

City of Miami Fire Fighters' and Police  
Officers' Retirement Trust

May 18, 2023

Investment Meeting

## Agenda

1. Fiscal Year Roadmap Status Report
2. Investment Policy Statement Update
3. Economic and Market Update
4. Performance Report as of March 31, 2023
5. Private Debt Strategies for Consideration
6. Asset Allocation and Liability Analysis
7. Appendices
  - JPM Retirement Memo
  - Disclaimer

# **Fiscal Year Roadmap Status Report**

#### Items for This Fiscal Year

##### → Asset Allocation

- Asset Allocation – **COMPLETE** – reviewed in February
- Asset Liability Analysis at May Investment Meeting – **Today**

##### → Possible Allocations

- Private Debt – **Today**
- Infrastructure – Expected Q3

##### → Education

- Private Market Performance Reporting – **COMPLETE** – reviewed in February
- Bond Markets – **COMPLETE** – reviewed in February

##### → Manager Due Diligence Presentations

- JPM Real Estate – **COMPLETE** – reviewed in February
- Wellington International Quality Growth – **Today**
- Other managers invited (ad-hoc) based on performance or personal changes

# Investment Policy Statement Update

## Investment Policy Statement Update

### Overview:

- At the February meeting we reviewed asset allocation and the Board approved changes to the asset allocation policy targets.
- We have updated Appendix A of the Investment Policy Statement (“IPS”) to reflect those changes.
- We also updated the capital market assumptions (expected returns, standard deviations, and correlations) for the various asset classes to reflect Meketa’s 2023 asset study.

### Review:

- The following pages include a red-lined version for the Board’s consideration.
- If the Board agrees with the proposed changes, we have also provided a clean copy for approval.

**INVESTMENT OBJECTIVES & POLICY STATEMENT**

**FOR**

**FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST  
CITY OF MIAMI**

May 2023~~2~~

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## PREFACE

### INVESTMENT GUIDELINE REQUIREMENTS OF FLORIDA STATUTE 112.661

There are a number of specific requirements of Florida Statute 112.661. Each of these requirements is listed below and the page number and section in the Investment Objectives & Policy Statement that refer to these requirements is given. It is the intent of this Statement to comply with all of the requirements of this Statute.

1. SCOPE: Page 6, point 2.0 Policy Scope.
2. INVESTMENT OBJECTIVES: Page 7, point 3.1 Board Investment Objectives.
3. PERFORMANCE MEASUREMENT: Page 7, point 3.1 Board Investment Objectives; Page 12, point 4.3 Investment Objectives (Performance Measurement).
4. INVESTMENT AND FIDUCIARY STANDARDS: Pages 7-8, point 3.3 Board Responsibilities (Investment & Fiduciary Standards).
5. AUTHORIZED INVESTMENTS: Page 12, point 4.0 Investment Diversification Policies; Page 14, point 5.2 Investment Manager Guidelines (Authorized Investments); Pages 22-23 Appendix B.
6. MATURITY & LIQUIDITY REQUIREMENTS: Page 8, point 3.4 Maturity & Liquidity Requirements; Page 22, Appendix B - 1) Diversification, Liquidity & Restrictions (Valuation of Illiquid Investments).
7. PORTFOLIO COMPOSITION: Page 14, point 5.2 Investment Manager Guidelines (Authorized Investments), Page 22-23, Appendix B
8. RISK & DIVERSIFICATION: Page 12, point 4.0 Investment Diversification Policies; point 4.2 Style Orientation; point 4.4 Asset Allocation Plan; Page 19, Appendix A; Page 14, point 5.2 Investment Manager Guidelines; Pages 22-23, Appendix B.
9. EXPECTED ANNUAL RATE OF RETURN: Page 7 point 3.2 Expected Annual Rate of Return.
10. THIRD-PARTY CUSTODIAL AGREEMENTS: Page 10, point 3.7 Third-Party Custodial Agreements; Page 29 Appendix F, Responsibilities of Global Custodian.
11. MASTER REPURCHASE AGREEMENT: Page 14, point 5.2 Investment Manager Guidelines; Page 23, Appendix B, Point 4) Cash & Equivalents Guidelines (Master Repurchase Agreement).
12. BID REQUIREMENT: Page 16, point 8.1 Bid Requirement.
13. INTERNAL CONTROLS: Page 9, point 3.6 Policies to Ensure Ethical & Prudent Action (Internal Controls).
14. CONTINUING EDUCATION: Pages 8-9, point 3.5 Training & Education Policy (Continuing Education).
15. REPORTING: Page 16, point 9.0 Portfolio Reporting Requirements; Pages 26-27, Appendix D, Portfolio Reporting Requirements.
16. FILING OF INVESTMENT POLICY: Page 6, point 1.2, Policy Statement (Filing of Investment Policy).

17. VALUATION OF ILLIQUID INVESTMENTS: Page 14, point 5.2 Investment Manager Guidelines; Page 22 Appendix B - (1) Investment Manager Guidelines-Diversification, Liquidity & Restrictions (Valuation of Illiquid Investments).
18. PLACEMENT AGENT FEE POLICY: Page 10, point 3.8 Placement Agent Fee Policy.
19. SCRUTINIZED SECURITY POLICY FOR IRAN/SUDAN INVESTMENTS: Page 10, point 3.9 Scrutinized Security Policy for Prohibited Investments, as per the June 2, 2009 Senate Bill 538 Chapter 2009-97, which established provisions 175.07 (8) and 185.06 (7).

***FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST***  
***CITY OF MIAMI***  
***INVESTMENT OBJECTIVES AND POLICY STATEMENT***

**PART I**

**POLICY PERSPECTIVES**

**1.0 INTRODUCTION AND POLICY STATEMENT**

**1.1 Introduction**

The Fire Fighters' & Police Officers' Retirement Trust's Investment Objectives and Policy Statement ("IPS") is a document which:

- a) Establishes and outlines the responsibilities of the various parties that are associated with the management of the Retirement Trust;
- b) States various control procedures to ensure that the Retirement Trust is appropriately managed.

**1.2 Policy Statement (Filing of Investment Policy)**

Notwithstanding any other provisions to the contrary, the policy of the Board of Trustees ("Board") of the Fire Fighters' & Police Officers' Retirement Trust ("Retirement Trust", "Trust" or "Fund") shall be to invest trust funds in a manner that is consistent with the applicable sections of the City of Miami Code, which adheres to the prudent person standard, as well as State and Federal laws. As required by Section 112.661, Fla. Stat., the Retirement Trust will file with the Department of Management Services, the City and the Trust's actuary, accountant and custodian its investment policy statement and any revisions. (Please see the Preface for policy references to the requirements of Florida Statute 112.661.)

**2.0 POLICY SCOPE**

This policy shall set forth guidance and requirements for the investment activities conducted by the Board. The funds eligible for investment are all those under the direct authority of the Retirement Trust Board of the Fire Fighters' & Police Officers' in accordance with the applicable sections of the Miami Code.

**3.0 POLICY OBJECTIVES**

The basic objectives are:

- 1) Safety of funds invested;
- 2) Liquidity sufficient to meet all cash needs of the Retirement Trust;
- 3) Investment performance that is competitive in the current market environment once the first two objectives have been satisfied.

The goals of the Board are to:

- 1) Fund the Retirement Trust's benefit payments, with the least amount of risk possible;
- 2) Protect against loss of purchasing power by achieving rates of return above inflation;
- 3) And, achieve a fully funded pension status, at the lowest possible cost.

### **3.1 Board Investment Objectives:**

- 1) At a minimum, achieve a nominal return equivalent to the Trust's actuarial interest rate.
- 2) Earn a long-term total return that averages 4 to 6% in excess of the long-term rate of inflation.
- 3) Exceed the return of the Retirement Trust's passive, market-based, investment benchmark. Allocations to specific asset classes are based on the Retirement Trust's target asset mix, as detailed in this IPS.
- 4) Achieve a total fund return, as well as risk-adjusted return, ranking above the median of other public sector retirement funds.

### **3.2 Expected Annual Rate of Return**

As required by Section 112.661, Fla. Stat., the Board shall specify, to the extent reasonably possible upon the advice of its investment experts, the Trust's total expected annual rate of return for the current year, for each of the next several years and for the long term. The Board's expected returns for each of these time periods is the actuarial hurdle rate, as specified in the actuary's most current actuarial valuation. The current actuarial hurdle rate is 7.0%.

### **3.3 Board Responsibilities (Investment & Fiduciary Standards)**

The Board holds the fiduciary responsibility for the Retirement Trust. Thus, the Board will set a reasonably diversified asset allocation target (including minimum and maximum allocations), which is expected to appropriately fund the Retirement Trust's liabilities and meet its basic investment objectives. The basis for such a target asset allocation will be a study of the Retirement Trust's pension liabilities and reasonable, alternative investment portfolios.

It is also the goal of the Board to manage the Fund according to standards that are consistent with those established by the Employee Retirement Income Security Act (ERISA), 29 U.S.C. 1104(a) as incorporated in Section 112.661(4), Florida Statutes. Therefore, the Board will act in a prudent manner and expect its investment managers and Investment Consultant to act as prudent experts.

If deemed appropriate, consistent with Section 518.112, Fla. Stat. the Board may delegate fiduciary investment responsibility to qualified investment managers, with the managers serving at the sole pleasure of the Board. All managers, in accordance with Florida Law, shall have a provision relating to fiduciary duty in their individual contracts. Similarly, the Board may hire other experts to assist in the management and oversight of the Retirement Trust. Also, in fulfilling its fiduciary responsibility, the Board will establish investment goals, objectives, policies, guidelines and benchmarks for the Trust, asset classes and investment managers.

The Board shall appoint an Investment Consultant to assist in the overall supervision of the investments. The Investment Consultant's responsibilities shall include at a minimum the requirement to:

1. keep the Board of Trustees and the Administrator apprised of material changes in investment strategy, investment managers, asset mix, portfolio structure, and market value of the assets;
2. monitor the Fund's investment performance and its investment managers, and assist the Board and the Administrator in interpreting the results;
3. provide the Board and the Administrator with quarterly performance reports to help ensure that the Fund's investment objectives are achieved. Investment performance will be measured against commonly accepted performance benchmarks;
4. keep the Board and the Administrator informed of events that may have a material adverse effect on the assets; and
5. recommend changes to this Policy as necessary.

### **3.4 Maturity & Liquidity Requirements**

Detailed liability projections shall be analyzed to determine the factors influencing the Trust's cash flow requirements. Sensitivity analyses will be prepared so that the Board may thoroughly evaluate the ability of alternative investment portfolios to fund the Trust's liabilities (cash flow requirements). This study will also consider levels of fund performance and total Plan funding volatility, such that risk is properly and prudently evaluated, and identify asset mix alternatives expected to match the risk tolerance of the Board. A comprehensive review of investment risk and asset/liability funding uncertainties will help ensure that an appropriate investment posture is assumed. In addition, portfolio rebalancing activities will occur to provide for short-term Fund cash flow requirements.

### **3.5 Training and Education Policy (Continuing Education)**

It is the policy of the Board to provide periodic training to Board members and staff in the areas of retirement administration, trustee responsibilities, and investment related issues. This training will be provided through reputable educational organizations.

In order to comply with the education requirements of FS Chapter 112.661(14), this policy shall provide for the continuing education of the City of Miami Fire Fighters' and Police Officers' Retirement Trust members in matters relating to investments and the Board's responsibilities.

First Year: In the first year, a Board member is encouraged to attend at least one approved program. Recommended programs include FPPTA New Trustee School and certification, International Foundation New Trustee program and CAPPP certification, and the Florida Division of Retirement conference.

Second Year: Board members are encouraged to complete one certification program by the end of the second year of membership. Recommended programs include FPPTA (3

parts), International Foundation CAPP (2 parts), Wharton Investments Institute (offered by Intl. Fdn).

Third Year and thereafter: Board members are encouraged to maintain all earned certifications per certifying requirements of the issuing organization. In addition, Board members may attend other conferences, schools or seminars as approved by the Board. Some may include NCPERS, Investment Consultant sponsored conferences, Guns & Hoses, NAPO, Wharton Advanced Investment Management, and investment product related conferences, etc.

The Board chairman shall provide each member upon completion of the above listed requirements a letter of acknowledgement.

Should a Board member fail to comply with the requirements above, the Board chairman shall notify the member of his/her non-compliance in writing.

Board members attending conferences are requested to present a brief report at the next available Board meeting summarizing the topics covered and lessons learned.

Board members are asked to provide conference programs, handouts, transcripts and other pertinent materials to the administrator for inclusion in a library to be maintained in the FIPO offices for reference purposes.

### **3.6 Policies to Ensure Ethical and Prudent Action (Internal Controls)**

The in-house Retirement staff shall be governed by the "prudent person rule," which shall be applied in the context of the Retirement Trust's investment portfolio. Retirement staff shall perform due diligence according to established sections of the City of Miami Code, policies of the Board and written Trust procedures. Ethical and prudent actions are further controlled by the following:

- 1) The Retirement Administrator shall establish and document a system of internal controls, which shall be approved by the Trust's Board. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the Retirement Trust. Controls deemed most important include: control of collusion, separation of duties (e.g., separating transactions authority from accounting authorization), custodial safekeeping and clear delegation of authority. These controls shall be reviewed annually by the Board's independent certified public accountant.
- 2) The staff shall act reasonably as custodians of the Trust, and shall recognize that the investment portfolio is subject to public review and evaluation.

### **3.7 Third-Party Custodial Agreements**

- 1) It is the policy of the Board to contract with a bank or financial institution for the safekeeping of securities owned by the Retirement Trust.
- 2) It is the policy of the Board that all U. S. dollar denominated securities rendered for payment will be sent "delivery versus payment" (DVP) through the Federal Reserve System or through the Depository Trust Corporation. Any non-U. S. dollar denominated securities will be settled in accordance with local markets' rules and regulations. This payment process ensures that the Retirement Trust's funds are not released until the Trust has received, through Federal Reserve wire or by physical delivery, the securities purchased.

### **3.8 Placement Agent Fee Policy**

Additional disclosure requirements and restrictions have been instituted by public pension funds regarding placement agent fees. When a placement agent assists an investment management organization in obtaining new client accounts, any such compensation must be made public by the investment management organization and disclosed to the Retirement Trust. It is the Retirement Trust's policy to not pay any placement agent fee.

### **3.9 Scrutinized Security Policy for Prohibited Investments**

Sections 215.4702-215.473, Fla. Stat. reflect the Florida Legislature's policy of prohibiting investment in certain companies and in certain countries by the State Board of Administration. The authority of the Trust to invest is established in part by the authorized investments of the State Board of Administration under Section 215.47, Fla. Stat. To the extent the Trust utilizes the standards and limitations in Section 215.47, the Trust shall also observe these limitations. For such portfolios, investment managers are required to review on a quarterly basis their portfolio holdings relative to a list of scrutinized companies on the State Board of Administration website ([www.sbafla.com/fsb/](http://www.sbafla.com/fsb/)) that have been identified as conducting restricted business activities in scrutinized companies and scrutinized nations. Ongoing compliance is required subsequently.

For mutual funds, commingled funds and any other fund types, the Board has implemented communication policies with its investment managers that requests compliance with the divestment of companies on the scrutinized securities list. This communication requests the fund to comply with the divestment legislation. Documentation of the Retirement Trust's efforts with the investment managers of mutual funds, commingled funds is required. Continuing communication efforts will be made with such funds to request the divestment of scrutinized companies.

In addition, all active and passive managers shall adhere to the scrutinized nations limitations imposed by ordinance or resolution of the Miami City Commission.

### **3.10 Policy Statement Monitoring and Review**

All parties identified in this Retirement Trust's Policy Statement are expected to maintain compliance with provisions and requirements outlined in this Investment Policy Statement.

Reporting requirements are listed in the Appendix D

Annually the Policy Statement will be reviewed (and revised if needed).

### **3.11 Code of Conduct Compliance**

Voluntary guidelines for service providers to protect the interests of Plan Participants and Beneficiaries as per the National Conference on Public Employee Retirement Systems (NCPERS) requires service providers to:

1. Act in a professional and ethical manner at all times in dealing with public plan clients
2. Act for the benefit of public plan clients
3. Act with independence and objectivity
4. Fully disclose to public plan clients conflicts of interest that arise that may impair the ability to act independently or objectively
5. Act with reasonable care, skill, competence, and diligence when engaging in professional activities
6. Communicate with public plan clients in a timely and accurate manner
7. Uphold the applicable law, rules, and regulations governing their sector and profession
8. Fully disclose to public plan clients all fees charged for the products or services provided to said client
9. Not advocate for the diminishment of public defined benefit plans
10. Fully disclose all contributions made to entities enumerated in Schedule A [of the NCPERS guidelines)] that advocate for the diminishment of public defined benefit plans

## PART II

### RETIREMENT TRUST FUND PORTFOLIO MANAGEMENT

#### 4.0 INVESTMENT DIVERSIFICATION POLICIES

As it is prudent to diversify investment risk, the Board has adopted a policy to invest in several institutionally acceptable asset classes. These may include any of the following asset classes: domestic equity (large, mid and small capitalization), international equity-developed and emerging markets, domestic real estate (institutional quality properties either individually, in closed-end or open-end commingled funds, or in global REIT securities portfolios), private equity funds or fund of funds, private debt funds or fund of funds, private infrastructure funds, domestic core investment grade fixed income, high yield fixed income, bank loans, inflation protected securities and short-term investments (primarily due to the transactional nature of most managers' portfolios). Other asset classes may be added by the Board to its investment policy.

#### 4.1 Commingled Fund Participation

The Board acknowledges that when it is in the best interest of the Retirement Trust to invest in a commingled vehicle (i.e. collective fund or institutional mutual fund) or limited partnership, it is not possible to dictate specific investment guidelines and prohibitions. It is the expectation that the investment managers will inform the Retirement Trust if there are any material differences between the commingled fund and the strategy model account.

#### 4.2 Style Orientation

As part of the diversified asset class investment approach of the Retirement Trust, the Board may seek to employ a diverse group of investment portfolio managers within a specific asset class if deemed appropriate.

#### 4.3 Investment Objectives (Performance Measurement)

- a) Investment managers are expected to outperform over a full market cycle, or three- to five-year period, their respective asset class market index or benchmark.
- b) During this three- to five-year period, the investment managers are also expected to outperform the median manager in their respective style group.

#### 4.4 Asset Allocation Plan and Target Asset Mix

Please see Appendix A for the Retirement Trust's asset allocation target and ranges, as well as benchmarks.

## PART III

### INVESTMENT GUIDELINES

#### 5.0 INVESTMENT MANAGERS' RESPONSIBILITIES, POLICIES AND GUIDELINES

All investment managers hired by the Retirement Trust will be registered investment advisors with the Securities and Exchange Commission, or will be trust companies that are regulated by State and Federal Banking authorities. Such investment managers will maintain adequate insurance coverages, including errors & omissions, surety bond, fiduciary liability, ERISA bond, etc. In addition, the Retirement Trust's investment managers agree to notify the Board Chairman and the Retirement Administrator in writing if they are unable to continue acting in the capacity of a fiduciary or investment advisor.

#### 5.1 Investment Managers' Requirements & Responsibilities

The following items are required of investment managers employed by the Retirement Trust:

- 1) To act as prudent experts in the management of fully discretionary accounts for the Retirement Trust.
- 2) To be fiduciaries to the Trust.
- 3) To continually educate the Board about capital market developments that pertain to their area of investment expertise.
- 4) To meet applicable investment objectives over the designated time horizon. If such objectives become unreasonable for any reason, it is the manager's responsibility to communicate his/her reservations about the objectives in writing to the Board. Otherwise, failure to meet these objectives may result in dismissal.
- 5) To satisfy the quarterly portfolio reporting requirements of the Retirement Trust and maintain the highest level of compliance with CFA Institute performance presentation standards as possible.
- 6) To immediately communicate in writing via e-mail to the Board and the Board's investment consultant significant portfolio developments, as well as major changes to the investment decision process, changes in the firm's ownership, organizational structure and personnel.
- 7) To provide a current version of their internal code of ethics. Once a year the manager will provide updated copies of investment and operational policies developed by the firm that are relevant to the Retirement Trust and its portfolio(s).
- 8) To assist the Board achieve its goals and investment objectives, to implement the Board's asset allocation decisions, and to fulfill the Board's diversification policies.
- 9) Maintain the investment approach that they were hired to implement under any and all capital market environments.

- 10) Members of the firm's research and portfolio management teams will comply with CFA Institute Standards of Practice and Code of Ethics. Any industry or regulatory disciplinary action taken against members of the firm's investment staff must be immediately reported in writing to the Board.
- 11) Manage a fully discretionary portfolio that meets the guidelines under which the strategy is governed.
- 12) If the Board delegates proxy voting responsibilities to its investment managers, agree to vote all proxy ballots according to the best economic interest of the Retirement Trust's members and in a manner consistent with the Board's proxy policies.
- 13) Agree to actively support the Retirement Trust's securities lending and commission recapture programs, if applicable.

## **5.2 Investment Manager Guidelines (Authorized Investments)**

Please see Appendix B for the Retirement Trust's investment manager guidelines.

## **5.3 Applicable Law**

All investment activities shall be governed by the provisions of Chapter 112, Part VII, Fla. Stat., Section 215.47, Fla Stat. (including any limitations relating to scrutinized companies or nation); and Chapter 518, Fla. Stat., Investment of Fiduciary Funds.

## PART IV

### CONTROLS

#### 6.0 SECURITIES LENDING

- 6.1** The Master Custodian (or an independent third-party) shall manage a securities lending program to produce incremental income in accordance with the terms and conditions set forth in a mutually acceptable securities lending agreement and guaranty.
- 6.2** The Board reserves exclusive authority to approve the securities lending agreement prior to the commencement of securities lending activity.
- 6.3** Unless otherwise specified in the agreement,
- 1) All loans shall be marked-to-market daily,
  - 2) Minimum collateral on each loan shall be maintained daily at 102 percent of loan value for domestic securities and 105 percent of loan value for international securities,
  - 3) Acceptable collateral shall be in the form of cash or marketable fixed income securities with maturities not greater than one year, including (1) Commercial Paper or Variable Rate Notes of issuers with quality ratings of P-1 and/or A-1 by Moody's Investors Services or Standard & Poor's Corporation, or their equivalents; (2) Banker's acceptances, certificates of deposits and time deposits; (3) United States Treasury and Government Agency short-term obligations; (4) Repurchase Agreements with United States Treasury Securities and Agencies of the United States Government as collateral; and (5) Money or short-term investment funds.
  - 4) Borrowers shall be rated A3 or A- or higher by Moody's or Standard & Poor.
- 6.4** The securities lending agent will report on an annual basis, the following information to the Retirement Trust:
- 1) The list of approved security borrowers. Also a list of those borrowers dropped from the program over the past year.
  - 2) A description of the evaluation process used when considering potential security borrowers. A list of borrowers that defaulted in the past year.
  - 3) Explanation of any changes to the securities lending process over the past year.
  - 4) A description of how the securities lending agent manages the asset/liability relationship of the securities lending program.
  - 5) A statement regarding how the securities lending queue is managed to produce equitable revenue for the participants
  - 6) Percentage of securities on loan and revenues generated.
- 6.5** The Retirement Administrator and Consultant shall be responsible for monitoring the securities lending program and recommending changes as appropriate.

## **7.0 PROXY VOTING**

Please see Appendix C for the Retirement Trust's proxy voting policies.

## **8.0 TRANSACTIONS, BROKERAGE, AND COMMISSION RECAPTURE PROGRAM**

The Board understands its fiduciary responsibility with respect to transactions and hereby instructs its investment managers to seek best execution when conducting all trades. Managers are instructed to seek to minimize commission and market impact costs<sup>1</sup> when trading securities. Also, either internally or through an externally provided transaction cost evaluation service, investment managers are expected to measure the costs associated with their investment trades.

When trading securities, best execution is the paramount consideration of the Board. This objective is expected to provide for and protect the best economic interest of the Retirement Trust. As part of the trading process, managers shall determine expected trading costs associated with the Board's commission recapture brokerage firms. If trading through these brokerage firms is in the best economic interest of the Retirement Trust, the managers are expected to consider these firms as well as others in obtaining best execution.

All securities transactions are expected to be executed with FINRA registered broker/dealers.

### **8.1 Bid Requirement**

For fixed income securities, in accordance with Florida Statute 112.611 the Board requires that all its investment managers must obtain competitive bids when seeking to trade all types of fixed income securities or instruments.

## **9.0 PORTFOLIO REPORTING REQUIREMENTS**

Please see Appendix D for the Retirement Trust's portfolio reporting requirements.

## **10.0 BOARD REVIEW**

The Board will monitor investment performance and the Retirement Trust's manager structure. At the quarterly Investment Review Meeting, the Board will review investment reports, investment strategy, market conditions, portfolio manager performance and the status of the Retirement Trust's asset allocation plan, as well as interview current investment managers (as needed). The Board will meet the Retirement Trust's investment managers approximately once a year in Miami, or as otherwise determined by the Board. On-site due diligence visits will be scheduled as needed.

At the regular quarterly Investment Review Meeting, investment manager performance versus the respective investment manager's guidelines and benchmarks will be discussed. Performance net of investment management fees will be evaluated. Investment results

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<sup>1</sup> Market impact for equity trades is based on the transaction price relative to the volume weighted average price (VWAP) on the trade date and/or relative to same day closing prices.

over periods extending back ten years or since inception will be evaluated if available, as well as the appropriate universe medians and style group comparisons by the Retirement Trust's investment consultant.

Explanations will be provided by the investment consultant and/or Board staff as to why portfolios under or outperformed their respective benchmarks. Performance attribution will be provided to the extent possible. Also, risk-adjusted performance will be evaluated.

## **INVESTMENT COSTS**

The Board, with the advice of the Consultant, intends to monitor and control investment costs at every level of the Trust. Accordingly, where appropriate and practical:

- professional fees will be negotiated;
- passive portfolios will be used to minimize management fees and portfolio turnover;
- transition managers will be used if doing so is expected to minimize transaction costs associated with a transition event and
- investment managers will be instructed to minimize brokerage and execution costs.

## **11.0 POLICY EXCEPTIONS**

While this Policy Statement prescribes various maximums, minimums and other numerical limits, it is intended primarily to be a management tool. When the Board determines that an exception to one of the numerical limits here within is in the best interest of the Retirement Trust, such exception is permitted as long as it is consistent with applicable City, State and Federal laws.

Whenever an exception or violation of this Policy is discovered, that fact shall be reported to the Retirement Administrator and the Board Chairman within one business day of its discovery and major exceptions will be reported immediately.

**12.0 POLICY REVIEW**

This investment policy shall be regularly reviewed (at least annually) to ensure the Retirement Trust's compliance with the overall objectives of safety, liquidity and investment performance, and current laws and financial trends. Proposed amendments to the Policy Statement will be prepared by Staff and the Retirement Trust's consultant. Recommendations will be presented to the Board for consideration and approval.

**13.0 AFFIRMATIVE POLICY APPROVAL REQUIREMENT**

If the Board receives a written request from a service provider, it is the Board's policy that a request for any action, position or stance cannot be assumed to be approved based upon a non-response (or the mere passage of a period of time). Unless the Board explicitly authorizes in writing any action, position or stance, authorization is not granted.

**14.0 GRANDFATHER CLAUSE**

Any investment held by the Retirement Trust at the time this policy is adopted shall not be sold to conform to any part of this policy unless its sale is judged to be prudent by the Retirement Trust's investment professionals.

**15.0 PORTFOLIO REBALANCING**

Please see Appendix E for the Retirement Trust's portfolio rebalancing procedures.

**16.0 RESPONSIBILITIES OF GLOBAL CUSTODIAN**

Please see Appendix F for the Retirement Trust's global custodian responsibilities.

**17.0 TREATMENT AND OVERSIGHT OF DROP (DEFERRED RETIRMENT OPTION PLAN)**

DROP is created pursuant to Miami City Code Section 40-203(p). The Board is required by the City to create a separate custodial arrangement for DROP participants and provide a series of self-directed investment options. By electing DROP, participants release the City and FIPO from all claims except timely payment of monthly retirement benefits. Under the terms of the City Code and Chapters 175 and 185 of the Florida Statutes, a DROP participant is considered a retiree.

DROP participants, as a condition of DROP and provided in the City Code, bear all risks associated with DROP. As such, the performance of any individual account is not relevant to the overall-all performance of the Retirement Trust. The Trustees of the Retirement Trust bear no oversight or responsibility for the individual investment decisions made by participants in the self-directed DROP account.

The Trust will review investment funds offered in the DROP on an annual basis, or more frequently when recommended by the Investment Consultant. These reviews are to ensure that investment options are appropriate for use by DROP participants based on performance and fees.

## Appendix A

### 4.4 Asset Allocation Plan and Target Asset Mix

Based on the Retirement Trust's asset allocation study<sup>2</sup> and subsequent discussions with the Board, the following is the Retirement Trust's target asset mix and allocation ranges:

|                                    | Policy Target  | Range                            | Policy Benchmark <sup>3</sup>                         |
|------------------------------------|----------------|----------------------------------|---|
| Public Domestic Equity             | 32%            | 20% - 40%                        | Russell 3000 Index                                    |
| Public Foreign Equity              | 22%            | 10% - 30%                        | MSCI EAFE   |
| Private Equity Fund of Funds       | 4%             | 0% - 8%                          | MSCI ACWI IMI (1 Qtr lag) + 2%                        |
| Private Debt                       | <del>32%</del> | 0% - <del>46%</del>              | Bloomberg Barclays High Yield (1 Qtr lag) + 2%        |
| Investment Grade Bonds             | 18%            | 12% - 25%                        | Bloomberg Barclays U.S. Aggregate                     |
| Treasuries                         | <del>57%</del> | <del>32%</del> - <del>108%</del> | Bloomberg Barclays U.S. Long Treasury Total Return    |
| High Yield Bonds                   | 2%             | 0% - 4%                          | <del>ICE BofA BofAML</del> US High Yield Total Return |
| Bank Loans                         | 2%             | 0% - 4%                          | Credit Suisse Leveraged Loan                          |
| Real Estate                        | 9%             | 6% - 12%                         | NCREIF OCDE   |
| <del>Non-Core</del> Infrastructure | <del>32%</del> | 0% - <del>46%</del>              | CPI + <del>25%</del>                                  |

<sup>2</sup> Based upon the expected asset returns, risks, and correlations cited in next pages, this target allocation exhibits an expected annual return of ~~6.58.4%~~ and a standard deviation of ~~12.112.3%~~.

<sup>3</sup> Benchmarks listed are for purposes of monitoring asset class performance and calculation of the policy benchmark. Individual strategies within each asset class can have slightly different (more targeted) benchmarks chosen based on the specific characteristics of the strategies.

## TWENTY-YEAR, SINGLE ASSET CLASS AND SUB-ASSET CLASS FORECAST<sup>4</sup>

| Asset Class                       | Expected Return (%)  | Volatility (%)       |
|-----------------------------------|----------------------|----------------------|
| <b>Fixed Income</b>               |                      |                      |
| Cash Equivalents                  | <del>2.91</del> 7    | 1.0                  |
| Short-term Investment Grade Bonds | <del>3.51</del> 9    | 1.0                  |
| Investment Grade Bonds            | <del>4.72</del> 4    | 4.0                  |
| Investment Grade Corporate Bonds  | <del>5.43</del> 0    | 7.0                  |
| Long-term Government Bonds        | <del>5.02</del> 8    | 12.0                 |
| Long-term STRIPS                  | <del>5.33</del> 0    | <del>22.0</del> 23.0 |
| TIPS                              | <del>4.52</del> 4    | 7.0                  |
| High Yield Bonds                  | <del>7.34</del> 4    | 11.0                 |
| Bank Loans                        | <del>7.04</del> 0    | 10.0                 |
| Foreign Bonds                     | <del>4.02</del> 3    | 8.0                  |
| Emerging Market Bonds (major)     | <del>6.44</del> 2    | 12.0                 |
| Emerging Market Bonds (local)     | <del>6.04</del> 6    | <del>12.0</del> 13.0 |
| <u>Private Debt</u>               | <u>9.0</u>           | <u>15.0</u>          |
| <u>Direct Lending</u>             | <u>8.3</u>           | <u>15.0</u>          |
| <b>Equities</b>                   |                      |                      |
| U.S. Equity                       | <del>8.76</del> 8    | 18.0                 |
| Developed Market Equity           | <del>9.87</del> 5    | 19.0                 |
| Emerging Market Equity            | <del>10.08</del> 4   | <del>23.0</del> 24.0 |
| Frontier Market Equity            | <del>10.78</del> 7   | 21.0                 |
| Global Equity                     | <del>9.27</del> 2    | 18.0                 |
| Private Equity <del>/Debt</del>   | <del>11.09</del> 5   | <del>27.0</del> 24.0 |
| Buyouts                           | <del>10.79</del> 8   | 25.0                 |
| Venture Capital                   | <del>11.61</del> 0.3 | 36.0                 |
| Private Debt Composite            | 7.3                  | 16.0                 |
| Mezzanine Debt                    | 7.2                  | 16.0                 |
| Distressed Debt                   | 7.7                  | 21.0                 |
| <b>Real Assets</b>                |                      |                      |
| Real Estate                       | <del>7.87</del> 4    | <del>16.0</del> 17.0 |
| REITs                             | <del>8.07</del> 1    | <del>25.0</del> 26.0 |
| Core Private Real Estate          | <del>6.56</del> 1    | 12.0                 |
| Value Added Real Estate           | <del>8.38</del> 1    | 20.0                 |
| Opportunistic Real Estate         | <del>9.69</del> 6    | 26.0                 |
| Natural Resources (Public)        | <del>8.77</del> 5    | 23.0                 |
| Natural Resources (Private)       | <del>9.88</del> 5    | 24.0                 |
| Commodities (naïve)               | <del>5.74</del> 6    | 17.0                 |
| Infrastructure (Public)           | <del>8.87</del> 4    | 18.0                 |
| Core Infrastructure (Private)     | <del>7.87</del> 3    | 14.0                 |
| Non-Core Infrastructure (Private) | <del>9.59</del> 3    | 22.0                 |
| <b>Other</b>                      |                      |                      |
| Hedge Funds                       | 4.4                  | 7.0                  |
| Long-Short                        | 4.1                  | 10.0                 |
| Event-Driven                      | 5.2                  | 9.0                  |
| Global Macro                      | 5.0                  | 5.0                  |
| Risk Parity (10% vol)             | 5.2                  | 11.0                 |
| Tactical Asset Allocation         | 4.5                  | 11.0                 |

<sup>4</sup> Based on Meketa's 2023<sup>2</sup> Asset Study Capital Market Assumptions

## EXPECTED CORRELATIONS AMONG ASSET CLASSES AND SUB-ASSET CLASSES

|                                  | Investment Grade Bonds      | Long-term Government Bonds    | TIPS                        | High Yield Bonds            | US Equity | Developed Market Equity (non-US) | Emerging Market Equity      | Private Equity | Real Estate | Private Debt Composite      | Infrastructure | Hedge Funds |
|----------------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|-----------|----------------------------------|-----------------------------|----------------|-------------|-----------------------------|----------------|-------------|
| Investment Grade Bonds           | 1.00                        |                               |                             |                             |           |                                  |                             |                |             |                             |                |             |
| Long-term Government Bonds       | 0.83                        | 1.00                          |                             |                             |           |                                  |                             |                |             |                             |                |             |
| TIPS                             | 0.76                        | <del>0.53</del> <u>0.54</u>   | 1.00                        |                             |           |                                  |                             |                |             |                             |                |             |
| High Yield Bonds                 | <del>0.22</del> <u>0.28</u> | <del>-0.22</del> <u>-0.17</u> | <del>0.41</del> <u>0.46</u> | 1.00                        |           |                                  |                             |                |             |                             |                |             |
| US Equity                        | <del>0.02</del> <u>0.10</u> | <del>-0.31</del> <u>-0.24</u> | <del>0.20</del> <u>0.27</u> | <del>0.74</del> <u>0.75</u> | 1.00      |                                  |                             |                |             |                             |                |             |
| Developed Market Equity (non-US) | <del>0.09</del> <u>0.16</u> | <del>-0.28</del> <u>-0.22</u> | <del>0.26</del> <u>0.30</u> | <del>0.76</del> <u>0.77</u> | 0.89      | 1.00                             |                             |                |             |                             |                |             |
| Emerging Market Equity           | <del>0.14</del> <u>0.20</u> | <del>-0.23</del> <u>-0.18</u> | <del>0.34</del> <u>0.36</u> | 0.76                        | 0.77      | 0.87                             | 1.00                        |                |             |                             |                |             |
| Private Equity                   | 0.00                        | -0.10                         | 0.05                        | 0.70                        | 0.85      | 0.80                             | 0.75                        | 1.00           |             |                             |                |             |
| Real Estate                      | 0.20                        | 0.05                          | 0.10                        | 0.50                        | 0.50      | 0.45                             | 0.40                        | 0.45           | 1.00        |                             |                |             |
| Private Debt Composite           | 0.20                        | -0.20                         | 0.10                        | 0.85                        | 0.75      | 0.70                             | <del>0.70</del> <u>0.65</u> | 0.80           | 0.40        | 1.00                        |                |             |
| Infrastructure                   | 0.29                        | 0.09                          | 0.31                        | 0.64                        | 0.63      | 0.65                             | 0.58                        | 0.50           | 0.57        | <del>0.41</del> <u>0.43</u> | 1.00           |             |
| Hedge Funds                      | <del>0.03</del> <u>0.08</u> | <del>-0.34</del> <u>-0.30</u> | <del>0.26</del> <u>0.30</u> | <del>0.77</del> <u>0.78</u> | 0.86      | 0.87                             | <del>0.85</del> <u>0.84</u> | 0.60           | 0.45        | <del>0.69</del> <u>0.65</u> | 0.65           | 1.00        |

## APPENDIX B

### 5.2 Investment Manager Guidelines

#### 1) Diversification, Liquidity & Restrictions (Valuation of Illiquid Investments)

Portfolio holdings are expected to be well-diversified, so as to avoid excessive volatility and to be liquid. Only investments in liquid securities<sup>5</sup> are allowed, except for real estate, private equity, private debt and infrastructure.

If any investment should become illiquid, they are subject to Florida Statute 215.47 (6). This Statute limits the allocation to illiquid investments and addresses requirements of such investments.

Given the direct ownership of its office property, the Retirement Trust will determine a reasonable estimate of the property's market value. Annually, the Board will contract for a full appraisal of any real property holdings by an MAI (Member Appraisal Institute)-accredited appraiser. Competitive bids for the appraisal valuation will be obtained on an annual basis.

#### 2) Manager Guidelines for Separately Managed Accounts

Investment managers hired to invest a strategy through a separately managed account (i.e. FIPO owns stocks/and or bonds held in a custodial account) will be provided customized investment manager guidelines outlining certain restrictions (e.g. limits on security issues, issuers, and maturities, sector concentration limits, benchmark relative constraints, eligible securities, etc.).

Managers are expected to invest the strategy in accordance with the guidelines and shall inform Miami FIPO whenever a breach is reached (if it is not corrected within 30 days by market movement or manager action).

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<sup>5</sup>A liquid security is one that has a readily available price, based either on a recent trade or a well recognized pricing mechanism. Such a security could be sold within one week at most, without incurring significant losses due to price depreciation, in a normal or typical capital market environment.

**3) Manager Guidelines for Investments not held in separately Managed Accounts**

Any investment strategy held outside of a separately managed account (e.g. commingled funds, mutual funds, Limited Partnership vehicles, etc.) is expected to follow the guidelines contained in the fund's Prospectus, Offering Memorandum, or similar governing document.

Managers are expected to invest the strategy in accordance with the guidelines and shall inform Miami FIPO whenever a breach is reached (if it is not corrected within 30 days by market movement or manager action).

**4) Cash & Equivalents Guidelines (Master Repurchase Agreement)**

Transactional cash, portfolio assets that are temporarily not invested in authorized, longer-term securities as stated below, may be "swept" into the Fund's custodial short-term investment (money market) commingled fund or invested as stated below.

Allowable high-grade, short-term fixed income investments are as follows:

- a. certificates of deposit
- b. commercial paper
- c. U. S. Treasury bills
- d. repurchase agreements.

All repurchase agreements must comply with provisions of the currently prevailing Master Repurchase Agreement, as established by the Securities Industry and Financial Markets Association.

## Appendix C

### 7.0 PROXY VOTING

The Board reserves the right to delegate proxy voting to the investment managers or an external independent third party (collectively referred to as “proxy voter” in this appendix).

Developments in the equity markets have caused a heightened awareness of investment managers’ proxy voting policies. In addition, the SEC requires mutual funds to report their proxy voting decisions to fund investors. The desire of certain investors to make sure the mutual fund companies are remaining objective in their evaluation of corporate activity has created the desire for higher proxy voting visibility.

While these SEC requirements do not directly apply to separately managed institutional portfolios, the Board expects no lesser reporting disclosure from its proxy voter, regardless of the form of the account. The Board directs its proxy voter to remain vigilant in its evaluation of corporate actions. Managers must be thorough and objective in their evaluation of proxy voting issues. The Fund’s proxy voter must demand the highest degree of integrity from corporate managements represented in the Fund’s portfolios. If the Fund’s proxy voter is found to be in favor of corporate managements to the disadvantage of the Fund, the proxy voter may be terminated. Finally, the Board expects a high degree of accountability and objectivity from its proxy voter with respect to proxy voting. Areas that the Board will closely monitor include employee stock options, management compensation, and the level of external directors on Boards and various management committees.

7.1 The Board's primary objective is to have its proxy ballots voted according to the best economic interest of the Retirement Trust’s members. If the Board decides to delegate to the responsibility for voting proxy ballots, the proxy voter agrees to classify and report on the Retirement Trust’s proxies according to the following generic categories:

- 1) Routine business or financial matters
- 2) Non-routine business or financial matters
- 3) Anti-takeover issues
- 4) Corporate governance shareholder proposals
- 5) Social responsibility shareholder proposals

7.2 Under normal circumstances, it is expected that the proxy voter will employ the Retirement Trust's following proxy voting guidelines on issues of routine business or financial matters. The proxy voter will vote for:

- 1) The proposed slate of directors, assuming directors attend requisite meetings
- 2) Appointment of auditors
- 3) Increases in authorized common stock, not to exceed 100% of existing authorized shares
- 4) Changes in board structure

- 7.3** The Board also provides the following general guidelines with respect to non-routine matters, anti-takeover issues, corporate governance proposals and socially responsible proposals:
- 1) For issues that involve non-routine business or financial matters, the proxy voter would be expected to vote against the nonfinancial effects of a merger proposal, but for director liability and indemnification, stock option plans and stock splits.
  - 2) In the area of anti-takeover issues, it is expected that the proxy voter shall vote against blank check preferred stock proposals, classified boards, limiting shareholders' right to call special meetings, limiting shareholders' rights to act by written consent, super-majority voting requirements, reincorporation proposals, issuance of stock with unequal voting rights and elimination of preemptive rights.
  - 3) For corporate governance shareholder proposals, the proxy voter will be expected to vote for requiring a majority of independent directors submitting a company's shareholder rights plan to a shareholder vote, implementing confidential voting, anti-greenmail proposals, opting out of State anti-takeover laws, equal access to proxy materials, submitting golden parachutes to a shareholder vote, adopting cumulative voting and shareholder proposals involving anti-takeover proposals. The proxy voter will be expected to vote against limiting the terms of directorship and stock ownership requirements.
  - 4) In the area of socially responsible shareholder proposals, the proxy voter will vote these proxies in the best economic interest of the Retirement Trust's members.
- 7.4** Under certain circumstances, the Board recognizes that voting in accordance with these issue-specific proxy guidelines will not be consistent with its primary proxy voting guideline of voting all proxy ballots according to the best economic interest of the Retirement Trust's members. In such cases, when reporting to the Board in its regular quarterly report, the proxy voter shall explain why they did not vote according to the Board's issue-specific proxy guidelines.

## **Appendix D**

### **9.0 PORTFOLIO REPORTING REQUIREMENTS**

Satisfying the quarterly portfolio reporting requirements of the Retirement Trust is an important part of the manager's responsibilities. These requirements are stated below. Significant portfolio developments, as well as major changes in the firm's ownership, organizational structure and personnel, should be immediately communicated in writing via fax or e-mail to the Board, the Retirement Administrator, and the investment consultant. Managers are expected to disclose any SEC investigations or litigation brought against the firm or key personnel immediately.

There will be a regular quarterly written review of investment manager performance versus the respective investment manager's guidelines and benchmarks. Performance both before and after investment management fees will be evaluated. Investment results over periods extending back ten years or since inception, will be stated, if available, as well as the appropriate universe medians and style group comparisons by the Trust's investment consultant.

Also, the manager agrees to satisfy the Board's prescribed quarterly reporting requirements.

It is the responsibility of the Trust's investment managers to certify and demonstrate that their portfolios are in compliance with the Retirement Trust's overall guidelines.

Investment management firm's will continually monitor risks associated with their investments. They will be expected to report on the active management positions assumed relative to their respective benchmarks. As a result of this risk/reward analysis, active managers will provide attribution versus benchmarks in each regular quarterly report.

#### **9.1 Quarterly Reporting:**

Quarterly reporting shall be timely delivered to the Trust and Consultant and should meet industry best practices which generally includes the following:

1. Portfolio investment objectives, strategy and process
2. Portfolio performance – gross and net of fees
3. Portfolio asset mix & asset growth
4. Portfolio & benchmark characteristic comparison
5. Quarter-end reconciliation to custodian
6. Quarter-end portfolio positions & transactions
7. Portfolio attribution analysis
8. Soft dollar brokerage services
9. Conflicts of interest
10. Cash flows
11. Proxy voting record (if applicable)– past quarter

12. Economic analysis & additional information
13. Statement of Sudan/Iran holdings (include date of Protecting Florida's Investment Act quarterly report used)

All manager reports should adhere to this order, unless otherwise instructed by the Retirement Trust.

## **Appendix E**

### **14.0 PORTFOLIO REBALANCING**

- 14.1** The Retirement Administrator and Consultant shall monitor the portfolio regularly. The Consultant shall issue a recommendation to the Board any time an asset class breaches its acceptable range.
- 14.2** In monitoring the portfolio, the Retirement Administrator and Consultant shall be guided by the section on target asset allocation ranges for each asset class.
- 14.3** The Board has authority to issue instructions to managers to liquidate securities for reallocation to other managers or other asset classes, but shall do so only after considering the recommendation of the Retirement Administrator and Investment Consultant.
- 14.4** All interest, dividends, net operating revenue and capital gains shall be reinvested by the investment manager accountable for the underlying security investment.
- 14.5** The Board shall review the allocation of assets to each investment manager as part of the Board's asset allocation review.

## **Appendix F**

### **15.0 RESPONSIBILITIES OF GLOBAL CUSTODIAN**

The Board recognizes that accurate and timely completion of custodial functions are necessary for the effective monitoring of the investment management activity. The custodian's responsibilities for the Retirement Trust's investable assets are to:

- 15.1** Provide complete global custody and depository services for the Retirement Trust's designated accounts.
- 15.2** Provide a Short Term Investment Fund (STIF) for investments of any cash, to ensure maximum investment of the Retirement Trust's assets.
- 15.3** Provide in a timely and effective manner, settlement of securities transactions and provide monthly reports of the investment actions implemented by the Retirement Trust's investment managers.
- 15.4** Collect all income and principal realizable and properly report the collections on the custodial periodic statements.
- 15.5** Provide monthly and fiscal year-end accounting statements for the Retirement Trust's portfolios, including all transactions. These statements will be based on accurate security values both for cost and market. Audited reports will be provided within 12 business days of month-end and fiscal year-end.
- 15.6** Report to the Retirement Trust situations where accurate security pricing, valuations and accrued income is either not possible to report or is subject to considerable uncertainty.
- 15.7** Provide assistance to the Retirement Trust to complete such activities as the annual audit, transaction verification or unique issues as required by the Board.
- 15.8** Manage a securities lending program to enhance income if designated by the Boards.
- 15.9** Provide electronic access to accounting and performance reporting systems.
- 15.10** Assist the Board in keeping track of securities litigation cases of past and current investments made by the Retirement Trust's investment managers. Periodic securities litigation reports will be supplied to the Board to review.

**INVESTMENT OBJECTIVES & POLICY STATEMENT**

**FOR**

**FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

**CITY OF MIAMI**

May 2023

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# PREFACE

## INVESTMENT GUIDELINE REQUIREMENTS OF FLORIDA STATUTE 112.661

There are a number of specific requirements of Florida Statute 112.661. Each of these requirements is listed below and the page number and section in the Investment Objectives & Policy Statement that refer to these requirements is given. It is the intent of this Statement to comply with all of the requirements of this Statute.

1. SCOPE: Page 6, point 2.0 Policy Scope.
2. INVESTMENT OBJECTIVES: Page 7, point 3.1 Board Investment Objectives.
3. PERFORMANCE MEASUREMENT: Page 7, point 3.1 Board Investment Objectives; Page 12, point 4.3 Investment Objectives (Performance Measurement).
4. INVESTMENT AND FIDUCIARY STANDARDS: Pages 7-8, point 3.3 Board Responsibilities (Investment & Fiduciary Standards).
5. AUTHORIZED INVESTMENTS: Page 12, point 4.0 Investment Diversification Policies; Page 14, point 5.2 Investment Manager Guidelines (Authorized Investments); Pages 22-23 Appendix B.
6. MATURITY & LIQUIDITY REQUIREMENTS: Page 8, point 3.4 Maturity & Liquidity Requirements; Page 22, Appendix B - 1) Diversification, Liquidity & Restrictions (Valuation of Illiquid Investments).
7. PORTFOLIO COMPOSITION: Page 14, point 5.2 Investment Manager Guidelines (Authorized Investments), Page 22-23, Appendix B
8. RISK & DIVERSIFICATION: Page 12, point 4.0 Investment Diversification Policies; point 4.2 Style Orientation; point 4.4 Asset Allocation Plan; Page 19, Appendix A; Page 14, point 5.2 Investment Manager Guidelines; Pages 22-23, Appendix B.
9. EXPECTED ANNUAL RATE OF RETURN: Page 7 point 3.2 Expected Annual Rate of Return.
10. THIRD-PARTY CUSTODIAL AGREEMENTS: Page 10, point 3.7 Third-Party Custodial Agreements; Page 29 Appendix F, Responsibilities of Global Custodian.
11. MASTER REPURCHASE AGREEMENT: Page 14, point 5.2 Investment Manager Guidelines; Page 23, Appendix B, Point 4) Cash & Equivalents Guidelines (Master Repurchase Agreement).
12. BID REQUIREMENT: Page 16, point 8.1 Bid Requirement.
13. INTERNAL CONTROLS: Page 9, point 3.6 Policies to Ensure Ethical & Prudent Action (Internal Controls).
14. CONTINUING EDUCATION: Pages 8-9, point 3.5 Training & Education Policy (Continuing Education).
15. REPORTING: Page 16, point 9.0 Portfolio Reporting Requirements; Pages 26-27, Appendix D, Portfolio Reporting Requirements.
16. FILING OF INVESTMENT POLICY: Page 6, point 1.2, Policy Statement (Filing of Investment Policy).

17. VALUATION OF ILLIQUID INVESTMENTS: Page 14, point 5.2 Investment Manager Guidelines; Page 22 Appendix B - (1) Investment Manager Guidelines-Diversification, Liquidity & Restrictions (Valuation of Illiquid Investments).
18. PLACEMENT AGENT FEE POLICY: Page 10, point 3.8 Placement Agent Fee Policy.
19. SCRUTINIZED SECURITY POLICY FOR IRAN/SUDAN INVESTMENTS: Page 10, point 3.9 Scrutinized Security Policy for Prohibited Investments, as per the June 2, 2009 Senate Bill 538 Chapter 2009-97, which established provisions 175.07 (8) and 185.06 (7).

***FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST***  
***CITY OF MIAMI***  
***INVESTMENT OBJECTIVES AND POLICY STATEMENT***

**PART I**

**POLICY PERSPECTIVES**

**1.0 INTRODUCTION AND POLICY STATEMENT**

**1.1 Introduction**

The Fire Fighters' & Police Officers' Retirement Trust's Investment Objectives and Policy Statement ("IPS") is a document which:

- a) Establishes and outlines the responsibilities of the various parties that are associated with the management of the Retirement Trust;
- b) States various control procedures to ensure that the Retirement Trust is appropriately managed.

**1.2 Policy Statement (Filing of Investment Policy)**

Notwithstanding any other provisions to the contrary, the policy of the Board of Trustees ("Board") of the Fire Fighters' & Police Officers' Retirement Trust ("Retirement Trust", "Trust" or "Fund") shall be to invest trust funds in a manner that is consistent with the applicable sections of the City of Miami Code, which adheres to the prudent person standard, as well as State and Federal laws. As required by Section 112.661, Fla. Stat., the Retirement Trust will file with the Department of Management Services, the City and the Trust's actuary, accountant and custodian its investment policy statement and any revisions. (Please see the Preface for policy references to the requirements of Florida Statute 112.661.)

**2.0 POLICY SCOPE**

This policy shall set forth guidance and requirements for the investment activities conducted by the Board. The funds eligible for investment are all those under the direct authority of the Retirement Trust Board of the Fire Fighters' & Police Officers' in accordance with the applicable sections of the Miami Code.

**3.0 POLICY OBJECTIVES**

The basic objectives are:

- 1) Safety of funds invested;
- 2) Liquidity sufficient to meet all cash needs of the Retirement Trust;
- 3) Investment performance that is competitive in the current market environment once the first two objectives have been satisfied.

The goals of the Board are to:

- 1) Fund the Retirement Trust's benefit payments, with the least amount of risk possible;
- 2) Protect against loss of purchasing power by achieving rates of return above inflation;
- 3) And, achieve a fully funded pension status, at the lowest possible cost.

### **3.1 Board Investment Objectives:**

- 1) At a minimum, achieve a nominal return equivalent to the Trust's actuarial interest rate.
- 2) Earn a long-term total return that averages 4 to 6% in excess of the long-term rate of inflation.
- 3) Exceed the return of the Retirement Trust's passive, market-based, investment benchmark. Allocations to specific asset classes are based on the Retirement Trust's target asset mix, as detailed in this IPS.
- 4) Achieve a total fund return, as well as risk-adjusted return, ranking above the median of other public sector retirement funds.

### **3.2 Expected Annual Rate of Return**

As required by Section 112.661, Fla. Stat., the Board shall specify, to the extent reasonably possible upon the advice of its investment experts, the Trust's total expected annual rate of return for the current year, for each of the next several years and for the long term. The Board's expected returns for each of these time periods is the actuarial hurdle rate, as specified in the actuary's most current actuarial valuation. The current actuarial hurdle rate is 7.0%.

### **3.3 Board Responsibilities (Investment & Fiduciary Standards)**

The Board holds the fiduciary responsibility for the Retirement Trust. Thus, the Board will set a reasonably diversified asset allocation target (including minimum and maximum allocations), which is expected to appropriately fund the Retirement Trust's liabilities and meet its basic investment objectives. The basis for such a target asset allocation will be a study of the Retirement Trust's pension liabilities and reasonable, alternative investment portfolios.

It is also the goal of the Board to manage the Fund according to standards that are consistent with those established by the Employee Retirement Income Security Act (ERISA), 29 U.S.C. 1104(a) as incorporated in Section 112.661(4), Florida Statutes. Therefore, the Board will act in a prudent manner and expect its investment managers and Investment Consultant to act as prudent experts.

If deemed appropriate, consistent with Section 518.112, Fla. Stat. the Board may delegate fiduciary investment responsibility to qualified investment managers, with the managers serving at the sole pleasure of the Board. All managers, in accordance with Florida Law, shall have a provision relating to fiduciary duty in their individual contracts. Similarly, the Board may hire other experts to assist in the management and oversight of the Retirement Trust. Also, in fulfilling its fiduciary responsibility, the Board will establish investment goals, objectives, policies, guidelines and benchmarks for the Trust, asset classes and investment managers.

The Board shall appoint an Investment Consultant to assist in the overall supervision of the investments. The Investment Consultant's responsibilities shall include at a minimum the requirement to:

1. keep the Board of Trustees and the Administrator apprised of material changes in investment strategy, investment managers, asset mix, portfolio structure, and market value of the assets;
2. monitor the Fund's investment performance and its investment managers, and assist the Board and the Administrator in interpreting the results;
3. provide the Board and the Administrator with quarterly performance reports to help ensure that the Fund's investment objectives are achieved. Investment performance will be measured against commonly accepted performance benchmarks;
4. keep the Board and the Administrator informed of events that may have a material adverse effect on the assets; and
5. recommend changes to this Policy as necessary.

### **3.4 Maturity & Liquidity Requirements**

Detailed liability projections shall be analyzed to determine the factors influencing the Trust's cash flow requirements. Sensitivity analyses will be prepared so that the Board may thoroughly evaluate the ability of alternative investment portfolios to fund the Trust's liabilities (cash flow requirements). This study will also consider levels of fund performance and total Plan funding volatility, such that risk is properly and prudently evaluated, and identify asset mix alternatives expected to match the risk tolerance of the Board. A comprehensive review of investment risk and asset/liability funding uncertainties will help ensure that an appropriate investment posture is assumed. In addition, portfolio rebalancing activities will occur to provide for short-term Fund cash flow requirements.

### **3.5 Training and Education Policy (Continuing Education)**

It is the policy of the Board to provide periodic training to Board members and staff in the areas of retirement administration, trustee responsibilities, and investment related issues. This training will be provided through reputable educational organizations.

In order to comply with the education requirements of FS Chapter 112.661(14), this policy shall provide for the continuing education of the City of Miami Fire Fighters' and Police Officers' Retirement Trust members in matters relating to investments and the Board's responsibilities.

First Year: In the first year, a Board member is encouraged to attend at least one approved program. Recommended programs include FPPTA New Trustee School and certification, International Foundation New Trustee program and CAPPP certification, and the Florida Division of Retirement conference.

Second Year: Board members are encouraged to complete one certification program by the end of the second year of membership. Recommended programs include FPPTA (3

parts), International Foundation CAPP (2 parts), Wharton Investments Institute (offered by Intl. Fdn).

Third Year and thereafter: Board members are encouraged to maintain all earned certifications per certifying requirements of the issuing organization. In addition, Board members may attend other conferences, schools or seminars as approved by the Board. Some may include NCPERS, Investment Consultant sponsored conferences, Guns & Hoses, NAPO, Wharton Advanced Investment Management, and investment product related conferences, etc.

The Board chairman shall provide each member upon completion of the above listed requirements a letter of acknowledgement.

Should a Board member fail to comply with the requirements above, the Board chairman shall notify the member of his/her non-compliance in writing.

Board members attending conferences are requested to present a brief report at the next available Board meeting summarizing the topics covered and lessons learned.

Board members are asked to provide conference programs, handouts, transcripts and other pertinent materials to the administrator for inclusion in a library to be maintained in the FIPO offices for reference purposes.

### **3.6 Policies to Ensure Ethical and Prudent Action (Internal Controls)**

The in-house Retirement staff shall be governed by the "prudent person rule," which shall be applied in the context of the Retirement Trust's investment portfolio. Retirement staff shall perform due diligence according to established sections of the City of Miami Code, policies of the Board and written Trust procedures. Ethical and prudent actions are further controlled by the following:

- 1) The Retirement Administrator shall establish and document a system of internal controls, which shall be approved by the Trust's Board. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the Retirement Trust. Controls deemed most important include: control of collusion, separation of duties (e.g., separating transactions authority from accounting authorization), custodial safekeeping and clear delegation of authority. These controls shall be reviewed annually by the Board's independent certified public accountant.
- 2) The staff shall act reasonably as custodians of the Trust, and shall recognize that the investment portfolio is subject to public review and evaluation.

### **3.7 Third-Party Custodial Agreements**

- 1) It is the policy of the Board to contract with a bank or financial institution for the safekeeping of securities owned by the Retirement Trust.
- 2) It is the policy of the Board that all U. S. dollar denominated securities rendered for payment will be sent "delivery versus payment" (DVP) through the Federal Reserve System or through the Depository Trust Corporation. Any non-U. S. dollar denominated securities will be settled in accordance with local markets' rules and regulations. This payment process ensures that the Retirement Trust's funds are not released until the Trust has received, through Federal Reserve wire or by physical delivery, the securities purchased.

### **3.8 Placement Agent Fee Policy**

Additional disclosure requirements and restrictions have been instituted by public pension funds regarding placement agent fees. When a placement agent assists an investment management organization in obtaining new client accounts, any such compensation must be made public by the investment management organization and disclosed to the Retirement Trust. It is the Retirement Trust's policy to not pay any placement agent fee.

### **3.9 Scrutinized Security Policy for Prohibited Investments**

Sections 215.4702-215.473, Fla. Stat. reflect the Florida Legislature's policy of prohibiting investment in certain companies and in certain countries by the State Board of Administration. The authority of the Trust to invest is established in part by the authorized investments of the State Board of Administration under Section 215.47, Fla. Stat. To the extent the Trust utilizes the standards and limitations in Section 215.47, the Trust shall also observe these limitations. For such portfolios, investment managers are required to review on a quarterly basis their portfolio holdings relative to a list of scrutinized companies on the State Board of Administration website ([www.sbafla.com/fsb/](http://www.sbafla.com/fsb/)) that have been identified as conducting restricted business activities in scrutinized companies and scrutinized nations. Ongoing compliance is required subsequently.

For mutual funds, commingled funds and any other fund types, the Board has implemented communication policies with its investment managers that requests compliance with the divestment of companies on the scrutinized securities list. This communication requests the fund to comply with the divestment legislation. Documentation of the Retirement Trust's efforts with the investment managers of mutual funds, commingled funds is required. Continuing communication efforts will be made with such funds to request the divestment of scrutinized companies.

In addition, all active and passive managers shall adhere to the scrutinized nations limitations imposed by ordinance or resolution of the Miami City Commission.

### **3.10 Policy Statement Monitoring and Review**

All parties identified in this Retirement Trust's Policy Statement are expected to maintain compliance with provisions and requirements outlined in this Investment Policy Statement.

Reporting requirements are listed in the Appendix D

Annually the Policy Statement will be reviewed (and revised if needed).

### **3.11 Code of Conduct Compliance**

Voluntary guidelines for service providers to protect the interests of Plan Participants and Beneficiaries as per the National Conference on Public Employee Retirement Systems (NCPERS) requires service providers to:

1. Act in a professional and ethical manner at all times in dealing with public plan clients
2. Act for the benefit of public plan clients
3. Act with independence and objectivity
4. Fully disclose to public plan clients conflicts of interest that arise that may impair the ability to act independently or objectively
5. Act with reasonable care, skill, competence, and diligence when engaging in professional activities
6. Communicate with public plan clients in a timely and accurate manner
7. Uphold the applicable law, rules, and regulations governing their sector and profession
8. Fully disclose to public plan clients all fees charged for the products or services provided to said client
9. Not advocate for the diminishment of public defined benefit plans
10. Fully disclose all contributions made to entities enumerated in Schedule A [of the NCPERS guidelines)] that advocate for the diminishment of public defined benefit plans

## PART II

### RETIREMENT TRUST FUND PORTFOLIO MANAGEMENT

#### 4.0 INVESTMENT DIVERSIFICATION POLICIES

As it is prudent to diversify investment risk, the Board has adopted a policy to invest in several institutionally acceptable asset classes. These may include any of the following asset classes: domestic equity (large, mid and small capitalization), international equity-developed and emerging markets, domestic real estate (institutional quality properties either individually, in closed-end or open-end commingled funds, or in global REIT securities portfolios), private equity funds or fund of funds, private debt funds or fund of funds, private infrastructure funds, domestic core investment grade fixed income, high yield fixed income, bank loans, inflation protected securities and short-term investments (primarily due to the transactional nature of most managers' portfolios). Other asset classes may be added by the Board to its investment policy.

#### 4.1 Commingled Fund Participation

The Board acknowledges that when it is in the best interest of the Retirement Trust to invest in a commingled vehicle (i.e. collective fund or institutional mutual fund) or limited partnership, it is not possible to dictate specific investment guidelines and prohibitions. It is the expectation that the investment managers will inform the Retirement Trust if there are any material differences between the commingled fund and the strategy model account.

#### 4.2 Style Orientation

As part of the diversified asset class investment approach of the Retirement Trust, the Board may seek to employ a diverse group of investment portfolio managers within a specific asset class if deemed appropriate.

#### 4.3 Investment Objectives (Performance Measurement)

- a) Investment managers are expected to outperform over a full market cycle, or three- to five-year period, their respective asset class market index or benchmark.
- b) During this three- to five-year period, the investment managers are also expected to outperform the median manager in their respective style group.

#### 4.4 Asset Allocation Plan and Target Asset Mix

Please see Appendix A for the Retirement Trust's asset allocation target and ranges, as well as benchmarks.

## PART III

### INVESTMENT GUIDELINES

#### 5.0 INVESTMENT MANAGERS' RESPONSIBILITIES, POLICIES AND GUIDELINES

All investment managers hired by the Retirement Trust will be registered investment advisors with the Securities and Exchange Commission, or will be trust companies that are regulated by State and Federal Banking authorities. Such investment managers will maintain adequate insurance coverages, including errors & omissions, surety bond, fiduciary liability, ERISA bond, etc. In addition, the Retirement Trust's investment managers agree to notify the Board Chairman and the Retirement Administrator in writing if they are unable to continue acting in the capacity of a fiduciary or investment advisor.

#### 5.1 Investment Managers' Requirements & Responsibilities

The following items are required of investment managers employed by the Retirement Trust:

- 1) To act as prudent experts in the management of fully discretionary accounts for the Retirement Trust.
- 2) To be fiduciaries to the Trust.
- 3) To continually educate the Board about capital market developments that pertain to their area of investment expertise.
- 4) To meet applicable investment objectives over the designated time horizon. If such objectives become unreasonable for any reason, it is the manager's responsibility to communicate his/her reservations about the objectives in writing to the Board. Otherwise, failure to meet these objectives may result in dismissal.
- 5) To satisfy the quarterly portfolio reporting requirements of the Retirement Trust and maintain the highest level of compliance with CFA Institute performance presentation standards as possible.
- 6) To immediately communicate in writing via e-mail to the Board and the Board's investment consultant significant portfolio developments, as well as major changes to the investment decision process, changes in the firm's ownership, organizational structure and personnel.
- 7) To provide a current version of their internal code of ethics. Once a year the manager will provide updated copies of investment and operational policies developed by the firm that are relevant to the Retirement Trust and its portfolio(s).
- 8) To assist the Board achieve its goals and investment objectives, to implement the Board's asset allocation decisions, and to fulfill the Board's diversification policies.
- 9) Maintain the investment approach that they were hired to implement under any and all capital market environments.

- 10) Members of the firm's research and portfolio management teams will comply with CFA Institute Standards of Practice and Code of Ethics. Any industry or regulatory disciplinary action taken against members of the firm's investment staff must be immediately reported in writing to the Board.
- 11) Manage a fully discretionary portfolio that meets the guidelines under which the strategy is governed.
- 12) If the Board delegates proxy voting responsibilities to its investment managers, agree to vote all proxy ballots according to the best economic interest of the Retirement Trust's members and in a manner consistent with the Board's proxy policies.
- 13) Agree to actively support the Retirement Trust's securities lending and commission recapture programs, if applicable.

## **5.2 Investment Manager Guidelines (Authorized Investments)**

Please see Appendix B for the Retirement Trust's investment manager guidelines.

## **5.3 Applicable Law**

All investment activities shall be governed by the provisions of Chapter 112, Part VII, Fla. Stat., Section 215.47, Fla Stat. (including any limitations relating to scrutinized companies or nation); and Chapter 518, Fla. Stat., Investment of Fiduciary Funds.

## PART IV

### CONTROLS

#### 6.0 SECURITIES LENDING

- 6.1** The Master Custodian (or an independent third-party) shall manage a securities lending program to produce incremental income in accordance with the terms and conditions set forth in a mutually acceptable securities lending agreement and guaranty.
- 6.2** The Board reserves exclusive authority to approve the securities lending agreement prior to the commencement of securities lending activity.
- 6.3** Unless otherwise specified in the agreement,
- 1) All loans shall be marked-to-market daily,
  - 2) Minimum collateral on each loan shall be maintained daily at 102 percent of loan value for domestic securities and 105 percent of loan value for international securities,
  - 3) Acceptable collateral shall be in the form of cash or marketable fixed income securities with maturities not greater than one year, including (1) Commercial Paper or Variable Rate Notes of issuers with quality ratings of P-1 and/or A-1 by Moody's Investors Services or Standard & Poor's Corporation, or their equivalents; (2) Banker's acceptances, certificates of deposits and time deposits; (3) United States Treasury and Government Agency short-term obligations; (4) Repurchase Agreements with United States Treasury Securities and Agencies of the United States Government as collateral; and (5) Money or short-term investment funds.
  - 4) Borrowers shall be rated A3 or A- or higher by Moody's or Standard & Poor.
- 6.4** The securities lending agent will report on an annual basis, the following information to the Retirement Trust:
- 1) The list of approved security borrowers. Also a list of those borrowers dropped from the program over the past year.
  - 2) A description of the evaluation process used when considering potential security borrowers. A list of borrowers that defaulted in the past year.
  - 3) Explanation of any changes to the securities lending process over the past year.
  - 4) A description of how the securities lending agent manages the asset/liability relationship of the securities lending program.
  - 5) A statement regarding how the securities lending queue is managed to produce equitable revenue for the participants
  - 6) Percentage of securities on loan and revenues generated.
- 6.5** The Retirement Administrator and Consultant shall be responsible for monitoring the securities lending program and recommending changes as appropriate.

## **7.0 PROXY VOTING**

Please see Appendix C for the Retirement Trust's proxy voting policies.

## **8.0 TRANSACTIONS, BROKERAGE, AND COMMISSION RECAPTURE PROGRAM**

The Board understands its fiduciary responsibility with respect to transactions and hereby instructs its investment managers to seek best execution when conducting all trades. Managers are instructed to seek to minimize commission and market impact costs<sup>1</sup> when trading securities. Also, either internally or through an externally provided transaction cost evaluation service, investment managers are expected to measure the costs associated with their investment trades.

When trading securities, best execution is the paramount consideration of the Board. This objective is expected to provide for and protect the best economic interest of the Retirement Trust. As part of the trading process, managers shall determine expected trading costs associated with the Board's commission recapture brokerage firms. If trading through these brokerage firms is in the best economic interest of the Retirement Trust, the managers are expected to consider these firms as well as others in obtaining best execution.

All securities transactions are expected to be executed with FINRA registered broker/dealers.

### **8.1 Bid Requirement**

For fixed income securities, in accordance with Florida Statute 112.611 the Board requires that all its investment managers must obtain competitive bids when seeking to trade all types of fixed income securities or instruments.

## **9.0 PORTFOLIO REPORTING REQUIREMENTS**

Please see Appendix D for the Retirement Trust's portfolio reporting requirements.

## **10.0 BOARD REVIEW**

The Board will monitor investment performance and the Retirement Trust's manager structure. At the quarterly Investment Review Meeting, the Board will review investment reports, investment strategy, market conditions, portfolio manager performance and the status of the Retirement Trust's asset allocation plan, as well as interview current investment managers (as needed). The Board will meet the Retirement Trust's investment managers approximately once a year in Miami, or as otherwise determined by the Board. On-site due diligence visits will be scheduled as needed.

At the regular quarterly Investment Review Meeting, investment manager performance versus the respective investment manager's guidelines and benchmarks will be discussed. Performance net of investment management fees will be evaluated. Investment results

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<sup>1</sup> Market impact for equity trades is based on the transaction price relative to the volume weighted average price (VWAP) on the trade date and/or relative to same day closing prices.

over periods extending back ten years or since inception will be evaluated if available, as well as the appropriate universe medians and style group comparisons by the Retirement Trust's investment consultant.

Explanations will be provided by the investment consultant and/or Board staff as to why portfolios under or outperformed their respective benchmarks. Performance attribution will be provided to the extent possible. Also, risk-adjusted performance will be evaluated.

## **INVESTMENT COSTS**

The Board, with the advice of the Consultant, intends to monitor and control investment costs at every level of the Trust. Accordingly, where appropriate and practical:

- professional fees will be negotiated;
- passive portfolios will be used to minimize management fees and portfolio turnover;
- transition managers will be used if doing so is expected to minimize transaction costs associated with a transition event and
- investment managers will be instructed to minimize brokerage and execution costs.

## **11.0 POLICY EXCEPTIONS**

While this Policy Statement prescribes various maximums, minimums and other numerical limits, it is intended primarily to be a management tool. When the Board determines that an exception to one of the numerical limits here within is in the best interest of the Retirement Trust, such exception is permitted as long as it is consistent with applicable City, State and Federal laws.

Whenever an exception or violation of this Policy is discovered, that fact shall be reported to the Retirement Administrator and the Board Chairman within one business day of its discovery and major exceptions will be reported immediately.

**12.0 POLICY REVIEW**

This investment policy shall be regularly reviewed (at least annually) to ensure the Retirement Trust's compliance with the overall objectives of safety, liquidity and investment performance, and current laws and financial trends. Proposed amendments to the Policy Statement will be prepared by Staff and the Retirement Trust's consultant. Recommendations will be presented to the Board for consideration and approval.

**13.0 AFFIRMATIVE POLICY APPROVAL REQUIREMENT**

If the Board receives a written request from a service provider, it is the Board's policy that a request for any action, position or stance cannot be assumed to be approved based upon a non-response (or the mere passage of a period of time). Unless the Board explicitly authorizes in writing any action, position or stance, authorization is not granted.

**14.0 GRANDFATHER CLAUSE**

Any investment held by the Retirement Trust at the time this policy is adopted shall not be sold to conform to any part of this policy unless its sale is judged to be prudent by the Retirement Trust's investment professionals.

**15.0 PORTFOLIO REBALANCING**

Please see Appendix E for the Retirement Trust's portfolio rebalancing procedures.

**16.0 RESPONSIBILITIES OF GLOBAL CUSTODIAN**

Please see Appendix F for the Retirement Trust's global custodian responsibilities.

**17.0 TREATMENT AND OVERSIGHT OF DROP (DEFERRED RETIRMENT OPTION PLAN)**

DROP is created pursuant to Miami City Code Section 40-203(p). The Board is required by the City to create a separate custodial arrangement for DROP participants and provide a series of self-directed investment options. By electing DROP, participants release the City and FIPO from all claims except timely payment of monthly retirement benefits. Under the terms of the City Code and Chapters 175 and 185 of the Florida Statutes, a DROP participant is considered a retiree.

DROP participants, as a condition of DROP and provided in the City Code, bear all risks associated with DROP. As such, the performance of any individual account is not relevant to the overall-all performance of the Retirement Trust. The Trustees of the Retirement Trust bear no oversight or responsibility for the individual investment decisions made by participants in the self-directed DROP account.

The Trust will review investment funds offered in the DROP on an annual basis, or more frequently when recommended by the Investment Consultant. These reviews are to ensure that investment options are appropriate for use by DROP participants based on performance and fees.

## Appendix A

### 4.4 Asset Allocation Plan and Target Asset Mix

Based on the Retirement Trust's asset allocation study<sup>2</sup> and subsequent discussions with the Board, the following is the Retirement Trust's target asset mix and allocation ranges:

|                              | <b>Policy Target</b> | <b>Range</b> | <b>Policy Benchmark<sup>3</sup></b>                |
|------------------------------|----------------------|--------------|--|
| Public Domestic Equity       | 32%                  | 20% - 40%    | Russell 3000 Index                                 |
| Public Foreign Equity        | 22%                  | 10% - 30%    | MSCI EAFE  |
| Private Equity Fund of Funds | 4%                   | 0% - 8%      | MSCI ACWI IMI (1 Qtr lag) + 2%                     |
| Private Debt                 | 3%                   | 0% - 6%      | Bloomberg Barclays High Yield (1 Qtr lag) + 2%     |
| Investment Grade Bonds       | 18%                  | 12% - 25%    | Bloomberg Barclays U.S. Aggregate                  |
| Treasuries                   | 5%                   | 2% - 8%      | Bloomberg Barclays U.S. Long Treasury Total Return |
| High Yield Bonds             | 2%                   | 0% - 4%      | ICE BofA US High Yield Total Return                |
| Bank Loans                   | 2%                   | 0% - 4%      | Credit Suisse Leveraged Loan                       |
| Real Estate                  | 9%                   | 6% - 12%     | NCREIF OCDE  |
| Infrastructure               | 3%                   | 0% - 6%      | CPI + 2%   |

<sup>2</sup> Based upon the expected asset returns, risks, and correlations cited in next pages, this target allocation exhibits an expected annual return of 8.4% and a standard deviation of 12.3%.

<sup>3</sup> Benchmarks listed are for purposes of monitoring asset class performance and calculation of the policy benchmark. Individual strategies within each asset class can have slightly different (more targeted) benchmarks chosen based on the specific characteristics of the strategies.

## TWENTY-YEAR, SINGLE ASSET CLASS AND SUB-ASSET CLASS FORECAST<sup>4</sup>

| Asset Class                       | Expected Return (%) | Volatility (%) |
|-----------------------------------|---------------------|----------------|
| <b>Fixed Income</b>               |                     |                |
| Cash Equivalents                  | 2.9                 | 1.0            |
| Short-term Investment Grade Bonds | 3.5                 | 1.0            |
| Investment Grade Bonds            | 4.7                 | 4.0            |
| Investment Grade Corporate Bonds  | 5.4                 | 7.0            |
| Long-term Government Bonds        | 5.0                 | 12.0           |
| Long-term STRIPS                  | 5.3                 | 22.0           |
| TIPS                              | 4.5                 | 7.0            |
| High Yield Bonds                  | 7.3                 | 11.0           |
| Bank Loans                        | 7.0                 | 10.0           |
| Foreign Bonds                     | 4.0                 | 8.0            |
| Emerging Market Bonds (major)     | 6.4                 | 12.0           |
| Emerging Market Bonds (local)     | 6.0                 | 12.0           |
| Private Debt                      | 9.0                 | 15.0           |
| Direct Lending                    | 8.3                 | 15.0           |
| <b>Equities</b>                   |                     |                |
| U.S. Equity                       | 8.7                 | 18.0           |
| Developed Market Equity           | 9.8                 | 19.0           |
| Emerging Market Equity            | 10.0                | 23.0           |
| Frontier Market Equity            | 10.7                | 21.0           |
| Global Equity                     | 9.2                 | 18.0           |
| Private Equity                    | 11.0                | 27.0           |
| Buyouts                           | 10.7                | 25.0           |
| Venture Capital                   | 11.6                | 36.0           |
| <b>Real Assets</b>                |                     |                |
| Real Estate                       | 7.8                 | 16.0           |
| REITs                             | 8.0                 | 25.0           |
| Core Private Real Estate          | 6.5                 | 12.0           |
| Value Added Real Estate           | 8.3                 | 20.0           |
| Opportunistic Real Estate         | 9.6                 | 26.0           |
| Natural Resources (Public)        | 8.7                 | 23.0           |
| Natural Resources (Private)       | 9.8                 | 24.0           |
| Commodities (naïve)               | 5.7                 | 17.0           |
| Infrastructure (Public)           | 8.8                 | 18.0           |
| Core Infrastructure (Private)     | 7.8                 | 14.0           |
| Non-Core Infrastructure (Private) | 9.5                 | 22.0           |

<sup>4</sup> Based on Meketa's 2023 Asset Study Capital Market Assumptions

## EXPECTED CORRELATIONS AMONG ASSET CLASSES AND SUB-ASSET CLASSES

|                                  | Investment Grade Bonds | Long-term Government Bonds | TIPS | High Yield Bonds | US Equity | Developed Market Equity (non-US) | Emerging Market Equity | Private Equity | Real Estate | Private Debt Composite | Infrastructure | Hedge Funds |
|----------------------------------|------------------------|----------------------------|------|------------------|-----------|----------------------------------|------------------------|----------------|-------------|------------------------|----------------|-------------|
| Investment Grade Bonds           | 1.00                   |                            |      |                  |           |                                  |                        |                |             |                        |                |             |
| Long-term Government Bonds       | 0.83                   | 1.00                       |      |                  |           |                                  |                        |                |             |                        |                |             |
| TIPS                             | 0.76                   | 0.54                       | 1.00 |                  |           |                                  |                        |                |             |                        |                |             |
| High Yield Bonds                 | 0.28                   | -0.17                      | 0.46 | 1.00             |           |                                  |                        |                |             |                        |                |             |
| US Equity                        | 0.10                   | -0.24                      | 0.27 | 0.75             | 1.00      |                                  |                        |                |             |                        |                |             |
| Developed Market Equity (non-US) | 0.16                   | -0.22                      | 0.30 | 0.77             | 0.89      | 1.00                             |                        |                |             |                        |                |             |
| Emerging Market Equity           | 0.20                   | -0.18                      | 0.36 | 0.76             | 0.77      | 0.87                             | 1.00                   |                |             |                        |                |             |
| Private Equity                   | 0.00                   | -0.10                      | 0.05 | 0.70             | 0.85      | 0.80                             | 0.75                   | 1.00           |             |                        |                |             |
| Real Estate                      | 0.20                   | 0.05                       | 0.10 | 0.50             | 0.50      | 0.45                             | 0.40                   | 0.45           | 1.00        |                        |                |             |
| Private Debt Composite           | 0.20                   | -0.20                      | 0.10 | 0.85             | 0.75      | 0.70                             | 0.65                   | 0.80           | 0.40        | 1.00                   |                |             |
| Infrastructure                   | 0.29                   | 0.09                       | 0.31 | 0.64             | 0.63      | 0.65                             | 0.58                   | 0.50           | 0.57        | 0.43                   | 1.00           |             |
| Hedge Funds                      | 0.08                   | -0.30                      | 0.30 | 0.78             | 0.86      | 0.87                             | 0.84                   | 0.60           | 0.45        | 0.65                   | 0.65           | 1.00        |

## APPENDIX B

### 5.2 Investment Manager Guidelines

#### 1) Diversification, Liquidity & Restrictions (Valuation of Illiquid Investments)

Portfolio holdings are expected to be well-diversified, so as to avoid excessive volatility and to be liquid. Only investments in liquid securities<sup>5</sup> are allowed, except for real estate, private equity, private debt and infrastructure.

If any investment should become illiquid, they are subject to Florida Statute 215.47 (6). This Statute limits the allocation to illiquid investments and addresses requirements of such investments.

Given the direct ownership of its office property, the Retirement Trust will determine a reasonable estimate of the property's market value. Annually, the Board will contract for a full appraisal of any real property holdings by an MAI (Member Appraisal Institute)-accredited appraiser. Competitive bids for the appraisal valuation will be obtained on an annual basis.

#### 2) Manager Guidelines for Separately Managed Accounts

Investment managers hired to invest a strategy through a separately managed account (i.e. FIPO owns stocks/and or bonds held in a custodial account) will be provided customized investment manager guidelines outlining certain restrictions (e.g. limits on security issues, issuers, and maturities, sector concentration limits, benchmark relative constraints, eligible securities, etc.).

Managers are expected to invest the strategy in accordance with the guidelines and shall inform Miami FIPO whenever a breach is reached (if it is not corrected within 30 days by market movement or manager action).

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<sup>5</sup>A liquid security is one that has a readily available price, based either on a recent trade or a well recognized pricing mechanism. Such a security could be sold within one week at most, without incurring significant losses due to price depreciation, in a normal or typical capital market environment.

**3) Manager Guidelines for Investments not held in separately Managed Accounts**

Any investment strategy held outside of a separately managed account (e.g. commingled funds, mutual funds, Limited Partnership vehicles, etc.) is expected to follow the guidelines contained in the fund's Prospectus, Offering Memorandum, or similar governing document.

Managers are expected to invest the strategy in accordance with the guidelines and shall inform Miami FIPO whenever a breach is reached (if it is not corrected within 30 days by market movement or manager action).

**4) Cash & Equivalents Guidelines (Master Repurchase Agreement)**

Transactional cash, portfolio assets that are temporarily not invested in authorized, longer-term securities as stated below, may be "swept" into the Fund's custodial short-term investment (money market) commingled fund or invested as stated below.

Allowable high-grade, short-term fixed income investments are as follows:

- a. certificates of deposit
- b. commercial paper
- c. U. S. Treasury bills
- d. repurchase agreements.

All repurchase agreements must comply with provisions of the currently prevailing Master Repurchase Agreement, as established by the Securities Industry and Financial Markets Association.

## Appendix C

### 7.0 PROXY VOTING

The Board reserves the right to delegate proxy voting to the investment managers or an external independent third party (collectively referred to as “proxy voter” in this appendix).

Developments in the equity markets have caused a heightened awareness of investment managers’ proxy voting policies. In addition, the SEC requires mutual funds to report their proxy voting decisions to fund investors. The desire of certain investors to make sure the mutual fund companies are remaining objective in their evaluation of corporate activity has created the desire for higher proxy voting visibility.

While these SEC requirements do not directly apply to separately managed institutional portfolios, the Board expects no lesser reporting disclosure from its proxy voter, regardless of the form of the account. The Board directs its proxy voter to remain vigilant in its evaluation of corporate actions. Managers must be thorough and objective in their evaluation of proxy voting issues. The Fund’s proxy voter must demand the highest degree of integrity from corporate managements represented in the Fund’s portfolios. If the Fund’s proxy voter is found to be in favor of corporate managements to the disadvantage of the Fund, the proxy voter may be terminated. Finally, the Board expects a high degree of accountability and objectivity from its proxy voter with respect to proxy voting. Areas that the Board will closely monitor include employee stock options, management compensation, and the level of external directors on Boards and various management committees.

7.1 The Board's primary objective is to have its proxy ballots voted according to the best economic interest of the Retirement Trust’s members. If the Board decides to delegate to the responsibility for voting proxy ballots, the proxy voter agrees to classify and report on the Retirement Trust’s proxies according to the following generic categories:

- 1) Routine business or financial matters
- 2) Non-routine business or financial matters
- 3) Anti-takeover issues
- 4) Corporate governance shareholder proposals
- 5) Social responsibility shareholder proposals

7.2 Under normal circumstances, it is expected that the proxy voter will employ the Retirement Trust's following proxy voting guidelines on issues of routine business or financial matters. The proxy voter will vote for:

- 1) The proposed slate of directors, assuming directors attend requisite meetings
- 2) Appointment of auditors
- 3) Increases in authorized common stock, not to exceed 100% of existing authorized shares
- 4) Changes in board structure

- 7.3** The Board also provides the following general guidelines with respect to non-routine matters, anti-takeover issues, corporate governance proposals and socially responsible proposals:
- 1) For issues that involve non-routine business or financial matters, the proxy voter would be expected to vote against the nonfinancial effects of a merger proposal, but for director liability and indemnification, stock option plans and stock splits.
  - 2) In the area of anti-takeover issues, it is expected that the proxy voter shall vote against blank check preferred stock proposals, classified boards, limiting shareholders' right to call special meetings, limiting shareholders' rights to act by written consent, super-majority voting requirements, reincorporation proposals, issuance of stock with unequal voting rights and elimination of preemptive rights.
  - 3) For corporate governance shareholder proposals, the proxy voter will be expected to vote for requiring a majority of independent directors submitting a company's shareholder rights plan to a shareholder vote, implementing confidential voting, anti-greenmail proposals, opting out of State anti-takeover laws, equal access to proxy materials, submitting golden parachutes to a shareholder vote, adopting cumulative voting and shareholder proposals involving anti-takeover proposals. The proxy voter will be expected to vote against limiting the terms of directorship and stock ownership requirements.
  - 4) In the area of socially responsible shareholder proposals, the proxy voter will vote these proxies in the best economic interest of the Retirement Trust's members.
- 7.4** Under certain circumstances, the Board recognizes that voting in accordance with these issue-specific proxy guidelines will not be consistent with its primary proxy voting guideline of voting all proxy ballots according to the best economic interest of the Retirement Trust's members. In such cases, when reporting to the Board in its regular quarterly report, the proxy voter shall explain why they did not vote according to the Board's issue-specific proxy guidelines.

## **Appendix D**

### **9.0 PORTFOLIO REPORTING REQUIREMENTS**

Satisfying the quarterly portfolio reporting requirements of the Retirement Trust is an important part of the manager's responsibilities. These requirements are stated below. Significant portfolio developments, as well as major changes in the firm's ownership, organizational structure and personnel, should be immediately communicated in writing via fax or e-mail to the Board, the Retirement Administrator, and the investment consultant. Managers are expected to disclose any SEC investigations or litigation brought against the firm or key personnel immediately.

There will be a regular quarterly written review of investment manager performance versus the respective investment manager's guidelines and benchmarks. Performance both before and after investment management fees will be evaluated. Investment results over periods extending back ten years or since inception, will be stated, if available, as well as the appropriate universe medians and style group comparisons by the Trust's investment consultant.

Also, the manager agrees to satisfy the Board's prescribed quarterly reporting requirements.

It is the responsibility of the Trust's investment managers to certify and demonstrate that their portfolios are in compliance with the Retirement Trust's overall guidelines.

Investment management firm's will continually monitor risks associated with their investments. They will be expected to report on the active management positions assumed relative to their respective benchmarks. As a result of this risk/reward analysis, active managers will provide attribution versus benchmarks in each regular quarterly report.

#### **9.1 Quarterly Reporting:**

Quarterly reporting shall be timely delivered to the Trust and Consultant and should meet industry best practices which generally includes the following:

1. Portfolio investment objectives, strategy and process
2. Portfolio performance – gross and net of fees
3. Portfolio asset mix & asset growth
4. Portfolio & benchmark characteristic comparison
5. Quarter-end reconciliation to custodian
6. Quarter-end portfolio positions & transactions
7. Portfolio attribution analysis
8. Soft dollar brokerage services
9. Conflicts of interest
10. Cash flows
11. Proxy voting record (if applicable)– past quarter

12. Economic analysis & additional information
13. Statement of Sudan/Iran holdings (include date of Protecting Florida's Investment Act quarterly report used)

All manager reports should adhere to this order, unless otherwise instructed by the Retirement Trust.

## **Appendix E**

### **14.0 PORTFOLIO REBALANCING**

- 14.1** The Retirement Administrator and Consultant shall monitor the portfolio regularly. The Consultant shall issue a recommendation to the Board any time an asset class breaches its acceptable range.
- 14.2** In monitoring the portfolio, the Retirement Administrator and Consultant shall be guided by the section on target asset allocation ranges for each asset class.
- 14.3** The Board has authority to issue instructions to managers to liquidate securities for reallocation to other managers or other asset classes, but shall do so only after considering the recommendation of the Retirement Administrator and Investment Consultant.
- 14.4** All interest, dividends, net operating revenue and capital gains shall be reinvested by the investment manager accountable for the underlying security investment.
- 14.5** The Board shall review the allocation of assets to each investment manager as part of the Board's asset allocation review.

## **Appendix F**

### **15.0 RESPONSIBILITIES OF GLOBAL CUSTODIAN**

The Board recognizes that accurate and timely completion of custodial functions are necessary for the effective monitoring of the investment management activity. The custodian's responsibilities for the Retirement Trust's investable assets are to:

- 15.1** Provide complete global custody and depository services for the Retirement Trust's designated accounts.
- 15.2** Provide a Short Term Investment Fund (STIF) for investments of any cash, to ensure maximum investment of the Retirement Trust's assets.
- 15.3** Provide in a timely and effective manner, settlement of securities transactions and provide monthly reports of the investment actions implemented by the Retirement Trust's investment managers.
- 15.4** Collect all income and principal realizable and properly report the collections on the custodial periodic statements.
- 15.5** Provide monthly and fiscal year-end accounting statements for the Retirement Trust's portfolios, including all transactions. These statements will be based on accurate security values both for cost and market. Audited reports will be provided within 12 business days of month-end and fiscal year-end.
- 15.6** Report to the Retirement Trust situations where accurate security pricing, valuations and accrued income is either not possible to report or is subject to considerable uncertainty.
- 15.7** Provide assistance to the Retirement Trust to complete such activities as the annual audit, transaction verification or unique issues as required by the Board.
- 15.8** Manage a securities lending program to enhance income if designated by the Boards.
- 15.9** Provide electronic access to accounting and performance reporting systems.
- 15.10** Assist the Board in keeping track of securities litigation cases of past and current investments made by the Retirement Trust's investment managers. Periodic securities litigation reports will be supplied to the Board to review.

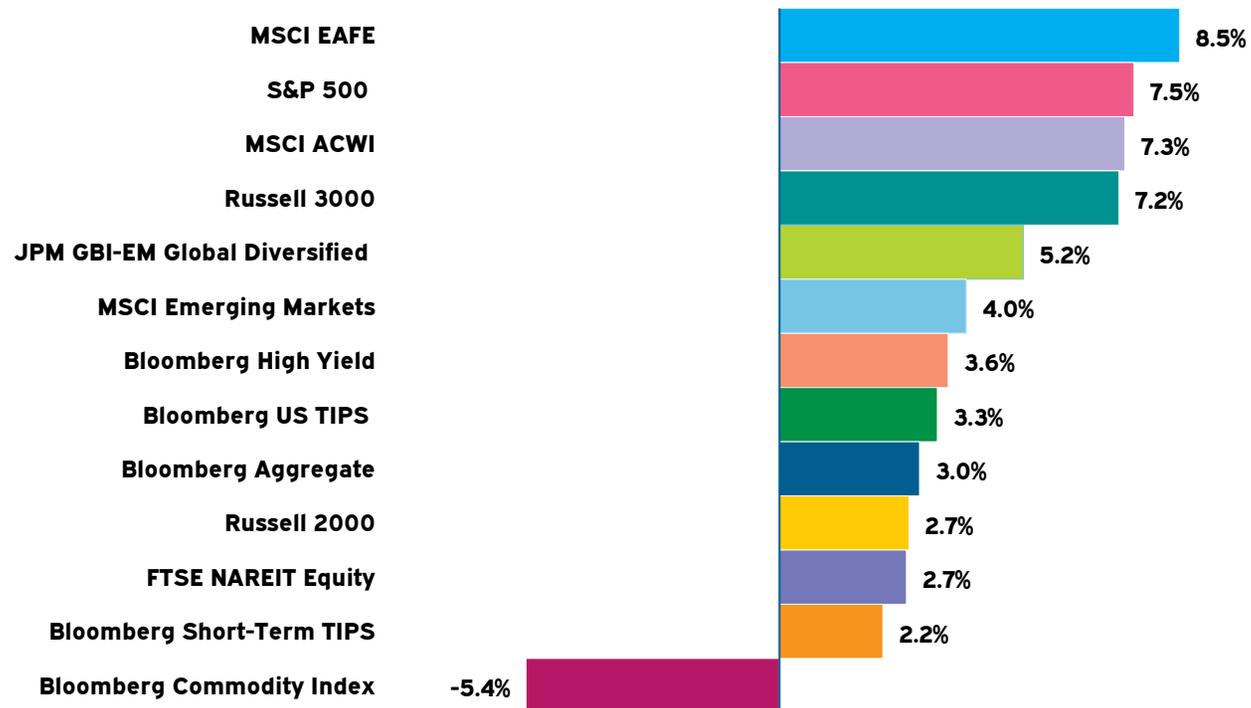
**Economic and Market Update**  
Data as of March 31, 2023

### Commentary

- It was a volatile quarter for most asset classes driven by evolving monetary policy expectations and high-profile bank failures. Ultimately investors remained focused on slowing inflation and potentially peaking rate hikes leading to positive results across most asset classes for the quarter.
- The Fed's, and others', quick responses to pressures in the banking sector brought confidence back to the markets in March with the crisis driving the terminal policy rate expectations lower.
  - US equity markets (Russell 3000) rallied in March (+2.7%) finishing the first quarter in strongly positive territory (+7.2%). Growth significantly outperformed value for the quarter, driven by the technology sector.
  - Non-US developed equity markets (MSCI EAFE +2.5%) also posted positive returns in March. They returned 8.5% for the quarter, finishing ahead of US equities.
  - Emerging market equities had positive returns for the month (+3.0%) supported by Chinese equities (+4.5%) and a weaker US dollar. They trailed developed market equities for the quarter partly due to higher US-China tensions.
  - On expectations for lower inflation and concerns over the banking sector, bonds rallied in March, with the broad US bond market (Bloomberg Aggregate) rising 2.5%. For the quarter, the broad US bond market was up 3.0%.
- This year, the path of inflation and monetary policy, slowing global growth, and the war in Ukraine, as well as recent pressures in small- and medium-sized regional banks in the US, will all be key.

### Index Returns<sup>1</sup>

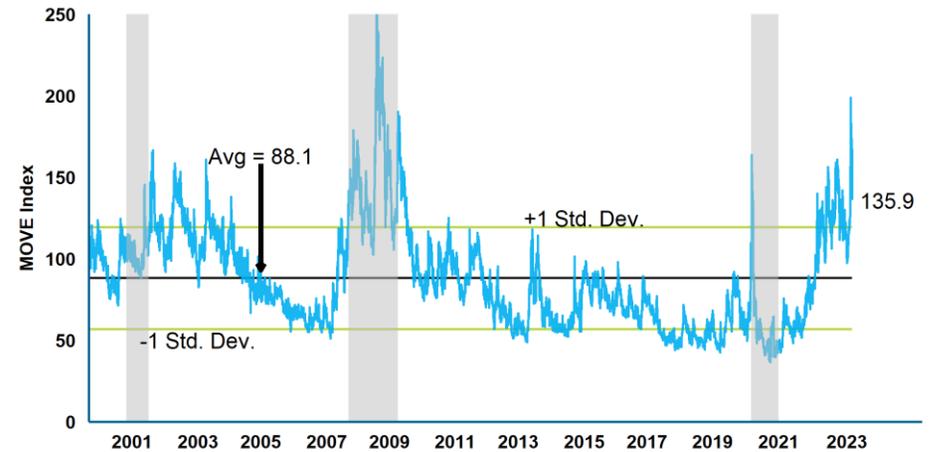
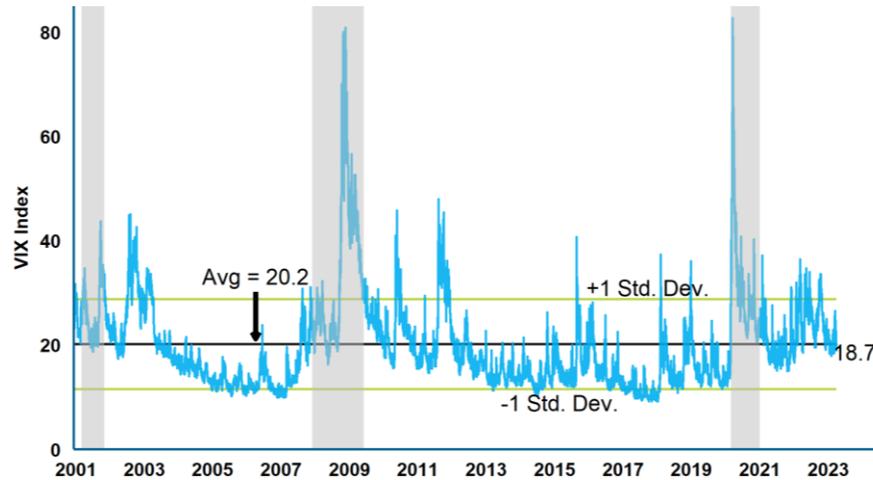
Q1 2023



→ Despite volatility during the quarter, public markets, except commodities, finished the first quarter of 2023 in positive territory adding to the strong gains from the fourth quarter of last year.

<sup>1</sup> Source: Bloomberg and FactSet. Data is as of March 31, 2023.

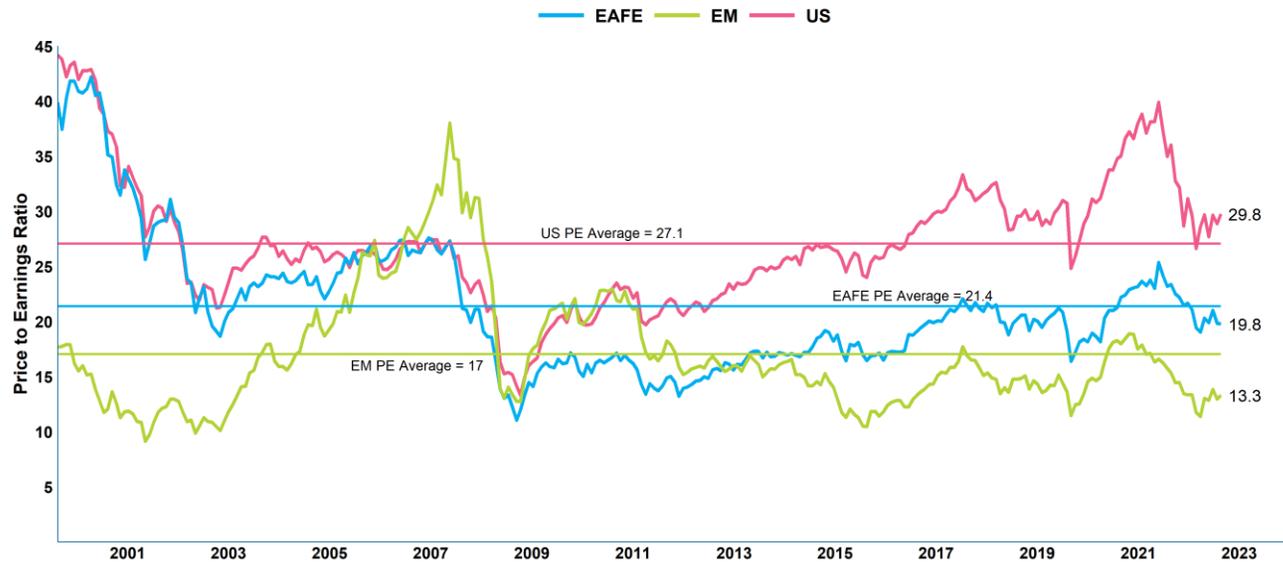
### Equity and Fixed Income Volatility<sup>1</sup>



- Volatility in equities (VIX) remained subdued through the end of March as investors continued to anticipate the end of the Fed's policy tightening.
- In comparison, the bond market remains on edge with the more policy sensitive MOVE (fixed income volatility) remaining well above its long-run average. During the quarter it hit the highest level since the Global Financial Crisis as the banking sector issues created uncertainty over how the Fed would balance fighting inflation and maintaining financial stability.

<sup>1</sup> Equity and Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of March 2023. The average line indicated is the average of the VIX and MOVE values between January 2000 and March 2023.

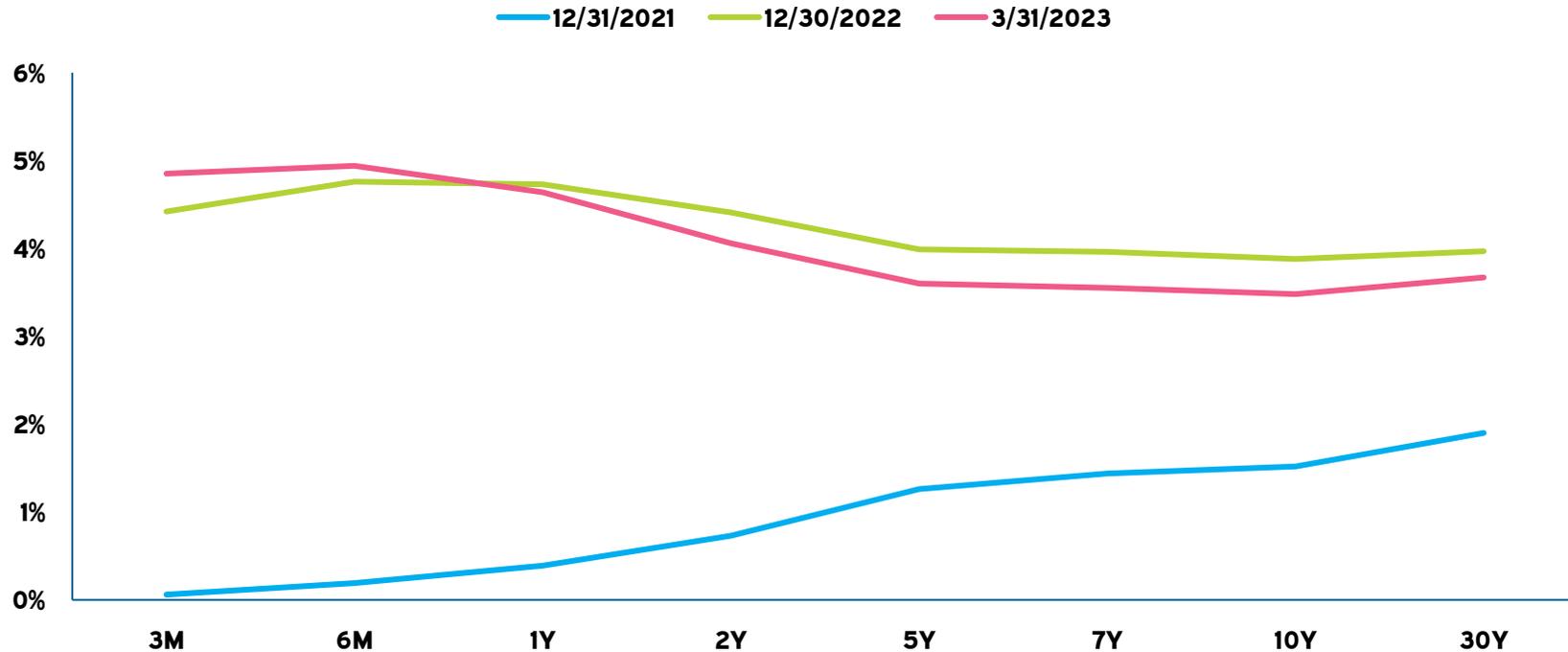
**Equity Cyclically Adjusted P/E Ratios<sup>1</sup>**



- After its dramatic decline last year the US equity price-to-earnings ratio remains above its long-run (21st century) average.
- International developed market valuations are slightly below their own long-term average, with those for emerging markets the lowest and well under the long-term average.

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of March 2023. The average line is the long-term average of the US, EM, and EAFE PE values from December 1999 to the recent month-end respectively.

### US Yield Curve<sup>1</sup>

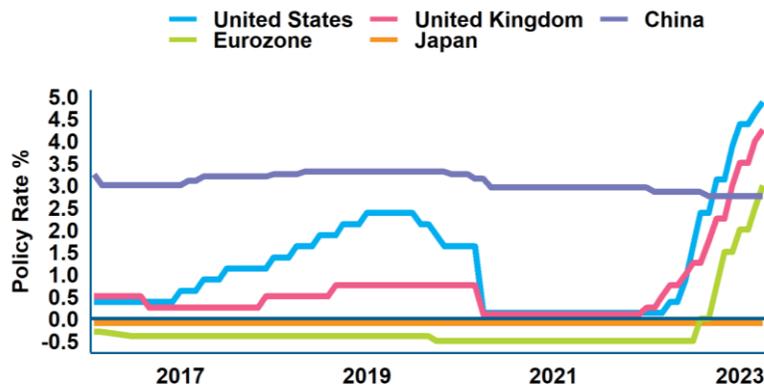


- The Fed remained committed to fighting inflation, despite pressures in the banking sector, raising rates another 25 basis points to a range of 4.75% to 5.0% at its March meeting.
- It was a volatile quarter for interest rates, particularly shorter-dated maturities. Except for the shortest maturities, rates largely declined across the yield curve in the first quarter on expectations of peaking policy.

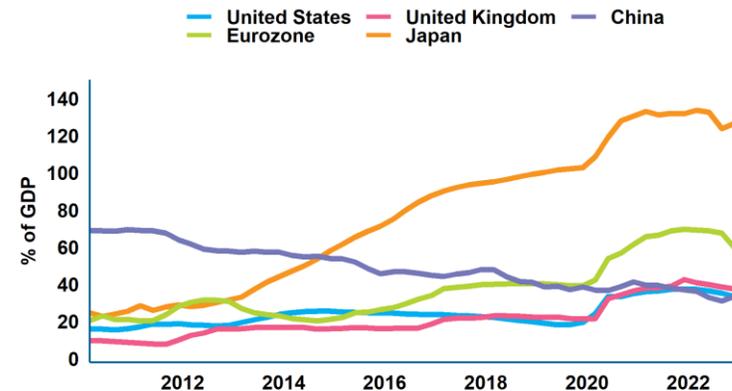
<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2023.

### Central Bank Response<sup>1</sup>

#### Policy Rates



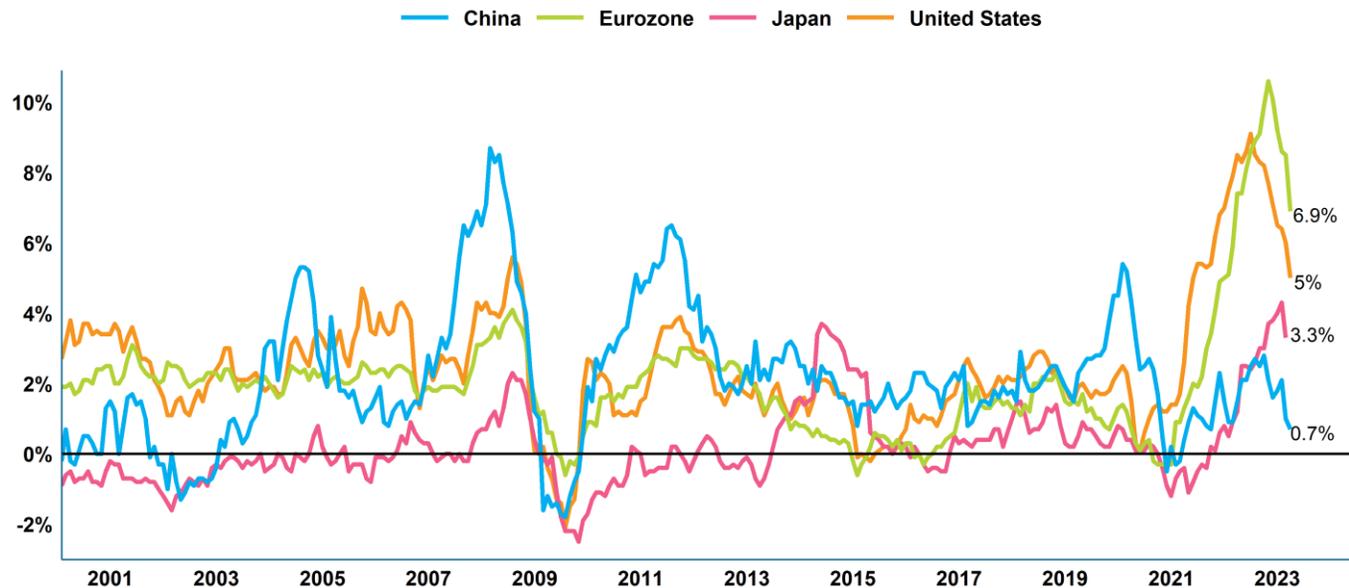
#### Balance Sheet as % of GDP



- In 2022 many central banks aggressively reduced pandemic-era policy support in the face of high inflation with the US taking the most aggressive approach. Slowing inflation and recent signs of instability in the banking sector have led to expectations for the slowing of policy tightening going forward.
- In March the Fed, FDIC, and Treasury provided deposit guarantees after high profile bank failures revealed bank capital losses on US Treasuries related to higher interest rates and lax risk management.
- China's central bank is one notable exception. They are expected to maintain an accommodative monetary stance to support the economy. They cut bank reserves requirements to improve bank liquidity and banks have also securitized over \$390 billion in non-performing loans to improve loan quality ratios.
- Looking ahead the risk remains for a policy error as central banks attempt to balance bringing down inflation, maintaining financial stability, and growth.

<sup>1</sup> Source: Bloomberg. Policy rate data is as of March 31, 2023. China policy rate is defined as the medium-term lending facility 1 year interest rate. Balance sheet as % of GDP is based on quarterly data and is as of December 31, 2022.

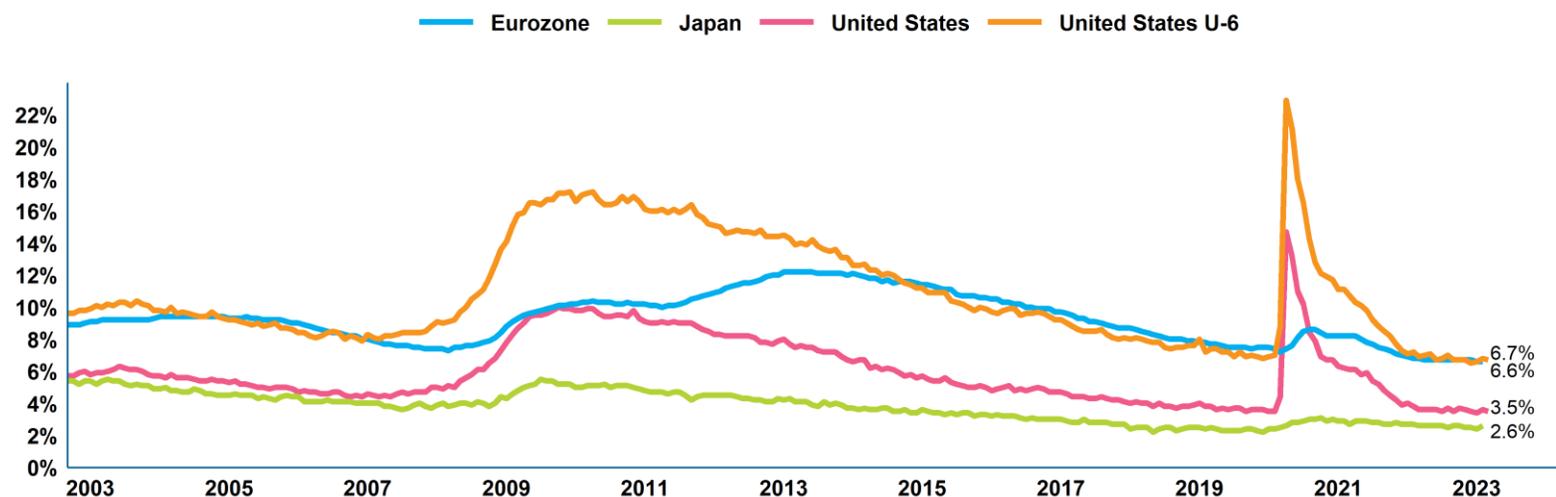
**Inflation (CPI Trailing Twelve Months)<sup>1</sup>**



- Inflation increased dramatically from the lows of the pandemic, particularly in the US and Eurozone where it reached levels not seen in many decades.
- Inflation pressures are slowly declining in the US as supply issues ease, but they remain elevated, while in Europe they have also started to fall as energy prices have eased.
- Lingering supply issues related to the pandemic, record monetary and fiscal stimulus, strict COVID-19 restrictions in China, and higher commodity prices driven by the war in Ukraine have been key global drivers of inflation.

<sup>1</sup> Source: Bloomberg. Data is as March 31, 2023. The most recent Japanese inflation data is as of February 2023.

### Unemployment<sup>1</sup>



- Labor markets have significantly improved from the pandemic as economies have largely reopened.
- Despite slowing growth and high inflation, the US labor market remains a particular bright spot. Unemployment in the US, which experienced the steepest rise, recently has returned to pre-pandemic levels. Broader measures of unemployment (U-6) remain higher at 6.7% but have also declined dramatically from their peak.
- The strong labor market and higher wages, although beneficial for workers, motivates the Fed's efforts to fight inflation, likely leading to higher unemployment.

<sup>1</sup> Source: Bloomberg. Data is as March 31, 2023, for the US. The most recent data for Eurozone and Japanese unemployment is as of February 2023.

### US Dollar versus Broad Currencies<sup>1</sup>



- The dollar finished 2022 much higher than it started, due to the increased pace of policy tightening, stronger relative growth, and safe-haven flows. Late last year and into early this year, the dollar experienced some weakness though as investors anticipated the end of Fed tightening.
- Overall, the US dollar depreciated in March and finished the quarter slightly lower than where it started as weaker economic data and bank turmoil drove interest rates lower in the US.
- This year, the track of inflation across economies and the corresponding monetary policies will likely be key drivers of currency moves.

<sup>1</sup> DXY. Source: Bloomberg. Data as of March 31, 2023.

## Summary

### Key Trends:

- The impacts of record high inflation will remain key, with market volatility likely to stay high.
- Recent issues related to the banking sector have created a delicate balance for central banks to continue to fight inflation but also try to maintain financial stability.
- Global monetary policies could diverge in 2023 with the Fed pausing and others continuing to tighten. The risk of policy errors remains elevated given persistent inflation pressures and a strong US labor market.
- Growth is expected to slow globally this year, with many economies forecast to tip into recession. Inflation, monetary policy, and the war will all be key.
- In the US, the end of many fiscal programs is expected to put the burden of continued growth on consumers. Costs for shelter, medical care, and education could continue to rise, keeping 'sticky price' inflation at elevated levels.
- The key for US equities going forward will be whether earnings can remain resilient if growth continues to slow.
- Outside the US, equity valuations remain lower in both emerging and developed markets, but risks remain, including potential continued strength in the US dollar, higher inflation particularly weighing on Europe, and China's rushed exit from COVID-19 restrictions and on-going weakness in the real estate sector.

**Performance Report  
as of March 31, 2023**

Q1 2023 Executive Summary

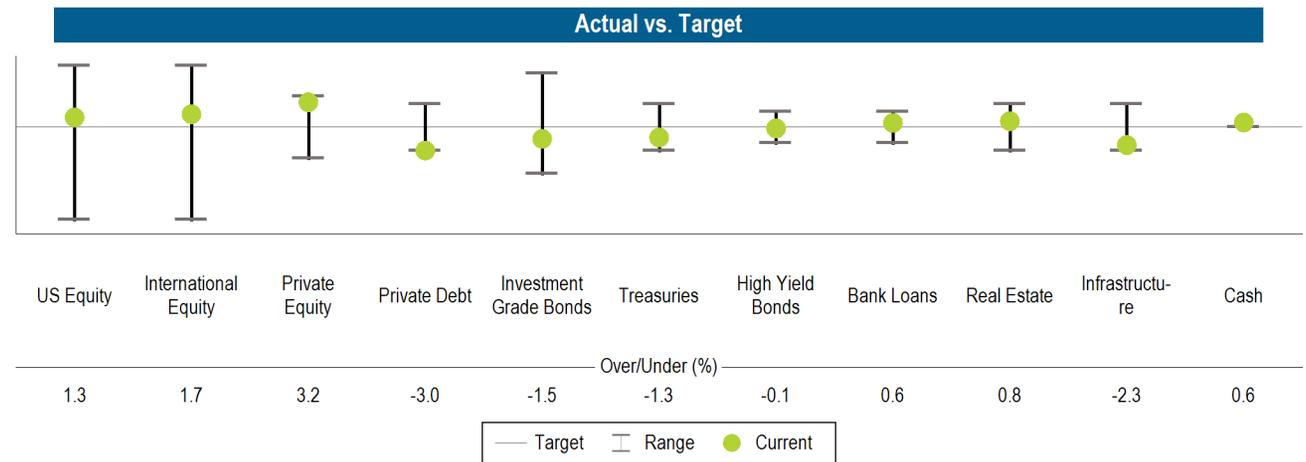
| Category   | Results        | Notes   |
|--|----------------|---|
| Total Fund Performance                             | Positive       | 4.3% net of fees (~\$71 mm)   |
| Performance vs. Benchmark                          | Underperformed | 4.3% net of fees vs. 5.5% policy benchmark                                      |
| Performance vs. Peers                              | Outperformed   | 34th percentile (4.3% vs. 3.7% peer median)                                     |
| Asset Allocation Attribution Effects               | Detracted      | Overweight private equity and real estate                                       |
| Active Public <sup>1</sup> Managers vs. Benchmarks | Outperformed   | 8 out of 11 active managers beat/matched their respective benchmarks after fees |
| Compliance with Targets                            | In Compliance  | All exposure within policy ranges   |

<sup>1</sup> All strategies that have liquidity, i.e. Includes open-end real estate, but not closed-end real estate, private equity, infrastructure.

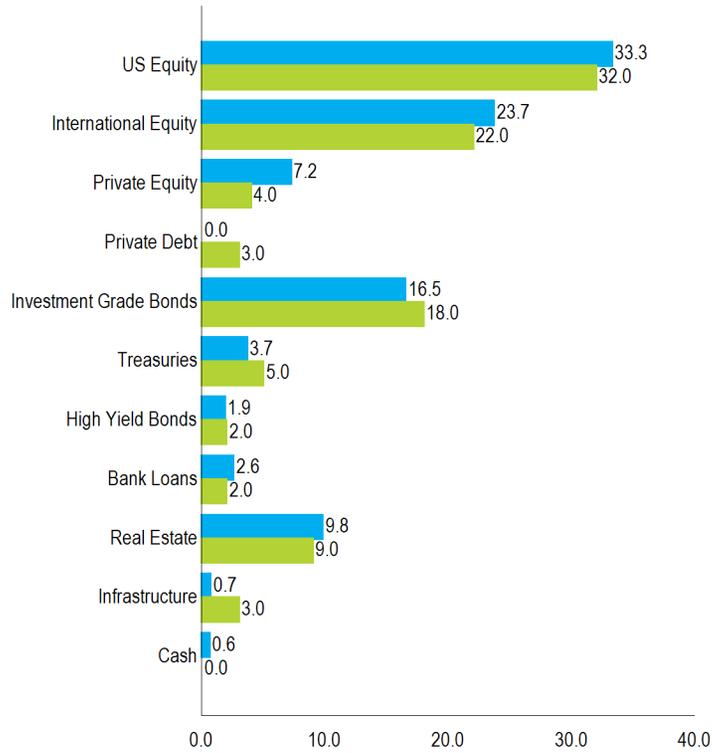


| Allocation vs. Targets and Policy |                        |                    |             |              |                   |  |
|-----------------------------------|------------------------|--------------------|-------------|--------------|-------------------|--|
|                                   | Current Balance        | Current Allocation | Policy      | Policy Range | Within IPS Range? |  |
| US Equity                         | \$549,968,387          | 33%                | 32%         | 20% - 40%    | Yes               |  |
| International Equity              | \$391,534,675          | 24%                | 22%         | 10% - 30%    | Yes               |  |
| Private Equity                    | \$119,768,856          | 7%                 | 4%          | 0% - 8%      | Yes               |  |
| Private Debt                      | --                     | --                 | 3%          | 0% - 6%      | Yes               |  |
| Investment Grade Bonds            | \$272,803,676          | 17%                | 18%         | 12% - 25%    | Yes               |  |
| Treasuries                        | \$60,911,464           | 4%                 | 5%          | 2% - 8%      | Yes               |  |
| High Yield                        | \$30,885,817           | 2%                 | 2%          | 0% - 4%      | Yes               |  |
| Bank Loans                        | \$42,469,413           | 3%                 | 2%          | 0% - 4%      | Yes               |  |
| Real Estate                       | \$161,906,446          | 10%                | 9%          | 6% - 12%     | Yes               |  |
| Infrastructure                    | \$11,574,146           | 1%                 | 3%          | 0% - 6%      | Yes               |  |
| Cash & Cash Alternatives          | \$10,430,512           | 1%                 | 0%          | 0% - 5%      | Yes               |  |
| <b>Total</b>                      | <b>\$1,652,253,392</b> | <b>100%</b>        | <b>100%</b> |              |                   |  |

Throughout the entire report, cash includes investment in the BlackRock Liquid Policy portfolio.

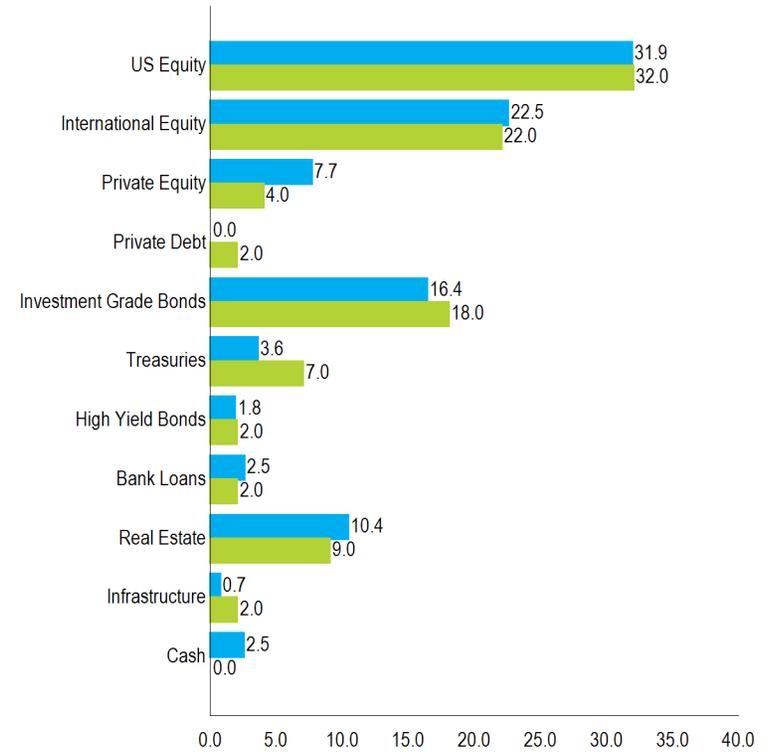


**Actual vs Target Allocation (%)**  
As of March 31, 2023



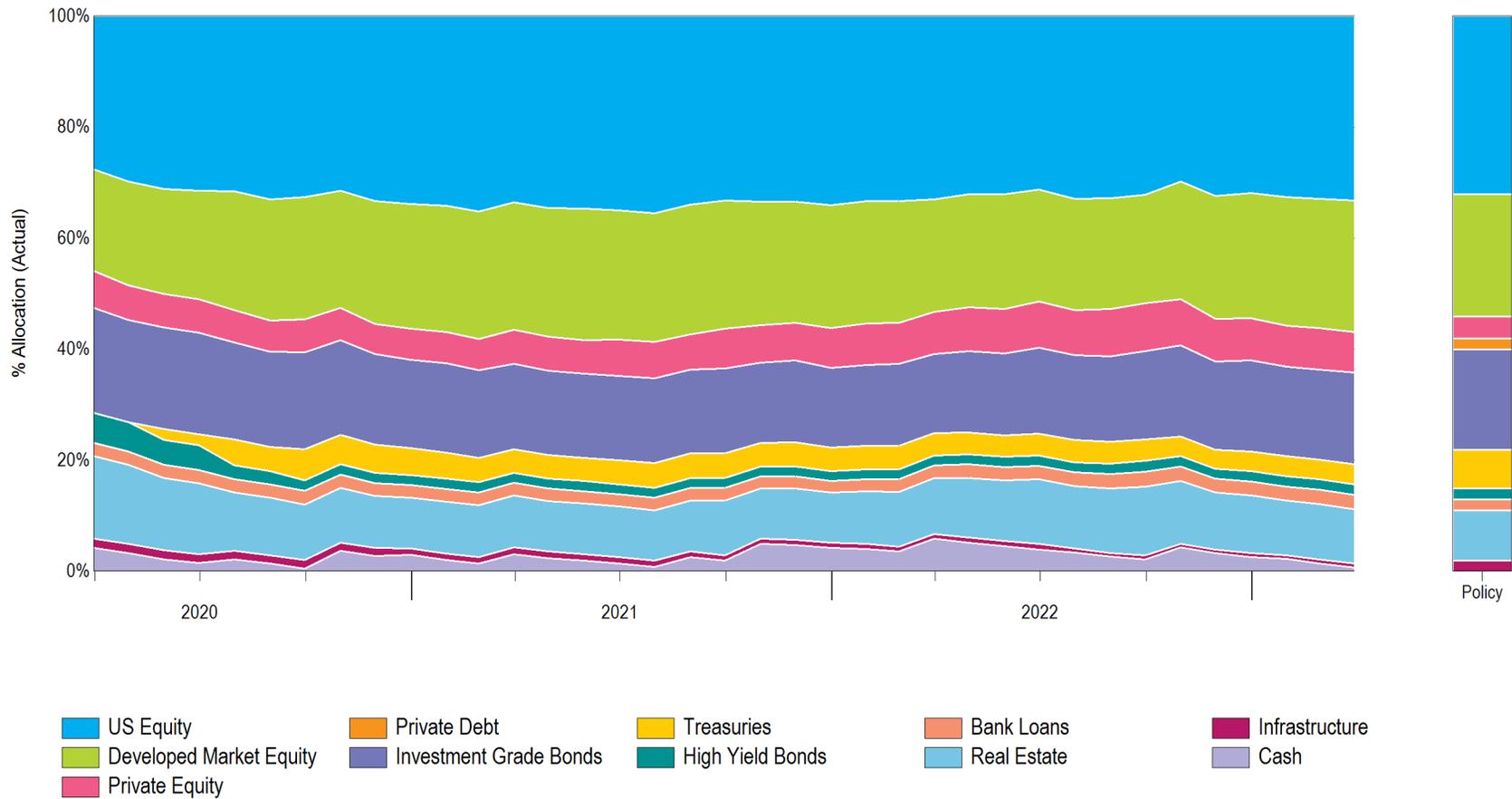
Actual Policy

**Actual vs Target Allocation (%)**  
As of December 31, 2022

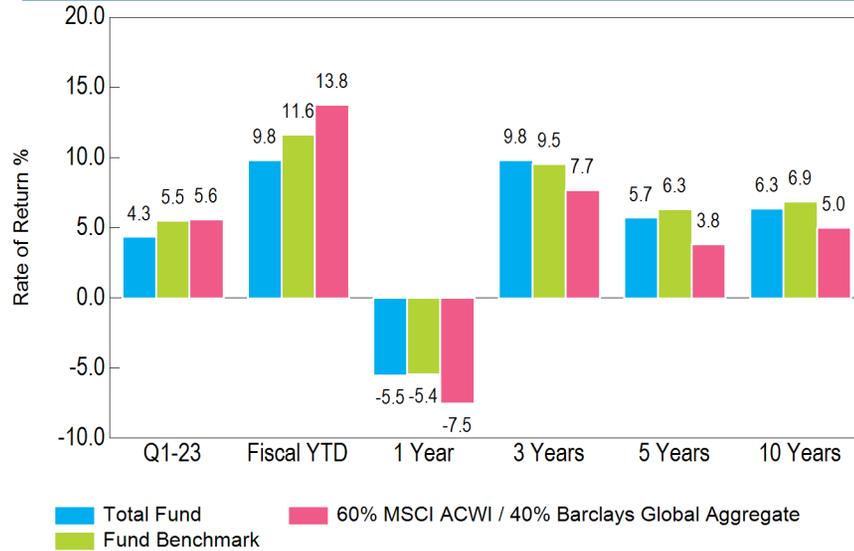


Actual Policy

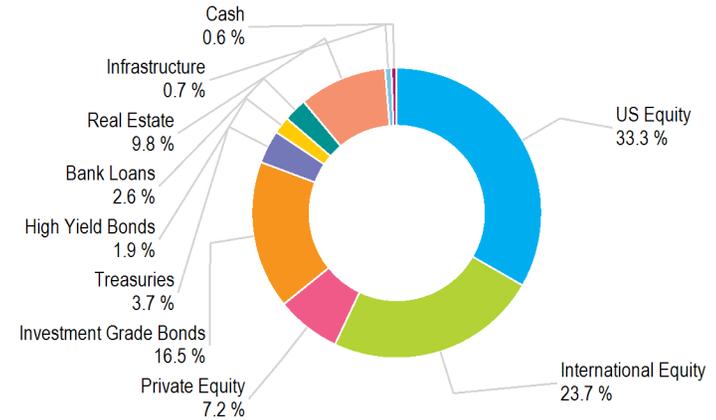
Asset Allocation History  
3 Years Ending March 31, 2023



#### Return Summary (Net of Fees)

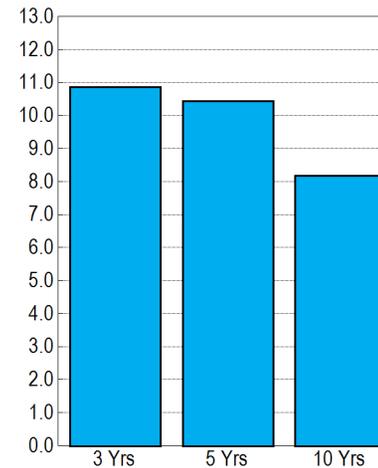


#### Current Allocation



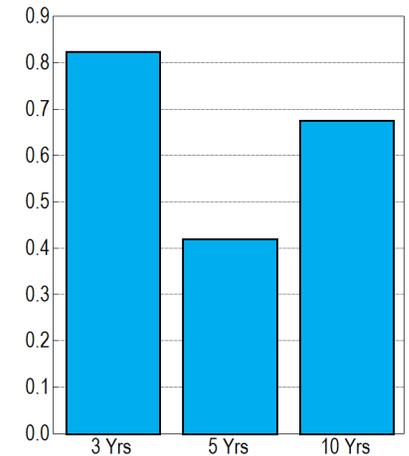
#### Annualized Standard Deviation

##### Total Fund



#### Sharpe Ratio

##### Total Fund

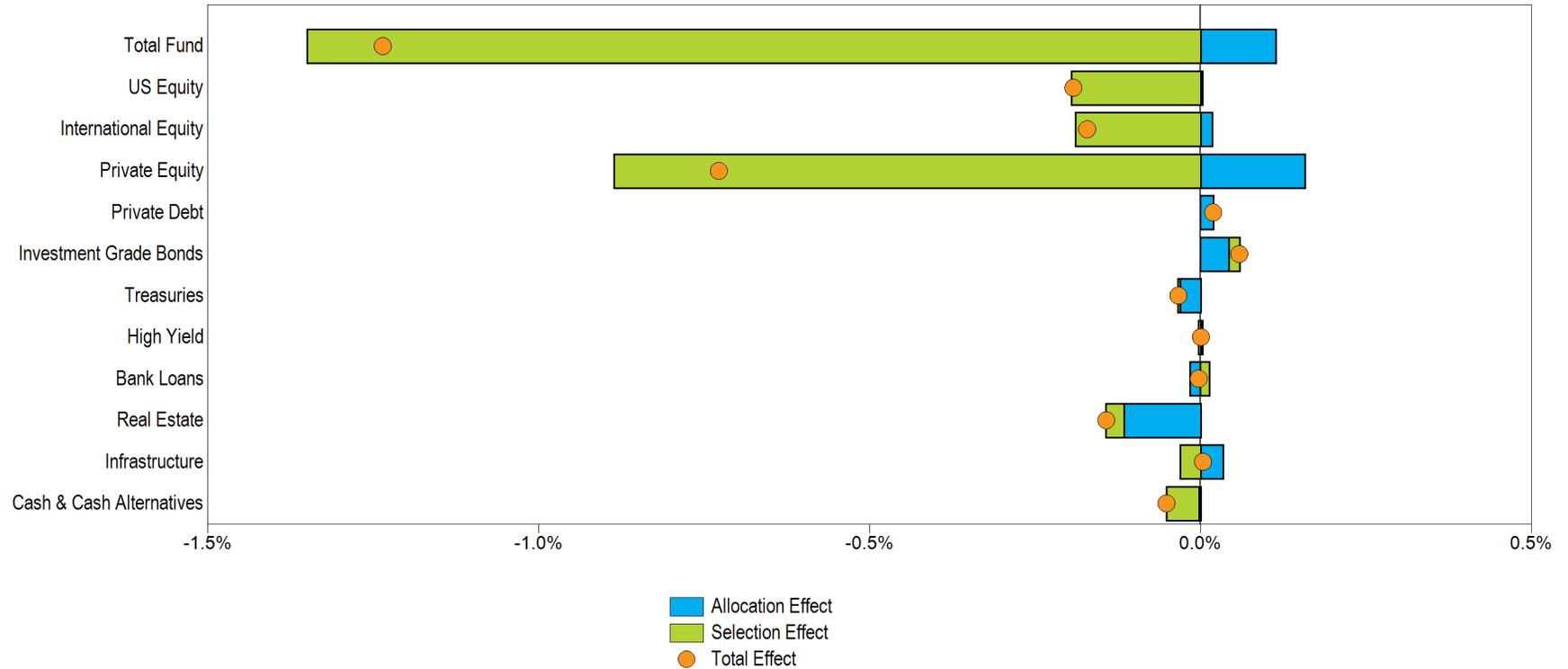


|  | QTD (%)    | Fiscal YTD (%) | 1 Yr (%)    | 3 Yrs (%)   | 5 Yrs (%)  | 10 Yrs (%) |
|--|------------|----------------|-------------|-------------|------------|------------|
| <b>Total Fund (Net of Fees)</b>                  | <b>4.3</b> | <b>9.8</b>     | <b>-5.5</b> | <b>9.8</b>  | <b>5.7</b> | <b>6.3</b> |
| <i>Fund Benchmark</i>                            | <i>5.5</i> | <i>11.6</i>    | <i>-5.4</i> | <i>9.5</i>  | <i>6.3</i> | <i>6.9</i> |
| <i>InvestorForce Public DB \$1-5B Net Rank</i>   | <i>34</i>  | <i>41</i>      | <i>77</i>   | <i>88</i>   | <i>52</i>  | <i>70</i>  |
| <i>InvestorForce Public DB \$1-5B Net Median</i> | <i>3.7</i> | <i>9.3</i>     | <i>-4.5</i> | <i>11.4</i> | <i>5.8</i> | <i>6.8</i> |

As of 3/1/2023, the total fund benchmark consists of 32% Russell 3000, 22% MSCI EAFE, 9% NCREIF ODCE, 4% MSCI ACWI IMI (Lagged) +2%, 3% Barclays US High Yield 1Q Lagged + 2%, 18% Barclays US Aggregate, 2% Credit Suisse Leveraged Loans, 2% ICE BofA Merrill Lynch US High Yield, 5% Barclays US Long Treasury, and 3% Consumer Price Index + 5%

Benchmark returns prior to 9/30/2019 provided by prior consultant.

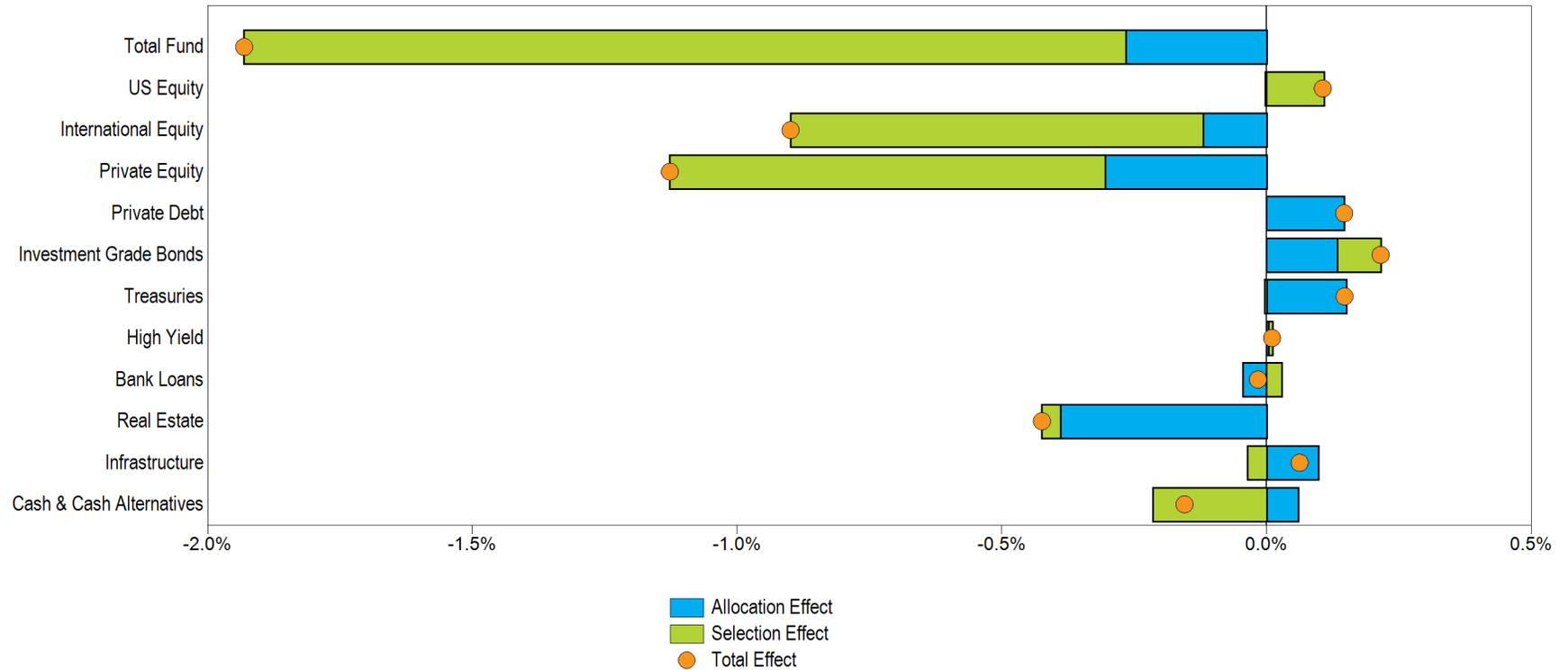
#### Attribution Effects 3 Months Ending March 31, 2023



|              | Wtd. Actual Return | Wtd. Index Return | Excess Return | Selection Effect | Allocation Effect | Total Effects |
|--------------|--------------------|-------------------|---------------|------------------|-------------------|---------------|
| <b>Total</b> | <b>4.3%</b>        | <b>5.6%</b>       | <b>-1.2%</b>  | <b>-1.4%</b>     | <b>0.1%</b>       | <b>-1.2%</b>  |

The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.

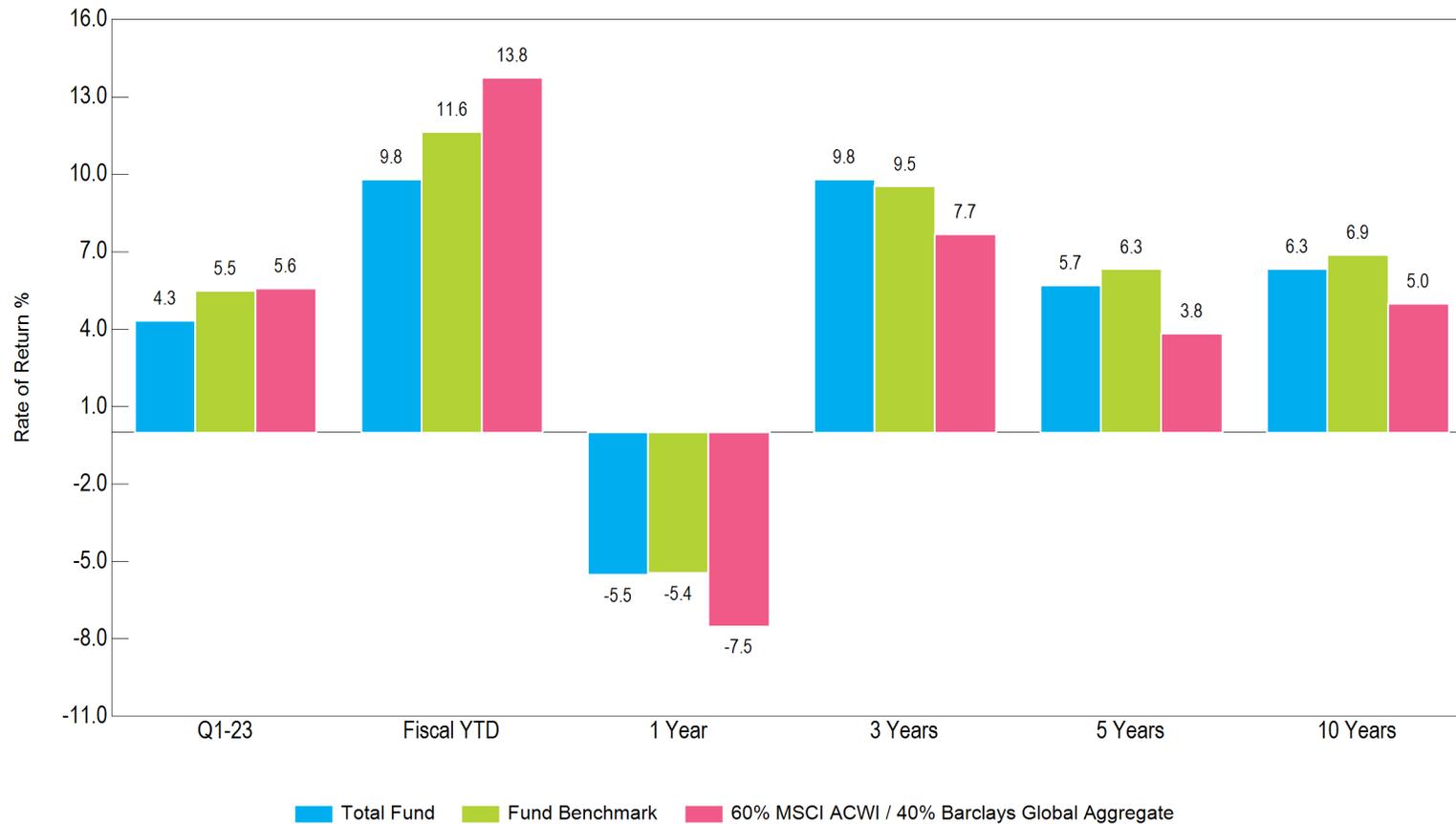
#### Attribution Effects Fiscal YTD Ending March 31, 2023



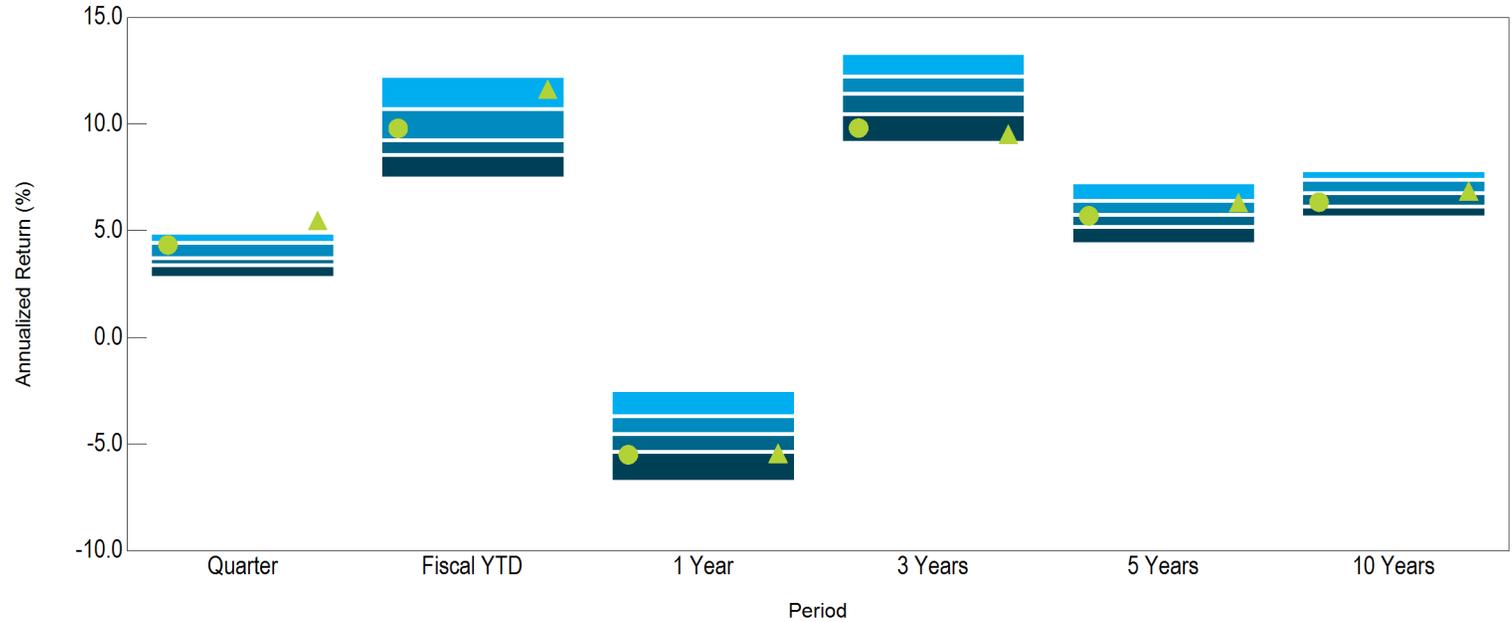
|              | Wtd. Actual Return | Wtd. Index Return | Excess Return | Selection Effect | Allocation Effect | Total Effects |
|--------------|--------------------|-------------------|---------------|------------------|-------------------|---------------|
| <b>Total</b> | <b>9.8%</b>        | <b>11.7%</b>      | <b>-1.9%</b>  | <b>-1.7%</b>     | <b>-0.3%</b>      | <b>-1.9%</b>  |

The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.

Return Summary (Net of Fees)  
Ending March 31, 2023



#### InvestorForce Public DB \$1-5B Net Return Comparison Ending March 31, 2023



|                  | Quarter |      | Fiscal YTD |      | 1 Year |      | 3 Years |      | 5 Years |      | 10 Years |      |
|------------------|---------|------|------------|------|--------|------|---------|------|---------|------|----------|------|
| Return (Rank)    |         |      |            |      |        |      |         |      |         |      |          |      |
| 5th Percentile   | 4.9     |      | 12.2       |      | -2.5   |      | 13.3    |      | 7.2     |      | 7.8      |      |
| 25th Percentile  | 4.4     |      | 10.7       |      | -3.7   |      | 12.2    |      | 6.4     |      | 7.4      |      |
| Median           | 3.7     |      | 9.3        |      | -4.5   |      | 11.4    |      | 5.8     |      | 6.8      |      |
| 75th Percentile  | 3.4     |      | 8.6        |      | -5.4   |      | 10.5    |      | 5.2     |      | 6.1      |      |
| 95th Percentile  | 2.8     |      | 7.4        |      | -6.8   |      | 9.1     |      | 4.4     |      | 5.6      |      |
| # of Portfolios  | 33      |      | 33         |      | 33     |      | 33      |      | 33      |      | 31       |      |
| ● Total Fund     | 4.3     | (34) | 9.8        | (41) | -5.5   | (77) | 9.8     | (88) | 5.7     | (52) | 6.3      | (70) |
| ▲ Fund Benchmark | 5.5     | (2)  | 11.6       | (12) | -5.4   | (76) | 9.5     | (90) | 6.3     | (29) | 6.9      | (48) |

#### Asset Class Performance Summary (Net of Fees)

|                                      | Market Value<br>(\$) | % of<br>Portfolio | QTD<br>(%)  | Fiscal<br>YTD<br>(%) | 1 Yr<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) | 10 Yrs<br>(%) | S.I. Date     | S.I.<br>(%)  |
|--------------------------------------|----------------------|-------------------|-------------|----------------------|--------------|--------------|--------------|---------------|---------------|--------------|
| <b>Total Fund</b>                    | <b>1,652,253,392</b> | <b>100.0</b>      | <b>4.3</b>  | <b>9.8</b>           | <b>-5.5</b>  | <b>9.8</b>   | <b>5.7</b>   | <b>6.3</b>    | <b>Jan-94</b> | <b>7.7</b>   |
| <i>Fund Benchmark</i>                |                      |                   | <i>5.5</i>  | <i>11.6</i>          | <i>-5.4</i>  | <i>9.5</i>   | <i>6.3</i>   | <i>6.9</i>    | <i>Jan-94</i> | <i>7.4</i>   |
| <b>US Equity</b>                     | <b>549,968,387</b>   | <b>33.3</b>       | <b>6.6</b>  | <b>15.3</b>          | <b>-7.7</b>  | <b>19.1</b>  | <b>9.4</b>   | <b>11.0</b>   | <b>Jan-94</b> | <b>--</b>    |
| <i>Russell 3000</i>                  |                      |                   | <i>7.2</i>  | <i>14.9</i>          | <i>-8.6</i>  | <i>18.5</i>  | <i>10.4</i>  | <i>11.7</i>   | <i>Jan-94</i> | <i>9.7</i>   |
| <b>International Equity</b>          | <b>391,534,675</b>   | <b>23.7</b>       | <b>7.6</b>  | <b>23.1</b>          | <b>-3.5</b>  | <b>11.2</b>  | <b>3.8</b>   | <b>5.7</b>    | <b>Jan-94</b> | <b>--</b>    |
| <i>MSCI EAFE</i>                     |                      |                   | <i>8.5</i>  | <i>27.3</i>          | <i>-1.4</i>  | <i>13.0</i>  | <i>3.5</i>   | <i>5.0</i>    | <i>Jan-94</i> | <i>5.0</i>   |
| <b>Private Equity</b>                | <b>119,768,856</b>   | <b>7.2</b>        | <b>-1.1</b> | <b>-4.9</b>          | <b>-6.8</b>  | <b>18.5</b>  | <b>15.7</b>  | <b>13.1</b>   | <b>Jan-94</b> | <b>--</b>    |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> |                      |                   | <i>10.4</i> | <i>3.6</i>           | <i>-16.7</i> | <i>6.0</i>   | <i>7.1</i>   | <i>10.1</i>   | <i>Jan-94</i> | <i>--</i>    |
| <b>Investment Grade Bonds</b>        | <b>272,803,676</b>   | <b>16.5</b>       | <b>3.1</b>  | <b>5.4</b>           | <b>-4.1</b>  | <b>-1.3</b>  | <b>1.1</b>   | <b>1.5</b>    | <b>Jan-94</b> | <b>4.5</b>   |
| <i>Bloomberg US Aggregate TR</i>     |                      |                   | <i>3.0</i>  | <i>4.9</i>           | <i>-4.8</i>  | <i>-2.8</i>  | <i>0.9</i>   | <i>1.4</i>    | <i>Jan-94</i> | <i>4.4</i>   |
| <b>Treasuries</b>                    | <b>60,911,464</b>    | <b>3.7</b>        | <b>6.1</b>  | <b>5.5</b>           | <b>-16.0</b> | <b>--</b>    | <b>--</b>    | <b>--</b>     | <b>Jun-20</b> | <b>-11.9</b> |
| <i>Bloomberg US Govt Long TR</i>     |                      |                   | <i>6.2</i>  | <i>5.5</i>           | <i>-15.9</i> | <i>-11.3</i> | <i>-0.4</i>  | <i>1.4</i>    | <i>Jun-20</i> | <i>-11.9</i> |
| <b>High Yield</b>                    | <b>30,885,817</b>    | <b>1.9</b>        | <b>3.6</b>  | <b>8.2</b>           | <b>-2.4</b>  | <b>5.9</b>   | <b>3.6</b>   | <b>4.2</b>    | <b>Jan-94</b> | <b>--</b>    |
| <i>ICE BofA US High Yield TR</i>     |                      |                   | <i>3.7</i>  | <i>7.9</i>           | <i>-3.6</i>  | <i>5.8</i>   | <i>3.1</i>   | <i>4.0</i>    | <i>Jan-94</i> | <i>6.5</i>   |
| <b>Bank Loans</b>                    | <b>42,469,413</b>    | <b>2.6</b>        | <b>3.6</b>  | <b>6.6</b>           | <b>2.9</b>   | <b>7.1</b>   | <b>3.7</b>   | <b>--</b>     | <b>Jan-94</b> | <b>--</b>    |
| <i>Credit Suisse Leveraged Loans</i> |                      |                   | <i>3.1</i>  | <i>5.5</i>           | <i>2.1</i>   | <i>8.4</i>   | <i>3.5</i>   | <i>3.9</i>    | <i>Jan-94</i> | <i>5.1</i>   |
| <b>Real Estate</b>                   | <b>161,906,446</b>   | <b>9.8</b>        | <b>-3.4</b> | <b>-8.0</b>          | <b>-5.3</b>  | <b>8.8</b>   | <b>6.6</b>   | <b>7.7</b>    | <b>Jan-94</b> | <b>--</b>    |
| <i>NCREIF ODCE</i>                   |                      |                   | <i>-3.2</i> | <i>-8.0</i>          | <i>-3.1</i>  | <i>8.4</i>   | <i>7.5</i>   | <i>9.5</i>    | <i>Jan-94</i> | <i>8.8</i>   |
| <b>Infrastructure</b>                | <b>11,574,146</b>    | <b>0.7</b>        | <b>-1.2</b> | <b>-0.4</b>          | <b>24.5</b>  | <b>10.6</b>  | <b>9.3</b>   | <b>--</b>     | <b>Jan-94</b> | <b>--</b>    |
| <i>CPI + 500 bps</i>                 |                      |                   | <i>2.9</i>  | <i>4.2</i>           | <i>10.2</i>  | <i>10.6</i>  | <i>9.1</i>   | <i>7.8</i>    | <i>Jan-94</i> | <i>--</i>    |
| <b>Cash &amp; Cash Alternatives</b>  | <b>10,430,512</b>    | <b>0.6</b>        | <b>3.3</b>  | <b>6.2</b>           | <b>-12.3</b> | <b>-3.0</b>  | <b>-1.5</b>  | <b>--</b>     | <b>Jan-94</b> | <b>--</b>    |
| <i>BlackRock Custom Benchmark</i>    |                      |                   | <i>5.1</i>  | <i>13.4</i>          | <i>-6.3</i>  | <i>11.1</i>  | <i>5.8</i>   | <i>--</i>     | <i>Jan-94</i> | <i>--</i>    |

Fiscal year end is September 30.

| Performance Summary (Net of Fees)                |                      |             |            |                |             |             |             |             |               |             |
|--|----------------------|-------------|------------|----------------|-------------|-------------|-------------|-------------|---------------|-------------|
|  | Market Value (\$)    | % of Sector | QTD (%)    | Fiscal YTD (%) | 1 Yr (%)    | 3 Yrs (%)   | 5 Yrs (%)   | 10 Yrs (%)  | S.I. Date     | S.I. (%)    |
| <b>Total Fund</b>                                | <b>1,652,253,392</b> | <b>--</b>   | <b>4.3</b> | <b>9.8</b>     | <b>-5.5</b> | <b>9.8</b>  | <b>5.7</b>  | <b>6.3</b>  | <b>Jan-94</b> | <b>7.7</b>  |
| <i>Fund Benchmark</i>                            |                      |             | <i>5.5</i> | <i>11.6</i>    | <i>-5.4</i> | <i>9.5</i>  | <i>6.3</i>  | <i>6.9</i>  | <i>Jan-94</i> | <i>7.4</i>  |
| <i>InvestorForce Public DB \$1-5B Net Median</i> |                      |             | 3.7        | 9.3            | -4.5        | 11.4        | 5.8         | 6.8         | Jan-94        | 7.3         |
| <i>InvestorForce Public DB \$1-5B Net Rank</i>   |                      |             | 34         | 41             | 77          | 88          | 52          | 70          | Jan-94        | 20          |
| <b>US Equity</b>                                 | <b>549,968,387</b>   | <b>33.3</b> | <b>6.6</b> | <b>15.3</b>    | <b>-7.7</b> | <b>19.1</b> | <b>9.4</b>  | <b>11.0</b> | <b>Jan-94</b> | <b>--</b>   |
| <i>Russell 3000</i>                              |                      |             | <i>7.2</i> | <i>14.9</i>    | <i>-8.6</i> | <i>18.5</i> | <i>10.4</i> | <i>11.7</i> | <i>Jan-94</i> | <i>9.7</i>  |
| Northern Trust S&P500 Index Fund                 | 327,634,984          | 59.6        | 7.5        | 15.6           | -7.7        | --          | --          | --          | Aug-20        | 10.7        |
| <i>S&amp;P 500</i>                               |                      |             | <i>7.5</i> | <i>15.6</i>    | <i>-7.7</i> | <i>18.6</i> | <i>11.2</i> | <i>12.2</i> | <i>Aug-20</i> | <i>10.7</i> |
| Waycross Partners Core Equity                    | 58,230,768           | 10.6        | 9.8        | --             | --          | --          | --          | --          | Nov-22        | 12.5        |
| <i>S&amp;P 500</i>                               |                      |             | <i>7.5</i> | <i>15.6</i>    | <i>-7.7</i> | <i>18.6</i> | <i>11.2</i> | <i>12.2</i> | <i>Nov-22</i> | <i>7.0</i>  |
| <i>eV US Large Cap Core Equity Net Median</i>    |                      |             | 5.6        | 14.4           | -6.9        | 17.5        | 9.9         | 11.3        | Nov-22        | 5.7         |
| <i>eV US Large Cap Core Equity Net Rank</i>      |                      |             | 6          | --             | --          | --          | --          | --          | Nov-22        | 3           |
| Boston Partners Mid Cap Value                    | 55,043,374           | 10.0        | 1.4        | 15.0           | -5.1        | 22.2        | 7.4         | 10.7        | Jun-98        | 9.4         |
| <i>Russell MidCap Value</i>                      |                      |             | <i>1.3</i> | <i>11.9</i>    | <i>-9.2</i> | <i>20.7</i> | <i>6.5</i>  | <i>8.8</i>  | <i>Jun-98</i> | <i>8.7</i>  |
| <i>eV US Mid Cap Value Equity Net Median</i>     |                      |             | 1.4        | 13.9           | -5.9        | 22.1        | 6.7         | 8.9         | Jun-98        | 9.4         |
| <i>eV US Mid Cap Value Equity Net Rank</i>       |                      |             | 49         | 35             | 34          | 50          | 40          | 16          | Jun-98        | 50          |
| Champlain Mid Cap                                | 47,145,546           | 8.6         | 5.6        | 12.9           | -12.7       | 16.6        | 10.2        | 12.5        | Jul-09        | 14.2        |
| <i>Russell MidCap</i>                            |                      |             | <i>4.1</i> | <i>13.6</i>    | <i>-8.8</i> | <i>19.2</i> | <i>8.1</i>  | <i>10.1</i> | <i>Jul-09</i> | <i>13.1</i> |
| <i>eV US Mid Cap Core Equity Net Median</i>      |                      |             | 4.5        | 14.1           | -4.9        | 19.7        | 8.4         | 10.2        | Jul-09        | 13.2        |
| <i>eV US Mid Cap Core Equity Net Rank</i>        |                      |             | 26         | 61             | 85          | 76          | 19          | 9           | Jul-09        | 17          |

### Total Plan | As of March 31, 2023

|   | Market Value (\$)  | % of Sector | QTD (%)     | Fiscal YTD (%) | 1 Yr (%)    | 3 Yrs (%)   | 5 Yrs (%)   | 10 Yrs (%)  | S.I. Date     | S.I. (%)  |
|---|--------------------|-------------|-------------|----------------|-------------|-------------|-------------|-------------|---------------|-----------|
| Champlain Small Cap                           | 61,913,715         | 11.3        | 4.6         | 14.1           | -6.6        | 16.1        | 7.4         | 10.3        | Jan-04        | 10.7      |
| <i>Russell 2000</i>                           |                    |             | 2.7         | 9.1            | -11.6       | 17.5        | 4.7         | 8.0         | Jan-04        | 7.7       |
| <i>eV US Small Cap Core Equity Net Median</i> |                    |             | 3.7         | 12.9           | -7.6        | 21.1        | 7.0         | 9.5         | Jan-04        | 8.8       |
| <i>eV US Small Cap Core Equity Net Rank</i>   |                    |             | 36          | 32             | 42          | 90          | 44          | 25          | Jan-04        | 5         |
| <b>International Equity</b>                   | <b>391,534,675</b> | <b>23.7</b> | <b>7.6</b>  | <b>23.1</b>    | <b>-3.5</b> | <b>11.2</b> | <b>3.8</b>  | <b>5.7</b>  | <b>Jan-94</b> | <b>--</b> |
| <i>MSCI EAFE</i>                              |                    |             | 8.5         | 27.3           | -1.4        | 13.0        | 3.5         | 5.0         | Jan-94        | 5.0       |
| Northern Trust EAFE Index Fund                | 140,147,097        | 35.8        | 8.5         | 28.6           | 0.2         | --          | --          | --          | Aug-20        | 8.4       |
| <i>MSCI EAFE</i>                              |                    |             | 8.5         | 27.3           | -1.4        | 13.0        | 3.5         | 5.0         | Aug-20        | 8.0       |
| Wellington International Quality Growth (IQG) | 128,344,893        | 32.8        | 7.8         | 21.2           | -9.3        | 9.0         | 3.5         | --          | Nov-14        | 6.9       |
| <i>MSCI ACWI ex USA Growth</i>                |                    |             | 8.6         | 22.6           | -6.4        | 9.5         | 3.4         | 5.1         | Nov-14        | 4.9       |
| <i>eV ACWI ex-US Growth Equity Net Median</i> |                    |             | 9.3         | 23.6           | -7.6        | 11.9        | 3.8         | 6.4         | Nov-14        | 6.0       |
| <i>eV ACWI ex-US Growth Equity Net Rank</i>   |                    |             | 67          | 72             | 65          | 80          | 59          | --          | Nov-14        | 34        |
| First Eagle International Equity              | 122,989,162        | 31.4        | 6.5         | 19.2           | --          | --          | --          | --          | Sep-22        | 10.1      |
| <i>MSCI EAFE Value</i>                        |                    |             | 5.9         | 26.7           | -0.3        | 14.6        | 1.7         | 3.7         | Sep-22        | 15.4      |
| <i>MSCI EAFE</i>                              |                    |             | 8.5         | 27.3           | -1.4        | 13.0        | 3.5         | 5.0         | Sep-22        | 15.4      |
| <i>eV EAFE Value Equity Net Median</i>        |                    |             | 7.4         | 27.4           | 0.7         | 15.6        | 2.7         | 4.7         | Sep-22        | 15.9      |
| <i>eV EAFE Value Equity Net Rank</i>          |                    |             | 76          | 99             | --          | --          | --          | --          | Sep-22        | 91        |
| <b>Private Equity</b>                         | <b>119,768,856</b> | <b>7.2</b>  | <b>-1.1</b> | <b>-4.9</b>    | <b>-6.8</b> | <b>18.5</b> | <b>15.7</b> | <b>13.1</b> | <b>Jan-94</b> | <b>--</b> |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i>          |                    |             | 10.4        | 3.6            | -16.7       | 6.0         | 7.1         | 10.1        | Jan-94        | --        |
| Adams Street 2012 Global Fund                 | 11,853,980         | 9.9         | -1.4        | -5.3           | -20.1       | 18.0        | 16.7        | 11.8        | Jul-12        | 7.6       |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i>          |                    |             | 10.4        | 3.6            | -16.7       | 6.0         | 7.1         | 10.1        | Jul-12        | 9.9       |
| Adams Street Venture Innovation Fund          | 11,146,875         | 9.3         | -6.5        | -9.2           | -19.4       | 42.4        | 31.8        | --          | Dec-17        | 20.7      |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i>          |                    |             | 10.4        | 3.6            | -16.7       | 6.0         | 7.1         | 10.1        | Dec-17        | 8.3       |

Total Plan | As of March 31, 2023

|   | Market Value (\$) | % of Sector | QTD (%)             | Fiscal YTD (%)      | 1 Yr (%)              | 3 Yrs (%)          | 5 Yrs (%)          | 10 Yrs (%)          | S.I. Date               | S.I. (%)            |
|---|-------------------|-------------|---------------------|---------------------|-----------------------|--------------------|--------------------|---------------------|-------------------------|---------------------|
| Catalyst III<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>                      | 1,966,199         | 1.6         | -5.9<br><i>10.4</i> | -0.4<br><i>3.6</i>  | 5.6<br><i>-16.7</i>   | 13.0<br><i>6.0</i> | 10.1<br><i>7.1</i> | 11.4<br><i>10.1</i> | Oct-12<br><i>Oct-12</i> | 13.9<br><i>10.7</i> |
| Catalyst IV<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>                       | 6,668,443         | 5.6         | -1.0<br><i>10.4</i> | -3.7<br><i>3.6</i>  | -22.8<br><i>-16.7</i> | 9.0<br><i>6.0</i>  | 16.2<br><i>7.1</i> | --<br><i>10.1</i>   | Nov-15<br><i>Nov-15</i> | 12.3<br><i>8.8</i>  |
| Coller Fund VI<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>                    | 2,119,365         | 1.8         | -1.3<br><i>10.4</i> | -10.2<br><i>3.6</i> | -10.4<br><i>-16.7</i> | 10.3<br><i>6.0</i> | 12.4<br><i>7.1</i> | 15.3<br><i>10.1</i> | Oct-12<br><i>Oct-12</i> | 18.4<br><i>10.7</i> |
| Coller Fund VII<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>                   | 5,005,822         | 4.2         | 4.2<br><i>10.4</i>  | -5.6<br><i>3.6</i>  | -3.1<br><i>-16.7</i>  | 15.7<br><i>6.0</i> | 13.8<br><i>7.1</i> | --<br><i>10.1</i>   | Oct-16<br><i>Oct-16</i> | 25.9<br><i>10.5</i> |
| Coller Fund VIII<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>                  | 10,669,447        | 8.9         | 0.3<br><i>10.4</i>  | -8.3<br><i>3.6</i>  | 0.4<br><i>-16.7</i>   | --<br><i>6.0</i>   | --<br><i>7.1</i>   | --<br><i>10.1</i>   | Jun-20<br><i>Jun-20</i> | 35.7<br><i>10.0</i> |
| JP Morgan Global Fund V<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>           | 9,751,758         | 8.1         | -3.4<br><i>10.4</i> | -8.8<br><i>3.6</i>  | -8.8<br><i>-16.7</i>  | 18.5<br><i>6.0</i> | 18.5<br><i>7.1</i> | --<br><i>10.1</i>   | May-14<br><i>May-14</i> | 17.9<br><i>9.0</i>  |
| JP Morgan Global Fund VI<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>          | 15,844,417        | 13.2        | -0.5<br><i>10.4</i> | -1.1<br><i>3.6</i>  | 6.1<br><i>-16.7</i>   | 18.3<br><i>6.0</i> | 11.5<br><i>7.1</i> | --<br><i>10.1</i>   | Dec-17<br><i>Dec-17</i> | 20.8<br><i>8.3</i>  |
| JP Morgan Global Fund VIII<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>        | 13,955,210        | 11.7        | 2.0<br><i>10.4</i>  | 1.1<br><i>3.6</i>   | 11.9<br><i>-16.7</i>  | 14.9<br><i>6.0</i> | --<br><i>7.1</i>   | --<br><i>10.1</i>   | Mar-19<br><i>Mar-19</i> | 12.2<br><i>9.1</i>  |
| JPMorgan US Corporate Finance III<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i> | 575,846           | 0.5         | -1.9<br><i>10.4</i> | -18.3<br><i>3.6</i> | -21.9<br><i>-16.7</i> | 20.6<br><i>6.0</i> | 17.0<br><i>7.1</i> | 17.2<br><i>10.1</i> | Oct-06<br><i>Oct-06</i> | --<br><i>8.1</i>    |
| JPMorgan Venture Capital Fund III<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i> | 1,204,320         | 1.0         | -1.1<br><i>10.4</i> | -15.5<br><i>3.6</i> | -29.1<br><i>-16.7</i> | 7.7<br><i>6.0</i>  | 6.7<br><i>7.1</i>  | 8.0<br><i>10.1</i>  | Oct-06<br><i>Oct-06</i> | --<br><i>8.1</i>    |

|  | Market Value<br>(\$) | % of<br>Sector | QTD<br>(%)          | Fiscal<br>YTD<br>(%) | 1 Yr<br>(%)          | 3 Yrs<br>(%)        | 5 Yrs<br>(%)       | 10 Yrs<br>(%)       | S.I. Date               | S.I.<br>(%)          |
|--|----------------------|----------------|---------------------|----------------------|----------------------|---------------------|--------------------|---------------------|-------------------------|----------------------|
| Lexington Capital Partners VIII<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>      | 8,708,069            | 7.3            | -1.0<br><i>10.4</i> | -6.3<br><i>3.6</i>   | -4.7<br><i>-16.7</i> | 17.8<br><i>6.0</i>  | 11.8<br><i>7.1</i> | --<br><i>10.1</i>   | Aug-15<br><i>Aug-15</i> | 15.3<br><i>8.3</i>   |
| Lexington Capital Partners IX<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>        | 14,500,607           | 12.1           | -1.6<br><i>10.4</i> | -6.2<br><i>3.6</i>   | 0.3<br><i>-16.7</i>  | 22.1<br><i>6.0</i>  | --<br><i>7.1</i>   | --<br><i>10.1</i>   | Mar-19<br><i>Mar-19</i> | --<br><i>9.1</i>     |
| Pantheon USA Fund VII<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>                | 1,494,283            | 1.2            | -1.1<br><i>10.4</i> | -3.6<br><i>3.6</i>   | -4.8<br><i>-16.7</i> | 15.4<br><i>6.0</i>  | 10.7<br><i>7.1</i> | 12.0<br><i>10.1</i> | Sep-07<br><i>Sep-07</i> | 9.0<br><i>7.0</i>    |
| Standard Life Europe Smaller Funds I<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i> | 3,671,674            | 3.1            | 1.9<br><i>10.4</i>  | 10.1<br><i>3.6</i>   | -2.1<br><i>-16.7</i> | 6.1<br><i>6.0</i>   | 7.3<br><i>7.1</i>  | -2.3<br><i>10.1</i> | Oct-12<br><i>Oct-12</i> | -18.8<br><i>10.7</i> |
| Coller Fund V  | 48,478               | 0.0            |                     |                      |                      |                     |                    |                     |                         |                      |
| JPMorgan European Corporate Finance III                                      | 123,908              | 0.1            |                     |                      |                      |                     |                    |                     |                         |                      |
| Lexington Capital Partners VI-B  | 148,425              | 0.1            |                     |                      |                      |                     |                    |                     |                         |                      |
| Pantheon Europe Fund V-B   | 311,730              | 0.3            |                     |                      |                      |                     |                    |                     |                         |                      |
| <b>Investment Grade Bonds</b>  | <b>272,803,676</b>   | <b>16.5</b>    | <b>3.1</b>          | <b>5.4</b>           | <b>-4.1</b>          | <b>-1.3</b>         | <b>1.1</b>         | <b>1.5</b>          | <b>Jan-94</b>           | <b>4.5</b>           |
| <i>Bloomberg US Aggregate TR</i>   |                      |                | <i>3.0</i>          | <i>4.9</i>           | <i>-4.8</i>          | <i>-2.8</i>         | <i>0.9</i>         | <i>1.4</i>          | <i>Jan-94</i>           | <i>4.4</i>           |
| NT US Aggregate Bond<br><i>Bloomberg US Aggregate TR</i>                     | 181,380,916          | 66.5           | 2.9<br><i>3.0</i>   | 4.9<br><i>4.9</i>    | -4.7<br><i>-4.8</i>  | --<br><i>-2.8</i>   | --<br><i>0.9</i>   | --<br><i>1.4</i>    | Aug-20<br><i>Aug-20</i> | -4.7<br><i>-4.7</i>  |
| Dodge & Cox Core Fixed Income<br><i>Bloomberg US Aggregate TR</i>            | 91,422,760           | 33.5           | 3.3<br><i>3.0</i>   | 6.5<br><i>4.9</i>    | -2.8<br><i>-4.8</i>  | -0.3<br><i>-2.8</i> | 1.9<br><i>0.9</i>  | 2.3<br><i>1.4</i>   | Jan-02<br><i>Jan-02</i> | 4.2<br><i>3.5</i>    |
| <i>eV US Core Fixed Inc Net Median</i>                                       |                      |                | <i>3.1</i>          | <i>4.9</i>           | <i>-4.7</i>          | <i>-2.0</i>         | <i>1.1</i>         | <i>1.6</i>          | <i>Jan-02</i>           | <i>3.8</i>           |
| <i>eV US Core Fixed Inc Net Rank</i>   |                      |                | <i>15</i>           | <i>1</i>             | <i>4</i>             | <i>2</i>            | <i>1</i>           | <i>3</i>            | <i>Jan-02</i>           | <i>9</i>             |

|  | Market Value<br>(\$) | % of<br>Sector | QTD<br>(%) | Fiscal<br>YTD<br>(%) | 1 Yr<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) | 10 Yrs<br>(%) | S.I. Date     | S.I.<br>(%)  |
|--|----------------------|----------------|------------|----------------------|--------------|--------------|--------------|---------------|---------------|--------------|
| <b>Treasuries</b>                                      | <b>60,911,464</b>    | <b>3.7</b>     | <b>6.1</b> | <b>5.5</b>           | <b>-16.0</b> | <b>--</b>    | <b>--</b>    | <b>--</b>     | <b>Jun-20</b> | <b>-11.9</b> |
| <i>Bloomberg US Govt Long TR</i>                       |                      |                | <i>6.2</i> | <i>5.5</i>           | <i>-15.9</i> | <i>-11.3</i> | <i>-0.4</i>  | <i>1.4</i>    | <i>Jun-20</i> | <i>-11.9</i> |
| NT Long-Term Gov. Bond Index Fund                      | 60,911,464           | 100.0          | 6.1        | 5.5                  | -16.0        | --           | --           | --            | Jun-20        | -11.9        |
| <i>Bloomberg US Govt Long TR</i>                       |                      |                | <i>6.2</i> | <i>5.5</i>           | <i>-15.9</i> | <i>-11.3</i> | <i>-0.4</i>  | <i>1.4</i>    | <i>Jun-20</i> | <i>-11.9</i> |
| <b>High Yield</b>                                      | <b>30,885,817</b>    | <b>1.9</b>     | <b>3.6</b> | <b>8.2</b>           | <b>-2.4</b>  | <b>5.9</b>   | <b>3.6</b>   | <b>4.2</b>    | <b>Jan-94</b> | <b>--</b>    |
| <i>ICE BofA US High Yield TR</i>                       |                      |                | <i>3.7</i> | <i>7.9</i>           | <i>-3.6</i>  | <i>5.8</i>   | <i>3.1</i>   | <i>4.0</i>    | <i>Jan-94</i> | <i>6.5</i>   |
| AXA High Yield   | 30,885,817           | 100.0          | 3.6        | 8.2                  | -2.4         | 5.9          | 3.6          | --            | Mar-14        | 3.7          |
| <i>ICE BofA US High Yield TR</i>                       |                      |                | <i>3.7</i> | <i>7.9</i>           | <i>-3.6</i>  | <i>5.8</i>   | <i>3.1</i>   | <i>4.0</i>    | <i>Mar-14</i> | <i>3.6</i>   |
| <i>eV US High Yield Fixed Inc Net Median</i>           |                      |                | <i>3.3</i> | <i>7.4</i>           | <i>-2.8</i>  | <i>5.6</i>   | <i>3.0</i>   | <i>3.8</i>    | <i>Mar-14</i> | <i>3.5</i>   |
| <i>eV US High Yield Fixed Inc Net Rank</i>             |                      |                | <i>29</i>  | <i>20</i>            | <i>39</i>    | <i>40</i>    | <i>18</i>    | <i>--</i>     | <i>Mar-14</i> | <i>27</i>    |
| <b>Bank Loans</b>                                      | <b>42,469,413</b>    | <b>2.6</b>     | <b>3.6</b> | <b>6.6</b>           | <b>2.9</b>   | <b>7.1</b>   | <b>3.7</b>   | <b>--</b>     | <b>Jan-94</b> | <b>--</b>    |
| <i>Credit Suisse Leveraged Loans</i>                   |                      |                | <i>3.1</i> | <i>5.5</i>           | <i>2.1</i>   | <i>8.4</i>   | <i>3.5</i>   | <i>3.9</i>    | <i>Jan-94</i> | <i>5.1</i>   |
| Aristotle Pacific                                      | 42,469,413           | 100.0          | 3.6        | 6.6                  | 2.9          | 7.1          | 3.7          | --            | May-14        | 4.0          |
| <i>Credit Suisse Leveraged Loans</i>                   |                      |                | <i>3.1</i> | <i>5.5</i>           | <i>2.1</i>   | <i>8.4</i>   | <i>3.5</i>   | <i>3.9</i>    | <i>May-14</i> | <i>3.7</i>   |
| <i>eV US Float-Rate Bank Loan Fixed Inc Net Median</i> |                      |                | <i>3.0</i> | <i>5.6</i>           | <i>1.7</i>   | <i>7.2</i>   | <i>3.0</i>   | <i>3.3</i>    | <i>May-14</i> | <i>3.3</i>   |
| <i>eV US Float-Rate Bank Loan Fixed Inc Net Rank</i>   |                      |                | <i>8</i>   | <i>9</i>             | <i>15</i>    | <i>53</i>    | <i>7</i>     | <i>--</i>     | <i>May-14</i> | <i>6</i>     |

|  | Market Value (\$)  | % of Sector | QTD (%)     | Fiscal YTD (%) | 1 Yr (%)     | 3 Yrs (%)   | 5 Yrs (%)   | 10 Yrs (%)  | S.I. Date     | S.I. (%)    |
|--|--------------------|-------------|-------------|----------------|--------------|-------------|-------------|-------------|---------------|-------------|
| <b>Real Estate</b>                       | <b>161,906,446</b> | <b>9.8</b>  | <b>-3.4</b> | <b>-8.0</b>    | <b>-5.3</b>  | <b>8.8</b>  | <b>6.6</b>  | <b>7.7</b>  | <b>Jan-94</b> | <b>--</b>   |
| <i>NCREIF ODCE</i>                       |                    |             | <i>-3.2</i> | <i>-8.0</i>    | <i>-3.1</i>  | <i>8.4</i>  | <i>7.5</i>  | <i>9.5</i>  | <i>Jan-94</i> | <i>8.8</i>  |
| Centersquare Value Fund IV               | 11,597,948         | 7.2         | -1.6        | 3.3            | 16.2         | 22.8        | --          | --          | Oct-18        | 6.2         |
| <i>NCREIF Property +300bps IQLAG</i>     |                    |             | <i>-2.8</i> | <i>-1.5</i>    | <i>8.7</i>   | <i>11.3</i> | <i>10.7</i> | <i>--</i>   | <i>Oct-18</i> | <i>10.7</i> |
| JP Morgan SPF                            | 118,419,176        | 73.1        | -3.2        | -8.2           | -5.5         | 6.1         | 5.6         | 7.8         | Jan-10        | --          |
| <i>NCREIF ODCE</i>                       |                    |             | <i>-3.2</i> | <i>-8.0</i>    | <i>-3.1</i>  | <i>8.4</i>  | <i>7.5</i>  | <i>9.5</i>  | <i>Jan-10</i> | <i>10.6</i> |
| JP Morgan SSPF                           | 28,283,887         | 17.5        | -5.3        | -12.1          | -12.9        | 4.8         | 5.5         | 9.2         | Jan-10        | --          |
| <i>NCREIF ODCE + 100bps</i>              |                    |             | <i>-2.9</i> | <i>-7.5</i>    | <i>-2.1</i>  | <i>9.5</i>  | <i>8.6</i>  | <i>10.5</i> | <i>Jan-10</i> | <i>11.7</i> |
| Retirement Office                        | 3,605,436          | 2.2         |             |                |              |             |             |             |               |             |
| <b>Infrastructure</b>                    | <b>11,574,146</b>  | <b>0.7</b>  | <b>-1.2</b> | <b>-0.4</b>    | <b>24.5</b>  | <b>10.6</b> | <b>9.3</b>  | <b>--</b>   | <b>Jan-94</b> | <b>--</b>   |
| <i>CPI + 500 bps</i>                     |                    |             | <i>2.9</i>  | <i>4.2</i>     | <i>10.2</i>  | <i>10.6</i> | <i>9.1</i>  | <i>7.8</i>  | <i>Jan-94</i> | <i>--</i>   |
| BlackRock NTR Renewable Power Fund       | 460,712            | 4.0         | 25.3        | 22.6           | 39.5         | 4.8         | 6.6         | 3.4         | Apr-13        | 3.4         |
| <i>CPI + 500 bps</i>                     |                    |             | <i>2.9</i>  | <i>4.2</i>     | <i>10.2</i>  | <i>10.6</i> | <i>9.1</i>  | <i>7.8</i>  | <i>Apr-13</i> | <i>7.8</i>  |
| BlackRock Global Renewable Power Fund II | 11,113,435         | 96.0        | -2.1        | -1.2           | 19.8         | 12.5        | 8.9         | --          | Sep-16        | 6.4         |
| <i>CPI + 500 bps</i>                     |                    |             | <i>2.9</i>  | <i>4.2</i>     | <i>10.2</i>  | <i>10.6</i> | <i>9.1</i>  | <i>7.8</i>  | <i>Sep-16</i> | <i>8.7</i>  |
| <b>Cash &amp; Cash Alternatives</b>      | <b>10,430,512</b>  | <b>0.6</b>  | <b>3.3</b>  | <b>6.2</b>     | <b>-12.3</b> | <b>-3.0</b> | <b>-1.5</b> | <b>--</b>   | <b>Jan-94</b> | <b>--</b>   |
| <i>BlackRock Custom Benchmark</i>        |                    |             | <i>5.1</i>  | <i>13.4</i>    | <i>-6.3</i>  | <i>11.1</i> | <i>5.8</i>  | <i>--</i>   | <i>Jan-94</i> | <i>--</i>   |
| BlackRock Liquid Policy Portfolio        | 7,477,418          | 71.7        | 5.3         | 13.4           | -6.1         | 11.1        | 5.7         | --          | Jul-14        | 5.8         |
| <i>BlackRock Custom Benchmark</i>        |                    |             | <i>5.1</i>  | <i>13.4</i>    | <i>-6.3</i>  | <i>11.1</i> | <i>5.8</i>  | <i>--</i>   | <i>Jul-14</i> | <i>5.9</i>  |
| Main Account                             | 2,953,094          | 28.3        |             |                |              |             |             |             |               |             |

#### Asset Class Performance Summary (Net of Fees)

|   | Fiscal<br>YTD<br>(%) | Fiscal<br>2022<br>(%) | Fiscal<br>2021<br>(%) | Fiscal<br>2020<br>(%) | Fiscal<br>2019<br>(%) | Fiscal<br>2018<br>(%) | Fiscal<br>2017<br>(%) | Fiscal<br>2016<br>(%) | Fiscal<br>2015<br>(%) | Fiscal<br>2014<br>(%) |
|---|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total Fund</b>                             | <b>9.8</b>           | <b>-12.9</b>          | <b>19.1</b>           | <b>6.2</b>            | <b>4.8</b>            | <b>6.7</b>            | <b>9.0</b>            | <b>8.6</b>            | <b>1.9</b>            | <b>8.3</b>            |
| <i>Fund Benchmark</i>                         | <i>11.6</i>          | <i>-14.7</i>          | <i>18.5</i>           | <i>9.0</i>            | <i>6.1</i>            | <i>7.2</i>            | <i>10.8</i>           | <i>9.9</i>            | <i>0.1</i>            | <i>9.1</i>            |
| <b>US Equity</b>                              | <b>15.3</b>          | <b>-17.2</b>          | <b>32.8</b>           | <b>8.7</b>            | <b>1.1</b>            | <b>18.7</b>           | <b>16.9</b>           | <b>13.9</b>           | <b>2.1</b>            | <b>14.0</b>           |
| <i>Russell 3000</i>                           | <i>14.9</i>          | <i>-17.6</i>          | <i>31.9</i>           | <i>15.0</i>           | <i>2.9</i>            | <i>17.6</i>           | <i>18.7</i>           | <i>15.0</i>           | <i>-0.5</i>           | <i>17.8</i>           |
| Northern Trust S&P500 Index Fund              | 15.6                 | -15.5                 | 30.0                  | --                    | --                    | --                    | --                    | --                    | --                    | --                    |
| <i>S&amp;P 500</i>                            | <i>15.6</i>          | <i>-15.5</i>          | <i>30.0</i>           | <i>15.1</i>           | <i>4.3</i>            | <i>17.9</i>           | <i>18.6</i>           | <i>15.4</i>           | <i>-0.6</i>           | <i>19.7</i>           |
| Waycross Partners Core Equity                 | --                   | --                    | --                    | --                    | --                    | --                    | --                    | --                    | --                    | --                    |
| <i>S&amp;P 500</i>                            | <i>15.6</i>          | <i>-15.5</i>          | <i>30.0</i>           | <i>15.1</i>           | <i>4.3</i>            | <i>17.9</i>           | <i>18.6</i>           | <i>15.4</i>           | <i>-0.6</i>           | <i>19.7</i>           |
| Boston Partners Mid Cap Value                 | 15.0                 | -11.5                 | 44.0                  | -7.5                  | 2.3                   | 7.8                   | 16.1                  | 15.4                  | 5.3                   | 17.4                  |
| <i>Russell MidCap Value</i>                   | <i>11.9</i>          | <i>-13.6</i>          | <i>42.4</i>           | <i>-7.3</i>           | <i>1.6</i>            | <i>8.8</i>            | <i>13.4</i>           | <i>17.3</i>           | <i>-2.1</i>           | <i>17.5</i>           |
| Champlain Mid Cap                             | 12.9                 | -26.3                 | 39.2                  | 17.7                  | 6.0                   | 24.7                  | 17.6                  | 21.0                  | 1.2                   | 13.2                  |
| <i>Russell MidCap</i>                         | <i>13.6</i>          | <i>-19.4</i>          | <i>38.1</i>           | <i>4.6</i>            | <i>3.2</i>            | <i>14.0</i>           | <i>15.3</i>           | <i>14.2</i>           | <i>-0.2</i>           | <i>15.8</i>           |
| Champlain Small Cap                           | 14.1                 | -22.8                 | 36.2                  | 5.4                   | -4.6                  | 23.5                  | 19.4                  | 24.7                  | 4.0                   | 2.6                   |
| <i>Russell 2000</i>                           | <i>9.1</i>           | <i>-23.5</i>          | <i>47.7</i>           | <i>0.4</i>            | <i>-8.9</i>           | <i>15.2</i>           | <i>20.7</i>           | <i>15.5</i>           | <i>1.2</i>            | <i>3.9</i>            |
| <b>International Equity</b>                   | <b>23.1</b>          | <b>-25.4</b>          | <b>20.1</b>           | <b>8.4</b>            | <b>1.8</b>            | <b>3.5</b>            | <b>14.2</b>           | <b>11.3</b>           | <b>-2.4</b>           | <b>4.7</b>            |
| <i>MSCI EAFE</i>                              | <i>27.3</i>          | <i>-25.1</i>          | <i>25.7</i>           | <i>0.5</i>            | <i>-1.3</i>           | <i>2.7</i>            | <i>19.1</i>           | <i>6.5</i>            | <i>-8.7</i>           | <i>4.3</i>            |
| Northern Trust EAFE Index Fund                | 28.6                 | -25.0                 | 25.5                  | --                    | --                    | --                    | --                    | --                    | --                    | --                    |
| <i>MSCI EAFE</i>                              | <i>27.3</i>          | <i>-25.1</i>          | <i>25.7</i>           | <i>0.5</i>            | <i>-1.3</i>           | <i>2.7</i>            | <i>19.1</i>           | <i>6.5</i>            | <i>-8.7</i>           | <i>4.3</i>            |
| Wellington International Quality Growth (IQG) | 21.2                 | -33.4                 | 20.8                  | 19.9                  | 1.3                   | 8.0                   | 20.0                  | 10.5                  | --                    | --                    |
| <i>MSCI ACWI ex USA Growth</i>                | <i>22.6</i>          | <i>-30.2</i>          | <i>17.0</i>           | <i>17.5</i>           | <i>2.0</i>            | <i>3.1</i>            | <i>17.7</i>           | <i>11.5</i>           | <i>-8.1</i>           | <i>4.3</i>            |
| First Eagle International Equity              | 19.2                 | --                    | --                    | --                    | --                    | --                    | --                    | --                    | --                    | --                    |
| <i>MSCI EAFE Value</i>                        | <i>26.7</i>          | <i>-20.2</i>          | <i>30.7</i>           | <i>-11.9</i>          | <i>-4.9</i>           | <i>-0.4</i>           | <i>22.5</i>           | <i>3.5</i>            | <i>-12.6</i>          | <i>5.7</i>            |

|                                      | Fiscal<br>YTD<br>(%) | Fiscal<br>2022<br>(%) | Fiscal<br>2021<br>(%) | Fiscal<br>2020<br>(%) | Fiscal<br>2019<br>(%) | Fiscal<br>2018<br>(%) | Fiscal<br>2017<br>(%) | Fiscal<br>2016<br>(%) | Fiscal<br>2015<br>(%) | Fiscal<br>2014<br>(%) |
|--------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Private Equity</b>                | <b>-4.9</b>          | <b>12.4</b>           | <b>56.5</b>           | <b>4.1</b>            | <b>11.6</b>           | <b>14.1</b>           | <b>6.9</b>            | <b>6.4</b>            | <b>11.4</b>           | <b>16.9</b>           |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> | <i>3.6</i>           | <i>-14.8</i>          | <i>43.7</i>           | <i>3.2</i>            | <i>6.6</i>            | <i>13.3</i>           | <i>21.4</i>           | <i>-1.9</i>           | <i>2.8</i>            | <i>25.8</i>           |
| Adams Street 2012 Global Fund        | -5.3                 | -1.6                  | 74.9                  | 7.1                   | 15.1                  | 16.6                  | 11.0                  | 7.2                   | 5.6                   | 10.4                  |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> | <i>3.6</i>           | <i>-14.8</i>          | <i>43.7</i>           | <i>3.2</i>            | <i>6.6</i>            | <i>13.3</i>           | <i>21.4</i>           | <i>-1.9</i>           | <i>2.8</i>            | <i>25.8</i>           |
| Adams Street Venture Innovation Fund | -9.2                 | 16.4                  | 147.5                 | 22.6                  | 20.3                  | --                    | --                    | --                    | --                    | --                    |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> | <i>3.6</i>           | <i>-14.8</i>          | <i>43.7</i>           | <i>3.2</i>            | <i>6.6</i>            | <i>13.3</i>           | <i>21.4</i>           | <i>-1.9</i>           | <i>2.8</i>            | <i>25.8</i>           |
| Catalyst III                         | -0.4                 | 20.2                  | 24.3                  | -4.7                  | 11.8                  | 8.2                   | 7.0                   | 13.2                  | 14.6                  | 21.6                  |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> | <i>3.6</i>           | <i>-14.8</i>          | <i>43.7</i>           | <i>3.2</i>            | <i>6.6</i>            | <i>13.3</i>           | <i>21.4</i>           | <i>-1.9</i>           | <i>2.8</i>            | <i>25.8</i>           |
| Catalyst IV                          | -3.7                 | -27.3                 | 59.7                  | 47.5                  | 16.7                  | 14.6                  | 17.3                  | --                    | --                    | --                    |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> | <i>3.6</i>           | <i>-14.8</i>          | <i>43.7</i>           | <i>3.2</i>            | <i>6.6</i>            | <i>13.3</i>           | <i>21.4</i>           | <i>-1.9</i>           | <i>2.8</i>            | <i>25.8</i>           |
| Coller Fund VI                       | -10.2                | 13.6                  | 57.5                  | -12.2                 | 13.9                  | 23.0                  | 7.6                   | 15.3                  | 7.9                   | 30.2                  |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> | <i>3.6</i>           | <i>-14.8</i>          | <i>43.7</i>           | <i>3.2</i>            | <i>6.6</i>            | <i>13.3</i>           | <i>21.4</i>           | <i>-1.9</i>           | <i>2.8</i>            | <i>25.8</i>           |
| Coller Fund VII                      | -5.6                 | 18.1                  | 47.5                  | -3.2                  | 6.0                   | 63.0                  | 62.0                  | --                    | --                    | --                    |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> | <i>3.6</i>           | <i>-14.8</i>          | <i>43.7</i>           | <i>3.2</i>            | <i>6.6</i>            | <i>13.3</i>           | <i>21.4</i>           | <i>-1.9</i>           | <i>2.8</i>            | <i>25.8</i>           |
| Coller Fund VIII                     | -8.3                 | 44.1                  | 87.1                  | --                    | --                    | --                    | --                    | --                    | --                    | --                    |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> | <i>3.6</i>           | <i>-14.8</i>          | <i>43.7</i>           | <i>3.2</i>            | <i>6.6</i>            | <i>13.3</i>           | <i>21.4</i>           | <i>-1.9</i>           | <i>2.8</i>            | <i>25.8</i>           |
| JP Morgan Global Fund V              | -8.8                 | 15.9                  | 59.8                  | -7.3                  | 36.9                  | 13.5                  | 9.1                   | 27.2                  | 30.1                  | --                    |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> | <i>3.6</i>           | <i>-14.8</i>          | <i>43.7</i>           | <i>3.2</i>            | <i>6.6</i>            | <i>13.3</i>           | <i>21.4</i>           | <i>-1.9</i>           | <i>2.8</i>            | <i>25.8</i>           |
| JP Morgan Global Fund VI             | -1.1                 | 24.8                  | 34.8                  | 3.9                   | 0.7                   | --                    | --                    | --                    | --                    | --                    |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> | <i>3.6</i>           | <i>-14.8</i>          | <i>43.7</i>           | <i>3.2</i>            | <i>6.6</i>            | <i>13.3</i>           | <i>21.4</i>           | <i>-1.9</i>           | <i>2.8</i>            | <i>25.8</i>           |
| JP Morgan Global Fund VIII           | 1.1                  | 23.7                  | 19.7                  | 7.0                   | --                    | --                    | --                    | --                    | --                    | --                    |
| <i>MSCI ACWI IMI (1Q Lagged) +2%</i> | <i>3.6</i>           | <i>-14.8</i>          | <i>43.7</i>           | <i>3.2</i>            | <i>6.6</i>            | <i>13.3</i>           | <i>21.4</i>           | <i>-1.9</i>           | <i>2.8</i>            | <i>25.8</i>           |

|  | Fiscal<br>YTD<br>(%) | Fiscal<br>2022<br>(%) | Fiscal<br>2021<br>(%) | Fiscal<br>2020<br>(%) | Fiscal<br>2019<br>(%) | Fiscal<br>2018<br>(%) | Fiscal<br>2017<br>(%) | Fiscal<br>2016<br>(%) | Fiscal<br>2015<br>(%) | Fiscal<br>2014<br>(%) |
|--|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| JPMorgan US Corporate Finance III<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>    | -18.3<br>3.6         | 19.3<br>-14.8         | 107.9<br>43.7         | 14.8<br>3.2           | -1.6<br>6.6           | -0.3<br>13.3          | 23.5<br>21.4          | 4.6<br>-1.9           | 26.8<br>2.8           | 20.6<br>25.8          |
| JPMorgan Venture Capital Fund III<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>    | -15.5<br>3.6         | -5.0<br>-14.8         | 57.7<br>43.7          | 0.5<br>3.2            | 0.5<br>6.6            | 10.7<br>13.3          | 5.1<br>21.4           | -6.2<br>-1.9          | 19.2<br>2.8           | 24.6<br>25.8          |
| Lexington Capital Partners VIII<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>      | -6.3<br>3.6          | 14.0<br>-14.8         | 51.9<br>43.7          | -1.0<br>3.2           | 3.1<br>6.6            | 42.4<br>13.3          | 15.1<br>21.4          | 10.0<br>-1.9          | --<br>2.8             | --<br>25.8            |
| Lexington Capital Partners IX<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>        | -6.2<br>3.6          | 28.2<br>-14.8         | 63.9<br>43.7          | -15.5<br>3.2          | --<br>6.6             | --<br>13.3            | --<br>21.4            | --<br>-1.9            | --<br>2.8             | --<br>25.8            |
| Pantheon USA Fund VII<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i>                | -3.6<br>3.6          | 3.8<br>-14.8          | 55.2<br>43.7          | 9.8<br>3.2            | -9.3<br>6.6           | 13.8<br>13.3          | 14.5<br>21.4          | 7.2<br>-1.9           | 9.2<br>2.8            | 20.7<br>25.8          |
| Standard Life Europe Smaller Funds I<br><i>MSCI ACWI IMI (1Q Lagged) +2%</i> | 10.1<br>3.6          | -7.2<br>-14.8         | 21.3<br>43.7          | 3.5<br>3.2            | 5.4<br>6.6            | 10.6<br>13.3          | -5.6<br>21.4          | 9.3<br>-1.9           | -20.1<br>2.8          | -10.2<br>25.8         |
| Coller Fund V  |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| JPMorgan European Corporate Finance III                                      |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Lexington Capital Partners VI-B  |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Pantheon Europe Fund V-B   |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Investment Grade Bonds</b>  | <b>5.4</b>           | <b>-14.4</b>          | <b>-0.1</b>           | <b>7.0</b>            | <b>9.4</b>            | <b>-0.8</b>           | <b>1.2</b>            | <b>5.6</b>            | <b>1.3</b>            | <b>4.0</b>            |
| <i>Bloomberg US Aggregate TR</i>   | <i>4.9</i>           | <i>-14.6</i>          | <i>-0.9</i>           | <i>7.0</i>            | <i>10.3</i>           | <i>-1.2</i>           | <i>0.1</i>            | <i>5.2</i>            | <i>2.9</i>            | <i>4.0</i>            |
| NT US Aggregate Bond   | 4.9                  | -14.6                 | -0.9                  | --                    | --                    | --                    | --                    | --                    | --                    | --                    |
| <i>Bloomberg US Aggregate TR</i>   | <i>4.9</i>           | <i>-14.6</i>          | <i>-0.9</i>           | <i>7.0</i>            | <i>10.3</i>           | <i>-1.2</i>           | <i>0.1</i>            | <i>5.2</i>            | <i>2.9</i>            | <i>4.0</i>            |
| Dodge & Cox Core Fixed Income  | 6.5                  | -14.0                 | 2.4                   | 7.5                   | 8.8                   | -0.2                  | 1.3                   | 5.5                   | 2.0                   | 5.7                   |
| <i>Bloomberg US Aggregate TR</i>   | <i>4.9</i>           | <i>-14.6</i>          | <i>-0.9</i>           | <i>7.0</i>            | <i>10.3</i>           | <i>-1.2</i>           | <i>0.1</i>            | <i>5.2</i>            | <i>2.9</i>            | <i>4.0</i>            |

Total Plan | As of March 31, 2023

|                                      | Fiscal<br>YTD<br>(%) | Fiscal<br>2022<br>(%) | Fiscal<br>2021<br>(%) | Fiscal<br>2020<br>(%) | Fiscal<br>2019<br>(%) | Fiscal<br>2018<br>(%) | Fiscal<br>2017<br>(%) | Fiscal<br>2016<br>(%) | Fiscal<br>2015<br>(%) | Fiscal<br>2014<br>(%) |
|--------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Treasuries</b>                    | <b>5.5</b>           | <b>-26.5</b>          | <b>-10.2</b>          | --                    | --                    | --                    | --                    | --                    | --                    | --                    |
| <i>Bloomberg US Govt Long TR</i>     | <i>5.5</i>           | <i>-26.6</i>          | <i>-10.1</i>          | <i>16.2</i>           | <i>24.6</i>           | <i>-3.5</i>           | <i>-6.1</i>           | <i>13.0</i>           | <i>8.6</i>            | <i>11.6</i>           |
| NT Long-Term Gov. Bond Index Fund    | 5.5                  | -26.5                 | -10.2                 | --                    | --                    | --                    | --                    | --                    | --                    | --                    |
| <i>Bloomberg US Govt Long TR</i>     | <i>5.5</i>           | <i>-26.6</i>          | <i>-10.1</i>          | <i>16.2</i>           | <i>24.6</i>           | <i>-3.5</i>           | <i>-6.1</i>           | <i>13.0</i>           | <i>8.6</i>            | <i>11.6</i>           |
| <b>High Yield</b>                    | <b>8.2</b>           | <b>-12.3</b>          | <b>9.4</b>            | <b>5.6</b>            | <b>5.9</b>            | <b>3.5</b>            | <b>9.7</b>            | <b>8.7</b>            | <b>-3.6</b>           | <b>6.8</b>            |
| <i>ICE BofA US High Yield TR</i>     | <i>7.9</i>           | <i>-14.1</i>          | <i>11.5</i>           | <i>2.3</i>            | <i>6.4</i>            | <i>2.9</i>            | <i>9.1</i>            | <i>12.8</i>           | <i>-3.6</i>           | <i>7.2</i>            |
| AXA High Yield                       | 8.2                  | -12.3                 | 9.4                   | 5.6                   | 5.9                   | 3.5                   | 9.7                   | 8.7                   | -3.6                  | --                    |
| <i>ICE BofA US High Yield TR</i>     | <i>7.9</i>           | <i>-14.1</i>          | <i>11.5</i>           | <i>2.3</i>            | <i>6.4</i>            | <i>2.9</i>            | <i>9.1</i>            | <i>12.8</i>           | <i>-3.6</i>           | <i>7.2</i>            |
| <b>Bank Loans</b>                    | <b>6.6</b>           | <b>-2.4</b>           | <b>7.3</b>            | <b>1.2</b>            | <b>3.6</b>            | <b>5.5</b>            | <b>5.9</b>            | <b>5.5</b>            | <b>1.9</b>            | --                    |
| <i>Credit Suisse Leveraged Loans</i> | <i>5.5</i>           | <i>-2.6</i>           | <i>8.5</i>            | <i>0.8</i>            | <i>3.1</i>            | <i>5.6</i>            | <i>5.4</i>            | <i>5.3</i>            | <i>1.2</i>            | <i>4.3</i>            |
| Aristotle Pacific                    | 6.6                  | -2.4                  | 7.3                   | 1.2                   | 3.6                   | 5.5                   | 5.9                   | 5.5                   | 1.9                   | --                    |
| <i>Credit Suisse Leveraged Loans</i> | <i>5.5</i>           | <i>-2.6</i>           | <i>8.5</i>            | <i>0.8</i>            | <i>3.1</i>            | <i>5.6</i>            | <i>5.4</i>            | <i>5.3</i>            | <i>1.2</i>            | <i>4.3</i>            |
| <b>Real Estate</b>                   | <b>-8.0</b>          | <b>19.5</b>           | <b>16.1</b>           | <b>-3.5</b>           | <b>7.4</b>            | <b>7.0</b>            | <b>5.1</b>            | <b>10.9</b>           | <b>11.3</b>           | <b>10.0</b>           |
| <i>NCREIF ODCE</i>                   | <i>-8.0</i>          | <i>22.1</i>           | <i>14.6</i>           | <i>1.4</i>            | <i>5.6</i>            | <i>8.7</i>            | <i>7.7</i>            | <i>10.1</i>           | <i>15.0</i>           | <i>12.4</i>           |
| Centersquare Value Fund IV           | 3.3                  | 42.3                  | 27.5                  | -0.9                  | -29.6                 | --                    | --                    | --                    | --                    | --                    |
| <i>NCREIF Property +300bps IQLAG</i> | <i>-1.5</i>          | <i>25.0</i>           | <i>10.6</i>           | <i>5.8</i>            | <i>9.7</i>            | <i>10.4</i>           | <i>10.2</i>           | <i>13.9</i>           | --                    | --                    |
| JP Morgan SPF                        | -8.2                 | 18.0                  | 13.0                  | 0.8                   | 2.9                   | 6.9                   | 6.5                   | 8.6                   | 13.4                  | 11.0                  |
| <i>NCREIF ODCE</i>                   | <i>-8.0</i>          | <i>22.1</i>           | <i>14.6</i>           | <i>1.4</i>            | <i>5.6</i>            | <i>8.7</i>            | <i>7.7</i>            | <i>10.1</i>           | <i>15.0</i>           | <i>12.4</i>           |
| JP Morgan SSPF                       | -12.1                | 13.4                  | 16.6                  | 1.2                   | 5.9                   | 9.1                   | 8.2                   | 10.3                  | 19.0                  | 14.5                  |
| <i>NCREIF ODCE + 100bps</i>          | <i>-7.5</i>          | <i>23.3</i>           | <i>15.8</i>           | <i>2.4</i>            | <i>6.6</i>            | <i>9.8</i>            | <i>8.7</i>            | <i>11.2</i>           | <i>16.1</i>           | <i>13.5</i>           |
| Retirement Office                    |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |

Total Plan | As of March 31, 2023

|  | Fiscal<br>YTD<br>(%) | Fiscal<br>2022<br>(%) | Fiscal<br>2021<br>(%) | Fiscal<br>2020<br>(%) | Fiscal<br>2019<br>(%) | Fiscal<br>2018<br>(%) | Fiscal<br>2017<br>(%) | Fiscal<br>2016<br>(%) | Fiscal<br>2015<br>(%) | Fiscal<br>2014<br>(%) |
|--|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Infrastructure</b>                    | <b>-0.4</b>          | <b>48.1</b>           | <b>-7.7</b>           | <b>2.4</b>            | <b>7.2</b>            | --                    | --                    | --                    | --                    | --                    |
| <i>CPI + 500 bps</i>                     | <i>4.2</i>           | <i>13.6</i>           | <i>10.6</i>           | <i>6.4</i>            | <i>6.8</i>            | <i>7.4</i>            | <i>7.3</i>            | <i>6.5</i>            | <i>5.0</i>            | <i>6.7</i>            |
| BlackRock NTR Renewable Power Fund       | 22.6                 | 38.7                  | -27.6                 | -5.7                  | 14.2                  | 7.4                   | 6.5                   | 1.2                   | 6.1                   | 1.3                   |
| <i>CPI + 500 bps</i>                     | <i>4.2</i>           | <i>13.6</i>           | <i>10.6</i>           | <i>6.4</i>            | <i>6.8</i>            | <i>7.4</i>            | <i>7.3</i>            | <i>6.5</i>            | <i>5.0</i>            | <i>6.7</i>            |
| BlackRock Global Renewable Power Fund II | -1.2                 | 41.2                  | -0.7                  | 8.3                   | -2.6                  | 4.3                   | -2.1                  | --                    | --                    | --                    |
| <i>CPI + 500 bps</i>                     | <i>4.2</i>           | <i>13.6</i>           | <i>10.6</i>           | <i>6.4</i>            | <i>6.8</i>            | <i>7.4</i>            | <i>7.3</i>            | <i>6.5</i>            | <i>5.0</i>            | <i>6.7</i>            |
| <b>Cash &amp; Cash Alternatives</b>      | <b>6.2</b>           | <b>-18.9</b>          | <b>1.8</b>            | <b>-2.9</b>           | <b>5.1</b>            | <b>2.3</b>            | <b>6.9</b>            | <b>11.2</b>           | <b>-11.2</b>          | --                    |
| <i>BlackRock Custom Benchmark</i>        | <i>13.4</i>          | <i>-17.4</i>          | <i>22.3</i>           | <i>6.2</i>            | <i>3.9</i>            | <i>7.5</i>            | <i>12.5</i>           | <i>11.6</i>           | <i>-1.1</i>           | --                    |
| BlackRock Liquid Policy Portfolio        | 13.4                 | -17.2                 | 21.9                  | 6.3                   | 3.9                   | 7.2                   | 12.2                  | 11.4                  | -1.3                  | --                    |
| <i>BlackRock Custom Benchmark</i>        | <i>13.4</i>          | <i>-17.4</i>          | <i>22.3</i>           | <i>6.2</i>            | <i>3.9</i>            | <i>7.5</i>            | <i>12.5</i>           | <i>11.6</i>           | <i>-1.1</i>           | --                    |
| Main Account                             |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |

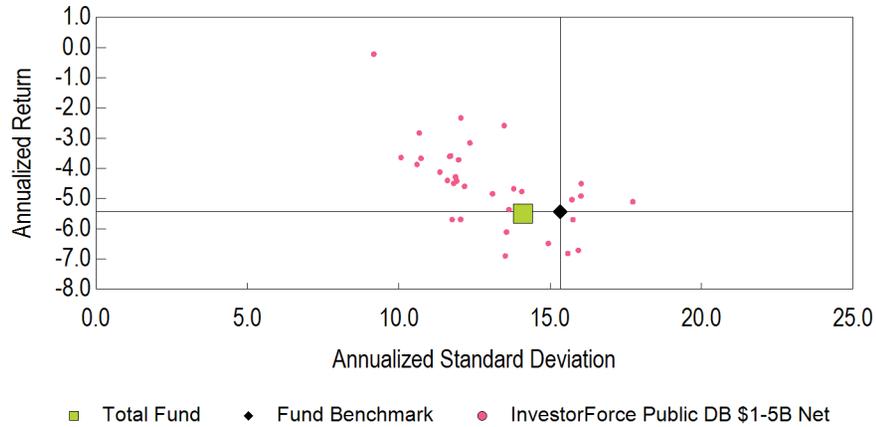
Statistics Summary (Net of Fees)

5 Years Ending March 31, 2023

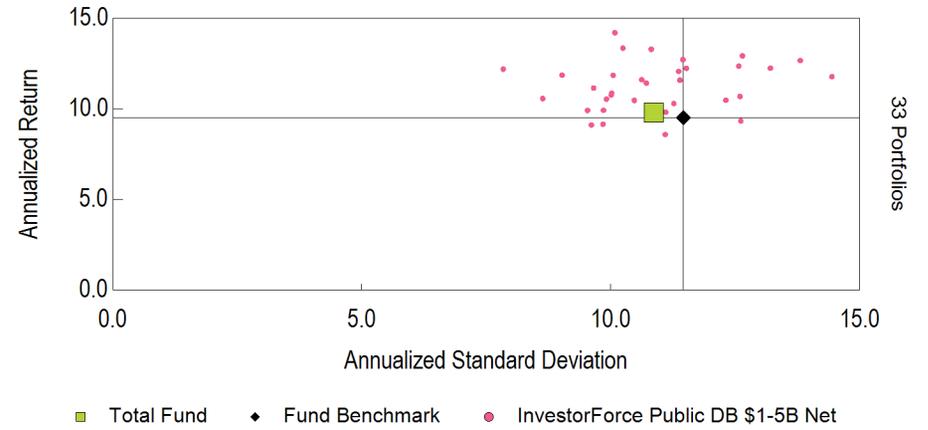
|                               | Anlzd Return | Anlzd Standard Deviation | Information Ratio | Beta | Sharpe Ratio | Tracking Error |
|-------------------------------|--------------|--------------------------|-------------------|------|--------------|----------------|
| Total Fund                    | 5.7%         | 10.4%                    | -0.5              | 1.0  | 0.4          | 1.4%           |
| Fund Benchmark                | 6.3%         | 10.5%                    | --                | 1.0  | 0.5          | 0.0%           |
| US Equity                     | 9.4%         | 19.5%                    | -0.5              | 1.0  | 0.4          | 1.9%           |
| Russell 3000                  | 10.4%        | 19.2%                    | --                | 1.0  | 0.5          | 0.0%           |
| International Equity          | 3.8%         | 15.6%                    | 0.1               | 0.9  | 0.2          | 4.4%           |
| MSCI EAFE                     | 3.5%         | 17.6%                    | --                | 1.0  | 0.1          | 0.0%           |
| Private Equity                | 15.7%        | 11.9%                    | 0.4               | 0.1  | 1.2          | 20.6%          |
| MSCI ACWI IMI (1Q Lagged) +2% | 7.1%         | 18.0%                    | --                | 1.0  | 0.3          | 0.0%           |
| Private Debt                  | --           | --                       | --                | --   | --           | --             |
| BBarc HY 1Q Lagged + 2%       | --           | --                       | --                | --   | --           | --             |
| Investment Grade Bonds        | 1.1%         | 5.6%                     | 0.1               | 1.0  | 0.0          | 1.5%           |
| Bloomberg US Aggregate TR     | 0.9%         | 5.5%                     | --                | 1.0  | -0.1         | 0.0%           |
| Treasuries                    | --           | --                       | --                | --   | --           | --             |
| Bloomberg US Govt Long TR     | -0.4%        | 13.9%                    | --                | 1.0  | -0.1         | 0.0%           |
| High Yield                    | 3.6%         | 8.1%                     | 0.3               | 0.9  | 0.3          | 1.7%           |
| ICE BofA US High Yield TR     | 3.1%         | 9.4%                     | --                | 1.0  | 0.2          | 0.0%           |
| Bank Loans                    | 3.7%         | 5.8%                     | 0.1               | 0.8  | 0.4          | 2.1%           |
| Credit Suisse Leveraged Loans | 3.5%         | 7.2%                     | --                | 1.0  | 0.3          | 0.0%           |
| Real Estate                   | 6.6%         | 5.4%                     | -0.2              | 0.5  | 1.0          | 5.7%           |
| NCREIF ODCE                   | 7.5%         | 7.0%                     | --                | 1.0  | 0.9          | 0.0%           |

|                            | Anlzd Return | Anlzd Standard Deviation | Information Ratio | Beta | Sharpe Ratio | Tracking Error |
|----------------------------|--------------|--------------------------|-------------------|------|--------------|----------------|
| Infrastructure             | 9.3%         | 14.2%                    | 0.0               | 1.7  | 0.6          | 14.0%          |
| CPI + 500 bps              | 9.1%         | 1.4%                     | --                | 1.0  | 5.5          | 0.0%           |
| Cash & Cash Alternatives   | -1.5%        | 9.5%                     | -1.1              | 0.6  | -0.3         | 6.7%           |
| BlackRock Custom Benchmark | 5.8%         | 13.7%                    | --                | 1.0  | 0.3          | 0.0%           |

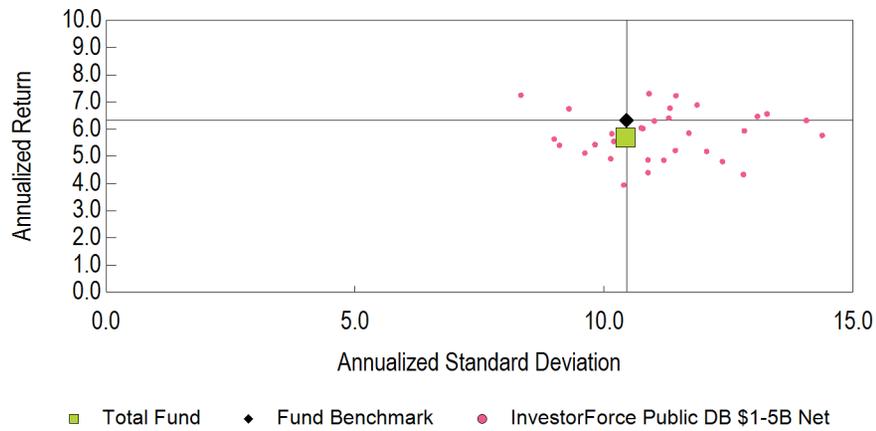
Annualized Return vs. Annualized Standard Deviation  
1 Year Ending March 31, 2023



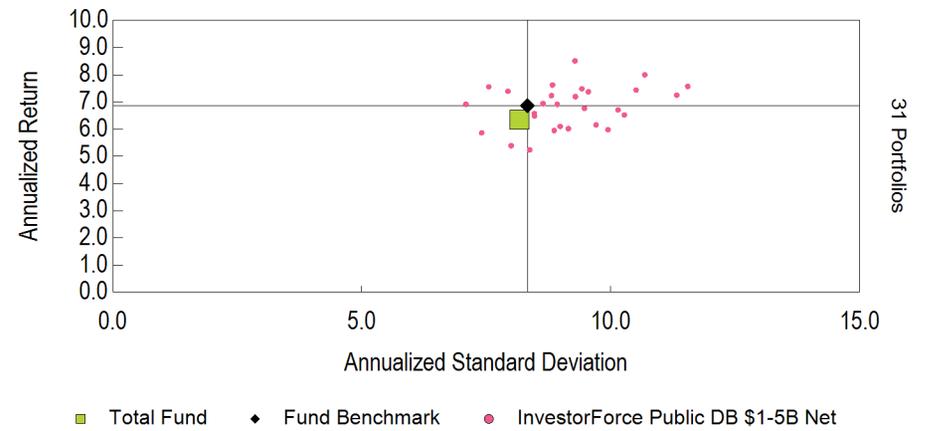
Annualized Return vs. Annualized Standard Deviation  
3 Years Ending March 31, 2023



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending March 31, 2023



Annualized Return vs. Annualized Standard Deviation  
10 Years Ending March 31, 2023



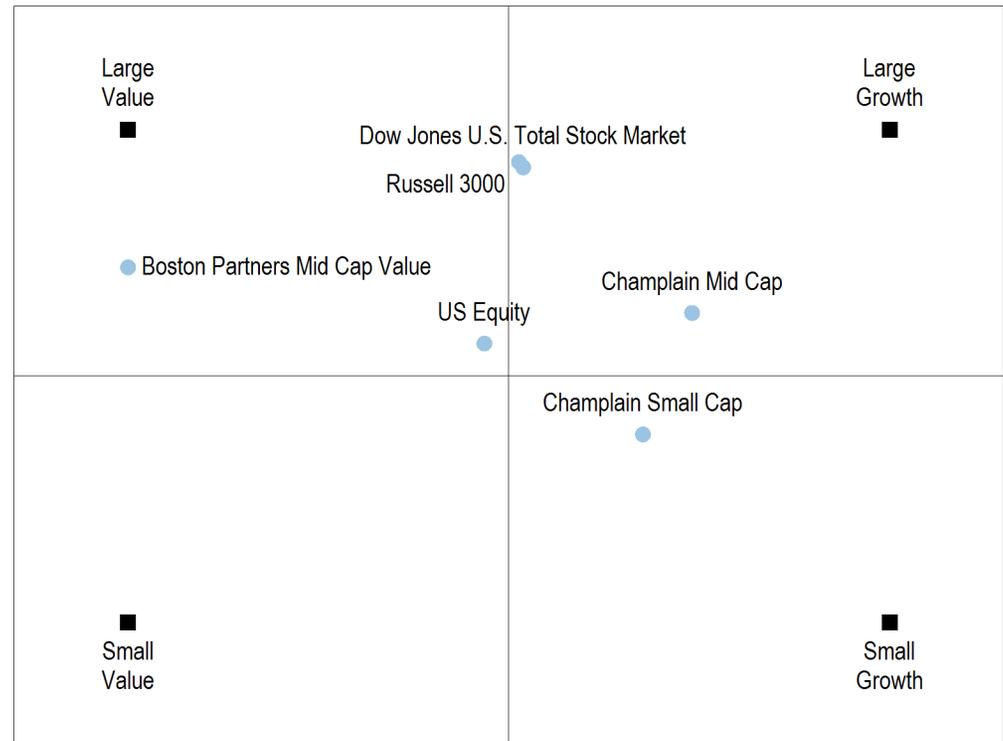
| Public Manager Expense Analysis               |                        |                |               |                     |
|---|------------------------|----------------|---------------|---------------------|
| As Of March 31, 2023                          |                        |                |               |                     |
| Name  | Market Value           | % of Portfolio | Estimated Fee | Estimated Fee Value |
| Aristotle Pacific                             | \$42,469,413           | 2.8%           | 0.37%         | \$157,137           |
| AXA High Yield                                | \$30,885,817           | 2.1%           | 0.33%         | \$100,379           |
| BlackRock Liquid Policy Portfolio             | \$7,477,418            | 0.5%           | 0.09%         | \$6,730             |
| Boston Partners Mid Cap Value                 | \$55,043,374           | 3.7%           | 0.64%         | \$350,217           |
| Champlain Mid Cap                             | \$47,145,546           | 3.1%           | 0.55%         | \$259,301           |
| Champlain Small Cap                           | \$61,913,715           | 4.1%           | 0.55%         | \$340,525           |
| Dodge & Cox Core Fixed Income                 | \$91,422,760           | 6.1%           | 0.23%         | \$212,134           |
| First Eagle International Equity              | \$122,989,162          | 8.2%           | 0.55%         | \$676,440           |
| JP Morgan SPF                                 | \$118,419,176          | 7.9%           | 0.86%         | \$1,018,144         |
| JP Morgan SSPF                                | \$28,283,887           | 1.9%           | 1.25%         | \$353,549           |
| Northern Trust EAFE Index Fund                | \$140,147,097          | 9.3%           | 0.01%         | \$17,518            |
| Northern Trust S&P500 Index Fund              | \$327,634,984          | 21.8%          | 0.00%         | \$8,191             |
| NT Long-Term Gov. Bond Index Fund             | \$60,911,464           | 4.1%           | 0.03%         | \$18,273            |
| NT US Aggregate Bond                          | \$181,380,916          | 12.1%          | 0.02%         | \$31,742            |
| Waycross Partners Core Equity                 | \$58,230,768           | 3.9%           | 0.44%         | \$257,923           |
| Wellington International Quality Growth (IQG) | \$128,344,893          | 8.5%           | 0.59%         | \$755,897           |
| <b>Total</b>                                  | <b>\$1,502,700,389</b> | <b>100.0%</b>  | <b>0.30%</b>  | <b>\$4,564,099</b>  |

## US Equity

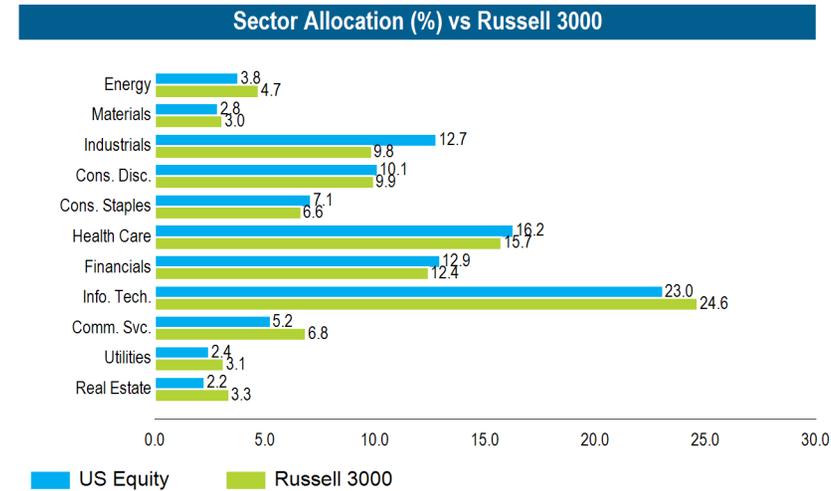
#### Asset Allocation on March 31, 2023

|                                  | Actual               | Actual        |
|----------------------------------|----------------------|---------------|
| Northern Trust S&P500 Index Fund | \$327,634,984        | 59.6%         |
| Waycross Partners Core Equity    | \$58,230,768         | 10.6%         |
| Boston Partners Mid Cap Value    | \$55,043,374         | 10.0%         |
| Champlain Mid Cap                | \$47,145,546         | 8.6%          |
| Champlain Small Cap              | \$61,913,715         | 11.3%         |
| <b>Total</b>                     | <b>\$549,968,387</b> | <b>100.0%</b> |

#### U.S. Effective Style Map 3 Years Ending March 31, 2023



| US Equity Characteristics vs Russell 3000 |                 |             |
|---|-----------------|-------------|
|   | Portfolio Q1-23 | Index Q1-23 |
| <b>Market Value</b>                       |                 |             |
| Market Value (\$M)                        | 550.0           | --          |
| Number Of Holdings                        | 634             | 2923        |
| <b>Characteristics</b>                    |                 |             |
| Weighted Avg. Market Cap. (\$B)           | 393.8           | 470.5       |
| Median Market Cap (\$B)                   | 22.9            | 2.5         |
| P/E Ratio                                 | 21.8            | 20.2        |
| Yield                                     | 1.5             | 1.6         |
| EPS Growth - 5 Yrs.                       | 16.6            | 18.0        |
| Price to Book                             | 4.0             | 3.9         |
| Beta (returns-based)                      | 1.0             | 1.0         |
| <b>Company Size Distribution</b>          |                 |             |
| Weighted Avg. Market Cap. (\$B)           | 393.8           | 470.5       |
| Median Market Cap. (\$B)                  | 22.9            | 2.5         |
| Large Cap. (%)                            | 64.6            | 72.5        |
| Medium Cap. (%)                           | 29.9            | 22.0        |
| Small Cap. (%)                            | 5.5             | 5.5         |



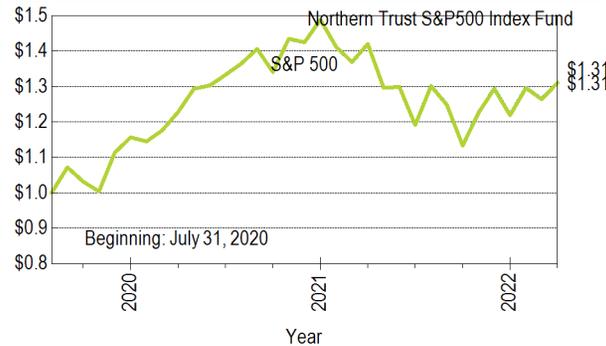
| Top Holdings           |              |
|------------------------|--------------|
| APPLE INC              | 5.1%         |
| MICROSOFT CORP         | 4.5%         |
| AMAZON.COM INC         | 2.0%         |
| NVIDIA CORPORATION     | 1.7%         |
| ALPHABET INC           | 1.5%         |
| META PLATFORMS INC     | 1.3%         |
| ABBVIE INC             | 1.0%         |
| TESLA INC              | 1.0%         |
| BERKSHIRE HATHAWAY INC | 1.0%         |
| JPMORGAN CHASE & CO    | 1.0%         |
| <b>Total</b>           | <b>20.0%</b> |

### Northern Trust S&P500 Index Fund | As of March 31, 2023

#### Account Information

|                   |   |
|-------------------|---|
| Account Name      | <b>Northern Trust S&amp;P500 Index Fund</b> |
| Account Structure | <b>Commingled Fund</b>                      |
| Investment Style  | <b>Passive</b>                              |
| Inception Date    | <b>8/01/20</b>                              |
| Account Type      | <b>US Equity</b>                            |
| Benchmark         | <b>S&amp;P 500</b>                          |
| Universe          |   |

#### Investment Growth



#### Characteristics

|                                 | Portfolio | S&P 500 |
|---------------------------------|-----------|---------|
| Number of Holdings              | 507       | 503     |
| Weighted Avg. Market Cap. (\$B) | 537.3     | 539.2   |
| Median Market Cap. (\$B)        | 30.1      | 30.4    |
| Price To Earnings               | 21.1      | 21.2    |
| Price To Book                   | 4.2       | 4.2     |
| Price To Sales                  | 2.4       | 2.5     |
| Return on Equity (%)            | 28.7      | 28.5    |
| Yield (%)                       | 1.7       | 1.7     |

#### Portfolio Performance Summary

|                                  | QTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | S.I. (%) | S.I. Date |
|----------------------------------|---------|----------|-----------|-----------|------------|----------|-----------|
| Northern Trust S&P500 Index Fund | 7.5     | -7.7     | --        | --        | --         | 10.7     | Aug-20    |
| S&P 500                          | 7.5     | -7.7     | 18.6      | 11.2      | 12.2       | 10.7     | Aug-20    |

#### Sector Allocation

|  | Portfolio | S&P 500 |
|--|-----------|---------|
| <b>INDUSTRY SECTOR DISTRIBUTION (% Equity)</b> |           |         |
| Energy   | 4.6       | 4.5     |
| Materials                                      | 2.6       | 2.6     |
| Industrials                                    | 8.6       | 8.6     |
| Consumer Discretionary                         | 10.0      | 10.4    |
| Consumer Staples                               | 7.2       | 7.8     |
| Health Care                                    | 14.0      | 13.9    |
| Financials                                     | 12.8      | 13.1    |
| Information Technology                         | 25.8      | 25.6    |
| Communication Services                         | 8.0       | 8.3     |
| Utilities                                      | 2.8       | 2.7     |
| Real Estate                                    | 2.5       | 2.5     |

#### Characteristics

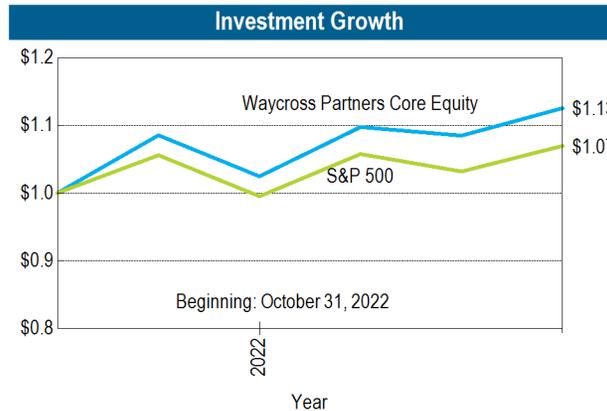
|                                  | Portfolio | S&P 500 |
|----------------------------------|-----------|---------|
| <b>COMPANY SIZE DISTRIBUTION</b> |           |         |
| Weighted Avg. Market Cap. (\$B)  | 537.3     | 539.2   |
| Median Market Cap. (\$B)         | 30.1      | 30.4    |
| Large Cap. (%)                   | 84.1      | 84.1    |
| Medium Cap. (%)                  | 15.9      | 15.7    |
| Small Cap. (%)                   | 0.0       | 0.2     |

#### Top Holdings

|                        |      |
|------------------------|------|
| APPLE INC              | 7.1% |
| MICROSOFT CORP         | 6.2% |
| AMAZON.COM INC         | 2.7% |
| NVIDIA CORPORATION     | 2.0% |
| ALPHABET INC           | 1.8% |
| TESLA INC              | 1.6% |
| BERKSHIRE HATHAWAY INC | 1.6% |
| ALPHABET INC           | 1.6% |
| META PLATFORMS INC     | 1.4% |
| EXXON MOBIL CORP       | 1.3% |

### Waycross Partners Core Equity | As of March 31, 2023

| Account Information |                                 |
|---------------------|---------------------------------|
| Account Name        | Waycross Partners Core Equity   |
| Account Structure   | Separate Account                |
| Investment Style    | Active                          |
| Inception Date      | 11/01/22                        |
| Account Type        | US Equity                       |
| Benchmark           | S&P 500                         |
| Universe            | eV US Large Cap Core Equity Net |



| Characteristics                 | Portfolio | S&P 500 |
|---------------------------------|-----------|---------|
| Number of Holdings              | 31        | 503     |
| Weighted Avg. Market Cap. (\$B) | 553.6     | 539.2   |
| Median Market Cap. (\$B)        | 115.5     | 30.4    |
| Price To Earnings               | 24.0      | 21.2    |
| Price To Book                   | 5.2       | 4.2     |
| Price To Sales                  | 3.0       | 2.5     |
| Return on Equity (%)            | 43.0      | 28.5    |
| Yield (%)                       | 1.3       | 1.7     |

| Portfolio Performance Summary |         |          |           |           |            |          |           |
|-------------------------------|---------|----------|-----------|-----------|------------|----------|-----------|
|                               | QTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | S.I. (%) | S.I. Date |
| Waycross Partners Core Equity | 9.8     | --       | --        | --        | --         | 12.5     | Nov-22    |
| S&P 500                       | 7.5     | -7.7     | 18.6      | 11.2      | 12.2       | 7.0      | Nov-22    |

| Sector Allocation                       | Portfolio | S&P 500 |
|---|-----------|---------|
| INDUSTRY SECTOR DISTRIBUTION (% Equity) |           |         |
| Energy                                  | 0.0       | 4.5     |
| Materials                               | 0.0       | 2.6     |
| Industrials                             | 7.5       | 8.6     |
| Consumer Discretionary                  | 14.8      | 10.4    |
| Consumer Staples                        | 3.1       | 7.8     |
| Health Care                             | 16.2      | 13.9    |
| Financials                              | 18.1      | 13.1    |
| Information Technology                  | 31.8      | 25.6    |
| Communication Services                  | 7.7       | 8.3     |
| Utilities                               | 0.0       | 2.7     |
| Real Estate                             | 0.0       | 2.5     |

| Characteristics                 | Portfolio | S&P 500 |
|---------------------------------|-----------|---------|
| COMPANY SIZE DISTRIBUTION       |           |         |
| Weighted Avg. Market Cap. (\$B) | 553.6     | 539.2   |
| Median Market Cap. (\$B)        | 115.5     | 30.4    |
| Large Cap. (%)                  | 88.8      | 84.1    |
| Medium Cap. (%)                 | 11.2      | 15.7    |
| Small Cap. (%)                  | 0.0       | 0.2     |

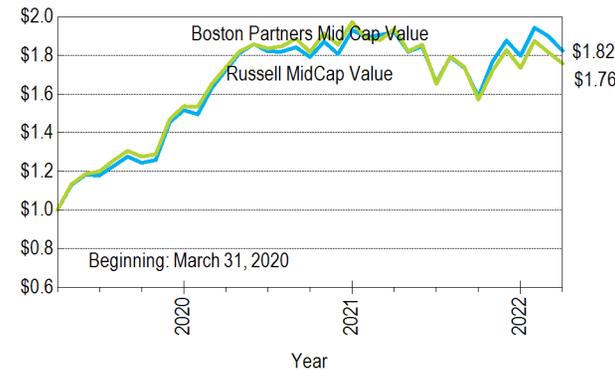
| Top Holdings           |      |
|------------------------|------|
| APPLE INC              | 7.2% |
| MICROSOFT CORP         | 6.1% |
| NVIDIA CORPORATION     | 4.5% |
| ABBVIE INC             | 4.5% |
| ULTA BEAUTY INC        | 4.3% |
| ANALOG DEVICES INC     | 4.2% |
| META PLATFORMS INC     | 4.1% |
| INTUITIVE SURGICAL INC | 4.0% |
| CISCO SYSTEMS INC      | 3.8% |
| STARBUCKS CORP         | 3.7% |

### Boston Partners Mid Cap Value | As of March 31, 2023

#### Account Information

|                   |                                       |
|-------------------|---------------------------------------|
| Account Name      | <b>Boston Partners Mid Cap Value</b>  |
| Account Structure | <b>Separate Account</b>               |
| Investment Style  | <b>Active</b>                         |
| Inception Date    | <b>6/01/98</b>                        |
| Account Type      | <b>US Stock Mid Cap Value</b>         |
| Benchmark         | <b>Russell MidCap Value</b>           |
| Universe          | <b>eV US Mid Cap Value Equity Net</b> |

#### Investment Growth



#### Characteristics

|                                 | Portfolio | Russell MidCap Value |
|---------------------------------|-----------|----------------------|
| Number of Holdings              | 140       | 695                  |
| Weighted Avg. Market Cap. (\$B) | 25.7      | 20.4                 |
| Median Market Cap. (\$B)        | 16.8      | 9.4                  |
| Price To Earnings               | 17.8      | 15.5                 |
| Price To Book                   | 2.8       | 2.3                  |
| Price To Sales                  | 1.6       | 1.4                  |
| Return on Equity (%)            | 20.0      | 13.6                 |
| Yield (%)                       | 1.9       | 2.3                  |

#### Portfolio Performance Summary

|                               | QTD (%)    | 1 Yr (%)    | 3 Yrs (%)   | 5 Yrs (%)  | 10 Yrs (%) | S.I. (%)   | S.I. Date     |
|-------------------------------|------------|-------------|-------------|------------|------------|------------|---------------|
| Boston Partners Mid Cap Value | 1.4        | -5.1        | 22.2        | 7.4        | 10.7       | 9.4        | Jun-98        |
| <i>Russell MidCap Value</i>   | <i>1.3</i> | <i>-9.2</i> | <i>20.7</i> | <i>6.5</i> | <i>8.8</i> | <i>8.7</i> | <i>Jun-98</i> |

#### Characteristics

|                                  | Portfolio | Russell MidCap Value |
|----------------------------------|-----------|----------------------|
| <b>COMPANY SIZE DISTRIBUTION</b> |           |                      |
| Weighted Avg. Market Cap. (\$B)  | 25.7      | 20.4                 |
| Median Market Cap. (\$B)         | 16.8      | 9.4                  |
| Large Cap. (%)                   | 21.8      | 10.6                 |
| Medium Cap. (%)                  | 77.1      | 85.0                 |
| Small Cap. (%)                   | 1.1       | 4.4                  |

#### Top Holdings

|                          |      |
|--------------------------|------|
| CASH - USD               | 2.8% |
| AMERIPRISE FINANCIAL INC | 2.1% |
| AUTOZONE INC             | 1.9% |
| CENTERPOINT ENERGY INC.  | 1.8% |
| AMETEK INC               | 1.8% |
| DOVER CORP               | 1.7% |
| PARKER-HANNIFIN CORP     | 1.5% |
| AMERISOURCEBERGEN CORP   | 1.5% |
| HOWMET AEROSPACE INC     | 1.3% |
| ICON PLC                 | 1.3% |

#### Sector Allocation

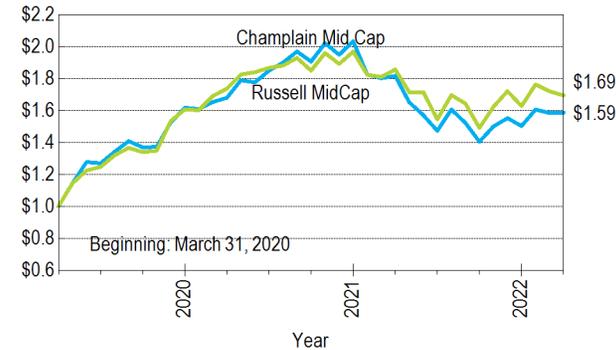
|  | Portfolio | Russell MidCap Value |
|--|-----------|----------------------|
| <b>INDUSTRY SECTOR DISTRIBUTION (% Equity)</b> |           |                      |
| Energy   | 5.4       | 4.9                  |
| Materials                                      | 6.0       | 7.9                  |
| Industrials                                    | 24.2      | 17.0                 |
| Consumer Discretionary                         | 15.2      | 10.0                 |
| Consumer Staples                               | 2.2       | 4.3                  |
| Health Care                                    | 7.8       | 7.4                  |
| Financials                                     | 13.8      | 17.1                 |
| Information Technology                         | 8.1       | 8.7                  |
| Communication Services                         | 1.9       | 3.3                  |
| Utilities                                      | 5.2       | 8.9                  |
| Real Estate                                    | 7.4       | 10.4                 |

### Champlain Mid Cap | As of March 31, 2023

#### Account Information

|                   |                                      |
|-------------------|--------------------------------------|
| Account Name      | <b>Champlain Mid Cap</b>             |
| Account Structure | <b>Separate Account</b>              |
| Investment Style  | <b>Active</b>                        |
| Inception Date    | <b>7/01/09</b>                       |
| Account Type      | <b>US Stock Mid Cap Core</b>         |
| Benchmark         | <b>Russell MidCap</b>                |
| Universe          | <b>eV US Mid Cap Core Equity Net</b> |

#### Investment Growth



#### Characteristics

|                                 | Portfolio | Russell MidCap |
|---------------------------------|-----------|----------------|
| Number of Holdings              | 59        | 814            |
| Weighted Avg. Market Cap. (\$B) | 21.8      | 22.6           |
| Median Market Cap. (\$B)        | 17.0      | 10.1           |
| Price To Earnings               | 32.0      | 18.0           |
| Price To Book                   | 4.5       | 3.0            |
| Price To Sales                  | 3.8       | 1.7            |
| Return on Equity (%)            | 17.5      | 17.0           |
| Yield (%)                       | 0.8       | 1.7            |

#### Portfolio Performance Summary

|                       | QTD (%)    | 1 Yr (%)    | 3 Yrs (%)   | 5 Yrs (%)  | 10 Yrs (%)  | S.I. (%)    | S.I. Date     |
|-----------------------|------------|-------------|-------------|------------|-------------|-------------|---------------|
| Champlain Mid Cap     | 5.6        | -12.7       | 16.6        | 10.2       | 12.5        | 14.2        | Jul-09        |
| <i>Russell MidCap</i> | <i>4.1</i> | <i>-8.8</i> | <i>19.2</i> | <i>8.1</i> | <i>10.1</i> | <i>13.1</i> | <i>Jul-09</i> |

#### Sector Allocation

|  | Portfolio | Russell MidCap |
|--|-----------|----------------|
| <b>INDUSTRY SECTOR DISTRIBUTION (% Equity)</b> |           |                |
| Energy   | 0.0       | 4.3            |
| Materials                                      | 1.0       | 6.3            |
| Industrials                                    | 21.6      | 17.3           |
| Consumer Discretionary                         | 7.1       | 11.9           |
| Consumer Staples                               | 10.2      | 3.9            |
| Health Care                                    | 24.6      | 11.0           |
| Financials                                     | 12.7      | 13.3           |
| Information Technology                         | 18.6      | 15.1           |
| Communication Services                         | 0.0       | 3.7            |
| Utilities                                      | 0.0       | 5.8            |
| Real Estate                                    | 0.0       | 7.3            |

#### Characteristics

|                                  | Portfolio | Russell MidCap |
|----------------------------------|-----------|----------------|
| <b>COMPANY SIZE DISTRIBUTION</b> |           |                |
| Weighted Avg. Market Cap. (\$B)  | 21.8      | 22.6           |
| Median Market Cap. (\$B)         | 17.0      | 10.1           |
| Large Cap. (%)                   | 16.1      | 14.9           |
| Medium Cap. (%)                  | 80.4      | 80.6           |
| Small Cap. (%)                   | 3.5       | 4.5            |

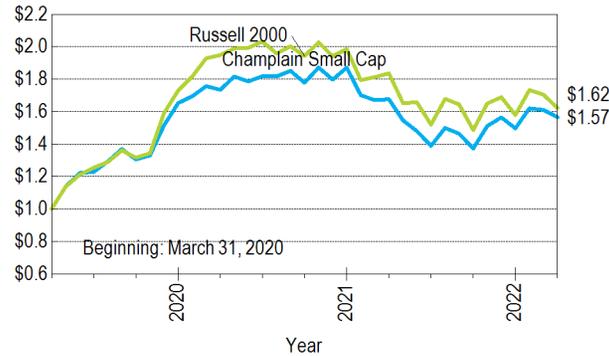
#### Top Holdings

|                        |      |
|------------------------|------|
| EVEREST RE GROUP LTD   | 3.5% |
| AMETEK INC             | 3.5% |
| FORTIVE CORP           | 3.5% |
| WORKDAY INC            | 3.4% |
| CASH - USD             | 3.4% |
| TRADEWEB MARKETS INC   | 3.1% |
| TORO CO (THE)          | 2.7% |
| OKTA INC               | 2.5% |
| PALO ALTO NETWORKS INC | 2.5% |
| VEEVA SYSTEMS INC      | 2.3% |

#### Account Information

|                   |  |
|-------------------|--|
| Account Name      | <b>Champlain Small Cap</b>             |
| Account Structure | <b>Separate Account</b>                |
| Investment Style  | <b>Active</b>                          |
| Inception Date    | <b>1/01/04</b>                         |
| Account Type      | <b>US Stock Small Cap Core</b>         |
| Benchmark         | <b>Russell 2000</b>                    |
| Universe          | <b>eV US Small Cap Core Equity Net</b> |

#### Investment Growth



#### Characteristics

|                                 | Portfolio | Russell 2000 |
|---------------------------------|-----------|--------------|
| Number of Holdings              | 66        | 1,916        |
| Weighted Avg. Market Cap. (\$B) | 4.1       | 2.9          |
| Median Market Cap. (\$B)        | 2.8       | 1.1          |
| Price To Earnings               | 25.4      | 12.8         |
| Price To Book                   | 3.3       | 2.4          |
| Price To Sales                  | 2.7       | 1.2          |
| Return on Equity (%)            | 1.6       | 5.1          |
| Yield (%)                       | 0.6       | 1.7          |

#### Portfolio Performance Summary

|                     | QTD (%)    | 1 Yr (%)     | 3 Yrs (%)   | 5 Yrs (%)  | 10 Yrs (%) | S.I. (%)   | S.I. Date     |
|---------------------|------------|--------------|-------------|------------|------------|------------|---------------|
| Champlain Small Cap | 4.6        | -6.6         | 16.1        | 7.4        | 10.3       | 10.7       | Jan-04        |
| <i>Russell 2000</i> | <i>2.7</i> | <i>-11.6</i> | <i>17.5</i> | <i>4.7</i> | <i>8.0</i> | <i>7.7</i> | <i>Jan-04</i> |

#### Sector Allocation

|   | Portfolio | Russell 2000 |
|---|-----------|--------------|
| INDUSTRY SECTOR DISTRIBUTION (% Equity) |           |              |
| Energy                                  | 0.0       | 6.5          |
| Materials                               | 4.1       | 4.6          |
| Industrials                             | 19.4      | 16.9         |
| Consumer Discretionary                  | 3.9       | 11.3         |
| Consumer Staples                        | 13.7      | 3.8          |
| Health Care                             | 19.2      | 16.0         |
| Financials                              | 11.6      | 16.0         |
| Information Technology                  | 15.3      | 12.5         |
| Communication Services                  | 1.4       | 2.7          |
| Utilities                               | 0.0       | 3.3          |
| Real Estate                             | 0.0       | 6.3          |

#### Characteristics

|                                 | Portfolio | Russell 2000 |
|---------------------------------|-----------|--------------|
| COMPANY SIZE DISTRIBUTION       |           |              |
| Weighted Avg. Market Cap. (\$B) | 4.1       | 2.9          |
| Median Market Cap. (\$B)        | 2.8       | 1.1          |
| Large Cap. (%)                  | 0.0       | 0.0          |
| Medium Cap. (%)                 | 47.5      | 30.1         |
| Small Cap. (%)                  | 52.5      | 69.9         |

#### Top Holdings

|                                    |      |
|------------------------------------|------|
| CASH - USD                         | 7.8% |
| PENUMBRA INC                       | 3.1% |
| JOHN BEAN TECHNOLOGIES CORP        | 3.0% |
| AQUACELL TECHS.                    | 3.0% |
| MSA SAFETY INC                     | 2.9% |
| PURE STORAGE INC                   | 2.7% |
| NEW RELIC INC                      | 2.7% |
| INSPIRE MEDICAL SYSTEMS INC        | 2.6% |
| INTEGRA LIFESCIENCES HOLDINGS CORP | 2.6% |
| WORKIVA INC                        | 2.5% |

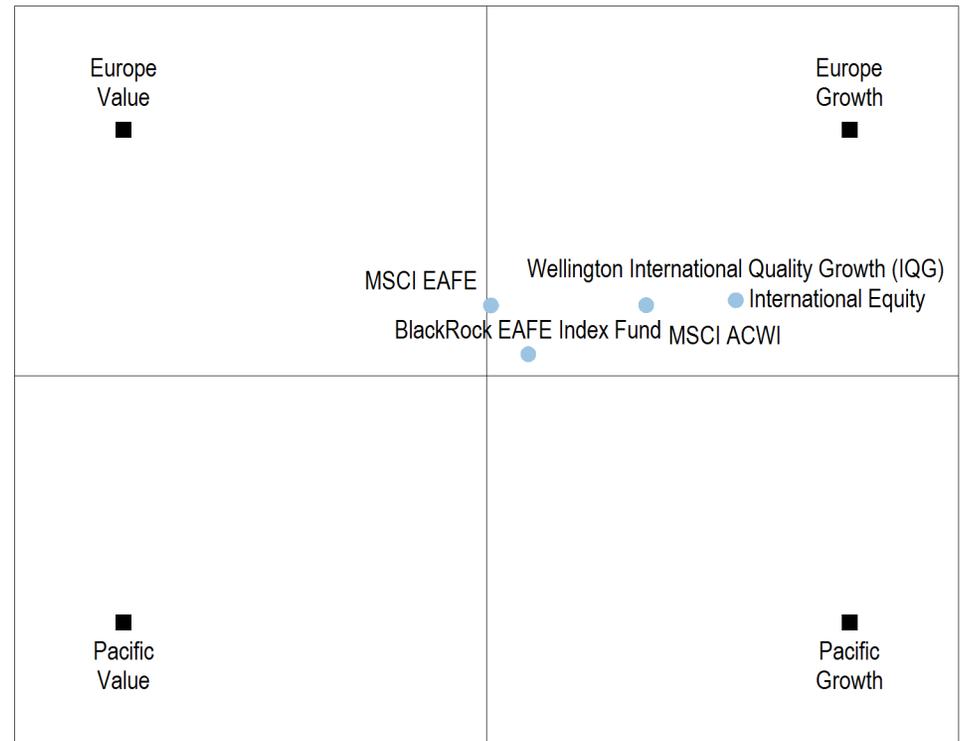
## **International Equity**

#### Asset Allocation on March 31, 2023

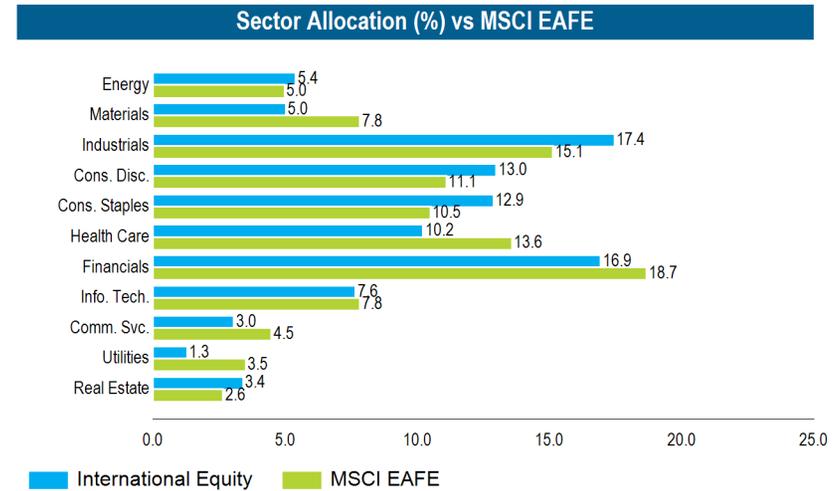
|   | Actual               | Actual        |
|---|----------------------|---------------|
| First Eagle International Equity              | \$122,989,162        | 31.4%         |
| Northern Trust EAFE Index Fund                | \$140,147,097        | 35.8%         |
| Wellington International Quality Growth (IQG) | \$128,344,893        | 32.8%         |
| <b>Total</b>                                  | <b>\$391,481,152</b> | <b>100.0%</b> |

#### International Effective Style Map

3 Years Ending March 31, 2023



| International Equity Characteristics<br>vs MSCI EAFE |                    |                |
|--|--------------------|----------------|
|  | Portfolio<br>Q1-23 | Index<br>Q1-23 |
| <b>Market Value</b>                                  |                    |                |
| Market Value (\$M)                                   | 391.5              | --             |
| Number Of Holdings                                   | 912                | 795            |
| <b>Characteristics</b>                               |                    |                |
| Weighted Avg. Market Cap. (\$B)                      | 78.7               | 85.5           |
| Median Market Cap (\$B)                              | 12.7               | 12.5           |
| P/E Ratio  | 14.4               | 14.6           |
| Yield  | 2.8                | 3.3            |
| EPS Growth - 5 Yrs.                                  | 8.8                | 8.2            |
| Price to Book  | 2.4                | 2.6            |
| Beta (returns-based)                                 | 0.9                | 0.9            |
| <b>Company Size Distribution</b>                     |                    |                |
| Weighted Avg. Market Cap. (\$B)                      | 78.7               | 85.5           |
| Median Market Cap. (\$B)                             | 12.7               | 12.5           |
| Large Cap. (%)                                       | 58.3               | 67.9           |
| Medium Cap. (%)                                      | 33.1               | 24.4           |
| Small Cap. (%)                                       | 8.6                | 7.7            |



| Top Holdings                              |              |
|---|--------------|
| TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD | 1.8%         |
| NESTLE SA, CHAM UND VEVEY                 | 1.4%         |
| TENCENT HOLDINGS LTD                      | 1.4%         |
| IMPERIAL OIL LTD                          | 1.3%         |
| CIE FINANCIERE RICHEMONT AG, ZUG          | 1.2%         |
| DANONE                                    | 1.2%         |
| ASTRAZENECA PLC                           | 1.1%         |
| AIRBUS SE                                 | 1.1%         |
| UNILEVER PLC COMMON STOCK GBP.0311        | 1.0%         |
| SANOFI                                    | 1.0%         |
| <b>Total</b>                              | <b>12.5%</b> |

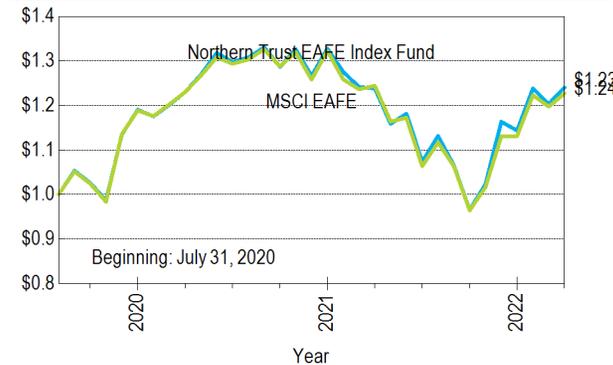
| International Equity Region Allocation<br>vs MSCI EAFE |               |               |             |
|--|---------------|---------------|-------------|
| Region   | % of Total    | % of Bench    | % Diff      |
| North America ex U.S.                                  | 3.4%          | 0.0%          | 3.4%        |
| United States  | 2.7%          | 0.0%          | 2.7%        |
| Europe Ex U.K.   | 43.8%         | 51.1%         | -7.3%       |
| United Kingdom   | 11.4%         | 14.8%         | -3.4%       |
| Pacific Basin Ex Japan                                 | 7.7%          | 11.9%         | -4.2%       |
| Japan  | 17.2%         | 21.5%         | -4.3%       |
| Emerging Markets                                       | 12.4%         | 0.0%          | 12.4%       |
| Other  | 1.4%          | 0.7%          | 0.7%        |
| <b>Total</b>   | <b>100.0%</b> | <b>100.0%</b> | <b>0.0%</b> |

### Northern Trust EAFE Index Fund | As of March 31, 2023

#### Account Information

|                   |                                |
|-------------------|--------------------------------|
| Account Name      | Northern Trust EAFE Index Fund |
| Account Structure | Commingled Fund                |
| Investment Style  | Passive                        |
| Inception Date    | 8/01/20                        |
| Account Type      | International                  |
| Benchmark         | MSCI EAFE                      |
| Universe          |                                |

#### Investment Growth



#### Characteristics

|                                 | Portfolio | MSCI EAFE |
|---------------------------------|-----------|-----------|
| Number of Holdings              | 860       | 795       |
| Weighted Avg. Market Cap. (\$B) | 85.2      | 85.5      |
| Median Market Cap. (\$B)        | 11.7      | 12.5      |
| Price To Earnings               | 14.6      | 14.6      |
| Price To Book                   | 2.6       | 2.6       |
| Price To Sales                  | 1.2       | 1.2       |
| Return on Equity (%)            | 14.7      | 14.5      |
| Yield (%)                       | 3.2       | 3.3       |

#### Portfolio Performance Summary

|                                | QTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | S.I. (%) | S.I. Date |
|--------------------------------|---------|----------|-----------|-----------|------------|----------|-----------|
| Northern Trust EAFE Index Fund | 8.5     | 0.2      | --        | --        | --         | 8.4      | Aug-20    |
| MSCI EAFE                      | 8.5     | -1.4     | 13.0      | 3.5       | 5.0        | 8.0      | Aug-20    |

#### Sector Allocation

|   | Portfolio | MSCI EAFE |
|---|-----------|-----------|
| INDUSTRY SECTOR DISTRIBUTION (% Equity) |           |           |
| Energy                                  | 3.9       | 4.5       |
| Materials                               | 7.5       | 7.7       |
| Industrials                             | 15.9      | 15.7      |
| Consumer Discretionary                  | 12.6      | 12.2      |
| Consumer Staples                        | 9.3       | 10.4      |
| Health Care                             | 12.3      | 13.2      |
| Financials                              | 17.5      | 18.1      |
| Information Technology                  | 8.2       | 7.9       |
| Communication Services                  | 4.7       | 4.5       |
| Utilities                               | 3.4       | 3.4       |
| Real Estate                             | 2.5       | 2.4       |

#### Characteristics

|                                 | Portfolio | MSCI EAFE |
|---------------------------------|-----------|-----------|
| COMPANY SIZE DISTRIBUTION       |           |           |
| Weighted Avg. Market Cap. (\$B) | 85.2      | 85.5      |
| Median Market Cap. (\$B)        | 11.7      | 12.5      |
| Large Cap. (%)                  | 67.0      | 67.9      |
| Medium Cap. (%)                 | 25.9      | 24.4      |
| Small Cap. (%)                  | 7.1       | 7.7       |

#### Top Holdings

|                                     |      |
|-------------------------------------|------|
| NESTLE SA, CHAM UND VEVEY           | 2.3% |
| ASML HOLDING NV                     | 1.9% |
| NOVO NORDISK 'B'                    | 1.8% |
| LVMH MOET HENNESSY LOUIS VUITTON SE | 1.7% |
| ROCHE HOLDING AG                    | 1.4% |
| NOVARTIS AG                         | 1.4% |
| SHELL PLC                           | 1.4% |
| BHP GROUP LTD                       | 1.1% |
| TOYOTA MOTOR CORP                   | 1.0% |
| TOTALENERGIES SE                    | 1.0% |

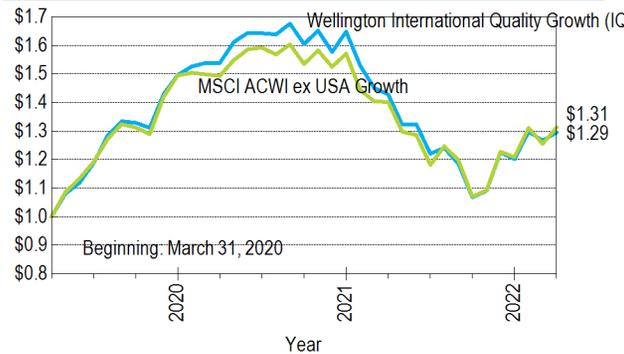
Sector allocation total is less than 100% due to cash holdings.

### Wellington International Quality Growth (IQG) | As of March 31, 2023

#### Account Information

|                   |  |
|-------------------|--|
| Account Name      | <b>Wellington International Quality Growth (IQG)</b> |
| Account Structure | <b>Commingled Fund</b>                               |
| Investment Style  | <b>Active</b>  |
| Inception Date    | <b>11/01/14</b>                                      |
| Account Type      | <b>International</b>                                 |
| Benchmark         | <b>MSCI ACWI ex USA Growth</b>                       |
| Universe          | <b>eV ACWI ex-US Growth Equity Net</b>               |

#### Investment Growth



#### Characteristics

|                                 | Portfolio | MSCI ACWI ex USA Growth |
|---------------------------------|-----------|-------------------------|
| Number of Holdings              | 69        | 1,239                   |
| Weighted Avg. Market Cap. (\$B) | 91.4      | 116.1                   |
| Median Market Cap. (\$B)        | 29.9      | 9.7                     |
| Price To Earnings               | 15.6      | 20.8                    |
| Price To Book                   | 3.1       | 3.5                     |
| Price To Sales                  | 1.8       | 2.4                     |
| Return on Equity (%)            | 17.4      | 18.7                    |
| Yield (%)                       | 2.2       | 1.8                     |

#### Portfolio Performance Summary

|   | QTD (%)    | 1 Yr (%)    | 3 Yrs (%)  | 5 Yrs (%)  | 10 Yrs (%) | S.I. (%)   | S.I. Date     |
|---|------------|-------------|------------|------------|------------|------------|---------------|
| Wellington International Quality Growth (IQG) | 7.8        | -9.3        | 9.0        | 3.5        | --         | 6.9        | Nov-14        |
| <i>MSCI ACWI ex USA Growth</i>                | <i>8.6</i> | <i>-6.4</i> | <i>9.5</i> | <i>3.4</i> | <i>5.1</i> | <i>4.9</i> | <i>Nov-14</i> |

#### Sector Allocation

|  | Portfolio | MSCI ACWI ex USA Growth |
|--|-----------|-------------------------|
| <b>INDUSTRY SECTOR DISTRIBUTION (% Equity)</b> |           |                         |
| Energy   | 2.4       | 1.5                     |
| Materials                                      | 2.8       | 6.3                     |
| Industrials                                    | 20.7      | 15.4                    |
| Consumer Discretionary                         | 17.1      | 14.7                    |
| Consumer Staples                               | 3.6       | 12.9                    |
| Health Care                                    | 8.3       | 12.9                    |
| Financials                                     | 15.3      | 10.8                    |
| Information Technology                         | 15.4      | 15.9                    |
| Communication Services                         | 10.0      | 7.6                     |
| Utilities                                      | 1.7       | 1.0                     |
| Real Estate                                    | 1.5       | 1.0                     |

#### Characteristics

|                                  | Portfolio | MSCI ACWI ex USA Growth |
|----------------------------------|-----------|-------------------------|
| <b>COMPANY SIZE DISTRIBUTION</b> |           |                         |
| Weighted Avg. Market Cap. (\$B)  | 91.4      | 116.1                   |
| Median Market Cap. (\$B)         | 29.9      | 9.7                     |
| Large Cap. (%)                   | 57.4      | 65.6                    |
| Medium Cap. (%)                  | 40.0      | 22.6                    |
| Small Cap. (%)                   | 2.6       | 11.9                    |

#### Top Holdings

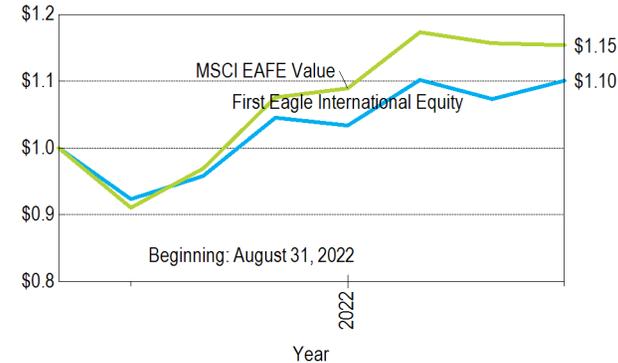
|   |      |
|---|------|
| TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD | 5.3% |
| TENCENT HOLDINGS LTD                      | 4.0% |
| ASTRAZENECA PLC                           | 3.3% |
| AIRBUS SE                                 | 2.7% |
| ADVANTEST CORP                            | 2.2% |
| INDUSTRIA DE DISENO TEXTIL INDITEX SA     | 2.1% |
| VINCI SA                                  | 2.1% |
| ZTO EXPRESS (CAYMAN) INC                  | 2.1% |
| LONDON STOCK EXCHANGE GROUP PLC           | 2.1% |
| H WORLD GROUP LIMITED                     | 2.1% |

### First Eagle International Equity | As of March 31, 2023

#### Account Information

|                   |                                  |
|-------------------|----------------------------------|
| Account Name      | First Eagle International Equity |
| Account Structure | Commingled Fund                  |
| Investment Style  | Active                           |
| Inception Date    | 9/01/22                          |
| Account Type      | Non-US Stock Developed           |
| Benchmark         | MSCI EAFE Value                  |
| Universe          | eV EAFE Value Equity Net         |

#### Investment Growth



#### Characteristics

|                                 | Portfolio | MSCI EAFE Value |
|---------------------------------|-----------|-----------------|
| Number of Holdings              | 87        | 481             |
| Weighted Avg. Market Cap. (\$B) | 58.1      | 65.8            |
| Median Market Cap. (\$B)        | 15.7      | 12.0            |
| Price To Earnings               | 13.2      | 10.2            |
| Price To Book                   | 1.8       | 1.7             |
| Price To Sales                  | 1.1       | 0.8             |
| Return on Equity (%)            | 11.3      | 11.0            |
| Yield (%)                       | 3.0       | 4.7             |

#### Portfolio Performance Summary

|                                  | QTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | S.I. (%) | S.I. Date |
|----------------------------------|---------|----------|-----------|-----------|------------|----------|-----------|
| First Eagle International Equity | 6.5     | --       | --        | --        | --         | 10.1     | Sep-22    |
| MSCI EAFE Value                  | 5.9     | -0.3     | 14.6      | 1.7       | 3.7        | 15.4     | Sep-22    |

#### Characteristics

|                                  | Portfolio | MSCI EAFE Value |
|----------------------------------|-----------|-----------------|
| <b>COMPANY SIZE DISTRIBUTION</b> |           |                 |
| Weighted Avg. Market Cap. (\$B)  | 58.1      | 65.8            |
| Median Market Cap. (\$B)         | 15.7      | 12.0            |
| Large Cap. (%)                   | 49.5      | 64.6            |
| Medium Cap. (%)                  | 33.7      | 26.2            |
| Small Cap. (%)                   | 16.7      | 9.2             |

#### Top Holdings

|                                    |      |
|------------------------------------|------|
| CASH - USD                         | 4.9% |
| IMPERIAL OIL LTD                   | 3.9% |
| DANONE                             | 3.3% |
| UNILEVER PLC COMMON STOCK GBP.0311 | 3.1% |
| CIE FINANCIERE RICHEMONT AG, ZUG   | 3.1% |
| BRITISH AMERICAN TOBACCO PLC       | 2.9% |
| GRUPE BRUXELLES LAMBERT SA         | 2.7% |
| WILLIS TOWERS WATSON PLC           | 2.7% |
| SHELL PLC                          | 2.5% |
| FANUC CORP                         | 2.4% |

#### Sector Allocation

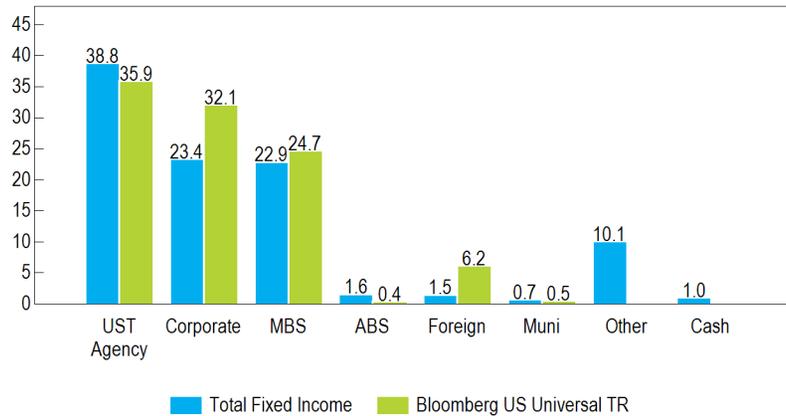
|  | Portfolio | MSCI EAFE Value |
|--|-----------|-----------------|
| <b>INDUSTRY SECTOR DISTRIBUTION (% Equity)</b> |           |                 |
| Energy   | 6.4       | 8.6             |
| Materials                                      | 4.9       | 10.4            |
| Industrials                                    | 15.5      | 13.0            |
| Consumer Discretionary                         | 11.6      | 8.6             |
| Consumer Staples                               | 22.9      | 6.1             |
| Health Care                                    | 3.8       | 8.6             |
| Financials                                     | 18.5      | 27.2            |
| Information Technology                         | 3.5       | 2.9             |
| Communication Services                         | 1.3       | 4.6             |
| Utilities                                      | 0.0       | 6.2             |
| Real Estate                                    | 4.6       | 3.8             |

## Fixed Income

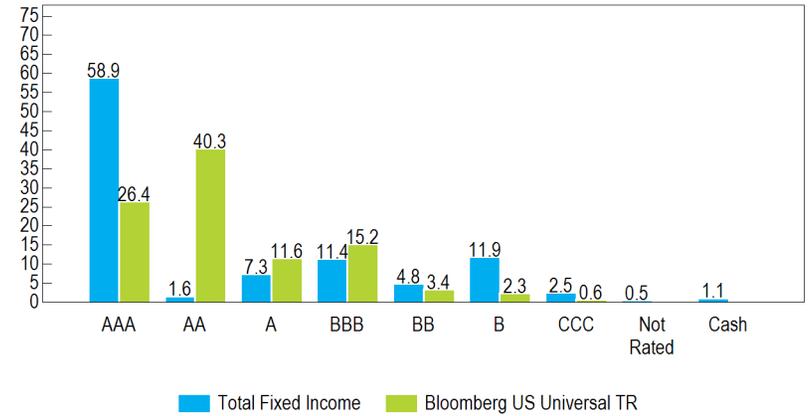
| Asset Allocation on March 31, 2023 |                      |               |
|------------------------------------|----------------------|---------------|
|                                    | Actual               | Actual        |
| NT US Aggregate Bond               | \$181,380,916        | 44.6%         |
| Dodge & Cox Core Fixed Income      | \$91,422,760         | 22.5%         |
| NT Long-Term Gov. Bond Index Fund  | \$60,911,464         | 15.0%         |
| AXA High Yield                     | \$30,885,817         | 7.6%          |
| Aristotle Pacific                  | \$42,469,413         | 10.4%         |
| <b>Total</b>                       | <b>\$407,070,371</b> | <b>100.0%</b> |

| Total Fixed Income Characteristics vs. Bloomberg US Universal TR |                 |             |
|--|-----------------|-------------|
|  | Portfolio Q1-23 | Index Q1-23 |
| Fixed Income Characteristics                                     |                 |             |
| Yield to Maturity  | 5.3             | 5.1         |
| Average Duration   | 6.9             | 6.3         |
| Average Quality  | A               | AA          |
| Weighted Average Maturity  | 10.5            | 12.3        |

### Sector Allocation



### Credit Quality Allocation

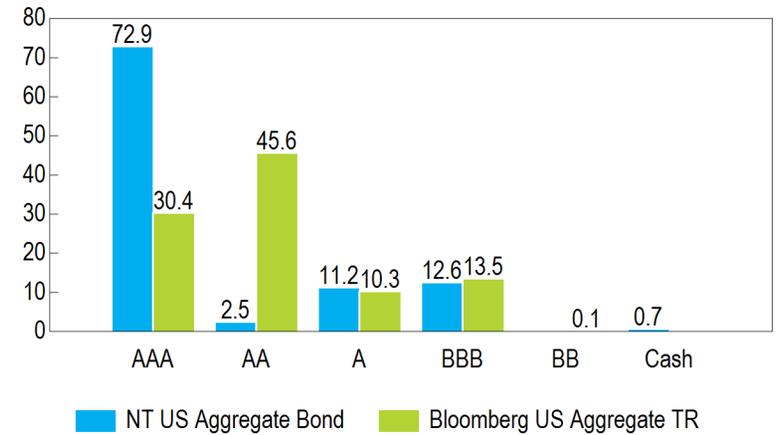


Weighted Average Maturity of BBgBarc US Universal TR is 8.3 as reported by Barclays Live.

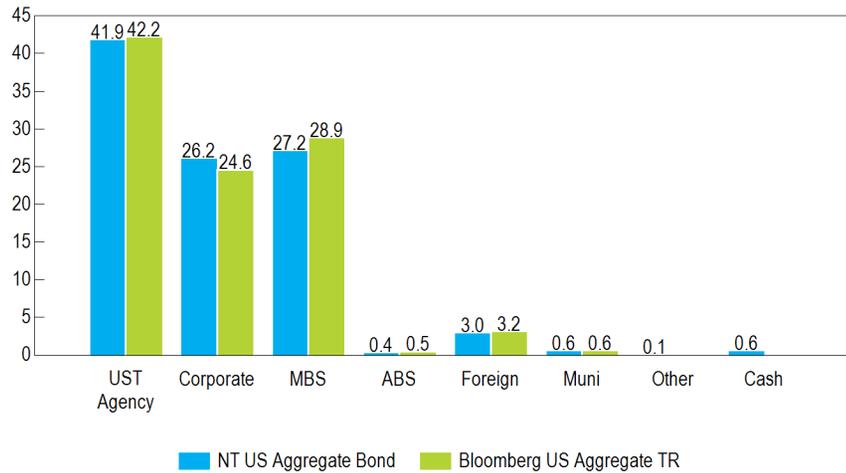
| NT US Aggregate Bond Characteristics vs. Bloomberg US Aggregate TR |                 |             |                 |
|--|-----------------|-------------|-----------------|
|  | Portfolio Q1-23 | Index Q1-23 | Portfolio Q4-22 |
| Fixed Income Characteristics                                       |                 |             |                 |
| Yield to Maturity  | 4.4             | 4.6         | 4.6             |
| Average Duration   | 6.6             | 6.5         | 6.5             |
| Average Quality  | AA              | AA          | AA              |
| Weighted Average Maturity  | 8.9             | 13.1        | 8.8             |

Weighted Average Maturity of BBgBarc US Aggregate TR is 8.5 as reported by Barclays Live.

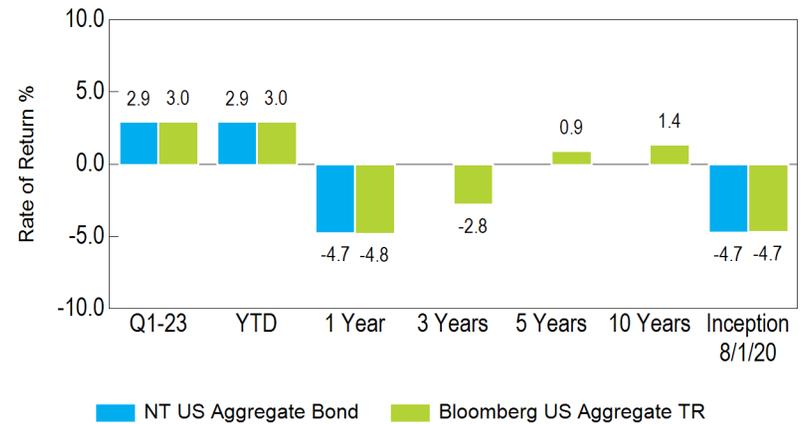
#### Credit Quality Allocation



#### US Sector Allocation

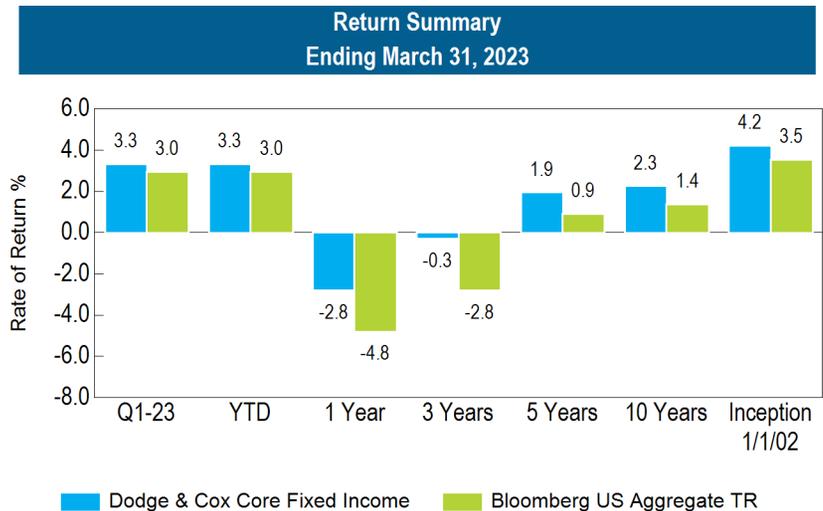
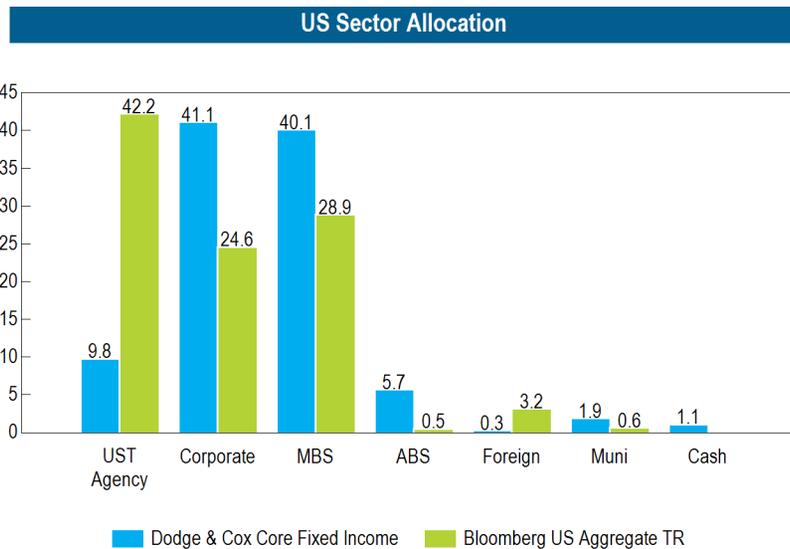
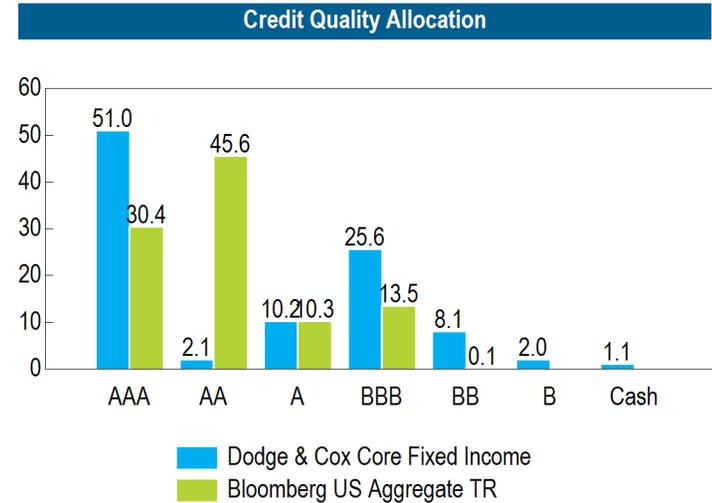


#### Return Summary Ending March 31, 2023



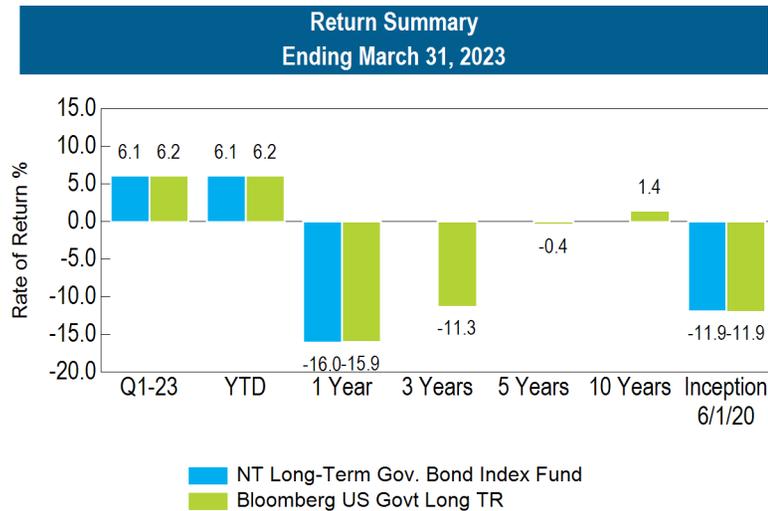
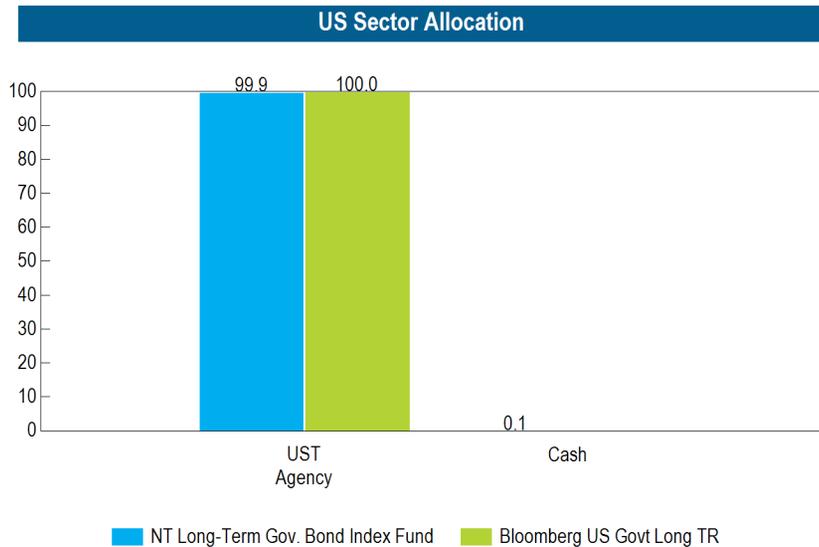
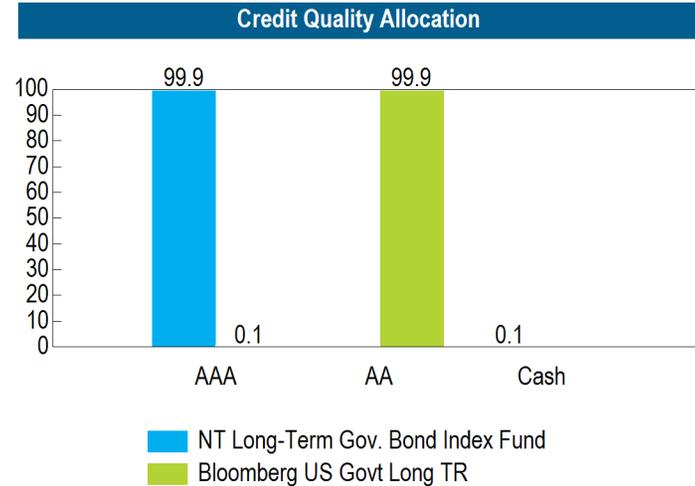
| Dodge & Cox Characteristics vs. Bloomberg US Aggregate TR |                 |             |                 |
|---|-----------------|-------------|-----------------|
|   | Portfolio Q1-23 | Index Q1-23 | Portfolio Q4-22 |
| <b>Fixed Income Characteristics</b>                       |                 |             |                 |
| Yield to Maturity   | 5.5             | 4.6         | 5.6             |
| Average Duration  | 5.3             | 6.5         | 5.5             |
| Average Quality   | A               | AA          | A               |
| Weighted Average Maturity                                 | 10.2            | 13.1        | 10.2            |

Weighted Average Maturity of BBgBarc US Aggregate TR is 8.5 as reported by Barclays Live.

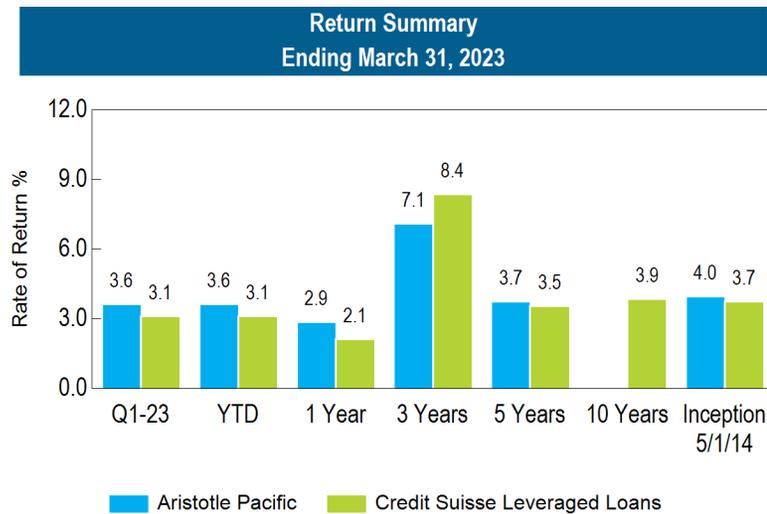
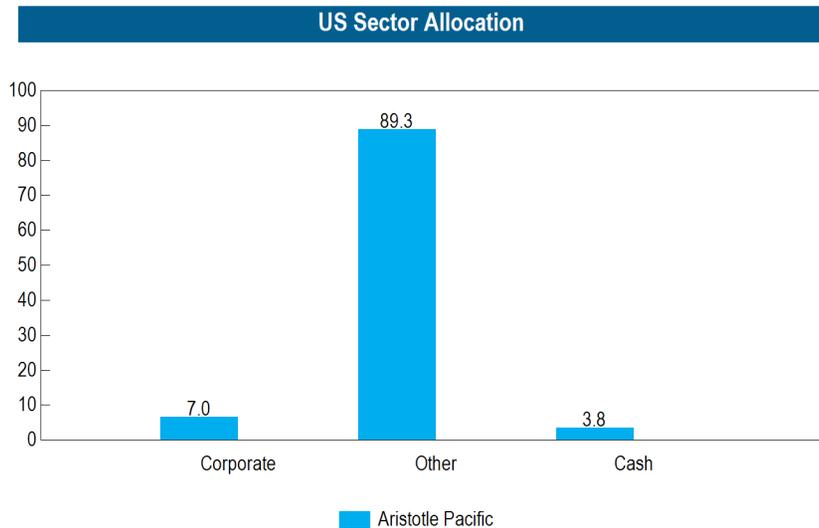
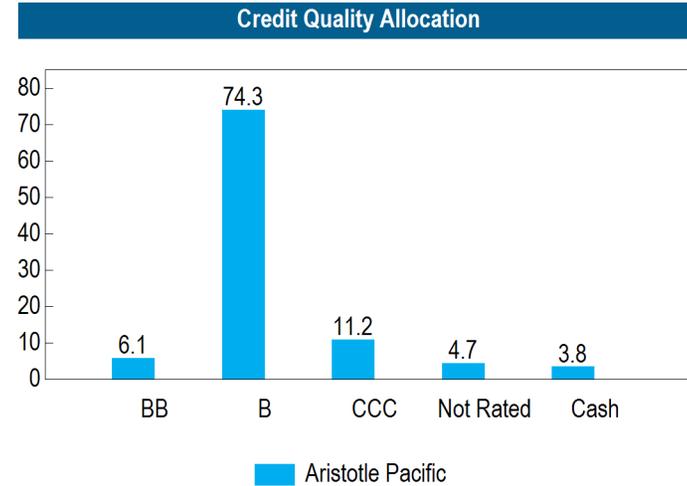


### NT Long-Term Gov. Bond Index Fund | As of March 31, 2023

| NT Long-Term Gov. Bond Index Fund Characteristics vs. Bloomberg US Govt Long TR |                 |             |                 |
|---|-----------------|-------------|-----------------|
|   | Portfolio Q1-23 | Index Q1-23 | Portfolio Q4-22 |
| <b>Fixed Income Characteristics</b>   |                 |             |                 |
| Yield to Maturity   | 3.8             | 4.1         | 4.1             |
| Average Duration  | 16.3            | 16.1        | 16.2            |
| Average Quality   | AAA             | AA          | AAA             |
| Weighted Average Maturity   | 23.1            | 23.1        | 23.2            |



| Aristotle Pacific Characteristics |                 |                 |
|-----------------------------------|-----------------|-----------------|
|                                   | Portfolio Q1-23 | Portfolio Q4-22 |
| Fixed Income Characteristics      |                 |                 |
| Yield to Maturity                 | 9.2             | 9.8             |
| Average Duration                  | 0.4             | 0.3             |
| Average Quality                   | B               | B               |
| Weighted Average Maturity         | 4.1             | 4.2             |

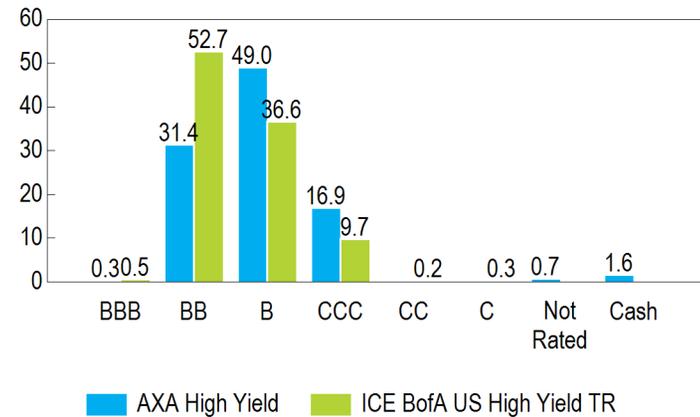


Characteristics unavailable for the Credit Suisse Leveraged Loans index. "Other" refers to bank loans.

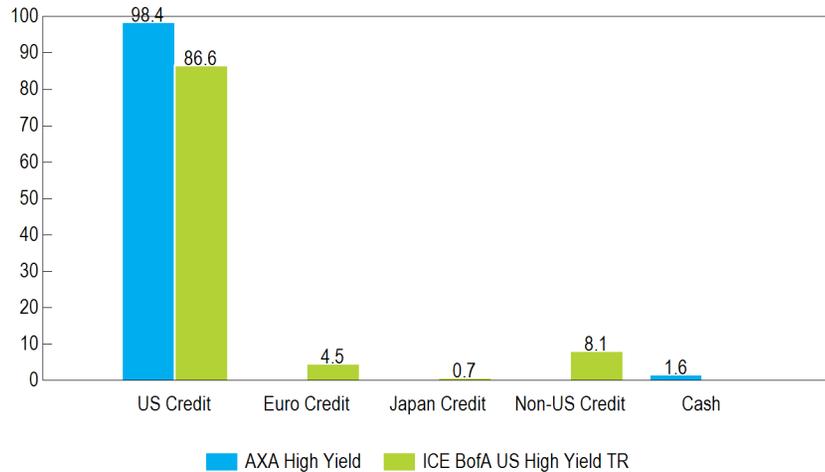
#### AXA High Yield Characteristics vs. ICE BofA US High Yield TR

|                              | Portfolio<br>Q1-23 | Portfolio<br>Q4-22 |
|------------------------------|--------------------|--------------------|
| Fixed Income Characteristics |                    |                    |
| Yield to Maturity            | 8.2                | 8.7                |
| Average Duration             | 3.6                | 3.9                |
| Average Quality              | B                  | B                  |
| Weighted Average Maturity    | 5.1                | 5.3                |

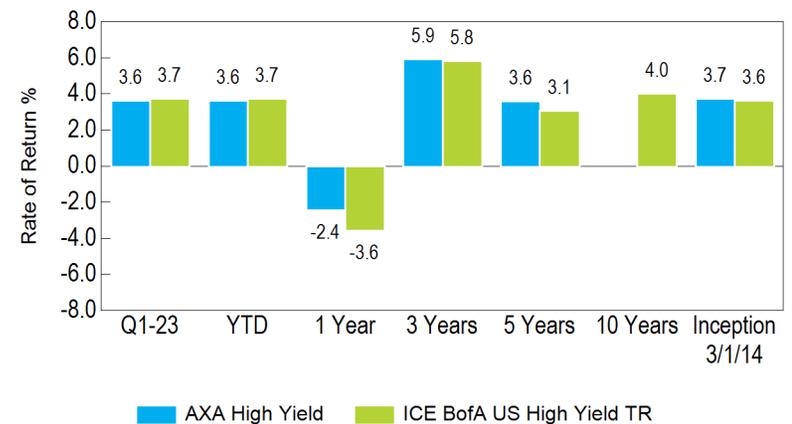
#### Credit Quality Allocation



#### Global Sector Allocation



#### Return Summary Ending March 31, 2023



# Private Markets Analysis

| Private Market Investments Overview     |              |                   |                          |                               |                               |                   |                   |             |            |             |
|---|--------------|-------------------|--------------------------|-------------------------------|-------------------------------|-------------------|-------------------|-------------|------------|-------------|
| Investments                             |              | Commitments       |                          | Contributions & Distributions |                               | Valuations        |                   | Performance |            |             |
| Investment Name                         | Vintage Year | Commitment (\$)   | Unfunded Commitment (\$) | Cumulative Contributions (\$) | Cumulative Distributions (\$) | Valuation (\$)    | Total Value (\$)  | DPI         | TVPI       | IRR (%)     |
| CenterSquare Value-Added Fund IV, L.P.  | 2018         | 25,000,000        | 4,032,258                | 20,967,743                    | 20,806,452                    | 11,597,948        | 32,404,400        | 1.0         | 1.5        | 16.3        |
| CenterSquare Value-Added Fund III, L.P. | 2015         | 20,000,000        | 1,242,581                | 22,737,967                    | 30,180,543                    | 0                 | 30,180,543        | 1.3         | 1.3        | 9.7         |
| <b>Total</b>                            |              | <b>45,000,000</b> | <b>5,274,839</b>         | <b>43,705,710</b>             | <b>50,986,994</b>             | <b>11,597,948</b> | <b>62,584,942</b> | <b>1.2</b>  | <b>1.4</b> | <b>12.3</b> |

Unfunded Commitment figures are based on statements from the GP.

| Private Market Investments Overview                 |              |                    |                          |                               |                               |                    |                    |             |            |             |
|---|--------------|--------------------|--------------------------|-------------------------------|-------------------------------|--------------------|--------------------|-------------|------------|-------------|
| Investments   |              | Commitments        |                          | Contributions & Distributions |                               | Valuations         |                    | Performance |            |             |
| Investment Name                                     | Vintage Year | Commitment (\$)    | Unfunded Commitment (\$) | Cumulative Contributions (\$) | Cumulative Distributions (\$) | Valuation (\$)     | Total Value (\$)   | DPI         | TVPI       | IRR (%)     |
| Adams Street 2012 Global Fund, L.P.                 | 2012         | 14,000,000         | 1,325,370                | 12,674,630                    | 14,782,965                    | 11,853,980         | 26,636,945         | 1.2         | 2.1        | 13.9        |
| Adams Street Venture Innovation Fund, L.P.          | 2017         | 5,000,000          | 597,500                  | 4,402,500                     | 2,287,004                     | 11,146,875         | 13,433,879         | 0.5         | 3.1        | 36.2        |
| Catalyst Fund Limited Partnership III               | 2012         | 5,000,000          | 55,372                   | 5,944,542                     | 7,804,357                     | 1,966,199          | 9,770,556          | 1.3         | 1.6        | 9.9         |
| Catalyst Fund Limited Partnership IV                | 2015         | 7,000,000          | 399,730                  | 7,465,768                     | 9,920,508                     | 6,668,443          | 16,588,951         | 1.3         | 2.2        | 20.9        |
| Coller International Partners V, L.P.               | 2007         | 14,000,000         | 140,000                  | 10,948,000                    | 15,398,430                    | 48,478             | 15,446,908         | 1.4         | 1.4        | 7.4         |
| Coller International Partners VI, L.P.              | 2012         | 14,000,000         | 700,000                  | 9,838,743                     | 15,613,875                    | 2,119,365          | 17,733,240         | 1.6         | 1.8        | 15.1        |
| Coller International Partners VII, L.P.             | 2015         | 10,000,000         | 3,056,972                | 7,670,766                     | 7,542,275                     | 5,005,822          | 12,548,097         | 1.0         | 1.6        | 13.8        |
| Coller International Partners VIII, L.P.            | 2020         | 15,000,000         | 7,843,846                | 8,020,458                     | 1,032,876                     | 10,669,447         | 11,702,324         | 0.1         | 1.5        | NM          |
| JP Morgan Global Fund V, L.P.                       | 2013         | 10,000,000         | 201,812                  | 9,798,188                     | 10,932,834                    | 9,751,758          | 20,684,592         | 1.1         | 2.1        | 16.4        |
| JP Morgan Global Fund VI, L.P.                      | 2017         | 15,000,000         | 1,641,860                | 13,479,129                    | 4,845,868                     | 15,844,417         | 20,690,285         | 0.4         | 1.5        | 13.5        |
| JP Morgan Global Fund VIII, L.P.                    | 2019         | 15,000,000         | 4,037,519                | 11,206,700                    | 1,335,613                     | 13,955,210         | 15,290,823         | 0.1         | 1.4        | 16.9        |
| JP Morgan Corp Fin Pool III LLC                     | 2006         | 7,000,000          | 6,891                    | 6,937,085                     | 13,569,848                    | 575,846            | 14,145,694         | 2.0         | 2.0        | 13.3        |
| JP Morgan European Corporate Finance Fund III, L.P. | 2006         | 3,281,250          | 131,823                  | 3,306,187                     | 5,146,731                     | 123,908            | 5,270,639          | 1.6         | 1.6        | 6.2         |
| JP Morgan Venture Capital Fund III, L.P.            | 2006         | 3,458,000          | 9,589                    | 3,475,806                     | 5,464,699                     | 1,204,320          | 6,669,019          | 1.6         | 1.9        | 9.5         |
| Lexington Capital Partners VI-B, L.P.               | 2006         | 14,000,000         | 228,849                  | 14,858,579                    | 20,359,713                    | 148,425            | 20,508,138         | 1.4         | 1.4        | 6.6         |
| Lexington Capital Partners VIII, L.P.               | 2014         | 14,000,000         | 3,027,098                | 12,767,307                    | 12,262,353                    | 8,708,069          | 20,970,422         | 1.0         | 1.6        | 16.2        |
| Lexington Capital Partners IX Offshore, L.P.        | 2018         | 15,000,000         | 2,979,399                | 12,020,601                    | 3,143,754                     | 14,500,607         | 17,644,361         | 0.3         | 1.5        | 30.1        |
| Pantheon USA Fund VII, L.P.                         | 2006         | 10,500,000         | 714,000                  | 9,786,000                     | 16,826,260                    | 1,494,283          | 18,320,543         | 1.7         | 1.9        | 10.1        |
| Pantheon Europe Fund V B, L.P.                      | 2006         | 3,698,228          | 162,968                  | 3,530,920                     | 4,954,973                     | 311,730            | 5,266,703          | 1.4         | 1.5        | 6.5         |
| SL Capital European Smaller Funds I, L.P.           | 2012         | 9,836,553          | 915,571                  | 8,875,783                     | 8,460,550                     | 3,671,674          | 12,132,224         | 1.0         | 1.4        | 6.6         |
| <b>Total</b>  |              | <b>204,774,031</b> | <b>28,176,168</b>        | <b>177,007,692</b>            | <b>181,685,486</b>            | <b>119,768,856</b> | <b>301,454,343</b> | <b>1.0</b>  | <b>1.7</b> | <b>12.8</b> |

Unfunded Commitment figures are based on statements from the GP.

Lexington Capital Partners Unfunded Commitment figures include prior recallable distributions.

**Private Market Investments Overview**

| Investments                              |              | Commitments       |                          | Contributions & Distributions |                               | Valuations        |                   | Performance |            |            |
|--|--------------|-------------------|--------------------------|-------------------------------|-------------------------------|-------------------|-------------------|-------------|------------|------------|
| Investment Name                          | Vintage Year | Commitment (\$)   | Unfunded Commitment (\$) | Cumulative Contributions (\$) | Cumulative Distributions (\$) | Valuation (\$)    | Total Value (\$)  | DPI         | TVPI       | IRR (%)    |
| BlackRock NTR Renewable Power Fund, L.P. | 2012         | 20,000,000        | 1,221,257                | 22,303,751                    | 26,798,474                    | 460,712           | 27,259,186        | 1.2         | 1.2        | 4.5        |
| BlackRock Renewable Power Fund II        | 2016         | 20,000,000        | 1,317,243                | 19,352,881                    | 13,334,596                    | 11,113,435        | 24,448,031        | 0.7         | 1.3        | 6.3        |
| <b>Total</b>                             |              | <b>40,000,000</b> | <b>2,538,500</b>         | <b>41,656,631</b>             | <b>40,133,070</b>             | <b>11,574,146</b> | <b>51,707,217</b> | <b>1.0</b>  | <b>1.2</b> | <b>5.2</b> |

Unfunded Commitment figures are based on statements from the GP. Unfunded Commitment figures include prior recallable distributions.

## **Private Debt – Strategies for Consideration**

### Background and Overview

- At the February 2023 Investment meeting, the Board approved a new asset allocation with 3% target to private debt.
- Current exposure is zero.
- Today we will be highlighting four possible strategies for consideration.
- We recommend the Board identify one (or two) firms they are interested in hearing from in person.
- We recommend making one commitment of \$45 mm - \$50 mm.

Strategies for Consideration

|                                       | Ares                                | Golub  | PIMCO   | Entrust   |
|---------------------------------------|-------------------------------------|--|---|---|
| <b>Fund Name</b>                      | Ares Pathfinder Core Fund           | Golub Capital BDC 4                                    | PIMCO Private Income Fund "PIF"                     | Entrust Global Private Credit Fund I  |
| <b>Fund Focus</b>                     | Income focused, asset-based lending | Income focused, first lien secured middle market loans | Income focused, new origination and secondaries     | Income focused, off-the-run private debt situations – opportunistic lending |
| <b>Fund Structure</b>                 | Evergreen (Open-ended)              | Closed End   | Evergreen (Open-ended)                              | Closed End  |
| <b>Target Net Return</b>              | 8 - 10%                             | 10.5 - 13.5%   | 8 - 12%   | 10 - 14%  |
| <b>Fund AUM/Committed<sup>1</sup></b> | \$3.2 billion <sup>2</sup>          | \$575.1 million  | \$4.3 billion <sup>3</sup>                          | \$56 million <sup>4</sup>   |
| <b>Max Fund Size</b>                  | No cap                              | \$1 billion, no hard cap                               | No cap (estimates \$1 to \$2B in capacity annually) | \$300 - \$500 million   |

<sup>1</sup> As of Q1-2023

<sup>2</sup> Anticipated \$3.7 billion as of 3/31/2023

<sup>3</sup> Will be 100% funded for this amount as of 4/3/2023

<sup>4</sup> Expected April 2023, first close.

Firm Info

|                     | Ares                   | Golub                    | PIMCO             | Entrust      |
|---------------------|------------------------|--------------------------|-------------------|--------------|
| Headquarters        | Los Angeles, CA        | New York, NY             | Newport Beach, CA | New York, NY |
| Firm AUM            | \$341 Billion          | \$45 Billion             | \$1.8 Trillion    | \$17 Billion |
| Firm Focus/Flagship | Private Credit         | Private Credit           | Fixed Income      | Multi-Asset  |
| Year Founded        | 1997                   | 1994                     | 1971              | 1997         |
| Ownership Type      | Publicly traded (NYSE) | Publicly traded (NASDAQ) | Owned by Allianz  | Private      |
| Employees           | ~2,500                 | ~674                     | ~3,200            | ~140         |

Investment Focus Comparison

|  | Ares   | Golub   | PIMCO  | Entrust   |
|--|--|---|--|---|
| <b>Main Source of Expected Returns</b>         | Income oriented  | Income oriented   | Income oriented  | Income oriented   |
| <b>% Of Expected Return Coming from Income</b> | Over 75%   | Over 75%  | Over 75%   | Over 75%  |
| <b>Approach</b>                                | Ares will execute financings in multiple ways, including re-discount lending (lending to specialty finance companies through an SPV structure, or private asset-backed securities), acquiring pools of assets, lending to asset-rich companies through corporate loans, and buying public asset-backed securities in the event of market dislocation | Will originate first-out, senior secured loans and unitranche loans for private equity sponsored middle market businesses | Invests opportunistically across performing private credit sectors including specialty finance, residential, commercial real estate ("cre") and corporate credit | Looks for opportunistic deals (i.e., could have an element of complexity, elevated perceived risk, time sensitivity, and/or borrower preference) and seek to be compensated for lending (through high return (income/interest). Typical exit goal is for the companies/investments to refinance out of the entrust loan. Exclusively floating rate debt |
| <b>Targeted Geography</b>                      | Primarily North America  | U. S.   | North America and Western Europe   | North America and Western Europe  |
| <b>Anticipated Diversification</b>             | Seek to make 30-50 investments with an average position size of 2-3%   | 250-300 borrowers with all borrowers <1% of the total fund  | Positions comprise 1-9% of total fund value  | 20-30 transactions  |
| <b>Seniority of loans/investments</b>          | 65%-85% expected in senior tranches  | Predominantly senior secured  | Focus on structural seniority and asset coverage   | Flexible across first lien, second lien, and hybrid securities  |
| <b>Leverage</b>                                | Not at the fund level  | 1.0x-1.5x total Fund size   | Not expected to exceed 1.5x (max 2x)   | Not at the fund level   |
| <b>Default/Impairment Rates</b>                | 0%   | 0.9% <sup>5</sup>   | 0%   | 0.2% <sup>6</sup>   |

<sup>5</sup> References the average annual default rate within the Fund.

<sup>6</sup> Cumulative losses to date

Fees and Terms

|                            | Ares   | Golub  | PIMCO   | Entrust   |
|----------------------------|--|--|---|---|
| <b>Management Fee</b>      | 1.075% <sup>7</sup>  | 0.50% on fair value of gross assets (excluding cash, but including leverage) | 1.25% + 25bps admin fee   | 1.5% on cost basis of unrealized investments        |
| <b>Performance Fee</b>     | 15%; crystallized annually, subject to 6% hurdle rate being met                          | 10% on net income <sup>8</sup> with a 7% hurdle rate                         | 12.5%; crystallized annually, subject to 5% hurdle rate being met                     | 15% with a 6% hurdle rate                           |
| <b>Investment Period</b>   | Evergreen, no mandated period but fund will typically deploy new capital in 12-18 months | 4 years <sup>9</sup>   | Evergreen, no mandated period but fund will typically deploy new capital in 12 months | 3-4 years   |
| <b>Structure</b>           | Open end   | Closed end   | Open end  | Closed end  |
| <b>Contribution Window</b> | March 31 and September 30  | Final close date expected Spring 2024  | Quarterly   | Final close date expected Spring 2024               |
| <b>Redemption Window</b>   | One-year hard lockup with annual withdrawals thereafter with 90-day notice               | N/A - Closed-end fund<br>Expected life is 5 years <sup>10</sup>              | Two-year hard lockup with annual withdrawals thereafter with 90-day notice            | N/A - Closed-end fund<br>Expected life is 7-8 years |
| <b>Redemption Timeline</b> | 2 – 4 years for full liquidation <sup>11</sup>   | See above and footnote   | 3.5 years to full redemption  | See above   |

<sup>7</sup> Standard fee is 1.125%. Due to the size of Meketa aggregate client's commitments, the fee is reduced by 0.05% for all Meketa clients.

<sup>8</sup> 10% on net investment income, net of any realized or unrealized losses

<sup>9</sup> 4 years following the 2-year seeding period, seeding period began in April 2022.

<sup>10</sup> In year 6, the fund converts to a public BDC or clients have ability to receive full investment back (at NAV or greater). Target date is April 2028. If client elects to re-invest, investors will need re-commit to next BDC vintage and call down structure begins again.

<sup>11</sup> In the event that capital is still outstanding after year four of the redemption period, no management fee will be charged.

#### Performance: Prior Credit Experience Track record

- Over the following pages we highlight each firm's track record in private credit vehicles
- This was sourced directly from each manager's marketing materials
- We note that comparing the four firms (and the prior "vehicles") is not apples-to-apples so we erred on the side of providing as much info as possible, directly from each manager – inclusive of their lengthy footnotes
- On each page we highlight (in green box) the net returns
- In general:
  - Ares: averaged around net 10% IRR over 10 years
  - Golub: averaged low 10% net IRRs over 15 years
  - PIMCO: around 7% net return over last 4 years
  - Entrust: around net 15% return (realized investments only) over last 12 years (never in a dedicated private debt fund)

## **Manager Return Summaries**

# Pathfinder Core Strategy Subset by Vintage

|                            | Realized                |                                  |  |                                   |   | Total                   |                                  |  |                                   |   |
|----------------------------|-------------------------|----------------------------------|--|-----------------------------------|---|-------------------------|----------------------------------|--|-----------------------------------|---|
|                            | Invested Capital (\$mm) | Gross Pro Forma IRR <sup>b</sup> | Implied Net Pro Forma IRR <sup>b</sup> | Gross Pro Forma MOIC <sup>c</sup> | Implied Net Pro Forma MOIC <sup>c</sup> | Invested Capital (\$mm) | Gross Pro Forma IRR <sup>b</sup> | Implied Net Pro Forma IRR <sup>b</sup> | Gross Pro Forma MOIC <sup>c</sup> | Implied Net Pro Forma MOIC <sup>c</sup> |
| 2011                       | 27                      | 17.4%                            | 12.6%                                  | 2.9x                              | 2.4x                                    | 27                      | 17.4%                            | 12.6%                                  | 2.9x                              | 2.4x                                    |
| 2012                       | 174                     | 14.2%                            | 10.2%                                  | 1.5x                              | 1.4x                                    | 186                     | 14.3%                            | 10.4%                                  | 1.5x                              | 1.4x                                    |
| 2013                       | 261                     | 15.1%                            | 10.9%                                  | 1.4x                              | 1.3x                                    | 288                     | 14.2%                            | 10.3%                                  | 1.4x                              | 1.3x                                    |
| 2014                       | 329                     | 11.5%                            | 8.4%                                   | 1.2x                              | 1.2x                                    | 429                     | 9.7%                             | 7.0%                                   | 1.2x                              | 1.2x                                    |
| 2015                       | 932                     | 12.5%                            | 9.0%                                   | 1.2x                              | 1.2x                                    | 1,074                   | 12.4%                            | 8.9%                                   | 1.2x                              | 1.2x                                    |
| 2016                       | 554                     | 17.8%                            | 12.9%                                  | 1.3x                              | 1.2x                                    | 711                     | 15.1%                            | 10.9%                                  | 1.3x                              | 1.2x                                    |
| 2017                       | 921                     | 11.0%                            | 8.0%                                   | 1.2x                              | 1.1x                                    | 1,286                   | 9.9%                             | 7.1%                                   | 1.2x                              | 1.2x                                    |
| 2018                       | 796                     | 11.2%                            | 8.1%                                   | 1.1x                              | 1.1x                                    | 1,082                   | 9.2%                             | 6.6%                                   | 1.2x                              | 1.1x                                    |
| 2019                       | 958                     | 13.1%                            | 9.5%                                   | 1.2x                              | 1.1x                                    | 1,655                   | 11.0%                            | 8.0%                                   | 1.1x                              | 1.1x                                    |
| 2020                       | 816                     | 70.2%                            | 50.8%                                  | 1.4x                              | 1.3x                                    | 1,923                   | 32.6%                            | 23.6%                                  | 1.3x                              | 1.2x                                    |
| 2021                       | 21                      | 17.4%                            | 12.6%                                  | 1.1x                              | 1.1x                                    | 3,335                   | 11.6%                            | 8.4%                                   | 1.1x                              | 1.1x                                    |
| 2022                       | 1                       | 2.0%                             | 1.5%                                   | 1.0x                              | 1.0x                                    | 2,423                   | -0.6%                            | -0.4%                                  | 1.0x                              | 1.0x                                    |
| <b>Total<sup>b,c</sup></b> | <b>5,791</b>            | <b>15.1%</b>                     | <b>10.9%</b>                           | <b>1.3x</b>                       | <b>1.2x</b>                             | <b>14,419</b>           | <b>12.9%</b>                     | <b>9.4%</b>                            | <b>1.2x</b>                       | <b>1.1x</b>                             |

As of June 30, 2022. Past performance is not indicative of future results. IRRs are de-annualized for investments with a holding period of less than one year.

The pro forma performance results shown have been compiled by Ares from actual realized and unrealized investments that were not collectively part of an actual portfolio. However, these results are based on a grouping of assets that are representative of the strategy that Pathfinder Core intends to follow. Pro forma results are hypothetical and have inherent limitations, and no representation is being made that any account will or is likely to achieve results similar to those shown. Had a fund focused on the assets represented by this performance actually existed, Ares may not have made the same investment decisions. Given Ares did not offer an investment vehicle that held all of the assets included in the pro forma track record, an investor was not able to invest in these assets as presented. There are factors related to the markets in general, or to the implementation of any specific portfolio strategy, which cannot be fully accounted for in the preparation of pro forma portfolio performance, all of which can adversely affect actual portfolio results. Please review in conjunction with the Pro Forma Performance Notes.

# Strong, Long-Term Track Record

## Golub Capital Middle Market Lending Fund Investment Returns (Net of Management Fees, Incentive Allocation and all Expenses)

|  | Inception Date <sup>1</sup> | Net Investor IRR <sup>2</sup> |        |       |       |       |       |       |       |       |       |       |       |       |                    |       |      | Inception-to-Date Net IRR <sup>2</sup> |
|--|-----------------------------|-------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------------|-------|------|--|
|  |                             | 2007                          | 2008   | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020               | 2021  | 2022 |  |
| <b>Golub Capital Partners Domestic Funds<sup>3</sup></b>     |                             |                               |        |       |       |       |       |       |       |       |       |       |       |       |                    |       |      |  |
| GCP IV <sup>4</sup>  | Aug-04                      | 18.3%                         | (6.6%) | 22.5% | 20.1% | 14.8% | 11.7% | N/S   | —     | —     | —     | —     | —     | —     | —                  | —     | —    | 14.4%                                  |
| GCP V <sup>4</sup>   | Oct-06                      | 12.4%                         | 1.5%   | 18.1% | 17.3% | 9.8%  | 13.3% | 13.0% | 10.0% | 10.9% | 10.7% | —     | —     | —     | —                  | —     | —    | 11.9%                                  |
| GCP VI <sup>4</sup>  | Apr-08                      | —                             | 6.5%   | 10.9% | 15.5% | 9.1%  | 11.6% | 12.4% | 8.9%  | 11.0% | 10.9% | —     | —     | —     | —                  | —     | —    | 11.2%                                  |
| GCP VII <sup>4</sup>   | Oct-10                      | —                             | —      | —     | N/M   | 13.7% | 12.2% | 10.1% | 9.8%  | 10.9% | 10.8% | 9.7%  | —     | —     | —                  | —     | —    | 11.1%                                  |
| GIDF <sup>5</sup>  | Jan-12                      | —                             | —      | —     | —     | —     | 13.3% | 12.9% | 8.8%  | 9.0%  | 10.6% | 8.7%  | 8.8%  | 10.5% | 5.2%               | 13.2% | 7.1% | 9.8%                                   |
| GCP VIII <sup>4</sup>  | Jul-12                      | —                             | —      | —     | —     | —     | 17.9% | 10.7% | 9.7%  | 10.9% | 10.9% | 9.8%  | 10.9% | —     | —                  | —     | —    | 10.6%                                  |
| GCP 9  | Jan-14                      | —                             | —      | —     | —     | —     | —     | —     | 10.4% | 9.6%  | 10.9% | 9.8%  | 9.0%  | 11.5% | 5.3%               | 14.2% | 6.3% | 9.7%                                   |
| GCP 10   | Jul-15                      | —                             | —      | —     | —     | —     | —     | —     | —     | 10.8% | 10.7% | 9.7%  | 8.8%  | 11.5% | 5.4%               | 14.3% | 6.3% | 9.5%                                   |
| GCP 11   | Jan-17                      | —                             | —      | —     | —     | —     | —     | —     | —     | —     | —     | 9.5%  | 9.8%  | 10.8% | 4.7%               | 16.7% | 6.3% | 9.5%                                   |
| GCP 11R  | Jan-17                      | —                             | —      | —     | —     | —     | —     | —     | —     | —     | —     | 10.2% | 9.0%  | 11.7% | 5.4%               | 14.5% | 6.4% | 9.5%                                   |
| GCP 2R   | Jul-18                      | —                             | —      | —     | —     | —     | —     | —     | —     | —     | —     | —     | 8.2%  | 10.6% | 5.5%               | 16.9% | 6.1% | 9.5%                                   |
| GCP 12   | Jul-18                      | —                             | —      | —     | —     | —     | —     | —     | —     | —     | —     | —     | 7.9%  | 11.4% | 12.6% <sup>6</sup> | 15.4% | 6.0% | 10.7%                                  |
| GCP 14   | Apr-21                      | —                             | —      | —     | —     | —     | —     | —     | —     | —     | —     | —     | —     | —     | —                  | 12.8% | 6.9% | 8.1%                                   |
| <b>Non-Traded Business Development Companies<sup>7</sup></b> |                             |                               |        |       |       |       |       |       |       |       |       |       |       |       |                    |       |      |  |
| GCIC <sup>8</sup>  | Dec-14                      | —                             | —      | —     | —     | —     | —     | —     | —     | 8.7%  | 8.9%  | 8.5%  | 9.5%  | 18.6% | —                  | —     | —    | 11.3%                                  |
| GBDC 3   | Oct-17                      | —                             | —      | —     | —     | —     | —     | —     | —     | —     | —     | N/M   | 11.8% | 10.6% | 5.7%               | 11.6% | 7.1% | 7.4%                                   |
| GDLC   | Jul-21                      | —                             | —      | —     | —     | —     | —     | —     | —     | —     | —     | —     | —     | —     | —                  | N/M   | 7.3% | 6.9%                                   |
| GDLCU  | Apr-22                      | —                             | —      | —     | —     | —     | —     | —     | —     | —     | —     | —     | —     | —     | —                  | —     | 4.2% | 6.4%                                   |
| GBDC 4   | Apr-22                      | —                             | —      | —     | —     | —     | —     | —     | —     | —     | —     | —     | —     | —     | —                  | —     | 4.1% | 7.7%                                   |
| <b>Unleveraged Funds</b>                                     |                             |                               |        |       |       |       |       |       |       |       |       |       |       |       |                    |       |      |  |
| GC Mezz <sup>4</sup>   | Apr-10                      | —                             | —      | —     | 12.5% | 8.9%  | 10.9% | 13.5% | 14.1% | 21.5% | N/S   | N/S   | N/S   | N/S   | —                  | —     | —    | 11.7%                                  |
| GC PEARLS DLP  | Apr-11                      | —                             | —      | —     | —     | 7.6%  | 7.6%  | 6.4%  | 6.6%  | 5.6%  | 5.8%  | 6.4%  | 7.4%  | 6.8%  | 4.8%               | 5.7%  | 3.5% | 6.3%                                   |

Note: This performance table is only being provided for informational purposes to demonstrate the investment returns of Golub Capital's middle market lending funds and is not an invitation to invest in any of these products. Past performance does not guarantee future results. Investments are subject to the risk of loss. This performance table is accompanied by the footnotes on the pages titled *Additional Footnotes* and *Important Investor Information* at the end of this document, which are an integral part of this performance presentation. Performance of "N/S" indicates that the net IRR is not believed to be significant because the remaining aggregate capital account balance as of year-end is less than 10% of aggregate capital commitments to the fund. Performance of "N/M" indicates that the net IRR is not believed to be meaningful because the annual IRR is based on one quarter of performance. Returns for funds and years not shown above are available upon request. Inception-to-Date Net IRR does include periods labeled N/M and N/S.

Source: Golub Capital. As of December 31, 2022.

# Strong, Long-Term Track Record (continued)

## Golub Capital Middle Market Lending Fund Investment Returns (Net of Management Fees, Incentive Allocation and all Expenses)

|  | Inception Date <sup>1</sup> | Net Investor IRR <sup>2</sup> |      |       |       |       |       |      |       |       |       |      |       |       |                    |       |      | Inception-to-Date Net IRR <sup>2</sup> |
|--|-----------------------------|-------------------------------|------|-------|-------|-------|-------|------|-------|-------|-------|------|-------|-------|--------------------|-------|------|--|
|  |                             | 2007                          | 2008 | 2009  | 2010  | 2011  | 2012  | 2013 | 2014  | 2015  | 2016  | 2017 | 2018  | 2019  | 2020               | 2021  | 2022 |  |
| <b>Golub Capital Partners Offshore Funds<sup>3</sup></b>                   |                             |                               |      |       |       |       |       |      |       |       |       |      |       |       |                    |       |      |  |
| GCP VI Int'l <sup>4</sup>  | May-08                      | —                             | 9.5% | 9.0%  | 13.9% | 14.0% | 11.5% | 7.4% | —     | —     | —     | —    | —     | —     | —                  | —     | —    | 11.7%                                  |
| GCP VII Int'l <sup>4</sup>   | Oct-10                      | —                             | —    | —     | N/M   | 13.7% | 11.5% | 9.3% | 9.9%  | 9.7%  | 10.3% | 8.7% | —     | —     | —                  | —     | —    | 10.5%                                  |
| GCP VIII Int'l <sup>4</sup>  | Apr-12                      | —                             | —    | —     | —     | —     | 14.7% | 9.6% | 9.8%  | 9.7%  | 10.3% | 8.8% | 10.9% | —     | —                  | —     | —    | 10.2%                                  |
| GCP 9 Int'l  | Jan-14                      | —                             | —    | —     | —     | —     | —     | —    | 10.5% | 9.5%  | 10.7% | 9.2% | 9.5%  | 10.6% | 4.7%               | 13.0% | 7.5% | 9.4%                                   |
| GCP 10 Int'l   | Jul-15                      | —                             | —    | —     | —     | —     | —     | —    | —     | 10.8% | 10.7% | 9.3% | 9.4%  | 10.6% | 4.7%               | 13.1% | 7.5% | 9.3%                                   |
| GCP 11 Int'l   | Jan-17                      | —                             | —    | —     | —     | —     | —     | —    | —     | —     | —     | 9.3% | 9.8%  | 10.6% | 5.0%               | 13.2% | 7.4% | 9.0%                                   |
| GCP 2R Int'l   | Jul-18                      | —                             | —    | —     | —     | —     | —     | —    | —     | —     | —     | —    | 8.2%  | 10.4% | 5.5%               | 13.5% | 7.0% | 8.9%                                   |
| GCP 12 Int'l   | Jul-18                      | —                             | —    | —     | —     | —     | —     | —    | —     | —     | —     | —    | 8.2%  | 10.9% | 6.9% <sup>6</sup>  | 12.4% | 7.2% | 9.0%                                   |
| GCP 14 Int'l   | Apr-21                      | —                             | —    | —     | —     | —     | —     | —    | —     | —     | —     | —    | —     | —     | —                  | 10.6% | 7.4% | 8.1%                                   |
| <b>Golub Capital Partners Offshore Funds with Reinvestment<sup>3</sup></b> |                             |                               |      |       |       |       |       |      |       |       |       |      |       |       |                    |       |      |  |
| GC Int'l   | Nov-05                      | 10.1%                         | 3.4% | 13.4% | 13.7% | 14.2% | 13.5% | 9.3% | 9.6%  | 9.4%  | 10.6% | 9.0% | 9.6%  | 10.6% | 7.0%               | 13.7% | 8.0% | 10.3%                                  |
| GC Int'l Ladder  | Jul-16                      | —                             | —    | —     | —     | —     | —     | —    | —     | —     | 10.3% | 8.6% | 9.1%  | 10.2% | 4.7%               | 13.1% | 7.3% | 8.8%                                   |
| GCP Int'l Tranches   | Apr-20                      | —                             | —    | —     | —     | —     | —     | —    | —     | —     | —     | —    | —     | —     | 17.6% <sup>9</sup> | 12.9% | 7.3% | 9.8%                                   |

Note: This performance table is only being provided for informational purposes to demonstrate the investment returns of Golub Capital's middle market lending funds and is not an invitation to invest in any of these products. Past performance does not guarantee future results. Investments are subject to the risk of loss. This performance table is accompanied by the footnotes on the pages titled *Additional Footnotes* and *Important Investor Information* at the end of this document, which are an integral part of this performance presentation. Performance of "N/S" indicates that the net IRR is not believed to be significant because the remaining aggregate capital account balance as of year-end is less than 10% of aggregate capital commitments to the fund. Performance of "N/M" indicates that the net IRR is not believed to be meaningful because the annual IRR is based on one quarter of performance. Returns for funds and years not shown above are available upon request. Inception-to-Date Net IRR does include periods labeled N/M and N/S.

Source: Golub Capital. As of December 31, 2022.

# Summary of Fund Commitments and Performance Data

December 31, 2022

## Fund Commitments Summary

|  | \$                     | %              |
|--|------------------------|----------------|
| Total Fund Capital Commitments Prior Quarter | \$4,022,794,320        |                |
| New Capital Commitments added during Quarter | \$31,580,000           |                |
| <b>Total Fund Capital Commitments</b>        | <b>\$4,054,374,320</b> | <b>100.00%</b> |
| Total Capital Contributions since Inception  | \$3,868,977,720        | 95.43%         |
| <b>Total Remaining Capital Commitments</b>   | <b>\$185,396,600</b>   | <b>4.57%</b>   |

## Net time Weighted Returns By Fund / Feeder<sup>1</sup>

|  | Q4 2022 | YTD 2022 | ITD Annualized |
|--|---------|----------|----------------|
| PIMCO Private Income Fund Offshore Feeder I LP   | -0.63%  | -0.24%   | 7.35%          |
| PIMCO Private Income Fund Offshore Feeder II LP  | -0.64%  | -0.29%   | 6.62%          |
| PIMCO Private Income Fund Offshore Feeder III LP | -0.65%  | -0.35%   | 7.23%          |
| PIMCO Private Income Fund Onshore Feeder LLC     | -0.66%  | -0.45%   | 7.21%          |

## Attribution<sup>2</sup>

|                      | Q4 2022 | YTD 2022 | ITD     |
|----------------------|---------|----------|---------|
| Residential          | -\$44mm | -\$181mm | -\$1mm  |
| Commercial           | \$50mm  | \$22mm   | \$120mm |
| Specialty Finance    | \$42mm  | \$13mm   | \$187mm |
| Corporate            | \$12mm  | \$22mm   | \$92mm  |
| Total Hedge Income   | -\$70mm | \$139mm  | \$124mm |
| Interest Rate Hedges | -\$2mm  | \$93mm   | \$93mm  |
| Currency Hedges      | -\$68mm | \$46mm   | \$30mm  |

Past performance is not a guarantee or a reliable indicator of future results. \*The Private Income Fund was incepted on April 1, 2019.

Please see Appendix & Disclosures at the end of this report for important information related to the above summary.

PIMCO began breaking out profit attribution for other/hedging positions in March 2022.

1. Performance represents the return on partners' capital taken as a whole in the respective feeders net of management, performance and administrative fees based on capital contributions from and distributions to Limited Partners and Manager-Affiliated Limited Partners and the residual value of unrealized investment. Returns to specific fund investors are different due to (among other factors) the impact of (i) different fee arrangements, (ii) tax considerations applicable to different investors, and (iii) timing of capital transactions. In addition, the returns shown above take into account carried interest/performance allocation waivers granted to employee and affiliated investors and generally unavailable to third-party investors, although such waivers did not materially impact fund returns. The returns for each fund reflect the use of leverage, which can magnify returns and/or make returns more volatile. Because of these factors, specific fund investors may experience materially different performance. Investors who subscribe at different times or in different classes may experience materially different performance.

2. Profit attribution is shown in \$mm and represents the pre-FX realized/unrealized gains/losses and investment income/interest expenses for each of the sectors at the master fund level gross of management, performance and administrative fees for the stated time periods.

## Private Credit Historical Performance

EnTrust has invested in 25 private credit investments, of which 14, representing \$965 million of capital deployed, have been fully realized at an average unlevered IRR of 19.5% and a MOIC of 1.5x (or 15.3% and 1.4x, respectively, net of hypothetical fund level fees and expenses)

|                    | Number of Realized Investments | Average Duration (months) | Capital Invested (million) | Capital Distributed (million) | Average Investment IRR | Average Investment MOIC | Hypothetical Fund Level Net IRR | Hypothetical Fund Level Net MOIC |
|--------------------|--------------------------------|---------------------------|----------------------------|-------------------------------|------------------------|-------------------------|---------------------------------|----------------------------------|
| <b>Time Period</b> | <b>14</b>                      | <b>37</b>                 | <b>\$965</b>               | <b>\$1,292</b>                | <b>19.5%</b>           | <b>1.5x</b>             | <b>15.3%</b>                    | <b>1.4x</b>                      |
| 2011-2013          | 4                              | 56                        | \$137                      | \$252                         | 30.1%                  | 1.8x                    | 24.8%                           | 1.6x                             |
| 2014-2017          | 3                              | 41                        | \$190                      | \$284                         | 18.5%                  | 1.7x                    | 14.5%                           | 1.5x                             |
| 2018-2022          | 7                              | 24                        | \$638                      | \$756                         | 13.7%                  | 1.2x                    | 10.2%                           | 1.2x                             |

Given the ability to **leverage our global network** to source across a **range of strategies within private credit**, as well as our ability to **provide scale and speed** when engaging with a borrower, we believe we are well positioned to execute upon our private credit strategy

All figures as of January 31, 2023. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS. There is no guarantee that any investment objective or target will be achieved or that losses will not occur. Averages for realized investments have been calculated to illustrate how EnTrust's private credit investments have performed historically and are not representative of any actual performance for, and not achievable by any investor. The track record excludes investments incepted prior to 2011, as those investments included positive performance outliers that would distort the track record. The figures above exclude EnTrust's Blue Ocean Maritime Direct Lending strategy, however, in certain instances, a subset of EnTrust funds have participated in individual investments via the Blue Ocean platform, and as such, those investments are included. The track record above includes certain types of private credit investments that may be excluded from the Private Credit Fund I mandate, so similar performance may not be achievable. Average Investment performance metrics are unlevered and are shown gross of fees and expenses at the EnTrust Global level but net of fees and expenses at the investment level. Hypothetical fund level performance metrics are shown net of expected EnTrust Global Private Credit Fund I's fund level fees (1.5% management fee and 15% incentive fee over a 6% preferred return) and expenses (estimate of 0.10% per year). Hypothetical fund level management fees and estimated expenses for realized investments are applied to the average of a) invested capital and b) the sum of all distributions and principal repayments. Hypothetical fund level incentive fees for realized investments are calculated after applying fund level management fees and expenses and assuming all interest and principal repayments are received at the end of the investment. Cash management is excluded from the above calculations. Performance figures are based on cash flows for each investment; average performance metrics do not reflect the entry or exit timing of any investor in any Fund. Please see the Defined Terms and Usage for important information.

## **Relative Strengths and Considerations**

#### Relative Strengths - Ares

- Flexible investment approach allows manager to target various, niche lending strategies
- Large staff of investment professionals and able to leverage resources of entire firm
- Defensive cash flow profile due to nature of investments

#### Considerations - Ares

- Complex vehicle structure
- New strategy, and difficult to assess longer-term performance history
- Limited/no independent valuation of securities

#### Relative Strengths - Golub

- Attractive fee structure
- Solid investment team with 200 professionals
- Industry recognition/incumbency and solid long-term returns
- Investors guaranteed to be able to liquidate at NAV during liquidity event

#### Considerations - Golub

- Private debt marketplace becoming more competitive, and Golub's market share decreasing
- Many different product offerings (BDC, SMAs, PPs, commingled accounts) complicating management and company focus, though senior, middle market lending remains main focus of Golub business model

#### Relative Strengths - PIMCO

- Highly diversified - Broad exposure to performing private credit across multiple sectors including specialty finance, commercial real estate, residential real estate and corporate credits.
- Firm is an attractive counterparty in view of its ability to solve for a wide spectrum of asset types and credit risk profiles
- Strong historical performance
- Established asset manager - more than 250 Portfolio Managers, with an average of 17 years of experience, and over 900 investment professionals

#### Considerations - PIMCO

- Co-Portfolio Manager of the Private Income Fund and PIMCO Co-Head of Specialty Finance, Harin de Silva, has taken a personal leave of absence due to health considerations.
- The fees are less favorable than those of a typical closed-end private credit fund. Notably, the performance fees are crystallized annually over a lower than market standard hurdle rate (5%) rather than on realizations.
- The Fund is open-ended, but unlike traditional fixed income funds investors have a ramp up period for capital deployment of up to 18 to 24 months after their initial capital commitment
- The Fund lacks a dedicated team to the extent that Portfolio Managers are sourcing private credit opportunities across a range of alternative credit products

### Relative Strengths - Entrust

- Flexible investment approach allows manager to target various, niche lending strategies
- Reasonable fund size (\$500 mm) allows Entrust to be more selective in deploying capital
- Seeking smaller investments than some of the very large private debt focused firms.
- Sourcing/due diligence benefits from other Entrust vehicles (across asset classes) allows Entrust to first identify (1) compelling opportunities then (2) identify best way to allocate capital (i.e. private equity or private debt). This is advantage because it helps keep team focused on best deal structuring vs. forced allocation to fill mandates.

### Considerations - Entrust

- Despite history of private debt credit investments historically, this is first dedicated fund offering
- No dedicated team for the strategy – investment professionals are extension of the broader investment process (across multiple asset classes) – unclear if this will be a positive or a negative (unclear how time/workload gets allocated against competing demands).

Conclusion Summary

|                               | Ares   | Golub   | PIMCO  | Entrust   |
|-------------------------------|--|---|--|---|
| <b>Fund Structure</b>         | Evergreen (Open-ended)   | Closed End  | Evergreen (Open-ended)   | Closed End  |
| <b>Investment Team</b>        | 45 dedicated investment professionals working on alt credit team, broad credit team comprised of 325 investment staff  | 200 investment professionals focusing on senior, middle market lending  | No dedicated team  | No dedicated team   |
| <b>Target Return</b>          | 8 - 10%  | 10.5 - 13.5%  | 8 - 12%  | 10 - 14%  |
| <b>Historical Performance</b> | Limited track record for strategy – has returned 7% net SI <sup>12</sup> as of 12/31/2022  | Has generated consistent low teens net IRRs, in line with the firm's target return profile for the strategy                     | Performing within its return target of 8% to 12% net return  | 14 investments fully realized at an average net IRR of 15.3% and 1.4x, respectively (representing \$965 million of capital deployed)  |
| <b>Fees</b>                   | Management: 1.075% <sup>13</sup><br>Performance: 15% with a 6% Hurdle  | Management: 0.50% on fair value of gross assets (Excluding Cash, but including leverage)<br>Performance: 10% with a 7% Hurdle   | Management: 1.25% + 25bps Admin Fee<br>Performance: 12.5% with a 5% Hurdle   | Management: 1.5% On Cost Basis of Unrealized Investments<br>Performance: 15% with a 6% Hurdle.  |
| <b>Strategy</b>               | Ares will execute financings in multiple ways, including re-discount lending (lending to specialty finance companies through an SPV structure, or private asset-backed securities), acquiring pools of assets, lending to asset-rich companies through corporate loans, and buying public asset-backed securities in the event of market dislocation | Golub will originate first-out, senior secured loans and unitranche loans for private equity sponsored middle market businesses | Invests opportunistically across performing private credit sectors including specialty finance, residential, commercial real estate ("cre") and corporate credit | Looks for opportunistic deals (i.e., could have an element of complexity, elevated perceived risk, time sensitivity, and/or borrower preference) and seek to be compensated for lending (through high return (income/interest). Typical exit goal is for the companies/investments to refinance out of the entrust loan. Exclusively floating rate debt |

<sup>12</sup> Since inception date is October 29, 2021

<sup>13</sup> Standard fee is 1.125%. Due to the size of Meketa aggregate client's commitments, the fee is reduced by 0.05% for all Meketa clients.

**Conclusion Summary (continued)**

- We recommend the Board identify one (or two) firms they are interested in hearing from in person.
- We recommend making one commitment of \$45 mm - \$50 mm.

## Appendix

### Summary Comparison of Open-End vs. Closed-End Private Debt Funds

|                           | Open  | Closed   |
|---------------------------|---|--|
| <b>Relative Strengths</b> | <ul style="list-style-type: none"> <li>→ Commitments can be made any time, though capital may not be called right away.</li> <li>→ Can get invested more quickly.</li> <li>→ Capital will remain invested, which reduces cash drag with ramp-up and wind-down periods. Permits more efficient recycling.</li> <li>→ More efficient use of Board Time as there is no need come back to the Board for re-ups.</li> <li>→ No blind pool risk.</li> </ul> | <ul style="list-style-type: none"> <li>→ Higher returns possible via liquidity premium and wider strategy selection.</li> <li>→ Fee structure generally better aligns LP / GP economics.</li> <li>→ Carry paid on actual realized proceeds as opposed to most recent valuation.</li> <li>→ Co-investment opportunities.</li> </ul> |
| <b>Considerations</b>     | <ul style="list-style-type: none"> <li>→ Incentive fees crystallized according to valuations, as opposed to realization. Not as LP friendly.</li> <li>→ LP subscribes into a fund based on a Net Asset Value (“NAV”) that often contains assets that are difficult to price.</li> <li>→ Exiting the fund can still take years.</li> <li>→ Not appropriate for strategies that are opportunistic or dependent on illiquidity.</li> </ul>               | <ul style="list-style-type: none"> <li>→ Blind pool risk (could be mitigated by pre-seeded assets or later closing).</li> <li>→ Managers only periodically in the market.</li> <li>→ Capital is typically locked up for many years.</li> <li>→ Requires more Board time for re-ups.</li> </ul>                                     |

### Private Debt Glossary

- **Senior Debt:** Borrowed money that a company must repay first. Senior debt is debt that is prioritized for repayment in the case of bankruptcy. It has the highest priority for repayment, and therefore the lowest risk. As such, it typically offers the lowest interest rate. This type of debt may also be referred to as **First Lien Debt**.
- **Second Lien Debt:** Borrowed money that is still senior debt, but a lower priority for repayment in the event that a company goes into bankruptcy. Second lien debt is generally repayable after the first lien debt of a company is fully repaid, and is secured by collateral, just like a first lien loan. Second lien debt is riskier than first lien debt because of its repayment prioritization, and therefore offers a higher interest rate than first lien debt.
- **Unitranche Debt:** Unitranche debt is a hybrid form of debt that combines senior debt and junior debt into a single loan. Unitranche debt rates generally fall between the interest rate charged by a senior loan and junior loan. Unitranche debt can be funded by multiple creditors who receive different priorities within the debt structure.

## **Asset Allocation and Liability Analysis**

Background

→ In February 2023, we reviewed Meketa's capital market assumptions from our 2023 asset study and discussed expected returns and standard deviation forecasts for each asset class FIPO is invested in.

→ The Board made small changes to FIPO's policy targets and approved the current policy shown below.

|  | Old Policy (%) | Changes (%) | New Policy (%) | Ranges (%) |
|--|----------------|-------------|----------------|------------|
| <b>Growth/Equity</b>                           |                |             |                |            |
| U.S. Equity                                    | 32             | -           | 32             | 20 - 40    |
| International Equity                           | 22             | -           | 22             | 10 - 30    |
| Private Equity Fund of Funds                   | 4              | -           | 4              | 0 - 8      |
| <b>Credit</b>                                  |                |             |                |            |
| High Yield Bonds                               | 2              | -           | 2              | 0 - 4      |
| Bank Loans                                     | 2              | -           | 2              | 0 - 4      |
| Private Debt                                   | 2              | +1          | 3              | 0 - 6      |
| <b>Rate Sensitive</b>                          |                |             |                |            |
| Investment Grade Bonds                         | 18             | -           | 18             | 12 - 25    |
| Treasuries                                     | 7              | -2          | 5              | 2 - 8      |
| <b>Real Assets</b>                             |                |             |                |            |
| Real Estate                                    | 9              | -           | 9              | 6 - 12     |
| Infrastructure (Non-Core)                      | 2              | -2          | 0              |            |
| Infrastructure (Core)                          | 0              | +3          | 3              | 0 - 6      |
| <b>Expected Return (20 years)<sup>1</sup></b>  | <b>8.4%</b>    |             | <b>8.4%</b>    |            |
| <b>Expected Standard Deviation<sup>1</sup></b> | <b>12.3%</b>   |             | <b>12.3%</b>   |            |

<sup>1</sup> Expected return and standard deviation and probabilities are based upon Meketa Investment Group's 2023 Capital Markets Expectations.

### Types of Analysis Addressed Today

- We conducted additional scenario analysis and liability analysis.
- Using FIPO's current policy targets and projected cash flows, we looked at the following:
  - **MPT-based risk analytics**
    - Includes worst-case return expectations, probability of negative returns, and probability of 7% return
    - Relies on assumptions underlying Modern Portfolio Theory (MPT)
  - **Scenario analysis**
    - Stress tests policy portfolios using actual historical examples
    - Stress tests policy portfolios under specific hypothetical scenarios
  - **Sequence of returns analysis**
    - Return scenario analysis using FIPO's projected cash flows<sup>1</sup>

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<sup>1</sup> Projected cash flows were provided by FIPO's Actuary

## Asset Allocation: Risk and Scenario Analysis

### Modern Portfolio Theory Based Risk Analysis

| Scenario   | Current Policy (%) |
|--|--------------------|
| <b>Worst Case Returns (99<sup>th</sup> percentile)</b> |                    |
| One Year (annualized)                                  | -16.7              |
| Three Years (annualized)                               | -6.9               |
| Five Years (annualized)                                | -3.7               |
| Ten Years (annualized)                                 | -0.3               |
| Twenty Years (annualized)                              | 2.2                |
| <b>Probability of Experiencing Negative Returns</b>    |                    |
| One Year   | 23.9               |
| Three Years  | 11.0               |
| Five Years   | 5.6                |
| Ten Years  | 1.2                |
| Twenty Years   | 0.1                |
| <b>Probability of Achieving at least a 7.0% Return</b> |                    |
| One Year   | 54.4               |
| Three Years  | 57.6               |
| Five Years   | 59.8               |
| Ten Years  | 63.7               |
| Twenty Years   | 68.9               |

Historical Negative Scenario Analysis<sup>1</sup>  
(Cumulative Return)

| Scenario  | Current Policy (%) |
|---|--------------------|
| COVID-19 Market Shock (Feb 2020-Mar 2020)       | -19.2              |
| Taper Tantrum (May - Aug 2013)                  | -0.3               |
| Global Financial Crisis (Oct 2007 - Mar 2009)   | -28.7              |
| Popping of the TMT Bubble (Apr 2000 - Sep 2002) | -15.0              |
| LTCM (Jul - Aug 1998)                           | -7.3               |
| Asian Financial Crisis (Aug 97 - Jan 98)        | 3.5                |
| Rate spike (1994 Calendar Year)                 | 2.4                |
| Early 1990s Recession (Jun - Oct 1990)          | -6.6               |
| Crash of 1987 (Sep - Nov 1987)                  | -12.4              |
| Strong dollar (Jan 1981 - Sep 1982)             | 4.5                |
| Volcker Recession (Jan - Mar 1980)              | -4.9               |
| Stagflation (Jan 1973 - Sep 1974)               | -22.7              |

<sup>1</sup> See the Appendix for our scenario inputs. In periods where the ideal benchmark was not yet available we used the next closest benchmark(s) as a proxy.

Historical Positive Scenario Analysis<sup>1</sup>  
(Cumulative Return)

| Scenario   | Current Policy (%) |
|--|--------------------|
| Covid Recovery (Apr 2020-Dec 2021)                     | 50.8               |
| Global Financial Crisis Recovery (Mar 2009 - Nov 2009) | 35.0               |
| Best of Great Moderation (Apr 2003 - Feb 2004)         | 29.2               |
| Peak of the TMT Bubble (Oct 1998 - Mar 2000)           | 34.4               |
| Plummeting Dollar (Jan 1986 - Aug 1987)                | 58.5               |
| Volcker Recovery (Aug 1982 - Apr 1983)                 | 34.7               |
| Bretton Wood Recovery (Oct 1974 - Jun 1975)            | 30.1               |

<sup>1</sup> See the Appendix for our scenario inputs. In periods where the ideal benchmark was not yet available we used the next closest benchmark(s) as a proxy.

Stress Testing: Impact of Market Movements  
(Expected Return under Stressed Conditions)<sup>1</sup>

| Scenario   | Current Policy (%) |
|--|--------------------|
| 10-year Treasury Bond rates rise 100 bps             | 3.6                |
| 10-year Treasury Bond rates rise 200 bps             | -2.6               |
| 10-year Treasury Bond rates rise 300 bps             | -3.9               |
| Baa Spreads widen by 50 bps, High Yield by 200 bps   | 0.8                |
| Baa Spreads widen by 300 bps, High Yield by 1000 bps | -21.3              |
| Trade Weighted Dollar gains 10%                      | -3.8               |
| Trade Weighted Dollar gains 20%                      | 0.5                |
| U.S. Equities decline 10%                            | -5.7               |
| U.S. Equities decline 25%                            | -16.7              |
| U.S. Equities decline 40%                            | -27.3              |

<sup>1</sup> Assumes that assets not directly exposed to the factor are affected nonetheless. See the Appendix for further details.

Stress Testing: Impact of Positive Market Movements  
(Expected Return under Positive Conditions)<sup>1</sup>

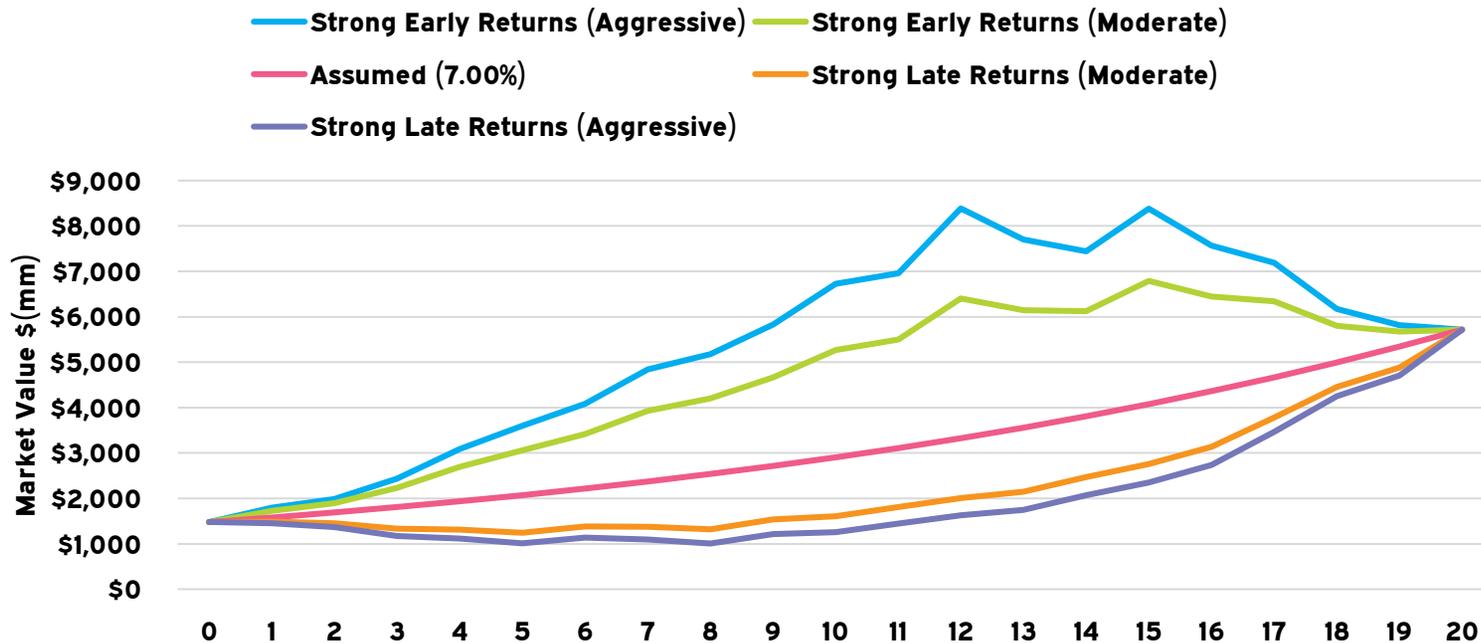
| Scenario  | Current Policy (%) |
|---|--------------------|
| 10-year Treasury Bond rates drop 100 bps            | 2.3                |
| 10-year Treasury Bond rates drop 200 bps            | 12.3               |
| Baa Spreads narrow by 30bps, High Yield by 100 bps  | 7.5                |
| Baa Spreads narrow by 100bps, High Yield by 300 bps | 12.4               |
| Trade Weighted Dollar drops 10%                     | 7.0                |
| Trade Weighted Dollar drops 20%                     | 23.0               |
| U.S. Equities rise 10%                              | 6.4                |
| U.S. Equities rise 30%                              | 17.0               |

<sup>1</sup> Assumes that assets not directly exposed to the factor are affected nonetheless. See the Appendix for further details.

## Sequence of Returns Analysis

#### Sequence of Returns – Does Not Matter with No Cash Flows

- This analysis reviews a few scenarios that achieve the same twenty-year annualized return of 7.0% but that take very different paths to arrive at this destination.<sup>1</sup>
- The “Strong Early Returns” and “Strong Late Returns” scenarios produce the same returns but the order in which the returns are generated is reversed. The “Assumed” scenario assumes 7.0% is earned every year.
- When net cash flow is \$0, the ending value is the same for all the scenarios.



<sup>1</sup> Note: Assumes \$0 cash flow over the 20-year period. Modeled for City of Miami Firefighters' and Police Officers' Retirement Trust only.

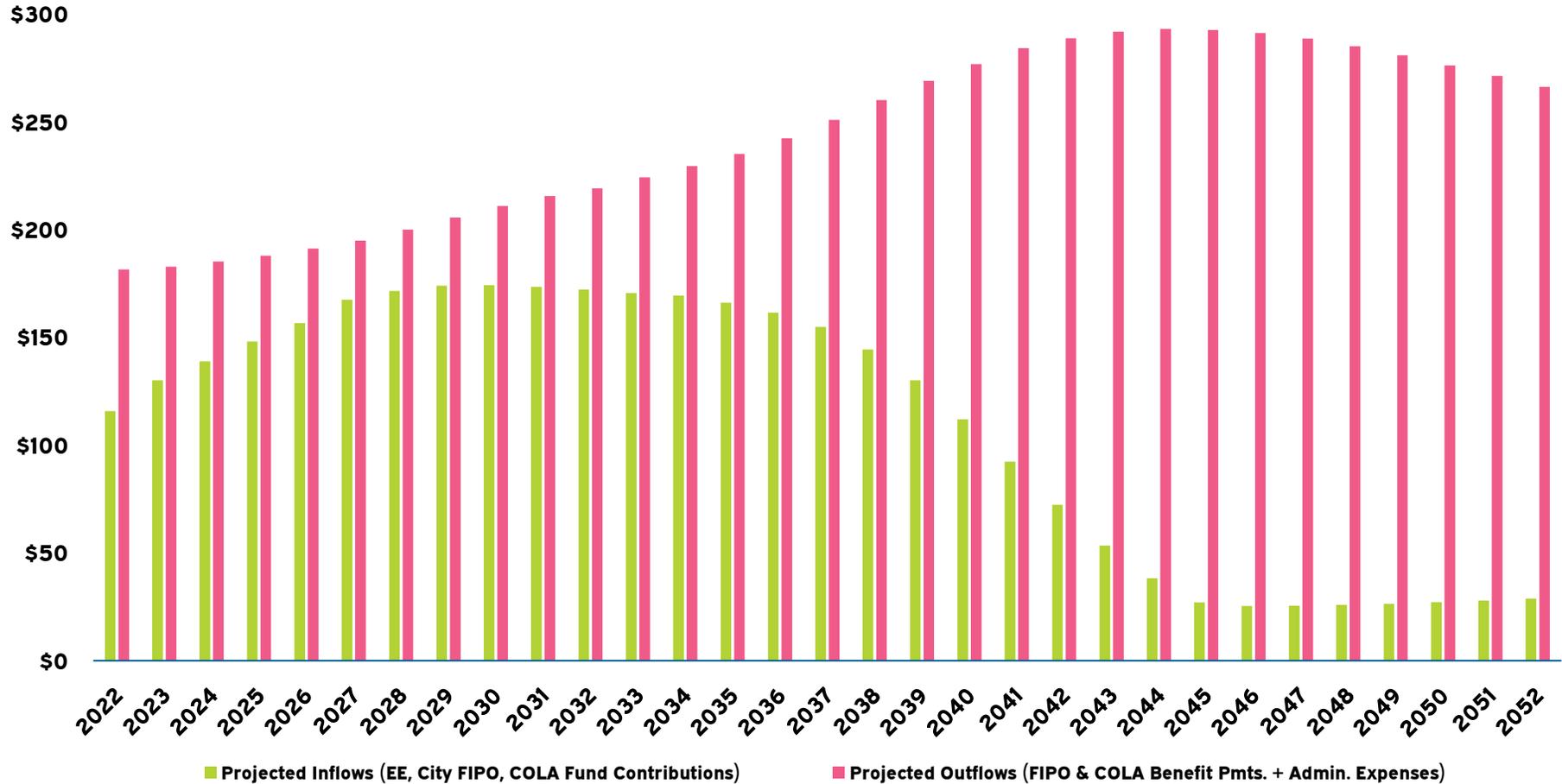
#### Corresponding Data – Sequence of Returns with No Cash Flows

| Year                              | 0        | 1        | 2        | 3        | 4        | 5        | 6        | 7        | 8        | 9        | 10       | 11       | 12       | 13       | 14       | 15       | 16       | 17       | 18       | 19       | 20       |
|-----------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Market Values (\$mm)              |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| Strong Early Returns (Aggressive) | 1477     | 1795     | 1987     | 2435     | 3087     | 3596     | 4083     | 4837     | 5176     | 5827     | 6730     | 6961     | 8387     | 7703     | 7445     | 8382     | 7569     | 7192     | 6172     | 5815     | 5716     |
| Strong Early Returns (Moderate)   | 1477     | 1729     | 1895     | 2233     | 2694     | 3061     | 3416     | 3928     | 4203     | 4662     | 5265     | 5500     | 6402     | 6148     | 6121     | 6790     | 6443     | 6338     | 5801     | 5672     | 5716     |
| Assumed (7.00%)                   | 1477     | 1580     | 1691     | 1809     | 1936     | 2072     | 2217     | 2372     | 2538     | 2715     | 2905     | 3109     | 3326     | 3559     | 3808     | 4075     | 4360     | 4666     | 4992     | 5342     | 5716     |
| Strong Late Returns (Moderate)    | 1477     | 1488     | 1455     | 1332     | 1310     | 1243     | 1379     | 1373     | 1319     | 1535     | 1603     | 1811     | 2009     | 2149     | 2471     | 2758     | 3134     | 3781     | 4454     | 4881     | 5716     |
| Strong Late Returns (Aggressive)  | 1477     | 1452     | 1368     | 1174     | 1115     | 1007     | 1134     | 1096     | 1007     | 1213     | 1254     | 1449     | 1631     | 1745     | 2068     | 2348     | 2734     | 3467     | 4249     | 4703     | 5716     |
| Cash Flows (\$mm)                 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| <b>Net Cash Flow</b>              | <b>0</b> |
| Returns (%)                       |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| Strong Early Returns (Aggressive) | 0.0      | 21.5     | 10.7     | 22.6     | 26.8     | 16.5     | 13.5     | 18.5     | 7.0      | 12.6     | 15.5     | 3.4      | 20.5     | -8.2     | -3.4     | 12.6     | -9.7     | -5.0     | -14.2    | -5.8     | -1.7     |
| Strong Early Returns (Moderate)   | 0.0      | 17.1     | 9.6      | 17.8     | 20.7     | 13.6     | 11.6     | 15.0     | 7.0      | 10.9     | 12.9     | 4.5      | 16.4     | -4.0     | -0.4     | 10.9     | -5.1     | -1.6     | -8.5     | -2.2     | 0.8      |
| Strong Late Returns (Moderate)    | 0.0      | 0.8      | -2.2     | -8.5     | -1.6     | -5.1     | 10.9     | -0.4     | -4.0     | 16.4     | 4.5      | 12.9     | 10.9     | 7.0      | 15.0     | 11.6     | 13.6     | 20.7     | 17.8     | 9.6      | 17.1     |
| Strong Late Returns (Aggressive)  | 0.0      | -1.7     | -5.8     | -14.2    | -5.0     | -9.7     | 12.6     | -3.4     | -8.2     | 20.5     | 3.4      | 15.5     | 12.6     | 7.0      | 18.5     | 13.5     | 16.5     | 26.8     | 22.6     | 10.7     | 21.5     |

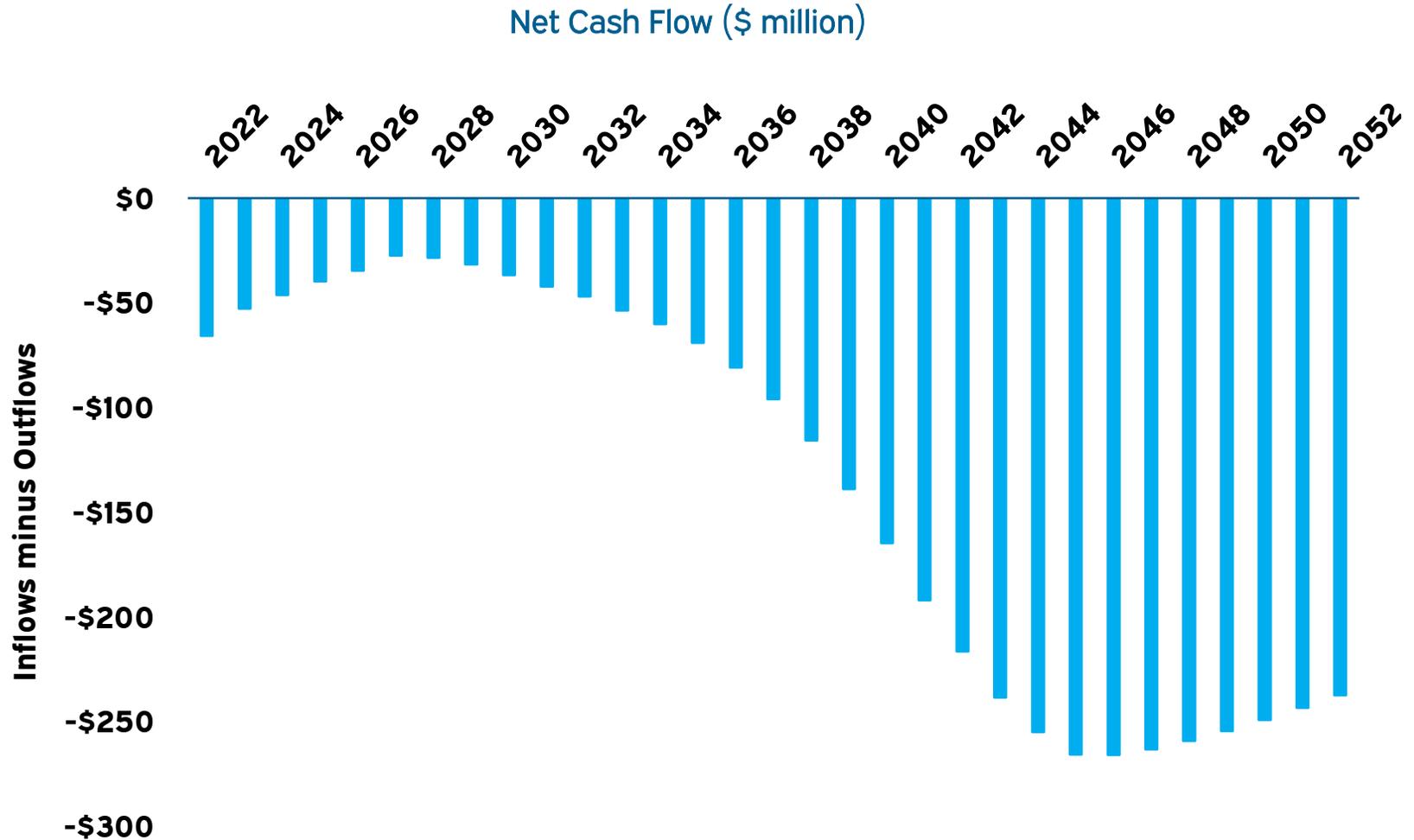
→ The market values all end up at the exact value at the end of twenty years if there are no cash flows into or out of the System or the net cash flows are zero.

→ An assumed return of 7.0% (median scenario) reflects the current actuarial discount rate.

#### Expected Plan Inflows & Outflows (\$ million)

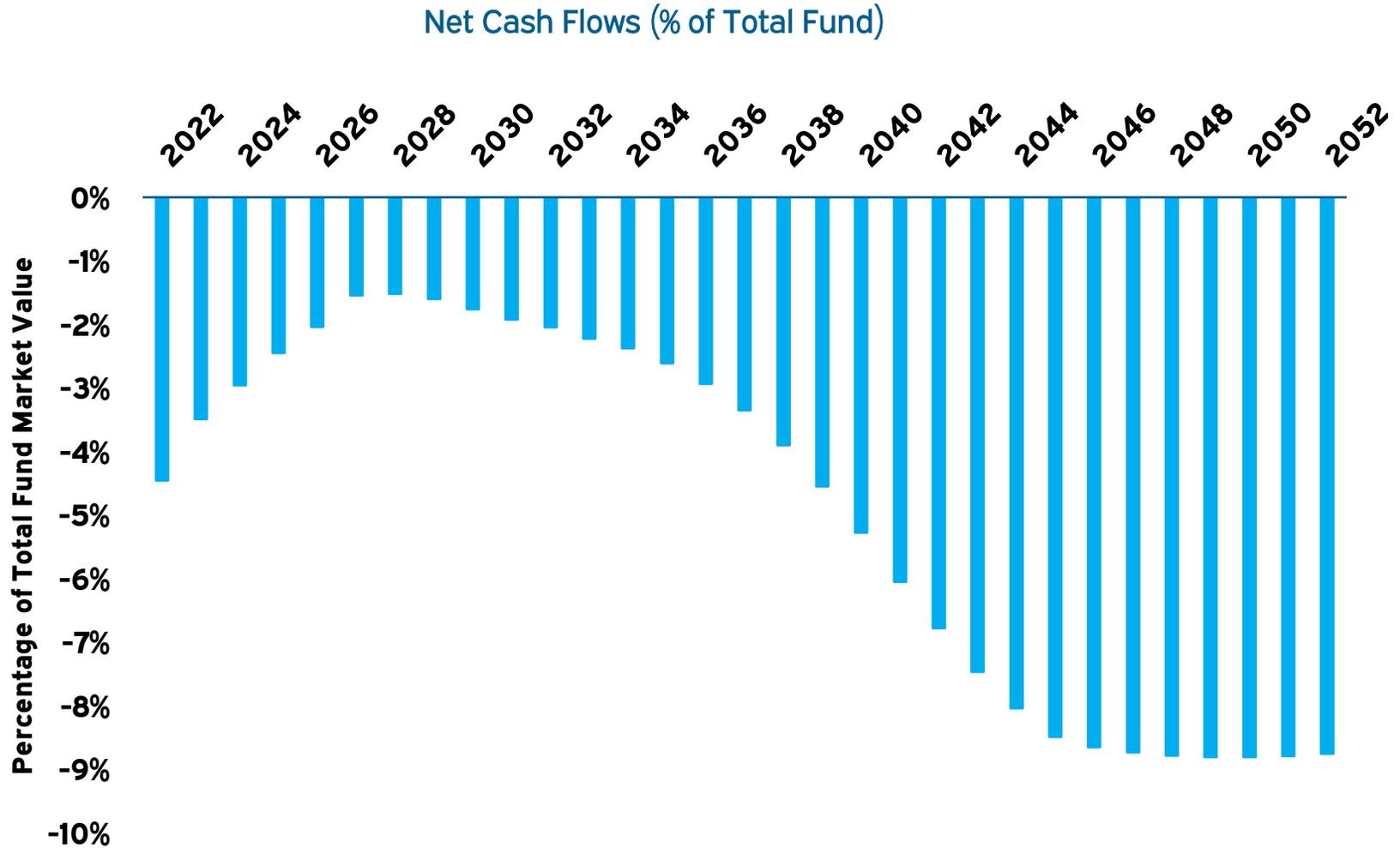


→ The chart above reflects the cash flow projections provided by the actuary as part of the FY 2022 valuation.



→ FIPO is expecting to pay out more than it is expected to receive each year.

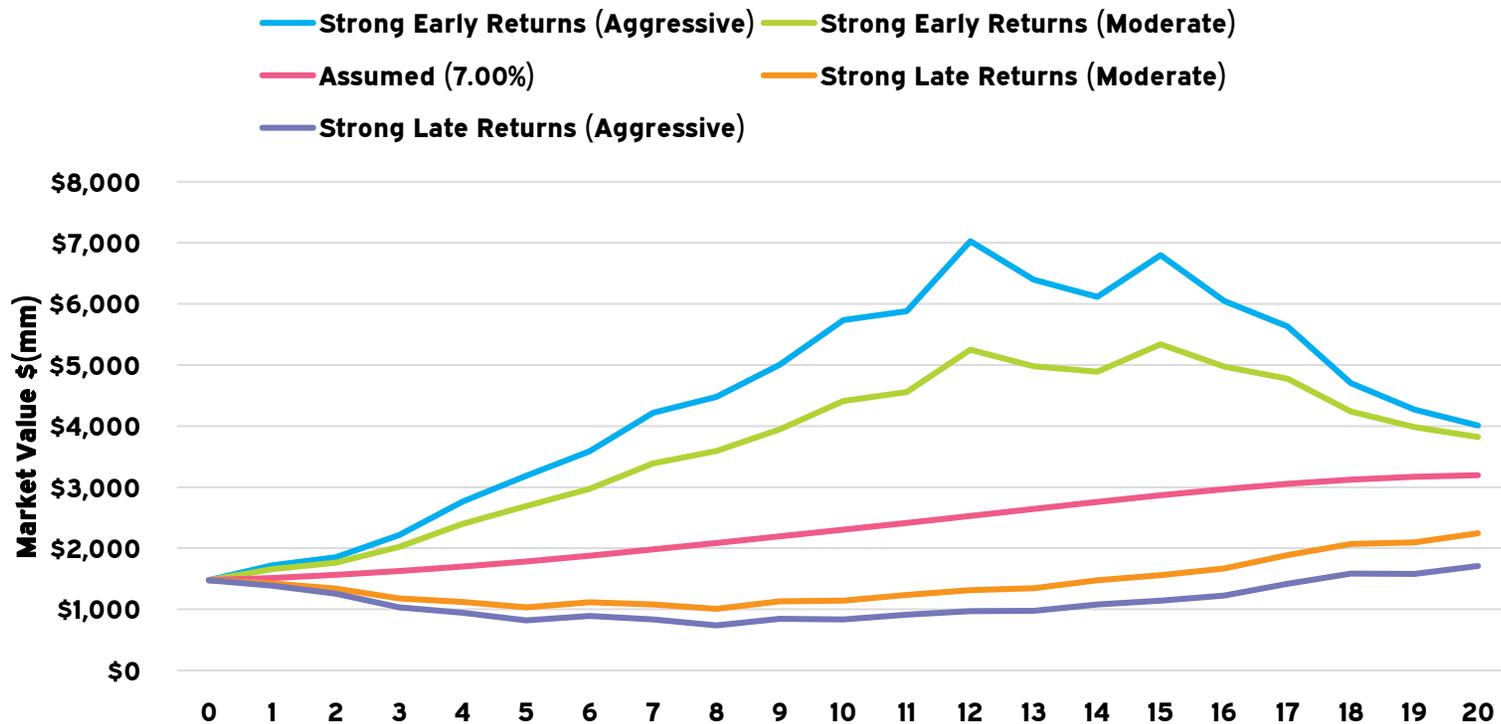
→ Asset volatility is of higher concern when a plan has increasing negative cash flows.



→ FIPO's cash outflows as a percentage of total fund value increase over time. Assumes Closed Group.

#### Sequence of Returns - Significant Impact with Negative Cash Flows

- Negative cash flows make it much harder for a Fund to recover after a market downturn; the larger the cash outflows are, the more severe the impact.
- Inserting FIPO's projected cash flows, the ending market value (year 20) would be significantly higher if strong returns are experienced in the first ten years as opposed to years eleven through twenty.



#### Corresponding Data – Sequence of Returns with Estimated Cash Flows<sup>1</sup>

| Year                              | 0    | 1    | 2    | 3     | 4    | 5    | 6    | 7    | 8    | 9    | 10   | 11   | 12   | 13   | 14   | 15   | 16   | 17   | 18    | 19   | 20   |
|-----------------------------------|------|------|------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|------|------|
| Market Values (\$mm)              |      |      |      |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |      |      |
| Strong Early Returns (Aggressive) | 1477 | 1722 | 1851 | 2216  | 2765 | 3183 | 3585 | 4216 | 4478 | 5003 | 5732 | 5881 | 7027 | 6397 | 6114 | 6797 | 6047 | 5632 | 4705  | 4272 | 4009 |
| Strong Early Returns (Moderate)   | 1477 | 1658 | 1762 | 2025  | 2399 | 2689 | 2972 | 3387 | 3591 | 3945 | 4410 | 4559 | 5248 | 4981 | 4890 | 5339 | 4973 | 4777 | 4239  | 3982 | 3820 |
| Assumed (7.00%)                   | 1477 | 1512 | 1563 | 1625  | 1698 | 1781 | 1877 | 1979 | 2084 | 2192 | 2302 | 2415 | 2528 | 2643 | 2756 | 2865 | 2967 | 3054 | 3124  | 3172 | 3196 |
| Strong Late Returns (Moderate)    | 1477 | 1422 | 1338 | 1181  | 1122 | 1031 | 1115 | 1081 | 1007 | 1133 | 1140 | 1238 | 1316 | 1346 | 1474 | 1559 | 1669 | 1886 | 2070  | 2096 | 2245 |
| Strong Late Returns (Aggressive)  | 1477 | 1387 | 1255 | 1034  | 944  | 819  | 893  | 835  | 737  | 847  | 833  | 912  | 969  | 975  | 1080 | 1139 | 1223 | 1420 | 1585  | 1581 | 1709 |
| Cash Flows (\$mm)                 |      |      |      |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |      |      |
| Net Cash Flow                     | 0    | -66  | -53  | -46   | -40  | -35  | -28  | -29  | -32  | -37  | -42  | -47  | -54  | -60  | -69  | -81  | -96  | -116 | -139  | -165 | -192 |
| Returns (%)                       |      |      |      |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |      |      |
| Strong Early Returns (Aggressive) | 0.0  | 21.5 | 10.7 | 22.6  | 26.8 | 16.5 | 13.5 | 18.5 | 7.0  | 12.6 | 15.5 | 3.4  | 20.5 | -8.2 | -3.4 | 12.6 | -9.7 | -5.0 | -14.2 | -5.8 | -1.7 |
| Strong Early Returns (Moderate)   | 0.0  | 17.1 | 9.6  | 17.8  | 20.7 | 13.6 | 11.6 | 15.0 | 7.0  | 10.9 | 12.9 | 4.5  | 16.4 | -4.0 | -0.4 | 10.9 | -5.1 | -1.6 | -8.5  | -2.2 | 0.8  |
| Strong Late Returns (Moderate)    | 0.0  | 0.8  | -2.2 | -8.5  | -1.6 | -5.1 | 10.9 | -0.4 | -4.0 | 16.4 | 4.5  | 12.9 | 10.9 | 7.0  | 15.0 | 11.6 | 13.6 | 20.7 | 17.8  | 9.6  | 17.1 |
| Strong Late Returns (Aggressive)  | 0.0  | -1.7 | -5.8 | -14.2 | -5.0 | -9.7 | 12.6 | -3.4 | -8.2 | 20.5 | 3.4  | 15.5 | 12.6 | 7.0  | 18.5 | 13.5 | 16.5 | 26.8 | 22.6  | 10.7 | 21.5 |

→ “Strong Early Returns” (inclusive of estimated negative cash flows) results in an estimated ending market value of **\$4.00B** and **\$3.82B** using aggressive and moderate assumptions.

→ “Strong Late Returns” (inclusive of estimated negative cash flows) results in an estimated ending market value of **\$1.70B** and **\$2.25B** using aggressive and moderate assumptions.

<sup>1</sup> Contributions and Benefit payments, were provided to Meketa by FIPO's Actuary, Nyhart.

### Summary

- Since FIPO is net cash flow (CF) negative over the projection period (contributions less benefit payments and expenses), this analysis is critical:
  - It is important to consider what percentage of the market value is paid out each year; and
  - How this percentage changes over time.
- While FIPO is still a long-term investor, the more negative the net cash outflows, the greater impact short-term volatility and losses will have on the health of the Fund.
  - When negative CF is de minimus (e.g, 1%-2% of MV), classic MVO (Mean-Variance Optimization) analysis is sufficient.
- However, given the funded status is less than 100% (e.g., 56%) and negative CF is more significant. Additional considerations include:
  - More in-depth sequence of return analysis annually, examples include:
    - Analysis of future funded status percentage changes;
    - Consider demographic impacts (e.g., new entrants).
  - Asset/Liability risk dashboard/study (annual monitoring).

# Appendices

To our valued clients and their consultants:

After more than 30 years in real estate and nearly 15 years at J.P. Morgan, Mike Kelly has shared that he will retire from his role as Head of Real Estate Americas in early 2024. Mike will continue in his role until then, ensuring time for a thorough and seamless transition.

Mike joined J.P. Morgan in 2009 and helped lead us through that turbulent time in the commercial real estate industry as Head of Real Estate Debt Capital Markets. He later became Head of Real Estate Portfolio Management and continued to foster our fiduciary culture of long-term performance and client service. Most recently, Mike's leadership and vision helped cement Real Estate Americas as one of the industry's largest and most well-respected real estate asset management franchises.

During his tenure, Real Estate Americas launched our mezzanine lending business, sector-specific investment strategies and JPMREIT. Mike also has played a critical role in developing the team as a mentor, role model and exemplary team player. Mike's passion for real estate and his commitment to Real Estate Americas have forged a first-class culture.

We look forward to announcing Mike's successor in the coming months. In the meantime, I hope you will join me in thanking Mike for his dedication and wishing him the very best in his well-earned retirement.

As always, please reach out to me with any questions, thoughts or concerns. Thank you for your continued confidence.

Sincerely,



**Anton Pil**  
Head of Global Alternatives

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