January 2020 Investment Report

Highlights

- Global equities had a positive start to the year as momentum from supportive central banks and positive trade news continued. This ended abruptly in mid-January when news of the coronavirus (2019-nCoV) began dominating headlines.
- The Federal Reserve (Fed) met on January 29 and left interest rates unchanged, as expected.
- The U.K. formally left the European Union (E.U.) on January 31.
- The U.S. Bureau of Economic Analysis (BEA) released its initial estimate of 2.1% for fourth quarter economic growth, which resulted in full-year 2019 U.S. GDP growth of 2.3%.
- In January, the Multiple Asset Fund, Fixed Income Fund, International Equity Fund, and Inflation Protection Fund all underperformed their respective benchmarks, while the U.S. Equity Fund outperformed its benchmark.

Monthly Overview

Investors Worry as Coronavirus Spreads
The early 2019 market rally continued despite anti-U.S. protests in Iran set off by the death of Major General Soleimani from a U.S. drone attack in early January. The U.S.-China "phase one" agreement and the prospect of Brexit resolution sustained positive market sentiment. U.S. equities continued the "Santa Claus" rally until late January, when the World Health Organization declared 2019-nCoV a public health emergency as the outbreak rapidly spread beyond China.

Commodities were down for the month, with copper falling 10.0% and West Texas Intermediate crude oil dropping 15.5% after spiking in early January. An exception was gold, which gained 4.7%, reflecting a flight to quality as concerns of a virus-induced slowdown escalated over the month. The Dow Jones, S&P 500 and NASDAQ indexes posted their worst performance in January since 2016 despite positive earnings news. As of month end, with 45% of S&P 500 companies reporting, 69% had positive earnings surprises, averaging 4.1% above market expectations.

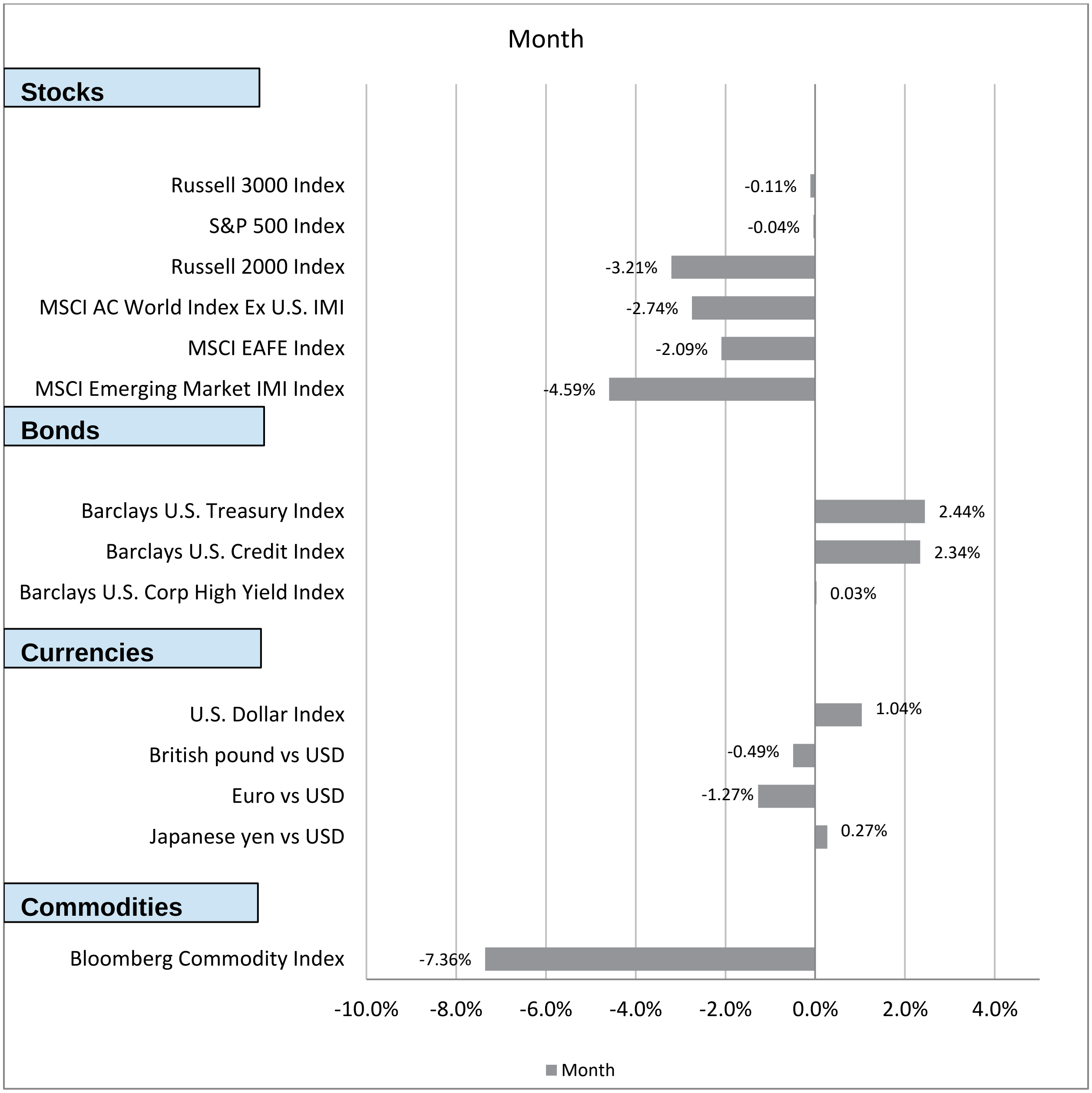
The Federal Reserve Reaffirms Its Current Position
As expected, the Fed held its benchmark interest rate to a range of 1.50% to 1.75%, reiterating that its current monetary stance is "appropriate." The Fed continued to characterize growth as "moderate" and unemployment as "low," while it downgraded household spending from "strong" to "moderate" in January. Fed Chairman Jerome Powell noted that the central bank would carefully monitor the 2019-nCoV situation, including global developments and inflation pressures. The U.S. Treasury yield curve declined over the month and inverted at month end as growth concerns dominated sentiment.

U.S. Economy Continues Steady Growth Heading Into 2020
The BEA released the first estimate for U.S. Q419 GDP of 2.1%. Net export trade was a significant contributor, adding 1.5% to quarterly GDP as exports grew and imports declined. The housing sector had a strong year-end as residential fixed investment rose at an annual rate of 5.8% and government expenditures rose at a 2.7% annual rate.

Brexit Happened
The U.K. formally left the E.U. on January 31 through a withdrawal deal that passed both the U.K. and European Parliaments. A transition period commences, effectively allowing the U.K. to remain in the E.U. customs union but outside the E.U. political institutions. In order to avoid future tariffs, the U.K. must negotiate and ratify a trade deal with the E.U. by year-end 2020.

Source: FactSet, WSJ, Capital Economics, CNBC, MSCI

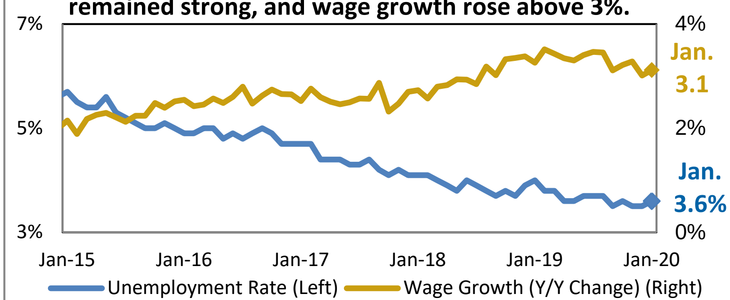
Market Performance



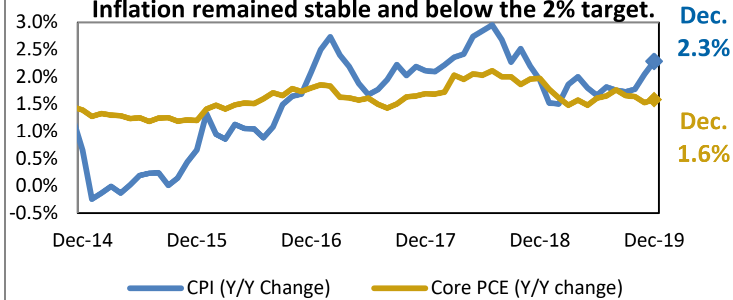
Source: FactSet, as of January 31, 2020

Key Monthly Economic Statistics

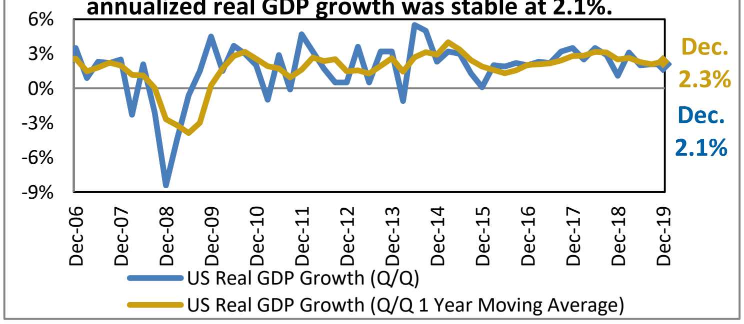
The unemployment rate ticked higher but remained strong, and wage growth rose above 3%.



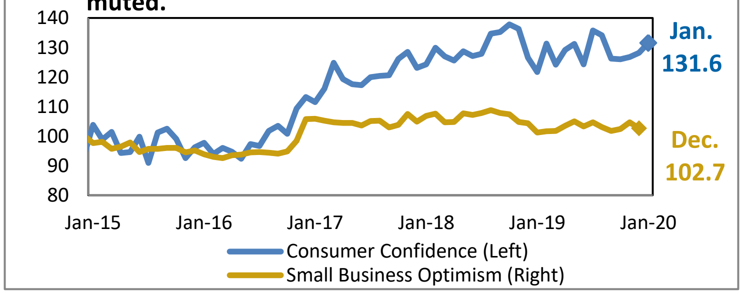
Year-over-year CPI increased in December. Inflation remained stable and below the 2% target.



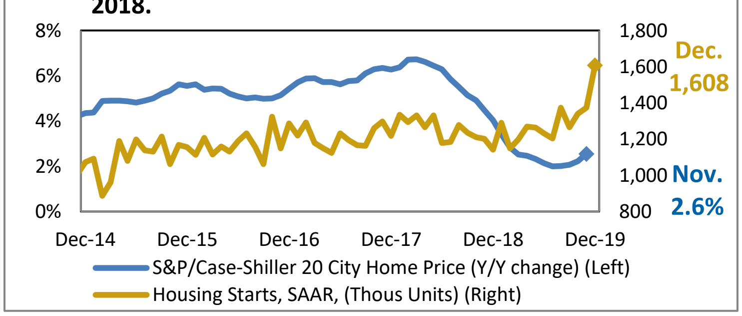
The advance estimate of 4th quarter 2019 annualized real GDP growth was stable at 2.1%.



Supported by the job market, consumer confidence rose in January. Small business optimism was muted.



U.S. housing starts jumped 40% from December 2018.



The Fed Funds Rate and the Trade Weighted Dollar index remained stable.

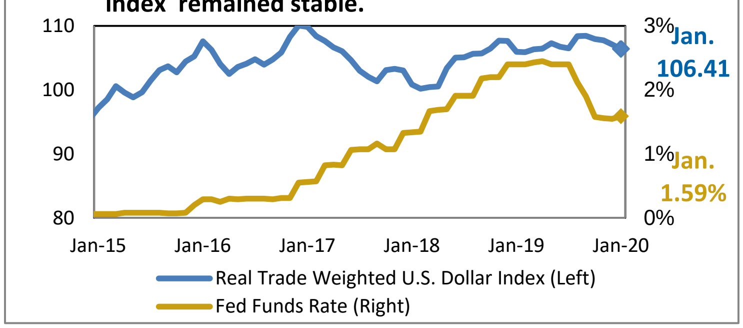
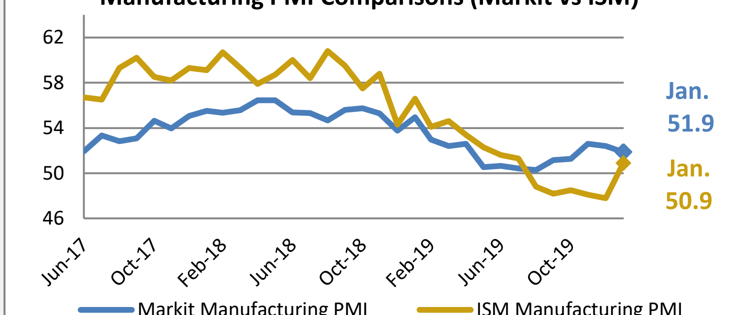


Chart of Month

- U.S. manufacturing PMIs (purchasing manager indexes) began declining in 2018. While the two data providers (Markit and ISM) currently have similar index values, they described different stories in 2019.
- Markit PMI weakened but remained above 50 (in expansion) and began ***improving*** in August 2019, while ISM Manufacturing PMI fell into ***contraction*** over the same month, deteriorating and moving in opposition until January.
- The divergence may be from methodologies. Markit compiles surveys from 800 broad-based manufacturers of all sizes (domestic bias) vs. ISM, which surveys 300 "ISM members," reflecting larger companies (global bias) with potentially greater impact from trade uncertainty.
- PMIs are a useful gauge of activity in real time because GDP releases are often delayed and revised.

Manufacturing PMI Comparisons (Markit vs ISM)



Source: FactSet; IHS Markit; Institute For Supply Management

Investment Fund Review (Net-of-Fees Performance)[i]

Equity Funds

U.S. Equity Fund

Fund	January
U.S. Equity Fund	0.00%
Russell 3000 Index	-0.11%
Difference (percentage points)	+0.11

- During the month, the fund modestly outperformed the benchmark due to investment in a top-performing electric vehicle manufacturer and holdings in a number of information technology software and services companies. The fund's overweight allocation to underperforming small- and mid-sized company stocks and corresponding underweight to large-company stocks detracted from relative performance.

International Equity Fund

Fund	January
International Equity Fund	-3.24%
MSCI ACWI ex U.S. Investable Market Index (Net)	-2.75%
Difference (percentage points)	-0.49

- During the month, the fund underperformed the benchmark, primarily due to the majority of active managers underperforming their respective benchmarks and the fund's fair market valuation policy (described here). To a lesser extent, investments in private equity and private real estate positively contributed to benchmark-relative performance.

U.S. Equity Index Fund

Fund	January
U.S. Equity Index Fund	-0.23%
Russell 3000 Index	-0.11%
Difference (percentage points)	-0.12

- The U.S. Equity Index Fund is a passively managed fund designed to closely match the fund benchmark, less fees and expenses. Wespath's Exclusions policy (described here) negatively impacted benchmark-relative performance during the month.

Fixed Income Funds

Fixed Income Fund

Fund	January
Fixed Income Fund	+1.69%
Barclays U.S. Universal (ex MBS) Index	+2.12%
Difference (percentage points)	-0.43

- The fund's allocations to bonds issued by corporations rated below investment grade and bonds issued by emerging market countries detracted from benchmark-relative performance. Exposure to multi-family housing loans through the Positive Social Purpose Lending program and U.S. agency-backed commercial mortgage securities positively contributed to benchmark-relative performance during the period.

Extended Term Fixed Income Fund

Fund	January
Extended Term Fixed Income Fund	+3.63%
Barclays U.S. Government/Credit Long Term Index	+5.22%
Difference (percentage points)	-1.59

- The Extended Term Fixed Income Fund's policy to maintain lower exposure to longer-term interest rates than its benchmark detracted from benchmark-relative performance during the month.

Inflation Protection Fund

Fund	January
Inflation Protection Fund	+0.59%
IPF Benchmark[ii]	+1.38%
Difference (percentage points)	-0.79

- The fund's underweight to U.K. inflation-linked securities detracted from benchmark-relative performance in January.

Balanced Fund

Multiple Asset Fund

Fund	January
Multiple Asset Fund	-0.54%
MAF Benchmark[iii]	-0.19%
Difference (percentage points)	-0.35

- During the month, the U.S. Equity Fund positively contributed to benchmark-relative performance, while the Fixed Income Fund, Inflation Protection Fund and International Equity Fund detracted from relative performance.

Social Values Choice Suite of Funds

Social Values Choice Bond Fund

Fund	January
Social Values Choice Bond Fund	+2.18%
Barclays U.S. Universal (ex MBS) Index	+2.12%
Difference (percentage points)	+0.06

- Asset manager security selection decisions modestly contributed to benchmark-relative results during the month.

Social Values Choice Equity Fund

Fund	January
Social Values Choice Equity Fund	-0.04%
SVCEF Benchmark[iv]	+0.22%
Difference (percentage points)	-0.26

- The Social Values Choice Equity Fund is a passively managed fund designed to closely match the fund benchmark, less fees and expenses. The fair market valuation policy (described here) negatively affected relative performance during the month.

U.S. Treasury Inflation Protection Fund

Fund	January
U.S. Treasury Inflation Protection Fund	+2.31%
Barclays U.S. Inflation Linked Bond Index	+2.25%
Difference (percentage points)	+0.06

- The U.S. Treasury Inflation Protection Fund is a passively managed fund designed to closely match the performance of the fund benchmark, less fees and expenses.

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[i] Historical returns are not indicative of future performance. Fund returns are net of fees. Please refer to the ***Investment Funds Description – P Series, the Summary Fund Description – P Series and the Statement of Additional Information*** for more information about the funds. This is not an offer to purchase securities.

[ii] The benchmark for the Inflation Protection Fund is comprised of 80% Barclays World Government Inflation Linked Bond Index (Hedged), 10% Barclays Emerging Market Tradeable Inflation Linked Bond Index (Unhedged) and 10% Bloomberg Commodity Index.

[iii] The benchmark for the Multiple Asset Fund is comprised of 35% Russell 3000 Index, 30% MSCI All Country World Index (ACWI) excluding USA Investable Market Index (IMI), 25% Barclays Capital U.S. Universal Index ex-Mortgage Backed Securities and 10% Inflation Protection Fund (IPF) Benchmark.

[iv] The benchmark for the Social Values Choice Equity Fund is the MSCI World Environmental, Social and Governance (ESG) ex Fossil Fuels Index.