

Feoffees of the Grammar School Trust Performance Summary

September 30, 2019

Part 1: Trust Overview and Performance Summary

Investment Commentary

The total portfolio returned 1.0% in the third quarter and has gained 15.8% year-to-date in 2019, net of fees. The trailing 12-month return was 3.4%. For trailing 3 years, the annualized return was 9.2% and for trailing 5 years is 6.8%. Since inception the portfolio has produced an annualized return of 7.7%. Returns for all periods were better than the custom benchmark.

Investment Performance

| Totals are Net of Fees | Current Quarter | YTD 2019 | Annualized Since Inception | | |
|-----------------------------------|--------------------|--------------|----------------------------|--------|---------|
| Manager | | | Total | Aureus | Passive |
| Aureus Equity-only | 2.9% | 28.3% | 15.2% | | |
| Aureus Fixed Income | 1.0% | 4.6% | 2.1% | | |
| Non-Traditional | 0.2% | 7.7% | 4.0% | | |
| Aureus Total | 2.0% | 19.0% | 8.9% | | |
| <i>Custom Benchmark</i> | <i>0.5%</i> | <i>13.8%</i> | <i>8.0%</i> | | |
| Passive Equities | -1.4% | 13.4% | 11.8% | | |
| Passive Fixed Income | 1.1% | 5.3% | 2.5% | | |
| Passive Commodities | -4.4% | 3.8% | 6.4% | | |
| Passive Total | -1.1% | 8.6% | 7.9% | | |
| <i>Custom Benchmark</i> | <i>0.7%</i> | <i>11.8%</i> | <i>8.0%</i> | | |
| Total Equities | 1.8% | 24.4% | 14.5% | | |
| Total Fixed Income | 1.0% | 5.0% | 2.2% | | |
| Total Non-Traditional | -1.0% | 6.4% | 3.5% | | |
| Total Feoffees Net of Fees | 1.0% | 15.8% | 7.7% | | |
| <i>Custom Benchmark</i> | <i>0.5%</i> | <i>12.2%</i> | <i>6.4%</i> | | |

Endowment Summary

| Endowment Items | Value as of 9/30/2019 |
|---|--------------------------|
| Actively Invested Funds and cash held in accounts | \$31,580,230 |
| Mortgages | \$489,929 |
| Total | \$32,070,159 |

Mortgage and Loan Update

The balance of mortgages due at September 30, 2019 is \$489,929. This is comprised of three mortgages.

Part 2: Investment Allocation

The overall endowment is allocated based on the asset class targets set forth by the Feoffees in the Investment Policy Statement created in 2013. This mix is reviewed quarterly. The goal of the allocation is to provide long term growth with an emphasis on risk management. The allocation of the portfolio is listed below.

| Allocation vs. Investment Policy | | | Policy Allocation Range | | Compliance to Policy |
|----------------------------------|----------------------|---------------|-------------------------|--------------|----------------------|
| Asset Class | \$ Total | % Total | Low | High | |
| Cash | \$ 972,597 | 3.0% | 5.0% | 10.0% | <i>Under</i> |
| Fixed Income | \$ 4,674,225 | 14.6% | 10.0% | 20.0% | Yes |
| <i>High Quality</i> | \$ 4,184,296 | 13.0% | | | |
| <i>Mortgages</i> | \$ 489,929 | 1.5% | | | |
| Total Fixed Income | \$ 5,646,822 | 17.6% | 15.0% | 30.0% | Yes |
| Domestic Equity | \$ 17,445,392 | 54.4% | 35.0% | 55.0% | Yes |
| International Equity | \$ 2,906,647 | 9.1% | 5.0% | 15.0% | Yes |
| Total Equities | \$ 20,352,039 | 63.5% | 40.0% | 70.0% | Yes |
| Directional Alternatives | \$ 2,127,202 | 6.6% | 5.0% | 15.0% | Yes |
| Absolute Return Alternatives | \$ 2,727,360 | 8.5% | 0.0% | 5.0% | <i>Over</i> |
| Commodities | \$ 1,216,736 | 3.8% | 0.0% | 5.0% | Yes |
| Total Non-Traditional | \$ 6,071,298 | 18.9% | 5.0% | 25.0% | Yes |
| Total | \$ 32,070,159 | 100.0% | | | |