



## Watertown Contributory Retirement System

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### Quarterly Investment Review - Second Quarter 2023

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*Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice. Past performance does not indicate future performance and there is risk of loss.*



# Fiducient Advisors Update



## Retirement Plans



## Endowments & Foundations



## The Wealth Office®

### Featured Insights

- Webcast: Stable Value vs. Money Market Funds
- Target Date Year in Review
- Plan Sponsor News

### Coming Soon

- Pension Pulse Newsletter
- The Public Fiduciary Newsletter

### Featured Insights

- Nonprofit Investment Stewards Podcast

### Coming Soon

- Steward Newsletter

### Featured Insights

- Blog: Don't Let Healthcare Costs Derail a Healthy Retirement
- Blog: Shield Your Wealth – Seven Steps to Better Protect Your Financial Information
- Blog: Preparing for Rising College Costs: Start Early & Save Often



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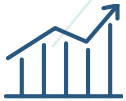




# Fiducient Advisors Update



We are excited to announce **Sabrina Bailey** joins Fiducient Advisors as our new Chief Executive Officer effective July 31, 2023. As part of the firm's well-planned and thoughtful long-term succession plan, our current CEO, Bob DiMeo, ascends to Chairman and remains active in the firm serving clients, working on business development, mentoring younger colleagues and participating in high-level strategy. Sabrina most recently joins the firm from the London Stock Exchange Group, plc (LSEG) where she served as the Global Head, Investment and Wealth Solutions. She held previous leadership roles within the Investment Consulting divisions of Mercer International, Willis Towers Watson and Northern Trust.



## Research Insights

- Monthly Market Recaps
- Monthly Market Updates
  - *Relief From the May-hem? - May*
  - *The Fed Effect - April*
- Mid-Year Capital Markets Outlook
- Marketable Alternatives Mid-Year Update
- Webcast: Fiducient Speaker Series with Jared Franz of Capital Group
- Private Markets Annual Update
- The Next Chapter in the Active vs. Passive Debate

## 2023 New Associates – Welcome!

**Claire Ellis**  
Consulting Analyst

**Brooke Robinson**  
Consulting Analyst

**Alejandro Rodriguez**  
Senior Research Associate

*As of June 26, 2023.*

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## Fiduciary Governance Calendar



# Fiduciary Governance Calendar



\*Liquidity analysis is provided only for portfolios with marketable alternatives and/or private equity.

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



# Investment Policy Statement

A well-written Investment Policy Statement serves as the blueprint for the management of the investment program. As such, there are certain criteria that are required in an IPS, and other criteria that may or may not be included based on the organization's circumstances:

## Important elements of an IPS to consider:

Investment objective(s)	✓
Assignment of responsibilities	✓
Asset allocation framework	✓
Rebalancing guidelines	✓
Selection and monitoring criteria for investment strategies	✓
Termination guidelines for investment strategies	✓
Proxy Voting	✓

*In the following pages, you will find the most recent IPS on file for the Watertown Retirement System.*

- The body of the IPS and the asset allocation table in Appendix A are as of August 2020.
- The IPS was most recently reviewed/approved by the Investment Committee in August 2022.
- We are recommending updates to the asset allocation table in Appendix A of the IPS, as shown in the redlined sections in the following pages. These changes would align the IPS with the long-term target allocation changes made at the beginning of 2023.

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**August ~~2020~~2023**

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## INTRODUCTION AND PURPOSE

The Watertown Contributory Retirement System (the “Plan”) has been established to provide retirement income for the town’s eligible employees and their beneficiaries. The Retirement System is a governmental qualified defined benefit plan governed by Massachusetts General Laws, Chapter 32, and subject to the fiduciary standards set forth in M.G.L. c. 32 s. 23 (3). The Plan is also subject to investment restrictions imposed by Massachusetts General Laws and the Investment Regulations (840 CMR) of the Public Employee Retirement Administration Commission (PERAC).

This policy statement outlines the goals and investment objectives for the Plan. This document is also intended to provide guidelines for managing the Plan, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

- Describes the investment objectives of the Plan;
- Defines the responsibilities of the Board and other parties responsible for the management of the Plan;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets;
- Specifies the criteria for evaluating the performance of the investment managers and of the Plan as a whole.

## INVESTMENT OBJECTIVE

The Plan’s assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of the Plan, the Board has taken into account the financial needs and circumstances of the Plan, the time horizon available for investment, the nature of the Plan’s cash flows and liabilities, and other factors that affect their risk tolerance. Consistent with this effort, the Board has determined that the investment of these assets shall be guided by the following underlying goals:

- To achieve the stated actuarial target of the Plan;
- To maintain sufficient liquidity to meet the obligations of the Plan;
- To diversify the assets of the Plan in order to reduce risk;
- To achieve investment results over the long-term that compare favorably with those of other pension Plans, professionally managed portfolios and to appropriate market indexes.



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**ASSIGNMENT OF RESPONSIBILITIES**

**Retirement Board** - The Watertown Retirement Board (the “Board”) is charged with the responsibility of overseeing the assets of the Plan. To that end, the Board’s responsibilities include: establishing and maintaining the Plan’s investment policy, objectives and portfolio guidelines with respect to asset allocation, risk parameters, and return evaluation and for specific interpretation of said investment policy, as well as selecting the investment vehicles, and periodically monitoring the performance of the investments. The Board, however, may establish rules or other resolutions governing its investment policy and may delegate to the Board members or agents, the authority to act. The Board will meet periodically. As set forth in M.G.L. c.32 s.23 (3) and 840 CMR 1.00, the Board shall discharge its duties “with the care, skill, prudence and diligence appropriate to the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims and by diversifying the investments of the system so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so”. The Board recognizes that some risk must be assumed to achieve the Plan’s long-term investment objectives.

**Investment Consultant** - The Board may engage the services of an Investment Consultant. The Investment Consultant’s role is that of a non-discretionary advisor to the Board. The Investment Consultant will assist in the development and periodic review of an Investment Policy Statement and the Plan’s asset allocation, conduct manager searches when necessary, monitor the performance of the managers/funds, and communicate on other matters of relevance to the oversight of the Plan.

**Custodian(s)** - The Custodian is responsible for the safekeeping and custody of assets. The Custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plan, collect dividends and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plan (for example, to accommodate distribution needs).

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**ASSET ALLOCATION**

The asset allocation target ranges set forth in Appendix A represent a long-term view. Market volatility may cause the asset mix to fall outside the targeted range.

**REBALANCING**

The Board, at its discretion, may or may not institute rebalancing as necessary. Such adjustments should be made with consideration to turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

**SELECTION CRITERIA FOR INVESTMENT MANAGERS/FUNDS**

The Board intends to delegate the investment management of the System's assets to qualified investment managers as set forth in Massachusetts General Laws, Chapter 32, Sections 23(2)(b) and 23B. The Board shall utilize a competitive process for the evaluation and selection qualified investment managers in compliance with the procurement provisions of M.G.L. Ch.32, section 23B. Investment managers retained by the Plan shall be chosen using various criteria, including but not limited to the following:

- Past results, considered relative to appropriate indexes and other investments having similar investment objectives with consideration granted to consistency of performance and the level of risk taken to achieve results;
- The investment style and discipline of the investment manager;
- How well the manager's investment style or approach complements other assets in the Plan;
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund;

The Plan will utilize a multi-manager structure of complementary investment styles and asset classes to invest the Plan's assets.

Should additional contributions and/or market value growth permit, the Board may retain additional investment managers to invest the assets of the Plan. Additional managers would be expected to diversify the Plan by investment style, asset class, and management structure and thereby enhance the probability of the Plan achieving its long-term investment objectives.

**SECURITIES GUIDELINES**

The Plan's investments may include separately managed accounts and/or mutual funds/commingled funds and exchange traded funds. The Board understands that managers have full responsibility for security selection, diversification, turnover and allocation of

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holdings among selected securities and industry groups, as particularly detailed in the investment policy statement of each of the Plan's separately managed accounts or in the prospectus/offering memorandum for each mutual fund/commingled fund/exchange traded funds in the portfolio.

The investment manager(s) are expected to carry out fiduciary obligations with respect to the Plan's assets in accordance with Massachusetts General Laws Chapter 32, Section 23(3) and the investment regulations promulgated by the Public Employees Retirement Administration Commission (PERAC 840 CMR). Managers are expected to be cognizant and comply with all Massachusetts General Laws and the Investment Regulations (840 CMR) promulgated by the Public Employee Retirement Administration Commission (PERAC).

Massachusetts General Laws, Chapter 32, Section 23(2)(h) prohibits investment directly in mortgages or in collateral loans, and places limitations on investment in certain companies doing business in South Africa or Northern Ireland.

Chapter 119 of the Acts of 1997 prohibits Massachusetts retirement systems from making any new investments in stocks, securities, or other obligations of any company which derives more than 15% of its revenue from the sale of tobacco products. PERAC issues a "Tobacco Company List", and updated the list periodically. The list is available by contacting the Retirement Board, or by download at PERAC's website ([www.mass.gov/perac](http://www.mass.gov/perac)). In applying the statute to pooled funds, PERAC will assess the 15% rule against the entire pool. Thus a pooled fund, if in violation of this standard, will be included on this list. It is the responsibility of each investment manager to obtain and review of copy of the list, as updates are issued.

With respect to mutual/commingled funds, the Board may consider the following to insure proper diversification and function for each of the funds:

1. The mutual fund/commingled pool organizations selected should demonstrate: (a) a clearly defined investment philosophy; (b) a consistent investment process; (c) an experienced and stable organization; and (d) cost-effectiveness
2. The mutual fund/commingled pool used will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
3. Each mutual fund/commingled pool will be regularly evaluated for proper diversity and each will provide material information on a timely basis.

### **PROXY VOTING**

Each investment manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies in the best interest of the Plan. A copy of each

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firm's guidelines, and/or summary of proxy votes shall be provided to the Board upon request.

### **INVESTMENT MONITORING AND REPORTING**

The Board will periodically review performance of the investments in the Plan. Performance monitoring is the mechanism for revisiting the investment selection process and confirming that the criteria originally satisfied remain intact and that an investment continues to be appropriate for the Plan. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a periodic basis. The monitoring process will utilize the same criteria that formed the basis of the investment selection decision. In addition, a set of "watch list criteria" may be employed to track important quantitative and qualitative elements, assist in the evaluation process, and focus the Board on potential areas of concern.

Watch list criteria may include the following:

- Performance relative to benchmark performance over various time frames;
- Deterioration of risk-adjusted performance;
- Notable style drift / change in investment objective;
- Relative investment management fees;
- Significant organizational or manager change.

In addition, the Board shall meet with its qualified investment manager(s) at least annually and require investment managers to report to the Board, on a quarterly basis, with a comprehensive written review of investment performance, a review of the System's investments, and a report on the investment manager's current investment outlook and future strategy. The annual investment review process will utilize the same criteria that formed the basis of the investment selection decision.

### **TERMINATION OF AN INVESTMENT MANAGER OR FUND**

A manager/fund may be terminated when the Board has lost confidence in the manager's ability to:

- Achieve performance and risk objectives;
- Comply with investment guidelines;
- Comply with reporting requirements;
- Maintain a stable organization and retain key investment professionals.

There are no hard and fast rules for manager termination. However, if the investment manager has consistently failed to adhere to one or more of the above conditions,

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termination may be considered. Failure to remedy the circumstances of unsatisfactory performance by the manager/fund, within a reasonable time, may be grounds for termination.

**APPROVAL**

It is understood that this investment policy is to be reviewed periodically by the Board to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, actuarial assumptions, risk tolerance, or changes involving the investment managers. The Board shall notify PERAC, as required by 840 CMR 18.03, of any changes to its investment objectives within ten days of the effective date, if applicable, and by the end of each calendar year whether or not any changes were made in the investment objectives.

This Investment Policy Statement has been adopted by the Watertown Retirement Board on August ~~18, 2020~~ 17, 2023.

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**Appendix A**

**Target Asset Allocation Table**

Asset Class	Min Weight	Target Weight	Max Weight	Benchmark Index
Short Term Money Market	0.0%	0.0%	5.0%	90-Day T-Bill
<b>Fixed Income</b>				
Core Fixed Income	<del>10.0%</del> 15.0%	<del>13.0%</del> 30.5%	<del>25.0%</del> 45.0%	Bloomberg Barclays Aggregate Index
High Yield Fixed Income	0.0%	<del>0.0%</del> 2.0%	5.0%	BofA Merrill Lynch U.S. HY Master II Constrained Index
Global Fixed Income	0.0%	<del>2.0%</del> 2.5%	5.0%	Citigroup World Government Bond Index
<b>Global Asset Allocation</b>				
<del>Global Multi-Asset</del>	<del>0.0</del>	<del>6.0%</del>	<del>12.0%</del>	<del>Custom Benchmark</del>
<b>Domestic Equity</b>				
Domestic Large Cap	<del>15.0%</del> 10.0%	<del>19.0%</del> 18.5%	<del>40.0%</del> 35.0%	S&P 500 Index
<del>Domestic Mid Cap</del>	<del>0.0%</del>	<del>5.0%</del>	<del>15.0%</del>	<del>Russell Mid Cap Index</del>
Domestic Small Cap	0.0%	5.0%	<del>12.5%</del> 10.0%	Russell 2000 Index
<b>International Equity</b>				
International Large Cap	<del>10.0%</del> 5.0%	<del>17.5%</del> 9.5%	<del>35.0%</del> 25.0%	MSCI ACWI ex-US Index
International Small Cap	0.0%	<del>2.5%</del> 1.5%	5.0%	MSCI EAFE Small Cap Index
International Emerging Markets	0.0%	<del>5.0%</del> 5.5%	10.0%	MSCI Emerging Markets Index
Real Estate	5.0%	10.0%	<del>12.5%</del> 15.0%	Custom Benchmark
Hedge Funds	<del>5.0%</del> 0.0%	5.0%	10.0%	HFRI Fund of Funds Composite Index
Private Equity	<del>3.0%</del> 5.0%	10.0%	<del>10.0%</del> 15.0%	Russell 3000 Index

Custom benchmarks, where noted, represent a weighted average blend of the strategy specific benchmarks that may change from time to time depending on the allocations and appropriateness of the benchmarks of the underlying strategies.



# Governance & Oversight

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- While governmental plans are not subject to Title I of ERISA, which deals with fiduciary duties, they are subject to applicable provisions in the Internal Revenue Code (“Code”) and state laws.
- Legislative history suggests that the satisfaction of ERISA rules would be sufficient to satisfy the Code requirements.
- The “exclusive benefit rule” under IRC Section 401(a)(2) has been interpreted to mean exercise of prudence in the investment of plan assets is a requirement.
- Many states have adopted “prudent investor” language, which includes many of the basic ERISA fiduciary principles (including duty of loyalty, duty of prudence, duty to diversify).

## “Five Key Duties”

### **Duty of Loyalty:**

Act exclusively in the interest of plan participants and beneficiaries

### **Duty of Prudence:**

Act in accordance with the “prudent expert rule”

### **Duty to Diversify Investments:**

Diversify the portfolio options to balance risk

### **Duty to Follow Plan Documents:**

Follow the plan provisions and policies governing the plan

### **Duty to Avoid Prohibited Transactions:**

Ensure legal and appropriate transactions and be free from conflict



# Committee/Board Best Practices

## Structure/Makeup

- **Leadership**
  - ✓ Effective leader with the ability to see the big picture and set the direction to achieve the Plan's objectives
  - ✓ Keeps meetings running smoothly and efficiently, guides discussion, encourages participation
- **Committee/Board Makeup**
  - ✓ Controlled turnover leads to well-informed Committee/Board members with institutional memory
  - ✓ Diversity (of age, gender, economic background, profession, etc.) fosters lively discussion and varied points of view
  - ✓ Large enough to promote meaningful discussion/debate, but small enough to reach consensus
  - ✓ Seek ongoing Committee/Board education to enable members to make informed decisions.

## Governance

- **Meeting Frequency/Attendance**
  - ✓ Meetings must be frequent enough for the Committee/Board to fulfill its duties, not so frequent as to discourage attendance
  - ✓ Meeting attendance is expected, member participation should be encouraged
- **Meeting Preparation**
  - ✓ Use of a formal agenda leads to a structured, efficient meeting
  - ✓ Materials should be sent in advance and reviewed by all members prior to the meeting
- **Governance Calendar**
  - ✓ Ensures that significant fiduciary responsibilities/obligations are reviewed on a regular basis, including fees
  - ✓ Allows for a structured long-term approach in the face of potential short-term "fire drills"

## Documentation

- **Investment Policy Statement**
  - ✓ Serves as the Committee's/Board's blueprint
  - ✓ Outlines roles and responsibilities of the Committee/Board members and other parties
  - ✓ Establishes formal procedures for hiring/terminating managers, evaluating performance, etc.
- **Meeting minutes**
  - ✓ Should be reviewed and approved by all Committee/Board members on a timely basis
  - ✓ Provide historical context for why/how decisions were made and educate newer members on past decisions
- **Clearly outlined goals and objectives**
  - ✓ Require well-defined methods for evaluation

Note: This is not meant to be a complete list of all fiduciary duties and responsibilities. Please consult your legal advisor for advice about your specific situation.





# Actuarial Review

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Watertown Retirement System		
	1/1/2022	1/1/2021
Actuarial Value of Assets	260,164,732	237,309,997
Total Accrued Liability	251,018,257	241,307,763
Funded Ratio	103.6%	98.3%
Actuarial Return Assumption	7.70%	7.75%

Source: Sherman Actuarial Services, 2022 Valuation Report



## Capital Markets Overview

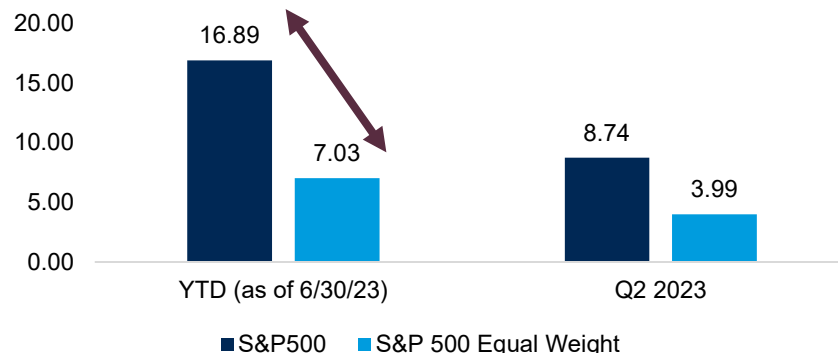


# Market Themes

1. The S&P 500 continued its Q1 rally through June led by a narrow band of securities. The technology and artificial intelligence heavy rally has pushed the NASDAQ up an impressive 32% YTD helping propel large cap U.S. stocks up for the quarter.
2. One of the most anticipated recessions of all time has yet to materialize, though risks are rising. Continued contraction in leading economic indicators along with tighter financial conditions point to greater potential for slower economic growth.
3. Q2 data continued the moderating inflation trend with the Consumer Price Index hitting 4% for the first time since 2021. This supports our view the Fed is nearer, if not at, the terminal Fed Funds rate.

## S&P 500 Index Return: The Power of Concentration

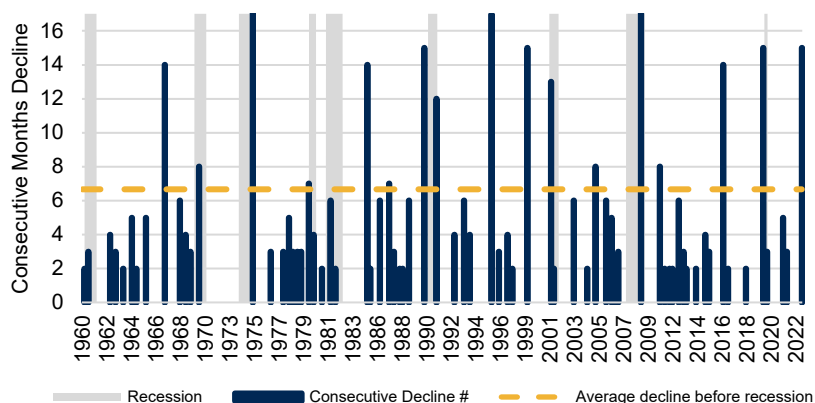
Today, the top five constituents of the S&P 500 make up 22.4% of the index and has driven 56% of returns YTD. This is the highest level of concentration in the past five years and over eight percent higher than the dot com bubble.



Source: Morningstar, Fiducient Advisors analysis June 30, 2023

## Leading Indicators Have Contracted

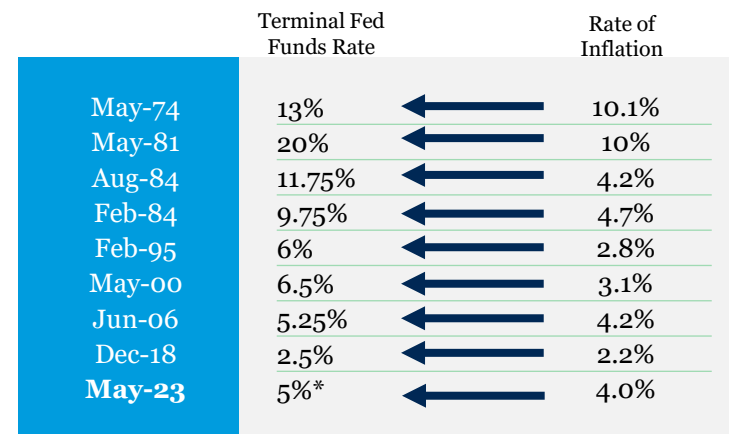
The LEI index has contracted 15 consecutive months, well in excess of the recessionary "redzone" which begins to draw attention after six months of declines.



Source: Factset, Fiducient Advisors analysis June 30, 2023

## Light at the End of the Tunnel

Past rate hiking cycles in the U.S. ended after the terminal Fed Funds Rate exceeded inflation. The Fed Funds Rate surpassed the annual inflation rate in May marking the first time in this cycle this has occurred.



Source: Stategous June 30, 2023

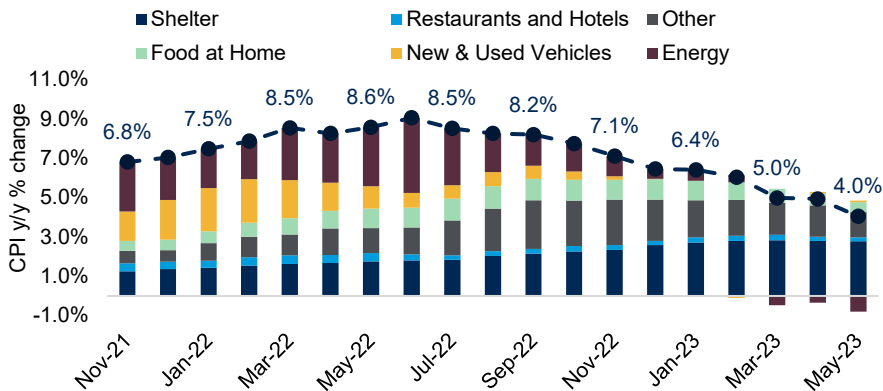
\*5% is the Fed Funds Rate of of June 30, 2023. It does not imply 5% will be the terminal rate



# Economic Review

## U.S Inflation – Contribution by Component

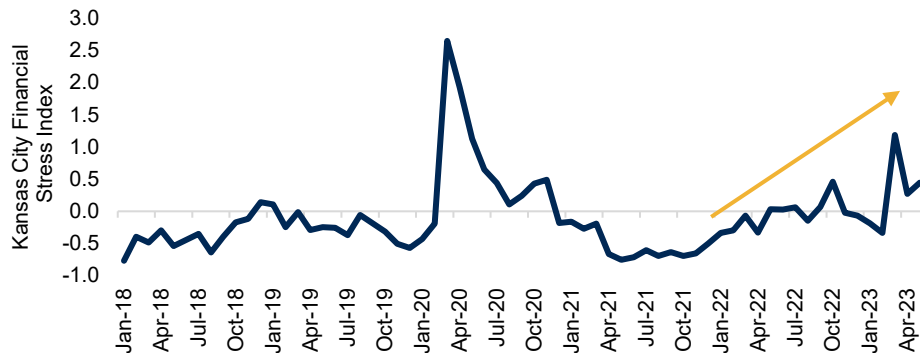
U.S. inflation hit 4%, the first time since 2021. Shelter contributed almost 70% to the May 2023 reading, up from 20% in June 2022. Home prices, a lagged variable in the CPI calculation are beginning to show signs of cooling.



Sources: FactSet, BLS, Fiducient Advisors calculations. As of June 28, 2023. Data based on U.S. Consumer Price Index (CPI) All Items, Not Seasonally Adjusted.

## Tightening Financial Conditions

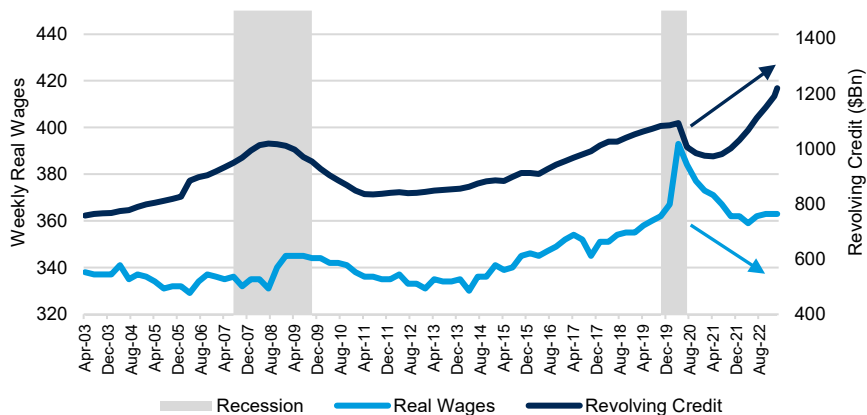
Financial conditions have tightened in the wake of central bank policy actions as well as other stresses in the banking system.



Sources: Federal Reserve Bank of Kansas City, Federal Reserve Bank of St. Louis. As of June 9, 2023. The Kansas City Financial Stress Index (KCFSI) is a monthly measure of stress in the U.S. financial system based on 11 financial market variables. A positive value indicates that financial stress is above the long-run average, while a negative value signifies that financial stress is below the long-run average.

## Consumer Strength Waning?

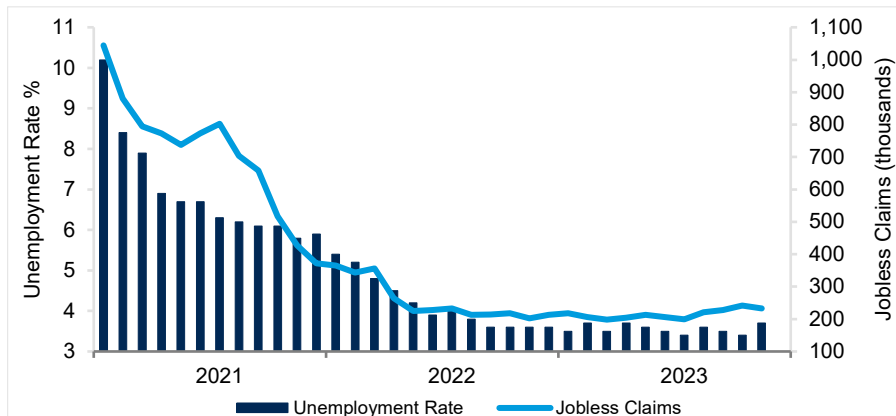
Falling real wages coinciding with rising credit card balances may test the resolve and ability of the consumer to continue to spend.



Source: Federal Reserve Economic Data January 2023; NY Federal Reserve March 2023.

## Labor Market Strength

Though there could be warning signs ahead for consumer strength, the job market remains supportive which may help mitigate the risk of an extreme recession.



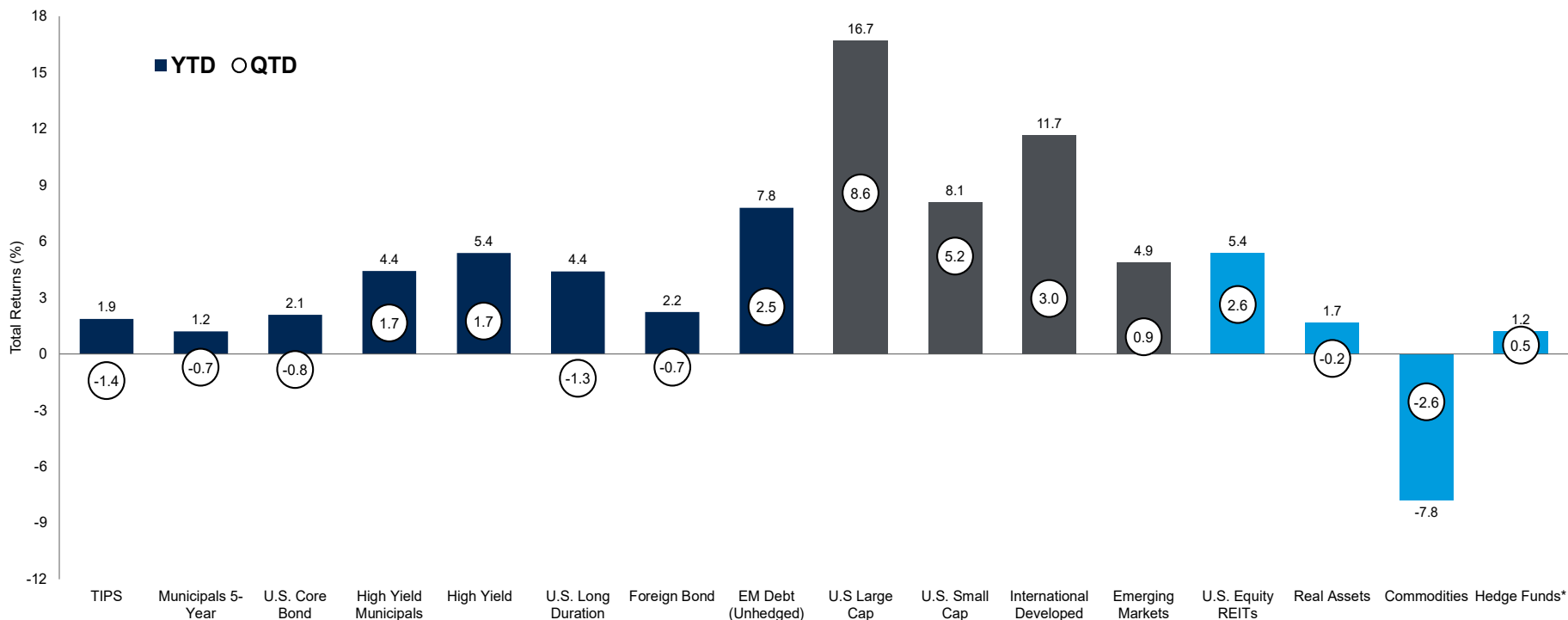
Source: Factset June 30, 2023.

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.

Indices cannot be invested in directly.



# Asset Class Returns



Source: Morningstar Direct. As of June 30, 2023. \*Hedge fund returns as of May 31, 2023.

## Fixed Income (2Q)

- Volatility in interest rate markets continued in the second quarter, as investors grappled with the future of Fed policy. Ultimately, rates ended higher, providing a headwind for bonds.

+ Credit sectors generally fared well, as spreads compressed through the quarter on improved sentiment.

- Inflation continued to moderate during the quarter and posed a headwind for TIPS. Weakness in the U.S. Dollar was a tailwind for foreign bonds but persistent inflation outside the U.S. muted returns.

## Equity (2Q)

+ Equity markets posted gains broadly. In the U.S., large cap outperformed on strong mega-cap tech returns. Small cap fared well amid improving sentiment and strong value sector performance.

+ Non-U.S. developed posted positive returns during the quarter. Strength in Europe and Japan contributed to returns. A falling dollar provided an added tailwind.

+ Emerging market equity posted a modest positive return. Concerns over China's economic growth offset positive returns in Europe.

## Real Asset / Alternatives (2Q)

+ U.S. REITs gained with strength in residential and data centers. However, clouds still linger over the office market.

- Commodity markets took a step back in the quarter, largely driven by a pullback in the energy sector and industrial metals.

+ Hedge Funds saw modest gains for the first two months of the quarter.

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.

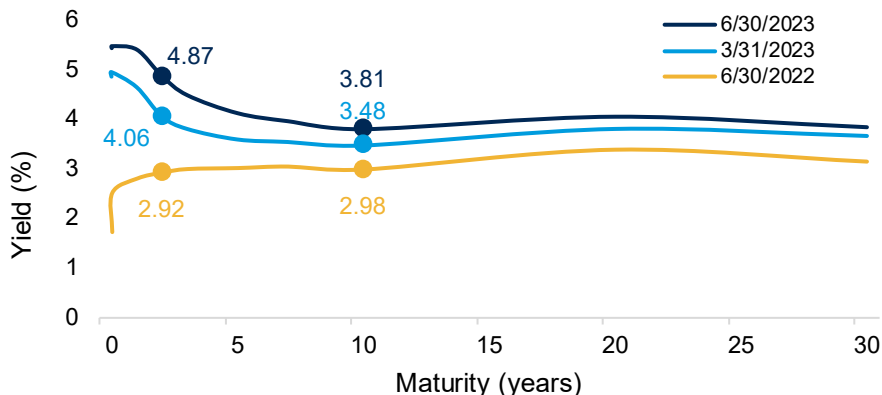
Indices cannot be invested in directly.



# Fixed Income Market Update

## U.S. Treasury Yield Curve

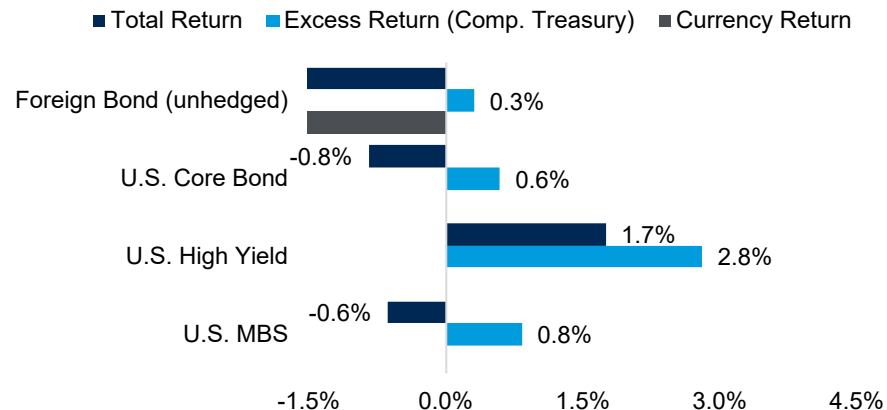
Interest rate volatility continued during the quarter. The Fed raised their target rate by 25 bps in May but paused in June. Despite the pause, hawkish communication from The Fed drove rates higher.



Source: FactSet. As of June 30, 2023.

## Index Performance Attribution (2Q 2023)

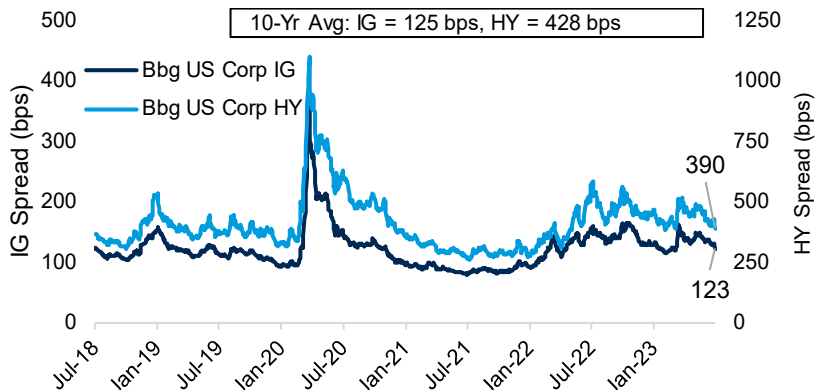
Non-government sectors, relative to similar duration Treasuries were positive in the quarter. Corporate high yield strength led to spread tightening which benefitted returns. Developed market foreign bonds lagged amid higher inflation and further monetary tightening.



Source: FactSet. As of June 30, 2023.

## Corporate Market Spreads – Trailing 5 Years

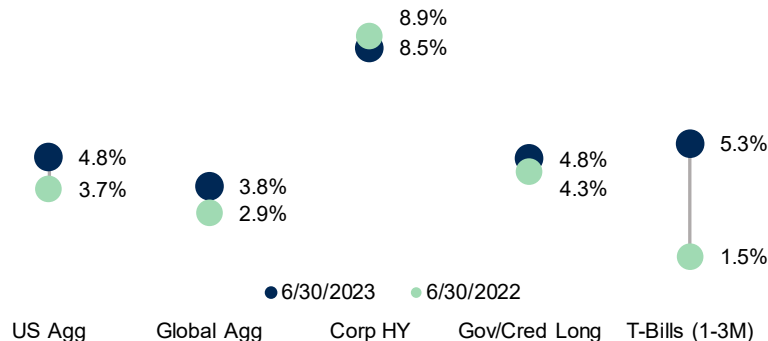
Corporate spreads tightened with both investment grade and high yield below 10-year averages. Strong fundamentals and robust interest coverage ratios were beneficial to sentiment.



Source: FactSet. As of June 30, 2023.

## Current Yield-to-Worst vs. 1 Year Ago

Short fixed income yields have seen a large jump from one year ago on the back of Fed policy. While performance has suffered over the last year, the prospect for fixed income going forward looks more attractive at current levels.



Source: FactSet. As of June 30, 2023. Based on respective Bloomberg Index.

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.

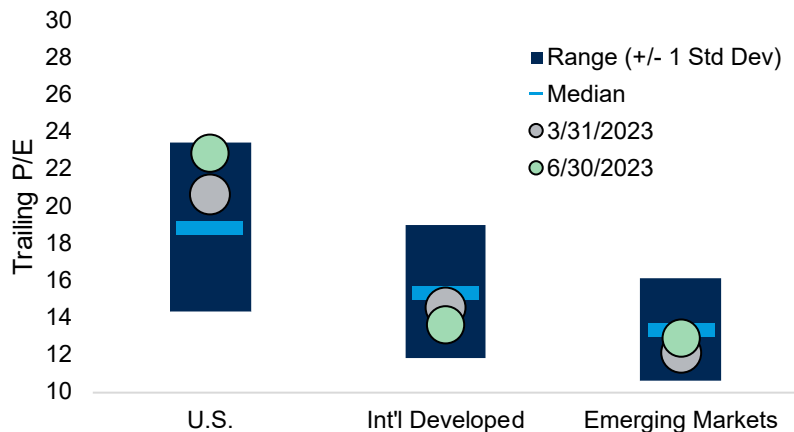
Indices cannot be invested in directly.



# Equity Market Update

## Equity Valuations (Trailing PE – Last 15 Years)

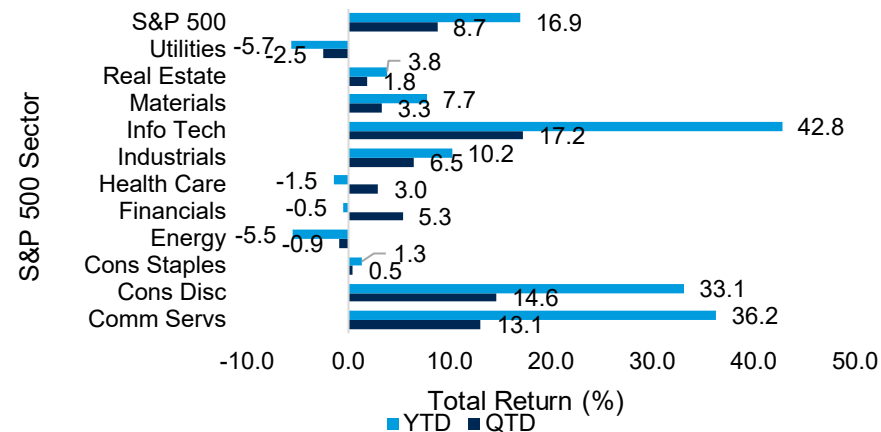
Valuations edged higher as prices rose and earnings fell. The U.S. market ends near peak levels compared to the last 15 years, while international and EM look more attractive on an absolute and relative basis.



Source: FactSet. As of June 30, 2023.

## U.S. Equities – Return by Sector (2Q 2023)

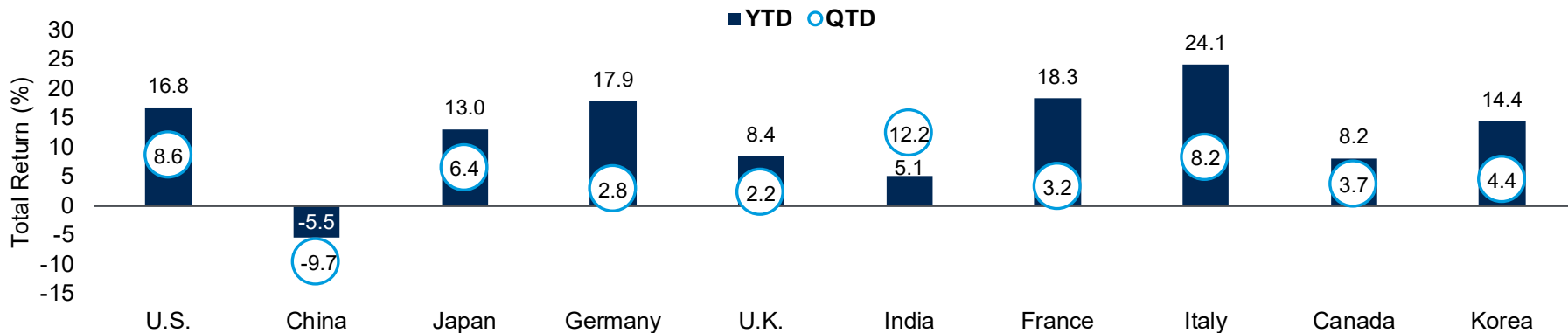
Equities were narrowly driven by mega-cap growth related stocks in the information technology and consumer sectors. Financials saw a strong rebound as banking sector disruption abated.



Source: Morningstar Direct. As of June 30, 2023.

## Country Total Returns (%) – Top 10 Largest Economies

Global equity markets continued gains during the quarter. Emerging markets were a standout with India outperforming the U.S. and developed markets. Developed markets broadly continue to struggle with persistently high inflation and muted growth expectations. China saw negative returns as the country continues to struggle with growth due to the pace of their economy re-opening.



Source: Morningstar Direct. As of June 30, 2023.

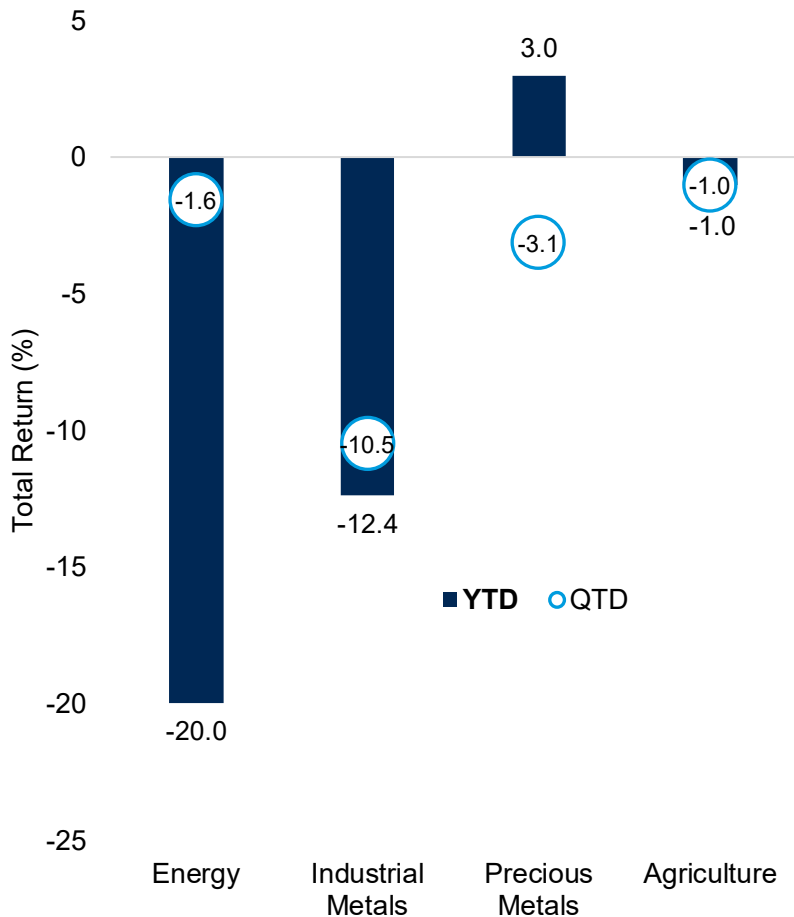
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# Real Assets Market Update

## Commodity Performance

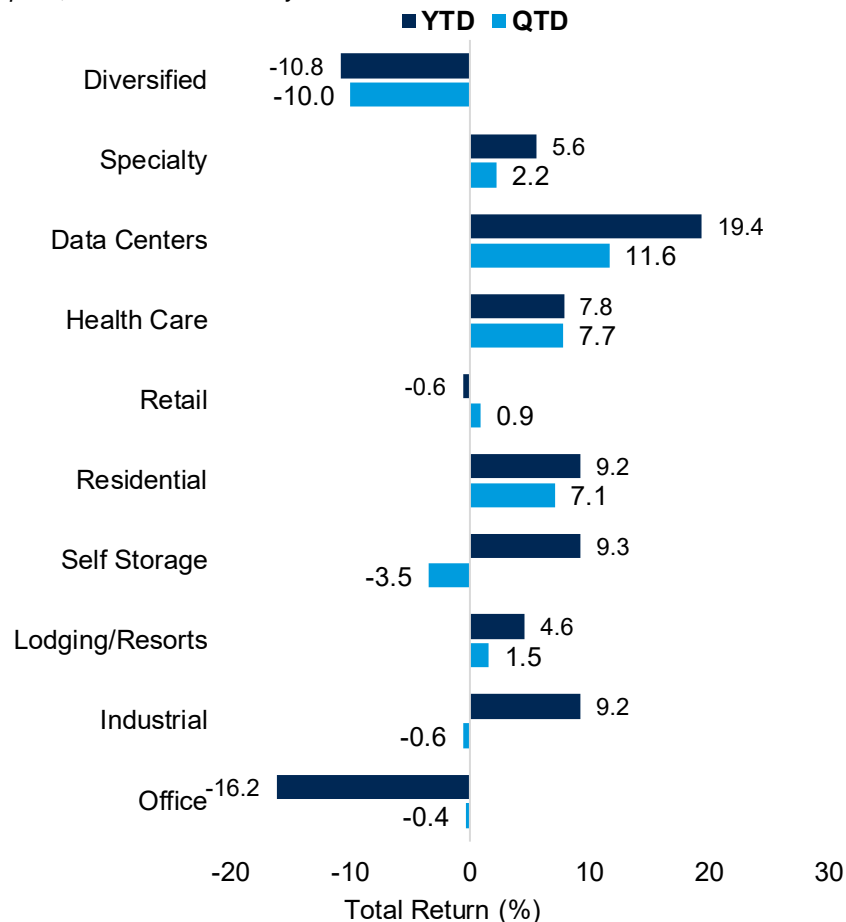
Commodities struggled in the quarter. Industrial metals fell on overall weaker global growth expectations and lower expected demand. Energy and Agriculture held in on robust gasoline prices and booming soybean prices, respectively.



Source: Morningstar Direct. As of June 30, 2023.

## REIT Sector Performance

There was wide variation in property type performance for the quarter. A robust residential housing market bolstered returns and hospitals improved as activity continues to increase post-COVID. The office market continues to be plagued by the "new" hybrid work environment and subsequent lower demand for office space, which has conversely benefitted data centers.



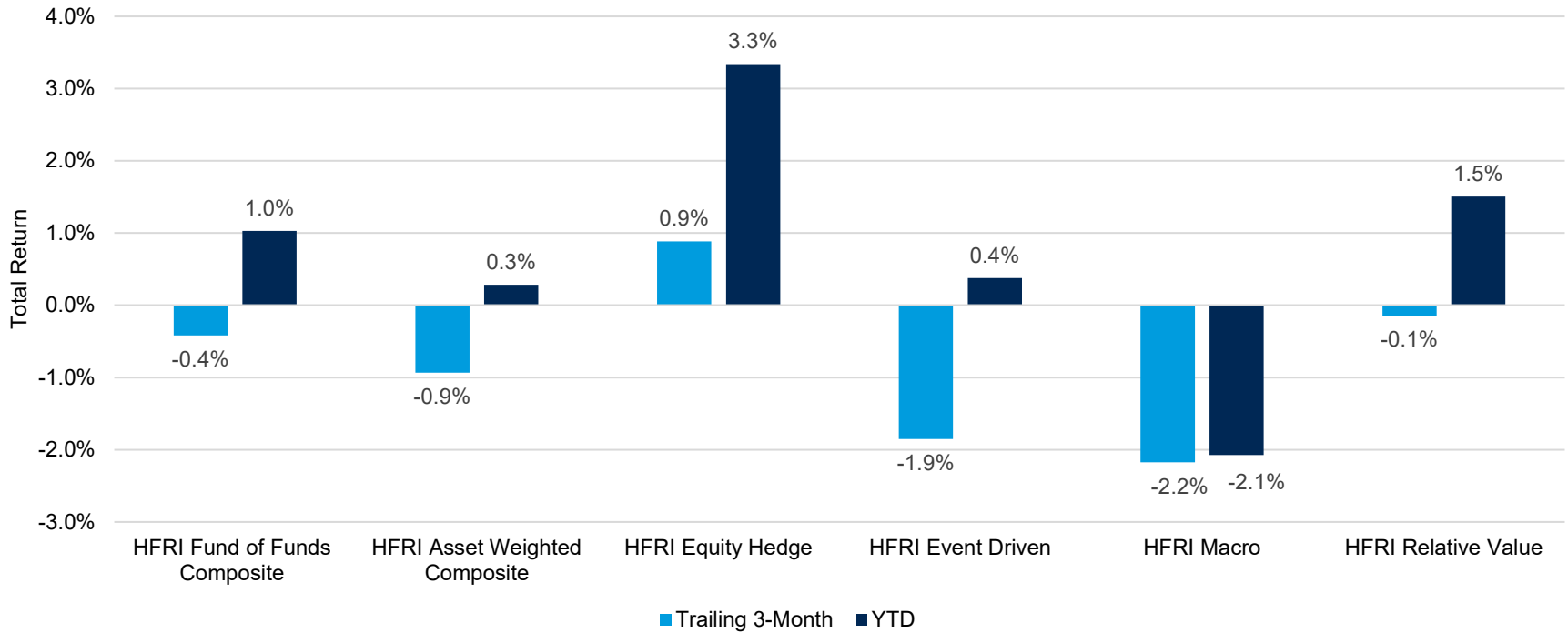
Source: Morningstar Direct. As of June 30, 2023.

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# Marketable Alternatives



Source: Morningstar Direct. As of May 31, 2023.

## Fund of Funds / Asset Weighted (2Q)

- The HFRI Fund of Funds Composite returned -0.4 percent over the trailing 3-month period, bringing its year-to-date return to 1.0 percent.
- The HFRI Asset Weighted Composite returned -0.9 percent over the trailing 3-month period, bringing its year-to-date return to 0.3 percent.
- Marketable alternatives generally lagged equity and fixed income markets over the trailing 3-month period as, on average, they failed to keep pace in March and April.

## Equity Hedge / Event Driven (2Q)

- + Equity Hedge strategies returned 0.9 percent over the period, participating in a strong equity market during the period. Technology and Healthcare focused funds were notable contributors.
- Event Driven strategies returned -1.9 percent over the period, with broad negative performance across strategy types.
- Merger Arbitrage strategies were a notable detractor within Event Driven strategies amidst a challenging backdrop.

## Macro / Relative Value (2Q)

- Macro strategies returned -2.2 percent over the period, driven by a challenging month of March.
- Relative Value strategies detracted slightly, returning -0.1 percent over the period. Yield Alternatives strategies were notable detractors.
- + Volatility strategies added nearly 1 percent over the period and were a notable bright spot within Relative Value strategies.

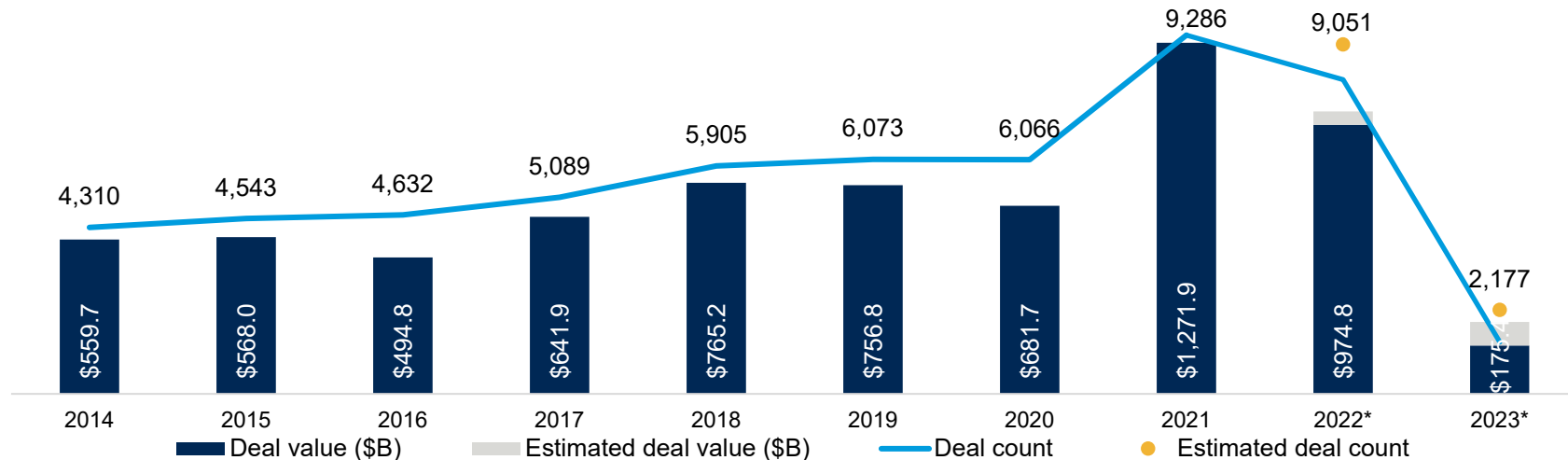
Benchmark Return Indices cannot be invested in directly. HFRI benchmarks are net of fees. Past performance does not indicate future performance and there is a possibility of a loss. See disclosures for list of indices representing each asset class.



# Private Equity Market Update

## U.S. Private Equity Deal Activity

U.S. Private Equity deal activity in Q1 was still high from a historical perspective but was relatively moderated following record 2021 and 2022 years.



Source: Pitchbook. As of March 31, 2023.

## Private Equity Performance (As of December 31, 2022)

Private equity performance was dispersed during the fourth quarter of 2022 with US Growth and Venture posting negative returns while buyout was modestly positive. For the tough year in 2022, buyout was more resilient while growth and venture were hit harder.

Benchmark	1-YR	3-YR	5-YR	10-Y	15-Y
US Private Equity Index	-4.3%	20.8%	18.6%	17.2%	12.5%
US Buyout Index	-0.3%	20.0%	17.5%	16.9%	12.1%
US Growth Equity Index	-14.4%	23.3%	22.1%	18.5%	14.4%
US Venture Capital Index	-20.8%	25.0%	22.5%	18.7%	12.7%
S&P 500 Index	-18.1%	7.7%	9.4%	12.6%	8.8%

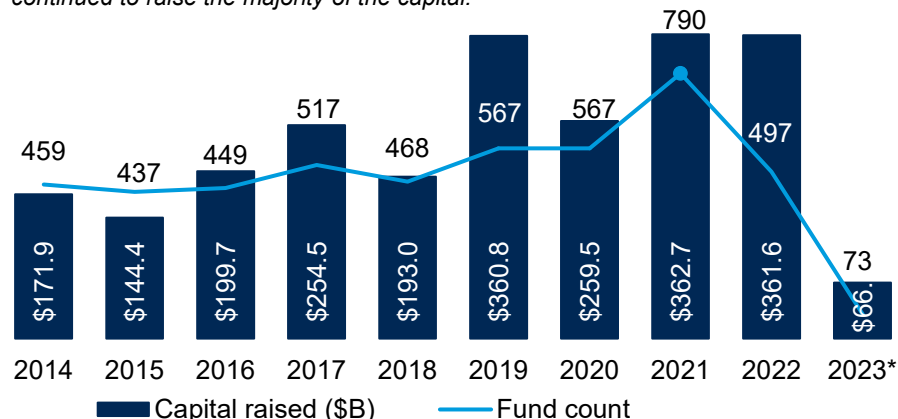
Source: Cambridge Associates. As of December 31, 2022. Returns presented as horizon pooled return, net of fees. S&P 500 Index as of December 31, 2022. Indices cannot be invested in directly.

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.

Indices cannot be invested in directly.

## U.S. Private Equity Fundraising Activity

The fundraising market continued to cool in the first quarter of 2023 following 2022 which was largely impacted by the denominator effect. The largest funds in market continued to raise the majority of the capital.



Source: Pitchbook. As of March 31, 2023.



# The Case for Diversification

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	10 Years (Ann)
TIPS 13.6	Emerging Markets 18.2	U.S. Small Cap 38.8	U.S. Equity REITs 30.1	U.S. Equity REITs 3.2	U.S. Small Cap 21.3	Emerging Markets 37.3	High Yield Munis 4.8	U.S. Large Cap 31.5	U.S. Small Cap 20.0	U.S. Equity REITs 43.2	Commodities 16.1	U.S. Large Cap 16.7	U.S. Large Cap 12.6
High Yield Munis 9.3	High Yield Munis 18.1	U.S. Large Cap 32.4	High Yield Munis 13.8	Municipals 5-Year 2.4	High Yield 17.1	International Dev. 25.0	Municipals 5-Year 1.7	U.S. Equity REITs 26.0	U.S. Large Cap 18.4	Commodities 27.1	Municipals 5-Year -5.3	International Developed 11.7	U.S. Small Cap 8.3
U.S. Equity REITs 8.3	U.S. Equity REITs 18.1	International Dev. 22.8	U.S. Large Cap 13.7	High Yield Munis 1.8	U.S. Large Cap 12.0	U.S. Large Cap 21.8	Foreign Bond 0.5	U.S. Small Cap 25.5	Emerging Markets 18.3	US Large Cap 26.5	Hedge Funds -5.6	U.S. Small Cap 8.1	U.S. Equity REITs 6.4
Core Bond 7.8	International Dev. 17.3	Balanced 12.2	Core Bond 6.0	U.S. Large Cap 1.4	Commodities 11.7	EM Debt (unhedged) 15.2	Core Bond 0.0	International Dev. 22.5	TIPS 11.0	US Small Cap 14.8	High Yield -11.2	EM Debt (unhedged) 7.8	International Dev. 5.4
Municipals 5-Year 6.9	EM Debt (unhedged) 16.9	Hedge Funds 9.0	Balanced 5.1	Core Bond 0.6	Emerging Markets 11.2	U.S. Small Cap 14.6	TIPS -1.3	Emerging Markets 18.4	Balanced 8.8	International Dev. 11.3	EM Debt (unhedged) -11.7	Balanced 7.0	Balanced 4.9
High Yield 5.0	U.S. Small Cap 16.3	High Yield 7.4	U.S. Small Cap 4.9	Hedge Funds -0.3	EM Debt (unhedged) 9.9	Balanced 13.6	High Yield -2.1	Balanced 17.5	International Dev. 7.8	Balanced 9.8	TIPS -11.8	High Yield 5.4	High Yield 4.4
Foreign Bond 4.2	U.S. Large Cap 16.0	U.S. Equity REITs 2.5	TIPS 3.6	International Dev. -0.8	U.S. Equity REITs 8.5	High Yield Munis 9.7	Hedge Funds -4.0	High Yield 14.3	Core Bond 7.5	High Yield Munis 7.8	U.S. Core Bond -13.0	U.S. Equity REITs 5.4	High Yield Municipals 4.2
U.S. Large Cap 2.1	High Yield 15.8	Municipals 5-Year 0.8	Hedge Funds 3.4	TIPS -1.4	Balanced 7.6	Hedge Funds 7.8	U.S. Large Cap -4.4	EM Debt (unhedged) 13.5	Hedge Funds 7.1	TIPS 6.0	High Yield Municipals -13.1	Emerging Markets 4.9	Hedge Funds 3.1
Balanced 0.9	Balanced 11.5	Foreign Bond -1.0	Municipals 5-Year 3.2	Foreign Bond -2.3	TIPS 4.7	High Yield 7.5	U.S. Equity REITs -4.6	High Yield Munis 10.7	High Yield 7.1	Hedge Funds 5.7	Foreign Bond -14.2	High Yield Municipals 4.4	Emerging Markets 3.0
EM Debt (unhedged) -1.8	TIPS 7.0	Core Bond -2.0	Foreign Bond 2.9	Balanced -3.3	Foreign Bond 3.2	Foreign Bond 6.5	Balanced -5.8	Core Bond 8.7	Foreign Bond 7.0	High Yield 5.3	International Dev. -14.5	Foreign Bond 2.2	TIPS 2.1
U.S. Small Cap -4.2	Foreign Bond 5.3	Emerging Markets -2.6	High Yield 2.5	U.S. Small Cap -4.4	High Yield Munis 3.0	U.S. Equity REITs 5.2	EM Debt (unhedged) -6.2	TIPS 8.4	High Yield Munis 4.9	Municipals 5-Year 0.3	Balanced -14.9	U.S. Core Bond 2.1	Municipals 5-Year 1.7
Hedge Funds -5.7	Hedge Funds 4.8	High Yield -5.5	Emerging Markets -2.2	High Yield -4.5	Core Bond 2.6	Core Bond 3.5	U.S. Small Cap -11.0	Hedge Funds 7.8	Municipals 5-Year 4.3	Core Bond -1.5	U.S. Large Cap -19.1	TIPS 1.9	U.S. Core Bond 1.5
Commodities -13.3	Core Bond 4.2	TIPS -8.6	International Dev. -4.9	Emerging Markets -14.9	International Dev. 1.0	Municipals 5-Year 3.1	Commodities -11.2	Commodities 7.7	EM Debt (unhedged) 2.7	Emerging Markets -2.5	Emerging Markets -20.1	Municipals 5-Year 1.2	Foreign Bond 0.8
International Dev. -12.1	Municipals 5-Year 3.0	EM Debt (unhedged) -9.0	EM Debt (unhedged) -5.7	EM Debt (unhedged) -14.9	Hedge Funds 0.5	TIPS 3.0	International Dev. -13.8	Foreign Bond 6.3	Commodities -3.1	Foreign Bond -4.2	U.S. Small Cap -20.4	Hedge Funds 1.2	EM Debt (unhedged) -0.6
Emerging Markets -18.4	Commodities -1.1	Commodities -9.5	Commodities -17.0	Commodities -24.7	Municipals 5-Year -0.4	Commodities 1.7	Emerging Markets -14.6	Municipals 5-Year 5.4	U.S. Equity REITs -8.0	EM Debt (unhedged) -8.7	U.S. Equity REITs -24.4	Commodities -7.8	Commodities -1.0

Sources: Morningstar, FactSet. As of June 30, 2023. \*Periods greater than one year are annualized. Total returns in U.S. dollars. Hedge Funds as of May 31, 2023.

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# Financial Markets Performance

## Financial Markets Performance

Total Return as of June 30, 2023

Periods greater than one year are annualized

All returns are in U.S. dollar terms

Global Fixed Income Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg 1-3-Month T-Bill	1.2%	2.3%	3.7%	1.3%	1.5%	1.3%	1.0%	0.7%
Bloomberg U.S. TIPS	-1.4%	1.9%	-1.4%	-0.1%	2.5%	2.0%	2.1%	2.9%
Bloomberg Municipal Bond (5 Year)	-0.7%	1.2%	1.5%	-0.6%	1.4%	1.1%	1.7%	2.8%
Bloomberg High Yield Municipal Bond	1.7%	4.4%	2.9%	1.8%	2.8%	3.2%	4.2%	4.9%
Bloomberg U.S. Aggregate	-0.8%	2.1%	-0.9%	-4.0%	0.8%	0.4%	1.5%	2.7%
Bloomberg U.S. Corporate High Yield	1.7%	5.4%	9.1%	3.1%	3.4%	4.5%	4.4%	6.6%
Bloomberg Global Aggregate ex-U.S. Hedged	0.7%	3.6%	1.5%	-2.2%	1.0%	1.0%	2.5%	3.3%
Bloomberg Global Aggregate ex-U.S. Unhedged	-2.2%	0.8%	-1.8%	-5.9%	-2.7%	-2.1%	-0.9%	0.3%
Bloomberg U.S. Long Gov / Credit	-1.3%	4.4%	-2.6%	-8.6%	0.7%	0.2%	2.9%	4.7%
JPMorgan GBI-EM Global Diversified	2.5%	7.8%	11.4%	-1.4%	0.3%	0.8%	-0.6%	1.8%
Global Equity Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	8.7%	16.9%	19.6%	14.6%	12.3%	13.4%	12.9%	10.9%
Dow Jones Industrial Average	4.0%	4.9%	14.2%	12.3%	9.6%	12.3%	11.3%	10.4%
NASDAQ Composite	13.1%	32.3%	26.1%	12.0%	13.9%	17.2%	16.2%	13.9%
Russell 3000	8.4%	16.2%	19.0%	13.9%	11.4%	12.9%	12.3%	10.6%
Russell 1000	8.6%	16.7%	19.4%	14.1%	11.9%	13.2%	12.6%	10.8%
Russell 1000 Growth	12.8%	29.0%	27.1%	13.7%	15.1%	16.9%	15.7%	12.9%
Russell 1000 Value	4.1%	5.1%	11.5%	14.3%	8.1%	8.9%	9.2%	8.4%
Russell Mid Cap	4.8%	9.0%	14.9%	12.5%	8.5%	10.1%	10.3%	9.6%
Russell Mid Cap Growth	6.2%	15.9%	23.1%	7.6%	9.7%	12.0%	11.5%	10.2%
Russell Mid Cap Value	3.9%	5.2%	10.5%	15.0%	6.8%	8.2%	9.0%	9.0%
Russell 2000	5.2%	8.1%	12.3%	10.8%	4.2%	8.8%	8.3%	8.4%
Russell 2000 Growth	7.1%	13.6%	18.5%	6.1%	4.2%	9.3%	8.8%	8.9%
Russell 2000 Value	3.2%	2.5%	6.0%	15.4%	3.5%	7.7%	7.3%	7.7%
MSCI ACWI	6.2%	13.9%	16.5%	11.0%	8.1%	9.9%	8.8%	6.6%
MSCI ACWI ex. U.S.	2.4%	9.5%	12.7%	7.2%	3.5%	6.3%	4.7%	2.9%
MSCI EAFE	3.0%	11.7%	18.8%	8.9%	4.4%	6.9%	5.4%	3.4%
MSCI EAFE Growth	2.8%	14.2%	20.2%	6.3%	5.4%	7.4%	6.4%	4.1%
MSCI EAFE Value	3.2%	9.3%	17.4%	11.3%	2.9%	6.0%	4.1%	2.4%
MSCI EAFE Small Cap	0.6%	5.5%	10.2%	5.7%	1.3%	5.7%	6.2%	4.9%
MSCI Emerging Markets	0.9%	4.9%	1.7%	2.3%	0.9%	5.0%	3.0%	1.8%
Alternatives	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	0.5%	1.4%	4.1%	5.8%	3.9%	3.4%	2.7%	2.3%
FTSE NAREIT Equity REITs	2.6%	5.4%	-0.1%	8.9%	4.6%	3.5%	6.4%	6.8%
S&P Real Assets	-0.2%	1.7%	0.7%	6.2%	3.4%	3.9%	3.8%	4.1%
FTSE EPRA NAREIT Developed	0.5%	1.6%	-3.6%	4.3%	0.8%	1.7%	3.8%	4.1%
FTSE EPRA NAREIT Developed ex U.S.	-2.8%	-4.3%	-8.7%	-2.0%	-3.2%	-0.1%	1.2%	1.7%
Bloomberg Commodity Total Return	-2.6%	-7.8%	-9.6%	17.8%	4.7%	3.4%	-1.0%	-4.7%
HFRI Fund of Funds Composite*	0.5%	1.2%	1.2%	5.4%	3.0%	3.8%	3.1%	1.9%
HFRI Asset Weighted Composite*	0.9%	0.3%	-1.4%	6.2%	3.2%	4.0%	3.5%	3.4%

Sources: Morningstar, FactSet. As of June 30, 2023. \*Consumer Price Index and HFRI indexes as of May 31, 2023.

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## Portfolio and Manager Review

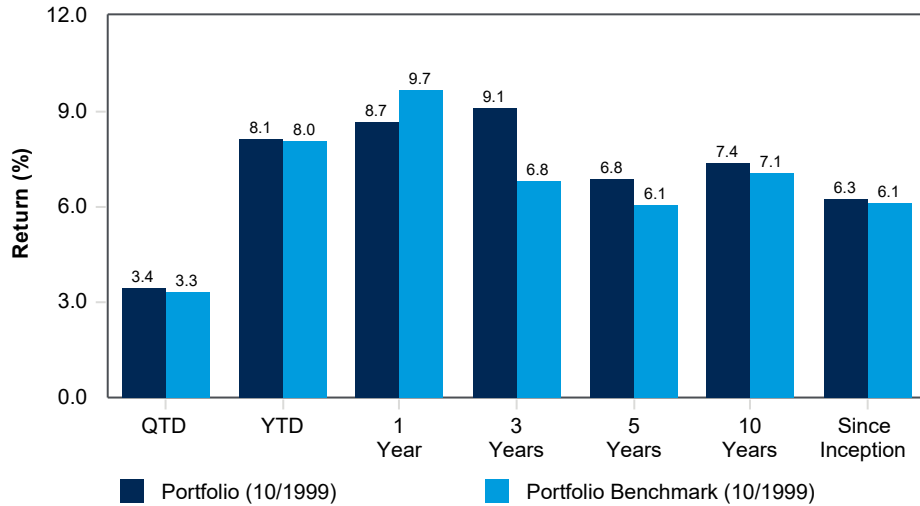


# Portfolio Dashboard

Total Fund Composite

As of June 30, 2023

## Historical Performance



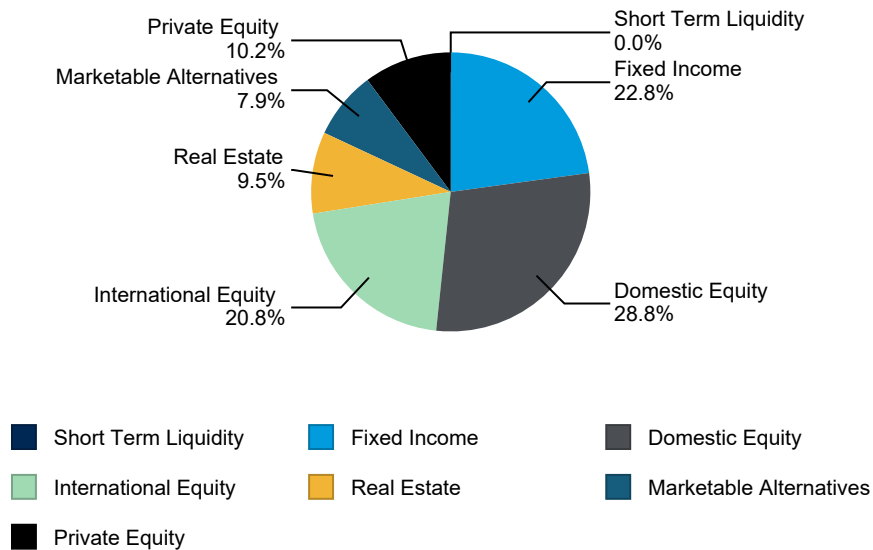
## Summary of Cash Flows

	QTD	YTD	1 Year	3 Years	5 Years
Beginning Market Value	247,396,279	239,661,484	243,617,978	203,300,361	180,605,873
Net Contributions	-3,142,288	-6,317,790	-11,552,608	-13,572,518	-4,668,323
Gain/Loss	8,363,518	19,273,814	20,552,138	62,889,665	76,679,959
Ending Market Value	252,617,509	252,617,509	252,617,509	252,617,509	252,617,509

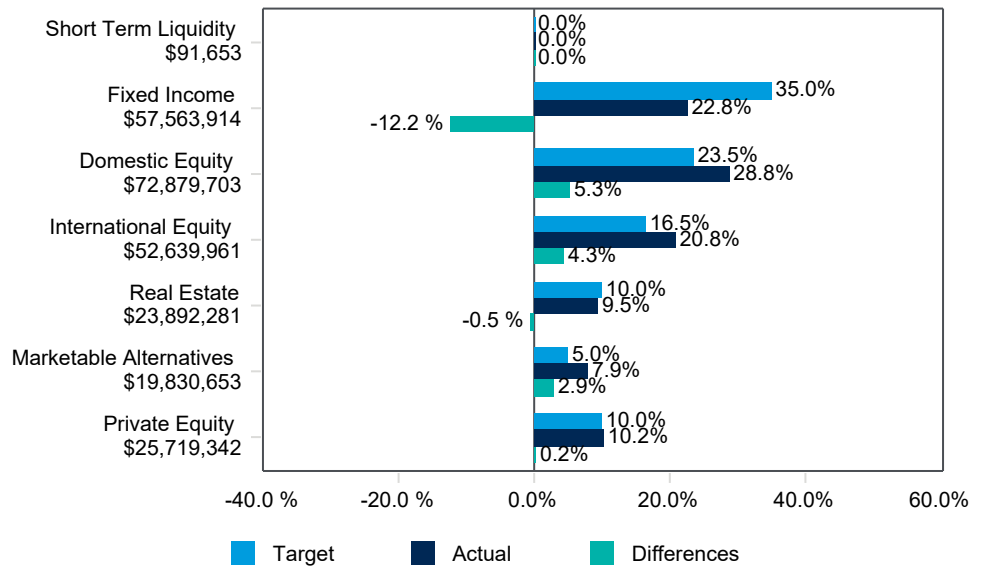
## Current Benchmark Composition

From Date	To Date	Composition
05/2023	Present	22.00% Blmbg. U.S. Aggregate, 2.00% ICE BofAML US High Yield Master II Constrained, 2.50% FTSE World Government Bond Index, 36.00% Russell 3000 Index, 20.00% MSCI AC World ex USA (Net), 10.00% PRIM Custom Total RE Benchmark, 7.50% HFRI Fund of Funds Composite Index

## Portfolio Allocation



## Actual vs. Target Allocations



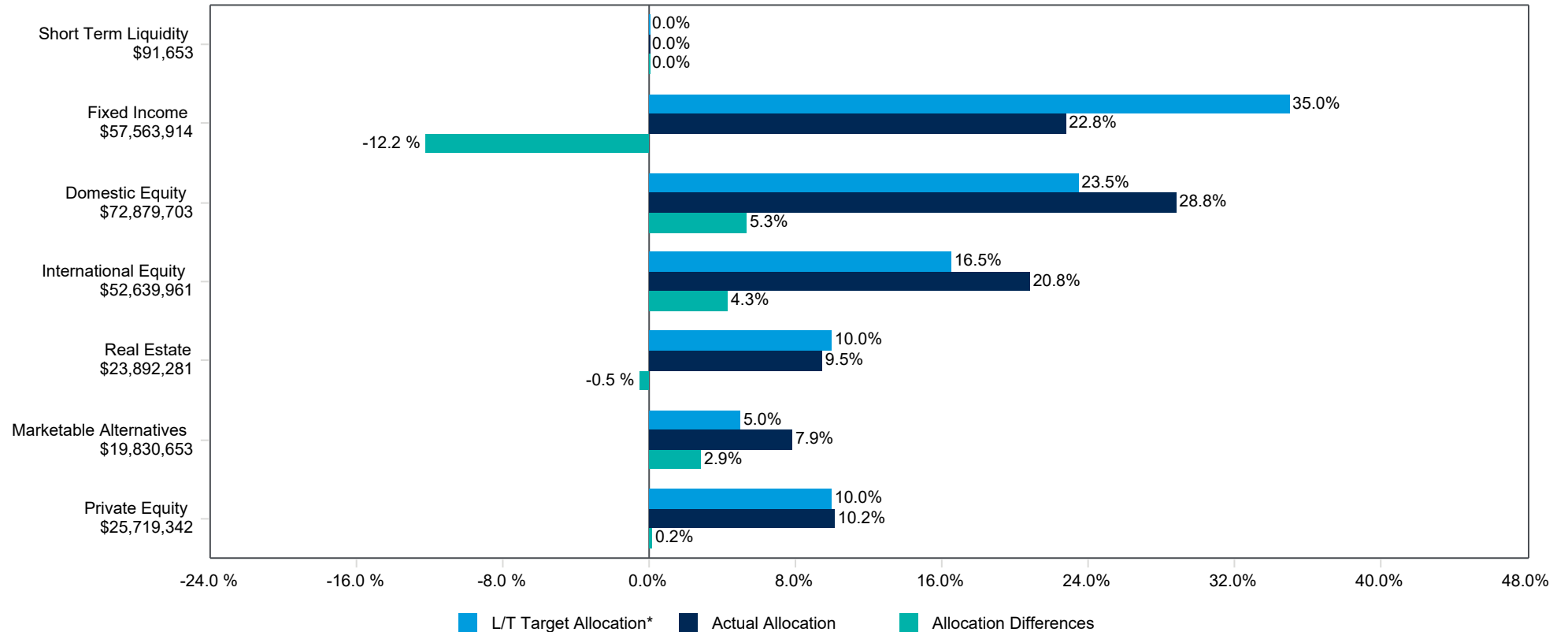


# Asset Allocation

Total Fund Composite

As of June 30, 2023

## Actual vs. Target



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Short Term Liquidity	91,653	0.0	0.0	0.0
Fixed Income	57,563,914	22.8	35.0	-12.2
Domestic Equity	72,879,703	28.8	23.5	5.3
International Equity	52,639,961	20.8	16.5	4.3
Real Estate	23,892,281	9.5	10.0	-0.5
Marketable Alternatives	19,830,653	7.9	5.0	2.9
Private Equity	25,719,342	10.2	10.0	0.2
<b>Total Fund Composite</b>	<b>252,617,509</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>

\*NOTE: Long-Term Target Allocation expected to be reached over time.



# Asset Allocation

Total Fund Composite

As of June 30, 2023

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
<b>Total Fund Composite</b>	<b>252,617,509</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
<b>Short Term Liquidity</b>	<b>91,653</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Collective US Govt STIF Fund	91,653	0.0	0.0	0.0
<b>Fixed Income</b>	<b>57,563,914</b>	<b>22.8</b>	<b>35.0</b>	<b>-12.2</b>
IRM Core Bond Fund LLC	36,914,933	14.6	23.5	-8.9
Blackrock Strategic Income Opportunities K (1.5 mm)	10,027,734	4.0	7.0	-3.0
Eaton Vance Trust CIT High Yield Fund	4,150,978	1.6	2.0	-0.4
Brandywine Global Opportunistic Fixed Income	6,470,270	2.6	2.5	0.1
<b>Domestic Equity</b>	<b>72,879,703</b>	<b>28.8</b>	<b>23.5</b>	<b>5.3</b>
PRIT Domestic Equity	27,063,714	10.7	10.0	0.7
Columbia US Contrarian Core Equity Fund	31,952,570	12.6	8.5	4.1
Wellington Small Cap 2000	13,863,419	5.5	5.0	0.5
<b>International Equity</b>	<b>52,639,961</b>	<b>20.8</b>	<b>16.5</b>	<b>4.3</b>
Aristotle International Equity Collective Trust - Class B	20,809,854	8.2	4.8	3.5
MFS Instl International Equity Fund	20,720,738	8.2	4.8	3.5
Acadian Intl Small Cap Fund	5,851,622	2.3	1.5	0.8
Acadian Emerging Markets Equity	5,257,748	2.1	2.8	-0.7
Asset TBD	-	0.0	2.8	-2.8
<b>Real Estate</b>	<b>23,892,281</b>	<b>9.5</b>	<b>10.0</b>	<b>-0.5</b>
PRIT Real Estate Fund	14,366,068	5.7	7.0	-1.3
TA Realty Core Property Fund, LP	6,010,140	2.4	1.5	0.9
American Strategic Value Realty Fund	2,544,199	1.0	1.0	0.0
TerraCap Partners IV	971,874	0.4	0.5	-0.1
<b>Marketable Alternatives</b>	<b>19,830,653</b>	<b>7.9</b>	<b>5.0</b>	<b>2.9</b>
PRIT Hedge Funds	19,830,653	7.9	5.0	2.9
<b>Private Equity</b>	<b>25,719,342</b>	<b>10.2</b>	<b>10.0</b>	<b>0.2</b>
RCP Fund IV	24,157	0.0	-	-
<b>PRIT VY Investments</b>	<b>25,695,186</b>	<b>10.2</b>	<b>0.0</b>	<b>10.2</b>
PRIT Vintage 2011	779,750	0.3	-	-
PRIT Vintage 2012	706,054	0.3	-	-
PRIT Vintage 2013	1,045,374	0.4	-	-
PRIT Vintage 2014	1,572,399	0.6	-	-





## Asset Allocation

Total Fund Composite

As of June 30, 2023

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
PRIT Vintage 2015	2,105,533	0.8	-	-
PRIT Vintage 2016	1,009,347	0.4	-	-
PRIT Vintage 2017	3,870,851	1.5	-	-
PRIT Vintage 2018	3,498,290	1.4	-	-
PRIT Vintage 2019	3,571,948	1.4	-	-
PRIT Vintage 2020	2,872,517	1.1	-	-
PRIT Vintage 2021	3,548,280	1.4	-	-
PRIT Vintage 2022	1,051,165	0.4	-	-
PRIT Vintage 2023	63,678	0.0	-	-



## Performance Overview

### Total Fund Composite

As of June 30, 2023

#### Trailing Performance Summary

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Total Fund Composite</b>	<b>3.4</b>	<b>8.1</b>	<b>8.7</b>	<b>9.1</b>	<b>6.8</b>	<b>7.8</b>	<b>7.4</b>	<b>6.3</b>	<b>10/1999</b>
<i>Policy Index</i>	3.3	8.0	9.7	6.8	6.1	7.2	7.1	6.1	10/1999

#### Calendar Year Performance Summary

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Fund Composite</b>	<b>-12.2</b>	<b>16.2</b>	<b>12.6</b>	<b>18.7</b>	<b>-4.9</b>	<b>15.6</b>	<b>6.6</b>	<b>1.0</b>	<b>6.6</b>	<b>15.6</b>
<i>Policy Index</i>	-13.4	12.1	13.1	19.5	-4.9	15.8	7.4	0.4	6.1	16.7

#### Plan Reconciliation

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Jan-2007 To Jun-2023
<b>Total Fund Composite</b>							
Beginning Market Value	247,396,279	239,661,484	243,617,978	203,300,361	180,605,873	106,164,179	89,230,180
Net Contributions	-3,142,288	-6,317,790	-11,552,608	-13,572,518	-4,668,323	14,565,686	13,316,413
Gain/Loss	8,363,518	19,273,814	20,552,138	62,889,665	76,679,959	131,887,643	150,070,915
Ending Market Value	252,617,509	252,617,509	252,617,509	252,617,509	252,617,509	252,617,509	252,617,509

#### Benchmark Composition

	Weight (%)
<b>May-2023</b>	
Blmbg. U.S. Aggregate	22.0
ICE BofAML US High Yield Master II Constrained	2.0
FTSE World Government Bond Index	2.5
Russell 3000 Index	36.0
MSCI AC World ex USA (Net)	20.0
PRIM Custom Total RE Benchmark	10.0
HFRI Fund of Funds Composite Index	7.5

\*\* Historical market values and flows prior to 1/1/2007 were not provided by previous consultant. The stated inception date of 10/1/1999 is the plan's performance inception date.



# Manager Status Commentary

As of June 30, 2023

Manager	Recommendation	Comments
IRM Core Bond Fund LLC	Maintain	
Blackrock Strategic Income Opportunities K (1.5 mm)	Maintain	
Eaton Vance Trust CIT High Yield Fund	Maintain	
Brandywine Global Opportunistic Fixed Income	Maintain	
PRIT Domestic Equity	Maintain	
Columbia US Contrarian Core Equity Fund	Maintain	
Wellington Small Cap 2000	Maintain	
Aristotle International Equity Collective Trust - Class B	Maintain	
MFS Instl International Equity Fund	Maintain	
Acadian Intl Small Cap Fund	Maintain	
Acadian Emerging Markets Equity	Maintain	
PRIT Real Estate Fund	Maintain	
TA Realty Core Property Fund, LP	Maintain	
American Strategic Value Realty Fund	Maintain	
TerraCap Partners IV	Maintain	
PRIT Hedge Funds	Maintain	
RCP Fund IV	Illiquid Inherited	
PRIT VY Investments	Maintain	

Commentary produced upon change of status.



# Manager Performance

Total Fund Composite

As of June 30, 2023

	Allocation		Performance(%)								Manager Status
	Market Value (\$)	%	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>Total Fund Composite</b>	<b>252,617,509</b>	<b>100.0</b>	<b>3.4</b>	<b>8.1</b>	<b>8.7</b>	<b>9.1</b>	<b>6.8</b>	<b>7.4</b>	<b>6.3</b>	<b>10/1999</b>	
<i>Policy Index</i>			3.3	8.0	9.7	6.8	6.1	7.1	6.1		
<b>PRIT General Allocation Fund **</b>			<b>2.8</b>	<b>6.6</b>	<b>5.8</b>	<b>9.6</b>	<b>7.3</b>	<b>8.0</b>	<b>8.9</b>	<b>02/1985</b>	
<i>PRIT Benchmark</i>			2.4	5.7	5.5	9.2	7.5	7.9	9.5		
<b>Short Term Liquidity</b>	<b>91,653</b>	<b>0.0</b>	<b>0.7</b>	<b>2.0</b>	<b>3.7</b>	<b>1.3</b>	<b>1.4</b>	<b>0.8</b>	<b>1.2</b>	<b>03/2004</b>	
<i>90 Day U.S. Treasury Bill</i>			1.2	2.3	3.6	1.3	1.6	1.0	1.3		
<b>Collective US Govt STIF Fund</b>	<b>91,653</b>	<b>0.0</b>	<b>0.7</b>	<b>2.0</b>	<b>3.7</b>	<b>1.3</b>	<b>1.4</b>	<b>0.8</b>	<b>1.2</b>	<b>03/2004</b>	
<i>90 Day U.S. Treasury Bill</i>			1.2	2.3	3.6	1.3	1.6	1.0	1.3		
<b>Fixed Income</b>	<b>57,563,914</b>	<b>22.8</b>	<b>-0.4</b>	<b>3.1</b>	<b>1.0</b>	<b>-2.4</b>	<b>1.3</b>	<b>2.1</b>	<b>3.2</b>	<b>04/2007</b>	
<i>Fixed Income Benchmark</i>			-0.7	2.3	-0.2	-3.5	0.7	1.6	3.0		
<b>IRM Core Bond Fund LLC</b>	<b>36,914,933</b>	<b>14.6</b>	<b>-0.6</b>	<b>2.8</b>	<b>-0.2</b>	<b>-3.4</b>	<b>1.3</b>	<b>2.0</b>	<b>4.3</b>	<b>07/2000</b>	<b>Maintain</b>
<i>Blmbg. U.S. Aggregate</i>			-0.8	2.1	-0.9	-4.0	0.8	1.5	3.9		
IM U.S. Broad Market Core Fixed Income (MF) Median			-0.8	2.3	-0.9	-3.7	0.7	1.5	3.9		
IRM Core Bond Fund LLC Rank			20	14	23	29	13	14	12		
<b>Blackrock Strategic Income Opportunities K (1.5 mm)</b>	<b>10,027,734</b>	<b>4.0</b>	<b>0.5</b>	<b>2.1</b>	<b>1.9</b>	<b>1.4</b>	<b>2.4</b>	<b>2.6</b>	<b>0.5</b>	<b>04/2023</b>	<b>Maintain</b>
<i>Blmbg. U.S. Aggregate</i>			-0.8	2.1	-0.9	-4.0	0.8	1.5	-0.8		
IM Alternative Credit Focus (MF) Median			0.4	2.9	3.7	1.5	1.4	1.3	0.4		
Blackrock Strategic Income Opportunities K (1.5 mm) Rank			46	66	62	53	31	24	46		
<b>Eaton Vance Trust CIT High Yield Fund</b>	<b>4,150,978</b>	<b>1.6</b>	<b>1.0</b>	<b>4.6</b>	<b>8.5</b>	<b>3.2</b>	<b>3.3</b>	<b>-</b>	<b>3.3</b>	<b>04/2018</b>	<b>Maintain</b>
<i>ICE BofAML US High Yield Master II Constrained</i>			1.6	5.4	8.9	3.2	3.2	4.3	3.2		
IM U.S. High Yield Bonds (MF) Median			1.4	4.8	8.2	2.8	2.7	3.6	2.7		
Eaton Vance Trust CIT High Yield Fund Rank			80	61	41	37	24	-	25		
<b>Brandywine Global Opportunistic Fixed Income</b>	<b>6,470,270</b>	<b>2.6</b>	<b>-0.5</b>	<b>3.4</b>	<b>1.1</b>	<b>-2.1</b>	<b>-0.4</b>	<b>0.9</b>	<b>1.8</b>	<b>06/2011</b>	<b>Maintain</b>
<i>Blmbg. Global Aggregate</i>			-1.5	1.4	-1.3	-5.0	-1.1	0.2	0.2		
IM Global Fixed Income (MF) Median			-0.6	1.8	0.5	-3.2	-0.2	0.7	0.7		
Brandywine Global Opportunistic Fixed Income Rank			49	16	41	30	57	41	26		

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# Manager Performance

Total Fund Composite

As of June 30, 2023

	Allocation		Performance(%)								Manager Status
	Market Value (\$)	%	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>Domestic Equity</b>	<b>72,879,703</b>	<b>28.8</b>	<b>9.0</b>	<b>16.9</b>	<b>19.3</b>	<b>14.4</b>	<b>11.0</b>	<b>11.8</b>	<b>9.6</b>	<b>04/2007</b>	
<i>Domestic Equity Benchmark</i>			8.4	16.2	19.0	13.9	11.4	12.3	9.0		
<b>PRIT Domestic Equity</b>	<b>27,063,714</b>	<b>10.7</b>	<b>8.3</b>	<b>15.9</b>	<b>18.9</b>	<b>14.7</b>	<b>11.6</b>	<b>12.3</b>	<b>13.7</b>	<b>07/2010</b>	<b>Maintain</b>
<i>PRIT Equity Benchmark</i>			8.0	15.3	18.5	14.2	11.2	12.2	13.7		
IM U.S. Large Cap Core Equity (MF) Median			8.2	15.4	18.4	13.4	11.4	11.8	13.0		
PRIT Domestic Equity Rank			48	43	45	19	45	34	27		
<b>Columbia US Contrarian Core Equity Fund</b>	<b>31,952,570</b>	<b>12.6</b>	<b>11.0</b>	<b>20.6</b>	<b>21.1</b>	<b>15.0</b>	<b>13.0</b>	<b>-</b>	<b>11.5</b>	<b>01/2015</b>	<b>Maintain</b>
<i>Russell 1000 Index</i>			8.6	16.7	19.4	14.1	11.9	12.6	11.3		
IM U.S. Large Cap Core Equity (MF) Median			8.2	15.4	18.4	13.4	11.4	11.8	10.5		
Columbia US Contrarian Core Equity Fund Rank			4	6	15	13	9	-	15		
<b>Wellington Small Cap 2000</b>	<b>13,863,419</b>	<b>5.5</b>	<b>5.9</b>	<b>10.9</b>	<b>16.2</b>	<b>13.2</b>	<b>7.6</b>	<b>10.9</b>	<b>11.7</b>	<b>04/1991</b>	<b>Maintain</b>
<i>Russell 2000 Index</i>			5.2	8.1	12.3	10.8	4.2	8.3	9.2		
IM U.S. Small Cap Core Equity (MF) Median			4.0	7.0	12.2	14.8	5.0	8.2	10.3		
Wellington Small Cap 2000 Rank			16	12	17	68	9	3	1		
<b>International Equity</b>	<b>52,639,961</b>	<b>20.8</b>	<b>3.9</b>	<b>12.2</b>	<b>17.6</b>	<b>9.3</b>	<b>4.7</b>	<b>6.0</b>	<b>4.5</b>	<b>04/2007</b>	
<i>International Equity Benchmark</i>			2.5	9.3	12.7	7.2	3.3	5.0	2.9		
<b>Aristotle International Equity Collective Trust - Class B</b>	<b>20,809,854</b>	<b>8.2</b>	<b>4.9</b>	<b>12.3</b>	<b>17.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-7.6</b>	<b>01/2022</b>	<b>Maintain</b>
<i>MSCI EAFE (Net)</i>			3.0	11.7	18.8	8.9	4.4	5.4	-3.0		
IM International Large Cap Core Equity (MF) Median			3.2	12.2	17.8	8.5	3.9	4.8	-3.2		
Aristotle International Equity Collective Trust - Class B Rank			8	50	51	-	-	-	95		
<b>MFS Instl International Equity Fund</b>	<b>20,720,738</b>	<b>8.2</b>	<b>3.8</b>	<b>14.1</b>	<b>21.2</b>	<b>10.6</b>	<b>7.6</b>	<b>7.4</b>	<b>7.5</b>	<b>12/2010</b>	<b>Maintain</b>
<i>MSCI EAFE (Net)</i>			3.0	11.7	18.8	8.9	4.4	5.4	5.5		
IM International Large Cap Core Equity (MF) Median			3.2	12.2	17.8	8.5	3.9	4.8	4.8		
MFS Instl International Equity Fund Rank			23	24	22	20	2	1	3		

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# Manager Performance

Total Fund Composite

As of June 30, 2023

	Allocation		Performance(%)								Manager Status
	Market Value (\$)	%	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>Acadian Intl Small Cap Fund</b>	<b>5,851,622</b>	<b>2.3</b>	<b>0.3</b>	<b>6.0</b>	<b>11.5</b>	<b>9.3</b>	<b>3.3</b>	<b>8.0</b>	<b>7.3</b>	<b>02/2011</b>	<b>Maintain</b>
<i>MSCI EAFE Small Cap (Net)</i>			0.6	5.5	10.2	5.7	1.3	6.2	5.4		
IM International Small Cap Equity (SA+CF+MF) Median			0.8	7.1	11.5	5.8	1.9	5.6	6.2		
Acadian Intl Small Cap Fund Rank			62	70	51	25	26	9	29		
<b>Acadian Emerging Markets Equity</b>	<b>5,257,748</b>	<b>2.1</b>	<b>4.3</b>	<b>12.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.6</b>	<b>10/2022</b>	<b>Maintain</b>
<i>MSCI Emerging Markets (Net)</i>			0.9	4.9	1.7	2.3	0.9	3.0	15.1		
IM Emerging Markets Equity (MF) Median			1.8	7.1	4.7	2.1	1.1	2.8	17.8		
Acadian Emerging Markets Equity Rank			19	7	-	-	-	-	9		
<b>Real Estate</b>	<b>23,892,281</b>	<b>9.5</b>	<b>-0.9</b>	<b>-2.3</b>	<b>-4.0</b>	<b>11.6</b>	<b>8.5</b>	<b>9.1</b>	<b>3.6</b>	<b>04/2007</b>	
<i>Real Estate Benchmark</i>			-1.3	-3.8	-1.6	6.9	5.9	7.7	6.4		
<b>PRIT Real Estate Fund</b>	<b>14,366,068</b>	<b>5.7</b>	<b>-0.6</b>	<b>-2.2</b>	<b>-3.1</b>	<b>11.9</b>	<b>8.3</b>	<b>9.2</b>	<b>9.5</b>	<b>06/2011</b>	<b>Maintain</b>
<i>PRIM Custom Total RE Benchmark</i>			-1.3	-3.8	-1.6	6.9	5.9	7.7	8.4		
<b>TA Realty Core Property Fund, LP</b>	<b>6,010,140</b>	<b>2.4</b>	<b>-1.2</b>	<b>-1.9</b>	<b>-6.1</b>	<b>13.0</b>	<b>10.6</b>	<b>-</b>	<b>11.8</b>	<b>04/2018</b>	<b>Maintain</b>
<i>NCREIF Property Index</i>			-2.0	-3.8	-6.6	6.8	5.9	7.8	6.0		
<b>American Strategic Value Realty Fund</b>	<b>2,544,199</b>	<b>1.0</b>	<b>-2.3</b>	<b>-4.7</b>	<b>-6.7</b>	<b>7.0</b>	<b>6.5</b>	<b>-</b>	<b>6.5</b>	<b>07/2018</b>	<b>Maintain</b>
<i>NCREIF Property Index</i>			-2.0	-3.8	-6.6	6.8	5.9	7.8	5.9		
<b>TerraCap Partners IV</b>	<b>971,874</b>	<b>0.4</b>	<b>0.0</b>	<b>-1.4</b>	<b>3.0</b>	<b>12.0</b>	<b>11.1</b>	<b>-</b>	<b>11.1</b>	<b>07/2018</b>	<b>Maintain</b>
<i>NCREIF Property Index</i>			-2.0	-3.8	-6.6	6.8	5.9	7.8	5.9		
<b>Marketable Alternatives</b>	<b>19,830,653</b>	<b>7.9</b>	<b>1.9</b>	<b>3.6</b>	<b>4.4</b>	<b>6.5</b>	<b>3.3</b>	<b>4.0</b>	<b>4.4</b>	<b>07/2010</b>	
<i>HFRI Fund of Funds Composite Index</i>			1.5	2.3	3.7	5.0	3.3	3.4	3.3		
<b>PRIT Hedge Funds</b>	<b>19,830,653</b>	<b>7.9</b>	<b>1.9</b>	<b>3.6</b>	<b>4.4</b>	<b>6.5</b>	<b>3.3</b>	<b>4.0</b>	<b>4.4</b>	<b>07/2010</b>	<b>Maintain</b>
<i>HFRI Fund of Funds Composite Index</i>			1.5	2.3	3.7	5.0	3.3	3.4	3.3		
<b>Private Equity</b>	<b>25,719,342</b>	<b>10.2</b>	<b>2.2</b>	<b>2.7</b>	<b>-3.7</b>	<b>28.3</b>	<b>20.4</b>	<b>20.9</b>	<b>14.5</b>	<b>04/2007</b>	
<b>RCP Fund IV</b>	<b>24,157</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.7</b>	<b>41.0</b>	<b>56.6</b>	<b>28.3</b>	<b>27.3</b>	<b>21.8</b>	<b>01/2007</b>	<b>No Status</b>
<i>S&amp;P 500 + 5%</i>			10.1	19.8	25.6	20.3	17.9	18.5	14.8		

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# Manager Performance

Total Fund Composite

As of June 30, 2023

	Allocation		Performance(%)								Manager Status
	Market Value (\$)	%	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>PRIT VY Investments</b>	<b>25,695,186</b>	<b>10.2</b>	<b>2.2</b>	<b>2.7</b>	<b>-3.7</b>	<b>28.4</b>	<b>21.0</b>	<b>18.7</b>	<b>7.0</b>	<b>04/2011</b>	<b>Maintain</b>
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	12.1		
<b>PRIT Vintage 2011</b>	<b>779,750</b>	<b>0.3</b>	<b>2.9</b>	<b>0.9</b>	<b>-6.4</b>	<b>33.0</b>	<b>22.7</b>	<b>22.1</b>	<b>9.6</b>	<b>04/2011</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	12.1		
<b>PRIT Vintage 2012</b>	<b>706,054</b>	<b>0.3</b>	<b>2.8</b>	<b>2.1</b>	<b>-12.7</b>	<b>14.1</b>	<b>12.3</b>	<b>13.8</b>	<b>-8.3</b>	<b>06/2012</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	13.4		
<b>PRIT Vintage 2013</b>	<b>1,045,374</b>	<b>0.4</b>	<b>4.9</b>	<b>-1.0</b>	<b>-11.3</b>	<b>30.9</b>	<b>24.8</b>	<b>14.1</b>	<b>14.1</b>	<b>07/2013</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	12.3		
<b>PRIT Vintage 2014</b>	<b>1,572,399</b>	<b>0.6</b>	<b>0.9</b>	<b>0.8</b>	<b>-3.2</b>	<b>26.0</b>	<b>21.1</b>	<b>-</b>	<b>11.7</b>	<b>06/2014</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	11.2		
<b>PRIT Vintage 2015</b>	<b>2,105,533</b>	<b>0.8</b>	<b>1.1</b>	<b>1.5</b>	<b>-5.8</b>	<b>24.6</b>	<b>22.0</b>	<b>-</b>	<b>16.1</b>	<b>04/2015</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	11.1		
<b>PRIT Vintage 2016</b>	<b>1,009,347</b>	<b>0.4</b>	<b>0.5</b>	<b>-3.4</b>	<b>-12.8</b>	<b>22.9</b>	<b>15.8</b>	<b>-</b>	<b>3.9</b>	<b>04/2016</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	12.8		
<b>PRIT Vintage 2017</b>	<b>3,870,851</b>	<b>1.5</b>	<b>2.0</b>	<b>3.9</b>	<b>1.6</b>	<b>30.2</b>	<b>18.4</b>	<b>-</b>	<b>15.6</b>	<b>05/2017</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	12.0		
<b>PRIT Vintage 2018</b>	<b>3,498,290</b>	<b>1.4</b>	<b>4.0</b>	<b>6.4</b>	<b>-0.7</b>	<b>30.5</b>	<b>11.9</b>	<b>-</b>	<b>11.5</b>	<b>06/2018</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	11.3		
<b>PRIT Vintage 2019</b>	<b>3,571,948</b>	<b>1.4</b>	<b>2.3</b>	<b>3.2</b>	<b>-1.4</b>	<b>34.6</b>	<b>-</b>	<b>-</b>	<b>20.9</b>	<b>04/2019</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	12.3		
<b>PRIT Vintage 2020</b>	<b>2,872,517</b>	<b>1.1</b>	<b>1.5</b>	<b>1.0</b>	<b>-3.9</b>	<b>18.7</b>	<b>-</b>	<b>-</b>	<b>14.4</b>	<b>03/2020</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	14.2		
<b>PRIT Vintage 2021</b>	<b>3,548,280</b>	<b>1.4</b>	<b>1.8</b>	<b>4.1</b>	<b>-5.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.8</b>	<b>04/2021</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	4.7		

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## Manager Performance

Total Fund Composite

As of June 30, 2023

	Allocation		Performance(%)								Manager Status
	Market Value (\$)	%	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>PRIT Vintage 2022</b>	<b>1,051,165</b>	<b>0.4</b>	<b>2.2</b>	<b>3.2</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-4.0</b>	<b>03/2022</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	1.7		
<b>PRIT Vintage 2023</b>	<b>63,678</b>	<b>0.0</b>	<b>-0.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-0.6</b>	<b>04/2023</b>	
<i>Russell 3000 Index</i>			8.4	16.2	19.0	13.9	11.4	12.3	8.4		

\*\* PRIT General Allocation Fund performance is provided net of fees for comparative purposes only.

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# Calendar Year Performance

Total Fund Composite

As of June 30, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Fund Composite</b>	<b>-12.2</b>	<b>16.2</b>	<b>12.6</b>	<b>18.7</b>	<b>-4.9</b>	<b>15.6</b>	<b>6.6</b>	<b>1.0</b>	<b>6.6</b>	<b>15.6</b>
<i>Policy Index</i>	-13.4	12.1	13.1	19.5	-4.9	15.8	7.4	0.4	6.1	16.7
<b>PRIT General Allocation Fund **</b>	<b>-11.4</b>	<b>19.9</b>	<b>12.2</b>	<b>16.3</b>	<b>-2.3</b>	<b>17.2</b>	<b>7.5</b>	<b>0.7</b>	<b>7.7</b>	<b>14.8</b>
<i>PRIT Benchmark</i>	-9.5	17.6	12.8	15.8	-1.2	15.9	8.5	0.1	7.0	13.9
<b>Short Term Liquidity</b>	<b>1.9</b>	<b>0.0</b>	<b>0.4</b>	<b>2.0</b>	<b>1.3</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>90 Day U.S. Treasury Bill</i>	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0	0.0	0.0
<b>Collective US Govt STIF Fund</b>	<b>1.9</b>	<b>0.0</b>	<b>0.4</b>	<b>2.0</b>	<b>1.3</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>90 Day U.S. Treasury Bill</i>	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0	0.0	0.0
<b>Fixed Income</b>	<b>-13.2</b>	<b>-1.2</b>	<b>9.4</b>	<b>9.6</b>	<b>-1.2</b>	<b>5.1</b>	<b>5.3</b>	<b>-1.3</b>	<b>6.2</b>	<b>-0.4</b>
<i>Fixed Income Benchmark</i>	-13.3	-1.4	7.7	9.0	-0.3	4.3	4.0	-0.4	5.0	-1.3
<b>IRM Core Bond Fund LLC</b>	<b>-13.2</b>	<b>-1.2</b>	<b>9.2</b>	<b>9.1</b>	<b>-0.2</b>	<b>3.7</b>	<b>3.3</b>	<b>0.3</b>	<b>6.8</b>	<b>-1.4</b>
<i>Blmbg. U.S. Aggregate</i>	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5	6.0	-2.0
IM U.S. Broad Market Core Fixed Income (MF) Median	-13.7	-1.3	8.2	8.8	-0.6	3.6	2.9	0.0	5.5	-2.0
IRM Core Bond Fund LLC Rank	28	41	22	38	26	47	39	36	9	31
<b>Blackrock Strategic Income Opportunities K (1.5 mm)</b>	<b>-5.6</b>	<b>1.0</b>	<b>7.3</b>	<b>7.8</b>	<b>-0.5</b>	<b>5.0</b>	<b>3.6</b>	<b>-0.6</b>	<b>3.6</b>	<b>3.0</b>
<i>Blmbg. U.S. Aggregate</i>	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5	6.0	-2.0
IM Alternative Credit Focus (MF) Median	-7.6	1.9	3.9	7.3	-1.9	4.5	4.9	-1.6	1.0	-0.1
Blackrock Strategic Income Opportunities K (1.5 mm) Rank	41	58	17	43	29	43	64	25	21	31
<b>Eaton Vance Trust CIT High Yield Fund</b>	<b>-9.5</b>	<b>5.3</b>	<b>5.6</b>	<b>14.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>ICE BofAML US High Yield Master II Constrained</i>	-11.2	5.3	6.1	14.4	-2.3	7.5	17.5	-4.6	2.5	7.4
IM U.S. High Yield Bonds (MF) Median	-11.0	4.9	5.4	13.8	-3.0	6.6	13.8	-4.0	1.5	6.7
Eaton Vance Trust CIT High Yield Fund Rank	24	41	45	45	-	-	-	-	-	-
<b>Brandywine Global Opportunistic Fixed Income</b>	<b>-16.1</b>	<b>-5.3</b>	<b>11.7</b>	<b>9.4</b>	<b>-5.2</b>	<b>12.9</b>	<b>5.2</b>	<b>-8.4</b>	<b>6.3</b>	<b>-3.6</b>
<i>Blmbg. Global Aggregate</i>	-16.2	-4.7	9.2	6.8	-1.2	7.4	2.1	-3.2	0.6	-2.6
IM Global Fixed Income (MF) Median	-14.7	-2.7	8.3	8.1	-1.8	6.8	2.9	-3.8	1.9	-2.5
Brandywine Global Opportunistic Fixed Income Rank	67	80	12	23	96	3	20	96	12	71

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# Calendar Year Performance

Total Fund Composite

As of June 30, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Domestic Equity</b>	<b>-19.3</b>	<b>24.1</b>	<b>21.9</b>	<b>31.7</b>	<b>-8.8</b>	<b>20.2</b>	<b>12.1</b>	<b>0.9</b>	<b>11.9</b>	<b>34.4</b>
<i>Domestic Equity Benchmark</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Domestic Equity</b>	<b>-18.6</b>	<b>27.8</b>	<b>20.2</b>	<b>30.6</b>	<b>-5.2</b>	<b>20.7</b>	<b>12.8</b>	<b>0.1</b>	<b>11.6</b>	<b>33.6</b>
<i>PRIT Equity Benchmark</i>	-18.1	26.6	18.9	30.8	-5.5	20.8	13.1	0.5	12.4	33.3
IM U.S. Large Cap Core Equity (MF) Median	-18.7	26.9	18.4	30.7	-5.4	21.5	9.7	0.5	11.5	31.8
PRIT Domestic Equity Rank	49	36	35	52	45	61	13	57	49	23
<b>Columbia US Contrarian Core Equity Fund</b>	<b>-18.5</b>	<b>24.5</b>	<b>22.3</b>	<b>33.4</b>	<b>-8.3</b>	<b>21.7</b>	<b>9.3</b>	<b>3.5</b>	<b>-</b>	<b>-</b>
<i>Russell 1000 Index</i>	-19.1	26.5	21.0	31.4	-4.8	21.7	12.1	0.9	13.2	33.1
IM U.S. Large Cap Core Equity (MF) Median	-18.7	26.9	18.4	30.7	-5.4	21.5	9.7	0.5	11.5	31.8
Columbia US Contrarian Core Equity Fund Rank	48	78	20	16	89	46	58	11	-	-
<b>Wellington Small Cap 2000</b>	<b>-22.2</b>	<b>15.4</b>	<b>28.5</b>	<b>33.1</b>	<b>-10.7</b>	<b>20.1</b>	<b>19.5</b>	<b>-2.6</b>	<b>9.3</b>	<b>43.0</b>
<i>Russell 2000 Index</i>	-20.4	14.8	20.0	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8
IM U.S. Small Cap Core Equity (MF) Median	-15.8	25.1	9.9	23.9	-12.7	12.1	21.7	-4.3	4.7	36.8
Wellington Small Cap 2000 Rank	94	88	2	2	27	5	73	28	6	12
<b>International Equity</b>	<b>-18.6</b>	<b>12.7</b>	<b>10.9</b>	<b>24.5</b>	<b>-13.7</b>	<b>29.2</b>	<b>2.9</b>	<b>-1.9</b>	<b>-4.8</b>	<b>18.3</b>
<i>International Equity Benchmark</i>	-16.6	8.1	10.9	21.9	-14.6	27.8	4.3	-4.1	-4.0	17.0
<b>Aristotle International Equity Collective Trust - Class B</b>	<b>-20.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>MSCI EAFE (Net)</i>	-14.5	11.3	7.8	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.8
IM International Large Cap Core Equity (MF) Median	-15.1	10.7	9.1	22.1	-15.0	25.0	0.0	-1.9	-6.0	20.4
Aristotle International Equity Collective Trust - Class B Rank	94	-	-	-	-	-	-	-	-	-
<b>MFS Instl International Equity Fund</b>	<b>-14.8</b>	<b>15.2</b>	<b>11.1</b>	<b>28.3</b>	<b>-10.7</b>	<b>28.0</b>	<b>0.3</b>	<b>0.0</b>	<b>-4.2</b>	<b>18.6</b>
<i>MSCI EAFE (Net)</i>	-14.5	11.3	7.8	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.8
IM International Large Cap Core Equity (MF) Median	-15.1	10.7	9.1	22.1	-15.0	25.0	0.0	-1.9	-6.0	20.4
MFS Instl International Equity Fund Rank	46	4	35	2	7	21	47	18	20	70
<b>Acadian Intl Small Cap Fund</b>	<b>-19.2</b>	<b>19.7</b>	<b>13.3</b>	<b>22.9</b>	<b>-19.2</b>	<b>37.9</b>	<b>2.7</b>	<b>12.9</b>	<b>-5.6</b>	<b>31.7</b>
<i>MSCI EAFE Small Cap (Net)</i>	-21.4	10.1	12.3	25.0	-17.9	33.0	2.2	9.6	-4.9	29.3
IM International Small Cap Equity (SA+CF+MF) Median	-22.0	12.7	13.3	23.4	-19.3	33.5	-0.1	6.4	-4.8	27.2
Acadian Intl Small Cap Fund Rank	38	5	50	55	50	21	34	13	58	23

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## Calendar Year Performance

Total Fund Composite

As of June 30, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Acadian Emerging Markets Equity</b>	-	-	-	-	-	-	-	-	-	-
<i>MSCI Emerging Markets (Net)</i>	-20.1	-2.5	18.3	18.4	-14.6	37.3	11.2	-14.9	-2.2	-2.6
IM Emerging Markets Equity (MF) Median	-22.5	-1.6	17.7	20.2	-16.5	35.7	8.3	-13.7	-3.0	-1.5
Acadian Emerging Markets Equity Rank	-	-	-	-	-	-	-	-	-	-
<b>Real Estate</b>	7.3	26.6	1.7	10.0	6.7	7.1	4.6	11.1	19.2	5.7
<i>Real Estate Benchmark</i>	7.1	15.2	0.7	9.5	4.7	7.8	8.4	11.3	12.2	10.4
<b>PRIT Real Estate Fund</b>	7.0	27.2	0.6	10.6	5.0	8.4	7.2	11.3	13.9	10.2
<i>PRIM Custom Total RE Benchmark</i>	7.1	15.2	0.7	9.5	4.7	7.8	8.5	10.8	12.3	9.8
<b>TA Realty Core Property Fund, LP</b>	8.8	29.6	5.5	8.5	-	-	-	-	-	-
<i>NCREIF Property Index</i>	5.5	17.7	1.6	6.4	6.7	7.0	8.0	13.3	11.8	11.0
<b>American Strategic Value Realty Fund</b>	6.8	18.6	2.3	8.0	-	-	-	-	-	-
<i>NCREIF Property Index</i>	5.5	17.7	1.6	6.4	6.7	7.0	8.0	13.3	11.8	11.0
<b>TerraCap Partners IV</b>	8.6	21.2	7.4	9.2	-	-	-	-	-	-
<i>NCREIF Property Index</i>	5.5	17.7	1.6	6.4	6.7	7.0	8.0	13.3	11.8	11.0
<b>Marketable Alternatives</b>	-2.0	9.5	1.3	7.7	-1.6	8.2	4.3	-1.9	5.6	12.5
<i>HFRI Fund of Funds Composite Index</i>	-5.3	6.2	10.9	8.4	-4.0	7.8	0.5	-0.3	3.4	9.0
<b>PRIT Hedge Funds</b>	-2.0	9.5	1.3	7.7	-1.6	8.2	4.3	-1.9	5.6	12.5
<i>HFRI Fund of Funds Composite Index</i>	-5.3	6.2	10.9	8.4	-4.0	7.8	0.5	-0.3	3.4	9.0
<b>Private Equity</b>	-3.0	65.1	23.5	12.7	23.6	21.0	18.7	19.2	24.9	22.7
<b>RCP Fund IV</b>	686.6	-46.4	-28.0	8.5	26.4	18.8	34.0	18.4	29.1	26.6
<i>S&amp;P 500 + 5%</i>	-14.0	35.1	24.3	38.1	0.4	27.9	17.6	6.5	19.4	39.0
<b>PRIT VY Investments</b>	-3.0	65.2	25.0	13.1	23.5	21.6	14.1	16.2	16.2	4.9
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2011</b>	-4.5	107.9	14.3	5.4	27.5	23.4	20.2	28.6	22.3	5.8
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2012</b>	-26.3	44.2	40.1	6.0	16.2	28.2	13.6	12.2	8.6	5.3
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6

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# Calendar Year Performance

Total Fund Composite

As of June 30, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>PRIT Vintage 2013</b>	<b>-12.1</b>	<b>94.4</b>	<b>30.5</b>	<b>24.3</b>	<b>18.7</b>	<b>20.4</b>	<b>8.8</b>	<b>2.7</b>	<b>9.8</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2014</b>	<b>-1.0</b>	<b>57.3</b>	<b>22.6</b>	<b>15.6</b>	<b>35.6</b>	<b>20.5</b>	<b>9.6</b>	<b>-1.9</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2015</b>	<b>-11.8</b>	<b>66.1</b>	<b>28.1</b>	<b>24.8</b>	<b>35.2</b>	<b>17.1</b>	<b>6.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2016</b>	<b>-3.5</b>	<b>56.8</b>	<b>30.6</b>	<b>4.3</b>	<b>10.8</b>	<b>-3.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2017</b>	<b>4.4</b>	<b>57.8</b>	<b>17.7</b>	<b>15.1</b>	<b>2.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2018</b>	<b>0.3</b>	<b>59.3</b>	<b>23.6</b>	<b>-3.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2019</b>	<b>0.5</b>	<b>82.9</b>	<b>19.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2020</b>	<b>5.2</b>	<b>35.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2021</b>	<b>-5.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6

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

# The Watertown Retirement System Investment Mandates - Procurement Review

Updated as of August 2023

Color legend:

Near term expirations - Extend or Issue RFP in next 6 months

Issue RFP in next 12 months

Asset Class	Style	Manager/Mandate	RFP Last Issued (Mo/Yr)	Most Recent IMA/Contract/ Side Letter Date (Mo/Yr)	Current Length of Term (Yrs)	Current Term/Contract Expiration (Mo/Yr)	Status of Extensions	New Term/Contract Expiration (Mo/Yr)	Anticipated RFP/Search Date
Fixed Income	Core/Core Plus	IRM Core Bond Fund (CF)	Feb-21	Nov-21	7	Nov-28	N/A	Nov-28	May-27
	Opportunistic/Dynamic Bond	BlackRock Strategic Income Opportunities Fund (MF)	Oct-22	Apr-23	7	Apr-30	N/A	Apr-30	Oct-29
	High Yield	Eaton Vance Trust High Yield Fund (CF)	Jun-17	Feb-18	7	Feb-25	N/A	Feb-25	Aug-24
	Global Bonds	Brandywine Global Opportunistic Bond Fund (CF)	May-17	Jul-17	7	Jul-24	N/A	Jul-24	Jan-24
Domestic Equity	Core Equity	PRIT Domestic Equity Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Core Equity	Columbia Contrarian Core Equity Private Fund (CF)	Jul-21	Feb-22 (Pending)	7	Feb-29	N/A	Feb-29	Aug-28
	Mid Cap	Lee Munder Mid Cap Core Collective Fund (CF)	Jan-18	Mar-18	7	Mar-25	N/A	Mar-25	Sep-24
	Small Cap	Wellington Small Cap 2000 Portfolio (CF)	Feb-17	Jul-17	7	Jul-24	N/A	Jul-24	Jan-24
International Equity	International Equity	Aristotle International Equity (CF)	Apr-21	Dec-21	7	Dec-28	N/A	Dec-28	Jun-28
	International Equity	MFS Instl International Equity (MF)	Apr-21	Sep-21	7	Sep-28	N/A	Sep-28	Mar-28
	International Small Cap	Acadian Int'l Small Cap (CF)	Feb-17	Jun-17	7	Jun-24	N/A	Jun-24	Dec-23
	International Emerging Markets	Acadian Emerging Markets Equity Fund (CF)	Dec-21	Sep-22	7	Sep-29	N/A	Sep-29	Mar-29
Asset Allocation	Asset Allocation	Wellington Opportunistic Investment Allocation (CF)	Jun-18	Nov-18	7	Nov-25	N/A	Nov-25	May-25
	Asset Allocation	PineBridge Global Dynamic Asset Allocation (CF)	Jun-18	Nov-18	7	Nov-25	N/A	Nov-25	May-25
Real Estate	Real Estate	PRIT Real Estate Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Real Estate	American Realty Advisors Strategic Value Realty	Dec-17	Jun-18	7	Jun-25	N/A	Jun-25	Dec-24
	Real Estate	TA Realty Core Property Fund	Sep-17	Mar-18	7	Mar-25	N/A	Mar-25	Sep-24
	Real Estate (Illiquid)	TerraCap Management TerraCap Partners IV	Dec-17	N/A	Closed End	N/A	N/A	N/A	N/A
	Real Estate (Winding Down)	Arsenal Real Estate	Illiquid Inherited	N/A	Closed End	N/A	N/A	N/A	N/A

# The Watertown Retirement System Investment Mandates - Procurement Review

Updated as of August 2023

Color legend:

Near term expirations - Extend or Issue RFP in next 6 months
Issue RFP in next 12 months

Asset Class	Style	Manager/Mandate	RFP Last Issued (Mo/Yr)	Most Recent IMA/Contract/Side Letter Date (Mo/Yr)	Current Length of Term (Yrs)	Current Term/Contract Expiration (Mo/Yr)	Status of Extensions	New Term/Contract Expiration (Mo/Yr)	Anticipated RFP/Search Date
Hedge Funds	Hedge Funds	PRIT Hedge Funds Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Private Equity	Private Equity (Illiquid)	RCP IV	Illiquid Inherited	N/A	Closed End	N/A	N/A	N/A	N/A
	Private Equity (Illiquid)	EnTrust Global Special Opportunities Fund V (Illiquid)	Mar-22	Nov-22	Closed End	N/A	N/A	N/A	N/A
	Private Equity (Illiquid)	PRIT Vintage Year	N/A	N/A	Closed End	N/A	N/A	N/A	N/A
Other Investment Related Vendors	Custodian	People's United Bank	Apr-18	Nov-18	7	Nov-25	N/A	Nov-25	May-25
	Investment Consultant	Fiduciary Investment Advisors	Jan-22	Mar-22	5	Mar-27	2 year Option	March-29	Sep-26
	Actuarial Services	Sherman Actuarial Services	Nov-19	Feb-20	4	Feb-24	N/A	Feb-24	Aug-23
	Legal Services	Attorney Thomas Gibson	Sep-18	Nov-18	7	Nov-25	N/A	Nov-25	May-25



## Investment Gain/Loss Summary

Total Fund Composite

1 Quarter Ending June 30, 2023

	Market Value as of 04/01/2023	Net Contributions	Gain/Loss	Market Value As of 06/30/2023
<b>Total Fund Composite</b>	<b>247,396,279</b>	<b>-3,142,288</b>	<b>8,363,518</b>	<b>252,617,509</b>
<b>Short Term Liquidity</b>	<b>2,899,357</b>	<b>-2,827,489</b>	<b>19,785</b>	<b>91,653</b>
Collective US Govt STIF Fund	2,899,357	-2,827,489	19,785	91,653
<b>Fixed Income</b>	<b>47,751,713</b>	<b>10,000,000</b>	<b>-187,798</b>	<b>57,563,914</b>
IRM Core Bond Fund LLC	37,136,216	-	-221,283	36,914,933
Blackrock Strategic Income Opportunities K (1.5 mm)	-	10,000,000	27,734	10,027,734
Eaton Vance Trust CIT High Yield Fund	4,109,876	-	41,102	4,150,978
Brandywine Global Opportunistic Fixed Income	6,505,620	-	-35,350	6,470,270
<b>Asset Allocation</b>	<b>10,413,118</b>	<b>-10,285,626</b>	<b>-127,491</b>	<b>-</b>
WTC-CIF Opportunistic Invst Allocation	5,007,198	-4,922,239	-84,958	-
PineBridge Global Dynamic Asset Allocation Fund LLC	5,405,920	-5,363,387	-42,533	-
<b>Domestic Equity</b>	<b>66,874,531</b>	<b>-</b>	<b>6,005,172</b>	<b>72,879,703</b>
PRIT Domestic Equity	24,990,772	-	2,072,942	27,063,714
Columbia US Contrarian Core Equity Fund	28,791,133	-	3,161,437	31,952,570
Wellington Small Cap 2000	13,092,627	-	770,793	13,863,419
<b>International Equity</b>	<b>50,873,157</b>	<b>-200,000</b>	<b>1,966,805</b>	<b>52,639,961</b>
Aristotle International Equity Collective Trust - Class B	19,839,132	-	970,722	20,809,854
MFS Instl International Equity Fund	20,160,445	-200,000	760,293	20,720,738
Acadian Intl Small Cap Fund	5,834,320	-	17,302	5,851,622
Acadian Emerging Markets Equity	5,039,261	-	218,487	5,257,748
<b>Real Estate</b>	<b>24,113,783</b>	<b>-</b>	<b>-221,502</b>	<b>23,892,281</b>
PRIT Real Estate Fund	14,456,740	-	-90,672	14,366,068
TA Realty Core Property Fund, LP	6,082,253	-	-72,113	6,010,140
American Strategic Value Realty Fund	2,602,916	-	-58,717	2,544,199
TerraCap Partners IV	971,874	-	-	971,874
<b>Marketable Alternatives</b>	<b>19,470,132</b>	<b>-</b>	<b>360,521</b>	<b>19,830,653</b>
PRIT Hedge Funds	19,470,132	-	360,521	19,830,653
<b>Private Equity</b>	<b>25,000,488</b>	<b>170,827</b>	<b>548,028</b>	<b>25,719,342</b>
RCP Fund IV	24,157	-	-	24,157
<b>PRIT VY Investments</b>	<b>24,976,331</b>	<b>170,827</b>	<b>548,028</b>	<b>25,695,186</b>
PRIT Vintage 2011	793,027	-35,389	22,112	779,750
PRIT Vintage 2012	691,975	-4,916	18,995	706,054



## Investment Gain/Loss Summary

Total Fund Composite

1 Quarter Ending June 30, 2023

	Market Value as of 04/01/2023	Net Contributions	Gain/Loss	Market Value As of 06/30/2023
PRIT Vintage 2013	1,152,730	-157,995	50,639	1,045,374
PRIT Vintage 2014	1,584,443	-26,593	14,549	1,572,399
PRIT Vintage 2015	2,158,381	-75,886	23,038	2,105,533
PRIT Vintage 2016	1,054,727	-50,156	4,777	1,009,347
PRIT Vintage 2017	3,910,759	-114,834	74,926	3,870,851
PRIT Vintage 2018	3,302,686	62,157	133,446	3,498,290
PRIT Vintage 2019	3,490,601	-327	81,674	3,571,948
PRIT Vintage 2020	2,712,003	119,911	40,603	2,872,517
PRIT Vintage 2021	3,313,381	171,288	63,610	3,548,280
PRIT Vintage 2022	811,618	219,688	19,858	1,051,165
PRIT Vintage 2023	-	63,879	-200	63,678





# Portfolio Statistics

Total Fund Composite

As of June 30, 2023

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Return	3.4	8.1	8.7	9.1	6.8	7.4	6.3	10/1999
Standard Deviation	1.4	2.3	11.5	10.6	10.9	8.7	10.5	
Upside Risk	1.8	2.5	2.7	8.9	8.4	7.0	8.5	
Downside Risk	0.4	0.9	7.1	6.3	7.3	5.6	6.5	
<b>vs. Policy Index</b>								
Alpha	0.2	0.1	0.1	2.8	1.2	0.9	1.3	
Beta	0.8	0.9	0.9	0.9	0.9	0.9	0.8	
Information Ratio	0.1	0.0	-0.6	1.0	0.3	0.2	0.0	
Tracking Error	0.3	0.3	1.8	2.0	1.8	1.5	6.8	
<b>vs. 90 Day U.S. Treasury Bill</b>								
Sharpe Ratio	0.5	0.4	0.5	0.8	0.5	0.7	0.5	

Calculation based on monthly periodicity.

## Estimated Fee Analysis

As of June 30, 2023

Manager	Target Allocation	Market Value	Fee Schedule <sup>2</sup>	Estimated Annualized Totals <sup>1</sup>
IRM Core Bond Fund	23.5%	36,914,933	0.25%	\$92,287
BlackRock Strategic Income Opportunities K	7.0%	10,027,734	0.67%	\$67,186
Eaton Vance Trust CIT High Yield Fund	2.0%	4,150,978	0.50%	\$20,755
Brandywine Global Opportunistic Fixed Income	2.5%	6,470,270	0.45%	\$29,116
PRIT Domestic Equity	10.0%	27,063,714	0.16%	\$43,302
Columbia U.S. Contrarian Core Equity Private Fund	8.5%	31,952,570	0.50%	\$159,763
Wellington Small Cap 2000 Portfolio <sup>3</sup>	5.0%	13,863,419	0.90% on first \$25 Mil; 0.80% on next \$25 Mil; 0.70% on next \$50 Mil; negotiable thereafter	\$124,771
Aristotle International Equity	4.75%	20,809,854	0.49%	\$101,968
MFS Institutional International Equity	4.75%	20,720,738	0.71%	\$147,117
Acadian International Small Cap Equity	1.5%	5,851,622	0.75%	\$43,887
Acadian Emerging Markets Equity	2.75%	5,257,748	0.75%	\$39,433
Emerging Markets Equity - Manager TBD	2.75%	0	TBD	TBD
PRIT Core Real Estate <sup>4</sup>	7.0%	14,366,068	1.06%	\$152,280
TA Realty Core Property Fund, LP	1.5%	6,010,140	0.70%	\$42,071
American Strategic Value Realty Fund <sup>5</sup>	1.0%	2,544,199	1.25% on first \$10 Mil; 1.20% on next \$15 Mil; 1.10% on next \$25 Mil; 1.00% thereafter	\$31,802
TerraCap Partners IV <sup>6</sup>	0.5%	971,874	1.50%	\$14,578
PRIT Hedge Funds <sup>4</sup>	5.0%	19,830,653	1.05%	\$208,222
RCP Fund IV	10.0%	24,157	0.75% of contributions	No longer charging management fee
PRIT Vintage Year Portfolios <sup>4</sup>		25,695,186	1.00%	\$256,952
<b>Average Weighted Investment Management Fee</b>			<b>0.62%</b>	<b>Approximately \$1,575,000</b>

RCP and TerraCap are stated valued, as of previous quarter-ends, adjusted for capital calls and distributions in the quarter.

Footnotes: <sup>1</sup>Estimated Annualized Totals does not include applicable incentive fees. <sup>2</sup>Management fees for commingled funds may not include additional underlying fund expenses such as custody, audit, legal and administrative expenses that are typically deducted from the net asset value of the fund. <sup>3</sup>Wellington has waived minimum annual fee for the Small Cap 2000 portfolio. <sup>4</sup>PRIT Investments reflect expense ratios as of most recent fiscal year end (FY 2022 CAFR) and will vary year-to-year depending on performance incentive fees paid out to managers. Fees for Vintage Year portfolios vary widely; the estimated fee of 1.00% is expected as the management fee over the life of the investments. <sup>5</sup>American Strategic Value Realty Fund fee reflects base fee not including carried interest of 20% after 10% preferred return. <sup>6</sup>TerraCap Partners IV fee reflects base fee not including carried interest of 20% after 8% preferred return and 30% after 15% secondary preferred return.

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. Fiduciant Advisors has not independently verified this information.

## Liquidity Analysis

As of June 30, 2023

Investment	Initial Lock-up Period	Terms	Investment Date
IRM Core Bond Fund	None	Daily liquidity; requires 5 business days notice	Jul-00
BlackRock Strategic Income Opportunities Fund K	None	Daily Liquidity	TBD
Eaton Vance Trust CIT High Yield Fund	None	Daily Liquidity	Mar-18
Brandywine Global Opportunistic Fund	None	Daily liquidity; contributions require 24 hours notice; redemptions require 10 days notice	Jun-11
PRIT Domestic Equity Account	None	Monthly liquidity for contributions and withdrawals on first business day; redemptions require 5 days notice	Jul-10
Columbia U.S. Contrarian Core Equity Fund	None	Monthly liquidity for contributions; withdrawals on first business day with wire T+10 business days; 30 days notice required	Jan-15
Wellington Small Cap 2000 Portfolio	None	Daily liquidity	Oct-99
Aristotle International Equity	None	Daily liquidity	Dec-21
MFS Institutional International Equity Fund	None	Daily liquidity	Dec-10
Acadian International Small Cap Fund	None	Daily liquidity for contributions and withdrawals, 7 business days requested	Feb-11
Acadian Emerging Markets Equity	None	Daily liquidity for contributions and withdrawals, 10 business days requested	Sep-22
Emerging Markets Equity - Manager TBD	TBD	TBD	TBD
PRIT Real Estate Fund	None	Monthly liquidity for contributions and withdrawals on first business day; 5 days notice required	Jun-11
TA Realty Core Property Fund, LP	Reducing percentage over 3 year period	Quarterly liquidity for withdrawals on first business day; 45 days notice required.	Apr-18
American Strategic Value Realty Fund	One-year	Quarterly liquidity for withdrawals on first business day subject to liquidity restraints due to fund activity; 30 days notice required	Jul-18
TerraCap Partners IV	8 year term plus two one-year extension options	Not applicable	Aug-18
PRIT Hedge Funds	None	Quarterly liquidity for contributions and withdrawals on first business day; 30 days notice required	Jul-10
RCP Fund IV	Term expires 12/31/18 and is subject to three one-year extensions	Not applicable	Jan-07
PRIT Vintage Year Funds	Illiquid Generally 10-15 Years	Commitments must be made annually in December. Drawdowns occur monthly on first business day.	Apr-11

# 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](mailto:compliance@fiducient.com).

## INDEX DEFINITIONS

- **Citigroup 3 Month T-Bill** measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues.
- **Ryan 3 Yr. GIC** is an arithmetic mean of market rates of \$1 million Guaranteed Interest Contracts held for three years.
- **Bloomberg 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 Capital US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.
- **Bloomberg 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 Muni 1 Year Index** is the 1-year (1-2) component of the Municipal Bond index.
- **Bloomberg Muni 3 Year Index** is the 3-year (2-4) component of the Municipal Bond index.
- **Bloomberg Muni 5 Year Index** is the 5-year (4-6) component of the Municipal Bond index.
- **Bloomberg Muni 7 Year Index** is the 7-year (6-8) component of the Municipal Bond index.
- **Bloomberg 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 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 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 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%: U.S. Treasury Inflation Notes Total Return Index
  - **PIMCO Inflation Response Multi Asset Fund:** 45% Bloomberg 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 Bloomberg 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 US1-5Yr Gov/Cr Flt Adj Index:** Bloomberg U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US5-10Yr Gov/Cr Flt Adj Index:** Bloomberg U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US Agg Flt Adj Index:** Bloomberg U.S. Aggregate Bond Index through December 31, 2009; Bloomberg U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US Long Gov/Cr Flt Adj Index:** Bloomberg U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg 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 U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Intermediate-Term Tax-Exempt Index:** Bloomberg 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 FA overrides a custodial price, prices are taken from Bloomberg.

#### REPORTING POLICY

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

Custodian reports are the reports that govern the account. There will be different account values between Fiduciant 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 Fiduciant Advisors are described in Part 2 of the Form ADV.

## **MATERIAL RISKS & LIMITATIONS**

**Fixed Income** securities are subject to interest rate risks, the risk of default and liquidity risk. U.S. investors exposed to non-U.S. fixed income may also be subject to currency risk and fluctuations.  
-Liability Driven Investing (LDI) Assets

**Cash** may be subject to the loss of principal and over longer period of time may lose purchasing power due to inflation.  
-Short Term Liquidity

**Domestic Equity** can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry factors, or other macro events. These may happen quickly and unpredictably.

**International Equity** can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry impacts, or other macro events. These may happen quickly and unpredictably. International equity allocations may also be impact by currency and/or country specific risks which may result in lower liquidity in some markets.

**Real Assets** can be volatile and may include asset segments that may have greater volatility than investment in traditional equity securities. Such volatility could be influenced by a myriad of factors including, but not limited to overall market volatility, changes in interest rates, political and regulatory developments, or other exogenous events like weather or natural disaster.

**Private Equity** involves higher risk and is suitable only for sophisticated investors. Along with traditional equity market risks, private equity investments are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility and/or the potential loss of capital.

**Private Credit** involves higher risk and is suitable only for sophisticated investors. These assets are subject to interest rate risks, the risk of default and limited liquidity. U.S. investors exposed to non-U.S. private credit may also be subject to currency risk and fluctuations.

**Private Real Estate** involves higher risk and is suitable only for sophisticated investors. Real estate assets can be volatile and may include unique risks to the asset class like leverage and/or industry, sector or geographical concentration. Declines in real estate value may take place for a number of reasons including, but are not limited to economic conditions, change in condition of the underlying property or defaults by the borrow.

**Marketable Alternatives** involves higher risk and is suitable only for sophisticated investors. Along with traditional market risks, marketable alternatives are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility or the potential for loss of capital. Additionally, short selling involved certain risks including, but not limited to additional costs, and the potential for unlimited loss on certain short sale positions.

## **OTHER**

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

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

## **CUSTODIAN STATEMENTS**

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