BURLINGTON RETIREMENT SYSTEM

City of Burlington

City Hall, Room 20, 149 Church Street, Burlington, VT 05401

Robert Hooper, Chairman of the Board

Munir Kasti, Vice-Chairman

Meeting – Monday, May 16, 2022

Start Time – 9:00 AM – 11:00 AM

Location – Burlington City Hall, 1st Floor, Councilor Bushor Conference Room

Join Zoom Meeting:

https://us02web.zoom.us/j/85261644826?pwd=SmI1amsvSkRmNzFSU29sV2VOMXhNUT09

Meeting ID: 852- 6164- 4826

Passcode: 834923, and you may join by phone, dial +1 929 205 6099, meeting # 852-6164-4826

1. Agenda

2. Public Forum

3. Approve Minutes
   - April 18, 2022
   - April 28, 2022

4. Approve Return of Contributions — Effective Date of Benefit
   - Rose Circelli, Class B $236.95 — 06/01/2022
   - Amy Paradis, Class B $2,432.10 — 05/01/2022
   - Lucy Gluck, Class B $3,348.77 — 06/01/2022
   - Shawn Laplant, Class B $1,281.57 — 06/01/2022

5. Approve Retirement Applications

Approve Retirement Applications	Effective Date of Benefit	Actual First Payment Date
John A. Appleton, Class B $2,592.67	04/15/2022	05/15/2022
Matthew O. Sullivan, Class A $6,375.87	05/15/2022	05/15/2022

6. Administrative Updates
   - Elections – Matt Dow – Class B, Benjamin O' Brien – Class A – both terms expire June 30, 2022
   - Appointment – Chairman of the Board, Bob Hooper - term expires June 30, 2022
   - Announcement – Daniel Gilligan, retirees in summer, 20 years's service July 15, 2022

7. Proposed Meeting Dates – The 3rd Monday each month, June 20, July 18, August 15, September 19, October 17, November 21, December 19th

8. Fiducient – materials to follow
   - Monthly Investment Update – April 2022
   - Committee Education: Environmental Considerations in Real Asset Investing

9. <u>Adjourn</u>

BURLINGTON RETIREMENT BOARD
CITY HALL, 1ST FLOOR BUSHOR CONF ROOM
OR
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
April 18, 2022

MEMBERS PRESENT:

Robert Hooper (Chair)
Munir Kasti (Vice Chair)
Patrick Robins
David Mount
Ben O'Brien
Dan Gilligan

OTHERS PRESENT:

Rich Goodwin
Chris Rowlins
Kate Pizzi
Hayley McClenahan
Joe Ebisa
Tom Chenette

1.0 CALL TO ORDER

Robert Hooper called the Retirement Board meeting to order at 9:00 AM.

MOTION by Munir Kasti, SECOND by David Mount, to adopt the agenda.

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments
None at this time.

3.0. APPROVE MINUTES

3.01 Minutes of March 21, 2022

MOTION by David Mount, SECOND by Munir Kasti, to approve the minutes of March 21, 2022 as amended.

VOTING: unanimous; motion carries.

4.0 APPROVE RETURN OF CONTRIBUTIONS

4.01 Approve Return of Contributions

Approve Return of Contributions	Amount	Effective Date of Benefit
Heidi Fryzell, Class B	$1,022.72	05/01/2022
Ian S. McKinnon, Class A	$20,057.44	01/01/2022

MOTION by Munir Kasti, SECOND by Dan Gilligan, to approve the return of contributions applications as presented.

VOTING: unanimous; motion carries.

5.0 ADMINISTRATIVE UPDATES

5.01 Administrative Updates
Finance Director Goodwin said that he may have a disability approval that will need to be taken care of prior to the next scheduled meeting. He said that he received a physician's note for Tyler Mitchell and is working to put together the documentation necessary for a disability application approval within the next ten days. Mr. Hooper asked if that would require full BERS Board approval. Attorney McClenahan replied that yes, it will require a special meeting and attendance from the BERS Board.

6.0 FIDUCIENT

6.01 March Performance Flash Report
Mr. Rowlins began an overview of the March Performance Flash Report, beginning with overall capital market performance. Mr. Rowlins discussed the fixed income markets noting that core bonds were down 2.8% for the month and down 5.9% year-to-date. He said that the strategy that Fiducient implemented with Black Rock has shown their ability to provide diversified returns within fixed income. He provided a brief overview of equities, which have been negatively impacted year-to-date by the impact of the Russia/Ukraine war, however US recovered some in March. He said that large cap equities held up better than small cap equities. Regarding international equities, Mr. Rowlins reported that emerging markets were negative for the quarter and the Euro zone has seen increased pressure from inflation due to the the Ukraine/Russia war. Mr. Rowlins noted the pandemic-related shutdown occurring in Shanghai and its effects on the markets, including supply chain issues which is putting upward pressure on prices. He said that real asset performance is up 3.2% for the month and 1.2% for the quarter, noting that real assets have been supported by the strong performance of energy and precious metal markets. He noted a significant increase in interest rates and their negative impact on bond prices in the portfolio. Ms. Pizzi noted that bond markets saw a brief an inversion of the yield curve where 2-year bonds yielded more than 10-year bonds. This inversion is often viewed as a cause of recession, however Ms. Pizzi noted it is should be seen as a potential signal of a recession, not a cause. She noted that an inversion has preceded the majority of recessions in the U.S. by a year or two.

Mr. Rowlins walked through the performance dashboard for the portfolio. He noted that the portfolio is down about 1.4% in the first 9 months of this fiscal year. He briefly noted portfolio allocation and target allocation across asset classes.

6.02 Discussion on Broad Real Assets
Ms. Pizzi said that as redemptions are received from UBS Trumbull Property, it is important to maintain an allocation to real assets and would like to build around the investments that are currently in the portfolio. She said that Q1 was a tough quarter with few places to hide, but one place was in real assets, especially in this volatile market. She spoke about core CPI inflation, noting that it increased at a slower rate than in previous months. She said that they anticipate headline inflation to remain high for some time (commenting that 7% inflation through the summer was possible). She said that an allocation to real assets remains appropriate and can hedge against inflation.

Mr. Hooper said that it does not seem like the current environment is a classic inflationary environment and asked about the drivers of this current situation, and asked whether they should consider staying with Trumbull. Ms. Pizzi said that much of the run up in inflation has been supply driven cause by supply chain issues and sanctions on Russia, which makes it more difficult to contain with monetary or fiscal policies. She added that consumer savings and the labor market are strong despite higher prices, though that may change as mortgage rates increase. She said that if the consumer starts pulling back and wage pressure increase further, corporate profits may lose some of their ability to generate strong earnings. She said that in terms of UBS Trumbull, the strategy has been to remain in the redemption pool and that they are finally beginning to see those redemptions come through. She commented on the concentration of the allocation to Trumbull Properties noting that the overall allocation to real assets in the portfolio is 7%, with 6% of it in the Trumbull property. She said that they would like to see that become a lesser portion of the allocation but to also broaden exposure to real assets.

Ms. Pizzi said that Fiducient would like to explore broadening out the exposure using the redemption proceeds from UBS Trumbull but also potentially from global equities to invest in a broader real asset strategy. She said that at a subsequent meeting, Fiducient would like to have its real asset specialist report to BERS on industry considerations and specific fund managers. She also cautioned that within the real asset class, there may likely be a higher exposure to fossil fuels. She asked if the Board is willing to consider that, or if they should look for other opportunities that would limit exposure to fossil fuel. Mr. Robins said that he is concerned with the lack of liquidity, and is hesitant to focus more on the real asset class. Mr. Hooper asked the Board for their thoughts on investing in indices that potentially include fossil fuels. Mr. Gilligan said that they would be best served to look for other responsible options that don’t exposure the portfolio to fossil fuels. Mr. Hooper said that the BERS Board will look to Fiducient’s analysis of options and recommendations at its next meeting.

Mr. Robins asked about Fiducient’s assumptions about medium-to-long-term bond rates. Ms. Pizzi replied that the Federal Reserve has announced that they will likely be much more aggressive at unwinding its bond purchasing and raising rates rates than anticipated, which is creating much more volatility than has been felt in the last decade. She acknowledged that there is much less wiggle room to make policy mistakes than there had been in past similar environments.

7.0 ADJOURN

7.01 Motion to Adjourn

The meeting adjourned without objection at 10:03 AM.

RScty: AACoonradt

BURLINGTON RETIREMENT BOARD
SPECIAL MEETING
CITY HALL, 1ST FLOOR BUSHOR CONF ROOM
OR
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF SPECIAL MEETING
DRAFT
April 28, 2022

MEMBERS PRESENT: Robert Hooper (Chair)
Munir Kasti (Vice Chair)
Matthew Dow
David Mount
Katherine Schad

OTHERS PRESENT: Rich Goodwin
Hayley McClenahan

1.0 CALL TO ORDER

Robert Hooper called the Retirement Board meeting to order at 9:10 AM.

MOTION by Robert Hooper, SECOND by Katherine Schad, to adopt the agenda.

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments
None at this time.

3.0. APPROVE DISABILITY RETIREMENT **expected executive session**

3.01 Application for Tyler Mitchel

MOTION by Robert Hooper, SECOND by Katherine Schad, that pursuant to 1 V.S.A. § 313(a)(1) the Board make a finding that premature general public knowledge of the matter under consideration would clearly place the City and/or the Applicant at a substantial disadvantage.

VOTING: unanimous; motion carries.

MOTION by Robert Hooper, SECOND by Katherine Schad, that based on that finding, the Board enter executive session to discuss records exempt from the access to the public records provisions of 1 VSA 316, in that these discussions will involve records exempt from public disclosure pursuant to 1 VSA 317(c)(7).

VOTING: unanimous; motion carries.

The BERS board entered into executive session.

MOTION by David Mount, SECOND by Robert Hooper, to exit executive session.

VOTING: unanimous; motion carries.

The BERS Board exited executive session at 9:49 AM.

MOTION by David Mount, SECOND by Katherine Schad, to approve Disability Retirement for Tyler Mitchell non-work related. The monthly benefit approved was $3,877.37. The disability will be reviewed one year from date of approval.

VOTING: unanimous; motion carries.

5.0 ADJOURN

5.01 Motion to Adjourn

The meeting adjourned without objection at 9:52 AM.

RScty: AACoonradt

Calculation of Return of Employee Contributions — Form A

Burlington Employees' Retirement System — Rose Circelli

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	**Rose Circelli**	Class:	B
Date of Birth:		Department:	School
Date of Hire:	01/13/2020	Post-Tax Employee Contributions:	$0.00
Date of Termination:	01/30/2020	Normal Retirement Date (NRD):	01/13/2025
Beneficiary Date of Birth:	N/A	Payment Start Date:	06/01/2022
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
01/30/2020	Contributions	$228.13	$228.13
06/30/2020	Interest at 2%	$0.00	$228.13
06/30/2021	Interest at 2%	$4.56	$232.69
05/31/2022	Interest at 2%	$4.26	$236.95

(1)	Pre-Tax Employee Contributions (Taxable):	$228.13
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$8.82
(3)	Total Return of Employee Contributions with Interest:	$\boxed{\$236.95}$

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$236.95	$236.95	0.00

Calculation of Return of Employee Contributions — Form A

Burlington Employees' Retirement System — Amy Paradis

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Information Used in Determination

Participant Name:	**Amy Paradis**	Class:	B
Date of Birth:		Department:	Other
Date of Hire:	01/29/2015	Post-Tax Employee Contributions:	$0.00
Date of Termination:	06/23/2016	Normal Retirement Date (NRD):	08/26/2052
Beneficiary Date of Birth:		Payment Start Date:	05/01/2022
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2015	Contributions	$528.63	$528.63
06/30/2015	Interest at 5.5%	$0.00	$528.63
06/23/2016	Contributions	$1,502.14	$2,030.77
06/30/2016	Interest at 5.5%	$29.07	$2,059.84
06/30/2017	Interest at 5.5%	$113.29	$2,173.13
12/31/2017	Interest at 5.5%	$58.96	$2,232.09
06/30/2018	Interest at 2%	$22.21	$2,254.30
06/30/2019	Interest at 2%	$45.09	$2,299.39
06/30/2020	Interest at 2%	$45.99	$2,345.38
06/30/2021	Interest at 2%	$46.91	$2,392.29
04/30/2022	Interest at 2%	$39.81	$2,432.10

(1)	Pre-Tax Employee Contributions (Taxable):	$2,030.77
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$401.33
(3)	Total Return of Employee Contributions with Interest:	$2,432.10

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$2,432.10	$2,432.10	0.00

Calculation of Return of Employee Contributions — Form A

Burlington Employees' Retirement System — Lucy Gluck

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Information Used in Determination

Participant Name:	**Lucv Gluck**	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	11/09/2020	Post-Tax Employee Contributions:	$0.00
Date of Termination:	03/09/2022	Normal Retirement Date (NRD):	11/09/2025
Beneficiary Date of Birth:		Payment Start Date:	06/01/2022
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2021	Contributions	$1,387.40	$1,387.40
06/30/2021	Interest at 2%	$0.00	$1,387.40
03/09/2022	Contributions	$1,935.96	$3,323.36
05/31/2022	Interest at 2%	$25.41	$3,348.77

(1)	Pre-Tax Employee Contributions (Taxable):	$3,323.36
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$25.41
(3)	Total Return of Employee Contributions with Interest:	$3,348.77

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$3,348.77	$3,348.77	0.00

Calculation of Return of Employee Contributions — Form A

Burlington Employees' Retirement System — Shawn Laplant

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Information Used in Determination

Participant Name:	**Shawn Laplant**	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	02/17/2020	Post-Tax Employee Contributions:	$0.00
Date of Termination:	10/09/2020	Normal Retirement Date (NRD):	10/30/2053
Beneficiary Date of Birth:	N/A	Payment Start Date:	06/01/2022
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2020	Contributions	$641.70	$641.70
06/30/2020	Interest at 2%	$0.00	$641.70
10/09/2020	Contributions	$603.99	$1,245.69
06/30/2021	Interest at 2%	$12.83	$1,258.52
05/31/2022	Interest at 2%	$23.05	$1,281.57

(1)	Pre-Tax Employee Contributions (Taxable):	$1,245.69
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$35.88
(3)	Total Return of Employee Contributions with Interest:	$\boxed{\$1,281.57}$

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$1,281.57	$1,281.57	0.00

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class B - Non-Union

John A. Appleton

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Late Retirement

Information Used in Benefit Determination

Participant Name:	**John A Appleton**	Class:	B
Date of Birth:		Department:	Non-Union
Date of Hire:	11/16/1998	Vesting Percentage:	100.0000%
Date of Termination:	03/07/2022	Normal Retirement Date (NRD):	01/15/2022
Beneficiary Date of Birth:		Payment Start Date:	04/01/2022
		Employee Contribution Balance w/ Interest as of 04/01/2022:	$47,801.75

Earnings

Average Final Compensation*: $75,216.20

Determination of Benefit Amount

(1)	Years of Creditable Service (CS)			23.33333
(2)	Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]			7.58333
(3)	Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]			15.75000
	COLA Option	Full COLA	Half COLA	No COLA
(4)	Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.600%	1.900%	2.200%
(5)	Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.600%	1.800%	2.000%
(6)	Retirement Accrual Percentage = [(2) x (4)] + [(3) x (5)]	37.3333%	42.7583%	48.1833%
(7)	Monthly Vested Benefit Payable at Payment Start Date *= (6) x Average Final Compensation/12 x Vesting Percentage*	$2,340.06	$2,680.10	$3,020.14
(8)	Monthly Vested Benefit at NRD: *= [Years of CS on or prior to 06/30/2006 and prior to NRD (7.58333) x (4)] + [Years of CS after 06/30/2006 and prior to NRD (15.58333) x (5) x Average Final Compensation/12 x Vesting Percentage]*	$2,323.35	$2,661.30	$2,999.25
(9)	Monthly Vested Benefit Payable at Payment Start Date: *= [Greater of (8)] x 1.019943 Late Adjustment Factor or (7)*	$2,369.68	$2,714.37	$3,059.06

Benefit Options Available

Form of Payment	Option Factor	Full COLA Initial Benefit	Full COLA Survivor's Benefit [(1)]	Half COLA Initial Benefit	Half COLA Survivor's Benefit [(1)]	No COLA Initial Benefit	No COLA Survivor's Benefit [(1)]
Straight Life Annuity	1.0941	$\boxed{\$2,592.67}$	**	$2,969.79	**	$3,346.92	**
10 Year Certain & Life Annuity	1.0000	$2,369.68	$2,369.68	$2,714.37	$2,714.37	$3,059.06	$3,059.06
100% Joint & Survivor Annuity	0.9514	$2,254.51	$2,254.51	$2,582.45	$2,582.45	$2,910.39	$2,910.39
50% Joint & Survivor Annuity	1.0000	$2,369.68	$1,184.84	$2,714.37	$1,357.19	$3,059.06	$1,529.53
100% Joint & Survivor Pop-Up Annuity	0.9367	$2,219.68	$2,219.68	$2,542.55	$2,542.55	$2,865.42	$2,865.42
50% Joint & Survivor Pop-Up Annuity	1.0000	$2,369.68	$1,184.84	$2,714.37	$1,357.19	$3,059.06	$1,529.53
Return of Employee Contributions	N/A	$47,801.75	N/A	$47,801.75	N/A	$47,801.75	N/A

(1) **Survivor Benefits:** for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

** Average is of the three highest years of base earnings*

***Amount in excess (if any) of accumulated employee contributions, with interest, over payments made*

Calculation of Benefit Options — Form A

Burlington Employees' Retirement System, Class A - Police Non-Union — Matthew Sullivan

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Early Retirement

Information Used in Benefit Determination

Participant Name:	**Matthew Sullivan**	Class:	A
Date of Birth:		Department:	Police Non-Union
Date of Hire:	01/31/2000	Vesting Percentage:	100.0000%
Date of Termination:	04/11/2022	Normal Retirement Date (NRD):	10/01/2025
Beneficiary Date of Birth:		Payment Start Date:	05/01/2022
		Employee Contribution Balance w/ Interest as of 05/01/2022:	$224,752.63

Earnings

Average Final Compensation*: $98,061.60

Determination of Benefit Amount

(1)	Years of Creditable Service (CS)			22.16667
(2)	Years of CS on or prior to June 30, 2006 [(2)+(3) is not to exceed 25 years]			6.41667
(3)	Years of CS after June 30, 2006 [(2) + (3) is not to exceed 25 years]			15.75000
	COLA Option	Full COLA	Half COLA	No COLA
(4)	Accrual Rate on or prior to June 30, 2006 (not to exceed 25 years)	2.750%	3.250%	3.800%
(5)	Accrual Rate after June 30, 2006 (not to exceed 25 years)	2.750%	3.250%	3.600%
(6)	Retirement Accrual Percentage = [(2) x (4)] + [(3) x (5)]	60.9583%	72.0417%	81.0833%
(7)	Monthly Vested Benefit Payable at NRD *= (6) x Average Final Compensation/12 x Vesting Percentage*	$4,981.39	$5,887.10	$6,625.97
(8)	Early Retirement Reduction Factor	0.9500	0.9500	0.9500
(9)	Monthly Vested Benefit Payable at Payment Start Date (7) x (8)	$4,732.32	$5,592.75	$6,294.67

Benefit Options Available

		Full COLA		Half COLA		No COLA	
Form of Payment	Option Factor	Initial Benefit	Survivor's Benefit (1)	Initial Benefit	Survivor's Benefit (1)	Initial Benefit	Survivor's Benefit (1)
Straight Life Annuity	1.0129	$4,793.37	**	$5,664.89	**	$\boxed{\$6,375.87}$	**
5 Year Certain & Life Annuity	1.0000	$4,732.32	$4,732.32	$5,592.75	$5,592.75	$6,294.67	$6,294.67
100% Joint & Survivor Annuity	0.8400	$3,975.15	$3,975.15	$4,697.91	$4,697.91	$5,287.52	$5,287.52
50% Joint & Survivor Annuity	0.9183	$4,345.69	$2,172.85	$5,135.82	$2,567.91	$5,780.40	$2,890.20
100% Joint & Survivor Pop-Up Annuity	0.8301	$3,928.30	$3,928.30	$4,642.54	$4,642.54	$5,225.21	$5,225.21
50% Joint & Survivor Pop-Up Annuity	0.9126	$4,318.72	$2,159.36	$5,103.94	$2,551.97	$5,744.52	$2,872.26
Return of Employee Contributions	N/A	$224,752.63	N/A	$224,752.63	N/A	$224,752.63	N/A

(1) **Survivor Benefits**: for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

** Average is of the five highest years of base earnings*

***Amount in excess (if any) of accumulated employee contributions, with interest, over payments made*

Lisa Heald

To: AllUsers; BurlingtonElectric; BObrien@ci.Burlington.vt.us; DGilligan@bpdvt.org; Justin St. James; Katherine Schad; Laurie Thompson; Lisa Heald; Richard Goodwin; david.mount325@gmail.com, mdow@burlingtonvt.gov, MKasti@burlingtonelectric.com, gpattio70@gmail.com, hooper9999@gmail.com,
Subject: RE: Class A and Class B Nominations for Retirement Board Representatives -Thursday - June 16, 2022

Good afternoon -

A nomination meeting will be held Thursday**, June 16, 2022** at 1:00pm - 4:30pm at the **Payroll Department**, **located at City Hall** in the Clerk's Office.

A nomination will be made for one Class B member, this member cannot be a member from the Department of Public Works, as Matthew Dow is a representative currently on the board from the department.

A nomination will be made for one Class A member, this member cannot work for the Fire Department, as Benjamin O'Brien is the representative currently on the board from the department.

Nominations must be made by two employees from the respective class. One to nominate and one to second the nomination.

Matthew Dow, Class B member from the Burlington Electric Department, currently sits on the Retirement Board as a Class B member representative. O'Brien's term expires June 30, 2022**.**

Benjamin O'Brien, Class A member from the Burlington Police Department, currently sits on the Retirement Board as a Class A member representative. Benjamin's term expires June 30, 2022.

Elections are held **Friday, June 24, 2022** **for the nominated representatives from the June 16th meeting.**

Below is a copy of the ordinance that outlines the composition of the board.
24-48 Composition.

The retirement board shall consist of three (3) members appointed by the city council, two (2) Class A members of the system elected by the Class A membership, two (2) Class B members of the system elected by the Class B membership, and the city treasurer as an ex officio member. Of the

Class A and Class B board members, no two (2) shall be employed at the same department.

Please let me know if you have any questions.

In consideration of those without email, please print and post.

Thank you!

Lisa K. Heald
Sr. Payroll & Retirement Administrator
City Hall | 149 Church Street
Burlington, VT 05401
(802) 846-2489 Office (leave message)
(802) 846-2488 Fax

City of Burlington Employees Retirement System

Monthly Performance Update - April 2022

Disclosure

This report is intended for the exclusive use of clients or prospective clients of Fiducient Advisors. The information contained herein is intended for the recipient, is confidential and may not be disseminated or distributed to any other person without the prior approval of Fiducient Advisors. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecasts represent future expectations and actual returns; volatilities and correlations will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice. Past performance does not indicate future performance and there is a possibility of a loss.

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Fiduciary Governance Calendar

Fiduciary Governance Calendar

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- **Fiduciary Training**

Q3
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- **Municipal Landscape Update**
- **Annual Actuarial Review***

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- **Investment Review**
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- **Asset/Liability Modeling**

Fiduciary Trail® Fiduciary Lockbox®

*Timing of actuarial review is dependent on client's individual plan and/or fiscal year and actuarial input.

Portfolio Expense Analysis

	Estimated Annual Cost
Investment Portfolio (Weighted Average)	0.14%
US Bank (Base cost)	0.0125% on assets $720 annual fee per private fund (5)
Fiducient	Flat Fee Subject to Escalator. Approximate 2021 Fees Paid: $65,000

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. Fiducient Advisors has not independently verified this information. A breakdown of investment management fees are detailed in the main report.

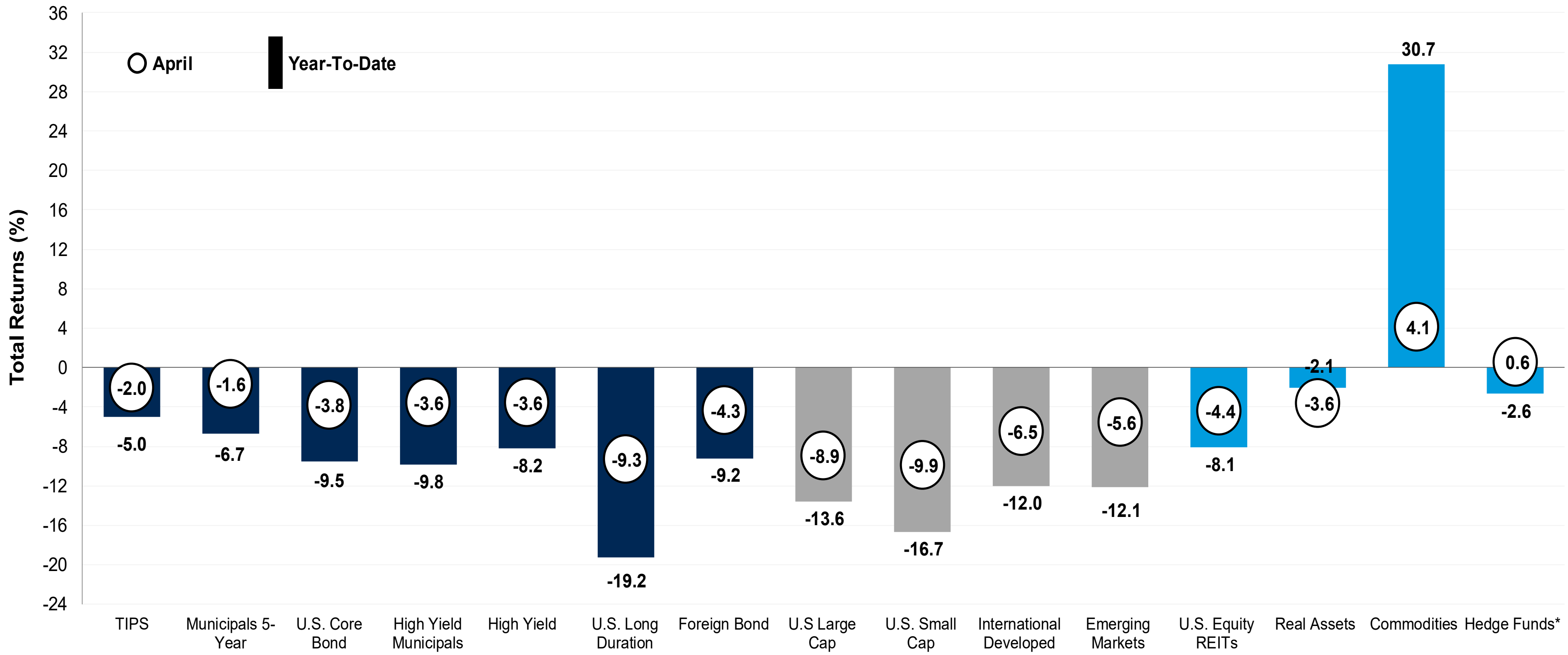
Actuarial Review

Burlington Employees' Retirement System		
	6/30/2021	**6/30/2020**
Actuarial Value of Assets	219,377,787	209,861,722
Total Accrued Liability	310,778,910	293,171,198
Funded Ratio	70.6%	71.6%
Actuarial Return Assumption	7.2%	7.3%

Source: hooker & holcombe, 6/30/2020 Valuation Report & Preliminary 2021 Valuation Results

Capital Markets Overview

Asset Class Performance



*Hedge fund returns are lagged 1 month. Sources: FactSet, Morningstar. As of April 30, 2022.

Fixed Income (April)

- High inflation, a strong labor market and anticipation of continued Federal Reserve rate hikes pushed interest rates higher in April, putting negative pressure on bond prices across sectors.

- Non-US fixed income fell amid concerns of slowing growth in Europe, strict covid measures in China and a surging U.S. dollar.

- Long duration bonds, which are most sensitive to interest rates, experienced the worst decline.

Equity (April)

- Equities were lower in April, reversing March's gains and continuing their whipsaw in 2022 as investors contended with higher rates, inflation and downward growth revisions/negative GDP growth.

- While Q1 earnings have been modestly positive, negative future guidance added to investor pessimism and created a risk-off attitude.

- Rising rates have weighed especially on growth stocks, which trailed value names in April.

Real Asset / Alternatives (April)

+ While crude is off recent highs, commodities continued their move higher as European governments considered alternatives to Russian oil and gas.

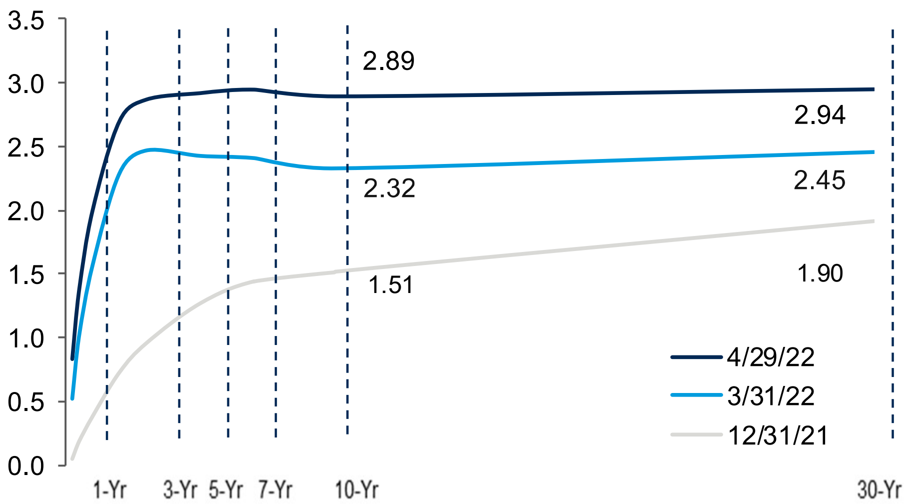
- Rate pressures outweighed positive inflation effects during April, which led real assets lower during the month.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.

Fixed Income Market Update

U.S. Treasury Yield Curve

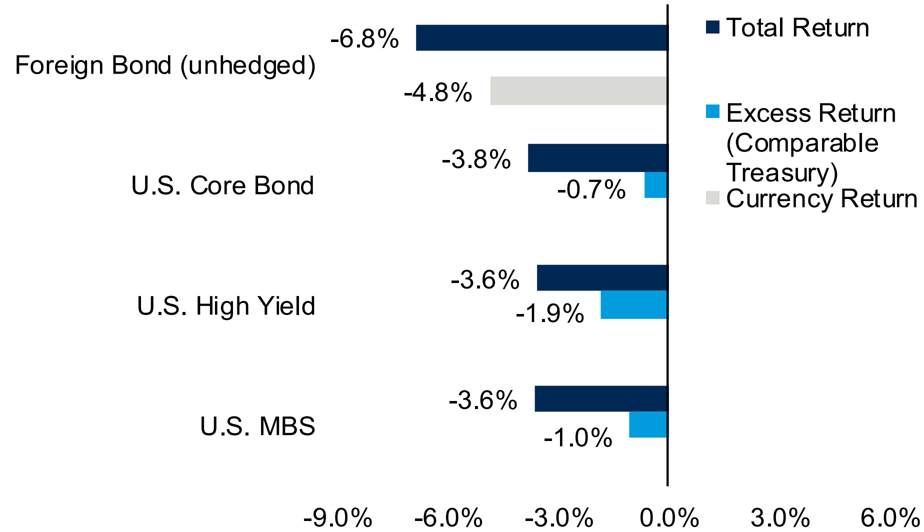
Higher interest rates were primarily fueled by expectations of a 50 basis point hike at the Fed's May meeting. Yields on the long end rose more than the front end in April.



Source: FactSet. As of April 30, 2022.

Index Performance Attribution (April 2022)

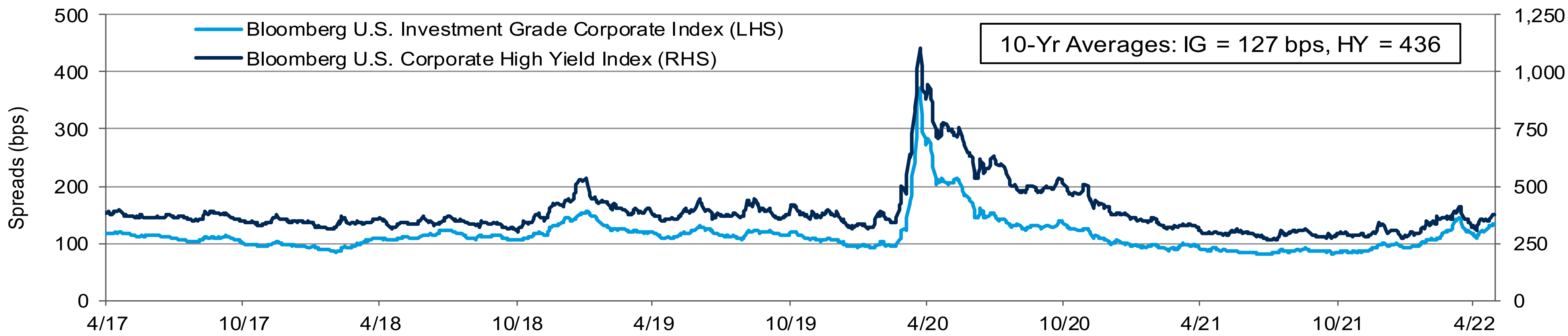
Treasuries continued to outpace spread sectors in April's risk-off environment. Foreign bonds suffered as the US dollar gained ground due to concerns of slowing growth abroad and higher rates in the U.S.



Source: FactSet. As of April 30, 2022.

Credit Market Spreads – Trailing 5 Years

Risk off sentiment worked its way into the bond market in April, pushing both investment grade and high yield corporate spreads wider. Heavy issuance within the investment grade market added to the widening and spreads ultimately ended 19 basis points higher; now sitting above the 10-year average.



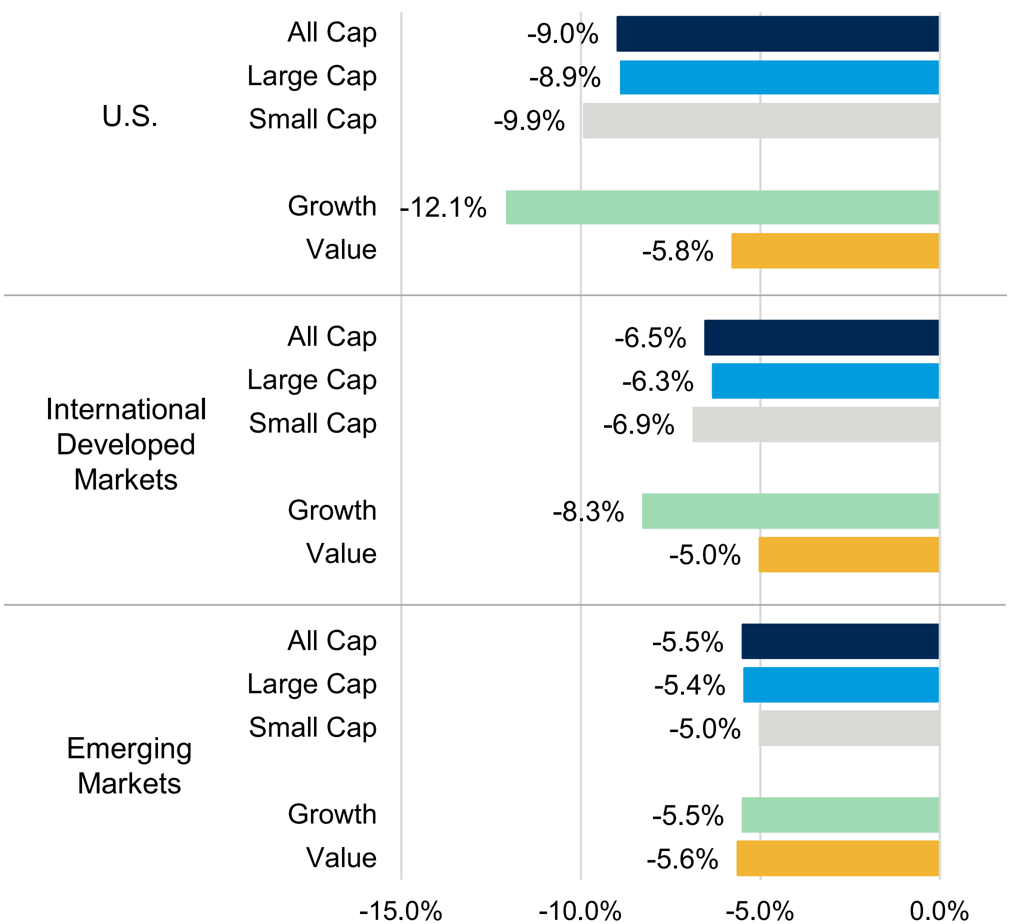
Source: FactSet. As of April 30, 2022.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.

Equity Market Update

Market Capitalization & Style Performance (April 2022)

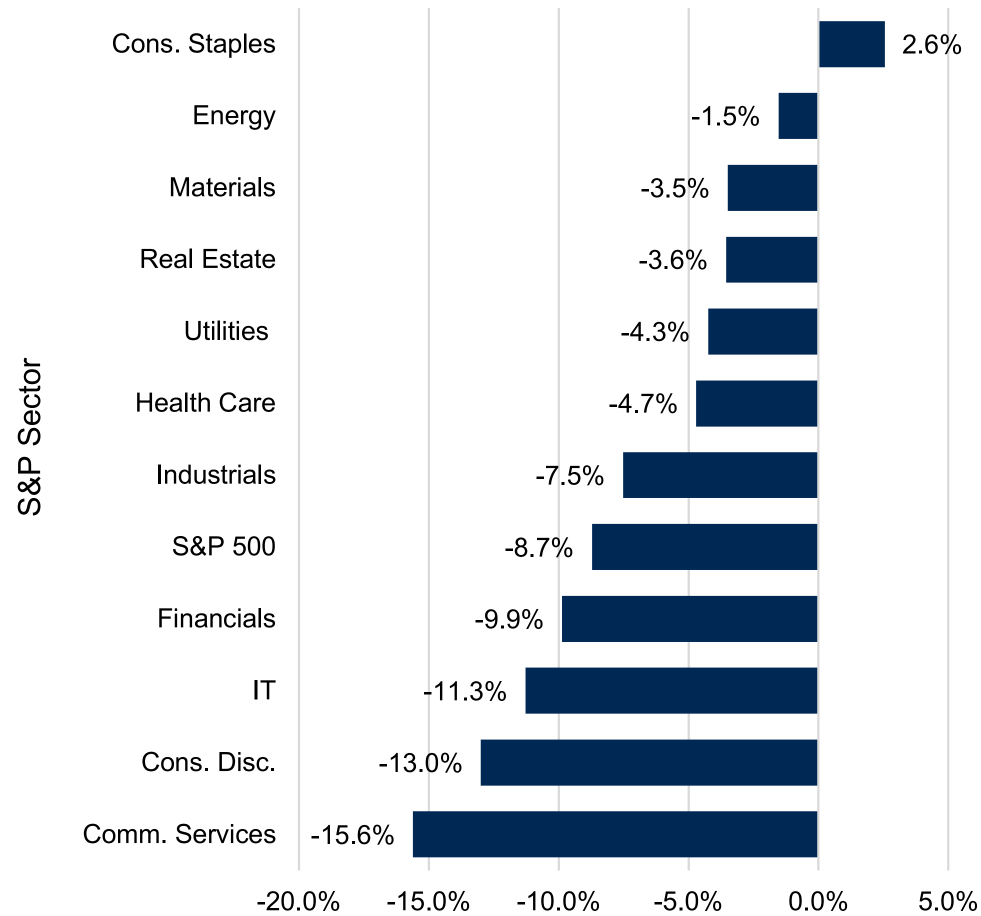
Reversing March's trends, April saw domestic equity markets lag their international counterparts. Growth trailed value across geographies as rates rose, with the spread in domestic equities especially wide, while emerging market stocks were punished roughly equally by investors.



Source: FactSet. As of April 30, 2022.

U.S. Equities – Returns by Sector (April 2022)

Consumer Staples was the only S&P 500 sector with a positive return during the month. Growth names led the way down amid a big upward move in interest rates and poor earnings guidance, arising from inflationary pressures and supply chain concerns.



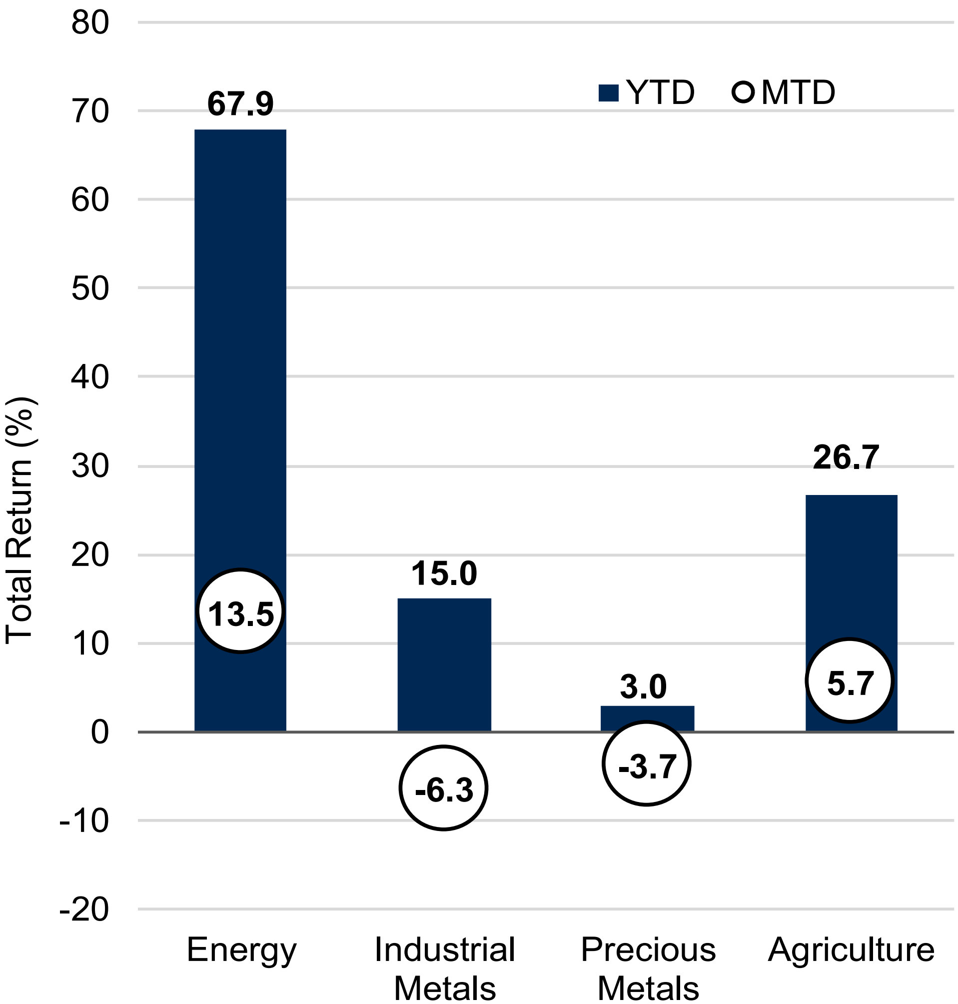
Source: FactSet. As of April 30, 2022.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.

Real Asset Market Update

Real Assets Performance

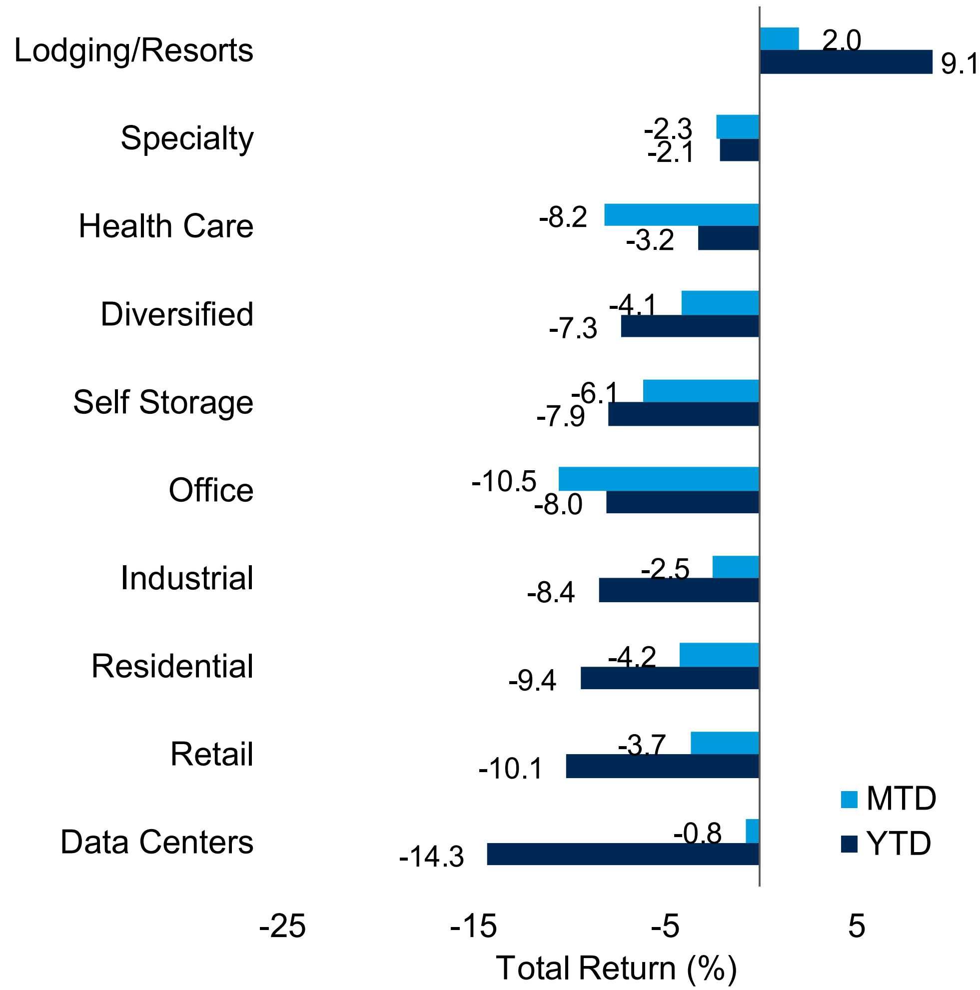
Commodities continued their positive momentum on the back of accelerating inflation that once again exceeded expectations. The energy sector continues to lead the way, as Russia's war on Ukraine clouds the supply outlook.



Source: FactSet. As of April 30, 2022.

REIT Sector Performance

Real estate was broadly lower amid higher rates and inflationary pressures, with lodging/resorts the exception as travel demand bounced back. Office and health care trailed as long lease duration assets continue to suffer in the macroeconomic environment.



Source: FactSet. As of April 30, 2022.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.

Financial Markets Performance

Total Return as of April 30, 2022

Periods greater than one year are annualized
All returns are in U.S. dollar terms

Global Fixed Income Markets	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg 1-3-Month T-Bill	0.0%	0.1%	0.1%	0.7%	1.1%	0.8%	0.6%	0.7%
Bloomberg U.S. TIPS	-2.0%	-5.0%	0.7%	5.4%	3.9%	3.2%	2.3%	4.1%
Bloomberg Municipal Bond (5 Year)	-1.6%	-6.7%	-6.5%	0.3%	1.0%	1.3%	1.5%	2.9%
Bloomberg High Yield Municipal Bond	-3.6%	-9.8%	-6.2%	2.6%	4.3%	4.4%	4.8%	4.3%
Bloomberg U.S. Aggregate	-3.8%	-9.5%	-8.5%	0.4%	1.2%	1.4%	1.7%	3.3%
Bloomberg U.S. Corporate High Yield	-3.6%	-8.2%	-5.2%	2.8%	3.7%	4.3%	5.3%	6.2%
Bloomberg Global Aggregate ex-U.S. Hedged	-1.9%	-5.8%	-5.2%	0.3%	1.7%	2.1%	3.0%	3.5%
Bloomberg Global Aggregate ex-U.S. Unhedged	-6.8%	-12.6%	-15.6%	-2.3%	-0.4%	-0.1%	-0.8%	1.6%
Bloomberg U.S. Long Gov / Credit	-9.3%	-19.2%	-13.8%	1.0%	2.3%	2.4%	3.4%	5.4%
JPMorgan GBI-EM Global Diversified	-6.0%	-12.1%	-15.9%	-3.1%	-1.3%	-0.6%	-1.4%	2.1%
Global Equity Markets	**MTD**	**YTD**	**1YR**	**3YR**	**5YR**	**7YR**	**10YR**	**15YR**
S&P 500	-8.7%	-12.9%	0.2%	13.8%	13.7%	12.4%	13.7%	9.3%
Dow Jones Industrial Average	-4.8%	-8.7%	-0.8%	9.8%	12.0%	11.7%	12.2%	9.1%
NASDAQ Composite	-13.2%	-21.0%	-11.1%	16.0%	16.4%	15.1%	16.3%	12.3%
Russell 3000	-9.0%	-13.8%	-3.1%	13.1%	13.0%	11.8%	13.3%	9.1%
Russell 1000	-8.9%	-13.6%	-2.1%	13.6%	13.4%	12.1%	13.5%	9.3%
Russell 1000 Growth	-12.1%	-20.0%	-5.3%	16.7%	17.3%	15.1%	15.6%	11.6%
Russell 1000 Value	-5.6%	-6.3%	1.3%	9.6%	9.1%	8.7%	11.2%	6.7%
Russell Mid Cap	-7.7%	-12.9%	-6.1%	10.5%	10.7%	9.6%	12.0%	8.6%
Russell Mid Cap Growth	-11.3%	-22.4%	-16.7%	8.7%	12.1%	10.1%	12.2%	9.2%
Russell Mid Cap Value	-5.9%	-7.7%	0.0%	10.2%	8.6%	8.5%	11.4%	7.6%
Russell 2000	-9.9%	-16.7%	-16.9%	6.7%	7.2%	7.7%	10.1%	7.1%
Russell 2000 Growth	-12.3%	-23.3%	-26.4%	4.1%	7.1%	7.0%	9.9%	7.7%
Russell 2000 Value	-7.8%	-10.0%	-6.6%	8.4%	6.7%	7.9%	9.8%	6.3%
MSCI ACWI	-8.0%	-12.9%	-5.4%	9.4%	9.5%	7.9%	9.2%	5.6%
MSCI ACWI ex. U.S.	-6.3%	-11.4%	-10.3%	4.3%	4.9%	3.5%	5.0%	2.4%
MSCI EAFE	-6.5%	-12.0%	-8.1%	4.4%	4.8%	3.5%	5.8%	2.2%
MSCI EAFE Growth	-8.0%	-19.0%	-13.0%	5.6%	6.5%	5.0%	6.7%	3.4%
MSCI EAFE Value	-5.1%	-4.7%	-3.5%	2.6%	2.7%	1.7%	4.7%	0.8%
MSCI EAFE Small Cap	-6.9%	-14.8%	-13.7%	4.9%	5.0%	5.5%	7.6%	3.7%
MSCI Emerging Markets	-5.6%	-12.1%	-18.3%	2.2%	4.3%	2.7%	2.9%	3.1%
Alternatives	**MTD**	**YTD**	**1YR**	**3YR**	**5YR**	**7YR**	**10YR**	**15YR**
Consumer Price Index*	1.2%	1.2%	8.6%	4.2%	3.4%	2.9%	2.3%	2.3%
FTSE NAREIT Equity REITs	-4.4%	-8.1%	11.9%	9.6%	8.6%	8.2%	9.0%	6.1%
S&P Real Assets	-3.6%	-2.1%	4.7%	6.8%	6.2%	4.7%	5.0%	4.9%
FTSE EPRA NAREIT Developed	-0.3%	-1.9%	16.9%	7.0%	6.7%	6.1%	9.4%	5.0%
FTSE EPRA NAREIT Developed ex U.S.	-6.9%	-9.9%	-8.1%	0.2%	3.3%	2.2%	5.0%	1.1%
Bloomberg Commodity Total Return	4.1%	30.7%	43.5%	17.9%	10.2%	4.1%	-0.3%	-1.2%
HFRI Fund of Funds Composite*	0.6%	-2.6%	1.3%	5.9%	4.7%	3.3%	3.9%	2.4%
HFRI Fund Weighted Composite*	1.2%	-1.0%	3.2%	8.5%	6.3%	5.2%	5.2%	4.3%
Alerian MLP	-0.1%	18.7%	27.3%	3.1%	0.2%	-2.8%	1.0%	4.3%

*One month lag.
Source: FactSet, Morningstar. As of April 30, 2022. Periods greater than 1 year are annualized. All returns are in U.S. dollar terms.

Portfolio and Manager Review

Asset Allocation

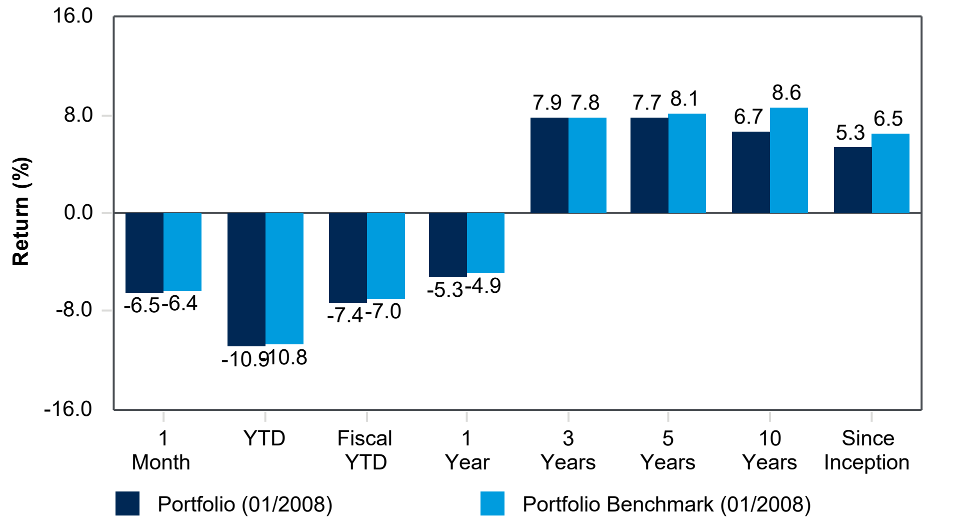
Total Plan — As of April 30, 2022

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	**220,676,998**	**100.0**	**100.0**	**0.0**
Prepaid Pension Benefits	-7,642,402	-3.5	0.0	-3.5
Total Invested Assets	**228,319,399**	**103.5**	**100.0**	**3.5**
Short Term Liquidity	**1,037,621**	**0.5**	**0.0**	**0.5**
Key Bank Cash Portfolio	998,976	0.5	0.0	0.5
First American Govt Oblig Fund Z	38,645	0.0	0.0	0.0
Fixed Income	**40,209,061**	**18.2**	**18.0**	**0.2**
JIC Core Bond Fund I	32,957,382	14.9	15.0	-0.1
BlackRock Strategic Income Opportunities K	7,251,679	3.3	3.0	0.3
Equity	**172,463,806**	**78.2**	**75.0**	**3.2**
Domestic Equity	**99,106,651**	**44.9**	**41.5**	**3.4**
Mellon Large Cap Core	75,376,630	34.2	31.0	3.2
Mellon Smid Cap Core	23,730,022	10.8	10.5	0.3
International Equity	**72,335,901**	**32.8**	**33.0**	**-0.2**
Mellon EAFE Fund	51,549,752	23.4	23.0	0.4
Mellon Emerging Markets	20,786,148	9.4	10.0	-0.6
Private Equity	**1,021,254**	**0.5**	**0.5**	**0.0**
Hamilton Lane II	56,030	0.0	-	-
Hamilton Lane VII A	674,592	0.3	-	-
Hamilton Lane VII B	290,632	0.1	-	-
Real Assets	**14,608,911**	**6.6**	**7.0**	**-0.4**
UBS Trumbull Property Fund	12,309,657	5.6	6.0	-0.4
Molpus SWF II	2,299,254	1.0	1.0	0.0

Portfolio Dashboard

Total Invested Assets — **As of April 30, 2022**

Historical Performance



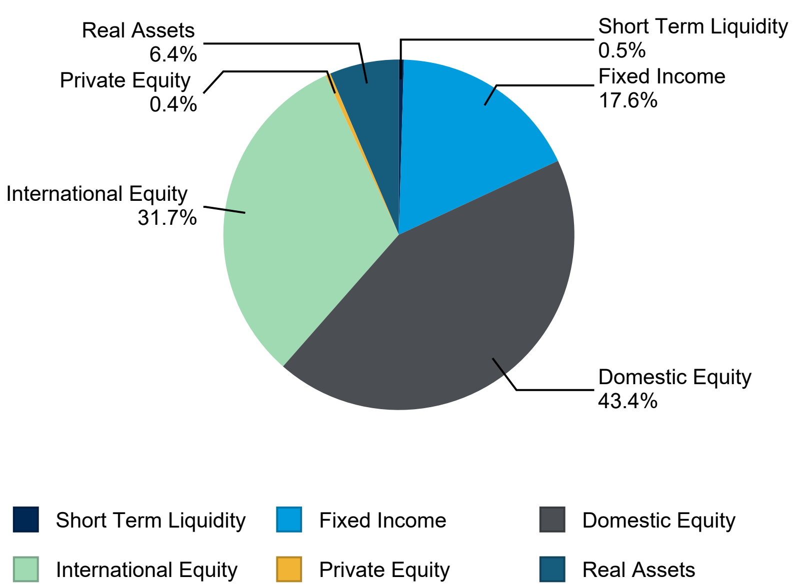
Summary of Cash Flows

	1 Month	YTD	Fiscal YTD	1 Year
Total Invested Assets				
Beginning Market Value	244,074,821	256,254,686	246,549,763	247,937,918
Net Contributions	-	-1	-31,018	-7,031,018
Gain/Loss	-15,755,422	-27,935,285	-18,199,346	-12,587,500
Ending Market Value	228,319,399	228,319,399	228,319,399	228,319,399

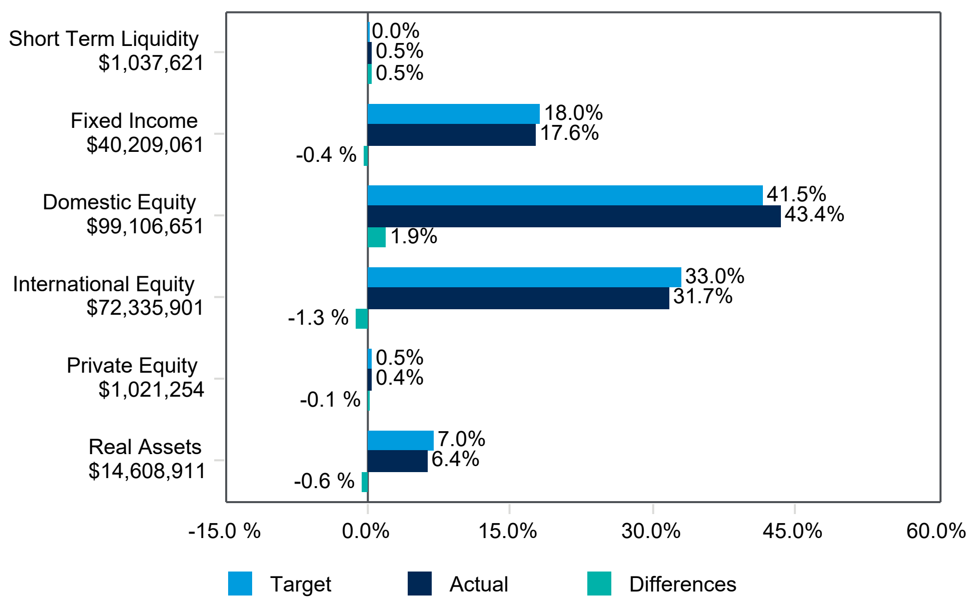
Current Benchmark Composition

From Date	To Date	
05/2021	Present	18% Blmbg. U.S. Aggregate, 31.5% S&P 500, 10.5% Russell 2500 Index, 23% MSCI EAFE (Net), 10% MSCI Emerging Markets (Net), 6% NCREIF Fund Index - ODCE (net), 1% NCREIF Timberland Index

Portfolio Allocation



Actual vs. Target Allocations



Asset Allocation

Total Invested Assets | **As of April 30, 2022**

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Invested Assets	**228,319,399**	**100.0**	**100.0**	**0.0**
Short Term Liquidity	**1,037,621**	**0.5**	**0.0**	**0.5**
Key Bank Cash Portfolio	998,976	0.4	0.0	0.4
First American Govt Oblig Fund Z	38,645	0.0	0.0	0.0
Fixed Income	**40,209,061**	**17.6**	**18.0**	**-0.4**
JIC Core Bond Fund I	32,957,382	14.4	15.0	-0.6
BlackRock Strategic Income Opportunities K	7,251,679	3.2	3.0	0.2
Equity	**172,463,806**	**75.5**	**75.0**	**0.5**
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Private Equity	**1,021,254**	**0.4**	**0.5**	**-0.1**
Hamilton Lane II	56,030	0.0	-	-
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Molpus SWF II	2,299,254	1.0	1.0	0.0

Manager Performance

Total Invested Assets (excluding Prepaid) — **As of April 30, 2022**

	Allocation		Performance(%)								
	Market Value ($)	%	1 Month	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Invested Assets (excluding Prepaid)	**228,319,399**	**100.0**	**-6.5**	**-10.9**	**-7.4**	**-5.3**	**7.9**	**7.7**	**6.7**	**5.3**	**01/2008**
Policy Benchmark			*-6.4*	*-10.8*	*-7.0*	*-4.9*	*7.8*	*8.1*	*8.6*	*6.5*	
Short Term Liquidity	**1,037,621**	**0.5**	**0.0**	**0.0**	**0.0**	**0.0**	**-**	**-**	**-**	**0.0**	**01/2021**
90 Day U.S. Treasury Bill			*0.0*	*0.1*	*0.1*	*0.1*	*0.7*	*1.1*	*0.6*	*0.1*	
Key Bank Cash Portfolio	**998,976**	**0.4**	**0.0**	**0.0**	**0.0**	**0.0**	**-**	**-**	**-**	**0.0**	**01/2021**
90 Day U.S. Treasury Bill			*0.0*	*0.1*	*0.1*	*0.1*	*0.7*	*1.1*	*0.6*	*0.1*	
First American Govt Oblig Fund Z	**38,645**	**0.0**	**0.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**02/2022**
90 Day U.S. Treasury Bill			*0.0*	*0.1*	*0.1*	*0.1*	*0.7*	*1.1*	*0.6*	*0.1*	
Fixed Income	**40,209,061**	**17.6**	**-3.5**	**-9.1**	**-9.4**	**-8.1**	**-**	**-**	**-**	**-8.4**	**01/2021**
Blmbg. U.S. Aggregate			*-3.8*	*-9.5*	*-9.4*	*-8.5*	*0.4*	*1.2*	*1.7*	*-8.3*	
JIC Core Bond Fund I	**32,957,382**	**14.4**	**-4.2**	**-10.0**	**-10.2**	**-9.0**	**0.7**	**1.5**	**2.2**	**-3.5**	**03/2020**
Blmbg. U.S. Aggregate			*-3.8*	*-9.5*	*-9.4*	*-8.5*	*0.4*	*1.2*	*1.7*	*-3.6*	
IM U.S. Broad Market Core Fixed Income (MF) Median			-3.8	-9.6	-9.7	-8.7	0.6	1.3	1.8	-3.1	
JIC Core Bond Fund I Rank			92	72	75	64	48	31	25	65	
BlackRock Strategic Income Opportunities K	**7,251,679**	**3.2**	**-0.5**	**-3.3**	**-3.6**	**-3.0**	**3.1**	**3.0**	**3.2**	**-2.3**	**02/2022**
Blmbg. U.S. Aggregate			*-3.8*	*-9.5*	*-9.4*	*-8.5*	*0.4*	*1.2*	*1.7*	*-7.5*	
IM Alternative Credit Focus (MF) Median			-1.4	-4.7	-4.8	-4.0	1.3	1.8	2.2	-3.7	
BlackRock Strategic Income Opportunities K Rank			17	34	33	35	12	14	7	28	

Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Funds may include returns of an equivalent share class with a longer return history if period includes dates prior to the fund's inception. Returns are net of fees unless otherwise stated. The fund's inception date represents the first month the client made the investment. Composite performance includes all funds held in the composite since inception. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies.

Manager Performance

Total Invested Assets (excluding Prepaid) — **As of April 30, 2022**

	Allocation		Performance(%)								
	Market Value ($)	%	1 Month	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Equity	172,463,806	75.5	-7.7	-12.6	-8.9	-6.7	-	-	-	2.8	01/2021
MSCI AC World Index (Net)			-8.0	-12.9	-8.1	-5.4	9.4	9.5	9.2	2.4	
Domestic Equity	99,106,651	43.4	-8.7	-13.1	-5.6	-3.3	-	-	-	9.5	12/2020
Domestic Equity Benchmark			-8.7	-13.1	-5.3	-2.9	12.8	12.5	13.0	10.8	
Mellon Large Cap Core	75,376,630	33.0	-8.7	-12.9	-2.7	0.2	13.8	13.6	-	14.2	04/2016
S&P 500			-8.7	-12.9	-2.8	0.2	13.8	13.7	13.7	14.2	
IM U.S. Large Cap Core Equity (MF) Median			-8.2	-13.0	-4.5	-1.8	12.3	12.4	12.4	13.0	
Mellon Large Cap Core Rank			65	49	35	33	22	19	-	17	
Mellon Smid Cap Core	23,730,022	10.4	-8.5	-13.8	-12.8	-11.5	9.4	9.6	-	11.5	04/2016
Russell 2500 Index			-8.5	-13.8	-12.9	-11.7	9.2	9.4	11.2	11.3	
IM U.S. SMID Cap Equity (MF) Median			-8.2	-15.0	-11.9	-11.7	8.4	9.2	10.8	11.1	
Mellon Smid Cap Core Rank			56	44	54	50	34	41	-	41	
International Equity	72,335,901	31.7	-6.3	-12.1	-14.0	-12.2	-	-	-	-5.4	01/2021
International Equity Benchmark			-6.2	-12.0	-13.2	-11.3	4.3	5.1	4.7	-4.7	
Mellon EAFE Fund	51,549,752	22.6	-6.4	-11.8	-9.8	-7.8	4.9	5.3	-	6.7	04/2016
MSCI EAFE (Net)			-6.5	-12.0	-10.0	-8.1	4.4	4.8	5.8	6.2	
IM International Large Cap Core Equity (MF) Median			-6.3	-13.6	-12.5	-10.5	3.7	3.8	4.6	5.3	
Mellon EAFE Fund Rank			55	33	15	18	33	9	-	18	
Mellon Emerging Markets	20,786,148	9.1	-6.1	-12.7	-20.8	-18.8	2.0	4.2	-	6.5	04/2016
MSCI Emerging Markets (Net)			-5.6	-12.1	-20.3	-18.3	2.2	4.3	2.9	6.7	
IM Emerging Markets Equity (MF) Median			-6.6	-16.1	-23.7	-21.5	1.9	3.5	2.5	5.9	
Mellon Emerging Markets Rank			41	30	34	37	50	37	-	37	
Private Equity	1,021,254	0.4	0.0	0.0	0.7	6.4	-	-	-	12.9	01/2021
Hamilton Lane II	56,030	0.0	0.0	0.0	0.0	0.0	15.8	16.3	14.6	17.4	03/2009
Hamilton Lane VII A	674,592	0.3	0.0	0.0	4.0	10.6	17.2	16.0	14.2	13.6	07/2011
Hamilton Lane VII B	290,632	0.1	0.0	0.0	-6.3	-1.5	7.4	8.1	9.7	9.9	07/2011

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Manager Performance

Total Invested Assets (excluding Prepaid) | **As of April 30, 2022**

	Allocation		Performance(%)								
	Market Value ($)	%	1 Month	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Real Assets	**14,608,911**	**6.4**	**0.0**	**5.9**	**18.9**	**21.8**	**-**	**-**	**-**	**16.5**	**01/2021**
UBS Trumbull Property Fund	**12,309,657**	**5.4**	**0.0**	**7.1**	**19.0**	**22.4**	**4.2**	**4.7**	**-**	**4.8**	**07/2016**
NCREIF Fund Index - ODCE (net)			*0.0*	*7.2*	*22.8*	*27.3*	*10.3*	*8.9*	*9.9*	*8.6*	
Molpus SWF II	**2,299,254**	**1.0**	**0.0**	**-0.4**	**18.8**	**18.5**	**4.8**	**2.5**	**3.7**	**3.0**	**03/2009**
NCREIF Timberland Index			*0.0*	*3.2*	*10.0*	*11.8*	*4.7*	*4.1*	*5.4*	*3.8*	

Valuations data as of:
Hamilton Lane - 9/30/2021
UBS Trumbull Property Fund and Molpus SWF II - 3/31/2022

All private equity and real estate assets are adjusted for any capital activity.

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Benchmark History

Policy Benchmark

As of April 30, 2022

Members	Weight (%)
May-2021	
Blmbg. U.S. Aggregate	18.00
S&P 500	31.50
Russell 2500 Index	10.50
MSCI EAFE (Net)	23.00
MSCI Emerging Markets (Net)	10.00
NCREIF Fund Index - ODCE (net)	6.00
NCREIF Timberland Index	1.00
Dec-2019	
Blmbg. U.S. Aggregate	20.00
S&P 500	32.00
Russell 2500 Index	18.00
MSCI EAFE (Net)	10.00
MSCI Emerging Markets (Net)	10.00
NCREIF Fund Index - ODCE (net)	8.00
NCREIF Timberland Index	2.00
Jun-2017	
Blmbg. Intermed. U.S. Government/Credit	20.00
S&P 500	30.00
Russell 2500 Index	18.00
S&P Completion Index	2.00
MSCI EAFE (Net)	10.00
MSCI Emerging Markets (Net)	10.00
NCREIF Fund Index - ODCE (net)	8.00
NCREIF Timberland Index	2.00

Members	Weight (%)
Jan-2016	
Blmbg. Intermed. U.S. Government/Credit	28.00
S&P 500	30.00
Russell 2500 Index	18.00
S&P Completion Index	2.00
MSCI EAFE (Net)	10.00
MSCI Emerging Markets (Net)	10.00
NCREIF Timberland Index	2.00
Jan-2008	
Blmbg. U.S. Aggregate	20.00
S&P 500	32.00
Russell 2500 Index	18.00
MSCI EAFE (Net)	10.00
MSCI Emerging Markets (Net)	10.00
NCREIF Fund Index - ODCE (net)	8.00
NCREIF Timberland Index	2.00

Definitions & Disclosures

Please note: Due to rounding methodologies of various data providers, certain returns in this report might differ slightly when compared to other sources

REGULATORY DISCLOSURES

Offer of ADV Part 2A: Rule 204-3 under the Investment Advisers Act of 1940 requires that we make an annual offer to clients to send them, without charge, a written disclosure statement meeting the requirements of such rule. We will be glad to send a copy of our ADV Part 2A to you upon your written request to compliance@fiducient.com.

INDEX DEFINITIONS

- **Citigroup 3 Month T-Bill** measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues.
- **Ryan 3 Yr. GIC** is an arithmetic mean of market rates of $1 million Guaranteed Interest Contracts held for three years.
- **Bloomberg Barclays Treasury U.S. T-Bills-1-3 Month Index** includes aged U.S. Treasury bills, notes and bonds with a remaining maturity from 1 up to (but not including) 3 months. It excludes zero coupon strips.
- **Bloomberg Barclays Capital US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.
- **Bloomberg Barclays Muni Index** is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade by at least two ratings agencies.
- **Bloomberg Barclays Muni 1 Year Index** is the 1-year (1-2) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 3 Year Index** is the 3-year (2-4) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 5 Year Index** is the 5-year (4-6) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 7 Year Index** is the 7-year (6-8) component of the Municipal Bond index.
- **Bloomberg Barclays Intermediate U.S. Gov't/Credit** is the Intermediate component of the U.S. Government/Credit index, which includes securities in the Government and Credit Indices. The Government Index includes treasuries and agencies, while the credit index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- **Bloomberg Barclays U.S. Aggregate Index** covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- **Bloomberg Barclays Global Aggregate ex. USD Indices** represent a broad-based measure of the global investment-grade fixed income markets. The two major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian government, agency and corporate securities.
- **Bloomberg Barclays U.S. Corporate High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
- **JP Morgan Government Bond Index-Emerging Market (GBI-EM) Index** is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
- **The S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
- **The Dow Jones Industrial Index** is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.
- **The NASDAQ** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.
- **Russell 3000** is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
- **Russell 1000** consists of the largest 1000 companies in the Russell 3000 Index.
- **Russell 1000 Growth** measures the performance of those Russell 1000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 1000 Value** measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell Mid Cap** measures the performance of the 800 smallest companies in the Russell 1000 Index.
- **Russell Mid Cap Growth** measures the performance of those Russell Mid Cap companies with higher P/B ratios and higher forecasted growth values.
- **Russell Mid Cap Value** measures the performance of those Russell Mid Cap companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2000** consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
- **Russell 2000 Growth** measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2000 Value** measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2500** consists of the 2,500 smallest U.S. companies in the Russell 3000 index.
- **Russell 2500 Growth** measures the performance of the Russell 2500 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2500 Value** measures the performance of those Russell 2500 companies with lower P/B ratios and lower forecasted growth values.
- **MSCI World** captures large and mid-cap representation across 23 Developed Markets countries. With 1,645 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI ACWI (All Country World Index) ex. U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets countries (excluding the United States) and 23 Emerging Markets countries. With 1,859 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.
- **MSCI ACWI (All Country World Index) ex. U.S. Small Cap Index** captures small cap representation across 22 of 23 Developed Markets countries (excluding the US) and 23 Emerging Markets countries. With 4,368 constituents, the index covers approximately 14% of the global equity opportunity set outside the US.
- **MSCI EAFE** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. With 930 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

- **MSCI EAFE Value** captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 507 constituents, the index targets 50% coverage of the free float- adjusted market capitalization of the MSCI EAFE Index.
- **MSCI EAFE Growth** captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend. With 542 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI Emerging Markets** captures large and mid-cap representation across 23 Emerging Markets countries. With 836 constituents, the index covers approximately 85% of the free-float adjusted market capitalization in each country.
- **Consumer Price Index** is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.
- **FTSE NAREIT Equity REITs Index** contains all Equity REITs not designed as Timber REITs or Infrastructure REITs.
- **S&P Developed World Property** defines and measures the investable universe of publicly traded property companies domiciled in developed markets. The companies in the index are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **S&P Developed World Property x U.S.** defines and measures the investable universe of publicly traded property companies domiciled in developed countries outside of the U.S. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **Fund Specific Broad Real Asset Benchmarks:**
  - **DWS Real Assets:** 30%: Dow Jones Brookfield Infrastructure Index, 30%: FTSE EPRA/NAREIT Developed Index,15%: Bloomberg Commodity Index, 15%: S&P Global Natural Resources Index, 10%: Barclays U.S. Treasury Inflation Notes Total Return Index
  - **PIMCO Inflation Response Multi Asset Fund:** 45% Barclays U.S. TIPS, 20% Bloomberg Commodity Index, 15% JP Morgan Emerging Local Markets Plus, 10% Dow Jones Select REIT, 10% Bloomberg Gold Subindex Total Return
  - **Principal Diversified Real Assets:** 35% BBgBarc U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index NTR, 20% S&P Global Natural Resources Index NTR, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Index NTR
  - **Wellington Diversified Inflation H:** 50% MSCI ACWI Commodity Producers Index, 25% Bloomberg Commodity Index, and 25% Bloomberg Barclays US TIPS 1 – 10 Year Index
- **Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.
- **HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of $50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
- **The Alerian MLP Index** is the leading gauge of energy Master Limited Partnerships (MLPs). The float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.
- **The Adjusted Alerian MLP Index** is commensurate with 65% of the monthly returns of the Alerian MLP Index to incorporate the effect of deferred tax liabilities incurred by MLP entities.
- **Cambridge Associates U.S. Private Equity Index** is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.
- **Cambridge Associates U.S. Venture Capital Index** is based on data compiled from over 1,600 institutional-quality venture capital funds formed between 1986 and 2015.
- **Vanguard Spliced Bloomberg Barclays US1-5Yr Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US5-10Yr Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US Agg Flt Adj Index:** Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US Long Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. Long Government/Credit Float Adjusted Index thereafter.
- **Vanguard Balanced Composite Index:** Made up of two unmanaged benchmarks, weighted 60% Dow Jones U.S. Total Stock Market Index (formerly the Dow Jones Wilshire 5000 Index) and 40% Bloomberg Barclays U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg Barclays U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Blomberg Barclays U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Intermediate-Term Tax-Exempt Index:** Bloomberg Barclays 1–15 Year Municipal Bond Index.
- **Vanguard Spliced Extended Market Index:** Dow Jones Wilshire 4500 Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.
- **Vanguard Spliced Value Index:** S&P 500 Value Index (formerly the S&P 500/Barra Value Index) through May 16, 2003; MSCI US Prime Market Value Index through April 16, 2013; CRSP US Large Cap Value Index thereafter.
- **Vanguard Spliced Large Cap Index:** Consists of MSCI US Prime Market 750 Index through January 30, 2013, and the CRSP US Large Cap Index thereafter.
- **Vanguard Spliced Growth Index:** S&P 500 Growth Index (formerly the S&P 500/Barra Growth Index) through May 16, 2003; MSCI US Prime Market Growth Index through April 16, 2013; CRSP US Large Cap Growth Index thereafter.
- **Vanguard Spliced Mid Cap Value Index:** MSCI US Mid Cap Value Index through April 16, 2013; CRSP US Mid Cap Value Index thereafter.
- **Vanguard Spliced Mid Cap Index:** S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter.
- **Vanguard Spliced Mid Cap Growth Index:** MSCI US Mid Cap Growth Index through April 16, 2013; CRSP US Mid Cap Growth Index thereafter.
- **Vanguard Spliced Total Stock Market Index:** Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.
- **Vanguard Spliced Small Cap Value Index:** SmallCap 600 Value Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Value Index through April 16, 2013; CRSP US Small Cap Value Index thereafter.

- **Vanguard Spliced Small Cap Index:** Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter.
- **Vanguard Spliced Small Cap Growth Index:** S&P SmallCap 600 Growth Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Growth Index through April 16, 2013; CRSP US Small Cap Growth Index thereafter.
- **Vanguard Spliced Total International Stock Index:** Consists of the Total International Composite Index through August 31, 2006; the MSCI EAFE + Emerging Markets Index through December 15, 2010; the MSCI AC USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Developed Markets Index:** MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index through May 31, 2016; FTSE Developed All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Emerging Markets Index:** Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; and FTSE Emerging Markets All Cap China A Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard REIT Spliced Index:** MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through January 31, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

Additional:

- Equity sector returns are calculated by Russell and MSCI for domestic and international markets, respectively. MSCI sector definitions correspond to the MSCI GICS® classification (Global Industry Classification System); Russell uses its own sector and industry classifications.
- MSCI country returns are calculated by MSCI and are free float-adjusted market capitalization indices that are designed to measure equity market performance in each specific country.
- Currency returns are calculated using Bloomberg's historical spot rate indices and are calculated using the U.S. dollar as the base currency.
- The Index of Leading Economic Indicators, calculated by The Conference Board, is used as a barometer of economic activity over a range of three to six months. The index is used to determine the direction and stability of the economy. The composite index of leading indicators, which is derived from 10 leading indicators, helps to signal turning points in the economy and forecast economic cycles. The leading indicators are the following: average weekly hours, average weekly initial claims, manufacturers' new orders, both consumer and non-defense capital goods, vendor performance, building permits, stock prices, money supply (M2), the interest rate spread and the index of consumer expectations.
- S&P Target Date Indexes are constructed using a survey method of current target date investments with $100 million or more in assets under management. Allocations for each vintage are comprised of exchange-traded- funds that represent respective asset classes used in target date portfolios. The indexes are designed to represent a market consensus glide path.

DEFINITION OF KEY STATISTICS AND TERMS

- **Returns:** A percentage figure used when reporting historical average compounded rate of investment return. All returns are annualized if the period for which they are calculated exceeds one year.
- **Universe Comparison:** The universe compares the fund's returns to a group of other investment portfolios with similar investment strategies. The returns for the fund, the index and the universe percentiles are displayed. A percentile ranking of 1 is the best, while a percentile ranking of 100 is the worst. For example, a ranking of 50 indicates the fund outperformed half of the universe. A ranking of 25 indicates the fund was in the top 25% of the universe, outperforming75%.
- **Returns In Up/Down Markets:** This measures how the fund performed in both up and down markets. The methodology is to segregate the performance for each time period into the quarters in which the market, as defined by the index, was positive and negative. Quarters with negative index returns are treated as down markets, and quarters with positive index returns are treated as up markets. Thus, in a 3 year or 12 quarter period, there might be 4 down quarters and 8 up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the down quarters. The up market capture ratio is the ratio of the fund's return in up markets to the index. The down market capture ratio is the ratio of the fund's return in down markets to the index. Ideally, the fund would have a greater up market capture ratio than down market capture ratio.
- **Standard Deviation:** Standard deviation is a statistical measure of the range of performance within which the total returns of a fund fall. When a fund has a high standard deviation, the range of performance is very wide, meaning there is a greater volatility. Approximately 68% of the time, the total return of any given fund will differ from the average total return by no more than plus or minus the standard deviation figure. Ninety-five percent of the time, a fund's total return will be within a range of plus or minus two times the standard deviation from the average total return. If the quarterly or monthly returns are all the same the standard deviation will be zero. The more they vary from one another, the higher the standard deviation. Standard deviation can be misleading as a risk indicator for funds with high total returns because large positive deviations will increase the standard deviation without a corresponding increase in the risk of the fund. While positive volatility is welcome, negative is not.
- **R-Squared**: This reflects the percentage of a fund's movements that are explained by movements in its benchmark index. An R-squared of 100 means that all movements of a fund are completely explained by movements in the index. Conversely, a low R-squared indicates very few of the fund's movements are explained by movements in the benchmark index. R-squared can also be used to ascertain the significance of a particular beta. Generally, a higher R-squared will indicate a more reliable beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance. A measure of diversification, R-squared indicates the extent to which fluctuations in portfolio returns are explained by market. An R-squared = 0.70 implies that 70% of the fluctuation in a portfolio's return is explained by the fluctuation in the market. In this instance, overweighting or underweighting of industry groups or individual securities is responsible for 30% of the fund's movement.
- **Beta**: This is a measure of a fund's market risk. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse that the market in down markets. It is important to note, however, a low fund beta does not imply the fund has a low level of volatility; rather, a low beta means only that the fund's market-related risk is low. Because beta analyzes the market risk of a fund by showing how responsive the fund is to the market, its usefulness depends on the degree to which the markets determine the fund's total risk (indicated by R-squared).
- **Alpha:** The Alpha is the nonsystematic return, or the return that can't be attributed to the market. It can be thought of as how the manager performed if the market's return was zero. A positive alpha implies the manager added value to the return of the portfolio over that of the market. A negative alpha implies the manager did not contribute any value over the performance of the market.
- **Sharpe Ratio:** The Sharpe ratio is the excess return per unit of total risk as measured by standard deviation. Higher numbers are better, indicating more return for the level of risk experienced. The ratio is a fund's return minus the risk-free rate of return (30-day T-Bill rate) divided by the fund's standard deviation. The higher the Sharpe ratio, the more reward you are receiving per unit of total risk. This measure can be used to rank the performance of mutual funds or other portfolios.
- **Treynor Ratio:** The Treynor ratio measures returns earned in excess of that which could have been earned on a riskless investment per each unit of market risk. The ratio relates excess return over the risk-free rate to the additional risk taken; however, systematic risk is used instead of total risk. The Treynor ratio is similar to the Sharpe ratio, except in the fact that it uses the beta to evaluate the returns rather than the standard deviation of portfolio returns. High values mean better return for risk taken.

- **Tracking Error:** Tracking error measures the volatility of the difference in annual returns between the manager and the index. This value is calculated by measuring the standard deviation of the difference between manager and index returns. For example, a tracking error of +/- 5 would mean there is about a 68% chance (1 standard deviation event) that the manager's returns will fall within +/- 5% of the benchmark's an return.
- **Information Ratio:** The information ratio is a measure of the consistency of excess return. This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividin the standard deviation of excess return.
- **Consistency:** Consistency shows the percent of the periods the fund has beaten the index and the percent of the periods the index has beat the fund. A high average for the fund (e.g., over 50) is desirable, indicating the fund has beaten the index frequently.
- **Downside Risk:** Downside risk is a measure similar to standard deviation but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product.
- **M-Squared:** M-squared, or the Modigliani risk-adjusted performance measure is used to characterize how well a portfolio's return rewards an investor for the amount of risk taken, relative to that of some benchmark portfolio and to the risk-free rate.

DEFINITION OF KEY PRIVATE EQUITY TERMS

- **PIC (Paid in Capital):** The amount of committed capital that has been transferred from the limited partner to the general partner.
- **TVPI (Total Value to Paid in Capital):** Money returned to limited partners plus the fund's unrealized investments, divided by money paid-in to the partnership. The TVPI should equal RVPI plus DPI.
- **DPI (Distribution to Paid In Capital):** Money returned (distributions) to limited partners divided by money paid in to the partnership. Also called cash-on-cash multiple.
- **RVPI (Residual Value to Paid In Capital):** The value of a fund's unrealized investments divided by money paid-in to the partnership.
- **Internal rate of return (IRR):** This is the most appropriate performance benchmark for private equity investments. It is a time-weighted return expressed as a percentage. IRR uses the present sum of cash drawdowns (money invested), the present value of distributions (money returned from investments) and the current value of unrealized investments and applies a discount.
- **Commitment:** Every investor in a private equity fund commits to investing a specified sum of money in the fund partnership over a specified period of time. The fund records this as the limited partnership's capital commitment. The sum of capital commitments is equal to the size of the fund.
- **Capital Distribution:** These are the returns that an investor in a private equity fund receives. It is the income and capital realized from investments less expenses and liabilities. Once a limited partner has had their cost of investment returned, further distributions are actual profit. The partnership agreement determines the timing of distributions to the limited partner. It will also determine how profits are divided among the limited partners and general partner.
- **Carried Interest:** The share of profits that the fund manager is due once it has returned the cost of investment to investors. Carried interest is normally expressed as a percentage of the total profits of the fund.
- **Co-Investment**: Co-Investments are minority investments made alongside a private equity investor in an LBO, a recapitalization, or an expansion capital transaction. It is a passive, non-controlling investment, as the private equity firm involved will typically exercise control and perform monitoring functions.
- **General Partner (GP):** This can refer to the top-ranking partners at a private equity firm as well as the firm managing the private equity fund.
- **GP Commitments:** It is normal practice for the GP managing a private equity fund to also make a financial commitment to the fund on the same basis as the LPs in the fund, and this is seen as an important factor driving the alignment of GP and LP interests. The historic benchmark for GP commitments has been 1% of the total fund size, but this is by no means universal, and many GPs commit significantly larger amounts. Furthermore, there has been a marked trend towards GPs making larger commitments to their funds over recent years.
- **Leveraged Buy-Out (LBO):** The acquisition of a company using debt and equity finance.
- **Limited Partner (LP):** Institutions or high-net-worth individuals/sophisticated investors that contribute capital to a private equity fund.
- **Public Market Equivalent (PME):** Performance measure used to evaluate performance relative to the market. It is calculated as the ratio of the discounted value of the LP's inflows divided by the discounted value of outflows, with the discounting performed using realized market returns.
- **Primaries:** An original investment vehicle that invests directly into a company or asset.

VALUATION POLICY

Fiducient Advisors does not engage an independent third-party pricing service to value securities. Our reports are generated using the security prices provided by custodians used by our clients. Our custodial pricing hierarchy is available upon request. If a client holds a security not reported by the first custodian within the hierarchy, the valuation is generated from the next custodian within the hierarchy, and so forth. Each custodian uses pricing services from outside vendors, where the vendors may generate nominally different prices. Therefore, this report can reflect minor valuation differences from those contained in a custodian's report. In rare instances where FA overrides a custodial price, prices are taken from Bloomberg.

REPORTING POLICY

This report is intended for the exclusive use of the client listed within the report. Content is privileged and confidential. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecast represents median expectations and actual returns, volatilities and correlations will differ from forecasts. Please note each client has customized investment objectives and constraints and the investment strategy for each portfolio is based on a client-specific asset allocation model. Past performance does not indicate future performance and there is a possibility of a loss. Performance calculated net of investment fees. Certain portfolios presented may be gross of Fiducient Advisors' fees and actual performance would be reduced by investment advisory fees. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice.

Custodian reports are the reports that govern the account. There will be different account values between Fiducient Advisors' reports and the custodian reports based on whether the report utilizes trade date or date to calculate value. Additionally, difference between values contained on reports may be caused by different accrued income values. Any forecasts represent future expectations and actual returns, volatilities and will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice. Past perfor not indicate future performance and there is a possibility of a loss.

Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Unless specified otherwise, all returns are net of individual manager fees, represent total returns and are annualized for periods greater than one year. The deduction of fees produces a compounding effect that reduces the total rate of return over time. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) $1,000,000 investment, (c) portfolio return of 8% a year, and (d) 0.50% annual investment advisory fee would be $5,228 in the first year, and cumulative effects of $30,342 over five years and $73,826 over ten years. Additional information on advisory fees charged by Fiducient Advisors are described in Part 2 of the Form ADV.

OTHER

By regulation, closed-end funds utilizing debt for leverage must report their interest expense, as well as their income tax expense, as part of their total expense ratio. To make for a useful comparison between closed-end funds and both open-end funds and exchange-traded funds, adjusted expense ratios excluding interest and income tax expenses are utilized for closed-end funds within this report. See disclosure on closed-end fund fact sheets for information regarding the total expense ratio of each closed-end fund.

Please advise us of any changes in your objectives or circumstances.

CUSTODIAN STATEMENTS

Please remember to review the periodic statements you receive from you custodian. If you do not receive periodic statements from your custodian or notice issues with the activity reported in those statements, please contact FA or your custodian immediately.

GENERAL DISCLOSURES

Barron's Institutional Consulting Teams ranking is based on quantitative and qualitative factors including team's assets, revenue, size and character of the team itself. Barron's invites firms that, in their opinion, are competitive given size and sophistication. There is no fee associated with participating in the ranking. Fiducient Advisors' ranking took into consideration the combined capabilities of the firm and its subsidiary, Fiduciary Investment Advisors, LLC.

P&I's 2020 Best Places to Work in Money Management ranking is a proprietary survey produced by Pension & Investment in partnership with Best Companies Group. 94 companies were recognized in 2020 and results are based on evaluating each nominated company's workplace policies, practices, philosophy, systems, and demographics, as well as an employee survey to measure employee experience. Fiducient Advisors' rankings are representative of the firm and its subsidiary, Fiduciary Investment Advisors, LLC. There is no fee associated with participating in the ranking.

P&I's Consultant Ranking is a proprietary survey produced by Pension & Investment. Results are based on 80 questionnaire responses sent to 213 consultants determined by P&I that self-reported institutional assets under advisement as of June 30, 2020. Consultants with multiple subsidiaries are asked to provide information on a consolidated basis. There is no fee associated with participating in the ranking. The ranking is not indicative of Fiducient Advisors' future performance.

FIDUCIENT
Advisors
Helping Clients Prosper

BERS: ESG & Real Assets

May 16, 2022

Disclosure

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Mission-Aligned Investing

Approach

Investors and the managers/strategies to which they allocate capital, may utilize a variety of approaches in implementing a Mission-Aligned Investing portfolio.

Integration

Incorporating ESG factors into the investment management process enhance the investment process.

Values-Based Investing

Applying either positive or negative screening and/or thematic investing to align the portfolio to the investor's mission and/or stated values.

Impact

Impact (private equity) investing and/or the incorporation of proxy voting and shareholder engagement in alignment with the investor's mission and/or stated values.

Mission-Aligned Investing

Approach: *Integration*

- According to the US SIF Trends Report 2020, the most applied approach to ESG investing is now ESG Integration. Of the money managers responding to the US SIF Trends survey, **74 percent** reported applying ESG Integration into their investment process.
- According to our 2021 proprietary survey sent to Fiducient Advisors' recommended public markets strategies, **86 percent** of respondents as of December 6, 2021 use ESG as a component of an investment's alpha or risk assessment.
- In assessing ESG Integration practices, we generally ask ourselves three primary questions:
  - Is it observable in the investment process?
  - Is it material to the investment process?
  - Is it additive to the investment process?

Greenwashing: *expressions of environmentalist concerns especially as a cover for products, policies, or activities*

- Applying this framework, we believe **35 percent** of our recommended public markets strategies meaningfully integrate ESG analysis into the investment process.
- For more information, please see our December 2021 blog post, Greenwashing in ESG: Don't Judge a Book by its Cover

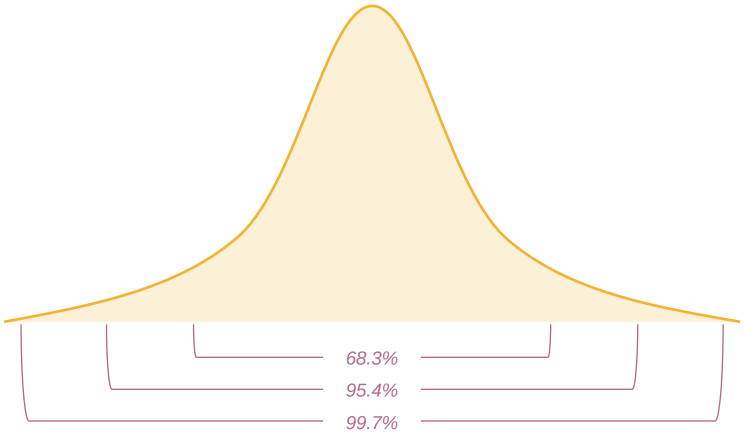
Mission-Aligned Investing

Approach: *Values-Based*

1. **Negative screening** – The process of screening out companies or industries that do not align with an investor's values.
2. **Positive screening** – The process of tilting an investor's portfolio to the best-in-class companies as defined by the investor's values.
3. **Thematic investing** – A top-down investment approach that incorporates broad themes in conjunction with a values-based focus in selecting a portfolio of companies. Common themes within the industry include sustainability and clean energy.

As it pertains to negative and positive screening, the larger the list of values to incorporate, the greater the impact on an active manager's ability to select securities of interest and the more difficult it will be for a passive mandate to track a benchmark.

Tracking error is the standard deviation of the difference between portfolio return and benchmark return.



Hypothetical Tracking Error Example	**Index Performance**	**Forecast Tracking Error**	**1 Standard Deviation (68.3%)**	**2 Standard Deviations (95.4%)**	**3 Standard Deviations (99.7%)**
Values-Based / Screened Portfolio	6.0%	0.90	5.1% - 6.9%	4.2% - 7.8%	3.3% - 9.7%

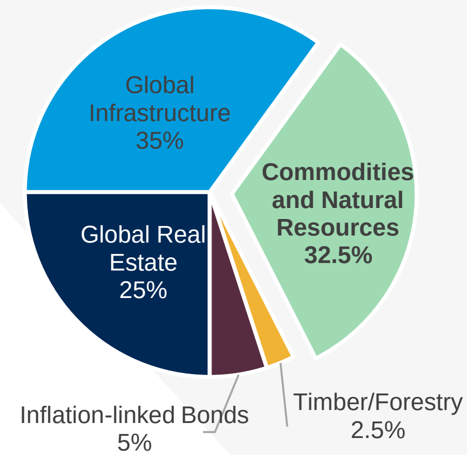
ESG Integration in Real Assets

- Investing in broad real assets is typically characterized by significant exposure to fossil fuels, either directly (e.g., oil futures) or indirectly (e.g., investing in the stocks of producers, refiners, transporters, etc)

- Investor demand for implementing a more environmentally-friendly approach to their investment strategies continues to grow

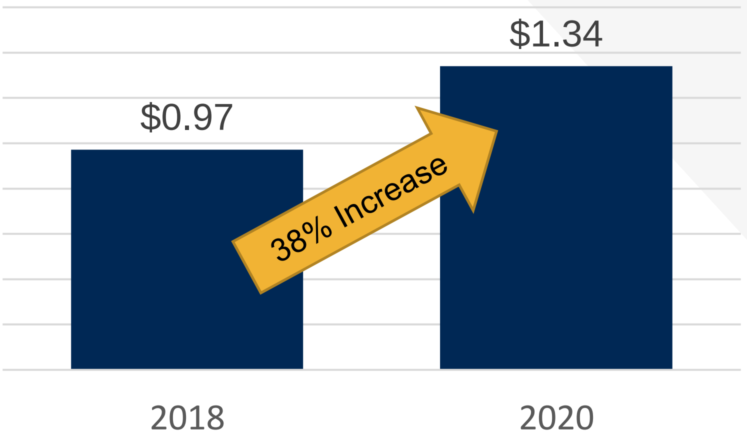
- Asset managers are providing thoughtful investment options to meet this growing demand, even in an asset class dominated by commodities and natural resource equities.

Weighting of the S&P Real Asset Index by Component



Source: S&P Dow Jones Indices as of April 29, 2022

Public Plan Assets where Climate Change & Carbon Emissions are the Top Concern ($ trillions)



Source: US SIF Foundation, 2020 Report on US Sustainable and Impact Investing Trends

Our Process

Fiducient Advisors helps clients align their capital with their mission and/or values through a tailored and detailed process.

Define the investable value set that resonates most with your mission

Evaluate various approaches and model the impact on your portfolio

Restructure your portfolio to **Implement** mission-aligned investments

Measure performance using qualitative and quantitative factors.

Our standard manager due diligence questionnaire includes a section oriented toward ESG investing for **all** mandates *(not just those that are marketed as ESG strategies).*

A strategy with an ESG approach must meet the same rigorous due diligence criteria that we employ firm-wide in order to be approved by the Investment Committee.

Our analysts seek to understand how a portfolio manager incorporates ESG factors as well as the potential impact, both positive and negative, on an investment portfolio.

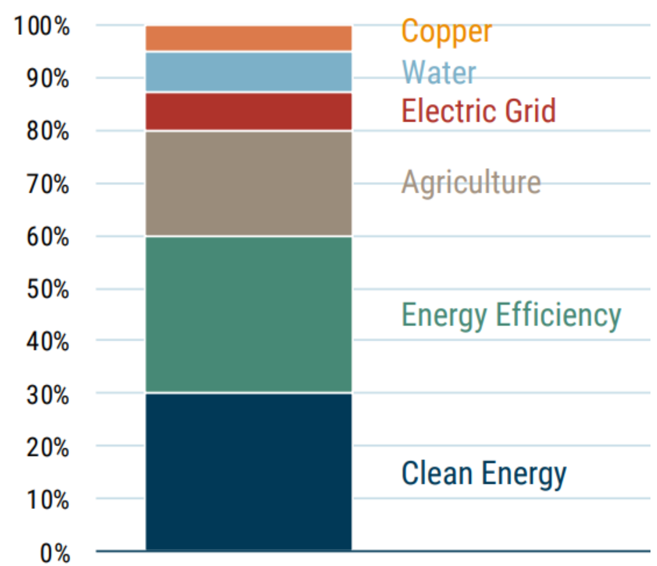
We dig deeper to ensure that ESG managers are truly incorporating ESG characteristics into their investment process, not greenwashing.

Example: GMO Climate Change Strategy*

- Invests in companies where most of their business is driven by efforts to combat climate change
- Comprises industries that GMO expects to do well in inflationary environments.
- ESG is integrated into investment process with a focus on the future versus past, and engagement over exclusion.
- Fundamental research includes an evaluation whether ESG considerations are priced into each stock
- Allocation targets promote diversification across important sectors of the climate change sector, considering inevitability of each area.

Mitigation	Adaptation
Clean Energy	Agriculture
Batteries & Storage	Water Treatment, Efficiency & Recycling
Electric Grid	Energy-efficient Air Conditioning
Energy Efficiency	
Technology & Materials	

Asset Allocation



Source: GMO, 2022.