



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 – Tuesday, June 29, 2021

Start Time – 8:00 AM – 9:00 AM

Location – Burlington City Hall, 1st Floor, Councilor Bushor Conference Room, previously Room 12

Or you may join by ZOOM

Join Zoom Meeting:

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

Meeting ID: 852- 6164- 4826

Passcode: 834923

You may join by phone, dial +1 929 205 6099, meeting # 852-6164-4826

1. Agenda
2. Public Forum
- 2a. Approve Minutes May 17, 2021
3. Approve Retirement Applications
 - Betty Gelles, Class B, \$278.69
 - Brenda Woods, Class B, \$323.63
 - Ethan Thibault, Class A, \$1,656.11
 - James Evans, Class B, \$41.37
 - John Van Vught, Class B, \$171.78
 - Sandra Niquette, Class B, \$396.22
4. Approve Return of Contributions
 - Mathew Walker, Class B, \$2,562.22
5. Fiducient Advisors Presentation
 - Manager Search: Dynamic Bond Mandate
 - Manager Search: Emerging Market Equities – Growth and Value Mandates
 - Monthly Performance Updates
6. Administration Updates
7. Adjourn

**BURLINGTON RETIREMENT BOARD
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
May 17, 2021**

MEMBERS PRESENT:

Robert Hooper, Chairperson
Munir Kasti, Vice-Chairperson
Patrick Robins
David Mount
Ben O'Brien
Daniel Gilligan
Matthew Dow
Katherine Schad

OTHERS PRESENT:

Rich Goodwin
Chris Rowllins
Kate Pizzi
Jim Strouse
Justin St. James
Paul Plunkett

1.0 CALL TO ORDER

Robert Hooper called the Retirement Board meeting to order.

The agenda was adopted without objection.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments
None at this time.

3.0 APPROVE MEETING MINUTES

- April 19, 2021

MOTION by David Mount, SECOND by Ben O'Brien, to approve the April 19, 2021 minutes as amended.

- **Amendment: reflect that Ben O'Brien voted in opposition to accept a COLA increase of 0% as presented by the City administration on January 21, 2021.**

VOTING: unanimous; motion carries.

4.0 APPROVE RETIREMENT APPLICATIONS

4.01 Approve Retirement Applicants

- Barry Simays, Class A, \$6,670.41
- Bruce Maysilles, Class B, \$187.95
- Douglas Chamberlain, Class B, \$2,068.94
- Thomas Nash, Class A, \$4,082.48

MOTION by Ben O'Brien, SECOND by Munir Kasti, to approve the retirement applications as presented.

VOTING: unanimous; motion carries.

5.0 FIDUCIARY ADVISORS (FORMERLY DIMEO) PRESENTATION

7.01 Updates on Reallocation

Ms. Pizzi provided an update on the reallocation within the public equity sector equities that was agreed-upon at the prior Retirement Board meeting on April 19. She said that the first tranche of that trade was implemented, which resulted in a \$10,000,000 transfer from small cap into international developed market equities.

7.02 Discuss Fossil Fuel Divestment Report

Ms. Pizzi introduced the report, noting that it evaluates the current exposure within the BERS portfolio and discusses the potential cost and implementation around fossil fuel divesting. She noted that the report is not designed to indicate whether the Retirement Board has made a decision about divesting, but serves to present the facts and potential fiduciary impacts to the City Council.

Mr. Gilligan asked about the increase in fees associated with divesting. Ms. Pizzi replied that one cost is bringing on a custodial bank and the increment management investment cost is \$170,000 per year. She said that the total cost for divesting amounted to \$200,000 per year. She noted that fees are not included in the performance differentials within the reports.

Mr. Hooper emphasized that the exposure is very low. Ms. Pizzi said that this sector of the market tends to be much more volatile, so removing exposure to this sector of the market would reduce volatility.

MOTION by David Mount, SECOND by Patrick Robins, that the Burlington Employees Retirement Board in consideration of its fiduciary responsibilities to the City's retirement system adopts the Examination of Fossil Fuel Investment Alternatives Report-April 2021 prepared by Fiduciant Advisors and authorizes Chair Robert Hooper to transmit this Report to the Burlington City Council as a full answer to the questions asked by that body in their November 23, 2020 resolution and to report that the BERS Board shall, in consideration of its fiduciary responsibilities, evaluate the recommendations in the report and make all changes it deems appropriate for plan participants.

VOTING: unanimous; motion carries.

MOTION by Daniel Gilligan, SECOND by Patrick Robins, to forward the Annual Report as amended.

VOTING: unanimous; motion carries.

6.0 ADMINISTRATION UPDATES

6.01 Administration Updates

Finance Director Goodwin provided an update on the fiduciary responsibility insurance that BERS is looking to secure. Mr. Plunkett said that they have modeled a \$5,000,000 limit of liability for defense costs. He said a policy of that size requires a \$100,000 deductible. He noted sub-limitations that are within the limited liability. He noted that the policy would not pick up any past exposure. He said that the policy gives BERS control in selecting counsel. Attorney St. James noted that this policy would be the City's first line of defense and that each board member would be listed. Mr. Plunkett noted that the premium for a \$5,000,000 policy is \$28,549 annually. Mr. Hooper confirmed that this is not an expense of the fund but an administrative cost.

MOTION by Ben O'Brien, SECOND by David Mount to recommend that the fiduciary liability insurance is introduced into the Fiscal Year 2022 budget.

VOTING: unanimous; motion carries.

7.0 COMMUNICATION: SMALL CHECKS

7.01 Communication: Small Checks

No discussion at this time.

8.0 ADJOURN

8.01 Motion to Adjourn

Without objection the meeting was adjourned.

RScty: AACoonradt

Calculation of Benefit Options

Burlington Employees' Retirement System, Class B - School

Form A

Betty S. Gelles

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:	Betty S. Gelles	Class:	B
Date of Birth:		Department:	School
Date of Hire:	01/24/2012	Vesting Percentage:	100.0000%
Date of Termination:	12/20/2019	Normal Retirement Date (NRD):	01/24/2017
Beneficiary Date of Birth:	N/A	Payment Start Date:	03/01/2021
		Employee Contribution Balance w/ Interest as of 03/01/2021:	\$5,944.69

Earnings

Average Final Compensation*: \$21,376.49

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	7.91667
(2) Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]	0.00000
(3) Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]	7.91667
(4) Years of CS in excess of 25 years	N/A

COLA Option

Full COLA

(5) Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.400%
(6) Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.400%
(7) Accrual Rate in excess of 25 years	0.500%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	11.0833%
(9) Monthly Vested Benefit Payable at Payment Start Date = (8) x Average Final Compensation/12 x Vesting Percentage	\$197.44
(10) Monthly Vested Benefit at NRD: = [Years of CS on or prior to 06/30/2006 and prior to NRD (0.00000) x (5)] + [Years of CS after 06/30/2006 and prior to NRD (5.00000) x (6)] + [Years of CS in excess of 25 years and prior to NRD (0.00000) x (7)] x Average Final Compensation/12 x Vesting Percentage	\$124.70
(11) Month Vested Benefit Payable as of your Payment Start Date: = [Greater of (10)] x 1.739917 Late Adjustment Factor or (9)	\$216.97

Benefit Options Available

Form of Payment

Form of Payment	Option Factor	Full COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.2845	\$278.69	**
10 Year Certain & Life Annuity	1.0000	\$216.97	\$216.97
100% Joint & Survivor Annuity	N/A	N/A	N/A
50% Joint & Survivor Annuity	N/A	N/A	N/A
100% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A
50% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A
Return of Employee Contributions	N/A	\$5,944.69	N/A

(1) **Survivor Benefits:** for the Joint and 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 B - Other

Brenda Wood

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:	Brenda Wood	Class:	B
Date of Birth:		Department:	Other
Date of Hire:	08/09/1982	Vesting Percentage:	100.0000%
Date of Termination:	03/09/1999	Normal Retirement Date (NRD):	08/31/2023
Beneficiary Date of Birth:		Payment Start Date:	05/01/2021
		Employee Contribution Balance w/ Interest as of 05/01/2021:	N/A

Earnings

Average Final Compensation*: \$32,266.63

Determination of Benefit Amount

(1) Years of Creditable Service (CS)		16.58333	
(2) Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]		16.58333	
(3) Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]		0.00000	
COLA Option	Full COLA	Half COLA	No COLA
(4) Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.200%	1.367%	1.534%
(5) Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.200%	1.367%	1.534%
(6) Retirement Accrual Percentage = [(2) x (4)] + [(3) x (5)]	19.9000%	22.6694%	25.4388%
(7) Monthly Vested Benefit Payable at NRD = (6) x Average Final Compensation/12 x Vesting Percentage	\$535.09	\$609.56	\$684.02
(8) Early Retirement Reduction Factor	0.7760	0.7760	0.7760
(9) Monthly Vested Benefit Payable at Payment Start Date (7) x (8)	\$415.23	\$473.01	\$530.80

Benefit Options Available

Form of Payment	Option Factor	Full COLA		Half COLA		No COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.0771	\$447.24	**	\$509.48	**	\$571.73	**
10 Year Certain & Life Annuity	1.0000	\$415.23	\$415.23	\$473.01	\$473.01	\$530.80	\$530.80
100% Joint & Survivor Annuity	0.7794	\$323.63	\$323.63	\$368.66	\$368.66	\$413.71	\$413.71
50% Joint & Survivor Annuity	0.9040	\$375.37	\$187.69	\$427.60	\$213.80	\$479.84	\$239.92
100% Joint & Survivor Pop-Up Annuity	0.7749	\$321.76	\$321.76	\$366.54	\$366.54	\$411.32	\$411.32
50% Joint & Survivor Pop-Up Annuity	0.9006	\$373.96	\$186.98	\$425.99	\$213.00	\$478.04	\$239.02
Return of Employee Contributions	N/A	N/A	N/A	N/A	N/A	N/A	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 Union

Ethan Thibault

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:	Ethan Thibault	Class:	A
Date of Birth:		Department:	Police Union
Date of Hire:	09/17/2001	Vesting Percentage:	100.0000%
Date of Termination:		Normal Retirement Date (NRD):	06/30/2033
Beneficiary Date of Birth:		Payment Start Date:	04/01/2021
		Employee Contribution Balance w/ Interest as of 04/01/2021:	\$58,111.33

Earnings

Average Final Compensation*: \$66,301.86

Determination of Benefit Amount

(1) Years of Creditable Service (CS)			14.58333	
(2) Years of CS on or prior to June 30, 2006 [(2)+(3) is not to exceed 25 years]			4.75000	
(3) Years of CS after June 30, 2006 [(2) + (3) is not to exceed 25 years]			9.83333	
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)]		40.1042%	47.3958%	53.4500%
(7) Monthly Vested Benefit Payable at NRD = (6) x Average Final Compensation/12 x Vesting Percentage		\$2,215.82	\$2,618.69	\$2,953.20
(8) Early Retirement Reduction Factor		0.5570	0.5570	0.5570
(9) Monthly Vested Benefit Payable at Payment Start Date (7) x (8)		\$1,234.21	\$1,458.61	\$1,644.93

Benefit Options Available

Form of Payment	Option Factor	Full COLA		Half COLA		No COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.0068	\$1,242.60	**	\$1,468.53	**	\$1,656.11	**
5 Year Certain & Life Annuity	1.0000	\$1,234.21	\$1,234.21	\$1,458.61	\$1,458.61	\$1,644.93	\$1,644.93
100% Joint & Survivor Annuity	0.8849	\$1,092.15	\$1,092.15	\$1,290.73	\$1,290.73	\$1,455.60	\$1,455.60
50% Joint & Survivor Annuity	0.9419	\$1,162.50	\$581.25	\$1,373.87	\$686.93	\$1,549.36	\$774.68
100% Joint & Survivor Pop-Up Annuity	0.8793	\$1,085.24	\$1,085.24	\$1,282.56	\$1,282.56	\$1,446.39	\$1,446.39
50% Joint & Survivor Pop-Up Annuity	0.9388	\$1,158.68	\$579.34	\$1,369.34	\$684.67	\$1,544.26	\$772.13
Return of Employee Contributions	N/A	\$58,111.33	N/A	\$58,111.33	N/A	\$58,111.33	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 B - BED Non-Union

James R. Evans

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:	James R Evans	Class:	B
Date of Birth:		Department:	BED Non-Union
Date of Hire:	06/29/1980	Vesting Percentage:	40.0000%
Date of Termination:	06/16/2021	Normal Retirement Date (NRD):	04/16/2019
Beneficiary Date of Birth:		Payment Start Date:	06/01/2021
		Employee Contribution Balance w/ Interest as of 06/01/2021:	N/A

Earnings

Average Final Compensation*: \$18,140.13

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	4.00000
(2) Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]	4.00000
(3) Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]	0.00000
(4) Years of CS in excess of 25 years	N/A

COLA Option

Full COLA

(5) Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.200%
(6) Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.200%
(7) Accrual Rate in excess of 25 years	0.500%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	4.8000%
(9) Monthly Vested Benefit Payable at Payment Start Date = (8) x Average Final Compensation/12 x Vesting Percentage	\$29.02
(10) Monthly Vested Benefit at NRD: = [Years of CS on or prior to 06/30/2006 and prior to NRD (4.00000) x (5)] + [Years of CS after 06/30/2006 and prior to NRD (0.00000) x (6)] + [Years of CS in excess of 25 years and prior to NRD (0.00000) x (7)] x Average Final Compensation/12 x Vesting Percentage	\$29.02
(11) Month Vested Benefit Payable as of your Payment Start Date: = [Greater of (10)] x 1.269596 Late Adjustment Factor or (9)	\$36.85

Benefit Options Available

Form of Payment

Form of Payment	Option Factor	Full COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.1226	\$41.37	**
10 Year Certain & Life Annuity	1.0000	\$36.85	\$36.85
100% Joint & Survivor Annuity	0.8244	\$30.38	\$30.38
50% Joint & Survivor Annuity	0.9504	\$35.02	\$17.51
100% Joint & Survivor Pop-Up Annuity	0.8106	\$29.87	\$29.87
50% Joint & Survivor Pop-Up Annuity	0.9429	\$34.75	\$17.38
Return of Employee Contributions	N/A	N/A	N/A

(1) **Survivor Benefits:** for the Joint and 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

Burlington Employees' Retirement System, Class B - Other

Form A

John Van Vught

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 Van Vught	Class:	B
Date of Birth:		Department:	Other
Date of Hire:	01/01/2007	Vesting Percentage:	36.6667%
Date of Termination:	10/28/2010	Normal Retirement Date (NRD):	09/09/2015
Beneficiary Date of Birth:		Payment Start Date:	04/01/2021
		Employee Contribution Balance w/ Interest as of 04/01/2021:	\$11,175.44

Earnings

Average Final Compensation*: \$60,818.17

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	3.83333
(2) Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]	0.00000
(3) Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]	3.83333
(4) Years of CS in excess of 25 years	N/A

COLA Option	Full COLA
(5) Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.400%
(6) Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.400%
(7) Accrual Rate in excess of 25 years	0.500%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	5.3667%
(9) Monthly Vested Benefit Payable at Payment Start Date = (8) x Average Final Compensation/12 x Vesting Percentage	\$99.73
(10) Monthly Vested Benefit at NRD: = [Years of CS on or prior to 06/30/2006 and prior to NRD (0.00000) x (5)] + [Years of CS after 06/30/2006 and prior to NRD (3.83000) x (6)] + [Years of CS in excess of 25 years and prior to NRD (0.00000) x (7)] x Average Final Compensation/12 x Vesting Percentage	\$99.73
(11) Month Vested Benefit Payable as of your Payment Start Date: = [Greater of (10)] x 1.944277Late Adjustment Factor or (9)	\$193.90

Benefit Options Available

Form of Payment	Option Factor	Full COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.1843	\$229.64	**
10 Year Certain & Life Annuity	1.0000	\$193.90	\$193.90
100% Joint & Survivor Annuity	0.8859	\$171.78	\$171.78
50% Joint & Survivor Annuity	1.0000	\$193.90	\$96.95
100% Joint & Survivor Pop-Up Annuity	0.8694	\$168.58	\$168.58
50% Joint & Survivor Pop-Up Annuity	1.0000	\$193.90	\$96.95
Return of Employee Contributions	N/A	\$11,175.44	N/A

(1) **Survivor Benefits:** for the Joint and 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

Special Tax Notice

Burlington Employees' Retirement System

Form K

Sandra Niquette

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 - Regular Retirement

Information Used in Benefit Determination

Participant Name:	Sandra Niquette	Class:	B
Date of Birth:		Department:	Other
Date of Hire:	06/20/1982	Vesting Percentage:	100.0000%
Date of Termination:	03/17/2011	Normal Retirement Date (NRD):	05/06/2021
Beneficiary Date of Birth:		Payment Start Date:	06/01/2021
		Employee Contribution Balance w/ Interest as of 06/01/2021:	\$4,699.62

Earnings

Average Final Compensation*: \$42,814.11

Determination of Benefit Amount – Option 1

(1) Years of Creditable Service (CS)	7.25000
COLA Option	Full COLA
(2) Accrual Rate	1.400%
(3) Retirement Accrual Percentage = (1) x (2)	10.1500%
(4) Monthly Vested Benefit Payable at NRD = (3) x Average Final Compensation/12 x Vesting Percentage	\$362.14
(5) Early Retirement Reduction Factor	1.0000
(6) Monthly Vested Benefit Payable at Payment Start Date (4) x (5)	\$362.14

Determination of Benefit Amount – Option 2

(1) Years of Creditable Service (CS)	7.25000
(2) Years of CS for initial service period	4.75000
(3) Years of CS for most recent service period	2.50000
COLA Option	
(4) Accrual Rate for initial service period	1.200%
(5) Retirement Accrual Percentage for initial service period = (2) x (4)	5.7000%
(6) Accrual Rate for most recent service period	1.400%
(7) Retirement Accrual Percentage for most recent service period = (3) x (6)	3.5000%
(8) Benefit A Monthly Vested Benefit Payable at NRD = (5) x Average Final Compensation/12 x Vesting Percentage	\$203.37
(9) Benefit B Monthly Vested Benefit Payable at NRD = (7) x Average Final Compensation/12 x Vesting Percentage	\$124.87
(10) Early Retirement Reduction Factor	1.0000
(11) Benefit A Monthly Vested Benefit Payable at Payment Start Date = (8) x (10)	\$203.37
(12) Benefit B Monthly Vested Benefit Payable at Payment Start Date = (9) x (10)	\$124.87

Special Tax Notice

Burlington Employees' Retirement System

Form K
Sandra Niquette

Benefit Options Available – Option 1

<u>Form of Payment</u>	<u>Option Factor</u>	Full COLA	
		<u>Initial Benefit</u>	<u>Survivor's Benefit ⁽¹⁾</u>
Straight Life Annuity	1.0941	\$396.22	**
10 Year Certain & Life Annuity	1.0000	\$362.14	\$362.14
100% Joint & Survivor Annuity	0.9514	\$344.54	\$344.54
50% Joint & Survivor Annuity	1.0000	\$362.14	\$181.07
100% Joint & Survivor Pop-Up Annuity	0.9367	\$339.22	\$339.22
50% Joint & Survivor Pop-Up Annuity	1.0000	\$362.14	\$181.07
Return of Employee Contributions	N/A	\$4,707.38	N/A

Benefit Options Available – Option 2

Benefit A

<u>Form of Payment</u>	<u>Option Factor</u>	Full COLA	
		<u>Initial Benefit</u>	<u>Survivor's Benefit ⁽¹⁾</u>
Straight Life Annuity	1.0941	\$222.51	**
10 Year Certain & Life Annuity	1.0000	\$203.37	\$203.37
100% Joint & Survivor Annuity	0.9514	\$193.49	\$193.49
50% Joint & Survivor Annuity	1.0000	\$203.37	\$101.69
100% Joint & Survivor Pop-Up Annuity	0.9367	\$190.50	\$190.50
50% Joint & Survivor Pop-Up Annuity	1.0000	\$203.37	\$101.69
Return of Employee Contributions	N/A	\$4,707.38	N/A

Benefit B

<u>Form of Payment</u>	<u>Option Factor</u>	Full COLA	
		<u>Initial Benefit</u>	<u>Survivor's Benefit ⁽¹⁾</u>
Straight Life Annuity	1.0941	\$136.62	**
10 Year Certain & Life Annuity	1.0000	\$124.87	\$124.87
100% Joint & Survivor Annuity	0.9514	\$118.80	\$118.80
50% Joint & Survivor Annuity	1.0000	\$124.87	\$62.44
100% Joint & Survivor Pop-Up Annuity	0.9367	\$116.97	\$116.97
50% Joint & Survivor Pop-Up Annuity	1.0000	\$124.87	\$62.44
Return of Employee Contributions	N/A	\$4,707.38	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 Return of Employee Contributions

Burlington Employees' Retirement System

Form A

Matthew Walker

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:	Matthew Walker	Class:	B
Date of Birth:		Department:	Non-Union
Date of Hire:	06/01/2020	Post-Tax Employee Contributions:	\$0.00
Date of Termination:	12/18/2020	Normal Retirement Date (NRD):	01/02/2037
Beneficiary Date of Birth:		Payment Start Date:	05/01/2021
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

<u>Period Ending</u>	<u>Description</u>	<u>Transaction</u>	<u>Balance at End of Period</u>
06/30/2020	Contributions	\$166.78	\$166.78
06/30/2020	Interest at 2%	\$0.00	\$166.78
12/18/2020	Contributions	\$2,392.66	\$2,559.44
04/30/2021	Interest at 2%	\$2.78	\$2,562.22

(1) Pre-Tax Employee Contributions (Taxable):	\$2,559.44
(2) Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	\$2.78
(3) Total Return of Employee Contributions with Interest:	\$2,562.22

Determination of Taxable Portion of Benefit

<u>Form of Payment</u>	<u>Total Benefit</u>	<u>Taxable Portion</u>	<u>Non-Taxable Portion</u>
Return of Contributions	\$2,562.22	\$2,562.22	0.00



FIDUCIENT
Advisors

Helping Clients Prosper



City of Burlington Employees Retirement System

Manager Search
June 2021

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.

Table of Contents



Section 1	Dynamic Bonds
Section 2	Emerging Market Equities
Section 3	Custody



Dynamic Bonds



Manager Searches: Dynamic Bond & Emerging Market Equities

- At the April 19, 2021 BERS meeting, the Board approved a 3% allocation to Dynamic Bonds (\$7.35 million as of 5/31/2021)
- Fiducient Advisors' manager research team selected the following active managers based on qualitative and quantitative analysis for consideration by the BERS Board:
 - Blackrock Strategic Income Opportunities
 - JP Morgan Strategic Income Opportunities
 - PIMCO Dynamic Bond Institutional
- All fund strategies are implemented via mutual fund structure

Dynamic U.S. Bonds

The Screening Process

The search began with a broad database of fixed-income funds/managers. The following screens were applied with possible exceptions under special circumstances:

- ▲ Assets of sufficient size
- ▲ Average credit quality indicative of the asset class
- ▲ Average maturity within a reasonable range of the benchmark
- ▲ Average duration within a reasonable range of the benchmark
- ▲ Limited cash holdings
- ▲ Foreign holdings practical given the investment strategy
- ▲ Sufficient manager tenure
- ▲ Adequate fund inception date
- ▲ Expense ratio less than the Morningstar category group average
- ▲ Consistent and clearly defined investment process
- ▲ Organization: stability of personnel / infrastructure
- ▲ Ability to have loads/sales charges waived
- ▲ Manageable asset size
- ▲ Additional screens may have been applied for administrative capabilities

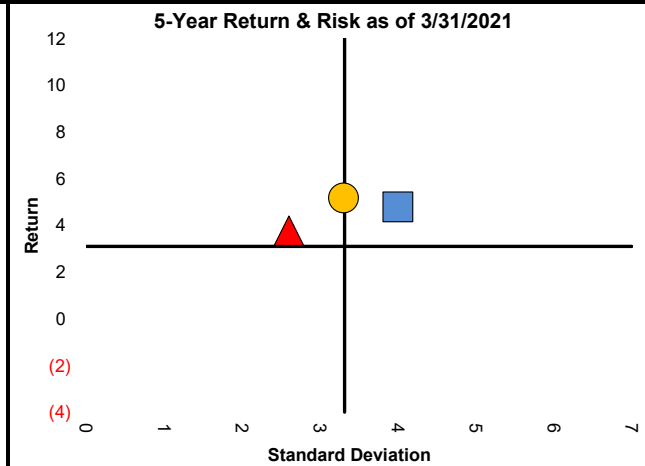
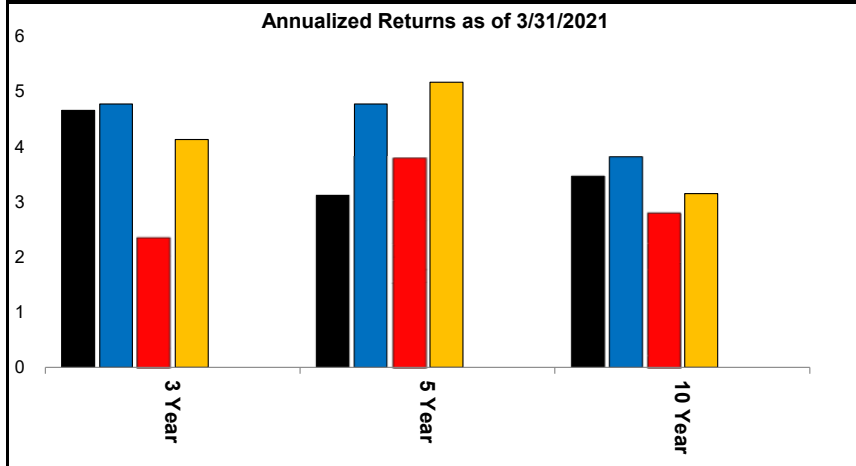
Dynamic U.S. Bonds

Fund / Manager	BlackRock Strategic Income Opps K	JPMorgan Strategic Income Opports R6	PIMCO Dynamic Bond Instl
Manager (Tenure in Years)	Team (10.7)	Team (12.5)	Team (6.6)
Net Assets (\$ Millions)	\$38,966	\$10,452	\$3,862
Differentiators	<p>▲ New York-based BlackRock is the world's largest asset manager with approximately \$6 trillion in assets under management</p> <p>▲ Rick Rieder oversees the management to the Strategic Income Opportunities portfolio, leveraging the full depth and breadth of BlackRock's fixed income platform</p> <p>▲ Macroeconomic themes and bottom-up fundamental analysis drives portfolio construction as the investment team seeks risk-adjusted returns across global fixed income markets</p> <p>▲ The portfolio is globally diversified and will exhibit elevated allocations to emerging markets given the relative opportunity set</p>	<p>▲ JPMorgan Asset Management has \$2+ trillion in assets under management across multiple asset classes</p> <p>▲ The strategy is managed by the Absolute Return and Opportunistic Fixed Income team, led by Bill Eigen</p> <p>▲ A three-pronged approach of Tactical Secur Rotation, Alternatives and Hedges focuses on generating absolute returns</p> <p>▲ Portfolio construction is driven by relative value per unit of risk</p> <p>▲ The strategy will at times allocate heavily to cash until an appropriate opportunity presents itself</p>	<p>▲ PIMCO manages over \$1.5 trillion globally. Incepted as a fixed income manager in 1971, the firm now offers alternative and equity strategies</p> <p>▲ Lead portfolio manager Marc Seidner is supported by fellow portfolio managers Mohsen Fahmi, Daniel Ivascyn and Mohit Mittal</p> <p>▲ The firm's top-down macro view, formed at the Secular Forum, is the driving force in portfolio design</p> <p>▲ Sector allocation and yield curve positioning are determined based on relative value opportunities while security selection is driven by analysts' fundamental and quantitative analysis</p> <p>▲ Derivatives are extensively used to manage portfolio exposure and positioning</p> <p>▲ Portfolios are actively traded, with turnover typically between 200-1,200%</p>
# Holdings	4,207 (26% in Top 10)	712 (11% in Top 10)	1,131 (36% in Top 10)
Turnover	2%	53%	433%
Cash	5%	53%	0%
Non-U.S. Bonds	40% Non-U.S. (46% U.S.)	7% Non-U.S. (37% U.S.)	-45% Non-U.S. (124% U.S.)
Other	3%	3%	16%
Yield (Duration)	2.03% (3.41 years)	0.57% (0.64 years)	2.55% (2.60 years)
Investment Grade	23% AAA; 4% AA; 11% A; 19% BBB	48% AAA; 7% AA; 18% A; 9% BBB	39% AAA; 14% AA; 10% A; 16% BBB
Below Investment Grade	17% BB; 9% B; 4% Below B; 12% Not Rated	4% BB; 7% B; 4% Below B; 3% Not Rated	8% BB; 3% B; 11% CCC
Top Countries	<p>United States (53%)</p> <p>China (9%)</p> <p>United Kingdom (3%)</p> <p>Italy (3%)</p> <p>Indonesia (2%)</p> <p>Ireland (2%)</p> <p>France (2%)</p> <p>India (2%)</p>	<p>United States (84%)</p> <p>Japan (6%)</p> <p>Germany (3%)</p> <p>Switzerland (2%)</p> <p>United Kingdom (1%)</p> <p>Australia (1%)</p> <p>Netherlands (1%)</p> <p>South Korea (1%)</p>	<p>United States (79%)</p> <p>United Kingdom (2%)</p> <p>South Africa (2%)</p> <p>China (2%)</p> <p>Germany (2%)</p> <p>Ireland (1%)</p> <p>Switzerland (1%)</p> <p>Brazil (1%)</p>
Top Broad Sectors	<p>Corporate Bond (24%)</p> <p>Cash & Equivalents (24%)</p> <p>Government (19%)</p> <p>Asset-Backed (11%)</p> <p>Agency Mortgage-Backed (7%)</p>	<p>Cash & Equivalents (52%)</p> <p>Corporate Bond (22%)</p> <p>Agency Mortgage-Backed (9%)</p> <p>Asset-Backed (7%)</p> <p>Bank Loan (4%)</p>	<p>Cash & Equivalents (21%)</p> <p>Agency Mortgage-Backed (18%)</p> <p>Government (14%)</p> <p>Government Related (12%)</p> <p>Corporate Bond (10%)</p>
Expense Ratio	0.76	0.53	0.85
Redemption Fee	N.A.	N.A.	N.A.

Dynamic U.S. Bonds Return, Standard Deviation and Peer Group Comparisons

3/31/2021

Manager or Index	Annual Returns (%) as of 3/31/2021					Calendar Year Returns (%)							Volatility (%) as of 3/31/2021				
	1 Year	3 Year	5 Year	7 Year	10 Year	2021 YTD	2020	2019	2018	2017	2016	2015	1 Year	3 Year	5 Year	7 Year	10 Year
BBgBarc U.S. Aggregate	0.7	4.7	3.1	3.3	3.4	(3.4)	7.5	8.7	0.0	3.5	2.6	0.5	3.6	3.6	3.3	3.1	3.0
BlackRock Strategic Income Opps K	14.2	4.8	4.8	3.6	3.8	0.2	7.3	7.8	(0.5)	5.0	3.7	(0.3)	3.8	5.1	4.0	3.5	3.3
JPMorgan Strategic Income Opports R6	6.0	2.3	3.8	2.5	2.8	0.3	1.8	4.3	0.9	3.5	9.4	(1.9)	1.9	2.9	2.6	2.6	2.7
PIMCO Dynamic Bond Instl	12.1	4.1	5.2	3.5	3.1	0.8	5.4	4.8	2.0	6.4	5.8	(2.2)	2.8	4.0	3.3	3.4	3.1



■ Index (BBgBarc U.S. Aggregate)
■ BlackRock Strategic Income Opps K
▲ JPMorgan Strategic Income Opports R6
● PIMCO Dynamic Bond Instl

Manager or Index	Peer Group Rankings as of 3/31/2021					Calendar Year Peer Group Rank						
	1 Year	3 Year	5 Year	7 Year	10 Year	2021 YTD	2020	2019	2018	2017	2016	2015
BBgBarc U.S. Aggregate	93	15	67	30	21	95	22	26	45	63	91	24
BlackRock Strategic Income Opps K	39	14	27	22	9	48	24	36	49	43	83	37
JPMorgan Strategic Income Opports R6	83	68	55	60	48	43	67	79	25	65	12	65
PIMCO Dynamic Bond Instl	52	27	18	25	33	26	39	73	10	15	39	70

Differentiators	
Batting Average[^] 1) BlackRock (58%) 2) JPMorgan (55%) 3) PIMCO (45%)	Loss Protection (5 Yrs) 1) PIMCO (-27%) 2) JPMorgan (-12%) 3) BlackRock (17%)
High Alpha (5 Yrs) 1) PIMCO (3.8) 2) BlackRock (2.9) 3) JPMorgan (2.4)	Low-to-High Beta (5 Yrs) 1) JPMorgan (0.12) 2) PIMCO (0.14) 3) BlackRock (0.36)

Peer Group Range	Peer Group Spreads as of 3/31/2021					Calendar Year Peer Group Spreads						
	1 Year	3 Year	5 Year	7 Year	10 Year	2021 YTD	2020	2019	2018	2017	2016	2015
10th Percentile	20.2	5.5	5.7	4.2	3.8	2.6	9.6	11.8	2.0	6.7	10.7	2.6
25th Percentile	16.4	4.2	4.8	3.5	3.4	1.1	7.2	8.8	0.9	5.9	7.0	0.5
50th Percentile	12.7	3.1	3.9	2.8	2.7	0.2	4.4	6.5	(0.6)	4.6	5.3	(0.9)
75th Percentile	8.5	1.7	2.6	1.8	2.0	(0.6)	0.6	4.6	(2.6)	2.5	4.2	(2.5)
90th Percentile	2.4	0.3	1.0	0.3	1.3	(2.7)	(5.6)	2.5	(3.9)	1.7	2.7	(4.6)
<i>Top/Bottom Quartile spread</i>	+7.8	+2.5	+2.2	+1.7	+1.4	+1.7	+6.7	+4.2	+3.5	+3.3	+2.8	+3.0

Low Vol (5 Yrs) 1) JPMorgan (2.6) 2) PIMCO (3.3) 3) BlackRock (4.0)	Low-to-High Expense 1) JPMorgan (0.53) 2) BlackRock (0.76) 3) PIMCO (0.85)
---	--

[^]The Batting Average measures the frequency of rolling 3-year period outperformance from the lesser of 10 years or each fund's inception date.

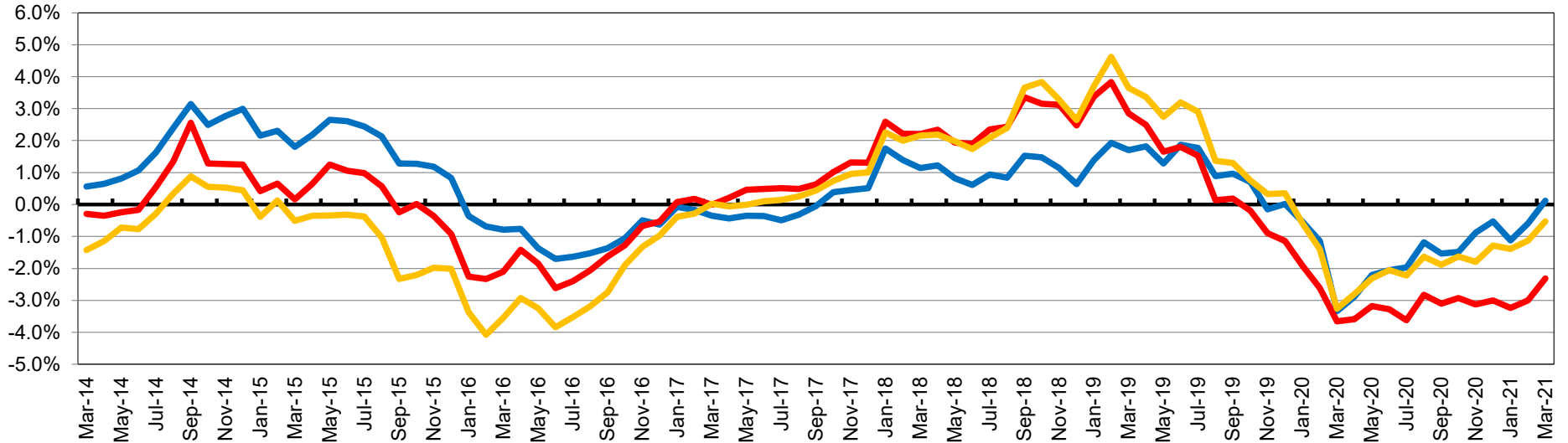
Dynamic U.S. Bonds MPT and Other Quantitative Risk and Return Metrics

3/31/2021

Managers vs. BBgBarc U.S. Aggregate	Past 10-Year Metrics as of 3/31/2021							Past 5-Year Metrics as of 3/31/2021							Max Drawdowns (10 yrs)		
	Correl / R ²	Beta	Alpha (%)	Sharpe Ratio (%)	Track. Error / Info. Ratio (%)	UP Capture	DOWN Capture	Correl / R ²	Beta	Alpha (%)	Sharpe Ratio (%)	Track. Error / Info. Ratio (%)	UP Capture	DOWN Capture	5/2013 - 8/2013	8/2020 - 3/2021	8/2016 - 11/2016
BBgBarc U.S. Aggregate	1 / 1	1	0	0.94	0 / 0	100%	100%	1 / 1	1	0	0.60	0 / 0	100%	100%	-3.7%	-3.6%	-3.3%
BlackRock Strategic Income Opps K	0.27 / 0.07	0.29	2.4	0.97	3.9 / 0.09	67%	13%	0.3 / 0.09	0.36	2.9	0.91	4.4 / 0.38	86%	17%	-1.9%	5.3%	0.9%
JPMorgan Strategic Income Opps R6	0.06 / 0	0.05	2.0	0.81	4 / -0.17	43%	-6%	0.15 / 0.02	0.12	2.4	1.02	3.9 / 0.17	55%	-12%	-0.3%	1.6%	1.9%
PIMCO Dynamic Bond Instl	0.18 / 0.03	0.19	2.0	0.83	3.9 / -0.07	52%	2%	0.15 / 0.02	0.14	3.8	1.23	4.3 / 0.48	71%	-27%	-3.4%	4.3%	1.9%

Managers vs. BBgBarc U.S. Aggregate	Monthly, 12-month and 36-month batting averages vs. BBgBarc U.S. Aggregate for 10 Years (or manager inception date)							Graph Legend		
	1 Month Periods	% + Months	12 Month periods	% + 12-Months	36 Month Periods	% + 36 Months	Return Start Date	BlackRock Strategic Income Opps K	JPMorgan Strategic Income Opps R6	PIMCO Dynamic Bond Instl
BlackRock Strategic Income Opps K	120	61%	109	49%	85	58%	Mar-11	—	—	—
JPMorgan Strategic Income Opps R6	120	54%	109	46%	85	55%	Mar-11	—	—	—
PIMCO Dynamic Bond Instl	120	55%	109	44%	85	45%	Mar-11	—	—	—

Rolling 36-Month Outperformance Versus the BBgBarc U.S. Aggregate





Emerging Markets Equities



Manager Searches: Dynamic Bond & Emerging Market Equities

- At the April 19, 2021 BERS meeting, the Board approved a 10% allocation to Emerging Market Equities (\$24.5 million as of 5/31/2021)
- Given the mandate size and the complexity with Emerging Market Equities, Fiducient recommends that the BERS Board consider engaging one manager within each style of growth and value.
- Fiducient Advisors' manager research team selected the following active managers based on qualitative and quantitative analysis for consideration by the BERS Board:
 - Emerging Markets – Value Equity
 - ARGA Emerging Market Equities
 - PIMCO RAE Emerging Markets
 - RBC Emerging Markets Value Equity
 - Emerging Markets – Growth Equity
 - Baron Emerging Markets
 - GQG Partners Emerging Markets
 - Harding Loevner Instl Emerging Markets

Emerging Markets Value Equity

The Screening Process

The search began with a broad database of diversified emerging markets funds. The following screens were applied with possible exceptions under special circumstances:

- ▲ Assets of sufficient size
- ▲ Limited domestic stock holdings
- ▲ Limited cash holdings
- ▲ Limited bond holdings
- ▲ Emerging markets holdings of at least 65%
- ▲ Sufficient manager tenure
- ▲ Adequate fund inception date
- ▲ Expense ratio less than the Morningstar category group average
- ▲ Consistent and clearly defined investment process
- ▲ Organization: stability of personnel / infrastructure
- ▲ Ability to have loads/sales charges waived
- ▲ Manageable asset size
- ▲ Quantitative analysis includes ranking of the following risk/return scores: 1,3,5 rolling year total return; 3,5 year standard deviation; 3,5 year Sharpe ratio; 3 year Morningstar risk score

Emerging Markets Value Equity

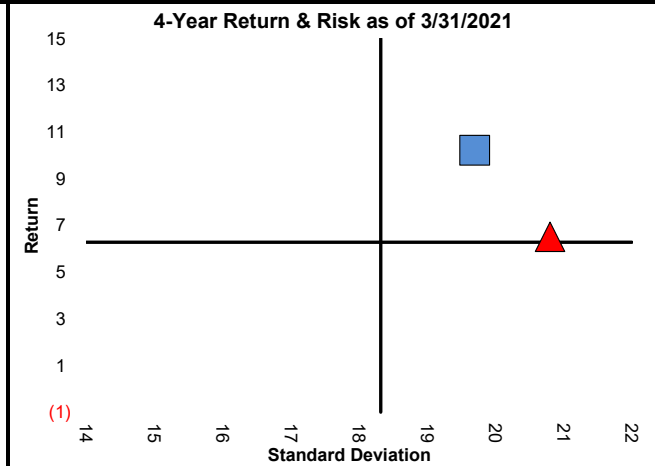
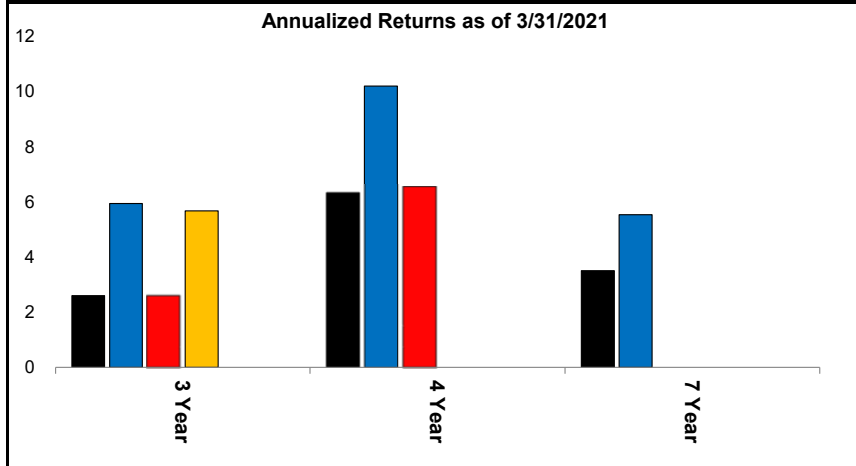
Fund / Manager	ARGA Emerging Markets Equity*	PIMCO RAE Emerging Markets Instl	RBC Emerging Markets Value Equity R6
Manager (Tenure in Years)	Team (7.8)	Team (5.8)	Team (3.3)
Net Assets (\$ Millions)	\$2,779	\$1,776	\$49
Differentiators	<p>▲ Stamford, Connecticut based ARGA Investment Management, LP – founded in 2013 by A. Rama Krishna – manages over \$3.6 billion across various global equity strategies</p> <p>▲ CIO and PM A. Rama Krishna is supported by a team of 10 Global Business Analysts (including 2 co-members of the Portfolio Construction Team (PCT) and the Director of Research), 7 Senior Research Associates and 6 Research Associates</p> <p>▲ Long-term approach that seeks to invest in businesses trading at a discount to intrinsic value based on sustainable earnings power and dividend-paying capability; intrinsic value determined using a multi-stage dividend discount model</p>	<p>▲ Research Affiliates, the sub-advisor, was founded in 2002 by Rob Arnott with a focus on quantitative value strategies</p> <p>▲ Lead Portfolio Managers Rob Arnott and Chris Brightman are supported by a team of research analysts and implementation specialists</p> <p>▲ The strategy selects stocks from its universe to include in the portfolio primarily based on value signals but also based on quality and momentum factors; stocks selected for inclusion in the portfolio are then weighted based on a combination of the model's view of their overall attractiveness and fundamental measures of sales, cash flow, dividends and book value</p> <p>▲ Low turnover portfolio holds approximately 575-700 stocks</p>	<p>▲ RBC Global Asset Management has over \$300 billion in assets under management across multiple asset classes</p> <p>▲ The strategy's founder, Laurence Bensafi, oversees the strategy along with a team of nine other portfolio managers also acting as analysts</p> <p>▲ The team seeks to invest in companies with 20-30% upside, strong balance sheets, and long term catalyst for rerating</p> <p>▲ The strategy supports the bottom-up research process with a top-down thematic based approach that identifies secular trends across industry and geography</p> <p>▲ A benchmark-aware, high conviction portfolio is built that holds 40-90 securities</p>
# Holdings	52 (34% in Top 10)	583 (21% in Top 10)	86 (32% in Top 10)
Turnover	58%	56%	71%
Cash	2%	1%	0%
Non-U.S.	94% (including 70% EM)	99% (including 65% EM)	98% (including 64% EM)
U.S.	4%	0%	1%
P/E & P/B Ratios	11.3x & 0.9x	10.5x & 0.8x	15.3x & 1.3x
Avg Mkt Cap	\$13.9 B	\$13.3 B	\$17.8 B
% Large Cap (style)	71 (57v; 12c; 2g)	65 (46v; 18c; 1g)	63 (23v; 33c; 7g)
% Mid Cap (style)	29 (19v; 9c; 2g)	30 (24v; 6c; 0g)	28 (13v; 14c; 1g)
% Small Cap (style)	0 (0v; 0c; 0g)	4 (4v; 0c; 0g)	9 (7v; 2c; 0g)
Top Countries vs the MSCI Emerging Markets Value	<p>Brazil (+7.5%)</p> <p>South Korea (+6.6%)</p> <p>Poland (+5.5%)</p> <p>United States (+3.7%)</p> <p>Hong Kong (+2.8%)</p>	<p>South Korea (+6.0%)</p> <p>India (+4.7%)</p> <p>Russia (+3.5%)</p> <p>Brazil (+3.1%)</p> <p>Taiwan (+2.8%)</p>	<p>South Korea (+3.4%)</p> <p>South Africa (+2.9%)</p> <p>Hong Kong (+2.6%)</p> <p>United Kingdom (+2.5%)</p> <p>Hungary (+1.8%)</p>
Top Sectors vs the MSCI Emerging Markets Value	<p>Energy (+4%)</p> <p>Utilities (+3%)</p> <p>Financials (+2%)</p> <p>Information Technology (+1%)</p>	<p>Materials (+6%)</p> <p>Energy (+3%)</p> <p>Information Technology (+2%)</p> <p>Utilities (+1%)</p>	<p>Consumer Discretionary (+7%)</p> <p>Industrials (+4%)</p> <p>Information Technology (+3%)</p> <p>Real Estate (+2%)</p>
Expense Ratio	N.A.	0.76	0.88
Management Fee	0.90	N.A.	N.A.
Redemption Fee	N.A.	N.A.	N.A.

*ARGA launched a mutual fund in June 2021 priced at 0.90.

Emerging Markets Value Equity Return, Standard Deviation and Peer Group Comparisons

3/31/2021

Manager or Index	Annual Returns (%) as of 3/31/2021					Calendar Year Returns (%)							Volatility (%) as of 3/31/2021				
	1 Year	3 Year	4 Year	5 Year	7 Year	2021 YTD	2020	2019	2018	2017	2016	2015	1 Year	3 Year	4 Year	5 Year	7 Year
MSCI Emerging Markets Value	52.5	2.6	6.3	8.4	3.5	4.1	5.5	12.0	(10.7)	28.1	14.9	(18.6)	15.9	19.9	18.3	17.1	17.9
ARGA Emerging Markets Equity*	63.7	5.9	10.2	13.3	5.5	6.3	6.3	18.2	(9.2)	37.4	23.8	(19.4)	19.1	22.0	19.7	18.4	20.5
PIMCO RAE Emerging Markets Instl	67.9	2.6	6.5	11.3	N/A	11.2	0.9	13.7	(12.7)	29.3	32.5	N/A	17.3	22.6	20.8	20.2	N/A
RBC Emerging Markets Value Equity R6	75.4	5.7	N/A	N/A	N/A	7.5	18.1	16.1	N/A	N/A	N/A	N/A	14.8	21.8	N/A	N/A	N/A



■/+ Index (MSCI Emerging Markets Value)

■ ARGA Emerging Markets Equity

▲ PIMCO RAE Emerging Markets Instl

● RBC Emerging Markets Value Equity R6

Manager or Index	Peer Group Rankings as of 3/31/2021					Calendar Year Peer Group Rank						
	1 Year	3 Year	4 Year	5 Year	7 Year	2021 YTD	2020	2019	2018	2017	2016	2015
MSCI Emerging Markets Value	87	89	92	88	92	30	91	94	5	84	11	92
ARGA Emerging Markets Equity*	47	55	52	32	71	11	90	71	2	46	2	95
PIMCO RAE Emerging Markets Instl	30	89	91	61	N/A	1	95	90	14	80	1	N/A
RBC Emerging Markets Value Equity R6	13	58	N/A	N/A	N/A	4	48	84	N/A	N/A	N/A	N/A

Differentiators

Batting Average[^] 1) RBC (100%) 2) ARGA (98%) 3) PIMCO (56%)	Loss Protection (4 Yrs) 1) ARGA (93%) 2) PIMCO (106%)
High Alpha (4 Yrs) 1) ARGA (3.7) 2) PIMCO (-0.4)	Low-to-High Beta (4 Yrs) 1) ARGA (1.04) 2) PIMCO (1.11)

Peer Group Range	Peer Group Spreads as of 3/31/2021					Calendar Year Peer Group Spreads						
	1 Year	3 Year	4 Year	5 Year	7 Year	2021 YTD	2020	2019	2018	2017	2016	2015
10th Percentile	78.5	11.8	15.8	16.0	9.4	6.5	33.9	28.3	(12.1)	45.3	16.1	(6.7)
25th Percentile	69.1	9.3	13.2	14.1	8.1	4.7	25.2	25.1	(14.3)	41.2	11.8	(9.7)
50th Percentile	63.0	6.3	10.4	11.7	6.4	2.8	17.8	21.1	(16.2)	36.6	8.6	(13.1)
75th Percentile	55.8	4.3	8.6	10.1	5.3	0.9	11.8	17.7	(18.7)	31.3	4.2	(15.6)
90th Percentile	50.6	2.4	6.7	8.1	3.9	(0.3)	6.3	13.6	(21.2)	26.3	1.4	(17.8)
Top/Bottom Quartile spread	+13.3	+5.1	+4.6	+4.0	+2.8	+3.8	+13.3	+7.5	+4.4	+9.9	+7.5	+6.0

Low Vol (4 Yrs)
1) ARGA (19.7)
2) PIMCO (20.8)

Low-to-High Expense
1) PIMCO (0.76)
2) RBC (0.88)
3) ARGA (0.90)

[^]The Batting Average measures the frequency of rolling 3-year period outperformance from the lesser of 7 years or each fund's inception date.

*Performance reflects composite net of stated fee.

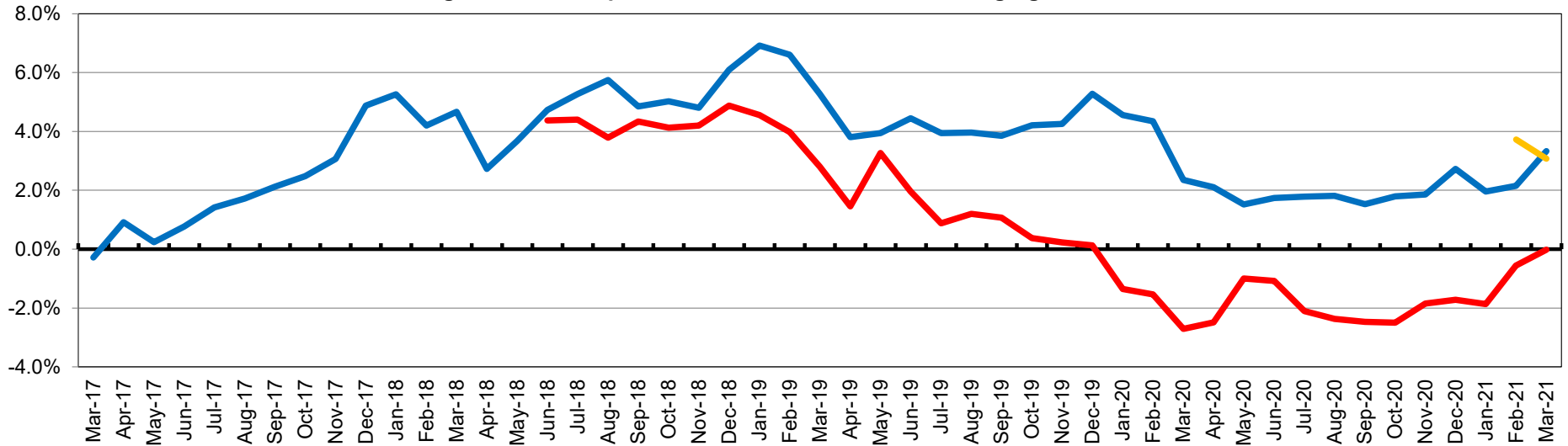
Emerging Markets Value Equity MPT and Other Quantitative Risk and Return Metrics

3/31/2021

Managers vs. MSCI Emerging Markets Value	Past 7-Year Metrics as of 3/31/2021							Past 4-Year Metrics as of 3/31/2021							Max Drawdowns (7 yrs)	
	Correl / R ²	Beta	Alpha (%)	Sharpe Ratio (%)	Track. Error / Info. Ratio (%)	UP Capture	DOWN Capture	Correl / R ²	Beta	Alpha (%)	Sharpe Ratio (%)	Track. Error / Info. Ratio (%)	UP Capture	DOWN Capture	9/2014 - 1/2016	2/2018 - 3/2020
MSCI Emerging Markets Value	1 / 1	1	0	0.15	0 / 0	100%	100%	1 / 1	1	0	0.27	0 / 0	100%	100%	-34.6%	-33.8%
ARGA Emerging Markets Equity*	0.96 / 0.92	1.10	1.8	0.23	6 / 0.34	114%	103%	0.97 / 0.94	1.04	3.7	0.45	4.8 / 0.82	109%	93%	-39.4%	-30.8%
PIMCO RAE Emerging Markets Instl	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.98 / 0.96	1.11	(0.4)	0.25	4.5 / 0.05	108%	106%	N/A	-39.6%
RBC Emerging Markets Value Equity R6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-33.1%

Managers vs. MSCI Emerging Markets Value	Monthly, 12-month and 36-month batting averages vs. MSCI Emerging Markets Value for 7 Years (or manager inception date)							Graph Legend		
	1 Month Periods	% + Months	12 Month periods	% + 12-Months	36 Month Periods	% + 36 Months	Return Start Date	— ARGA Emerging Markets Equity	— PIMCO RAE Emerging Markets Instl	— RBC Emerging Markets Value Equity R6
	ARGA Emerging Markets Equity*	84	56%	73	76%	49	98%	Jun-13	—	—
PIMCO RAE Emerging Markets Instl	69	54%	58	53%	34	56%	Jun-15			
RBC Emerging Markets Value Equity R6	37	68%	26	73%	2	100%	Feb-18			

Rolling 36-Month Outperformance Versus the MSCI Emerging Markets Value



*Performance reflects composite net of stated fee.

Emerging Markets Growth Equity

The Screening Process

The search began with a broad database of diversified emerging markets funds. The following screens were applied with possible exceptions under special circumstances:

- ▲ Assets of sufficient size
- ▲ Limited domestic stock holdings
- ▲ Limited cash holdings
- ▲ Limited bond holdings
- ▲ Emerging markets holdings of at least 65%
- ▲ Sufficient manager tenure
- ▲ Adequate fund inception date
- ▲ Expense ratio less than the Morningstar category group average
- ▲ Consistent and clearly defined investment process
- ▲ Organization: stability of personnel / infrastructure
- ▲ Ability to have loads/sales charges waived
- ▲ Manageable asset size
- ▲ Quantitative analysis includes ranking of the following risk/return scores: 1,3,5 rolling year total return; 3,5 year standard deviation; 3,5 year Sharpe ratio; 3 year Morningstar risk score

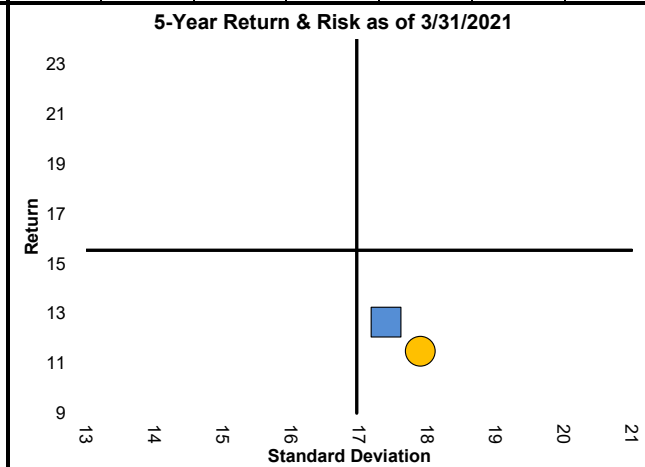
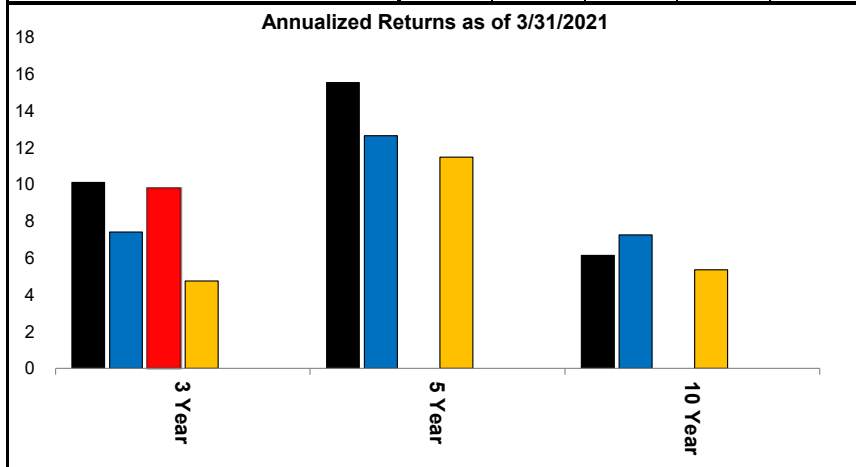
Emerging Markets Growth Equity

Fund / Manager	Baron Emerging Markets R6	GQG Partners Emerging Markets Equity R6	Harding Loevner Instl Emerg Mkts Z
Manager (Tenure in Years)	Team (10.3)	Team (4.3)	Team (14.3)
Net Assets (\$ Millions)	\$7,817	\$7,934	\$6,708
Differentiators	<p>▲ Baron is based in New York, NY with approximately \$40 billion in AUM. The firm is 100% employee-owned with Ron Baron and his family owning more than 90%</p> <p>▲ Lead PM Michael Kass has led the strategy since inception in 2011 and is supported by five dedicated sector analysts</p> <p>▲ The team invests in growth companies using a value-oriented purchase discipline, believing the best opportunities are created when price does not reflect growth prospects. Investments are made using deep fundamental research and valuation criteria based upon what the team believes a business can earn in three to five years.</p> <p>▲ The strategy is a benchmark agnostic all-cap mandate, and sector and industry weightings are incidental to the investment process, typically holding 75-105 positions</p>	<p>▲ GQG is majority owned by founder and CIO Rajiv Jain in partnership with private equity firm Pacific Current Group</p> <p>▲ Mr. Jain is supported by a team of 10+ generalist research analysts who, at the direction of Mr. Jain, conduct bottom up research efforts</p> <p>▲ The team seeks companies with long-term sustainable earnings that the market may misprice due to its short-term focus</p> <p>▲ Quality of companies is an acute objective as defined by limited needs for capital, defensible franchises and high quality management</p> <p>▲ A concentrated portfolio of 50-80 securities is built with little consideration for the benchmark</p>	<p>▲ Harding Loevner was founded in 1989 to manage global and non-US equity portfolios; AMG acquired 60% of the firm in 2009</p> <p>▲ Co-lead portfolio managers Scott Crawshaw and Craig Shaw manage 50% sleeves to encourage non-consensus thinking</p> <p>▲ Bottom-up process seeks high quality businesses in sound industries by ranking industry structure and company fundamentals. CFROI is utilized to rank company fundamentals in order to assess quality, growth and valuation</p> <p>▲ Allocates opportunistically to frontier markets. Investor liquidity is trade date plus three days rather than standard trade date plus one</p>
# Holdings	101 (28% in Top 10)	56 (44% in Top 10)	77 (34% in Top 10)
Turnover	56%	93%	23%
Cash	5%	6%	2%
Non-U.S.	94% (including 78% EM)	89% (including 71% EM)	94% (including 65% EM)
U.S.	1%	5%	4%
P/E & P/B Ratios	29.3x & 3.6x	26.0x & 4.0x	26.0x & 3.0x
Avg Mkt Cap	\$37.7 B	\$128.7 B	\$51.2 B
% Large Cap (style)	91 (13v; 44c; 34g)	98 (15v; 34c; 49g)	85 (18v; 45c; 22g)
% Mid Cap (style)	7 (0v; 4c; 3g)	2 (0v; 1c; 1g)	14 (1v; 9c; 5g)
% Small Cap (style)	2 (1v; 0c; 1g)	0 (0v; 0c; 0g)	1 (1v; 0c; 0g)
Top Countries vs the MSCI Emerging Markets Growth	India (+13.5%) Hong Kong (+4.1%) Brazil (+3.5%) Russia (+2.6%) United Kingdom (+2.2%)	United States (+10.9%) India (+8.3%) Russia (+6.2%) Netherlands (+3.9%) Singapore (+2.4%)	Hong Kong (+6.9%) Russia (+4.8%) Brazil (+3.7%) Mexico (+3.5%) United States (+3.2%)
Top Sectors vs the MSCI Emerging Markets Growth	Financials (+12%) Industrials (+6%) Healthcare (+4%) Materials (+1%)	Financials (+9%) Consumer Staples (+7%) Information Technology (+3%)	Financials (+18%) Industrials (+5%) Consumer Staples (+4%) Energy (+1%)
Expense Ratio	1.09	1.00	1.11
Redemption Fee	N.A.	N.A.	N.A.

Emerging Markets Growth Equity Return, Standard Deviation and Peer Group Comparisons

3/31/2021

Manager or Index	Annual Returns (%) as of 3/31/2021					Calendar Year Returns (%)							Volatility (%) as of 3/31/2021				
	1 Year	3 Year	5 Year	7 Year	10 Year	2021 YTD	2020	2019	2018	2017	2016	2015	1 Year	3 Year	5 Year	7 Year	10 Year
MSCI Emerging Markets Growth	63.8	10.1	15.5	9.5	6.1	0.6	31.3	25.1	(18.3)	46.8	7.6	(11.3)	16.1	19.9	17.0	16.9	17.7
Baron Emerging Markets R6	72.0	7.4	12.6	7.5	7.3	(0.2)	29.3	18.8	(18.5)	40.6	4.2	(11.0)	17.3	20.9	17.4	16.4	16.5
GQG Partners Emerging Markets Equity R6	63.4	9.7	N/A	N/A	N/A	(1.3)	34.0	21.1	(14.7)	32.0	N/A	N/A	16.0	17.5	N/A	N/A	N/A
Harding Loevner Instl Emerg Mkts Z	60.3	4.7	11.5	6.5	5.4	1.8	14.0	26.0	(18.5)	35.8	13.4	(13.3)	14.8	21.8	17.9	17.4	17.6



■ Index (MSCI Emerging Markets Growth)
■ Baron Emerging Markets R6
▲ GQG Partners Emerging Markets Equity R6
● Harding Loevner Instl Emerg Mkts Z

Differentiators	
Batting Average[^]	Loss Protection (5 Yrs)
1) Harding (44%) 2) Baron (40%) 3) GQG (38%)	1) Baron (97%) 2) Harding (101%)

Manager or Index	Peer Group Rankings as of 3/31/2021					Calendar Year Peer Group Rank						
	1 Year	3 Year	5 Year	7 Year	10 Year	2021 YTD	2020	2019	2018	2017	2016	2015
MSCI Emerging Markets Growth	47	18	13	9	15	82	14	25	70	5	56	38
Baron Emerging Markets R6	18	38	38	32	1	89	18	65	72	29	76	36
GQG Partners Emerging Markets Equity R6	48	22	N/A	N/A	N/A	94	9	50	31	72	N/A	N/A
Harding Loevner Instl Emerg Mkts Z	60	69	56	48	28	65	69	22	73	53	14	52

High Alpha (5 Yrs)	Low-to-High Beta (5 Yrs)
1) Baron (-2.4) 2) Harding (-4.0)	1) Baron (0.97) 2) Harding (1.00)

Peer Group Range	Peer Group Spreads as of 3/31/2021					Calendar Year Peer Group Spreads						
	1 Year	3 Year	5 Year	7 Year	10 Year	2021 YTD	2020	2019	2018	2017	2016	2015
10th Percentile	78.5	11.8	16.0	9.4	6.6	6.5	33.9	28.3	(12.1)	45.3	16.1	(6.7)
25th Percentile	69.1	9.3	14.1	8.1	5.5	4.7	25.2	25.1	(14.3)	41.2	11.8	(9.7)
50th Percentile	63.0	6.3	11.7	6.4	4.0	2.8	17.8	21.1	(16.2)	36.6	8.6	(13.1)
75th Percentile	55.8	4.3	10.1	5.3	2.8	0.9	11.8	17.7	(18.7)	31.3	4.2	(15.6)
90th Percentile	50.6	2.4	8.1	3.9	1.9	(0.3)	6.3	13.6	(21.2)	26.3	1.4	(17.8)
Top/Bottom Quartile spread	+13.3	+5.1	+4.0	+2.8	+2.7	+3.8	+13.3	+7.5	+4.4	+9.9	+7.5	+6.0

Low Vol (5 Yrs)	Low-to-High Expense
1) Baron (17.4) 2) Harding (17.9)	1) GQG (1.00) 2) Baron (1.09) 3) Harding (1.11)

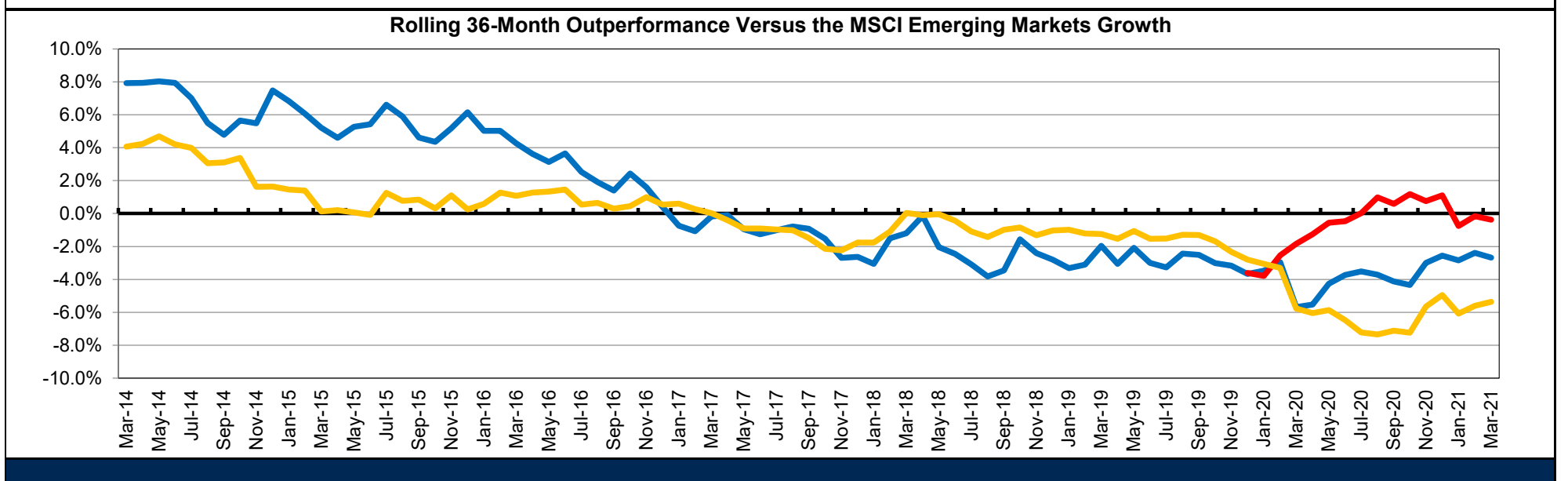
[^]The Batting Average measures the frequency of rolling 3-year period outperformance from the lesser of 10 years or each fund's inception date.

Emerging Markets Growth Equity MPT and Other Quantitative Risk and Return Metrics

3/31/2021

Managers vs. MSCI Emerging Markets Growth	Past 10-Year Metrics as of 3/31/2021							Past 5-Year Metrics as of 3/31/2021							Max Drawdowns (10 yrs)		
	Correl / R ²	Beta	Alpha (%)	Sharpe Ratio (%)	Track. Error / Info. Ratio (%)	UP Capture	DOWN Capture	Correl / R ²	Beta	Alpha (%)	Sharpe Ratio (%)	Track. Error / Info. Ratio (%)	UP Capture	DOWN Capture	5/2011 - 9/2011	2/2018 - 10/2018	5/2015 - 2/2016
MSCI Emerging Markets Growth	1 / 1	1	0	0.31	0 / 0	100%	100%	1 / 1	1	0	0.85	0 / 0	100%	100%	-26.3%	-25.9%	-25.5%
Baron Emerging Markets R6	0.93 / 0.87	0.87	1.8	0.40	6.4 / 0.17	86%	84%	0.94 / 0.89	0.97	(2.4)	0.66	5.8 / -0.5	88%	97%	-18.4%	-23.0%	-20.4%
GQG Partners Emerging Markets Equity R6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-25.7%	N/A
Harding Loevner Instl Emerg Mkts Z	0.96 / 0.91	0.95	(0.5)	0.27	5.2 / -0.15	90%	95%	0.94 / 0.89	1.00	(4.0)	0.58	5.9 / -0.69	87%	101%	-24.1%	-23.9%	-22.6%

Managers vs. MSCI Emerging Markets Growth	Monthly, 12-month and 36-month batting averages vs. MSCI Emerging Markets Growth for 10 Years (or manager inception date)							Graph Legend		
	1 Month Periods	% + Months	12 Month periods	% + 12-Months	36 Month Periods	% + 36 Months	Return Start Date	Baron Emerging Markets R6	GQG Partners Emerging Markets Equity R6	Harding Loevner Instl Emerg Mkts Z
Baron Emerging Markets R6	120	54%	109	53%	85	40%	Mar-11	—	—	—
GQG Partners Emerging Markets Equity R6	51	47%	40	35%	16	38%	Dec-16			
Harding Loevner Instl Emerg Mkts Z	120	43%	109	50%	85	44%	Mar-11			





Emerging Markets Equities

Country Sector Analysis

	Index Weight	Growth						Value				
		Healthcare	Comm. Services	Technology	Consumer Cyclical	Consumer Defensive	Basic Materials	Industrials	Utilities	Financial Services	Energy	Real Estate
China	39.6%	5%	23%	4%	25%	6%	2%	5%	2%	19%	3%	6%
Taiwan	12.9%	0%	4%	61%	3%	3%	8%	5%	0%	16%	1%	0%
Korea	11.7%	5%	8%	50%	8%	6%	6%	6%	1%	9%	1%	0%
India	8.4%	5%	5%	16%	7%	13%	7%	3%	2%	25%	16%	0%
Brazil	4.7%	6%	2%	0%	9%	10%	15%	7%	5%	32%	12%	1%
South Africa	3.7%	4%	41%	0%	5%	4%	16%	1%	0%	24%	2%	3%
Russia	3.3%	0%	2%	0%	0%	4%	20%	0%	1%	19%	53%	0%
Saudi Arabia	2.6%	0%	9%	0%	2%	5%	24%	1%	3%	48%	8%	1%
Thailand	2.3%	6%	11%	0%	5%	15%	10%	12%	10%	10%	16%	4%
Mexico	1.8%	0%	25%	0%	1%	38%	14%	9%	2%	9%	0%	3%

- The three largest countries in the index make up ~65% of the index and have large concentrations in technology related sectors
- The next three largest countries make up only ~17% of the index with large concentrations in financial services
- Bottom four largest countries make up ~10% of the index, mix of growth/value sectors



Emerging Markets Equities

Top 10 Holdings Composition Across Styles

Value	Weighting %
Samsung Electronics	4.07
China Construction Bank	3.28
Ping An Insurance	2.40
Reliance Industries	2.33
China Mobile	2.07
Ind./Com. Bank Of China	1.85
Infosys	1.36
Hon Hai Precision	1.35
Bank Of China	1.27
Baidu	1.16
Total	21.16

Growth	Weighting %
Alibaba	12.47
Tencent	10.92
Taiwan Semiconductor	8.93
Samsung Electronics	4.51
Naspers	2.49
SK Hynix	1.33
JD.com	1.13
Sberbank	1.02
NetEase	0.87
ICICI Bank	0.86
Total	44.51

- As you move further away from Value, concentration in the top 10 holdings becomes larger
- Value has no one stock > 5% of the index weight, less idiosyncratic risk
- Nearly half of the top ten Value stocks are in Financials and Energy
- Growth is dominated by technology



Custody Services



Considerations for Hiring a Custodian

- The Burlington Retirement System portfolio does not currently utilize a custodian as all assets are invested in commingled funds, private investments or directly held mutual funds.
- There are a number of advantages to using a custodian for the BERS portfolio.
 - Custodians will hold all mutual fund assets in the same account and provide full reporting on income, capital gains, transactions, and more.
 - Custodians can receive documentation from commingled funds and private investments in order to “shadow book” all BERS assets and provide one comprehensive accounting report for the entire portfolio.
 - Trading is significantly simplified as additional instructions to wire money to different banks and accounts is unnecessary when trading between mutual funds all in one account.
- If the Board determines that fossil fuel divestment is the most appropriate course of action strategy for BERS, a custodian would be required as the most effective method to divest would demand separate accounts at a custodian to house individual securities.

DEFINITION OF KEY METRICS

- **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.
- **Batting Average**

Batting average is a measure of a manager's consistency. It is calculated as the ratio between the number of periods that a manager outperforms a benchmark and the total number of periods observed. For example, a batting average of 0.60 implies that a manager outperformed its benchmark 6 out of 10 time periods.
- **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 than the market in down markets. It is important to note, however, that a low fund beta does not imply that 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).
- **Information Ratio**

The information ratio is a measure of the excess return per volatility of that excess return. This value is determined by taking the annualized excess return over a benchmark and dividing it by the standard deviation of excess return.
- **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 that 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 the 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.
- **Return**

Time-weighted average annual returns for the time period indicated.
- **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.
- **Volatility (or 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 that 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.
- **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 the 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 annual return.



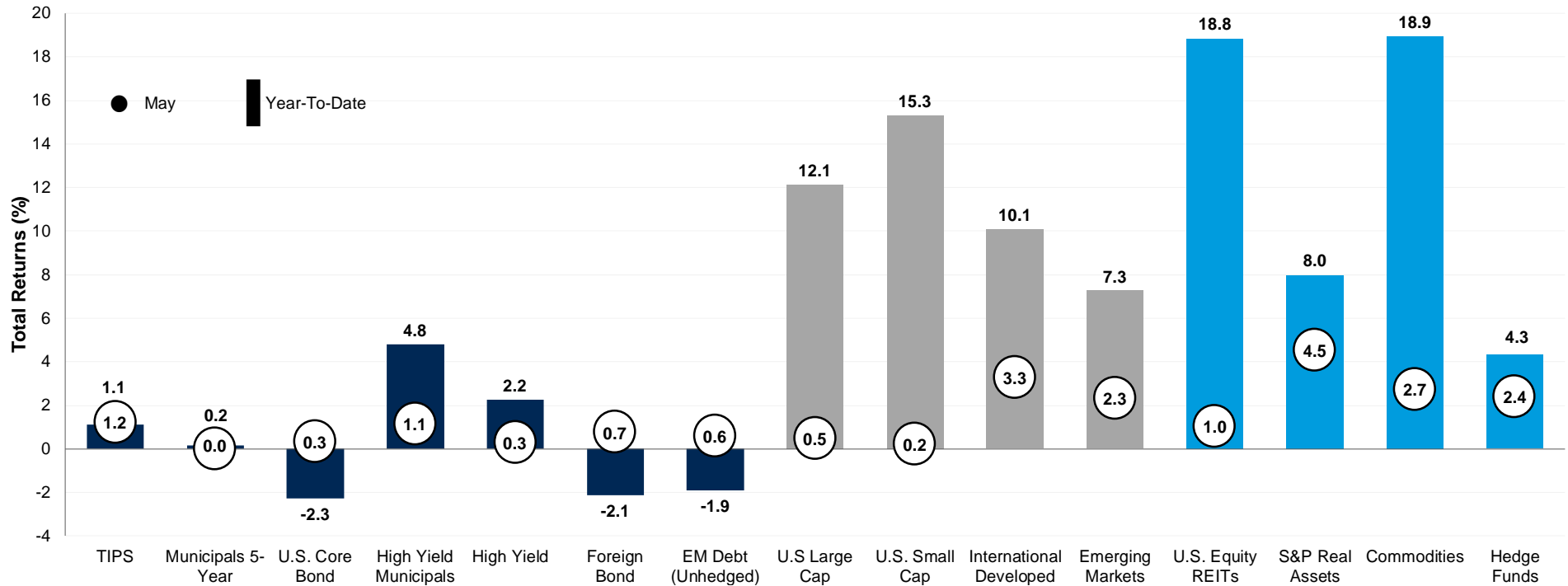
City of Burlington Employees Retirement System

Monthly Performance Update - May 2021

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 prior approval. 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 possibility of a loss.

Asset Class Performance



*Hedge fund returns are lagged 1 month. Sources: Factset, J.P. Morgan, Russell, MSCI, FTSE Russell, Alerian. Hedge Funds returns as of 3/31/21. All other returns as of 5/31/21.

Fixed Income (May)

- + Interest rates moved slightly lower across the curve.
- + Investment grade spreads compressed during the month.
- Conversely, high yield spreads widened in the period amid record setting supply.

Equity (May)

- + Positive 1st quarter earnings reports, investor optimism, and expansionary monetary and fiscal policy continued to help buoy equity markets globally.
- Inflation jumped noticeably in April, coming off a low base in 2020.

Real Asset / Alternatives (May)

- + REITs continued to benefit from increasing demand and low interest rates.
- + Dollar weakness helped international markets and commodities.

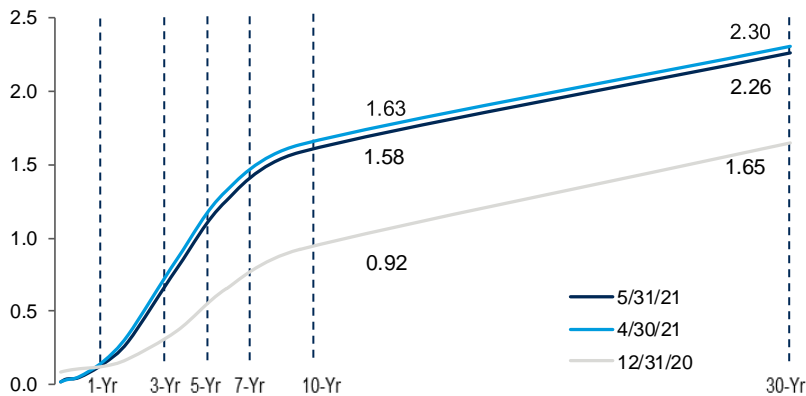
See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.



Fixed Income Market Update

U.S. Treasury Yields Curve

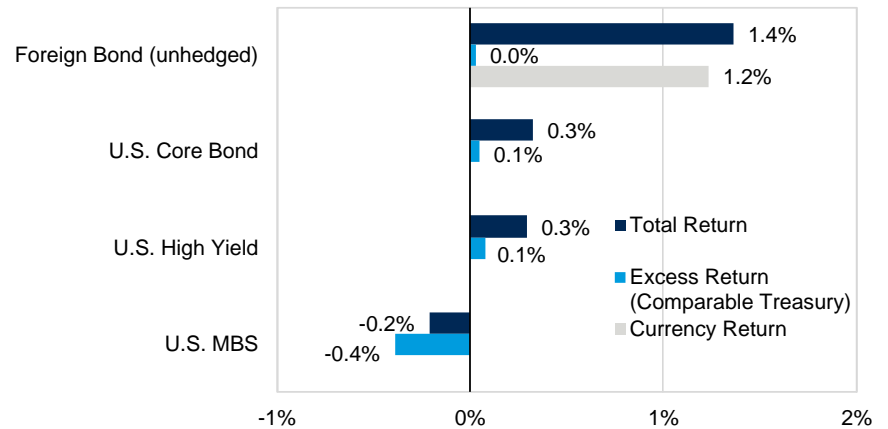
U.S. Treasuries moved lower in May with the 10-year and 30-year rates declining 5bps and 4bps, respectively.



Source: Factset

Index Performance Attribution (May 2021)

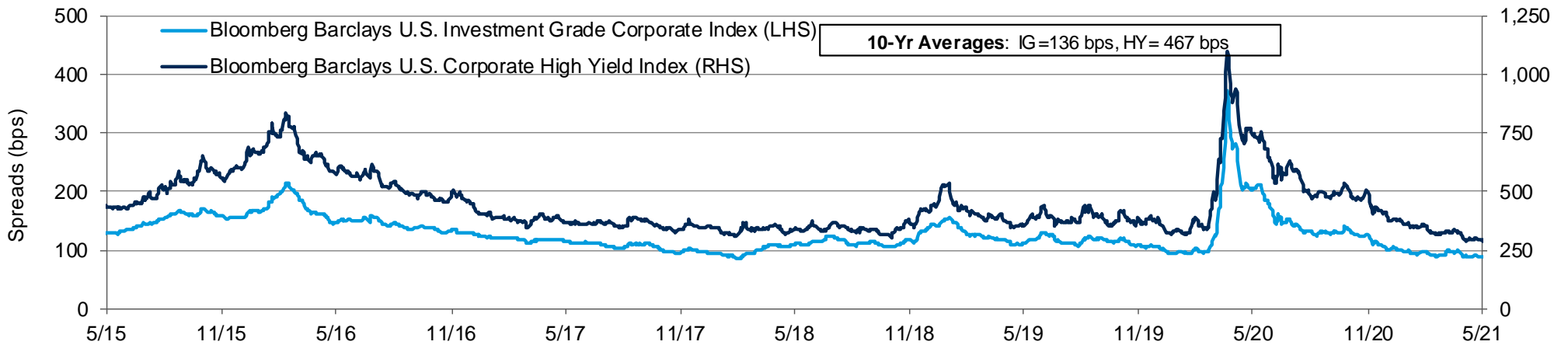
In the U.S., yields drove fixed income performance as spread and interest rate movements were muted in May. Dollar weakness provided a nice tailwind for foreign bonds.



Source: Factset

Credit Market Spreads – Trailing 5 Years

Credit spread movements were mixed during the month. Investment grade spreads declined 4bps, while high yield spreads widened 5bps.



Source: Factset

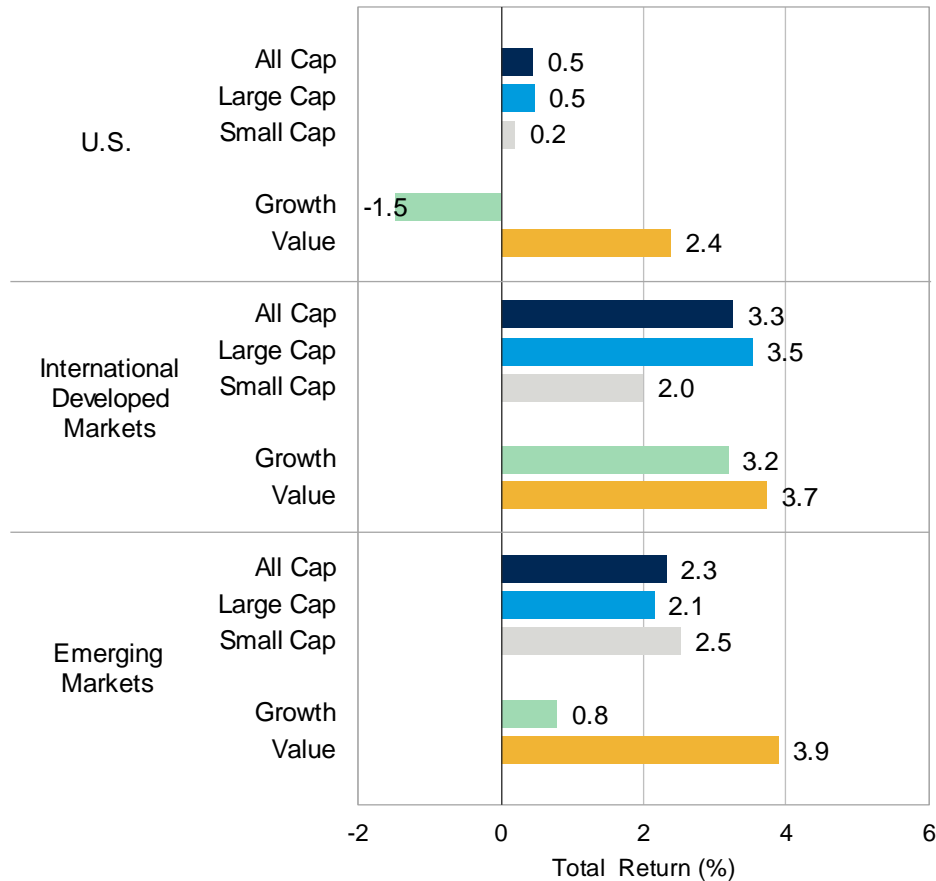
Past performance does not indicate future performance and there is a possibility of a loss.

Equity Market Update



Market Capitalization and Style Performance (May 2021)

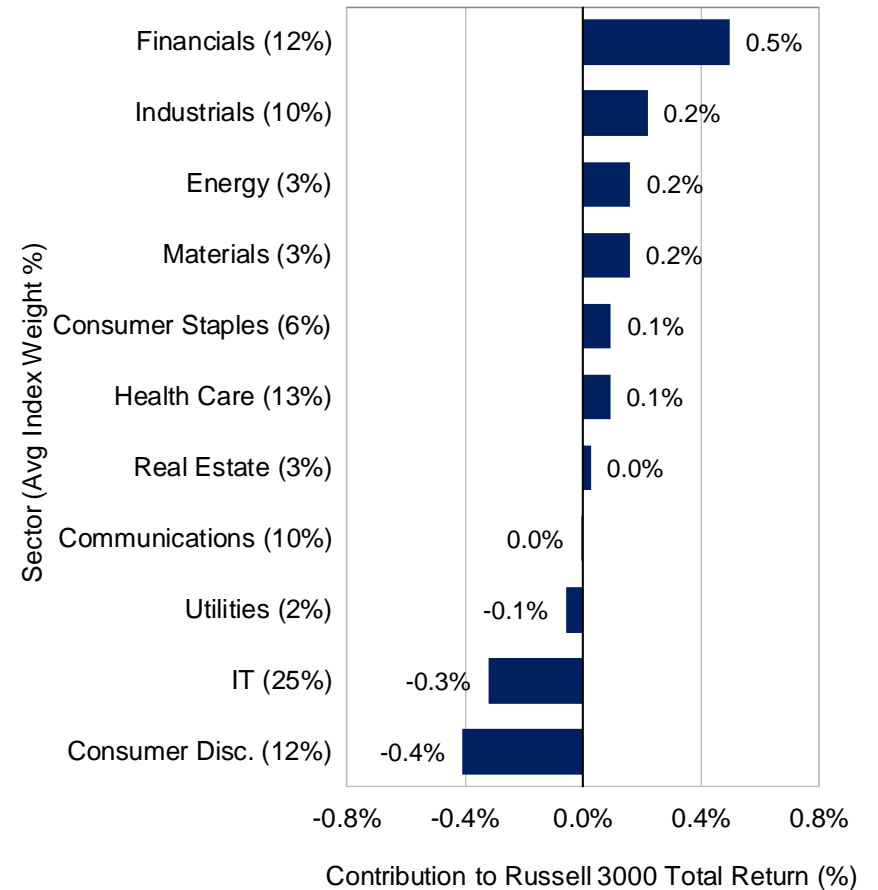
During the month, value stocks outperformed growth stocks, particularly within the U.S. and emerging markets. Small cap stocks underperformed large caps within developed markets, despite favorable relative performance within emerging markets.



Source: Factset

U.S. Equities – Contribution to Return by Sector (May 2021)

U.S. equity performance was mixed across sectors. In a reversal from April, value-oriented sectors led the way with IT and consumer discretionary trailing.



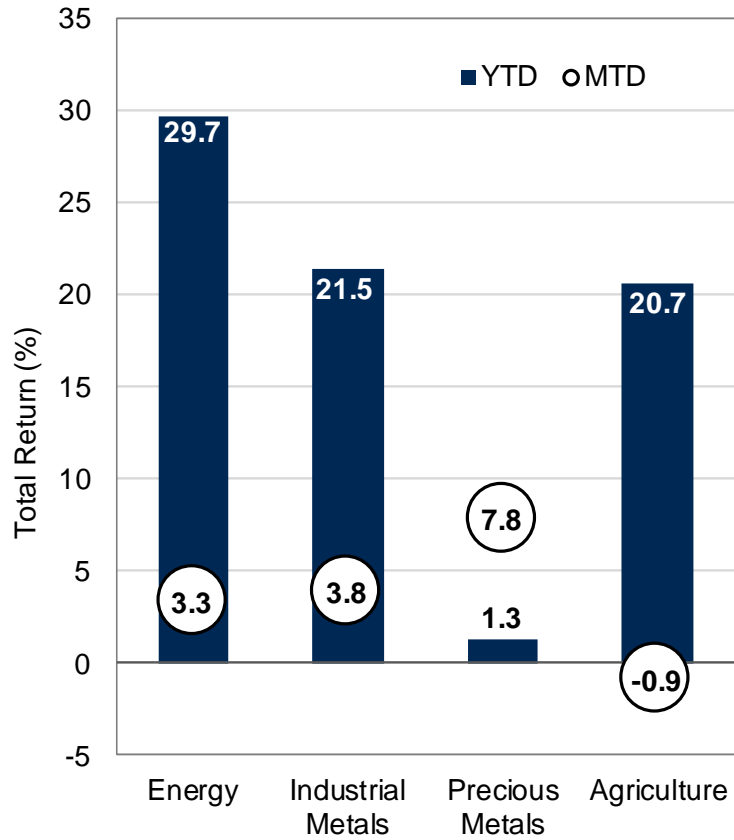
Source: Factset

Past performance does not indicate future performance and there is a possibility of a loss.



Real Assets Performance

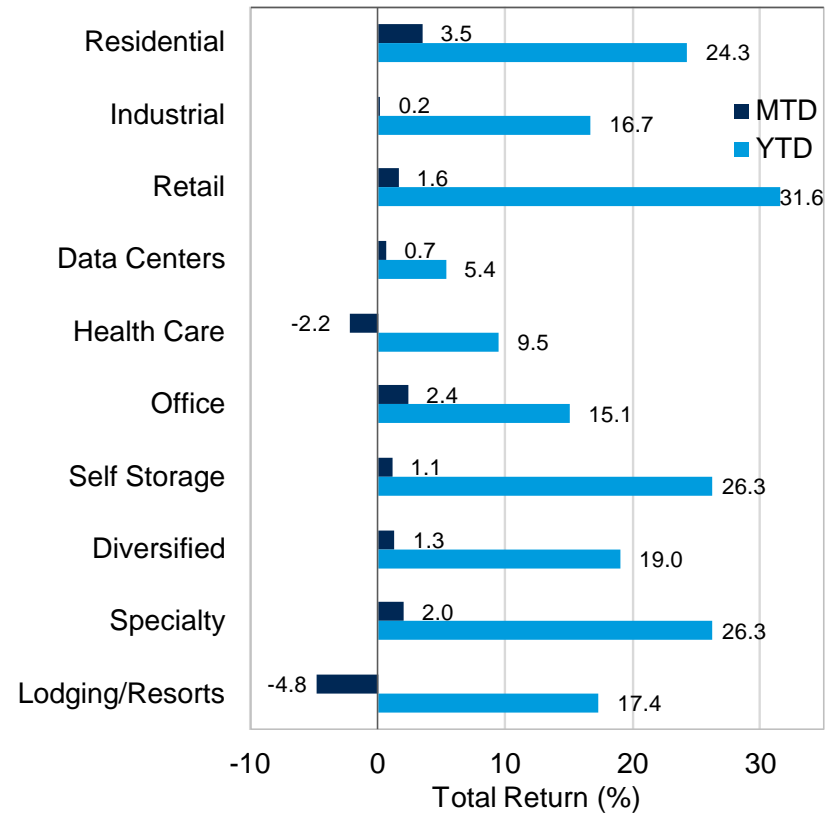
Global commodities, apart from agriculture, continued higher during the month benefitting from higher inflation and favorable supply/demand dynamics.



Source: Factset

REIT Sector Performance

Most REIT sectors generated positive returns in May and continued to benefit from re-opening measures.



Source: Factset

Past performance does not indicate future performance and there is a possibility of a loss.

Financials Markets Performance



Total return as of May 31, 2021
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 Barclays 1-3-Month T-Bill	0.0%	0.0%	0.1%	1.3%	1.1%	0.8%	0.6%	1.0%
Bloomberg Barclays U.S. TIPS	1.2%	1.1%	7.1%	6.5%	4.5%	3.3%	3.4%	4.5%
Bloomberg Barclays Municipal Bond (5 Year)	0.0%	0.2%	2.8%	3.8%	2.6%	2.5%	2.7%	3.7%
Bloomberg Barclays High Yield Municipal Bond	1.1%	4.8%	17.4%	7.3%	6.6%	6.2%	7.0%	5.4%
Bloomberg Barclays U.S. Aggregate	0.3%	-2.3%	-0.4%	5.1%	3.2%	3.2%	3.3%	4.4%
Bloomberg Barclays U.S. Corporate High Yield	0.3%	2.2%	15.0%	7.1%	7.4%	5.4%	6.4%	7.4%
Bloomberg Barclays Global Aggregate ex-U.S. Hedged	0.1%	-1.9%	0.0%	3.9%	3.1%	3.8%	4.1%	4.2%
Bloomberg Barclays Global Aggregate ex-U.S. Unhedged	1.4%	-2.4%	7.9%	3.6%	2.8%	1.1%	1.2%	3.1%
Bloomberg Barclays U.S. Long Gov / Credit	0.8%	-7.9%	-3.8%	8.4%	5.7%	5.8%	6.7%	7.2%
JPMorgan GBI-EM Global Diversified	0.6%	-1.8%	3.0%	#N/A	#N/A	#N/A	#N/A	#N/A
Global Equity Markets	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	0.7%	12.6%	40.3%	18.0%	17.2%	14.1%	14.4%	10.6%
Dow Jones Industrial Average	2.2%	13.8%	38.8%	14.8%	16.9%	13.6%	13.4%	10.6%
NASDAQ Composite	-1.4%	7.0%	46.0%	23.9%	23.9%	19.6%	18.4%	14.2%
Russell 3000	0.5%	12.3%	43.9%	18.0%	17.4%	14.0%	14.2%	10.6%
Russell 1000	0.5%	12.1%	42.7%	18.4%	17.5%	14.1%	14.4%	10.7%
Russell 1000 Growth	-1.4%	6.3%	39.9%	23.0%	22.1%	17.9%	17.0%	13.0%
Russell 1000 Value	2.3%	18.4%	44.4%	12.9%	12.3%	10.0%	11.5%	8.1%
Russell Mid Cap	0.8%	14.6%	50.3%	16.1%	15.4%	12.3%	12.8%	10.4%
Russell Mid Cap Growth	-1.5%	3.4%	37.8%	19.9%	18.9%	14.8%	14.2%	11.6%
Russell Mid Cap Value	2.0%	20.9%	56.6%	12.6%	12.3%	10.1%	11.6%	9.2%
Russell 2000	0.2%	15.3%	64.6%	13.1%	16.0%	11.9%	11.9%	9.4%
Russell 2000 Growth	-2.9%	4.1%	50.1%	14.5%	17.6%	13.3%	12.8%	10.6%
Russell 2000 Value	3.1%	27.5%	79.4%	10.7%	13.8%	10.0%	10.6%	8.0%
MSCI ACWI	1.6%	10.8%	41.8%	13.9%	14.2%	9.8%	9.6%	7.5%
MSCI ACWI ex. U.S.	3.1%	9.9%	42.8%	8.9%	10.9%	5.7%	5.4%	4.9%
MSCI EAFE	3.3%	10.1%	38.4%	8.2%	9.8%	5.3%	5.9%	4.5%
MSCI EAFE Growth	3.0%	6.8%	35.2%	12.0%	12.1%	7.9%	7.6%	6.0%
MSCI EAFE Value	3.5%	13.3%	41.5%	4.1%	7.2%	2.5%	4.0%	2.8%
MSCI EAFE Small Cap	2.0%	10.9%	45.3%	8.3%	11.2%	8.2%	8.4%	6.3%
MSCI Emerging Markets	2.3%	7.3%	51.0%	9.6%	13.9%	6.7%	4.1%	6.6%
Alternatives	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	0.8%	2.0%	4.2%	2.2%	2.2%	1.7%	1.8%	1.9%
FTSE NAREIT Equity REITs	1.0%	18.8%	38.6%	10.7%	7.2%	8.2%	8.8%	7.2%
S&P Real Assets	1.9%	10.0%	26.9%	7.3%	6.9%	4.1%	4.9%	6.0%
FTSE EPRA NAREIT Developed	0.3%	15.2%	24.9%	6.0%	4.6%	7.8%	8.7%	5.9%
FTSE EPRA NAREIT Developed ex U.S.	3.2%	10.0%	33.1%	5.2%	6.6%	4.6%	5.6%	4.4%
Bloomberg Commodity Total Return	2.7%	18.9%	46.2%	2.1%	2.9%	-4.3%	-5.1%	-3.2%
HFRI Fund of Funds Composite*	2.4%	4.3%	22.6%	6.2%	6.0%	4.3%	3.5%	2.9%
HFRI Fund Weighted Composite*	2.5%	8.4%	31.1%	8.3%	7.8%	5.7%	4.7%	4.8%
Alerian MLP	7.6%	40.6%	43.6%	-2.5%	-1.1%	-5.7%	0.7%	5.4%

*One month lag.

Source: FactSet & Morningstar as of 5/31/21. Periods greater than 1 year are annualized. All returns are in U.S. dollar terms.

Asset Allocation

As of May 31, 2021

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	245,871,469	100.0	100.0	0.0
Short Term Liquidity	-3,686,316	-1.5	0.0	-1.5
Key Bank Cash Portfolio	650,742	0.3	0.0	0.3
Pooled Cash	-4,337,059	-1.8	0.0	-1.8
Fixed Income	39,725,308	16.2	20.0	-3.8
JIC Core Bond Fund I	39,725,308	16.2	20.0	-3.8
Equity	194,310,126	79.0	70.0	9.0
Domestic Equity	129,321,363	52.6	48.0	4.6
Mellon Large Cap Core	83,272,195	33.9	30.0	3.9
Mellon Smid Cap Core	46,049,168	18.7	18.0	0.7
International Equity	63,955,251	26.0	20.0	6.0
Mellon EAFE Fund	36,993,507	15.0	10.0	5.0
Mellon Emerging Markets	26,961,744	11.0	10.0	1.0
Private Equity	1,033,512	0.4	2.0	-1.6
Hamilton Lane II	74,773	0.0	-	-
Hamilton Lane VII A	596,313	0.2	-	-
Hamilton Lane VII B	362,426	0.1	-	-
Real Assets	15,522,352	6.3	10.0	-3.7
UBS Trumbull Property Fund	13,575,824	5.5	8.0	-2.5
Molpus SWF II	1,946,528	0.8	2.0	-1.2

Investments with a zero balance were held in the portfolio during the reporting period and will be removed once they no longer impact portfolio performance.
Asset Allocation weightings may not add up to 100% due to rounding.

City of Burlington Employees Retirement System

Performance Update As Of May 31, 2021

Portfolio Performance

	Value	Performance(%)									
		1 Month	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Plan	245,871,469	1.0	4.5	9.0	48.5	11.7	11.8	8.3	7.8	6.2	01/01/2008
<i>Policy Benchmark</i>		<i>0.9</i>	<i>4.0</i>	<i>8.2</i>	<i>31.3</i>	<i>11.9</i>	<i>11.9</i>	<i>9.3</i>	<i>9.5</i>	<i>7.4</i>	

Calendar Year Performance

	2020	2019	2018	2017	2016	2015	2014
Total Plan	12.7	19.1	-5.2	17.0	8.7	-2.2	4.0
<i>Policy Benchmark</i>	<i>14.5</i>	<i>20.6</i>	<i>-5.2</i>	<i>16.9</i>	<i>9.0</i>	<i>-0.2</i>	<i>7.3</i>

Allocation Mandate

	Weight (%)
Dec-2019	
Blmbg. Barc. U.S. Aggregate Index	20.00
S&P 500 Index	32.00
Russell 2500 Index	18.00
MSCI EAFE (Net) Index	10.00
MSCI Emerging Markets (Net) Index	10.00
NCREIF Fund Index - ODCE (net)	8.00
NCREIF Timberland Index	2.00

The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Manager Performance Overview

As of May 31, 2021

	1 Month	QTD	YTD	Jul-2020 To May-2021	1 Year	3 Years
Fixed Income	0.4	1.4	-2.7	-1.6	1.6	4.5
<i>Blmbg. Barc. U.S. Aggregate Index</i>	0.3	1.1	-2.3	-1.0	-0.4	5.1
JIC Core Bond Fund I	0.4 (14)	1.4 (13)	-2.7 (92)	-1.6 (98)	-0.9 (96)	N/A
<i>Blmbg. Barc. U.S. Aggregate Index</i>	0.3	1.1	-2.3	-1.0	-0.4	N/A
IM U.S. Broad Market Core Fixed Income (MF) Median	0.3	1.1	-1.9	0.5	1.7	N/A
Equity	1.2	5.5	12.4	26.6	52.8	11.0
<i>MSCI AC World Index (Net)</i>	1.6	6.0	10.8	37.5	41.8	13.9
Domestic Equity						
Mellon Large Cap Core	0.7 (60)	6.1 (49)	12.6 (56)	37.6 (50)	40.2 (50)	17.9 (32)
<i>S&P 500 Index</i>	0.7	6.1	12.6	37.6	40.3	18.0
IM U.S. Large Cap Core Equity (MF) Median	0.8	6.0	12.9	37.5	40.1	16.9
Mellon Smid Cap Core	0.2 (33)	4.3 (48)	15.7 (47)	56.1 (30)	60.6 (29)	15.2 (44)
<i>Russell 2500 Index</i>	0.2	4.2	15.6	55.9	60.5	15.1
IM U.S. SMID Cap Equity (MF) Median	-0.1	4.1	13.9	51.7	55.5	14.3
International Equity						
Mellon EAFE Fund	3.6 (47)	6.8 (39)	10.6 (64)	34.7 (70)	39.3 (71)	8.8 (42)
<i>MSCI EAFE (Net) Index</i>	3.3	6.4	10.1	33.9	38.4	8.2
IM International Large Cap Core Equity (MF) Median	3.6	6.2	11.2	39.0	44.6	8.4
Mellon Emerging Markets	1.2 (65)	3.8 (56)	6.1 (60)	39.2 (58)	49.4 (54)	9.3 (53)
<i>MSCI Emerging Markets (Net) Index</i>	2.3	4.9	7.3	40.7	51.0	9.6
IM Emerging Markets Equity (MF) Median	1.8	4.0	6.8	40.1	50.2	9.4

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Manager Performance Overview

As of May 31, 2021

	1 Month	QTD	YTD	Jul-2020 To May-2021	1 Year	3 Years
Private Equity						
Hamilton Lane II	0.0	0.0	0.0	2.0	3.7	26.0
Hamilton Lane VII A	0.0	0.0	0.0	7.8	9.2	12.5
Hamilton Lane VII B	0.0	0.0	0.0	4.6	5.5	10.4
Real Assets	0.0	-0.2	0.7	-1.6	-3.8	-1.0
UBS Trumbull Property Fund	0.0	-0.2	0.8	-2.0	-4.5	-1.1
<i>NCREIF Fund Index - ODCE (net)</i>	0.0	0.0	1.9	3.3	1.5	4.0
Molpus SWF II	0.0	0.0	0.0	0.5	0.4	-0.5
<i>NCREIF Timberland Index</i>	0.0	0.0	0.8	1.4	1.5	1.7

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Manager Performance Overview

As of May 31, 2021

	5 Years	7 Years	10 Years	Since Inception	Inception Date
Fixed Income	N/A	N/A	N/A	3.8	01/01/2017
<i>Blmbg. Barc. U.S. Aggregate Index</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>3.9</i>	
JIC Core Bond Fund I	N/A	N/A	N/A	1.7 (62)	03/01/2020
<i>Blmbg. Barc. U.S. Aggregate Index</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>1.0</i>	
IM U.S. Broad Market Core Fixed Income (MF) Median	N/A	N/A	N/A	2.0	
Equity	N/A	N/A	N/A	12.4	01/01/2017
<i>MSCI AC World Index (Net)</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>14.7</i>	
Domestic Equity					
Mellon Large Cap Core	17.1 (25)	N/A	N/A	17.0 (26)	04/01/2016
<i>S&P 500 Index</i>	<i>17.2</i>	<i>N/A</i>	<i>N/A</i>	<i>17.1</i>	
IM U.S. Large Cap Core Equity (MF) Median	16.0	N/A	N/A	16.0	
Mellon Smid Cap Core	16.2 (46)	N/A	N/A	16.4 (46)	04/01/2016
<i>Russell 2500 Index</i>	<i>16.1</i>	<i>N/A</i>	<i>N/A</i>	<i>16.3</i>	
IM U.S. SMID Cap Equity (MF) Median	15.8	N/A	N/A	16.0	
International Equity					
Mellon EAFE Fund	10.3 (31)	N/A	N/A	10.4 (26)	04/01/2016
<i>MSCI EAFE (Net) Index</i>	<i>9.8</i>	<i>N/A</i>	<i>N/A</i>	<i>9.9</i>	
IM International Large Cap Core Equity (MF) Median	9.4	N/A	N/A	9.5	
Mellon Emerging Markets	13.6 (43)	N/A	N/A	12.4 (48)	04/01/2016
<i>MSCI Emerging Markets (Net) Index</i>	<i>13.9</i>	<i>N/A</i>	<i>N/A</i>	<i>12.7</i>	
IM Emerging Markets Equity (MF) Median	13.2	N/A	N/A	12.2	

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Manager Performance Overview

As of May 31, 2021

	5 Years	7 Years	10 Years	Since Inception	Inception Date
Private Equity					
Hamilton Lane II	19.6	17.9	18.0	19.3	03/01/2009
Hamilton Lane VII A	12.0	11.4	N/A	11.8	07/01/2011
Hamilton Lane VII B	10.0	9.8	N/A	11.1	07/01/2011
Real Assets	N/A	N/A	N/A	0.6	01/01/2017
UBS Trumbull Property Fund	N/A	N/A	N/A	1.5	07/01/2016
<i>NCREIF Fund Index - ODCE (net)</i>	N/A	N/A	N/A	5.0	
Molpus SWF II	-0.6	0.8	0.8	1.8	03/01/2009
<i>NCREIF Timberland Index</i>	2.1	3.4	4.3	3.2	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. 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. Composite performance includes all funds held in the composite since inception.

Returns are net of fees unless otherwise stated. Mutual fund performance stated above may differ slightly from the current share class' historical performance due to share class exchanges.

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

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.

ASSET CLASS REPRESENTATIONS

All material and information is intended for Fiducient Advisors L.L.C. business only. Any use or public dissemination outside firm business is prohibited. Information is obtained from a variety of sources which are believed though not guaranteed to be accurate. Any forecast represents future expectations and actual returns, volatilities and correlations will differ from forecasts. Past performance does not indicate future performance. This presentation does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice.

When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise notes. Each index is unmanaged and investors can not actually invest directly into an index:

TIPS: Bloomberg Barclays Global Inflation-Linked: U.S. TIPS Total Return Index Unhedged

Municipals 5-Year: Bloomberg Barclays Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD

Core Bond: Bloomberg Barclays US Agg Total Return Value Unhedged USD

High Yield Municipals: Bloomberg Barclays Muni High Yield Total Return Index Value Unhedged USD

High Yield: Bloomberg Barclays US Corporate High Yield Total Return Index Value Unhedged USD

Foreign Bond: Bloomberg Barclays Global Aggregate ex-USD Total Return Index Value USD (50/50 blend of hedged and unhedged)

EM Debt (unhedged): J.P. Morgan GBI-EM Global Diversified Composite Unhedged USD

U.S. Large Cap: S&P 500 Total Return Index

U.S. Small Cap: Russell 2000 Total Return Index

International Developed: MSCI EAFE Net Total Return USD Index

Emerging Markets: MSCI Emerging Markets Net Total Return USD Index

World: MSCI ACWI Net Total Return USD Index

U.S. Equity REITs: FTSE Nareit Equity REITs Total Return Index USD

S&P Real Assets: S&P Real Assets Total Return Index

Commodities: Bloomberg Commodity Total Return Index

Hedge Funds: Hedge Fund Research HFRI Fund of Funds Composite Index

Balanced: 3% TIPS, 33% Core Bond, 4% High Yield, 2% Foreign Bond, 2% EM Debt (unhedged), 18% U.S. Large Cap, 6% U.S. Small Cap, 16% International, 8% Emerging Markets, 5% U.S. Equity REITs, 3% Commodities

U.S.: MSCI USA Net Total Return USD Index

China: MSCI CHINA Net Total Return USD Index

Japan: MSCI Japan Net Total Return USD Index

Germany: MSCI Germany Net Total Return USD Index

India: MSCI India Net Total Return USD Index

United Kingdom: MSCI UK Net Total Return USD Index

France: MSCI France Net Total Return USD Index

Italy: MSCI Italy Net Total Return USD Index

Brazil: MSCI Brazil Net Total Return USD Index

Canada: MSCI Canada Net Total Return USD Index

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% Bloomberg 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 ACWI ex 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, outperforming 75%.
- **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 than 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 the 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 annual 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 dividing it by 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 Fiducient Advisors 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 settlement 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 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.

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 Fiducient Advisors or your custodian immediately.