Energy, which gained 0.61%. Other major US indices were positive on the quarter; the Dow Jones rose 9.63% and the NASDAQ returned 7.42%.

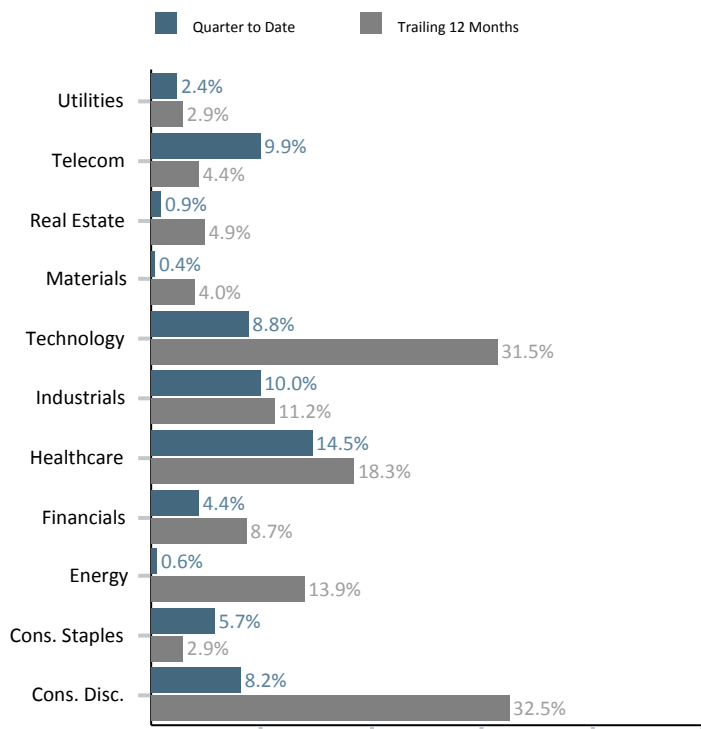
International Equity Markets

International performance continued in the third quarter, as divergencies in the US and world economic data widened. Emerging markets currencies remained under pressure, and the sell-off in China deepened. The MISC EAFE index (a benchmark for developed international markets) rose just 1.42% for US-currency investors. In the third quarter, the MSCI Emerging Markets index dropped 0.95% for US-currency investors as weaknesses in China, Turkey, and Argentina were amplified by the continued strength of the US dollar. The MSCI Europe index rose 0.84% for US-currency investors, while the MSCI Japan rose 3.81%. Japanese equity indices, such as the Nikkei and TOPIX, have now returned to highs not seen since 1991.

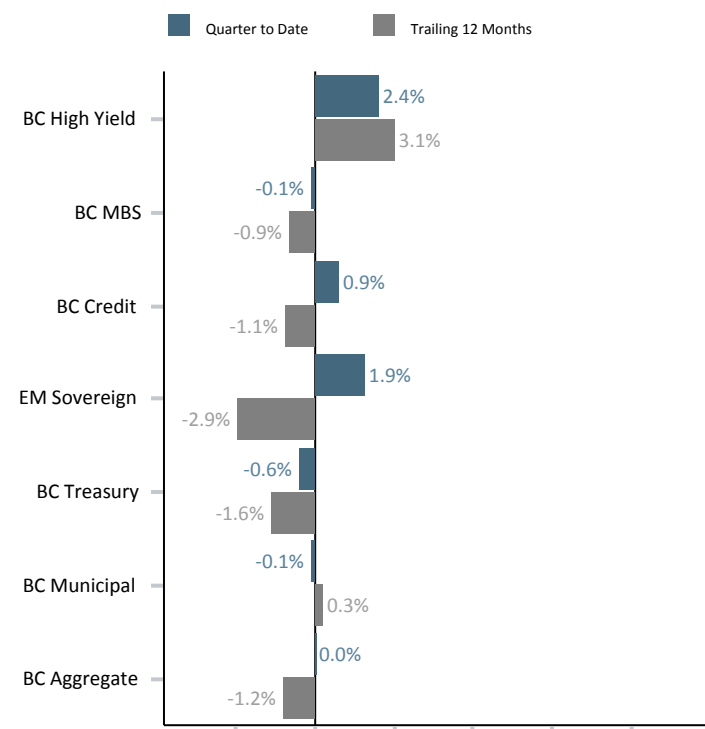
Fixed Income Markets

The bond market registered basically flat returns during the third quarter. The Bloomberg Barclays US Aggregate Bond index, a general measure of the bond market, rose 0.02%. Interest rates increased during the third quarter, as the yield on the 10-year US Treasury note increased to a quarter-end 3.06% from 2.86% at the end of June. During the final week of the quarter, the yield approached 3.10%, challenging the cycle-high of 3.11% before fading slightly. Riskier parts of the bond market, such as US high yield debt, fared better in the third quarter. The Bloomberg Barclays High Yield index, a measure of lower-rated corporate bonds, gained 2.40%.

S&P 500 Sector Performance



Bond Market Performance



Glossary: 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** measure is the largest single drop from peak to trough of a portfolio's return. **Alpha** is 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.