

**AGENDA**  
**REGULAR RETIREMENT COMMITTEE MEETING**  
**CITY OF DELRAY BEACH GENERAL EMPLOYEES' RETIREMENT PLAN**  
**THURSDAY, SEPTEMBER 29, 2021 at 1:00 PM**  
**FIRE DEPARTMENT HEADQUARTERS, TRAINING ROOM 'A'**  
**501 W. ATLANTIC AVENUE, DELRAY BEACH**

- 1. Call to Order, Roll Call, Agenda Adoption**
  - A. Agenda Adoption – September 29, 2021
- 2. Public Comments**
- 3. Consent Agenda**
  - A. May 20, 2021 Regular Meeting Minutes
  - B. Ratification of Plan Expenses and Termination Refunds
  - C. Approval/Ratification of New Retirement/DROP/Vested/Death Annuities
- 4. AndCo Consulting – Brendon Vavrica**
  - A. Portfolio Performance Review – Quarter End June 30, 2021
  - B. Flash Report – August 2021 and estimated September 2021 to date performance
  - C. Review Near Term Cash Requirements/How to Invest Upcoming City Contribution
  - D. Alternative Investments Discussion
- 5. Legal Items – Janice Rustin**
  - A. Gabriel, Roeder, Smith & Co. Actuarial Services Contract
  - B. Travel Policy Review
- 6. Pension Administrator Report – Lisa Castronovo**
- 7. Other Business**
- 8. Adjournment**

IN ACCORDANCE WITH THE AMERICAN WITH DISABILITIES ACT OF 1990, PERSONS NEEDING A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE PLAN ADMINISTRATOR NO LATER THAN TWO (2) DAYS PRIOR TO THE PROCEEDING, TELEPHONE (561) 243-4707 FOR ASSISTANCE; IF HEARING IMPAIRED, TELEPHONE THE FLORIDA RELAY SERVICE NUMBERS (800) 955-8771 (TDD) OR (800) 955-8770 (VOICE) FOR ASSISTANCE. NOTICE IS GIVEN TO ALL INTERESTED PARTIES THAT IF ANY PERSON DECIDES TO APPEAL ANY DECISION MADE AT THE FORTHCOMING MEETING OF THE CITY OF DELRAY BEACH GENERAL EMPLOYEES' RETIREMENT PLAN, SUCH PERSON WILL NEED A RECORD OF THE PROCEEDINGS CONDUCTED AT SUCH MEETING AND FOR SUCH PURPOSE, HE OR SHE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDING IS MADE, WHICH RECORDS INCLUDE THE TESTIMONY AND EVIDENCE UPON WHICH ANY APPEAL MAY BE BASED. FLORIDA STATUTE, SECTION 286.0105.

THIS MEETING MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATIONS MEDIA TECHNOLOGY, SPECIFICALLY A TELEPHONE CONFERENCE CALL. THE LOCATION AS NOTED ABOVE, WHICH IS OPEN TO THE PUBLIC, SHALL SERVE AS AN ACCESS POINT.

## **Item 1**

**Call to Order, Roll Call,  
Agenda Adoption**

**AGENDA**  
**REGULAR RETIREMENT COMMITTEE MEETING**  
**CITY OF DELRAY BEACH GENERAL EMPLOYEES' RETIREMENT PLAN**  
**THURSDAY, SEPTEMBER 29, 2021 at 1:00 PM**  
**FIRE DEPARTMENT HEADQUARTERS, TRAINING ROOM 'A'**  
**501 W. ATLANTIC AVENUE, DELRAY BEACH**

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  - A. Agenda Adoption – September 29, 2021
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- 3. Consent Agenda**
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## **Item 2**

### **Public Comments**

**(No backup for this Item)**

**Item 3**  
**Consent Agenda**

**Item 3.A.**

**May 20, 2021 Regular Meeting Minutes**

**MINUTES  
REGULAR RETIREMENT COMMITTEE MEETING  
CITY OF DELRAY BEACH GENERAL EMPLOYEES' RETIREMENT PLAN  
MAY 20, 2021**

**1. Call to Order**

Chair Ellingsworth called the meeting to order at 1:05 p.m.

Due to the virtual nature of the Board meeting, Chair Ellingsworth read a prepared script. Script made part of these Minutes.

**Roll Call**

Committee Members present: Chair Howard Ellingsworth, Adam Frankel, John Lege, Thomas MacManus, and Joanna Oberhofer.

Also present via communication media technology: Board Attorney Janice Rustin (Lewis, Longman & Walker as designated by City Attorney), Scott Porter (Caler, Donten, Levine, Cohen, Porter & Veil, P.A.), Jeffrey Amrose (Gabriel, Roeder, Smith & Company), Brendon Vavrica (AndCo Consulting), Pension Administrator Lisa Castronovo, and Pension Specialist Elizabeth Brown.

**Agenda Adoption**

**MOTION** made by Mr. Frankel, seconded by Mr. MacManus, to adopt the May 20, 2021 Agenda. In a roll call vote of the members, **Motion** passed 5-0.

**2. Public Comments**

There were no public comments.

**3. New Retirement Committee Member Introduction**

The Retirement Committee welcomed Mr. Lege.

**4. Consent Agenda**

- A. February 11, 2021 Regular Meeting Minutes
- B. Ratification of Plan Expenses and Termination Refunds
- C. Approval/Ratification of New Retirement/DROP/Vested/Death Annuities

**MOTION** made by Mr. MacManus, seconded by Mr. Frankel, to approve the Consent Agenda. In a roll call vote of the members, **Motion** passed 5-0.

**5. Caler, Donten, Levine, Cohen, Porter & Veil – Scott Porter**

Pertinent Report pages made part of these Minutes

Mr. Porter reviewed the pertinent section of the City's Comprehensive Annual Financial Report for the year ended September 30, 2020. During his review, Mr. Porter emphasized that the auditor's opinion was "unmodified," meaning it was the best opinion that could be given. Upon the completion of his overview of the report, Mr. Porter stated there were no material weaknesses or significant deficiencies.

**MOTION** made by Mr. MacManus, seconded by Mr. Lege, to accept the September 30, 2020 audit as presented. In a voice vote by the members present, **Motion** passed 5-0.

**6. GABRIEL, ROEDER, SMITH & COMPANY – Jeffrey Amrose**

- A. October 1, 2020 Actuarial Valuation Report  
Report made part of these Minutes

Highlights of the October 1, 2020 Actuarial Valuation Report:

- The City's required contribution decreased from \$3,175,056 for the 2020-21 fiscal year to \$2,930,166 for the 2021-22 fiscal year, a \$244,890 decrease and a 2.30% decrease as a percent of payroll. The components accounting for the change in the required contribution were the expiration of an unfunded actuarial accrued liability base and an experience gain.
- If the City wished to pay the 2021-22 required contribution on October 1, 2021, the first day of the fiscal year as done in the past, the contribution would be \$2,882,706.
- There were no benefit or actuarial assumption revisions.
- The Fund experienced a net actuarial gain of \$1,354,000 for the year meaning actual experience was more favorable than anticipated. The actuarial gain was due primarily to the recognized return on the actuarial value of assets being greater than expected (7.8% actual vs. 6.75% expected). The gain caused the required contribution to decrease by approximately \$115,000.
- The funded ratio on October 1, 2020 was 96.2% compared to 94.8% on October 1, 2019.
- The market value of assets exceeded the actuarial value of assets by \$5.3M. The excess would gradually be recognized over subsequent years resulting in decreased required contributions.
- Due to the expiration of one amortization credit base as of September 30, 2020, the City's required contribution decreased \$135,000.
- The estimated required contribution for fiscal year 2022-23 is \$2,910,000 assuming a 3% increase in total covered payroll for FYE 2021 and no gains, losses, or assumption changes.

**MOTION** made by Mr. Lege, seconded by Mr. Frankel, to approve the October 1, 2020 Actuarial Valuation. In a roll call vote of the members, **Motion** passed 5-0.

**MOTION** made by Mr. MacManus, seconded by Mr. Lege, to approve an expected rate of return of 6.75% for the current year, the next couple of years, and long-term thereafter. In a roll call vote of the members, **Motion** passed 5-0.

**7. AndCo Consulting – Brendon Vavrica**

A. Portfolio Performance Review – Quarter End March 31, 2021

Report made part of these Minutes.

Mr. Vavrica reported the Retirement Plan's rate of return for the quarter ended March 31, 2021, was 6.0% compared to its benchmark of 5.2%. For the fiscal year through March 31, 2021, the Plan's rate of return was 19.55%. All asset classes performed well in the quarter. The Plan's market value increased from \$160.1M on December 31, 2020, to \$167.8M on March 31, 2021. Mr. Vavrica noted that the Plan was paying approximately \$418K in fees which was about 25 basis points and much lower than most other funds.

Mr. Lege asked Mr. Vavrica why the Plan had such small exposure in small cap equity. Mr. Vavrica replied that the Committee looked at small cap equity investments in 2020 but decided to not pursue them. Mr. Lege asked Mr. Vavrica if he looked at the correlation between fixed income and equity investments to which Mr. Vavrica responded such correlation was reviewed often. Mr. Lege noted the Plan was in the upper right quadrant of a risk/return table rather than in the upper left which was where it ultimately should be. Mr. Vavrica stated such positioning was due to the Plan's use of active managers who tend to be more volatile than passive managers causing the Plan to land in the upper right quadrant. Mr. Lege asked if the investment managers made



presentations at the Committee's meetings to which Mr. Vavrica responded they typically did not, but they could if the Committee wanted them to make regular presentations.

B. Flash Report – April 2021

Mr. Vavrica reported the Plan's market value was \$173.9M on April 30, 2021, which was 3.96% greater than it was on March 31, 2021. Polen Capital and Boston/BNY Mellon were both performing well since funds were taken in late 2020 from RhumbLine Large Cap Growth Equity Index Fund and invested equally with them.

Mr. Vavrica noted the Plan was invested 66.4% in domestic equity and 5% in international equity making it overweight in equity and thus needing to be rebalanced. Mr. Vavrica stated the Vanguard Total Index Stock Fund, which was used to pay monthly benefit payments, had less than \$500K and thus needed about \$1.7M to get it back up to cover the next few months of benefit payments. Mr. MacManus said he would like to heavier investment in value equity funds right now rather than growth equity funds since value equity returns were starting to outpace growth equity returns. Mr. Vavrica agreed. Mr. Vavrica asked the Committee if they had any interest in moving funds from the overweight strategy (domestic equity) to fixed income or alternative investments. Mr. Vavrica said he was seeing other funds take the excess money from equity and park it in cash rather than fixed income especially in light of growing concerns about interest rates creeping up.

Discussion ensued on where to move the money from the overweight equity investments. Mr. MacManus said he would be okay with evenly splitting \$2M from the RhumbLine Large Cap Growth Equity Index Fund between the JPMorgan Income Builder Fund and Blackstone Multi-Asset Income Portfolio. Mr. Lege stated he wanted to take \$1.7M from RhumbLine Large Cap and put it in the Vanguard Total Stock Index Fund for a total distribution of \$3.7M out of RhumbLine Large Cap.

**MOTION** made by Mr. MacManus, seconded by Mr. Lege, to move \$1M from RhumbLine Large Cap Growth Equity Index Fund to JPMorgan Income Builder Fund, \$1M from RhumbLine Large Cap Growth Equity Index Fund to Blackrock Multi-Asset Income Portfolio, and \$1.7M from RhumbLine Large Cap Growth Equity Index Fund to the Vanguard Total Stock Index Fund. In a roll call vote of the members, **Motion** passed 5-0.

C. Review Near Term Cash Requirements and Possible Asset Rebalancing

Mr. Vavrica stated that with the transfer of money from RhumbLine Large Cap Growth Equity Index Fund to the Vanguard Total Stock Index Fund, there would be sufficient funds to cover the next three months of retirement benefit payments.

Mr. Vavrica concluded his presentation by stating through April 30, 2021, seven months into the 2020-21 fiscal year, the Plan was experiencing investment returns near 24%. Chair Ellingsworth said he would like to further discuss rebalancing the Retirement Plan and to look more closely at risk and return correlations at the next Committee meeting. Mr. MacManus said he would like to look at alternative investments again. Mr. Lege added he would like to the Committee to revisit small cap equity investments.

8. Legal Items

A. Overpayment of Survivor Benefits

Ms. Rustin reminded the Committee that at their February 2021 meeting they directed her to prepare and mail a repayment agreement to Ms. Linda Koeser, a member's surviving beneficiary, who remarried in late 2019 but failed to notify the pension office of such remarriage until January 2021 and thus owed the Retirement Plan 15 months of overpaid benefit payments. Ms. Rustin

said the initial agreement provided to Ms. Koeser directed her to repay the Plan the overpaid benefits with interest through May 31, 2021. Ms. Koeser counteroffered to repay the overpaid benefits but with interest only through December 31, 2020, since she notified the pension office of the situation in January 2021 and was told by Ms. Castronovo to not make the repayment until the Committee met to make a decision on what to do in this case. Ms. Castronovo confirmed this was true.

**MOTION** made by Mr. MacManus, seconded by Ms. Oberhofer, to accept Ms. Koeser's counteroffer to repay all overpaid benefit payments with interest through December 31, 2020. In a roll call vote of the members, **Motion** passed 5-0.

**MOTION** made by Ms. Oberhofer, seconded by Mr. MacManus, to have the Pension office mail and collect the benefit verification letters every year rather than every other year. In a roll call vote of the members, **Motion** passed 5-0.

Ms. Rustin reminded the Committee members to file their annual financial statement with the State on or before July 1, 2021.

## 9. PENSION ADMINISTRATOR REPORT

Ms. Castronovo provided a detail of the actual administrative and investment-related expenses for October 1, 2020 through May 6, 2021. Ms. Castronovo reported that of the 326 benefit verification letters mailed in early January, all but three had been returned; effective May 1, 2021, she suspended the benefits of the three retirees who had not returned their letters.

Ms. Castronovo asked Committee approval for Pension Specialist Elizabeth Brown to acquire a notary certification with the cost to be split and paid evenly by the City's three retirement plans.

**MOTION** made by Mr. MacManus, seconded by Ms. Oberhofer, to approve Ms. Brown to acquire a notary certification with the cost of such certification to be split and paid evenly by the City's three retirement plans. In a roll call vote of the members, **Motion** passed 5-0.

Ms. Castronovo told the Committee about FPPTA's upcoming annual conference in Orlando in late June 2021 and to let her know if anyone was interested in attending. She asked Committee approval for her to attend the conference (if the City would allow employees to attend overnight conferences) with the cost of such attendance to be paid evenly by the City's three retirement plans.

**MOTION** made by Mr. MacManus, seconded by Mr. Frankel, to allow Ms. Castronovo to attend FPPTA's annual conference with the cost of such attendance to be split and paid equally by the City's three retirement plans. In a roll call vote of the members, **Motion** passed 5-0.

## 10. OTHER BUSINESS

### A. Summary Plan Description

Ms. Castronovo reported she updated the summary plan description (SPD) and put it in the shortest format she could using a template provided by Ms. Rustin. Ms. Rustin stated she thoroughly reviewed the SPD drafted by Ms. Castronovo, and with a few changes, was fine with the final version.

**MOTION** made by Mr. MacManus, seconded by Mr. Frankel, to approve the Summary Plan Description as updated and to direct Ms. Castronovo to provide it to all interested parties. In a roll call vote of the members, **Motion** passed 5-0.

## ADJOURNMENT

The meeting adjourned at 3:02 p.m.

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W. Howard Ellingsworth, Chair

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Date

DRAFT

**Item 3.B.**  
**Ratification of Plan Expenses**  
**&**  
**Termination Refunds**

## **PLAN EXPENSES**

**GENERAL EMPLOYEES' RETIREMENT PLAN**  
**Plan Expenses**  
**September 29, 2021 Regular Committee Meeting**

| <b>May 2021</b>                  | <u>Amount</u> | <u>Description</u>                             |
|----------------------------------|---------------|--|
| City of Delray Beach             | \$ 4,462.48   | Pension Staff - April 2021                     |
| Lewis, Longman & Walker          | 506.00        | Legal Services - April 2021                    |
| <b>June 2021</b>                 |               |  |
| Lewis, Longman & Walker          | 2,277.00      | Legal Services - May 2021                      |
| <b>July 2021</b>                 |               |  |
| AndCo                            | 8,664.58      | Investment Consulting - Qtr end 6/30/2021      |
| BNYMellon                        | 29,078.81     | Investment Management - Qtr end 6/30/2021      |
| City of Delray Beach             | 4,462.48      | Pension Staff - June 2021                      |
| Adam Frankel                     | 864.21        | Travel Reimbursement - FPPTA Annual Conference |
| City of Delray Beach             | 775.00        | FPPTA Annual Conference Registration - Frankel |
| Gabriel, Roeder, Smith & Company | 21,965.00     | Actuarial Services - Period end 5/31/2021      |
| Gabriel, Roeder, Smith & Company | 2,000.00      | Actuarial Services - Period end 5/31/2021      |
| Garcia Hamilton & Associates     | 13,385.15     | Investment Management - Qtr end 6/30/2021      |
| Polen Capital                    | 13,039.27     | Investment Management - Qtr end 6/30/2021      |
| RhumbLine                        | 7,398.00      | Investment Management - Qtr end 6/30/2021      |
| <b>August 2021</b>               |               |  |
| City of Delray Beach             | 4,462.48      | Pension Staff - July 2021                      |
| FPPTA                            | 550.00        | FPPTA Winter Trustees School - Lege            |
| Lewis, Longman & Walker          | 1,334.00      | Legal Services - July 2021                     |
| <b>September 2021</b>            |               |  |
| FPPTA                            | 270.67        | FPPTA Fall Trustees School - Castronovo        |
| City of Delray Beach             | 4,462.48      | Pension Staff - August 2021                    |
| FPPTA                            | 750.00        | FPPTA Fall Trustees School - Frankel           |
| FPPTA                            | 750.00        | FPPTA Fall Trustees School - Lege              |
| Lewis, Longman & Walker          | 2,548.50      | Legal Services - August 2021                   |

**\$ 124,006.11 TOTAL**

## **TERMINATION REFUNDS**

**GENERAL EMPLOYEES' RETIREMENT PLAN**  
**Termination Refunds**  
**September 29, 2021 Regular Committee Meeting**

| <b>Name</b>                                       | <b>Monthly<br/>Benefit</b> |
|---|----------------------------|
| Brown, Loinel                                     | \$ 4,694.27                |
| Burt, Keith                                       | 8,979.24                   |
| Daly, Molly                                       | 706.42                     |
| Gamma, Alexander                                  | 18,868.62                  |
| Guy, Adrienne                                     | 1,844.15                   |
| Kostka, Kimberley                                 | 4,732.17                   |
| Lema, Carlos                                      | 8,620.90                   |
| Perry, Jerome                                     | 8,981.61                   |
| Robinson, Quinton                                 | 2,390.48                   |
| Rowe, Jessica                                     | 3,025.24                   |
| Thompson, Carol - beneficiary of Gregory Thompson | 5,357.88                   |
| Tierney, Bridget                                  | 5,567.57                   |
| Walia, Kent                                       | 4,705.00                   |
| Wilsher, William                                  | 7,579.36                   |



**Item 3.C.**

**Approval/Ratification of  
New Retirement/DROP/Vested/Death  
Annuities**

**GENERAL EMPLOYEES' RETIREMENT PLAN**  
**New Retirement/DROP/Vested/Death Annuities - Monthly Amounts**  
**September 29, 2021 Regular Committee Meeting**

**May 2021**

|                                     |             |
|-------------------------------------|-------------|
| Porter, Donna - normal retirement   | \$ 1,790.25 |
| Ring, Rebecca - benefit unsuspended | 174.87      |

**June 2021**

|  |          |
|--|----------|
| Foster, Geraldine - beneficiary of Edward Foster | 1,674.38 |
| Flowers, Patricia - early retirement             | 1,313.84 |
| Renner, William - benefit unsuspended            | 177.62   |
| Young, Carmen - benefit unsuspended              | 443.39   |

**September 2021**

|  |           |
|--|-----------|
| Hatton, Barbara - beneficiary of John Hatton | \$ 677.95 |
| Miro, Ida - beneficiary of Victor Gonzalez   | 532.71    |

**Benefits Ceased**

|   |             |
|---|-------------|
| Foster, Edward - died 5/24/2021                 | \$ 1,674.38 |
| Gonzalez, Victor - died 7/28/2021               | 799.07      |
| Hatton, John - died 8/7/2021                    | 677.95      |
| Hickman, Eleanor - 10 Year Certain expired      | 844.02      |
| Johnson, Calvin - died 6/2/2021; no beneficiary | 1,025.50    |
| Thomas, Elmer - died 5/1/2021; no beneficiary   | 1,193.53    |

**Item 4**  
**AndCo Consulting**

**Item 4.A.**  
**Portfolio Performance Review**  
**Quarter End June 30, 2021**

Investment Performance Review  
Period Ending June 30, 2021

## **Delray Beach General Employees Pension Fund**

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## **2nd Quarter 2021 Market Environment**



## **The Economy**

- The US economy continues to recover as widespread vaccine distribution has resulted in the reopening of many state and local economies.
- The recent rise in demand for goods and services has resulted in strong inflationary pressures. The annual rate of inflation increased to 5.0% in May, up from 4.2% in April.
- The US labor market continues to recover as evidenced by the decline in the unemployment rate. Recently, several states have moved to reduce or eliminate additional unemployment benefits to incentivize people to return to work. Overall, wage growth has shown signs of accelerating as employers struggle to fill job openings.
- Despite leaving interest rates unchanged at their most recent meeting, the Fed did change the language of its statement suggesting that interest rates may rise sooner rather than later.

## **Equity (Domestic and International)**

- US equities rose to all-time highs during the second quarter, primarily due to the optimism related to increased control over the pandemic. Reversing performance from recent quarters, growth outpaced value and large companies resumed market leadership relative to smaller peers.
- International equities performed well during the 2nd quarter, albeit at a less frenetic pace than their domestic counterparts. Also similar to the US, growth outperformed value and emerging countries underperformed developed ones.

## **Fixed Income**

- Despite the continued global economic recovery and rising inflation concerns, US interest rates dipped during the quarter as the US 10-Year Treasury bond fell 27 basis points to close at 1.47%.
- Performance across all bond markets sectors was positive during the quarter, led by investment grade corporate bonds. The combination of lower gross issuance levels, in conjunction with a longer maturity profile relative to high yield bonds, were the primary catalysts of performance during the period.
- Within investment grade credit, Lower quality issues outperformed higher quality sectors during the quarter. Consistent with the economic recovery theme, as investors' expectations of future growth improves, those credits should perform well as earnings growth accelerates.

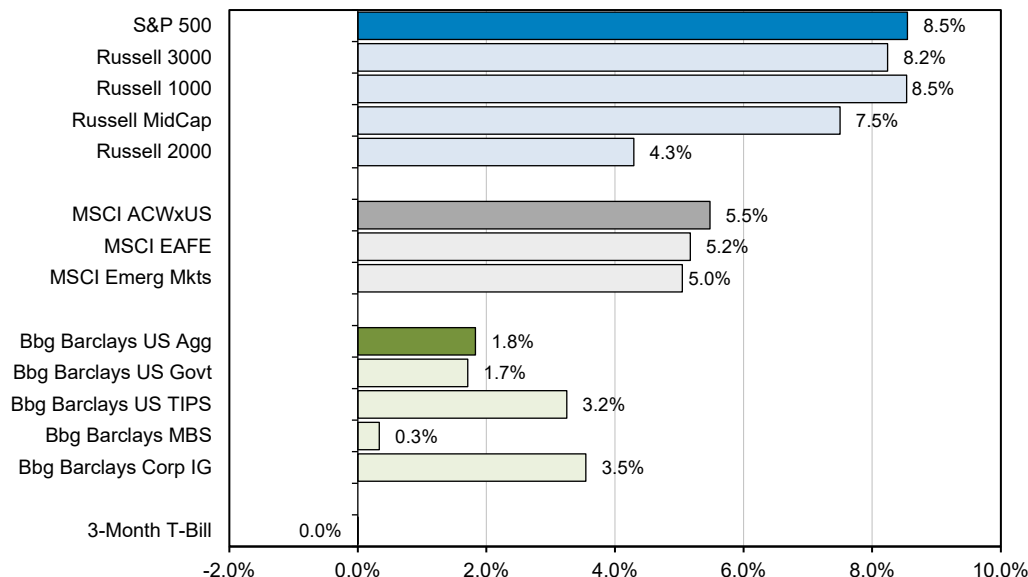
## **Market Themes**

- Global central monetary policy remains largely intact and accommodative. Both the Fed and the European Central Bank remain committed to their repurchase programs. Given these conditions, barring a socioeconomic or geopolitical shock, it is reasonable to expect risk assets to continue experiencing solid returns.
- US interest rates are likely to remain low for the remainder of 2021. As a result, credit should continue to outperform both higher quality Treasury and government bonds.
- Finally, low interest rates have historically been a tailwind for growth equities. Given that the Fed has committed to keeping rates unchanged in the near-term, growth-oriented companies could continue to lead the market.



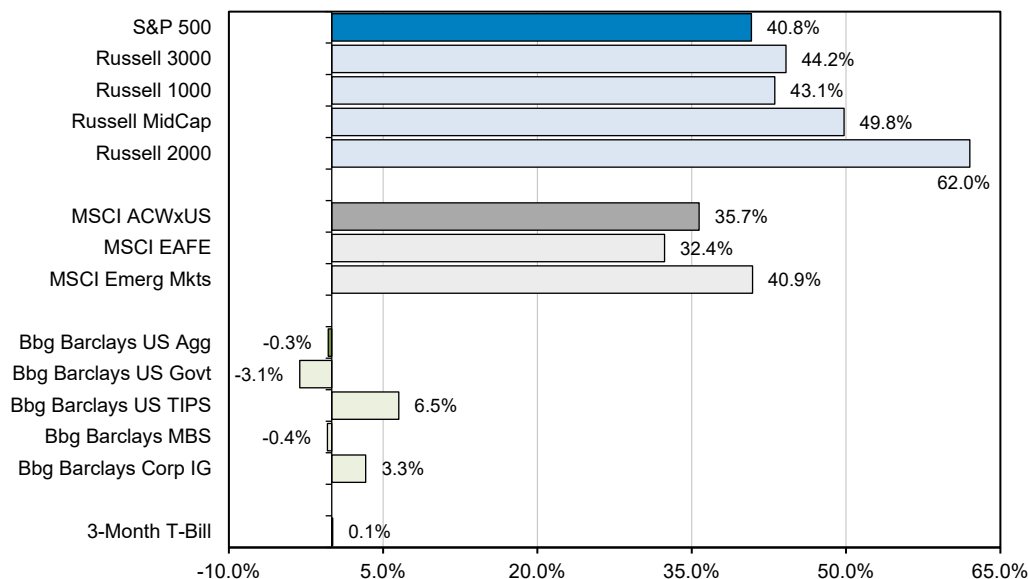
- Broad US equity markets experienced strong returns during the 2nd quarter of 2021. The primary catalyst during the period was the continued reopening of state and local economies resulting from the ongoing distribution of vaccines. Importantly, US interest rates also fell during the period which resulted in large, growth-oriented companies resuming market leadership. For the period, large cap companies returned 8.5%, compared to 7.5% for mid-caps and 4.3% for small company stocks.
- Similar to domestic markets, broad international equity markets also posted positive returns for the 2nd quarter. The re-opening of global economies, particularly Europe, were key drivers of performance. During the period, the MSCI EAFE Index return of 5.2% modestly outperformed the MSCI Emerging Markets Index return of 5.0%
- For the quarter, bond market returns were generally positive as interest rates declined. The Bloomberg Barclays (BB) US Aggregate Index returned 1.8%, trailing both US TIPS and Investment Grade Corporate bonds which returned 3.2% and 3.5% respectively.

### Quarter Performance



- The trailing 1-year chart details the market's dramatic reversal following the onset of the pandemic last year. All broad US equity market indexes have recovered and are trading at near-record levels. Most notably, domestic small cap stocks have led the market higher by returning 62.0% compared to US large caps which returned 43.1% over the trailing 1-year period.
- Over the trailing 1-year period the MSCI EAFE Index return of 32.4% fell short of the MSCI Emerging Markets Index return of 40.9%. Higher growth benefits areas like emerging markets which are more sensitive to changes in economic activity. As a result, as global markets continue to recover, economically sensitive emerging countries may recover at a faster rate.
- Bond market returns over the trailing 1-year period were relatively muted compared to equities. US TIPS led the way as investors remain concerned about the potential for rising inflation. The TIPS Index returned 6.5% for the period while investment grade corporate bonds returned 3.3%. Higher quality, lower coupon bonds generally struggled to perform during the period as US interest rates generally moved higher.

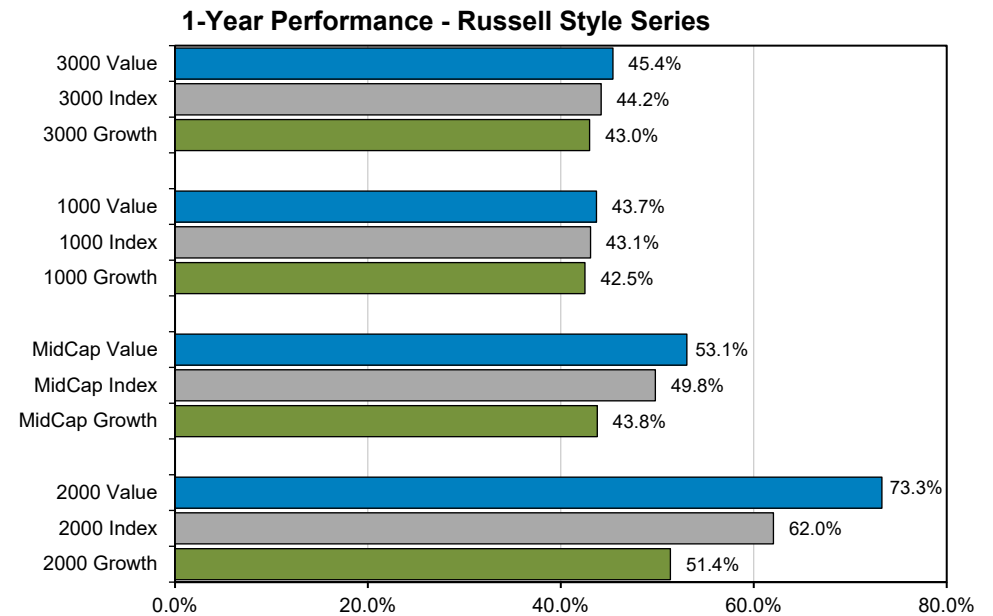
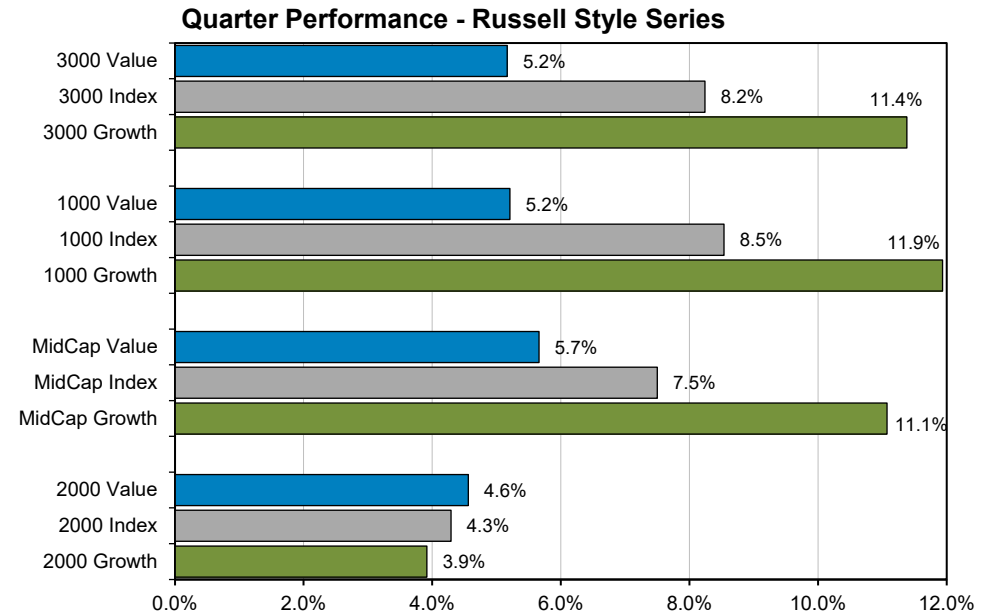
### 1-Year Performance



Source: Investment Metrics



- The market's strong momentum continued during the quarter as all broad US equity benchmarks posted their 5th straight quarter of positive returns across both the style and market capitalization spectrums. However, we did see a reversal during the period as large cap stocks resumed leadership followed by mid and small caps. The Russell 1000 Index returned a strong 8.5% compared to 7.5% for the Russell Mid Cap Index and 4.3% for the Russell 2000 Index.
- Growth stocks outpaced value stocks for the first time in two quarters. The Russell 1000 Growth Index was the best performing style index for the quarter, posting a return of 11.9%. Mid cap growth stock performance was not far behind, returning 11.1%. However, in small cap stocks, value outpaced growth for the quarter with the Russell 2000 Value Index returning 4.6% compared to 3.9% for the Russell 2000 Growth Index.
- Performance across all market capitalizations and styles was very strong over the trailing 1-year period.
- Despite the recent gains made by growth stocks, value stocks outpaced growth issues across all market capitalizations over the trailing 1-year period. Given the strong economic recovery, it is not surprising that small cap value stocks performed the best with the Russell 2000 Value Index returning 73.3%. While the dispersion between value and growth was widest in small cap stocks, it narrowed significantly moving up the market capitalization spectrum.

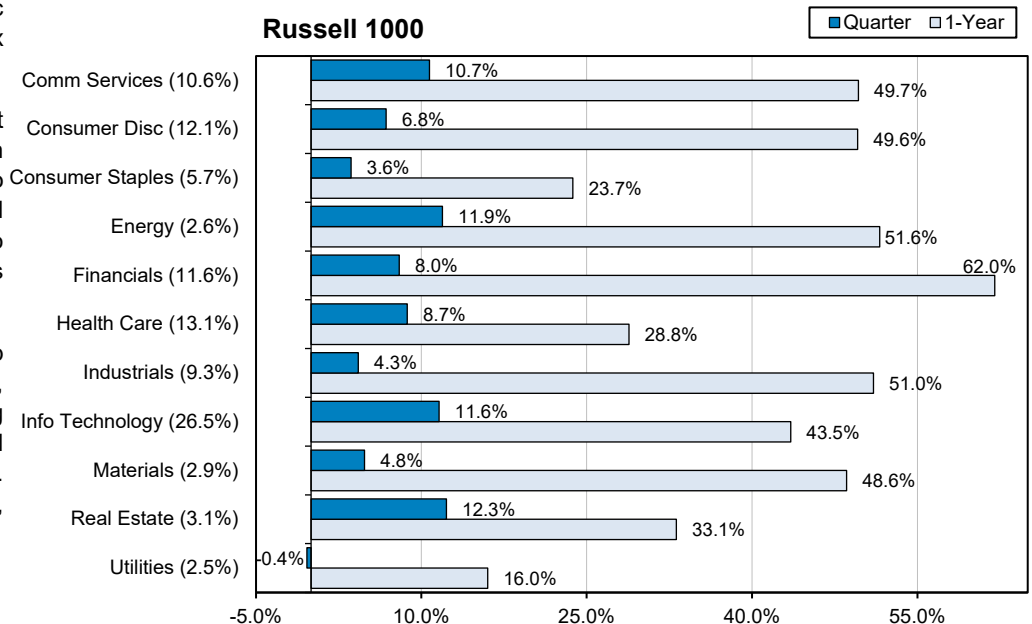


Source: Investment Metrics

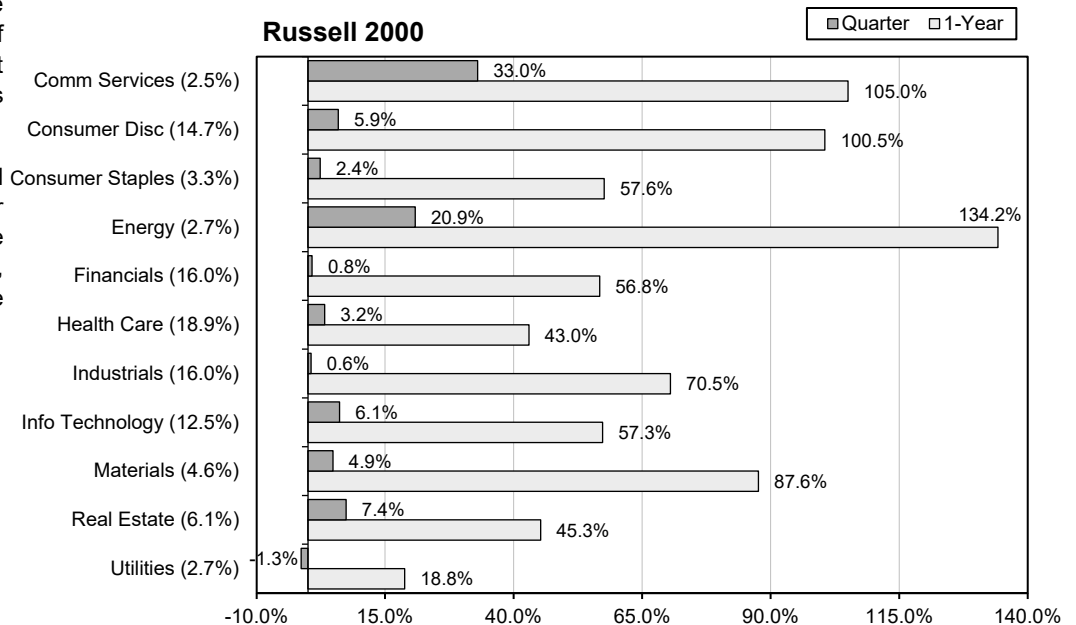


- Sector performance was positive across ten of the eleven large cap economic sectors for the 2<sup>nd</sup> quarter. Five sectors outpaced the return of the broad index during the period.
- Inflation-sensitive sectors like real estate and energy were the two best performing sectors for the quarter, returning 12.3% and 11.9% respectively. In general, companies in sectors with the ability to pass along rising costs to consumers experienced the strongest returns. The technology sector benefited from falling interest rates during the period, which acted as a tailwind to earnings. While nearly all sectors experienced positive results, the utilities sector (-0.4%) lagged its peers and the broad index results.
- For the full year, seven sectors exceeded the return of the broad large cap benchmark: communication services, consumer discretionary, energy, financials, industrials, information technology, and materials. Over the trailing 1-year period, financials (62.0%), energy (51.6%), industrials (51.0%), and communication services (49.7%) were the best performing economic sectors. The weakest economic sector in the Russell 1000 for the trailing year, utilities, still managed to produce a strong return of 16.0%.
- Similar to large cap stocks, ten of the eleven small cap sectors posted positive performance for the quarter and six of them managed to outpace the return of the broad Russell 2000 Index. Communication services was the best performing sector during the quarter, returning a robust 33.0%. Energy stocks also performed well during the period with a return of 20.9%.
- For the full 1-year period, five of the eleven sectors outperformed the broad benchmark: energy (134.2%), communication services (105.0%), consumer discretionary (100.5%), materials (87.6%), and industrials (70.5%). The combination of rapidly improving economic conditions, rising energy prices, and increased inflationary pressures were the primary catalysts for the exceptional performance.

**Russell 1000**



**Russell 2000**



Source: Morningstar Direct

As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of June 30, 2021

| Top 10 Weighted Stocks         |        |              |               |                        |
|--------------------------------|--------|--------------|---------------|------------------------|
| Russell 1000                   | Weight | 1-Qtr Return | 1-Year Return | Sector                 |
| Apple Inc                      | 5.22%  | 12.3%        | 51.2%         | Information Technology |
| Microsoft Corp                 | 4.96%  | 15.2%        | 34.4%         | Information Technology |
| Amazon.com Inc                 | 3.62%  | 11.2%        | 24.7%         | Consumer Discretionary |
| Facebook Inc A                 | 2.02%  | 18.1%        | 53.1%         | Communication Services |
| Alphabet Inc A                 | 1.78%  | 18.4%        | 72.2%         | Communication Services |
| Alphabet Inc Class C           | 1.73%  | 21.2%        | 77.3%         | Communication Services |
| Tesla Inc                      | 1.28%  | 1.8%         | 214.7%        | Consumer Discretionary |
| Berkshire Hathaway Inc Class B | 1.27%  | 8.8%         | 55.7%         | Financials             |
| NVIDIA Corp                    | 1.16%  | 49.9%        | 110.8%        | Information Technology |
| JPMorgan Chase & Co            | 1.14%  | 2.8%         | 70.7%         | Financials             |

| Top 10 Performing Stocks (by Quarter) |        |              |               |                        |
|---------------------------------------|--------|--------------|---------------|------------------------|
| Russell 1000                          | Weight | 1-Qtr Return | 1-Year Return | Sector                 |
| Moderna Inc                           | 0.19%  | 79.4%        | 266.0%        | Health Care            |
| NovoCure Ltd                          | 0.06%  | 67.8%        | 274.1%        | Health Care            |
| Hayward Holdings Inc                  | 0.00%  | 54.1%        | N/A           | Consumer Discretionary |
| Cloudflare Inc                        | 0.06%  | 50.6%        | 194.4%        | Information Technology |
| Virgin Galactic Holdings Inc Shs A    | 0.02%  | 50.2%        | 181.5%        | Industrials            |
| NVIDIA Corp                           | 1.16%  | 49.9%        | 110.8%        | Information Technology |
| Continental Resources Inc             | 0.01%  | 47.5%        | 117.7%        | Energy                 |
| Nutanix Inc A                         | 0.02%  | 43.9%        | 61.2%         | Information Technology |
| Roku Inc Class A                      | 0.13%  | 41.0%        | 294.1%        | Communication Services |
| Targa Resources Corp                  | 0.02%  | 40.4%        | 125.5%        | Energy                 |

| Bottom 10 Performing Stocks (by Quarter) |        |              |               |                        |
|--|--------|--------------|---------------|------------------------|
| Russell 1000                             | Weight | 1-Qtr Return | 1-Year Return | Sector                 |
| QuantumScape Corp Ord Shares A           | 0.01%  | -34.6%       | N/A           | Consumer Discretionary |
| Discovery Inc Class A                    | 0.01%  | -29.4%       | 45.4%         | Communication Services |
| Penn National Gaming Inc                 | 0.03%  | -27.0%       | 150.5%        | Consumer Discretionary |
| TripAdvisor Inc                          | 0.01%  | -25.1%       | 112.0%        | Communication Services |
| Sage Therapeutics Inc                    | 0.01%  | -24.1%       | 36.6%         | Health Care            |
| Discovery Inc C                          | 0.02%  | -21.4%       | 50.5%         | Communication Services |
| The Scotts Miracle Gro Co A              | 0.02%  | -21.4%       | 49.0%         | Materials              |
| CureVac NV Ordinary Shares               | 0.01%  | -19.7%       | N/A           | Health Care            |
| Exelixis Inc                             | 0.01%  | -19.3%       | -23.3%        | Health Care            |
| Guardant Health Inc                      | 0.03%  | -18.6%       | 53.1%         | Health Care            |

| Top 10 Weighted Stocks                |        |              |               |                        |
|---------------------------------------|--------|--------------|---------------|------------------------|
| Russell 2000                          | Weight | 1-Qtr Return | 1-Year Return | Sector                 |
| AMC Entmt Holdings Inc Class A        | 0.76%  | 455.1%       | 1221.2%       | Communication Services |
| Intellia Therapeutics Inc             | 0.34%  | 101.7%       | 670.3%        | Health Care            |
| Arrowhead Pharmaceuticals Inc         | 0.28%  | 24.9%        | 91.8%         | Health Care            |
| Ovintiv Inc                           | 0.27%  | 32.7%        | 240.7%        | Energy                 |
| Lattice Semiconductor Corp            | 0.25%  | 24.8%        | 97.9%         | Information Technology |
| II-VI Inc                             | 0.25%  | 6.2%         | 53.7%         | Information Technology |
| Crocs Inc                             | 0.25%  | 44.8%        | 216.5%        | Consumer Discretionary |
| Scientific Games Corp Ordinary Shares | 0.25%  | 101.0%       | 400.9%        | Consumer Discretionary |
| Staar Surgical Co                     | 0.24%  | 44.7%        | 147.8%        | Health Care            |
| Denali Therapeutics Inc               | 0.24%  | 37.4%        | 224.4%        | Health Care            |

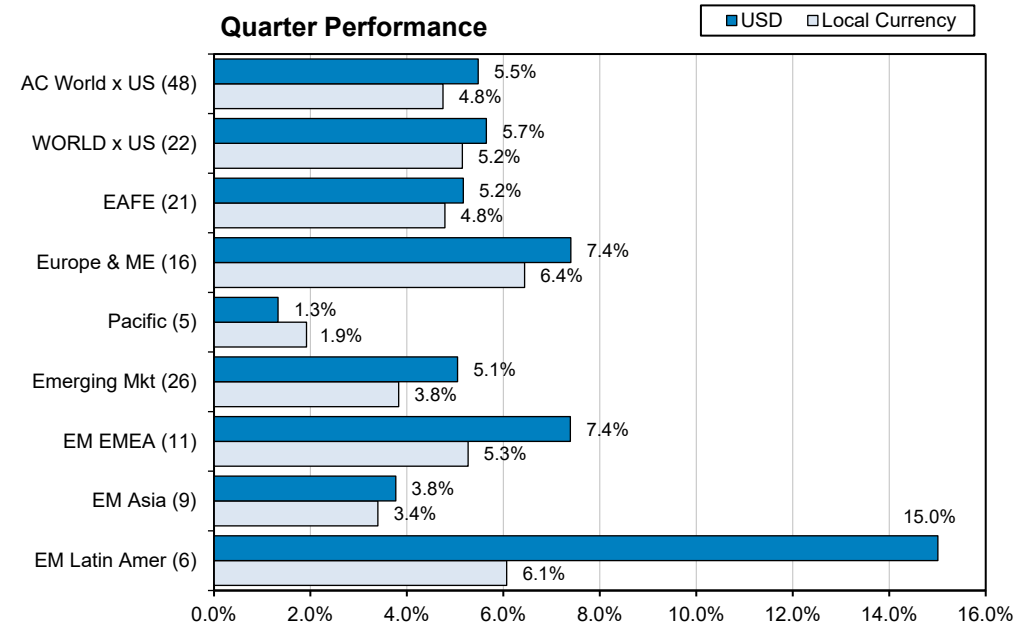
| Top 10 Performing Stocks (by Quarter) |        |              |               |                        |
|---------------------------------------|--------|--------------|---------------|------------------------|
| Russell 2000                          | Weight | 1-Qtr Return | 1-Year Return | Sector                 |
| AMC Entmt Holdings Inc Class A        | 0.76%  | 455.1%       | 1221.2%       | Communication Services |
| Brooklyn ImmunoTherap Inc Ord Shrs    | 0.01%  | 384.1%       | N/A           | Health Care            |
| Laredo Petroleum Inc                  | 0.04%  | 208.7%       | 569.5%        | Energy                 |
| Atossa Therapeutics Inc               | 0.02%  | 199.5%       | 66.3%         | Health Care            |
| Peabody Energy Corp                   | 0.02%  | 159.2%       | 175.3%        | Energy                 |
| Apollo Medical Holdings Inc           | 0.08%  | 131.9%       | 280.7%        | Health Care            |
| Asana Inc Ordinary Shares - Class A   | 0.15%  | 117.0%       | N/A           | Information Technology |
| Agilix Inc Ordinary Shares            | 0.02%  | 116.5%       | 1338.8%       | Health Care            |
| HyreCar Inc                           | 0.01%  | 113.5%       | 614.0%        | Industrials            |
| Prothena Corp PLC                     | 0.06%  | 104.7%       | 391.5%        | Health Care            |

| Bottom 10 Performing Stocks (by Quarter) |        |              |               |                        |
|--|--------|--------------|---------------|------------------------|
| Russell 2000                             | Weight | 1-Qtr Return | 1-Year Return | Sector                 |
| ChemoCentryx Inc                         | 0.02%  | -73.9%       | -76.7%        | Health Care            |
| Atea Pharmaceuticals Inc Ord Shares      | 0.05%  | -65.2%       | N/A           | Health Care            |
| Adverum Biotechnologies Inc              | 0.01%  | -64.5%       | -83.2%        | Health Care            |
| Vor Biopharma Inc Ordinary Shares        | 0.01%  | -56.7%       | N/A           | Health Care            |
| Aemetis Inc                              | 0.01%  | -54.4%       | 1282.9%       | Energy                 |
| Bolt Biotherapeutics Inc Ord Shares      | 0.01%  | -53.0%       | N/A           | Health Care            |
| Gemini Therapeutics Inc Ord Shares       | 0.00%  | -52.3%       | N/A           | Health Care            |
| iRhythm Technologies Inc                 | 0.06%  | -52.2%       | -42.7%        | Health Care            |
| Sigilon Therapeutics Inc Ord Shares      | 0.00%  | -52.0%       | N/A           | Health Care            |
| Aterian Inc                              | 0.01%  | -50.4%       | 166.5%        | Consumer Discretionary |

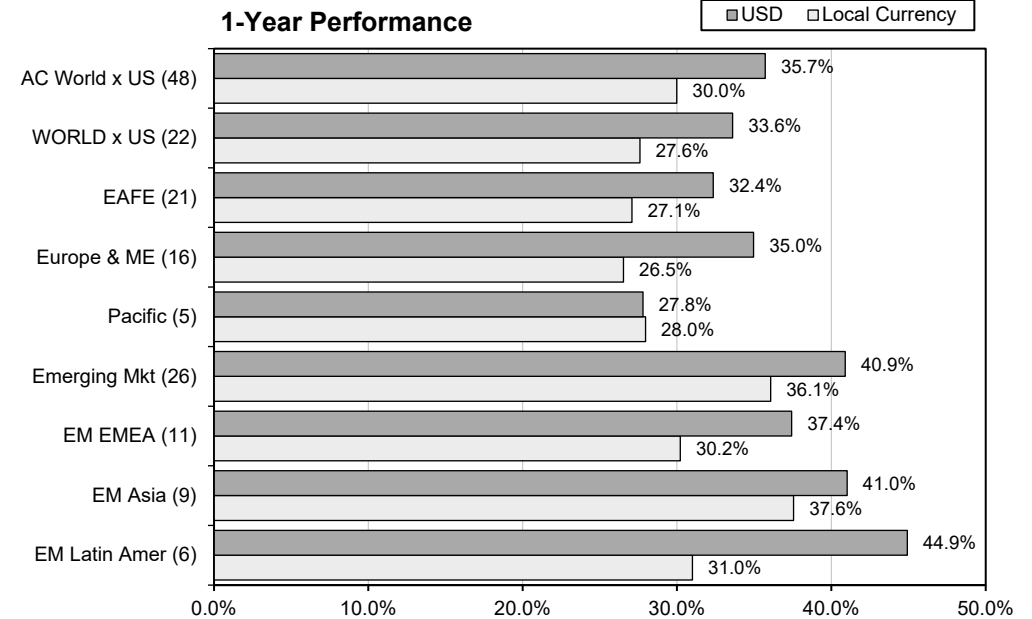
Source: Morningstar Direct



- All broad international equity indexes tracked in the chart posted positive returns in both US dollar (USD) and local currency terms for the 2nd quarter. For the period, developed markets outperformed emerging markets in both USD and local currency. The MSCI EAFE Index returned 5.2% in USD and 4.8% in local currency terms for the period while the MSCI Emerging Markets Index returned a slightly lower 5.1% in USD and 3.8% in local currency terms.



- The trailing 1-year results for international developed and emerging markets were positive across all regions and currencies. The MSCI EAFE Index returned 32.4% in USD and 27.1% in local currency terms, while the MSCI Emerging Markets Index returned 40.9% in USD and 36.1% in local currency terms. Performance within the emerging markets regions was led by Latin America with the EM Latin America Index returning 44.9% in USD and 31.0% in local terms.



Source: MSCI Global Index Monitor (Returns are Net)

**The Market Environment**  
**US Dollar International Index Attribution & Country Detail**  
As of June 30, 2021

| MSCI - EAFE            | Sector Weight | Quarter Return | 1-Year Return |
|------------------------|---------------|----------------|---------------|
| Communication Services | 4.9%          | 0.3%           | 26.1%         |
| Consumer Discretionary | 13.0%         | 5.5%           | 49.8%         |
| Consumer Staples       | 10.5%         | 8.5%           | 17.9%         |
| Energy                 | 3.2%          | 2.7%           | 29.1%         |
| Financials             | 17.0%         | 3.2%           | 40.2%         |
| Health Care            | 12.4%         | 9.3%           | 12.3%         |
| Industrials            | 15.5%         | 3.6%           | 39.6%         |
| Information Technology | 9.1%          | 8.3%           | 40.2%         |
| Materials              | 7.9%          | 5.1%           | 47.2%         |
| Real Estate            | 3.0%          | 5.3%           | 27.6%         |
| Utilities              | 3.4%          | -1.1%          | 12.7%         |
| <b>Total</b>           | <b>100.0%</b> | <b>5.2%</b>    | <b>32.4%</b>  |

| MSCI - ACWixUS         | Sector Weight | Quarter Return | 1-Year Return |
|------------------------|---------------|----------------|---------------|
| Communication Services | 6.7%          | 1.5%           | 24.9%         |
| Consumer Discretionary | 13.8%         | 4.8%           | 44.6%         |
| Consumer Staples       | 8.5%          | 7.7%           | 19.1%         |
| Energy                 | 4.5%          | 8.2%           | 34.2%         |
| Financials             | 18.6%         | 4.3%           | 40.7%         |
| Health Care            | 9.3%          | 9.9%           | 15.2%         |
| Industrials            | 11.8%         | 4.4%           | 40.3%         |
| Information Technology | 12.9%         | 7.0%           | 56.6%         |
| Materials              | 8.3%          | 6.5%           | 49.5%         |
| Real Estate            | 2.6%          | 2.5%           | 22.3%         |
| Utilities              | 3.0%          | -0.3%          | 14.9%         |
| <b>Total</b>           | <b>100.0%</b> | <b>5.5%</b>    | <b>35.7%</b>  |

| MSCI - Emerging Mkt    | Sector Weight | Quarter Return | 1-Year Return |
|------------------------|---------------|----------------|---------------|
| Communication Services | 11.3%         | 1.9%           | 23.0%         |
| Consumer Discretionary | 17.6%         | 3.6%           | 36.8%         |
| Consumer Staples       | 5.6%          | 4.5%           | 23.7%         |
| Energy                 | 5.0%          | 12.1%          | 31.8%         |
| Financials             | 17.8%         | 4.2%           | 33.0%         |
| Health Care            | 5.0%          | 14.1%          | 32.3%         |
| Industrials            | 4.9%          | 13.2%          | 45.2%         |
| Information Technology | 20.4%         | 3.8%           | 75.8%         |
| Materials              | 8.4%          | 8.4%           | 71.4%         |
| Real Estate            | 2.0%          | -6.0%          | 6.6%          |
| Utilities              | 1.9%          | 2.0%           | 20.3%         |
| <b>Total</b>           | <b>100.0%</b> | <b>5.1%</b>    | <b>40.9%</b>  |

| Country                          | MSCI-EAFE Weight | MSCI-ACWixUS Weight | Quarter Return | 1- Year Return |
|----------------------------------|------------------|---------------------|----------------|----------------|
| Japan                            | 23.2%            | 14.3%               | -0.3%          | 24.8%          |
| United Kingdom                   | 14.4%            | 8.9%                | 6.0%           | 31.3%          |
| France                           | 11.5%            | 7.1%                | 9.1%           | 40.9%          |
| Switzerland                      | 9.8%             | 6.0%                | 11.5%          | 24.3%          |
| Germany                          | 9.4%             | 5.8%                | 4.7%           | 31.8%          |
| Australia                        | 7.2%             | 4.4%                | 6.9%           | 39.6%          |
| Netherlands                      | 4.4%             | 2.7%                | 7.3%           | 49.6%          |
| Sweden                           | 3.8%             | 2.3%                | 5.5%           | 53.9%          |
| Hong Kong                        | 3.3%             | 2.0%                | 2.5%           | 29.0%          |
| Denmark                          | 2.6%             | 1.6%                | 13.1%          | 44.2%          |
| Italy                            | 2.5%             | 1.5%                | 3.6%           | 36.6%          |
| Spain                            | 2.5%             | 1.5%                | 5.3%           | 30.7%          |
| Singapore                        | 1.1%             | 0.7%                | 0.5%           | 28.7%          |
| Finland                          | 1.1%             | 0.7%                | 10.8%          | 34.7%          |
| Belgium                          | 1.0%             | 0.6%                | 9.2%           | 28.5%          |
| Ireland                          | 0.7%             | 0.4%                | 2.4%           | 39.6%          |
| Norway                           | 0.6%             | 0.4%                | 4.9%           | 49.6%          |
| Israel                           | 0.6%             | 0.4%                | 5.1%           | 22.5%          |
| New Zealand                      | 0.2%             | 0.2%                | -5.1%          | -5.0%          |
| Austria                          | 0.2%             | 0.1%                | 11.5%          | 70.9%          |
| Portugal                         | 0.2%             | 0.1%                | -0.9%          | 11.4%          |
| <b>Total EAFE Countries</b>      | <b>100.0%</b>    | <b>61.7%</b>        | <b>5.2%</b>    | <b>32.4%</b>   |
| Canada                           |                  | 7.0%                | 10.0%          | 45.8%          |
| <b>Total Developed Countries</b> |                  | <b>68.7%</b>        | <b>5.7%</b>    | <b>33.6%</b>   |
| China                            |                  | 11.7%               | 2.3%           | 27.4%          |
| Taiwan                           |                  | 4.4%                | 7.1%           | 70.5%          |
| Korea                            |                  | 4.1%                | 4.8%           | 66.2%          |
| India                            |                  | 3.1%                | 6.9%           | 56.4%          |
| Brazil                           |                  | 1.6%                | 22.9%          | 46.6%          |
| South Africa                     |                  | 1.1%                | -1.5%          | 39.9%          |
| Russia                           |                  | 1.1%                | 14.0%          | 38.6%          |
| Saudi Arabia                     |                  | 0.9%                | 10.0%          | 49.3%          |
| Mexico                           |                  | 0.6%                | 9.1%           | 55.9%          |
| Thailand                         |                  | 0.5%                | -4.9%          | 7.0%           |
| Malaysia                         |                  | 0.4%                | -2.5%          | 3.8%           |
| Indonesia                        |                  | 0.4%                | -5.1%          | 7.6%           |
| Poland                           |                  | 0.2%                | 18.7%          | 26.7%          |
| United Arab Emirates             |                  | 0.2%                | 11.2%          | 50.4%          |
| Qatar                            |                  | 0.2%                | 2.2%           | 15.1%          |
| Philippines                      |                  | 0.2%                | 7.6%           | 14.3%          |
| Chile                            |                  | 0.1%                | -14.2%         | 23.4%          |
| Hungary                          |                  | 0.1%                | 14.8%          | 46.1%          |
| Turkey                           |                  | 0.1%                | -0.5%          | -13.0%         |
| Peru                             |                  | 0.1%                | -8.8%          | 9.6%           |
| Colombia                         |                  | 0.1%                | -2.9%          | 18.0%          |
| Argentina                        |                  | 0.0%                | 5.8%           | 28.6%          |
| Greece                           |                  | 0.0%                | 8.2%           | 32.0%          |
| Czech Republic                   |                  | 0.0%                | 14.6%          | 52.1%          |
| Egypt                            |                  | 0.0%                | -9.2%          | -13.4%         |
| Pakistan                         |                  | 0.0%                | -6.7%          | 13.2%          |
| <b>Total Emerging Countries</b>  |                  | <b>31.2%</b>        | <b>5.1%</b>    | <b>40.9%</b>   |
| <b>Total ACWixUS Countries</b>   |                  | <b>100.0%</b>       | <b>5.5%</b>    | <b>35.7%</b>   |

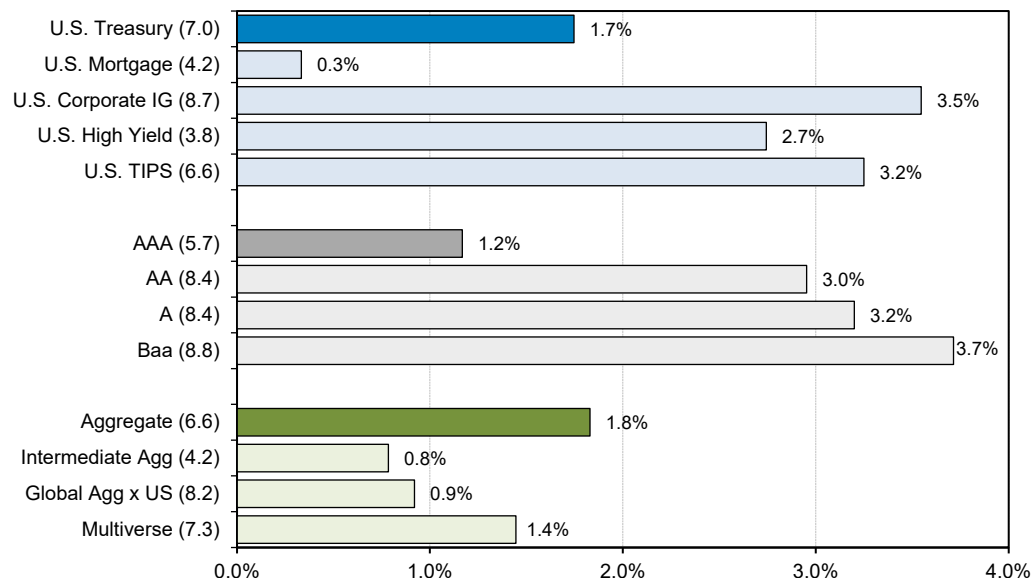
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)  
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.



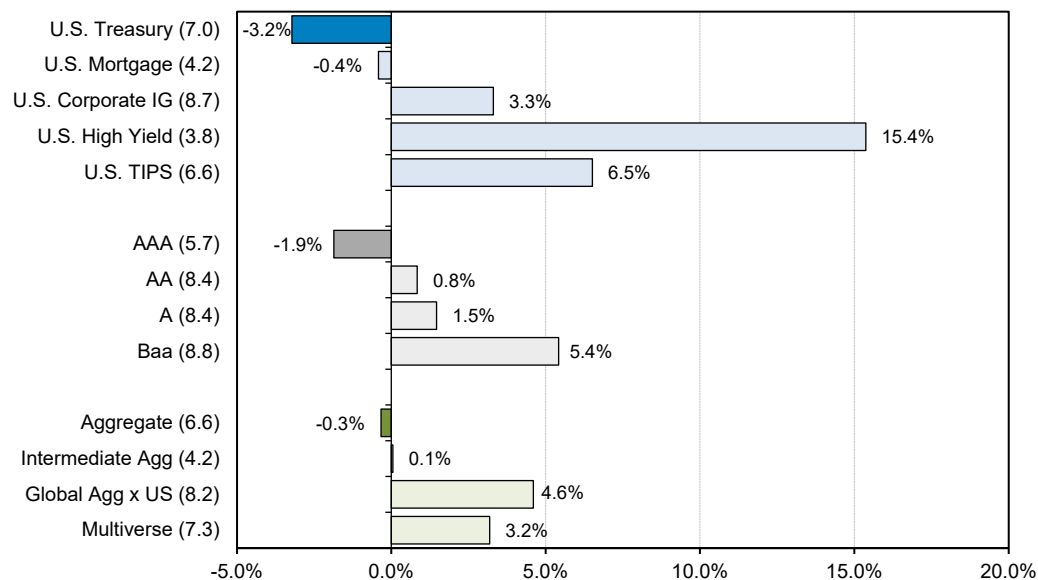
- Fixed income markets performed well during the 2nd quarter primarily due to falling US interest rates which acted as general tailwind for bond benchmark performance. The Bloomberg Barclays (BB) US Aggregate Bond Index returned a solid 1.8% for the period.
- Digging deeper into the investment grade index's segments, while each component exhibited positive performance, the US Corporate Investment Grade (3.5%) and US TIPS (3.2%) benchmark segments drove results. Although yields on issues of less than 2-years remained stable during the quarter, yields on longer-dated issues declined substantially over concerns of future economic growth.
- Outside of domestic markets, the BB Global Aggregate ex US Index posted a 0.9% return for the quarter. Like international stocks, global bonds were negatively impacted by the strengthening USD.

- Over the trailing 1-year period, domestic bond performance was slightly negative while global bonds posted solid, positive results. The BB Global Aggregate ex US Index return of 4.6% easily outpaced the domestic BB US Aggregate Index's return of -0.3%. A steepening yield curve, combined with a falling USD, were the primary contributors to the relative outperformance of global bonds for the year.
- The dispersion of returns for the year within bond market segments was significant and was led by the US High Yield Index's return of 15.4%. The combination of a lower average duration and a greater sensitivity to equity market movements were the primary performance catalysts. US TIPS also performed well for the year with the index returning 6.5%. Persistent concerns about rising inflation acted like a tailwind for TIPS issues.

### Quarter Performance



### 1-Year Performance



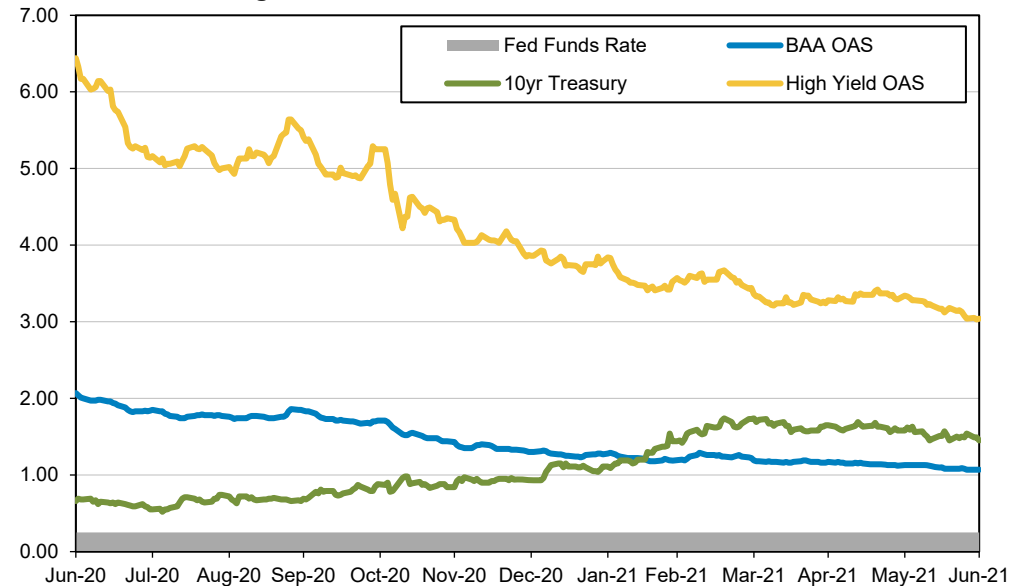
Source: Bloomberg



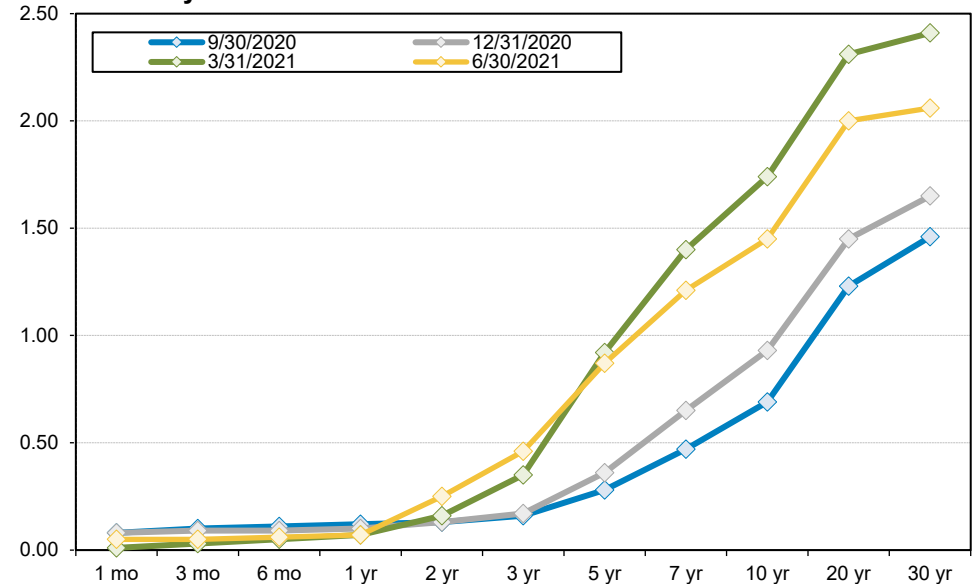


- The gray band across the graph illustrates the range of the Fed Funds Rate. Over the past year, the Fed's target rate range has remained unchanged at 0.00% to 0.25%. During its June meeting, the Federal Open Market Committee (FOMC) reiterated its commitment to keeping interest rates near zero while also maintaining its asset purchase program aimed at supplying the market with ample liquidity.
- The yield on the US 10-year Treasury (green line) began increasing rapidly as the economy slowly began to open earlier this year. After reaching a high of 1.74% during the 1st quarter of 2021, interest rates in the US began to fall as concerns about future economic growth increased.
- The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury investment grade issues. The narrowing spread the line illustrates indicates investors remain comfortable owning credit as the probability of corporate defaults remains low. While nearly triple the BAA OAS, the High Yield OAS shows a similar willingness by investors to hold non-Treasury debt.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Beginning in the 3rd quarter of 2020, longer-term interest rates began to move higher as investors' optimism improved. This trend continued through the 1st quarter as economic growth surprised to the upside. Since then, longer-term US interest rates have fallen.

**1-Year Trailing Market Rates**



**Treasury Yield Curve**



Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



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| Total Fund Compliance   |     |    |     |
|---|-----|----|-----|
|   | Yes | No | N/A |
| A. The total plan return equaled or exceeded the total plan benchmark over the trailing three year period.  |     |    |     |
| B. The total plan return ranked in the top 50% of its peers over the trailing three year period.  |     |    |     |
| C. The total plan return equaled or exceeded 8.0% (the current assumed actuarial rate of return is 6.75%), and equaled or exceeded the CPI+5%, over the trailing one year period. |     |    |     |

| Manager's Compliance  | VG T. Stock Market (VTSAX) |    |     | Boston |    |     | Rhumblin (R1000V) |    |     | Rhumblin (R1000G) |    |     |
|---|----------------------------|----|-----|--------|----|-----|-------------------|----|-----|-------------------|----|-----|
|   | Yes                        | No | N/A | Yes    | No | N/A | Yes               | No | N/A | Yes               | No | N/A |
| A. Perform above the bottom quartile (75th percentile) of his or her peer group over two consecutive quarters or annual period. |                            |    |     |        |    |     |                   |    |     |                   |    |     |
| B. Did not fall in the southeastern quadrant of the risk/return scattergram for three- and/or five-year time periods.           |                            |    |     |        |    |     |                   |    |     |                   |    |     |
| C. Five-year risk-adjusted return (alpha) is above that of the median manager within the appropriate peer group.                |                            |    |     |        |    |     |                   |    |     |                   |    |     |
| D. Did not underperform its index for four consecutive quarters.  |                            |    |     |        |    |     |                   |    |     |                   |    |     |
| E. Performed above the median (50th percentile) of his or her peer group over rolling three-year periods.                       |                            |    |     |        |    |     |                   |    |     |                   |    |     |
| F. Positive alpha for three-year time periods.  |                            |    |     |        |    |     |                   |    |     |                   |    |     |
| G. Has there been organizational stability related to changes in professionals.   |                            |    |     |        |    |     |                   |    |     |                   |    |     |
| H. Has there been organizational stability related to significant account losses.   |                            |    |     |        |    |     |                   |    |     |                   |    |     |
| I. Has there been organizational stability related to significant growth of new business.                                       |                            |    |     |        |    |     |                   |    |     |                   |    |     |
| J. Has there been organizational stability related to change in ownership.  |                            |    |     |        |    |     |                   |    |     |                   |    |     |

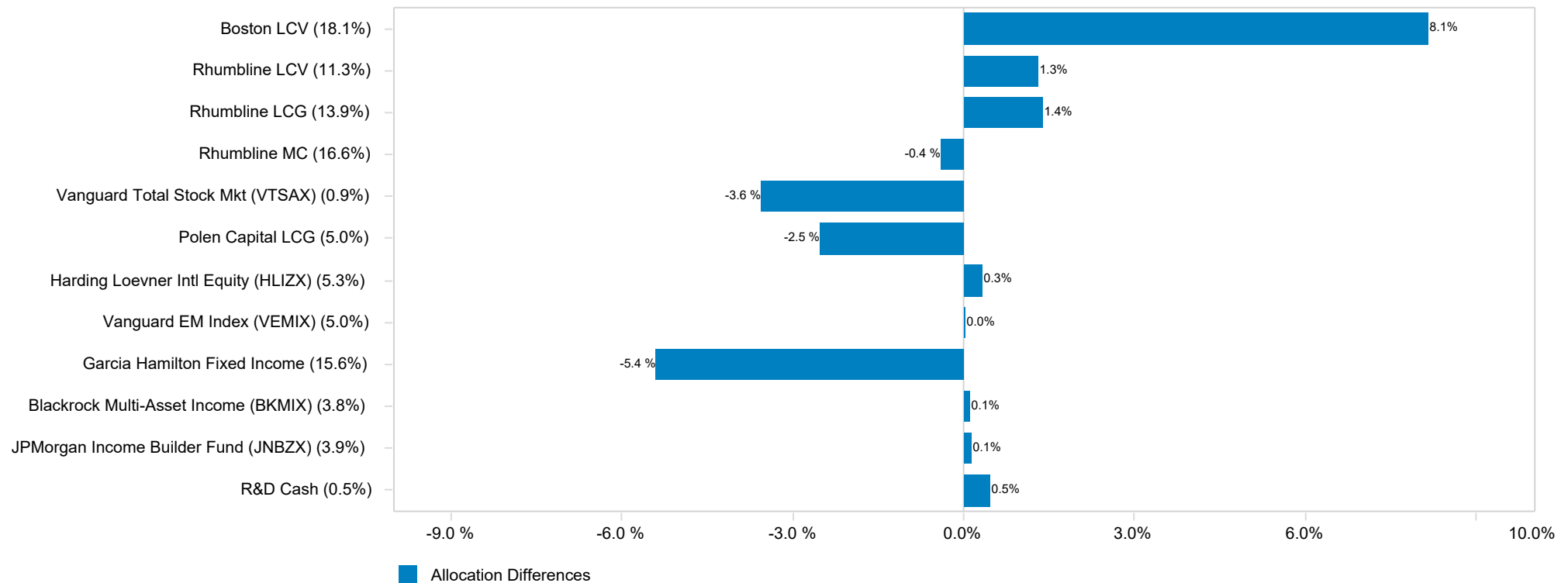
| Manager's Compliance  | Rhumbline Mid-Cap |    |     | Polen Capital |    |     | H.L. Intl Equity (HLIZX) |    |     | Vanguard EM |    |     |
|---|-------------------|----|-----|---------------|----|-----|--------------------------|----|-----|-------------|----|-----|
|   | Yes               | No | N/A | Yes           | No | N/A | Yes                      | No | N/A | Yes         | No | N/A |
| A. Perform above the bottom quartile (75th percentile) of his or her peer group over two consecutive quarters or annual period. |                   |    |     |               |    |     |                          |    |     |             |    |     |
| B. Did not fall in the southeastern quadrant of the risk/return scattergram for three- and/or five-year time periods.           |                   |    |     |               |    |     |                          |    |     |             |    |     |
| C. Five-year risk-adjusted return (alpha) is above that of the median manager within the appropriate peer group.                |                   |    |     |               |    |     |                          |    |     |             |    |     |
| D. Did not underperform its index for four consecutive quarters.  |                   |    |     |               |    |     |                          |    |     |             |    |     |
| E. Performed above the median (50th percentile) of his or her peer group over rolling three-year periods.                       |                   |    |     |               |    |     |                          |    |     |             |    |     |
| F. Positive alpha for three-year time periods.  |                   |    |     |               |    |     |                          |    |     |             |    |     |
| G. Has there been organizational stability related to changes in professionals.   |                   |    |     |               |    |     |                          |    |     |             |    |     |
| H. Has there been organizational stability related to significant account losses.   |                   |    |     |               |    |     |                          |    |     |             |    |     |
| I. Has there been organizational stability related to significant growth of new business.                                       |                   |    |     |               |    |     |                          |    |     |             |    |     |
| J. Has there been organizational stability related to change in ownership.  |                   |    |     |               |    |     |                          |    |     |             |    |     |

| Manager's Compliance  | Garcia Hamilton Fixed Income |    |     | JPMorgan Inc Builder (JNBZX) |    |     | Blacrock Multi-Asset I (BKMIX) |    |     |  |  |  |
|---|------------------------------|----|-----|------------------------------|----|-----|--------------------------------|----|-----|--|--|--|
|   | Yes                          | No | N/A | Yes                          | No | N/A | Yes                            | No | N/A |  |  |  |
| A. Perform above the bottom quartile (75th percentile) of his or her peer group over two consecutive quarters or annual period. |                              |    |     |                              |    |     |                                |    |     |  |  |  |
| B. Did not fall in the southeastern quadrant of the risk/return scattergram for three- and/or five-year time periods.           |                              |    |     |                              |    |     |                                |    |     |  |  |  |
| C. Five-year risk-adjusted return (alpha) is above that of the median manager within the appropriate peer group.                |                              |    |     |                              |    |     |                                |    |     |  |  |  |
| D. Did not underperform its index for four consecutive quarters.  |                              |    |     |                              |    |     |                                |    |     |  |  |  |
| E. Performed above the median (50th percentile) of his or her peer group over rolling three-year periods.                       |                              |    |     |                              |    |     |                                |    |     |  |  |  |
| F. Positive alpha for three-year time periods.  |                              |    |     |                              |    |     |                                |    |     |  |  |  |
| G. Has there been organizational stability related to changes in professionals.   |                              |    |     |                              |    |     |                                |    |     |  |  |  |
| H. Has there been organizational stability related to significant account losses.   |                              |    |     |                              |    |     |                                |    |     |  |  |  |
| I. Has there been organizational stability related to significant growth of new business.                                       |                              |    |     |                              |    |     |                                |    |     |  |  |  |
| J. Has there been organizational stability related to change in ownership.  |                              |    |     |                              |    |     |                                |    |     |  |  |  |

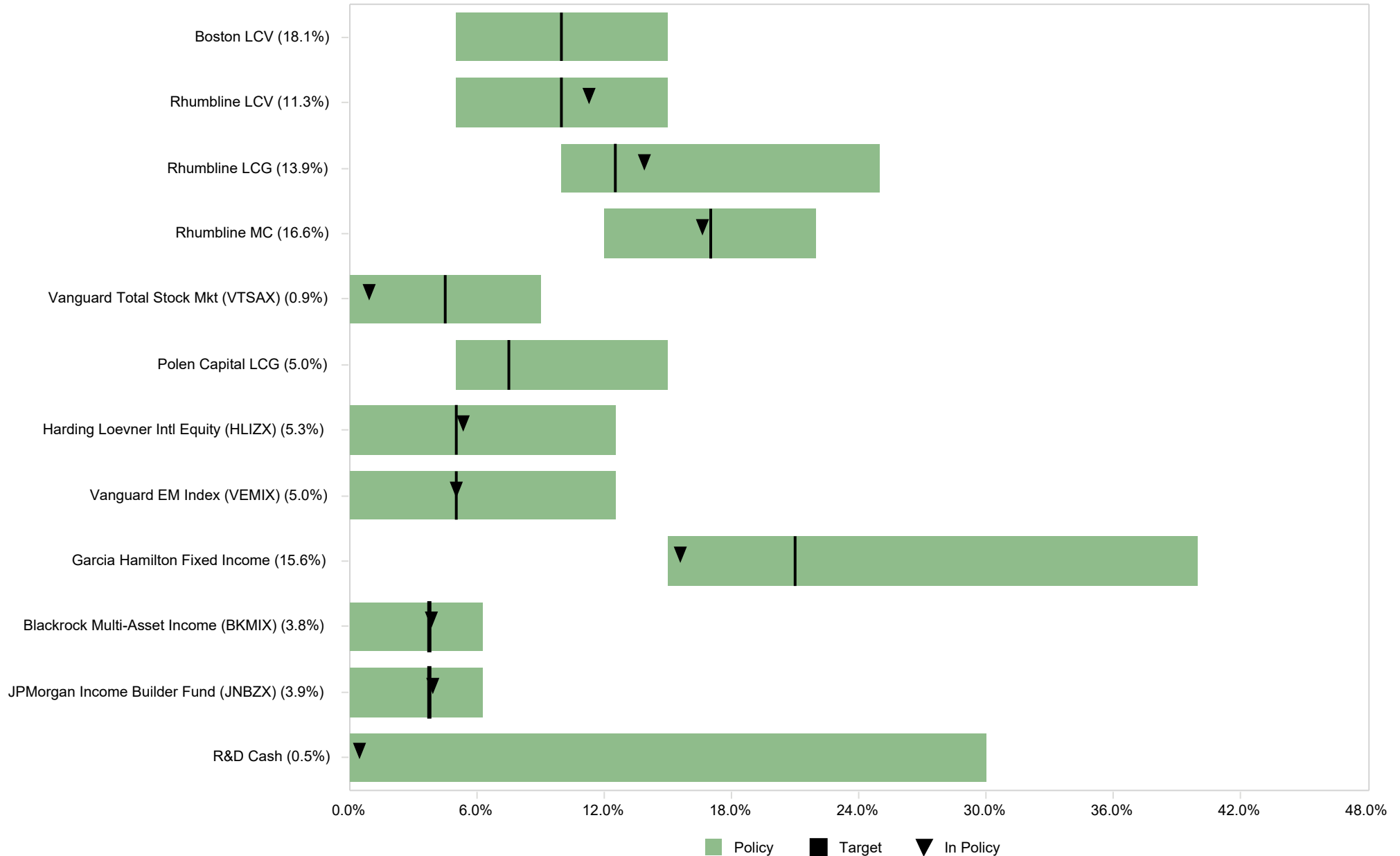
**Asset Allocation Compliance**  
**Delray Beach General Total Fund**  
As of June 30, 2021

**Asset Allocation Compliance**

|                                      | Asset<br>Allocation<br>\$ | Current<br>Allocation (%) | Target<br>Allocation (%) | Differences<br>(%) | Target Rebal.<br>(\$000) |
|--------------------------------------|---------------------------|---------------------------|--------------------------|--------------------|--------------------------|
| <b>Total Fund</b>                    | <b>175,554,752</b>        | <b>100.0</b>              | <b>100.0</b>             | <b>0.0</b>         | <b>-</b>                 |
| Boston LCV                           | 31,847,289                | 18.1                      | 10.0                     | 8.1                | -14,291,813              |
| Rhumblin LCV                         | 19,857,900                | 11.3                      | 10.0                     | 1.3                | -2,302,424               |
| Rhumblin LCG                         | 24,394,035                | 13.9                      | 12.5                     | 1.4                | -2,449,691               |
| Rhumblin MC                          | 29,143,734                | 16.6                      | 17.0                     | -0.4               | 700,574                  |
| Vanguard Total Stock Mkt (VTSAX)     | 1,638,128                 | 0.9                       | 4.5                      | -3.6               | 6,261,836                |
| Polen Capital LCG                    | 8,716,728                 | 5.0                       | 7.5                      | -2.5               | 4,449,878                |
| Harding Loevner Intl Equity (HLIZX)  | 9,352,475                 | 5.3                       | 5.0                      | 0.3                | -574,737                 |
| Vanguard EM Index (VEMIX)            | 8,818,772                 | 5.0                       | 5.0                      | 0.0                | -41,034                  |
| Garcia Hamilton Fixed Income         | 27,389,138                | 15.6                      | 21.0                     | -5.4               | 9,477,360                |
| Blackrock Multi-Asset Income (BKMIX) | 6,753,030                 | 3.8                       | 3.8                      | 0.1                | -169,727                 |
| JPMorgan Income Builder Fund (JNBZX) | 6,844,483                 | 3.9                       | 3.8                      | 0.1                | -261,180                 |
| R&D Cash                             | 799,042                   | 0.5                       | 0.0                      | 0.5                | -799,042                 |



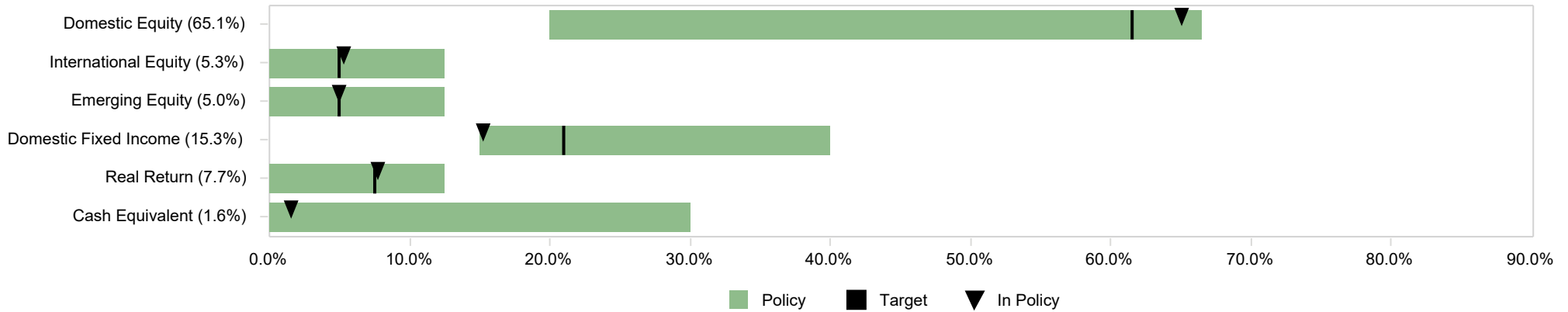
**Executive Summary**



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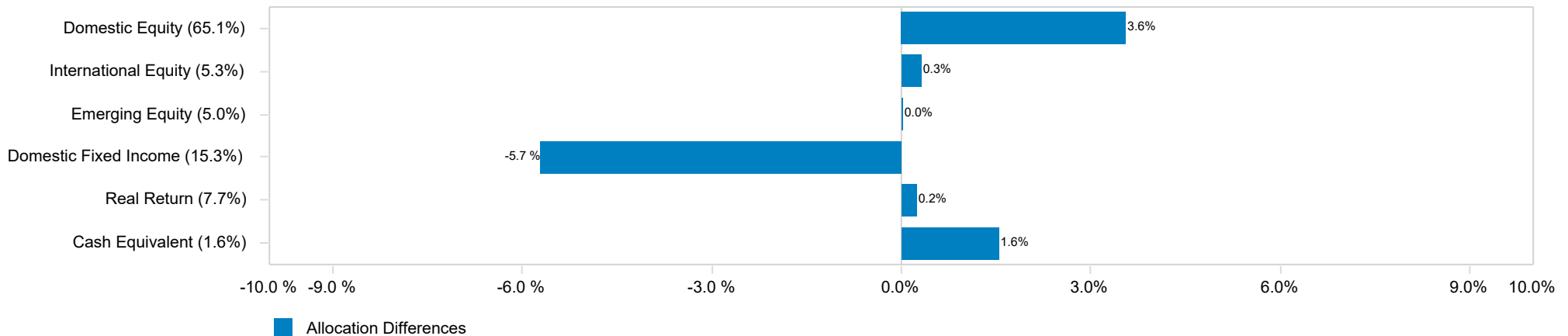


### Executive Summary

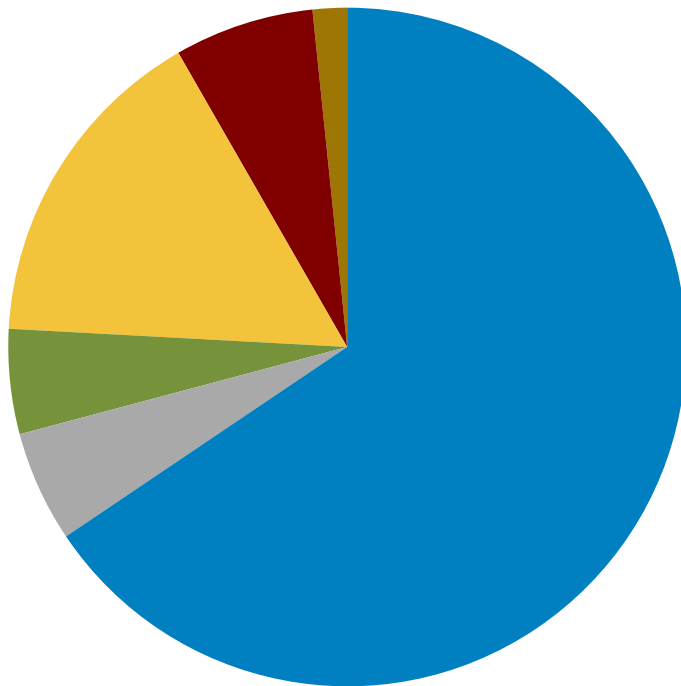


### Asset Allocation Compliance

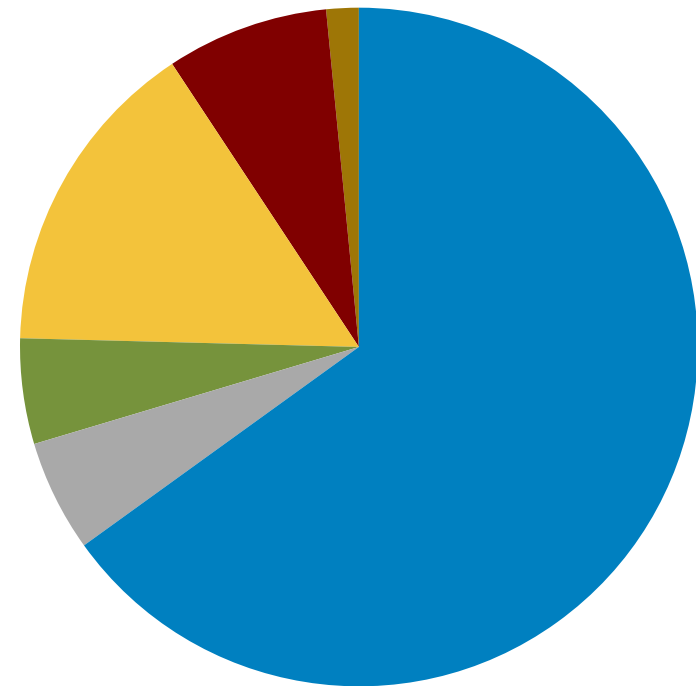
|                       | Asset Allocation \$ | Current Allocation (%) | Target Allocation (%) | Differences (%) | Target Rebal. (\$000) |
|-----------------------|---------------------|------------------------|-----------------------|-----------------|-----------------------|
| Domestic Equity       | 114,217,488         | 65.1                   | 61.5                  | 3.6             | -6,251,315            |
| International Equity  | 9,352,475           | 5.3                    | 5.0                   | 0.3             | -574,737              |
| Emerging Equity       | 8,818,772           | 5.0                    | 5.0                   | 0.0             | -41,034               |
| Domestic Fixed Income | 26,846,390          | 15.3                   | 21.0                  | -5.7            | 10,020,108            |
| Real Return           | 13,597,513          | 7.7                    | 7.5                   | 0.2             | -430,907              |
| Cash Equivalent       | 2,722,115           | 1.6                    | 0.0                   | 1.6             | -2,722,115            |
| <b>Total Fund</b>     | <b>175,554,752</b>  | <b>100.0</b>           | <b>100.0</b>          | <b>0.0</b>      | <b>-</b>              |



**Asset Allocation By Segment as of  
March 31, 2021 : \$167,798,303**

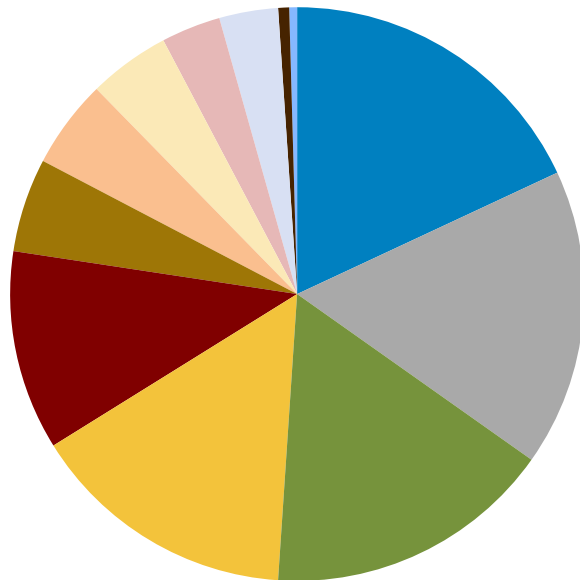
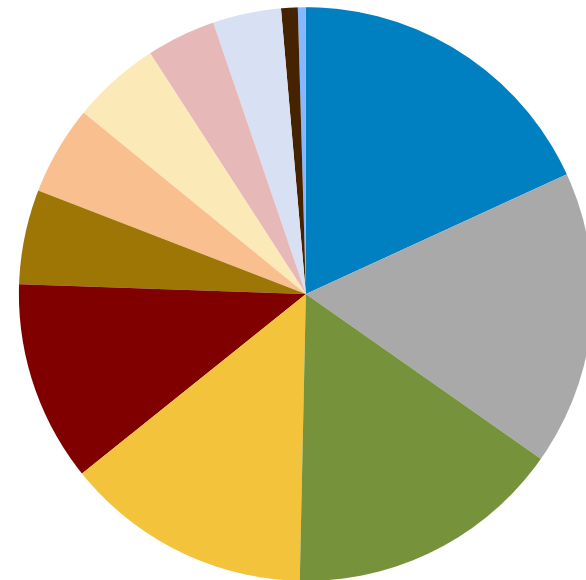


**Asset Allocation By Segment as of  
June 30, 2021 : \$175,554,752**



| Allocation            |              |            | Allocation            |              |            |
|-----------------------|--------------|------------|-----------------------|--------------|------------|
| Segments              | Market Value | Allocation | Segments              | Market Value | Allocation |
| Domestic Equity       | 110,026,977  | 65.6       | Domestic Equity       | 114,217,488  | 65.1       |
| International Equity  | 8,872,464    | 5.3        | International Equity  | 9,352,475    | 5.3        |
| Emerging Equity       | 8,386,305    | 5.0        | Emerging Equity       | 8,818,772    | 5.0        |
| Domestic Fixed Income | 26,584,936   | 15.8       | Domestic Fixed Income | 26,846,390   | 15.3       |
| Real Return           | 11,176,321   | 6.7        | Real Return           | 13,597,513   | 7.7        |
| Cash Equivalent       | 2,751,301    | 1.6        | Cash Equivalent       | 2,722,115    | 1.6        |



Asset Allocation By Manager as of  
March 31, 2021 : \$167,798,303Asset Allocation By Manager as of  
June 30, 2021 : \$175,554,752

| Allocation                             |              |            | Allocation                             |              |            |
|--|--------------|------------|--|--------------|------------|
|  | Market Value | Allocation |  | Market Value | Allocation |
| ■ Boston LCV                           | 30,273,178   | 18.0       | ■ Boston LCV                           | 31,847,289   | 18.1       |
| ■ Rhumblin MC                          | 28,123,028   | 16.8       | ■ Rhumblin MC                          | 29,143,734   | 16.6       |
| ■ Garcia Hamilton Fixed Income         | 27,287,352   | 16.3       | ■ Garcia Hamilton Fixed Income         | 27,389,138   | 15.6       |
| ■ Rhumblin LCG                         | 25,310,389   | 15.1       | ■ Rhumblin LCG                         | 24,394,035   | 13.9       |
| ■ Rhumblin LCV                         | 18,879,025   | 11.3       | ■ Rhumblin LCV                         | 19,857,900   | 11.3       |
| ■ Harding Loevner Intl Equity (HLIZX)  | 8,872,464    | 5.3        | ■ Harding Loevner Intl Equity (HLIZX)  | 9,352,475    | 5.3        |
| ■ Vanguard EM Index (VEMIX)            | 8,386,305    | 5.0        | ■ Vanguard EM Index (VEMIX)            | 8,818,772    | 5.0        |
| ■ Polen Capital LCG                    | 7,709,349    | 4.6        | ■ Polen Capital LCG                    | 8,716,728    | 5.0        |
| ■ JPMorgan Income Builder Fund (JNBZX) | 5,612,270    | 3.3        | ■ JPMorgan Income Builder Fund (JNBZX) | 6,844,483    | 3.9        |
| ■ Blackrock Multi-Asset Income (BKMIX) | 5,564,051    | 3.3        | ■ Blackrock Multi-Asset Income (BKMIX) | 6,753,030    | 3.8        |
| ■ Vanguard Total Stock Mkt (VTSAX)     | 1,029,318    | 0.6        | ■ Vanguard Total Stock Mkt (VTSAX)     | 1,638,128    | 0.9        |
| ■ R&D Cash                             | 751,574      | 0.4        | ■ R&D Cash                             | 799,042      | 0.5        |

**Financial Reconciliation**  
**Total Fund**  
**1 Quarter Ending June 30, 2021**

**Financial Reconciliation Quarter to Date**

|                                      | Market Value<br>04/01/2021 | Net<br>Transfers  | Contributions  | Distributions     | Management<br>Fees | Other<br>Expenses | Income         | Apprec./<br>Deprec. | Market Value<br>06/30/2021 |
|--------------------------------------|----------------------------|-------------------|----------------|-------------------|--------------------|-------------------|----------------|---------------------|----------------------------|
| <b>Total Equity</b>                  | <b>128,583,056</b>         | <b>-3,697,477</b> | -              | -                 | <b>-18,365</b>     | <b>-8,596</b>     | <b>460,693</b> | <b>8,449,748</b>    | <b>133,769,060</b>         |
| <b>Total Domestic Equity</b>         | <b>111,324,287</b>         | <b>-3,697,477</b> | -              | -                 | <b>-18,365</b>     | <b>-8,596</b>     | <b>415,333</b> | <b>7,582,631</b>    | <b>115,597,813</b>         |
| Boston LCV                           | 30,273,178                 | -500,000          | -              | -                 | -                  | -3,403            | 154,186        | 1,923,327           | 31,847,289                 |
| Rhumblin LCV                         | 18,879,025                 | 1,592             | -              | -                 | -1,592             | -983              | 94,805         | 885,053             | 19,857,900                 |
| Rhumblin LCG                         | 25,310,389                 | -3,696,915        | -              | -                 | -3,085             | -2,405            | 49,823         | 2,736,229           | 24,394,035                 |
| Polen Capital LCG                    | 7,709,349                  | -                 | -              | -                 | -11,406            | -867              | 8,354          | 1,011,298           | 8,716,728                  |
| Vanguard Total Stock Mkt (VTSAX)     | 1,029,318                  | 495,564           | -              | -                 | -                  | -                 | 6,956          | 106,290             | 1,638,128                  |
| Rhumblin MC                          | 28,123,028                 | 2,282             | -              | -                 | -2,282             | -937              | 101,210        | 920,433             | 29,143,734                 |
| <b>Total International Equity</b>    | <b>17,258,769</b>          | -                 | -              | -                 | -                  | -                 | <b>45,360</b>  | <b>867,118</b>      | <b>18,171,246</b>          |
| Vanguard EM Index (VEMIX)            | 8,386,305                  | -                 | -              | -                 | -                  | -                 | 45,360         | 387,107             | 8,818,772                  |
| Harding Loevner Intl Equity (HLIZX)  | 8,872,464                  | -                 | -              | -                 | -                  | -                 | -              | 480,011             | 9,352,475                  |
| <b>Total Fixed Income</b>            | <b>27,287,352</b>          | -                 | -              | -                 | <b>-13,410</b>     | <b>-3,163</b>     | <b>143,877</b> | <b>-25,517</b>      | <b>27,389,138</b>          |
| Garcia Hamilton Fixed Income         | 27,287,352                 | -                 | -              | -                 | -13,410            | -3,163            | 143,877        | -25,517             | 27,389,138                 |
| <b>Total Real Return Composite</b>   | <b>11,176,321</b>          | <b>2,000,000</b>  | -              | -                 | -                  | -                 | <b>130,814</b> | <b>290,378</b>      | <b>13,597,513</b>          |
| JPMorgan Income Builder Fund (JNBZX) | 5,612,270                  | 1,000,000         | -              | -                 | -                  | -                 | 64,318         | 167,895             | 6,844,483                  |
| Blackrock Multi-Asset Income (BKMIX) | 5,564,051                  | 1,000,000         | -              | -                 | -                  | -                 | 66,496         | 122,483             | 6,753,030                  |
| <b>Cash Accounts</b>                 |                            |                   |                |                   |                    |                   |                |                     |                            |
| R&D Cash                             | 751,574                    | 1,697,477         | 406,621        | -2,004,582        | -                  | -52,058           | 10             | -                   | 799,042                    |
| <b>Total Fund</b>                    | <b>167,798,303</b>         | -                 | <b>406,621</b> | <b>-2,004,582</b> | <b>-31,775</b>     | <b>-63,817</b>    | <b>735,393</b> | <b>8,714,609</b>    | <b>175,554,752</b>         |



**Financial Reconciliation**  
**Total Fund**  
October 1, 2020 To June 30, 2021

| Financial Reconciliation Quarter to Date |                            |                   |                  |                   |                    |                   |                  |                     |                            |
|--|----------------------------|-------------------|------------------|-------------------|--------------------|-------------------|------------------|---------------------|----------------------------|
|  | Market Value<br>10/01/2020 | Net<br>Transfers  | Contributions    | Distributions     | Management<br>Fees | Other<br>Expenses | Income           | Apprec./<br>Deprec. | Market Value<br>06/30/2021 |
| <b>Total Equity</b>                      | <b>102,175,514</b>         | <b>-4,220,286</b> | <b>-</b>         | <b>-</b>          | <b>-76,777</b>     | <b>-20,992</b>    | <b>1,366,686</b> | <b>34,544,914</b>   | <b>133,769,060</b>         |
| <b>Total Domestic Equity</b>             | <b>87,673,751</b>          | <b>-4,220,286</b> | <b>-</b>         | <b>-</b>          | <b>-76,777</b>     | <b>-20,992</b>    | <b>1,191,041</b> | <b>31,051,076</b>   | <b>115,597,813</b>         |
| Boston LCV                               | 14,617,714                 | 8,114,618         | -                | -                 | -42,987            | -8,036            | 413,049          | 8,752,932           | 31,847,289                 |
| Rhumblin LCV                             | 14,609,053                 | 4,515             | -                | -                 | -4,515             | -2,821            | 292,072          | 4,959,596           | 19,857,900                 |
| Rhumblin LCG                             | 37,498,724                 | -19,789,950       | -                | -                 | -10,050            | -4,981            | 154,818          | 6,545,474           | 24,394,035                 |
| Polen Capital LCG                        | -                          | 7,500,000         | -                | -                 | -12,647            | -1,719            | 16,982           | 1,214,113           | 8,716,728                  |
| Vanguard Total Stock Mkt (VTSAX)         | 1,008,054                  | -56,046           | -                | -                 | -                  | -                 | 25,472           | 660,648             | 1,638,128                  |
| Rhumblin MC                              | 19,940,207                 | 6,578             | -                | -                 | -6,578             | -3,434            | 288,649          | 8,918,312           | 29,143,734                 |
| <b>Total International Equity</b>        | <b>14,501,763</b>          | <b>-</b>          | <b>-</b>         | <b>-</b>          | <b>-</b>           | <b>-</b>          | <b>175,645</b>   | <b>3,493,839</b>    | <b>18,171,246</b>          |
| Vanguard EM Index (VEMIX)                | 6,928,053                  | -                 | -                | -                 | -                  | -                 | 104,726          | 1,785,992           | 8,818,772                  |
| Harding Loevner Intl Equity (HLIZX)      | 7,573,709                  | -                 | -                | -                 | -                  | -                 | 70,919           | 1,707,847           | 9,352,475                  |
| <b>Total Fixed Income</b>                | <b>27,670,020</b>          | <b>-</b>          | <b>-</b>         | <b>-</b>          | <b>-40,385</b>     | <b>-9,388</b>     | <b>342,165</b>   | <b>-573,274</b>     | <b>27,389,138</b>          |
| Garcia Hamilton Fixed Income             | 27,670,020                 | -                 | -                | -                 | -40,385            | -9,388            | 342,165          | -573,274            | 27,389,138                 |
| <b>Total Real Return Composite</b>       | <b>10,144,814</b>          | <b>2,000,000</b>  | <b>-</b>         | <b>-</b>          | <b>-</b>           | <b>-</b>          | <b>341,694</b>   | <b>1,111,004</b>    | <b>13,597,513</b>          |
| JPMorgan Income Builder Fund (JNBZX)     | 5,030,818                  | 1,000,000         | -                | -                 | -                  | -                 | 160,676          | 652,989             | 6,844,483                  |
| Blackrock Multi-Asset Income (BKMIX)     | 5,113,996                  | 1,000,000         | -                | -                 | -                  | -                 | 181,018          | 458,016             | 6,753,030                  |
| <b>Cash Accounts</b>                     |                            |                   |                  |                   |                    |                   |                  |                     |                            |
| R&D Cash                                 | 610,815                    | 2,220,286         | 4,067,143        | -5,997,485        | -                  | -101,750          | 33               | -                   | 799,042                    |
| <b>Total Fund</b>                        | <b>140,601,163</b>         | <b>-</b>          | <b>4,067,143</b> | <b>-5,997,485</b> | <b>-117,163</b>    | <b>-132,129</b>   | <b>2,050,578</b> | <b>35,082,645</b>   | <b>175,554,752</b>         |



## Asset Allocation &amp; Performance

|  | Allocation         |              | Performance(%) |              |              |              |              |
|--|--------------------|--------------|----------------|--------------|--------------|--------------|--------------|
|  | Market Value \$    | %            | QTR            | FYTD         | 1 YR         | 3 YR         | 5 YR         |
| <b>Total Fund Composite</b>                    | <b>175,554,752</b> | <b>100.0</b> | <b>5.66</b>    | <b>26.31</b> | <b>34.73</b> | <b>13.93</b> | <b>12.95</b> |
| Policy Index                                   |                    |              | 5.26           | 25.52        | 32.90        | 13.55        | 12.30        |
| Difference                                     |                    |              | 0.40           | 0.79         | 1.83         | 0.38         | 0.65         |
| <b>Total Equity Composite</b>                  | <b>133,769,060</b> | <b>76.2</b>  | <b>7.10</b>    | <b>35.02</b> | <b>46.86</b> | <b>17.07</b> | <b>16.93</b> |
| Total Equity Index                             |                    |              | 6.74           | 35.23        | 45.75        | 16.25        | 16.16        |
| Difference                                     |                    |              | 0.36           | -0.21        | 1.11         | 0.82         | 0.77         |
| <b>Total Domestic Equity</b>                   | <b>115,597,813</b> | <b>65.8</b>  |                |              |              |              |              |
| Vanguard Total Stock Mkt (VTSAX)               | 1,638,128          | 0.9          | 8.28 (31)      | 32.17 (52)   | 44.33 (47)   | 18.73 (28)   | N/A          |
| CRSP U.S. Total Market TR Index                |                    |              | 8.29 (31)      | 32.18 (52)   | 44.35 (47)   | 18.76 (28)   | 17.91 (31)   |
| Difference                                     |                    |              | -0.01          | -0.01        | -0.02        | -0.03        | N/A          |
| IM U.S. Equity (MF) Median                     |                    |              | 6.40           | 32.58        | 43.34        | 14.36        | 14.79        |
| Boston LCV                                     | 31,847,289         | 18.1         | 6.85 (26)      | 47.84 (14)   | 55.77 (17)   | 14.38 (40)   | 15.22 (30)   |
| Russell 1000 Value Index                       |                    |              | 5.21 (65)      | 36.07 (57)   | 43.68 (59)   | 12.42 (64)   | 11.87 (81)   |
| Difference                                     |                    |              | 1.64           | 11.77        | 12.09        | 1.96         | 3.35         |
| IM U.S. Large Cap Value Equity (SA+CF) Median  |                    |              | 5.86           | 38.04        | 45.78        | 13.48        | 13.58        |
| Rhumblin LCV                                   | 19,857,900         | 11.3         | 5.19 (54)      | 35.95 (51)   | 43.53 (50)   | 12.42 (44)   | 11.87 (59)   |
| Russell 1000 Value Index                       |                    |              | 5.21 (53)      | 36.07 (51)   | 43.68 (49)   | 12.42 (44)   | 11.87 (59)   |
| Difference                                     |                    |              | -0.02          | -0.12        | -0.15        | 0.00         | 0.00         |
| IM U.S. Large Cap Value Equity (MF) Median     |                    |              | 5.25           | 36.19        | 43.46        | 12.04        | 12.29        |
| Rhumblin LCG                                   | 24,394,035         | 13.9         | 11.92 (34)     | 25.85 (44)   | 42.49 (28)   | 25.14 (24)   | 23.64 (31)   |
| Russell 1000 Growth Index                      |                    |              | 11.93 (33)     | 25.86 (43)   | 42.50 (28)   | 25.14 (24)   | 23.66 (31)   |
| Difference                                     |                    |              | -0.01          | -0.01        | -0.01        | 0.00         | -0.02        |
| IM U.S. Large Cap Growth Equity (MF) Median    |                    |              | 11.37          | 25.55        | 39.97        | 23.43        | 22.71        |
| Polen Capital LCG                              | 8,716,728          | 5.0          | 13.24 (12)     | N/A          | N/A          | N/A          | N/A          |
| Russell 1000 Growth Index                      |                    |              | 11.93 (30)     | 25.86 (60)   | 42.50 (36)   | 25.14 (32)   | 23.66 (38)   |
| Difference                                     |                    |              | 1.31           | N/A          | N/A          | N/A          | N/A          |
| IM U.S. Large Cap Growth Equity (SA+CF) Median |                    |              | 10.89          | 26.47        | 40.81        | 23.63        | 22.35        |
| Rhumblin MC                                    | 29,143,734         | 16.6         | 3.63 (91)      | 46.18 (19)   | 53.17 (25)   | 13.16 (64)   | 14.28 (56)   |
| S&P MidCap 400 Index                           |                    |              | 3.64 (91)      | 46.26 (18)   | 53.24 (25)   | 13.17 (64)   | 14.29 (56)   |
| Difference                                     |                    |              | -0.01          | -0.08        | -0.07        | -0.01        | -0.01        |
| IM U.S. Mid Cap Equity (MF) Median             |                    |              | 5.88           | 36.74        | 47.30        | 15.00        | 15.43        |

|  | Allocation        |             | Performance(%) |              |              |             |             |
|--|-------------------|-------------|----------------|--------------|--------------|-------------|-------------|
|  | Market Value \$   | %           | QTR            | FYTD         | 1 YR         | 3 YR        | 5 YR        |
| <b>Total International Equity</b>                  |                   |             |                |              |              |             |             |
| Harding Loevner Intl Equity (HLIZX)                | 9,352,475         | 5.3         | 5.62 (44)      | 24.18 (68)   | 35.17 (61)   | 12.33 (27)  | 13.62 (24)  |
| MSCI EAFE Index                                    |                   |             | 5.38 (48)      | 26.74 (54)   | 32.92 (72)   | 8.77 (62)   | 10.79 (57)  |
| Difference   |                   |             | 0.24           | -2.56        | 2.25         | 3.56        | 2.83        |
| IM International Equity (MF) Median                |                   |             | 5.32           | 27.26        | 36.99        | 9.82        | 11.16       |
| Vanguard EM Index (VEMIX)                          | 8,818,772         | 5.0         | 5.16 (50)      | 27.29 (64)   | N/A          | N/A         | N/A         |
| FTSE Emerging Mkts All Cap China A Inclusion Index |                   |             | 5.78 (38)      | 28.23 (57)   | 39.91 (63)   | 11.99 (40)  | 12.43 (50)  |
| Difference   |                   |             | -0.62          | -0.94        | N/A          | N/A         | N/A         |
| IM Emerging Markets Equity (MF) Median             |                   |             | 5.10           | 29.36        | 41.88        | 11.25       | 12.40       |
| <b>Total Fixed Income Composite</b>                | <b>27,389,138</b> | <b>15.6</b> | <b>0.43</b>    | <b>-0.84</b> | <b>-0.23</b> | <b>4.01</b> | <b>2.71</b> |
| Total Fixed Income Index                           |                   |             | 0.98           | -0.42        | 0.19         | 4.70        | 2.90        |
| Difference   |                   |             | -0.55          | -0.42        | -0.42        | -0.69       | -0.19       |
| Garcia Hamilton Fixed Income                       | 27,389,138        | 15.6        | 0.43 (96)      | -0.84 (97)   | -0.23 (95)   | 4.01 (94)   | N/A         |
| Bloomberg Barclays Intermediate US Govt/Credit Idx |                   |             | 0.98 (72)      | -0.42 (88)   | 0.19 (87)    | 4.70 (75)   | 2.63 (86)   |
| Difference   |                   |             | -0.55          | -0.42        | -0.42        | -0.69       | N/A         |
| IM U.S. Intermediate Duration (SA+CF) Median       |                   |             | 1.06           | 0.19         | 1.01         | 4.97        | 3.03        |
| <b>Total Real Return Composite</b>                 | <b>13,597,513</b> | <b>7.7</b>  |                |              |              |             |             |
| JPMorgan Income Builder Fund (JNBZX)               | 6,844,483         | 3.9         | 4.18 (62)      | 16.22 (61)   | 20.94 (61)   | N/A         | N/A         |
| 50% MSCI World Value/ 50% BBA                      |                   |             | 3.28 (76)      | 15.09 (68)   | 17.71 (75)   | 7.41 (59)   | N/A         |
| Difference   |                   |             | 0.90           | 1.13         | 3.23         | N/A         | N/A         |
| IM Flexible Portfolio (MF) Median                  |                   |             | 4.50           | 17.78        | 23.31        | 8.09        | 7.56        |
| Blackrock Multi-Asset Income (BKMIX)               | 6,753,030         | 3.8         | 3.36 (75)      | 12.45 (75)   | 16.36 (78)   | 7.75 (55)   | N/A         |
| 50% MSCI World Value/ 50% BBA                      |                   |             | 3.28 (76)      | 15.09 (68)   | 17.71 (75)   | 7.41 (59)   | N/A         |
| Difference   |                   |             | 0.08           | -2.64        | -1.35        | 0.34        | N/A         |
| IM Flexible Portfolio (MF) Median                  |                   |             | 4.50           | 17.78        | 23.31        | 8.09        | 7.56        |
| R&D Cash   | 799,042           | 0.5         |                |              |              |             |             |

## Asset Allocation &amp; Performance

|                                    | Allocation         |              | Performance(%)   |                  |                  |                  |                  |
|------------------------------------|--------------------|--------------|------------------|------------------|------------------|------------------|------------------|
|                                    | Market Value \$    | %            | QTR              | FYTD             | 1 YR             | 3 YR             | 5 YR             |
| <b>Total Fund Composite</b>        | <b>175,554,752</b> | <b>100.0</b> | <b>5.64 (31)</b> | <b>26.22 (3)</b> | <b>34.60 (3)</b> | <b>13.81 (6)</b> | <b>12.82 (6)</b> |
| Policy Index                       |                    |              | 5.26 (51)        | 25.52 (4)        | 32.90 (4)        | 13.55 (9)        | 12.30 (11)       |
| Difference                         |                    |              | 0.38             | 0.70             | 1.70             | 0.26             | 0.52             |
| All Public Plans-Total Fund Median |                    |              | 5.28             | 20.23            | 26.57            | 11.43            | 10.92            |
| <b>Total Equity Composite</b>      | <b>133,769,060</b> | <b>76.2</b>  | <b>7.08</b>      | <b>34.92</b>     | <b>46.73</b>     | <b>16.98</b>     | <b>16.80</b>     |
| Total Equity Index                 |                    |              | 6.74             | 35.23            | 45.75            | 16.25            | 16.16            |
| Difference                         |                    |              | 0.34             | -0.31            | 0.98             | 0.73             | 0.64             |
| <b>Total Domestic Equity</b>       | <b>115,597,813</b> | <b>65.8</b>  |                  |                  |                  |                  |                  |
| Vanguard Total Stock Mkt (VTSAX)   | 1,638,128          | 0.9          | 8.28             | 32.17            | 44.33            | 18.73            | N/A              |
| CRSP U.S. Total Market TR Index    |                    |              | 8.29             | 32.18            | 44.35            | 18.76            | 17.91            |
| Difference                         |                    |              | -0.01            | -0.01            | -0.02            | -0.03            | N/A              |
| Boston LCV                         | 31,847,289         | 18.1         | 6.85             | 47.56            | 55.32            | 14.01            | 14.78            |
| Russell 1000 Value Index           |                    |              | 5.21             | 36.07            | 43.68            | 12.42            | 11.87            |
| Difference                         |                    |              | 1.64             | 11.49            | 11.64            | 1.59             | 2.91             |
| Rhumblin LCV                       | 19,857,900         | 11.3         | 5.18             | 35.91            | 43.48            | 12.37            | 11.81            |
| Russell 1000 Value Index           |                    |              | 5.21             | 36.07            | 43.68            | 12.42            | 11.87            |
| Difference                         |                    |              | -0.03            | -0.16            | -0.20            | -0.05            | -0.06            |
| Rhumblin LCG                       | 24,394,035         | 13.9         | 11.91            | 25.81            | 42.43            | 25.09            | 23.59            |
| Russell 1000 Growth Index          |                    |              | 11.93            | 25.86            | 42.50            | 25.14            | 23.66            |
| Difference                         |                    |              | -0.02            | -0.05            | -0.07            | -0.05            | -0.07            |
| Polen Capital LCG                  | 8,716,728          | 5.0          | 13.08            | N/A              | N/A              | N/A              | N/A              |
| Russell 1000 Growth Index          |                    |              | 11.93            | 25.86            | 42.50            | 25.14            | 23.66            |
| Difference                         |                    |              | 1.15             | N/A              | N/A              | N/A              | N/A              |
| Rhumblin MC                        | 29,143,734         | 16.6         | 3.62             | 46.14            | 53.12            | 13.12            | 14.23            |
| S&P MidCap 400 Index               |                    |              | 3.64             | 46.26            | 53.24            | 13.17            | 14.29            |
| Difference                         |                    |              | -0.02            | -0.12            | -0.12            | -0.05            | -0.06            |

**Asset Allocation & Performance**  
**Total Fund Composite (Net)**  
As of June 30, 2021

|  | Allocation         |      | Performance(%) |       |       |       |       |
|--|--------------------|------|----------------|-------|-------|-------|-------|
|  | Market Value<br>\$ | %    | QTR            | FYTD  | 1 YR  | 3 YR  | 5 YR  |
| <b>Total International Equity</b>                  |                    |      |                |       |       |       |       |
| Harding Loevner Intl Equity (HLIZX)                | 9,352,475          | 5.3  | 5.41           | 23.44 | 34.10 | 11.43 | 12.71 |
| MSCI EAFE Index                                    |                    |      | 5.38           | 26.74 | 32.92 | 8.77  | 10.79 |
| Difference   |                    |      | 0.03           | -3.30 | 1.18  | 2.66  | 1.92  |
| Vanguard EM Index (VEMIX)                          | 8,818,772          | 5.0  | 5.16           | 27.29 | N/A   | N/A   | N/A   |
| FTSE Emerging Mkts All Cap China A Inclusion Index |                    |      | 5.78           | 28.23 | 39.91 | 11.99 | 12.43 |
| Difference   |                    |      | -0.62          | -0.94 | N/A   | N/A   | N/A   |
| <b>Total Fixed Income Composite</b>                |                    |      |                |       |       |       |       |
| Total Fixed Income Index                           | 27,389,138         | 15.6 | 0.38           | -0.98 | -0.42 | 3.79  | 2.51  |
| Difference   |                    |      | 0.98           | -0.42 | 0.19  | 4.70  | 2.90  |
|  |                    |      | -0.60          | -0.56 | -0.61 | -0.91 | -0.39 |
| Garcia Hamilton Fixed Income                       | 27,389,138         | 15.6 | 0.38           | -0.98 | -0.42 | 3.79  | N/A   |
| Bloomberg Barclays Intermediate US Govt/Credit Idx |                    |      | 0.98           | -0.42 | 0.19  | 4.70  | 2.63  |
| Difference   |                    |      | -0.60          | -0.56 | -0.61 | -0.91 | N/A   |
| <b>Total Real Return Composite</b>                 |                    |      |                |       |       |       |       |
| JPMorgan Income Builder Fund (JNBZX)               | 6,844,483          | 3.9  | 4.18           | 16.22 | 20.94 | N/A   | N/A   |
| 50% MSCI World Value/ 50% BBA                      |                    |      | 3.28           | 15.09 | 17.71 | 7.41  | N/A   |
| Difference   |                    |      | 0.90           | 1.13  | 3.23  | N/A   | N/A   |
| Blackrock Multi-Asset Income (BKMIX)               | 6,753,030          | 3.8  | 3.36           | 12.45 | 16.36 | 7.75  | N/A   |
| 50% MSCI World Value/ 50% BBA                      |                    |      | 3.28           | 15.09 | 17.71 | 7.41  | N/A   |
| Difference   |                    |      | 0.08           | -2.64 | -1.35 | 0.34  | N/A   |
| R&D Cash   | 799,042            | 0.5  |                |       |       |       |       |



## Asset Allocation &amp; Performance

|  | Allocation         |              | Performance(%)       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|--------------------|--------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | Market Value \$    | %            | Oct-2019 To Sep-2020 | Oct-2018 To Sep-2019 | Oct-2017 To Sep-2018 | Oct-2016 To Sep-2017 | Oct-2015 To Sep-2016 | Oct-2014 To Sep-2015 | Oct-2013 To Sep-2014 | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 |
| <b>Total Fund Composite</b>                    | <b>175,554,752</b> | <b>100.0</b> | <b>9.07</b>          | <b>3.11</b>          | <b>10.95</b>         | <b>13.03</b>         | <b>10.68</b>         | <b>0.48</b>          | <b>12.47</b>         | <b>13.40</b>         | <b>19.38</b>         | <b>0.85</b>          |
| Policy Index                                   |                    |              | 8.33                 | 3.34                 | 9.71                 | 12.18                | 11.13                | 0.05                 | 10.98                | 11.68                | 17.79                | 2.69                 |
| Difference                                     |                    |              | 0.74                 | -0.23                | 1.24                 | 0.85                 | -0.45                | 0.43                 | 1.49                 | 1.72                 | 1.59                 | -1.84                |
| <b>Total Equity Composite</b>                  | <b>133,769,060</b> | <b>76.2</b>  | <b>10.87</b>         | <b>1.64</b>          | <b>15.22</b>         | <b>19.43</b>         | <b>14.32</b>         | <b>-0.50</b>         | <b>16.60</b>         | <b>22.52</b>         | <b>29.57</b>         | <b>-2.25</b>         |
| Total Equity Index                             |                    |              | 8.72                 | 1.28                 | 14.77                | 18.57                | 14.84                | -1.30                | 15.96                | 21.23                | 28.59                | 0.04                 |
| Difference                                     |                    |              | 2.15                 | 0.36                 | 0.45                 | 0.86                 | -0.52                | 0.80                 | 0.64                 | 1.29                 | 0.98                 | -2.29                |
| <b>Total Domestic Equity</b>                   | <b>115,597,813</b> | <b>65.8</b>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Vanguard Total Stock Mkt (VTSAX)               | 1,638,128          | 0.9          | 14.94 (33)           | 2.88 (34)            | 17.62 (31)           | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| CRSP U.S. Total Market TR Index                |                    |              | 14.99 (33)           | 2.92 (34)            | 17.62 (31)           | 18.64 (40)           | 14.99 (27)           | -0.55 (47)           | 17.77 (23)           | 21.59 (55)           | 29.96 (29)           | 0.46 (32)            |
| Difference                                     |                    |              | -0.05                | -0.04                | 0.00                 | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| IM U.S. Equity (MF) Median                     |                    |              | 4.20                 | 0.12                 | 13.30                | 17.48                | 12.13                | -0.92                | 13.74                | 22.54                | 27.33                | -1.87                |
| Boston LCV                                     | 31,847,289         | 18.1         | -7.57 (79)           | 3.21 (44)            | 14.27 (30)           | 19.42 (34)           | 15.54 (31)           | -3.23 (50)           | 20.35 (27)           | 27.45 (22)           | 32.67 (10)           | -5.35 (86)           |
| Russell 1000 Value Index                       |                    |              | -5.03 (65)           | 4.00 (39)            | 9.45 (78)            | 15.12 (76)           | 16.19 (26)           | -4.42 (65)           | 18.89 (42)           | 22.30 (59)           | 30.92 (26)           | -1.89 (62)           |
| Difference                                     |                    |              | -2.54                | -0.79                | 4.82                 | 4.30                 | -0.65                | 1.19                 | 1.46                 | 5.15                 | 1.75                 | -3.46                |
| IM U.S. Large Cap Value Equity (SA+CF) Median  |                    |              | -3.27                | 2.32                 | 11.83                | 17.89                | 13.61                | -3.28                | 18.40                | 23.65                | 28.09                | -0.98                |
| Dana LCG                                       | -                  | 0.0          | N/A                  | N/A                  | N/A                  | 23.86 (18)           | 8.58 (79)            | 5.07 (31)            | 19.65 (35)           | 19.30 (64)           | 29.94 (33)           | N/A                  |
| Russell 1000 Growth Index                      |                    |              | 37.53 (29)           | 3.71 (52)            | 26.30 (36)           | 21.94 (38)           | 13.76 (23)           | 3.17 (55)            | 19.15 (40)           | 19.27 (64)           | 29.19 (39)           | 3.78 (30)            |
| Difference                                     |                    |              | N/A                  | N/A                  | N/A                  | 1.92                 | -5.18                | 1.90                 | 0.50                 | 0.03                 | 0.75                 | N/A                  |
| IM U.S. Large Cap Growth Equity (SA+CF) Median |                    |              | 33.30                | 3.81                 | 24.44                | 20.83                | 11.72                | 3.61                 | 18.18                | 20.30                | 27.71                | 1.40                 |
| Rhumblin LCV                                   | 19,857,900         | 11.3         | -4.97 (54)           | 4.03 (30)            | 9.43 (61)            | 15.13 (72)           | 16.17 (18)           | -4.56 (44)           | 18.82 (20)           | 22.20 (53)           | 30.80 (17)           | -1.87 (29)           |
| Russell 1000 Value Index                       |                    |              | -5.03 (54)           | 4.00 (30)            | 9.45 (61)            | 15.12 (72)           | 16.19 (18)           | -4.42 (41)           | 18.89 (19)           | 22.30 (52)           | 30.92 (15)           | -1.89 (30)           |
| Difference                                     |                    |              | 0.06                 | 0.03                 | -0.02                | 0.01                 | -0.02                | -0.14                | -0.07                | -0.10                | -0.12                | 0.02                 |
| IM U.S. Large Cap Value Equity (MF) Median     |                    |              | -4.55                | 1.87                 | 10.42                | 16.74                | 12.49                | -4.90                | 17.21                | 22.35                | 28.44                | -3.39                |
| Rhumblin LCG                                   | 24,394,035         | 13.9         | 37.55 (34)           | 3.71 (33)            | 26.25 (39)           | 21.93 (28)           | 13.70 (18)           | 3.17 (45)            | 19.11 (23)           | 19.24 (52)           | 29.11 (36)           | 3.77 (17)            |
| Russell 1000 Growth Index                      |                    |              | 37.53 (34)           | 3.71 (33)            | 26.30 (38)           | 21.94 (28)           | 13.76 (18)           | 3.17 (45)            | 19.15 (22)           | 19.27 (52)           | 29.19 (35)           | 3.78 (17)            |
| Difference                                     |                    |              | 0.02                 | 0.00                 | -0.05                | -0.01                | -0.06                | 0.00                 | -0.04                | -0.03                | -0.08                | -0.01                |
| IM U.S. Large Cap Growth Equity (MF) Median    |                    |              | 34.55                | 2.32                 | 25.06                | 20.13                | 10.96                | 2.84                 | 16.89                | 19.37                | 27.40                | 0.50                 |
| Rhumblin MC                                    | 29,143,734         | 16.6         | -2.11 (65)           | -2.49 (75)           | 14.16 (47)           | 17.50 (39)           | 15.10 (15)           | 1.47 (38)            | 11.81 (50)           | 27.55 (44)           | 28.53 (26)           | -1.12 (39)           |
| S&P MidCap 400 Index                           |                    |              | -2.16 (65)           | -2.49 (75)           | 14.21 (47)           | 17.52 (39)           | 15.33 (15)           | 1.40 (38)            | 11.82 (50)           | 27.68 (42)           | 28.54 (26)           | -1.28 (40)           |
| Difference                                     |                    |              | 0.05                 | 0.00                 | -0.05                | -0.02                | -0.23                | 0.07                 | -0.01                | -0.13                | -0.01                | 0.16                 |
| IM U.S. Mid Cap Equity (MF) Median             |                    |              | 4.48                 | 1.77                 | 13.62                | 16.47                | 10.50                | -0.20                | 11.75                | 27.09                | 25.48                | -2.48                |

AllianzGI FI Convert Fund was taken out of Total Fixed Income composite as of 10/1/2016.





|  | Allocation        |             | Performance(%)       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|-------------------|-------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | Market Value \$   | %           | Oct-2019 To Sep-2020 | Oct-2018 To Sep-2019 | Oct-2017 To Sep-2018 | Oct-2016 To Sep-2017 | Oct-2015 To Sep-2016 | Oct-2014 To Sep-2015 | Oct-2013 To Sep-2014 | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 |
| <b>Total International Equity</b>                  |                   |             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Harding Loevner Intl Equity (HLIZX)                | 9,352,475         | 5.3         | 14.96 (27)           | -2.55 (55)           | 6.71 (8)             | 19.62 (48)           | 18.56 (10)           | -8.28 (47)           | 5.19 (38)            | 17.20 (53)           | 20.53 (14)           | N/A                  |
| MSCI EAFE Index                                    |                   |             | 0.93 (69)            | -0.82 (41)           | 3.25 (21)            | 19.65 (48)           | 7.06 (65)            | -8.27 (47)           | 4.70 (44)            | 24.29 (19)           | 14.33 (66)           | -8.94 (24)           |
| Difference   |                   |             | 14.03                | -1.73                | 3.46                 | -0.03                | 11.50                | -0.01                | 0.49                 | -7.09                | 6.20                 | N/A                  |
| IM International Equity (MF) Median                |                   |             | 6.64                 | -1.93                | 0.08                 | 19.37                | 9.32                 | -8.75                | 4.26                 | 17.81                | 16.20                | -12.08               |
| Vanguard EM Index (VEMIX)                          | 8,818,772         | 5.0         | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| FTSE Emerging Mkts All Cap China A Inclusion Index |                   |             | 9.82 (53)            | 1.49 (40)            | -2.51 (36)           | 19.49 (63)           | 16.11 (48)           | -16.91 (36)          | 7.32 (20)            | 0.97 (64)            | 15.80 (59)           | -16.55 (41)          |
| Difference   |                   |             | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| IM Emerging Markets Equity (MF) Median             |                   |             | 10.12                | 0.31                 | -3.95                | 21.12                | 15.70                | -18.44               | 4.28                 | 2.31                 | 16.83                | -17.84               |
| <b>Total Fixed Income Composite</b>                | <b>27,389,138</b> | <b>15.6</b> | <b>5.50</b>          | <b>7.48</b>          | <b>0.00</b>          | <b>0.33</b>          | <b>4.95</b>          | <b>1.36</b>          | <b>4.05</b>          | <b>-1.24</b>         | <b>5.25</b>          | <b>5.25</b>          |
| Total Fixed Income Index                           |                   |             | 6.32                 | 8.17                 | -1.04                | 0.16                 | 5.43                 | 1.83                 | 3.65                 | -1.51                | 5.10                 | 5.26                 |
| Difference   |                   |             | -0.82                | -0.69                | 1.04                 | 0.17                 | -0.48                | -0.47                | 0.40                 | 0.27                 | 0.15                 | -0.01                |
| Denver Core FI                                     | -                 | 0.0         | N/A                  | N/A                  | N/A                  | 0.49 (76)            | 4.26 (97)            | 2.62 (59)            | 3.70 (93)            | -0.54 (40)           | N/A                  | N/A                  |
| Denver FI Index                                    |                   |             | 6.45 (82)            | 8.59 (88)            | -1.01 (77)           | 0.20 (84)            | 3.85 (99)            | 2.73 (55)            | 2.88 (98)            | -1.18 (64)           | N/A                  | N/A                  |
| Difference   |                   |             | N/A                  | N/A                  | N/A                  | 0.29                 | 0.41                 | -0.11                | 0.82                 | 0.64                 | N/A                  | N/A                  |
| IM U.S. Broad Market Fixed Income (SA+CF) Median   |                   |             | 7.57                 | 10.40                | -0.62                | 1.05                 | 5.92                 | 2.83                 | 4.93                 | -0.85                | 7.50                 | 5.19                 |
| Garcia Hamilton Fixed Income                       | 27,389,138        | 15.6        | 5.50 (86)            | 7.48 (79)            | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| Bloomberg Barclays Intermediate US Govt/Credit Idx |                   |             | 6.32 (61)            | 8.17 (39)            | -0.96 (95)           | 0.23 (87)            | 3.52 (76)            | 2.68 (52)            | 2.20 (84)            | -0.50 (66)           | 4.40 (81)            | 3.40 (61)            |
| Difference   |                   |             | -0.82                | -0.69                | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| IM U.S. Intermediate Duration (SA+CF) Median       |                   |             | 6.47                 | 8.01                 | -0.39                | 0.69                 | 3.90                 | 2.70                 | 2.87                 | -0.27                | 5.57                 | 3.60                 |
| State Street Core FI                               | -                 | 0.0         | N/A                  | N/A                  | N/A                  | 0.06 (65)            | 5.22 (49)            | 2.97 (7)             | 3.94 (60)            | -1.76 (57)           | 5.17 (81)            | 5.25 (14)            |
| SS Fixed Inc Index                                 |                   |             | 6.98 (50)            | 10.30 (24)           | -1.22 (41)           | 0.07 (64)            | 5.19 (51)            | 2.94 (9)             | 3.96 (59)            | -1.68 (53)           | 5.16 (81)            | 5.26 (14)            |
| Difference   |                   |             | N/A                  | N/A                  | N/A                  | -0.01                | 0.03                 | 0.03                 | -0.02                | -0.08                | 0.01                 | -0.01                |
| IM U.S. Broad Market Core Fixed Income (MF) Median |                   |             | 6.96                 | 9.81                 | -1.34                | 0.48                 | 5.21                 | 1.98                 | 4.19                 | -1.62                | 6.79                 | 4.31                 |
| <b>Total Real Return Composite</b>                 | <b>13,597,513</b> | <b>7.7</b>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| JPMorgan Income Builder Fund (JNBZX)               | 6,844,483         | 3.9         | 0.69 (66)            | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| 50% MSCI World Value/ 50% BBA                      |                   |             | -0.25 (70)           | 5.80 (23)            | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| Difference   |                   |             | 0.94                 | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| IM Flexible Portfolio (MF) Median                  |                   |             | 2.43                 | 2.59                 | 3.38                 | 9.02                 | 8.55                 | -4.22                | 7.99                 | 8.17                 | 15.66                | -0.87                |
| Blackrock Multi-Asset Income (BKMIX)               | 6,753,030         | 3.8         | 2.39 (51)            | 6.39 (18)            | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| 50% MSCI World Value/ 50% BBA                      |                   |             | -0.25 (70)           | 5.80 (23)            | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| Difference   |                   |             | 2.64                 | 0.59                 | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| IM Flexible Portfolio (MF) Median                  |                   |             | 2.43                 | 2.59                 | 3.38                 | 9.02                 | 8.55                 | -4.22                | 7.99                 | 8.17                 | 15.66                | -0.87                |

AllianzGI FI Convert Fund was taken out of Total Fixed Income composite as of 10/1/2016.



# Asset Allocation & Performance

## Total Fund Composite (Gross)

As of June 30, 2021

|  | Allocation      |     | Performance(%)       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|-----------------|-----|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | Market Value \$ | %   | Oct-2019 To Sep-2020 | Oct-2018 To Sep-2019 | Oct-2017 To Sep-2018 | Oct-2016 To Sep-2017 | Oct-2015 To Sep-2016 | Oct-2014 To Sep-2015 | Oct-2013 To Sep-2014 | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 |
| <b>Convertible</b>                       |                 |     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| AllianzGI FI Convert                     | -               | 0.0 | N/A                  | N/A                  | N/A                  | 13.56 (21)           | 7.21 (66)            | -2.50 (64)           | N/A                  | N/A                  | N/A                  | N/A                  |
| ICE BofAML All Convertibles ex Mandatory |                 |     | 35.02 (8)            | 3.71 (61)            | 12.96 (4)            | 16.52 (8)            | 9.84 (20)            | -2.51 (64)           | 14.45 (14)           | 20.71 (8)            | 16.46 (33)           | -0.69 (33)           |
| Difference                               |                 |     | N/A                  | N/A                  | N/A                  | -2.96                | -2.63                | 0.01                 | N/A                  | N/A                  | N/A                  | N/A                  |
| IM U.S. Convertible Bonds (SA+CF) Median |                 |     | 14.98                | 3.86                 | 8.75                 | 8.42                 | 7.91                 | -0.76                | 8.53                 | 15.91                | 14.01                | -1.38                |
| R&D Cash                                 | 799,042         | 0.5 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |

AllianzGI FI Convert Fund was taken out of Total Fixed Income composite as of 10/1/2016.



## Asset Allocation &amp; Performance

|                                    | Allocation         |              | Performance(%)       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|------------------------------------|--------------------|--------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | Market Value \$    | %            | Oct-2019 To Sep-2020 | Oct-2018 To Sep-2019 | Oct-2017 To Sep-2018 | Oct-2016 To Sep-2017 | Oct-2015 To Sep-2016 | Oct-2014 To Sep-2015 | Oct-2013 To Sep-2014 | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 |
| <b>Total Fund Composite</b>        | <b>175,554,752</b> | <b>100.0</b> | <b>8.93 (31)</b>     | <b>3.04 (80)</b>     | <b>10.81 (5)</b>     | <b>12.85 (33)</b>    | <b>10.49 (24)</b>    | <b>0.29 (22)</b>     | <b>12.25 (7)</b>     | <b>13.20 (38)</b>    | <b>19.17 (20)</b>    | <b>0.71 (46)</b>     |
| Policy Index                       |                    |              | 8.33 (39)            | 3.34 (76)            | 9.71 (12)            | 12.18 (47)           | 11.13 (11)           | 0.05 (28)            | 10.98 (28)           | 11.68 (65)           | 17.79 (49)           | 2.69 (16)            |
| Difference                         |                    |              | 0.60                 | -0.30                | 1.10                 | 0.67                 | -0.64                | 0.24                 | 1.27                 | 1.52                 | 1.38                 | -1.98                |
| All Public Plans-Total Fund Median |                    |              | 7.61                 | 4.29                 | 7.65                 | 11.95                | 9.75                 | -0.80                | 9.89                 | 12.46                | 17.62                | 0.52                 |
| <b>Total Equity Composite</b>      | <b>133,769,060</b> | <b>76.2</b>  | <b>10.74</b>         | <b>1.60</b>          | <b>15.10</b>         | <b>19.23</b>         | <b>14.09</b>         | <b>-0.53</b>         | <b>16.59</b>         | <b>22.52</b>         | <b>29.57</b>         | <b>-2.26</b>         |
| Total Equity Index                 |                    |              | 8.72                 | 1.28                 | 14.77                | 18.57                | 14.84                | -1.30                | 15.96                | 21.23                | 28.59                | 0.04                 |
| Difference                         |                    |              | 2.02                 | 0.32                 | 0.33                 | 0.66                 | -0.75                | 0.77                 | 0.63                 | 1.29                 | 0.98                 | -2.30                |
| <b>Total Domestic Equity</b>       | <b>115,597,813</b> | <b>65.8</b>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Vanguard Total Stock Mkt (VTSAX)   | 1,638,128          | 0.9          | 14.94                | 2.88                 | 17.62                | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| CRSP U.S. Total Market TR Index    |                    |              | 14.99                | 2.92                 | 17.62                | 18.64                | 14.99                | -0.55                | 17.77                | 21.59                | 29.96                | 0.46                 |
| Difference                         |                    |              | -0.05                | -0.04                | 0.00                 | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| Boston LCV                         | 31,847,289         | 18.1         | -8.10                | 3.10                 | 13.80                | 18.83                | 15.48                | -3.23                | 20.35                | 27.45                | 32.67                | -5.35                |
| Russell 1000 Value Index           |                    |              | -5.03                | 4.00                 | 9.45                 | 15.12                | 16.19                | -4.42                | 18.89                | 22.30                | 30.92                | -1.89                |
| Difference                         |                    |              | -3.07                | -0.90                | 4.35                 | 3.71                 | -0.71                | 1.19                 | 1.46                 | 5.15                 | 1.75                 | -3.46                |
| Dana LCG                           | -                  | 0.0          | N/A                  | N/A                  | N/A                  | 23.31                | 8.10                 | 4.58                 | 19.10                | 18.79                | 29.38                | N/A                  |
| Russell 1000 Growth Index          |                    |              | 37.53                | 3.71                 | 26.30                | 21.94                | 13.76                | 3.17                 | 19.15                | 19.27                | 29.19                | 3.78                 |
| Difference                         |                    |              | N/A                  | N/A                  | N/A                  | 1.37                 | -5.66                | 1.41                 | -0.05                | -0.48                | 0.19                 | N/A                  |
| Rhumblin LCV                       | 19,857,900         | 11.3         | -5.02                | 4.00                 | 9.39                 | 15.07                | 16.10                | -4.64                | 18.81                | 22.20                | 30.80                | -1.89                |
| Russell 1000 Value Index           |                    |              | -5.03                | 4.00                 | 9.45                 | 15.12                | 16.19                | -4.42                | 18.89                | 22.30                | 30.92                | -1.89                |
| Difference                         |                    |              | 0.01                 | 0.00                 | -0.06                | -0.05                | -0.09                | -0.22                | -0.08                | -0.10                | -0.12                | 0.00                 |
| Rhumblin LCG                       | 24,394,035         | 13.9         | 37.50                | 3.68                 | 26.21                | 21.85                | 13.63                | 3.10                 | 19.10                | 19.24                | 29.11                | 3.76                 |
| Russell 1000 Growth Index          |                    |              | 37.53                | 3.71                 | 26.30                | 21.94                | 13.76                | 3.17                 | 19.15                | 19.27                | 29.19                | 3.78                 |
| Difference                         |                    |              | -0.03                | -0.03                | -0.09                | -0.09                | -0.13                | -0.07                | -0.05                | -0.03                | -0.08                | -0.02                |
| Rhumblin MC                        | 29,143,734         | 16.6         | -2.14                | -2.52                | 14.11                | 17.43                | 15.04                | 1.39                 | 11.79                | 27.55                | 28.53                | -1.15                |
| S&P MidCap 400 Index               |                    |              | -2.16                | -2.49                | 14.21                | 17.52                | 15.33                | 1.40                 | 11.82                | 27.68                | 28.54                | -1.28                |
| Difference                         |                    |              | 0.02                 | -0.03                | -0.10                | -0.09                | -0.29                | -0.01                | -0.03                | -0.13                | -0.01                | 0.13                 |

AllianzGI FI Convert Fund was taken out of Total Fixed Income composite as of 10/1/2016.



# Asset Allocation & Performance

## Total Fund Composite (Net)

As of June 30, 2021

|  | Allocation      |      | Performance(%)       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|-----------------|------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | Market Value \$ | %    | Oct-2019 To Sep-2020 | Oct-2018 To Sep-2019 | Oct-2017 To Sep-2018 | Oct-2016 To Sep-2017 | Oct-2015 To Sep-2016 | Oct-2014 To Sep-2015 | Oct-2013 To Sep-2014 | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 |
| <b>Total International Equity</b>                  |                 |      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Harding Loevner Intl Equity (HLIZX)                | 9,352,475       | 5.3  | 14.04                | -3.34                | 5.85                 | 18.66                | 17.62                | -9.03                | 4.34                 | 16.27                | 19.57                | N/A                  |
| MSCI EAFE Index                                    |                 |      | 0.93                 | -0.82                | 3.25                 | 19.65                | 7.06                 | -8.27                | 4.70                 | 24.29                | 14.33                | -8.94                |
| Difference   |                 |      | 13.11                | -2.52                | 2.60                 | -0.99                | 10.56                | -0.76                | -0.36                | -8.02                | 5.24                 | N/A                  |
| Vanguard EM Index (VEMIX)                          | 8,818,772       | 5.0  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| FTSE Emerging Mkts All Cap China A Inclusion Index |                 |      | 9.82                 | 1.49                 | -2.51                | 19.49                | 16.11                | -16.91               | 7.32                 | 0.97                 | 15.80                | -16.55               |
| Difference   |                 |      | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| <b>Total Fixed Income Composite</b>                |                 |      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Total Fixed Income Index                           | 27,389,138      | 15.6 | 5.29                 | 7.27                 | -0.22                | 0.15                 | 4.81                 | 1.36                 | 4.02                 | -1.24                | 5.25                 | 5.25                 |
| Difference   |                 |      | 6.32                 | 8.17                 | -1.04                | 0.16                 | 5.43                 | 1.83                 | 3.65                 | -1.51                | 5.10                 | 5.26                 |
|  |                 |      | -1.03                | -0.90                | 0.82                 | -0.01                | -0.62                | -0.47                | 0.37                 | 0.27                 | 0.15                 | -0.01                |
| Denver Core FI                                     | -               | 0.0  | N/A                  | N/A                  | N/A                  | 0.27                 | 4.03                 | 2.40                 | 3.46                 | -0.73                | N/A                  | N/A                  |
| Denver FI Index                                    |                 |      | 6.45                 | 8.59                 | -1.01                | 0.20                 | 3.85                 | 2.73                 | 2.88                 | -1.18                | N/A                  | N/A                  |
| Difference   |                 |      | N/A                  | N/A                  | N/A                  | 0.07                 | 0.18                 | -0.33                | 0.58                 | 0.45                 | N/A                  | N/A                  |
| Garcia Hamilton Fixed Income                       | 27,389,138      | 15.6 | 5.29                 | 7.27                 | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| Bloomberg Barclays Intermediate US Govt/Credit Idx |                 |      | 6.32                 | 8.17                 | -0.96                | 0.23                 | 3.52                 | 2.68                 | 2.20                 | -0.50                | 4.40                 | 3.40                 |
| Difference   |                 |      | -1.03                | -0.90                | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| State Street Core FI                               | -               | 0.0  | N/A                  | N/A                  | N/A                  | -0.02                | 5.17                 | 2.97                 | 3.94                 | -1.76                | 5.17                 | 5.25                 |
| SS Fixed Inc Index                                 |                 |      | 6.98                 | 10.30                | -1.22                | 0.07                 | 5.19                 | 2.94                 | 3.96                 | -1.68                | 5.16                 | 5.26                 |
| Difference   |                 |      | N/A                  | N/A                  | N/A                  | -0.09                | -0.02                | 0.03                 | -0.02                | -0.08                | 0.01                 | -0.01                |
| <b>Total Real Return Composite</b>                 |                 |      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|  | 13,597,513      | 7.7  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| JPMorgan Income Builder Fund (JNBZX)               | 6,844,483       | 3.9  | 0.69                 | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| 50% MSCI World Value/ 50% BBA                      |                 |      | -0.25                | 5.80                 | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| Difference   |                 |      | 0.94                 | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| Blackrock Multi-Asset Income (BKMIX)               | 6,753,030       | 3.8  | 2.39                 | 6.39                 | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| 50% MSCI World Value/ 50% BBA                      |                 |      | -0.25                | 5.80                 | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| Difference   |                 |      | 2.64                 | 0.59                 | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| <b>Convertible</b>                                 |                 |      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| AllianzGI FI Convert                               | -               | 0.0  | N/A                  | N/A                  | N/A                  | 13.56                | 7.21                 | -2.50                | N/A                  | N/A                  | N/A                  | N/A                  |
| ICE BofAML All Convertibles ex Mandatory           |                 |      | 35.02                | 3.71                 | 12.96                | 16.52                | 9.84                 | -2.51                | 14.45                | 20.71                | 16.46                | -0.69                |
| Difference   |                 |      | N/A                  | N/A                  | N/A                  | -2.96                | -2.63                | 0.01                 | N/A                  | N/A                  | N/A                  | N/A                  |
| R&D Cash   | 799,042         | 0.5  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |

AllianzGI FI Convert Fund was taken out of Total Fixed Income composite as of 10/1/2016.



| Historical Rolling Performance |        |       |       |       |           |
|--------------------------------|--------|-------|-------|-------|-----------|
|                                | QTR    | 1 YR  | 3 YR  | 5 YR  | Inception |
| 06/30/2021                     | 5.66   | 34.73 | 13.93 | 12.95 | 9.12      |
| 03/31/2021                     | 6.01   | 48.74 | 12.61 | 12.41 | 9.00      |
| 12/31/2020                     | 12.78  | 15.34 | 10.29 | 11.40 | 8.87      |
| 09/30/2020                     | 6.67   | 9.07  | 7.66  | 9.31  | 8.51      |
| 06/30/2020                     | 16.64  | 3.27  | 6.58  | 6.70  | 8.35      |
| 03/31/2020                     | -17.80 | -8.28 | 2.12  | 3.39  | 7.86      |
| 12/31/2019                     | 6.64   | 23.33 | 10.54 | 8.10  | 8.66      |
| 09/30/2019                     | 0.99   | 3.11  | 8.94  | 7.54  | 8.49      |
| 06/30/2019                     | 3.59   | 6.28  | 9.74  | 7.18  | 8.53      |
| 03/31/2019                     | 10.53  | 4.68  | 9.58  | 7.21  | 8.48      |
| 12/31/2018                     | -10.84 | -5.69 | 6.45  | 5.58  | 8.17      |
| 09/30/2018                     | 4.10   | 10.95 | 11.55 | 9.42  | 8.69      |
| 06/30/2018                     | 2.03   | 10.32 | 8.01  | 9.53  | 8.61      |
| 03/31/2018                     | -0.42  | 10.93 | 7.15  | 9.24  | 8.62      |
| 12/31/2017                     | 4.89   | 16.15 | 8.27  | 10.73 | 8.72      |
| 09/30/2017                     | 3.51   | 13.03 | 7.92  | 9.90  | 8.61      |
| 06/30/2017                     | 2.60   | 12.71 | 6.45  | 10.11 | 8.55      |
| 03/31/2017                     | 4.26   | 13.31 | 6.85  | 9.17  | 8.53      |
| 12/31/2016                     | 2.08   | 10.12 | 6.19  | 10.07 | 8.44      |
| 09/30/2016                     | 3.22   | 10.68 | 7.75  | 11.11 | 8.44      |
| 06/30/2016                     | 3.14   | 1.35  | 8.23  | 8.45  | 8.39      |
| 03/31/2016                     | 1.33   | -2.12 | 7.36  | 7.98  | 8.35      |
| 12/31/2015                     | 2.60   | -0.76 | 9.18  | 8.46  | 8.38      |
| 09/30/2015                     | -5.49  | 0.48  | 8.62  | 9.06  | 8.35      |
| 06/30/2015                     | -0.38  | 5.61  | 12.32 | 11.82 | 8.69      |
| 03/31/2015                     | 2.73   | 10.00 | 11.82 | 10.91 | 8.80      |
| 12/31/2014                     | 3.89   | 9.58  | 13.93 | 11.18 | 8.77      |
| 09/30/2014                     | -0.67  | 12.47 | 15.04 | 11.00 | 8.69      |
| 06/30/2014                     | 3.76   | 18.46 | 11.92 | 13.06 | 8.82      |
| 03/31/2014                     | 2.34   | 14.92 | 10.89 | 13.71 | 8.75      |
| 12/31/2013                     | 6.63   | 19.67 | 11.33 | 12.39 | 8.74      |
| 09/30/2013                     | 4.62   | 13.40 | 10.93 | 8.82  | 8.53      |
| 06/30/2013                     | 0.66   | 13.27 | 11.81 | 6.27  | 8.41      |
| 03/31/2013                     | 6.57   | 10.60 | 9.91  | 5.93  | 8.48      |
| 12/31/2012                     | 1.04   | 12.76 | 9.01  | 3.27  | 8.27      |
| 09/30/2012                     | 4.50   | 19.38 | 9.73  | 3.36  | 8.32      |
| 06/30/2012                     | -1.71  | 4.48  | 11.24 | 3.06  | 8.20      |
| 03/31/2012                     | 8.65   | 7.29  | 14.36 | 4.04  | 8.38      |
| 12/31/2011                     | 6.97   | 2.27  | 9.95  | 2.61  | 8.06      |
| 09/30/2011                     | -8.54  | 0.85  | 4.08  | 2.12  | 7.82      |

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.



# Historical Rolling Performance Policy Index

As of June 30, 2021

| Historical Rolling Performance |        |       |       |       |           |
|--------------------------------|--------|-------|-------|-------|-----------|
|                                | QTR    | 1 YR  | 3 YR  | 5 YR  | Inception |
| 06/30/2021                     | 5.26   | 32.90 | 13.55 | 12.30 | 9.08      |
| 03/31/2021                     | 5.27   | 46.89 | 12.37 | 11.71 | 8.98      |
| 12/31/2020                     | 13.28  | 15.13 | 10.18 | 10.98 | 8.87      |
| 09/30/2020                     | 5.87   | 8.33  | 7.09  | 8.89  | 8.49      |
| 06/30/2020                     | 16.35  | 3.00  | 6.18  | 6.57  | 8.36      |
| 03/31/2020                     | -17.49 | -8.39 | 1.76  | 3.31  | 7.88      |
| 12/31/2019                     | 6.59   | 23.05 | 9.98  | 7.87  | 8.66      |
| 09/30/2019                     | 0.67   | 3.34  | 8.34  | 7.18  | 8.50      |
| 06/30/2019                     | 3.47   | 6.94  | 9.27  | 6.89  | 8.55      |
| 03/31/2019                     | 10.82  | 5.44  | 8.94  | 6.97  | 8.50      |
| 12/31/2018                     | -10.49 | -5.58 | 5.93  | 5.22  | 8.18      |
| 09/30/2018                     | 4.18   | 9.71  | 11.00 | 8.72  | 8.69      |
| 06/30/2018                     | 2.02   | 8.67  | 7.66  | 8.72  | 8.61      |
| 03/31/2018                     | -0.76  | 9.09  | 6.81  | 8.30  | 8.61      |
| 12/31/2017                     | 4.01   | 14.48 | 7.92  | 9.82  | 8.73      |
| 09/30/2017                     | 3.19   | 12.18 | 7.64  | 9.10  | 8.65      |
| 06/30/2017                     | 2.42   | 12.26 | 6.29  | 9.31  | 8.61      |
| 03/31/2017                     | 4.15   | 12.39 | 6.79  | 8.54  | 8.59      |
| 12/31/2016                     | 1.91   | 9.96  | 6.06  | 9.16  | 8.51      |
| 09/30/2016                     | 3.27   | 11.13 | 7.26  | 10.17 | 8.52      |
| 06/30/2016                     | 2.54   | 2.29  | 7.59  | 7.82  | 8.47      |
| 03/31/2016                     | 1.90   | -0.61 | 6.72  | 7.51  | 8.45      |
| 12/31/2015                     | 3.00   | -0.15 | 8.26  | 7.90  | 8.45      |
| 09/30/2015                     | -4.95  | 0.05  | 7.44  | 8.45  | 8.41      |
| 06/30/2015                     | -0.37  | 4.57  | 10.76 | 11.18 | 8.73      |
| 03/31/2015                     | 2.37   | 9.02  | 10.49 | 10.19 | 8.84      |
| 12/31/2014                     | 3.21   | 8.66  | 12.18 | 10.59 | 8.83      |
| 09/30/2014                     | -0.66  | 10.98 | 13.44 | 10.63 | 8.78      |
| 06/30/2014                     | 3.87   | 16.42 | 10.86 | 13.04 | 8.90      |
| 03/31/2014                     | 2.03   | 12.17 | 9.85  | 14.37 | 8.83      |
| 12/31/2013                     | 5.41   | 16.93 | 10.47 | 12.67 | 8.83      |
| 09/30/2013                     | 4.21   | 11.68 | 10.54 | 8.80  | 8.68      |
| 06/30/2013                     | 0.08   | 11.62 | 11.75 | 6.78  | 8.59      |
| 03/31/2013                     | 6.36   | 10.29 | 9.93  | 6.41  | 8.68      |
| 12/31/2012                     | 0.67   | 11.11 | 9.19  | 4.18  | 8.48      |
| 09/30/2012                     | 4.16   | 17.79 | 10.17 | 3.97  | 8.55      |
| 06/30/2012                     | -1.11  | 4.83  | 12.41 | 3.61  | 8.45      |
| 03/31/2012                     | 7.15   | 7.14  | 16.51 | 4.51  | 8.61      |
| 12/31/2011                     | 6.73   | 3.77  | 11.80 | 3.30  | 8.36      |
| 09/30/2011                     | -7.30  | 2.69  | 5.04  | 2.74  | 8.13      |

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.



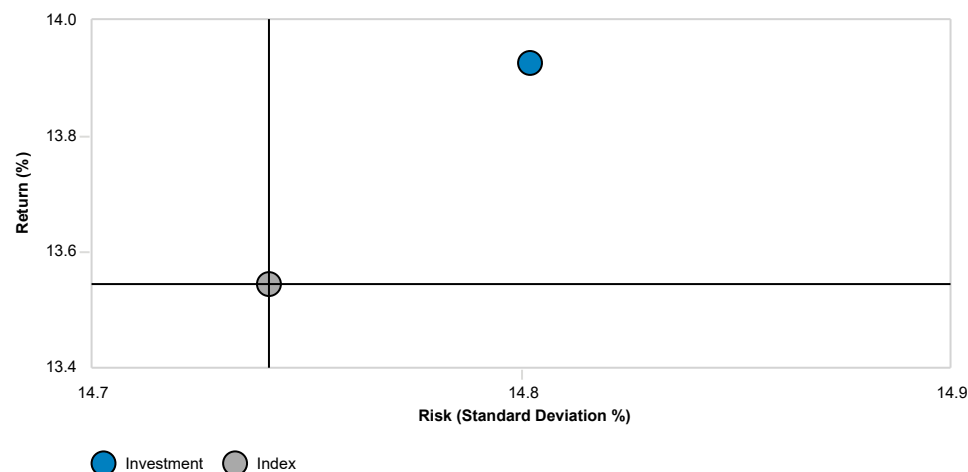
### Historical Statistics 3 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 13.93  | 14.80              | 0.86         | 102.12            | 10          | 101.68              | 2             |
| Index      | 13.55  | 14.74              | 0.84         | 100.00            | 10          | 100.00              | 2             |

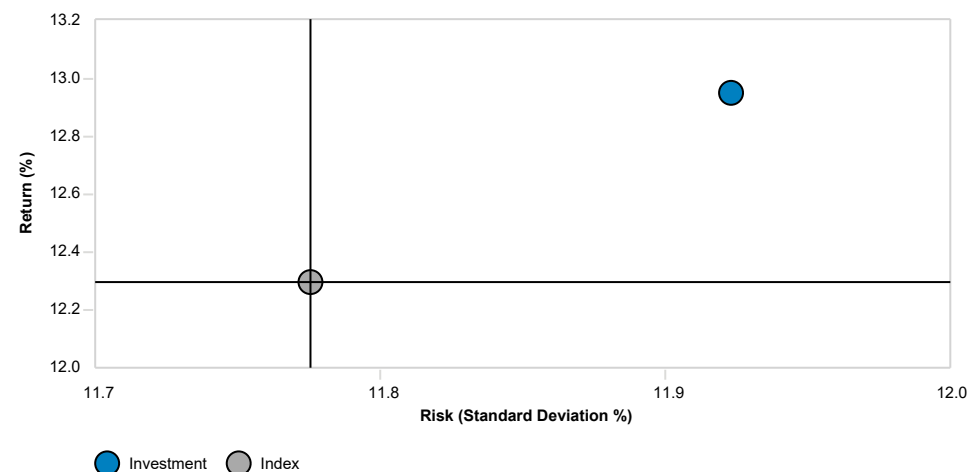
### Historical Statistics 5 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 12.95  | 11.92              | 0.98         | 104.16            | 17          | 103.11              | 3             |
| Index      | 12.30  | 11.78              | 0.94         | 100.00            | 17          | 100.00              | 3             |

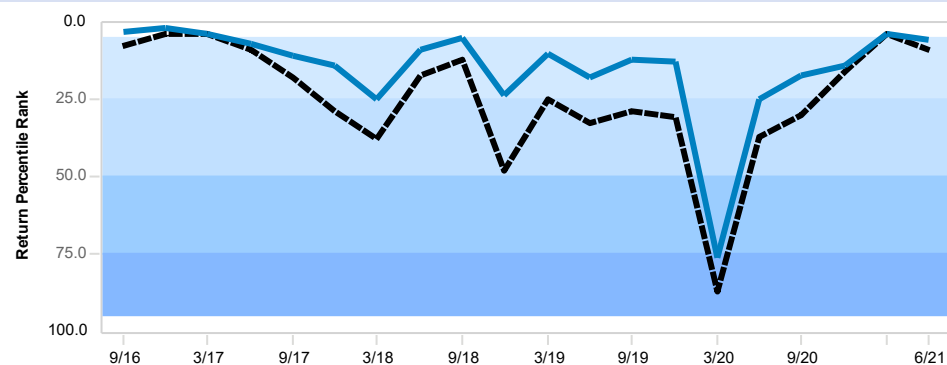
### Risk and Return 3 Years



### Risk and Return 5 Years

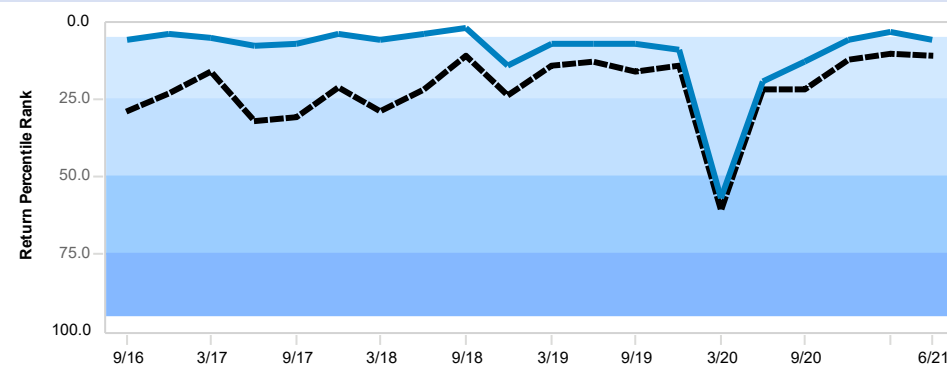


### 3 Year Rolling Percentile Rank All Public Plans-Total Fund



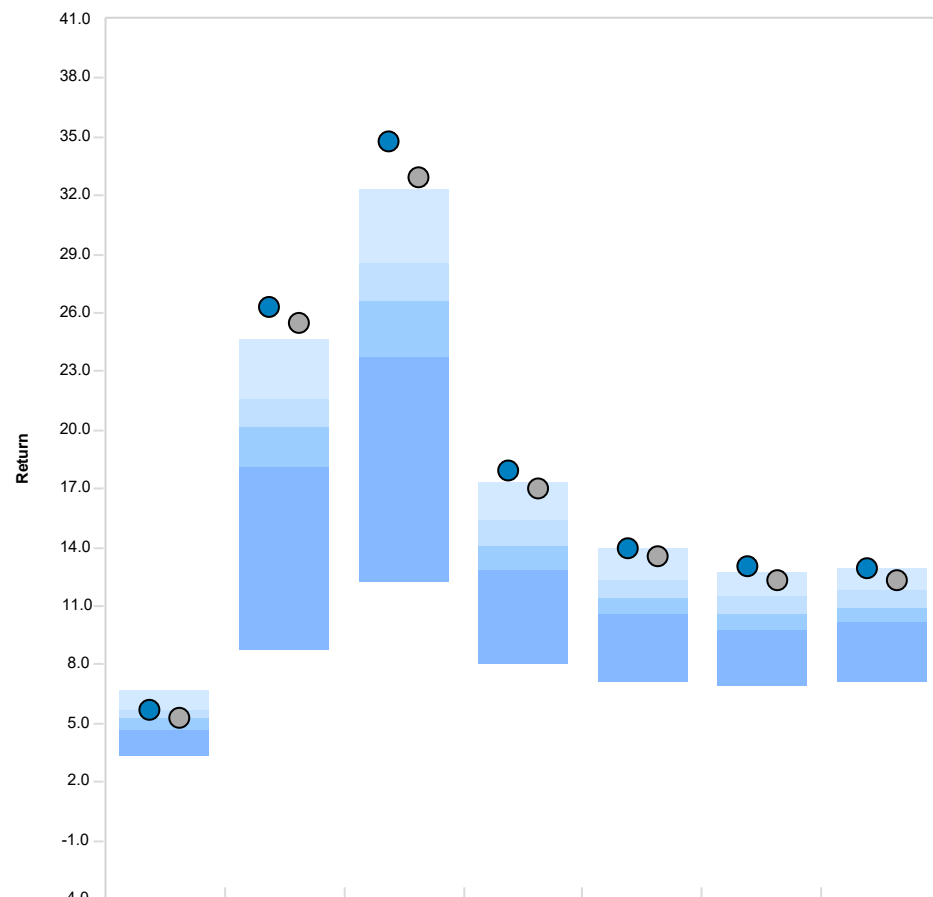
|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 19 (95%)   | 0 (0%)          | 0 (0%)          | 1 (5%)      |
| Index      | 20           | 11 (55%)   | 8 (40%)         | 0 (0%)          | 1 (5%)      |

### 5 Year Rolling Percentile Rank All Public Plans-Total Fund

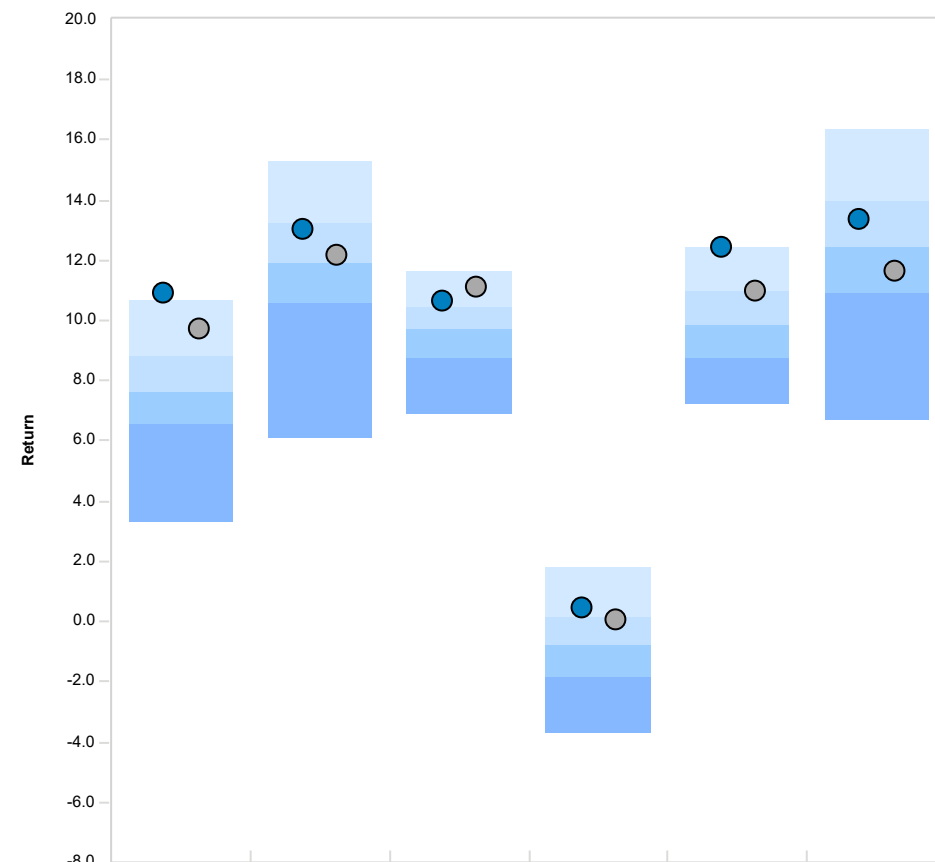


|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 19 (95%)   | 0 (0%)          | 1 (5%)          | 0 (0%)      |
| Index      | 20           | 15 (75%)   | 4 (20%)         | 1 (5%)          | 0 (0%)      |

### Plan Sponsor Peer Group Analysis vs. All Public Plans-Total Fund



### Plan Sponsor Peer Group Analysis vs. All Public Plans-Total Fund



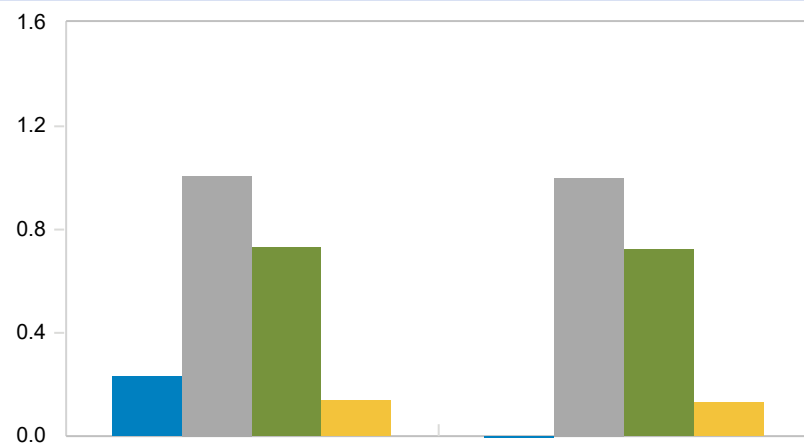
### Comparative Performance

|            | 1 Qtr Ending Mar-2021 | 1 Qtr Ending Dec-2020 | 1 Qtr Ending Sep-2020 | 1 Qtr Ending Jun-2020 | 1 Qtr Ending Mar-2020 | 1 Qtr Ending Dec-2019 |
|------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Investment | 6.01 (3)              | 12.78 (7)             | 6.67 (5)              | 16.64 (5)             | -17.80 (98)           | 6.64 (7)              |
| Index      | 5.27 (4)              | 13.28 (5)             | 5.87 (21)             | 16.35 (6)             | -17.49 (98)           | 6.59 (7)              |
| Median     | 3.21                  | 10.24                 | 5.24                  | 12.24                 | -13.19                | 5.23                  |



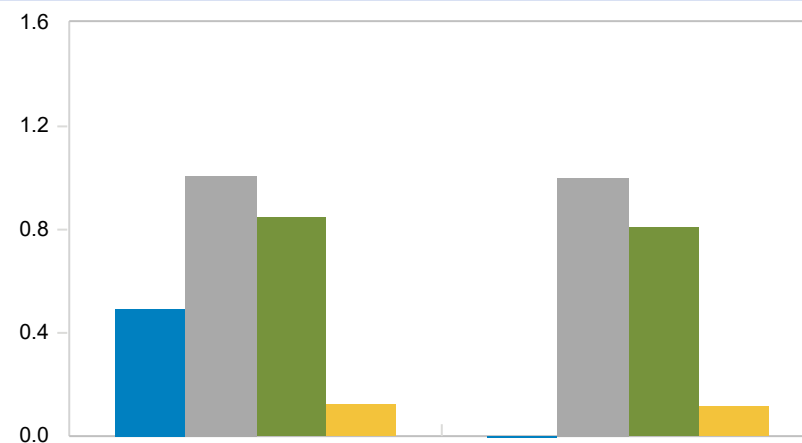


## Risk / Reward Historical Statistics 3 Years Ending June 30, 2021



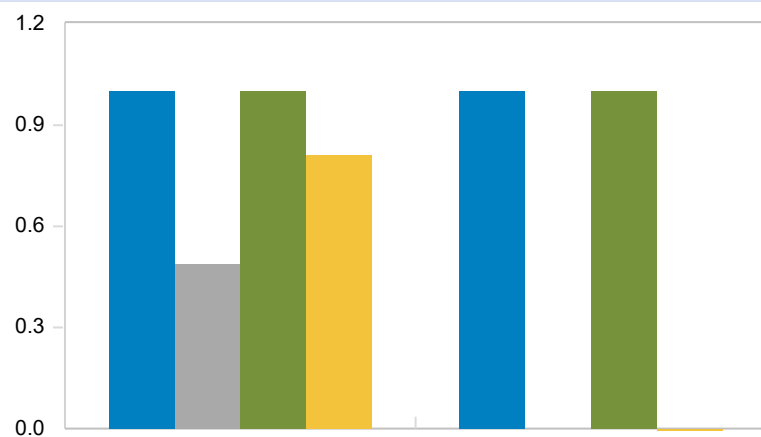
|               | Total Fund | Policy Index |
|---------------|------------|--------------|
| Alpha         | 0.23       | 0.00         |
| Beta          | 1.01       | 1.00         |
| Sharpe Ratio  | 0.73       | 0.72         |
| Treynor Ratio | 0.14       | 0.13         |

## Risk / Reward Historical Statistics 5 Years Ending June 30, 2021



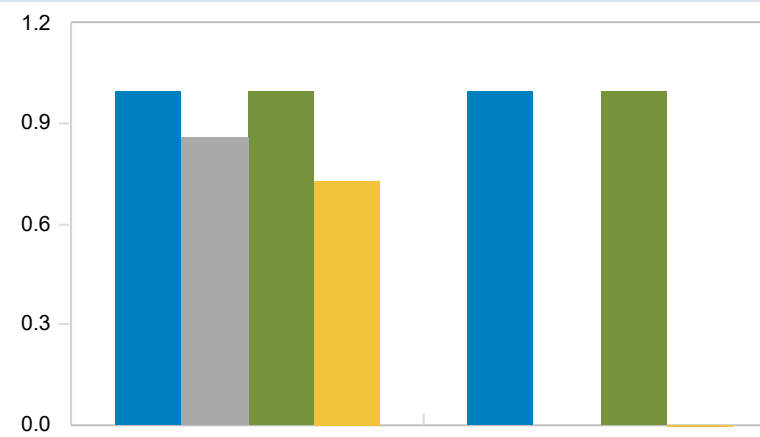
|               | Total Fund | Policy Index |
|---------------|------------|--------------|
| Alpha         | 0.50       | 0.00         |
| Beta          | 1.01       | 1.00         |
| Sharpe Ratio  | 0.84       | 0.81         |
| Treynor Ratio | 0.12       | 0.12         |

## Index Relative Historical Statistics 3 Years Ending June 30, 2021



|                    | Total Fund | Policy Index |
|--------------------|------------|--------------|
| Actual Correlation | 1.00       | 1.00         |
| Information Ratio  | 0.49       | N/A          |
| R-Squared          | 1.00       | 1.00         |
| Tracking Error     | 0.81       | 0.00         |

## Index Relative Historical Statistics 5 Years Ending June 30, 2021



|                    | Total Fund | Policy Index |
|--------------------|------------|--------------|
| Actual Correlation | 1.00       | 1.00         |
| Information Ratio  | 0.86       | N/A          |
| R-Squared          | 1.00       | 1.00         |
| Tracking Error     | 0.73       | 0.00         |

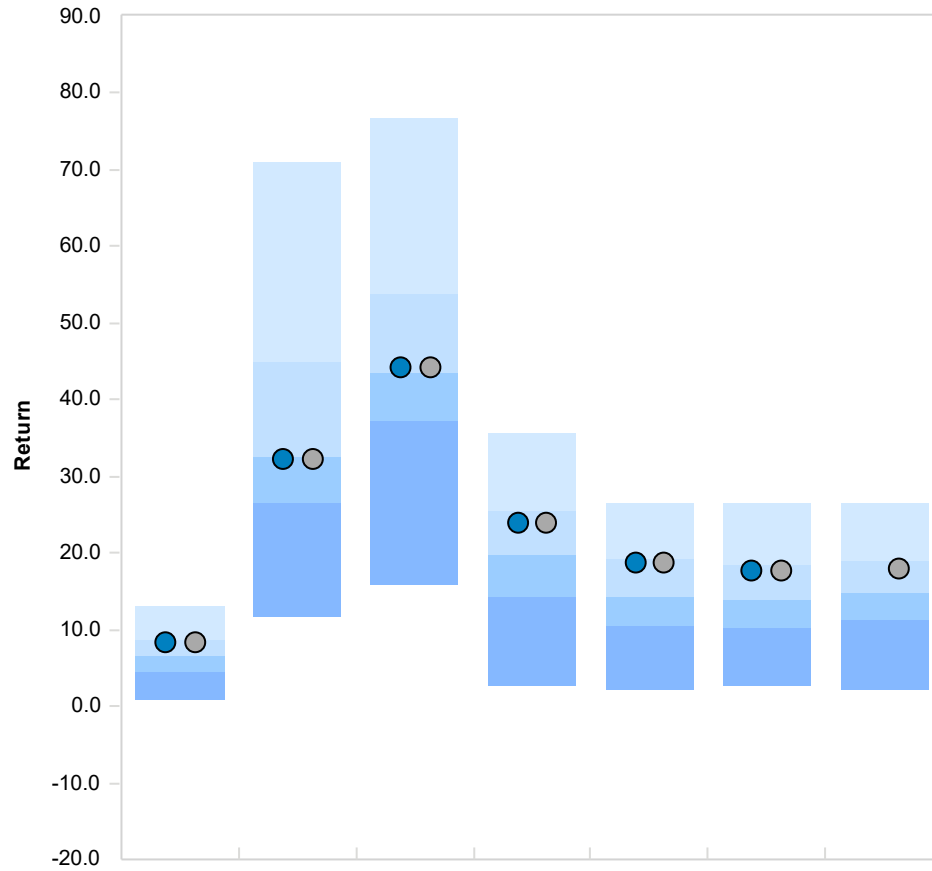
Benchmark: Policy Index



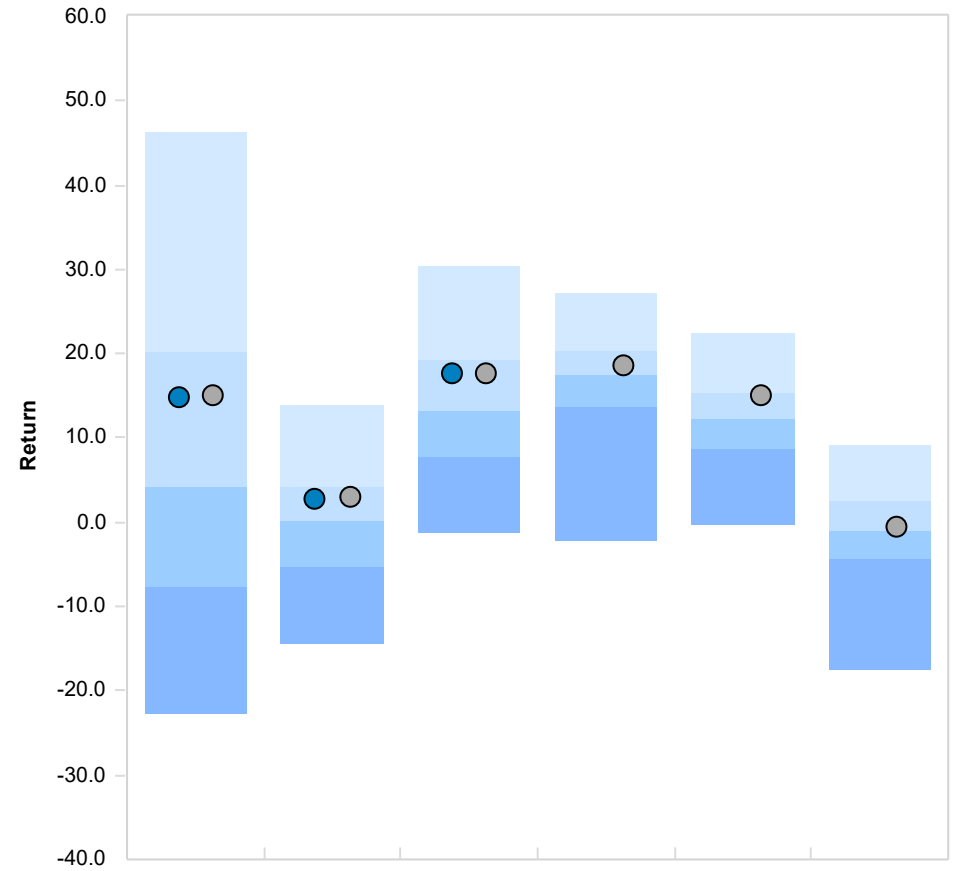
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**Peer Group Analysis - IM U.S. Equity (MF)**



**Peer Group Analysis - IM U.S. Equity (MF)**



**Comparative Performance**

|            | 1 Qtr Ending Mar-2021 | 1 Qtr Ending Dec-2020 | 1 Qtr Ending Sep-2020 | 1 Qtr Ending Jun-2020 | 1 Qtr Ending Mar-2020 | 1 Qtr Ending Dec-2019 |
|------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Investment | 6.43 (56)             | 14.69 (57)            | 9.20 (30)             | 22.08 (47)            | -20.87 (41)           | 8.95 (34)             |
| Index      | 6.43 (56)             | 14.70 (57)            | 9.20 (30)             | 22.09 (47)            | -20.88 (41)           | 9.00 (34)             |
| Median     | 7.39                  | 16.26                 | 6.65                  | 21.51                 | -23.16                | 7.91                  |

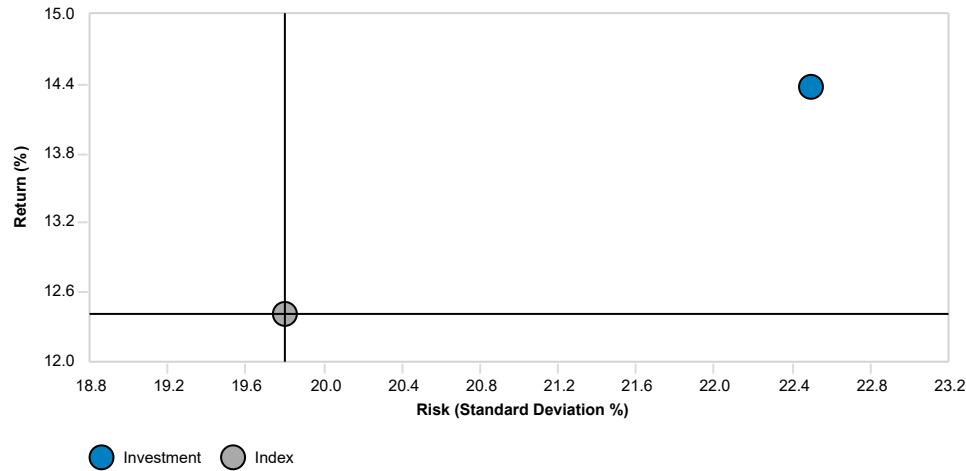
### Historical Statistics 3 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 14.38  | 22.49              | 0.65         | 111.58            | 10          | 107.74              | 2             |
| Index      | 12.42  | 19.80              | 0.62         | 100.00            | 10          | 100.00              | 2             |

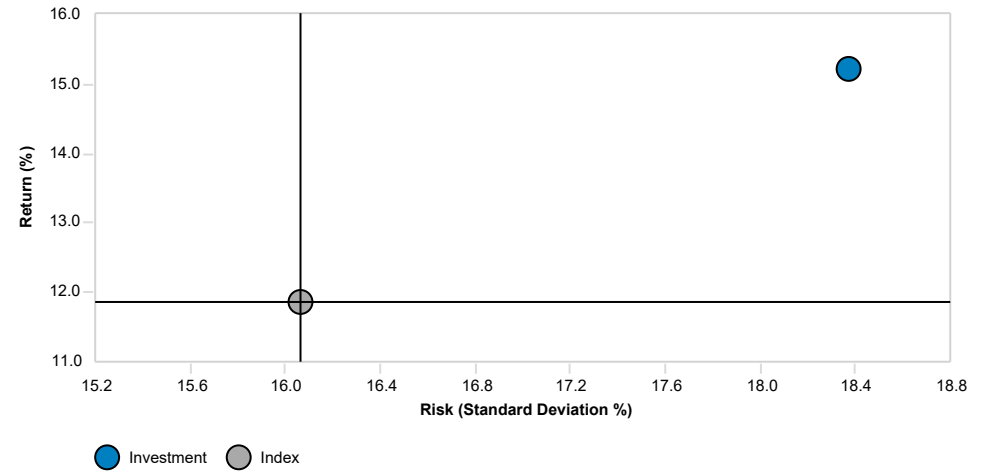
### Historical Statistics 5 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 15.22  | 18.37              | 0.80         | 117.01            | 17          | 108.09              | 3             |
| Index      | 11.87  | 16.06              | 0.71         | 100.00            | 17          | 100.00              | 3             |

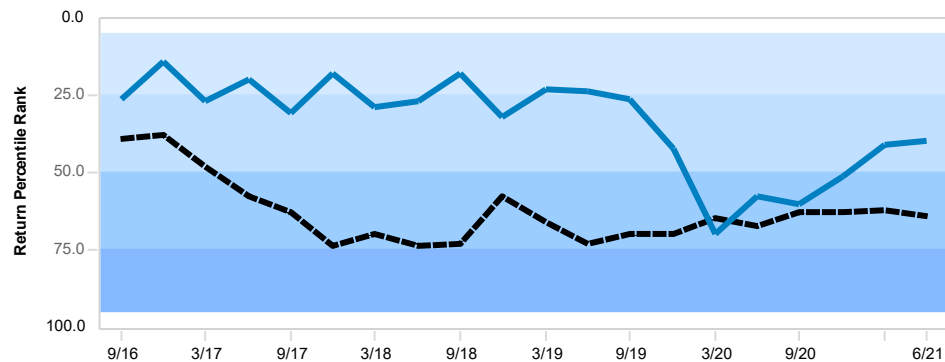
### Risk and Return 3 Years



### Risk and Return 5 Years

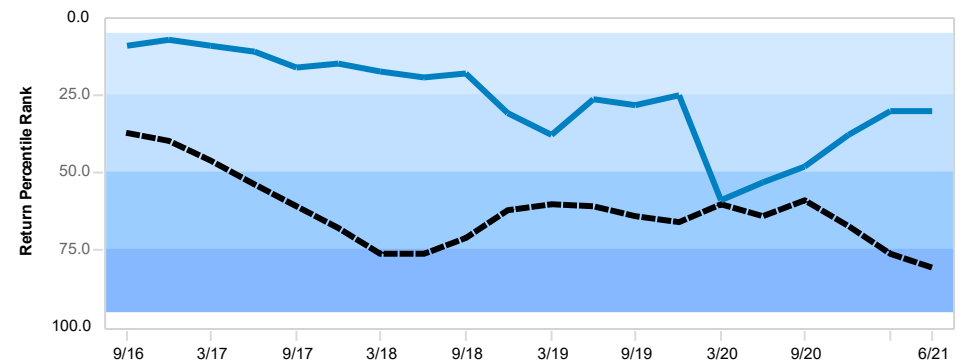


### 3 Year Rolling Percentile Rank IM U.S. Large Cap Value Equity (SA+CF)



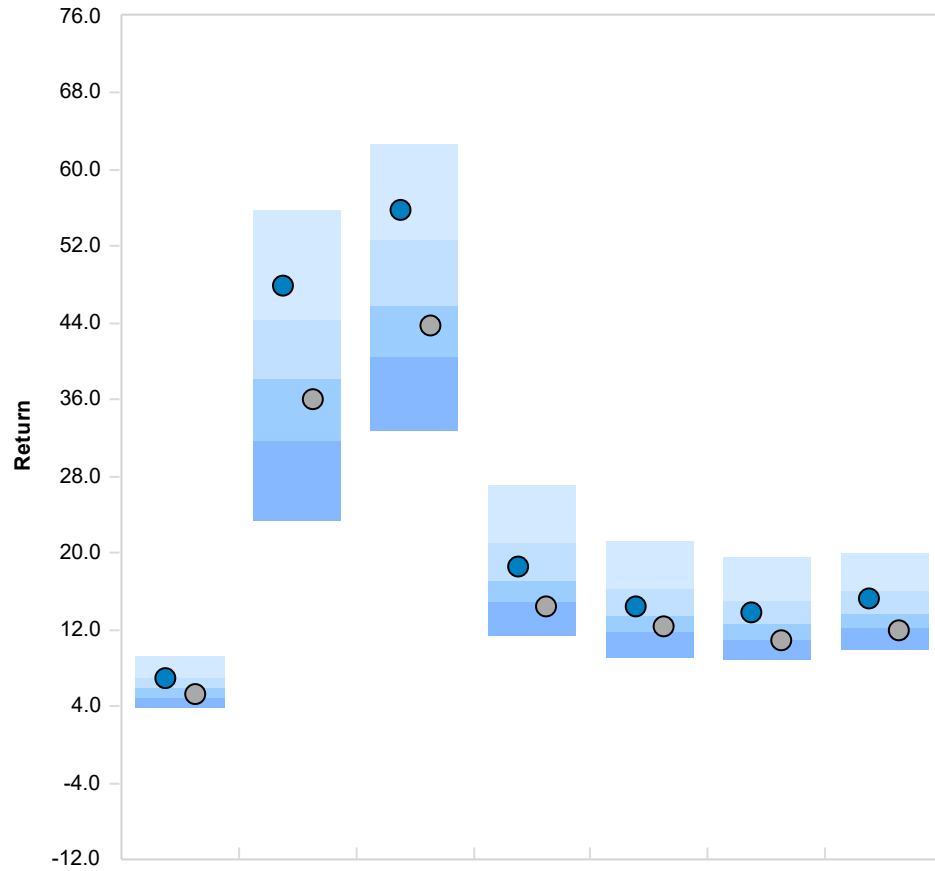
|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 6 (30%)    | 10 (50%)        | 4 (20%)         | 0 (0%)      |
| Index      | 20           | 0 (0%)     | 3 (15%)         | 17 (85%)        | 0 (0%)      |

### 5 Year Rolling Percentile Rank IM U.S. Large Cap Value Equity (SA+CF)



|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 10 (50%)   | 8 (40%)         | 2 (10%)         | 0 (0%)      |
| Index      | 20           | 0 (0%)     | 3 (15%)         | 13 (65%)        | 4 (20%)     |

Peer Group Analysis - IM U.S. Large Cap Value Equity (SA+CF)

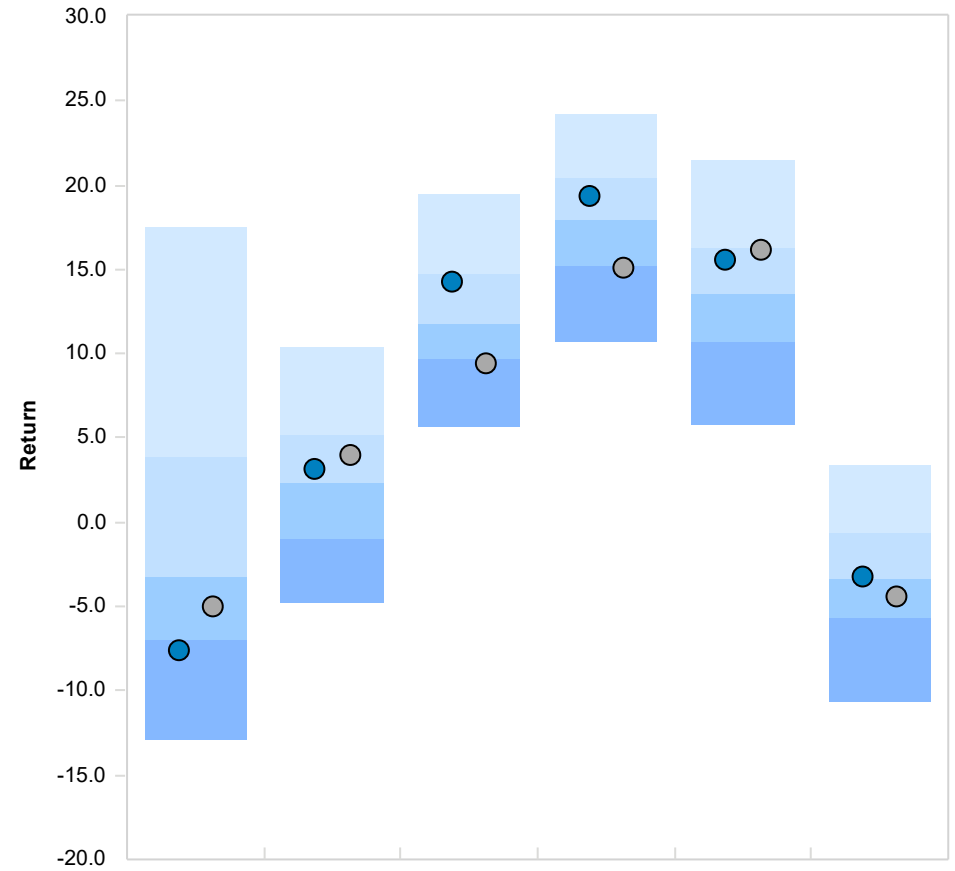


|            | QTR       | FYTD       | 1 YR       | 2 YR       | 3 YR       | 4 YR       | 5 YR       |
|------------|-----------|------------|------------|------------|------------|------------|------------|
| Investment | 6.85 (26) | 47.84 (14) | 55.77 (17) | 18.51 (38) | 14.38 (40) | 13.79 (36) | 15.22 (30) |
| Index      | 5.21 (65) | 36.07 (57) | 43.68 (59) | 14.45 (79) | 12.42 (64) | 10.98 (75) | 11.87 (81) |
| Median     | 5.86      | 38.04      | 45.78      | 17.22      | 13.48      | 12.54      | 13.58      |

Comparative Performance

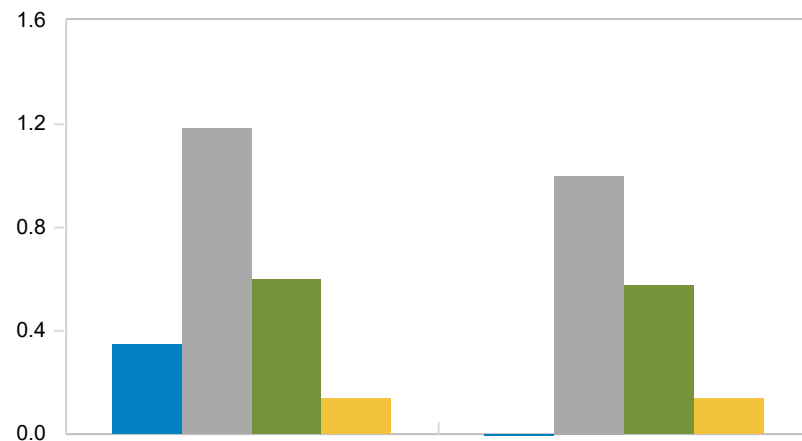
|            | 1 Qtr<br>Ending<br>Mar-2021 | 1 Qtr<br>Ending<br>Dec-2020 | 1 Qtr<br>Ending<br>Sep-2020 | 1 Qtr<br>Ending<br>Jun-2020 | 1 Qtr<br>Ending<br>Mar-2020 | 1 Qtr<br>Ending<br>Dec-2019 |
|------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Investment | 13.85 (29)                  | 21.53 (14)                  | 5.36 (52)                   | 17.94 (38)                  | -31.20 (87)                 | 8.10 (46)                   |
| Index      | 11.26 (55)                  | 16.25 (49)                  | 5.59 (48)                   | 14.29 (80)                  | -26.73 (59)                 | 7.41 (61)                   |
| Median     | 11.53                       | 16.05                       | 5.42                        | 17.03                       | -26.10                      | 7.91                        |

Peer Group Analysis - IM U.S. Large Cap Value Equity (SA+CF)



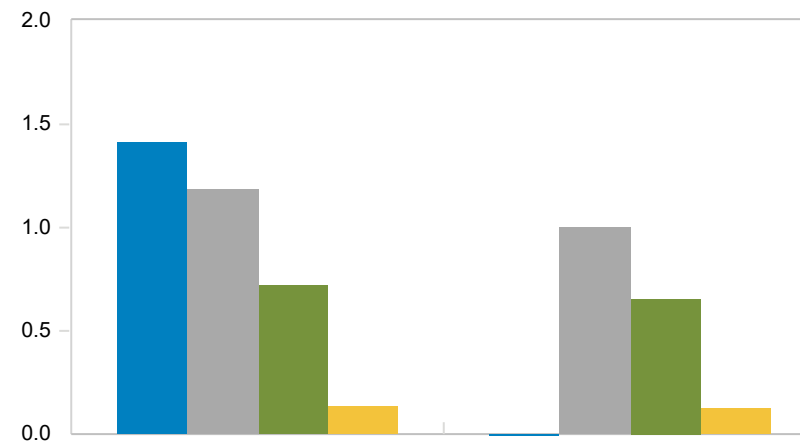
|            | Oct-2019<br>To<br>Sep-2020 | Oct-2018<br>To<br>Sep-2019 | Oct-2017<br>To<br>Sep-2018 | Oct-2016<br>To<br>Sep-2017 | Oct-2015<br>To<br>Sep-2016 | Oct-2014<br>To<br>Sep-2015 |
|------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Investment | -7.57 (79)                 | 3.21 (44)                  | 14.27 (30)                 | 19.42 (34)                 | 15.54 (31)                 | -3.23 (50)                 |
| Index      | -5.03 (65)                 | 4.00 (39)                  | 9.45 (78)                  | 15.12 (76)                 | 16.19 (26)                 | -4.42 (65)                 |
| Median     | -3.27                      | 2.32                       | 11.83                      | 17.89                      | 13.61                      | -3.28                      |

## Risk / Reward Historical Statistics 3 Years Ending June 30, 2021



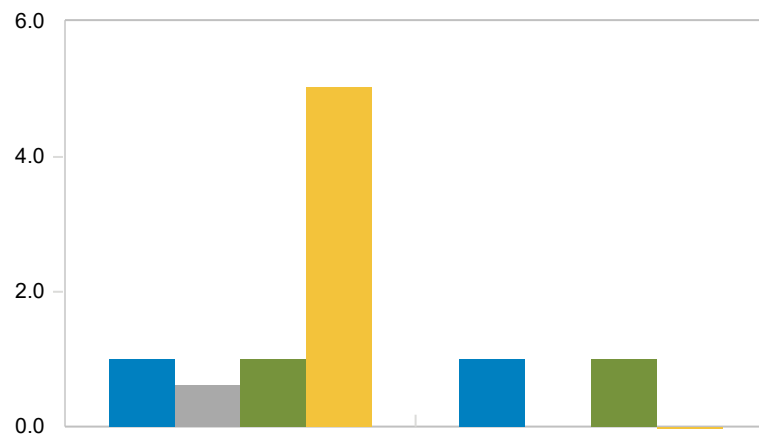
|               | Boston LCV | Russell 1000 Value Index |
|---------------|------------|--------------------------|
| Alpha         | 0.34       | 0.00                     |
| Beta          | 1.18       | 1.00                     |
| Sharpe Ratio  | 0.60       | 0.58                     |
| Treynor Ratio | 0.14       | 0.13                     |

## Risk / Reward Historical Statistics 5 Years Ending June 30, 2021



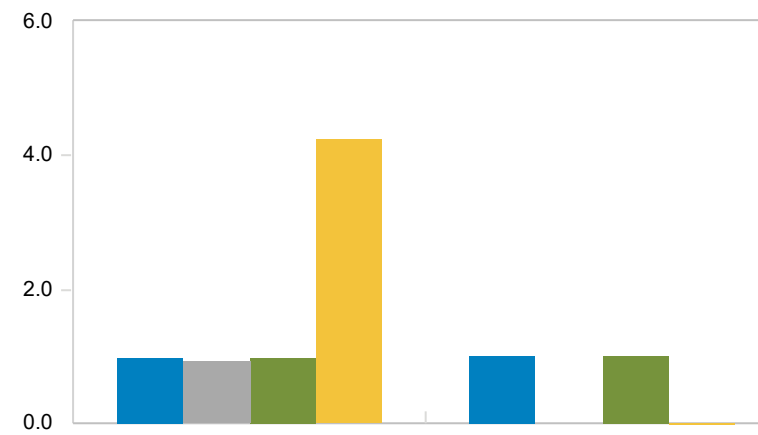
|               | Boston LCV | Russell 1000 Value Index |
|---------------|------------|--------------------------|
| Alpha         | 1.41       | 0.00                     |
| Beta          | 1.18       | 1.00                     |
| Sharpe Ratio  | 0.72       | 0.65                     |
| Treynor Ratio | 0.13       | 0.12                     |

## Index Relative Historical Statistics 3 Years Ending June 30, 2021



|                    | Boston LCV | Russell 1000 Value Index |
|--------------------|------------|--------------------------|
| Actual Correlation | 0.99       | 1.00                     |
| Information Ratio  | 0.60       | N/A                      |
| R-Squared          | 0.99       | 1.00                     |
| Tracking Error     | 5.04       | 0.00                     |

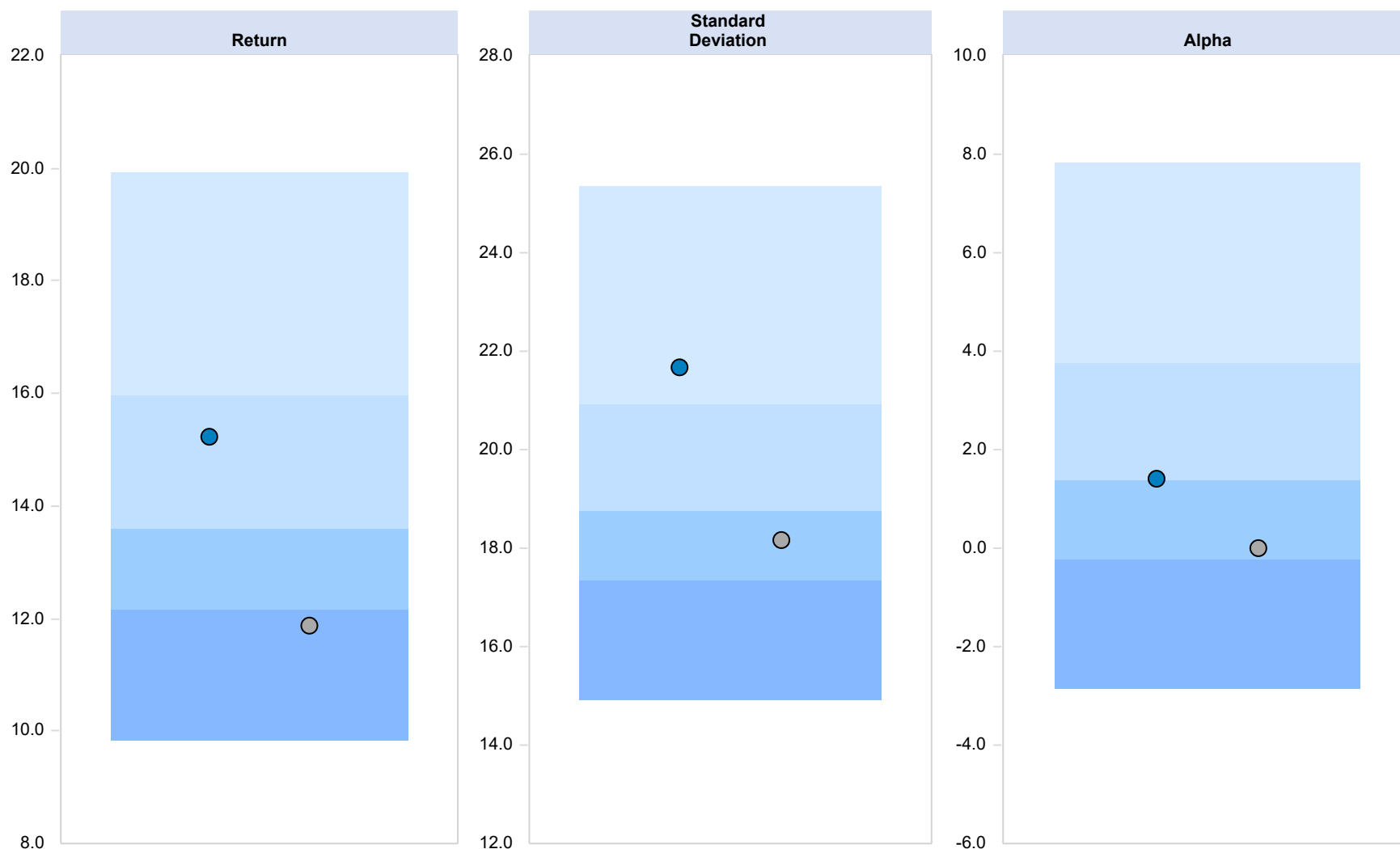
## Index Relative Historical Statistics 5 Years Ending June 30, 2021



|                    | Boston LCV | Russell 1000 Value Index |
|--------------------|------------|--------------------------|
| Actual Correlation | 0.99       | 1.00                     |
| Information Ratio  | 0.91       | N/A                      |
| R-Squared          | 0.99       | 1.00                     |
| Tracking Error     | 4.23       | 0.00                     |

Benchmark: Russell 1000 Value Index





|                            | 5 YR       | 5 YR       | 5 YR      |
|----------------------------|------------|------------|-----------|
| ● Boston LCV               | 15.22 (30) | 21.69 (20) | 1.41 (50) |
| ● Russell 1000 Value Index | 11.87 (81) | 18.17 (61) | 0.00 (73) |
| 5th Percentile             | 19.94      | 25.34      | 7.84      |
| 1st Quartile               | 15.99      | 20.91      | 3.76      |
| Median                     | 13.58      | 18.77      | 1.36      |
| 3rd Quartile               | 12.15      | 17.33      | -0.24     |
| 95th Percentile            | 9.82       | 14.90      | -2.84     |

Parentheses contain percentile rankings.  
Calculation based on quarterly periodicity.



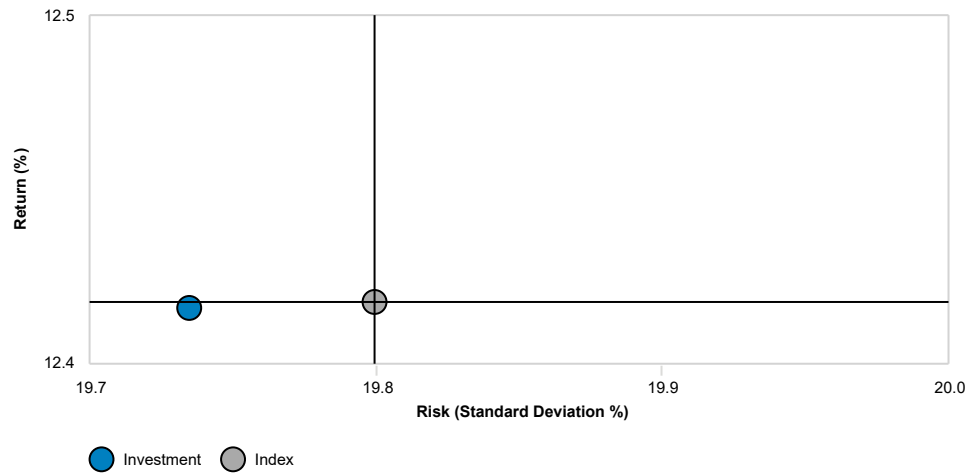
### Historical Statistics 3 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 12.42  | 19.73              | 0.63         | 99.76             | 10          | 99.67               | 2             |
| Index      | 12.42  | 19.80              | 0.62         | 100.00            | 10          | 100.00              | 2             |

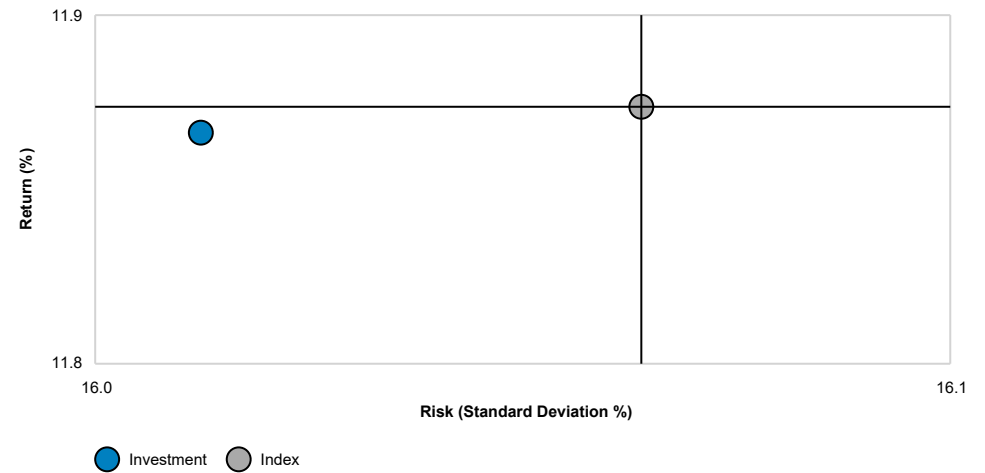
### Historical Statistics 5 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 11.87  | 16.01              | 0.71         | 99.76             | 17          | 99.66               | 3             |
| Index      | 11.87  | 16.06              | 0.71         | 100.00            | 17          | 100.00              | 3             |

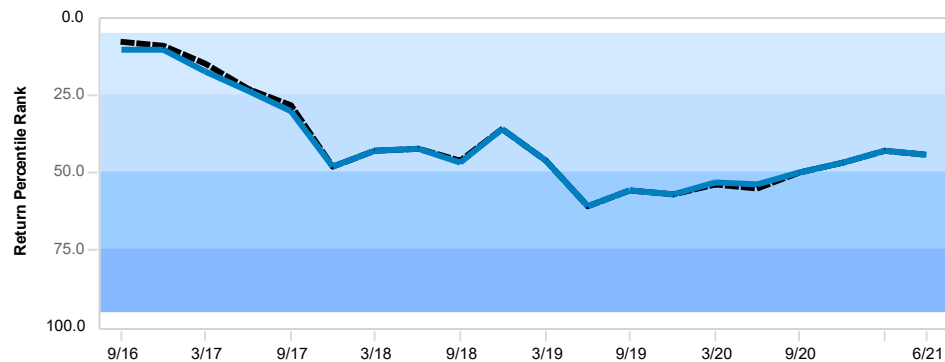
### Risk and Return 3 Years



### Risk and Return 5 Years

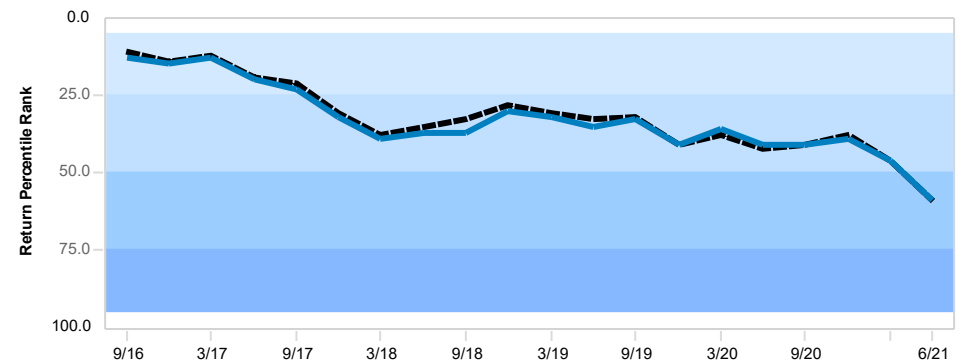


### 3 Year Rolling Percentile Rank IM U.S. Large Cap Value Equity (MF)



|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 4 (20%)    | 11 (55%)        | 5 (25%)         | 0 (0%)      |
| Index      | 20           | 4 (20%)    | 11 (55%)        | 5 (25%)         | 0 (0%)      |

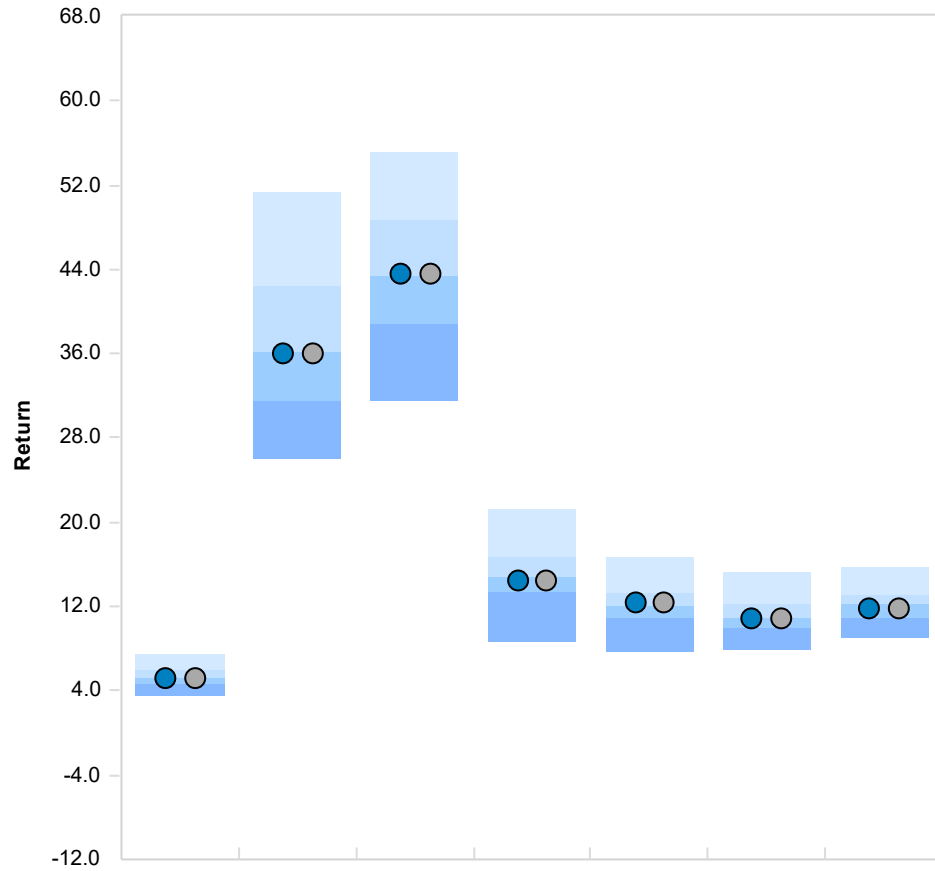
### 5 Year Rolling Percentile Rank IM U.S. Large Cap Value Equity (MF)



|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 5 (25%)    | 14 (70%)        | 1 (5%)          | 0 (0%)      |
| Index      | 20           | 5 (25%)    | 14 (70%)        | 1 (5%)          | 0 (0%)      |



Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)

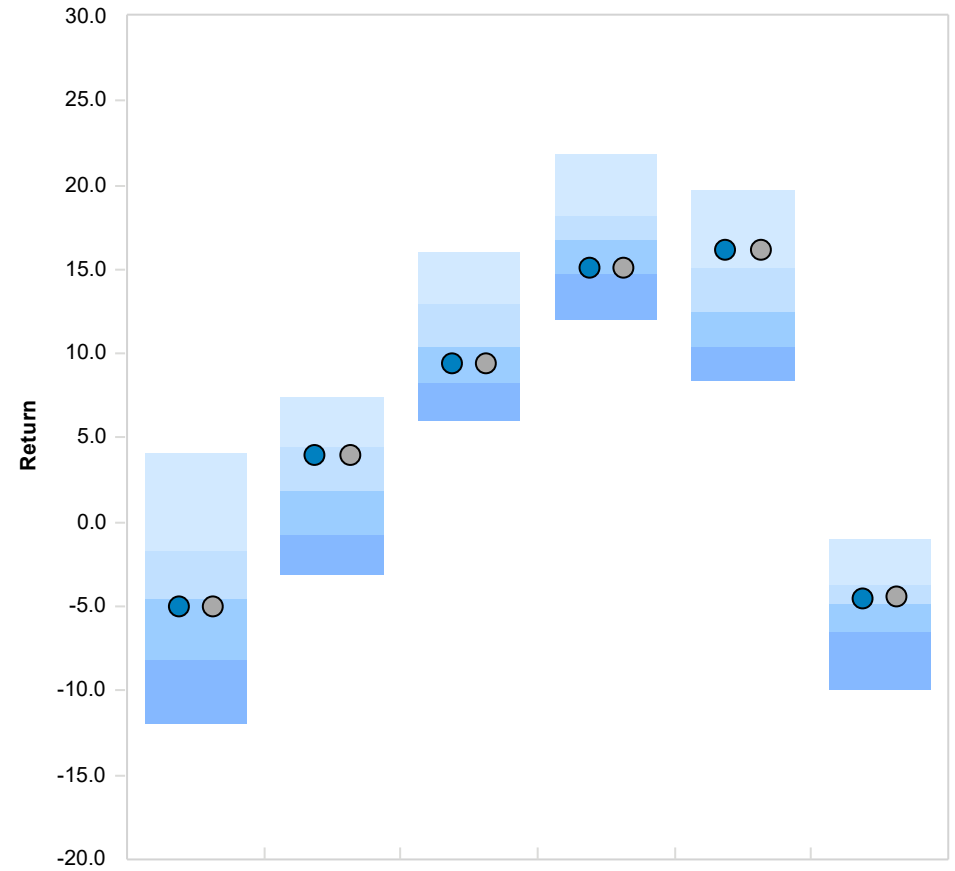


|              | QTR       | FYTD       | 1 YR       | 2 YR       | 3 YR       | 4 YR       | 5 YR       |
|--------------|-----------|------------|------------|------------|------------|------------|------------|
| ● Investment | 5.19 (54) | 35.95 (51) | 43.53 (50) | 14.43 (55) | 12.42 (44) | 10.97 (49) | 11.87 (59) |
| ● Index      | 5.21 (53) | 36.07 (51) | 43.68 (49) | 14.45 (55) | 12.42 (44) | 10.98 (49) | 11.87 (59) |
| Median       | 5.25      | 36.19      | 43.46      | 14.87      | 12.04      | 10.96      | 12.29      |

Comparative Performance

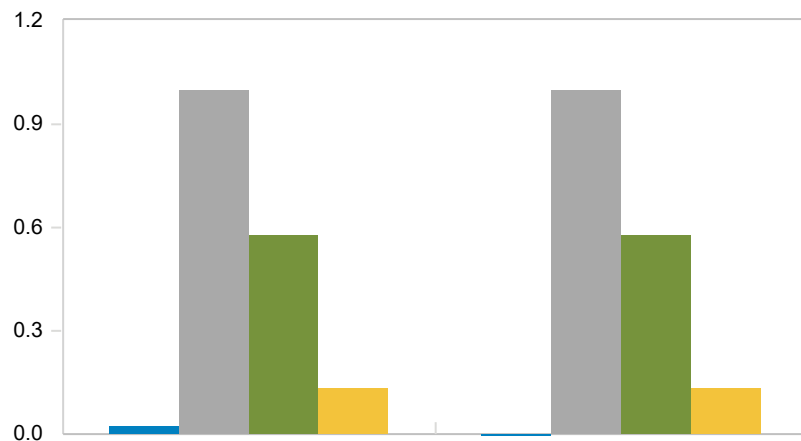
|            | 1 Qtr<br>Ending<br>Mar-2021 | 1 Qtr<br>Ending<br>Dec-2020 | 1 Qtr<br>Ending<br>Sep-2020 | 1 Qtr<br>Ending<br>Jun-2020 | 1 Qtr<br>Ending<br>Mar-2020 | 1 Qtr<br>Ending<br>Dec-2019 |
|------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Investment | 11.24 (51)                  | 16.19 (44)                  | 5.58 (34)                   | 14.25 (69)                  | -26.64 (51)                 | 7.39 (55)                   |
| Index      | 11.26 (50)                  | 16.25 (43)                  | 5.59 (34)                   | 14.29 (68)                  | -26.73 (53)                 | 7.41 (54)                   |
| Median     | 11.24                       | 15.77                       | 4.82                        | 15.47                       | -26.62                      | 7.54                        |

Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



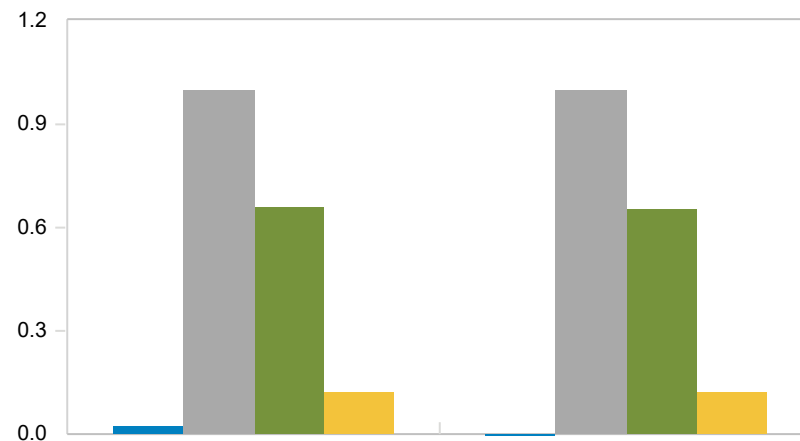
|              | Oct-2019<br>To<br>Sep-2020 | Oct-2018<br>To<br>Sep-2019 | Oct-2017<br>To<br>Sep-2018 | Oct-2016<br>To<br>Sep-2017 | Oct-2015<br>To<br>Sep-2016 | Oct-2014<br>To<br>Sep-2015 |
|--------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| ● Investment | -4.97 (54)                 | 4.03 (30)                  | 9.43 (61)                  | 15.13 (72)                 | 16.17 (18)                 | -4.56 (44)                 |
| ● Index      | -5.03 (54)                 | 4.00 (30)                  | 9.45 (61)                  | 15.12 (72)                 | 16.19 (18)                 | -4.42 (41)                 |
| Median       | -4.55                      | 1.87                       | 10.42                      | 16.74                      | 12.49                      | -4.90                      |

Risk / Reward Historical Statistics 3 Years Ending June 30, 2021



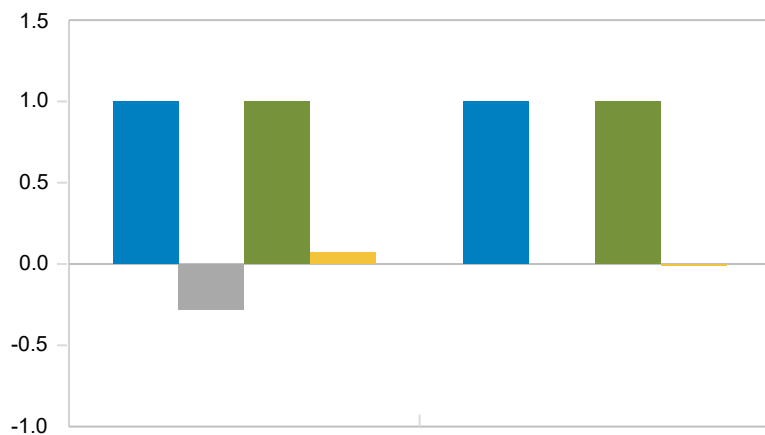
|               | Rhumbline LCV | Russell 1000 Value Index |
|---------------|---------------|--------------------------|
| Alpha         | 0.03          | 0.00                     |
| Beta          | 1.00          | 1.00                     |
| Sharpe Ratio  | 0.58          | 0.58                     |
| Treynor Ratio | 0.13          | 0.13                     |

Risk / Reward Historical Statistics 5 Years Ending June 30, 2021



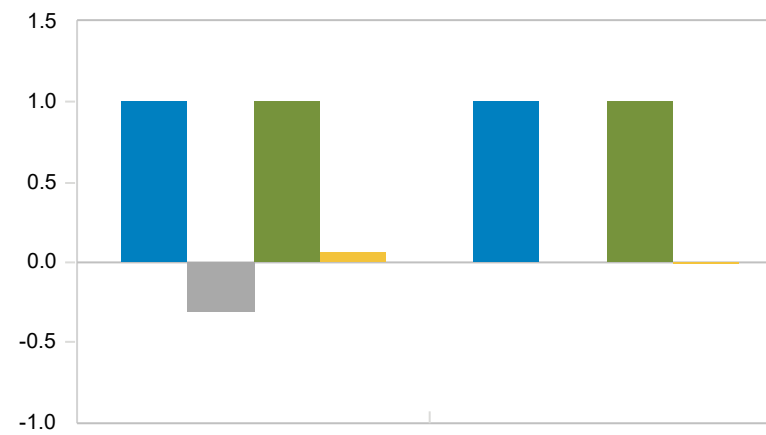
|               | Rhumbline LCV | Russell 1000 Value Index |
|---------------|---------------|--------------------------|
| Alpha         | 0.02          | 0.00                     |
| Beta          | 1.00          | 1.00                     |
| Sharpe Ratio  | 0.65          | 0.65                     |
| Treynor Ratio | 0.12          | 0.12                     |

Index Relative Historical Statistics 3 Years Ending June 30, 2021



|                    | Rhumbline LCV | Russell 1000 Value Index |
|--------------------|---------------|--------------------------|
| Actual Correlation | 1.00          | 1.00                     |
| Information Ratio  | -0.29         | N/A                      |
| R-Squared          | 1.00          | 1.00                     |
| Tracking Error     | 0.08          | 0.00                     |

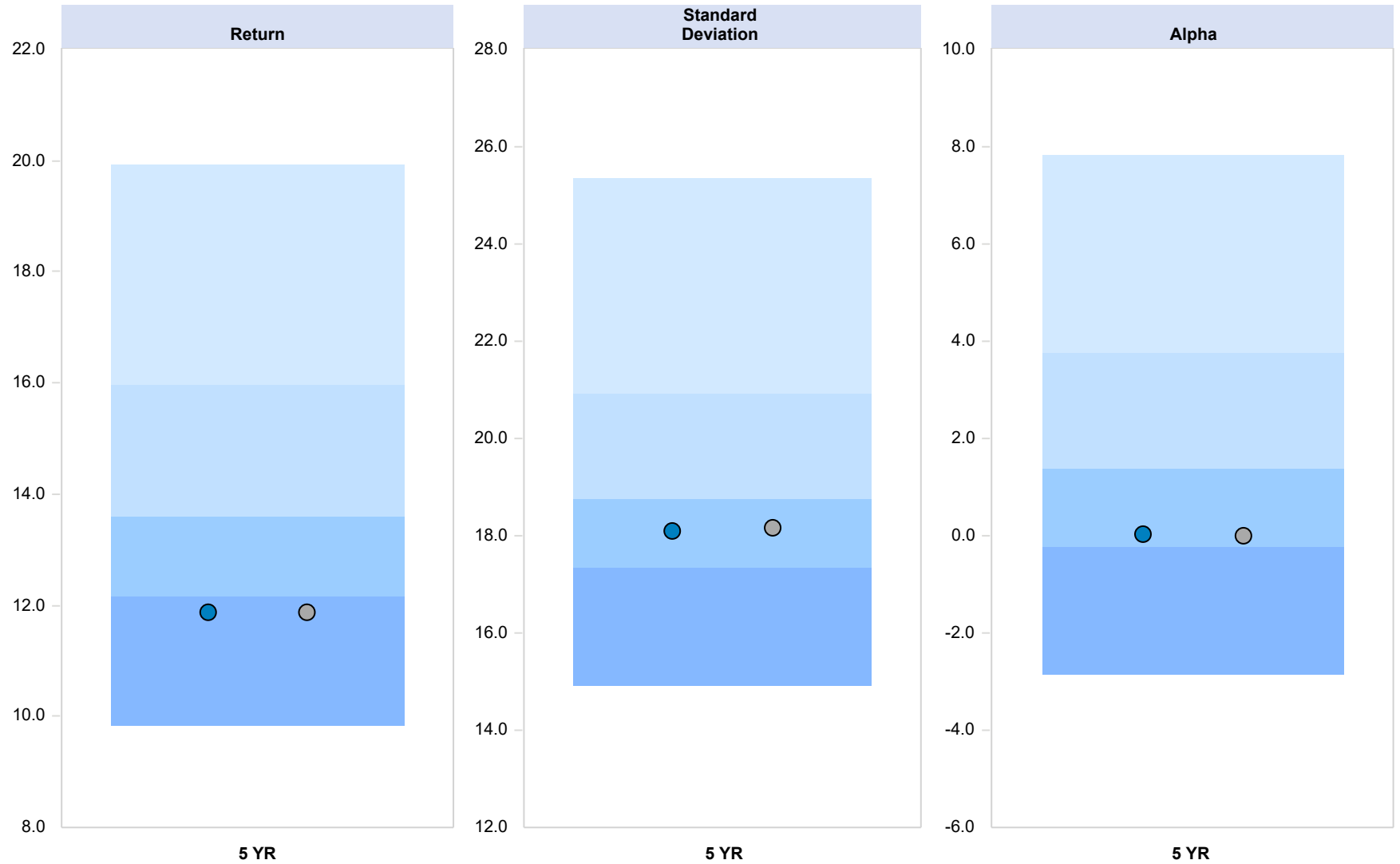
Index Relative Historical Statistics 5 Years Ending June 30, 2021



|                    | Rhumbline LCV | Russell 1000 Value Index |
|--------------------|---------------|--------------------------|
| Actual Correlation | 1.00          | 1.00                     |
| Information Ratio  | -0.31         | N/A                      |
| R-Squared          | 1.00          | 1.00                     |
| Tracking Error     | 0.06          | 0.00                     |

Benchmark: Russell 1000 Value Index





● Rhumblin LCV  
● Russell 1000 Value Index

5 YR  
11.87 (81)  
11.87 (81)

5 YR  
18.11 (62)  
18.17 (61)

5 YR  
0.02 (73)  
0.00 (73)

5th Percentile  
1st Quartile  
Median  
3rd Quartile  
95th Percentile

19.94  
15.99  
13.58  
12.15  
9.82

25.34  
20.91  
18.77  
17.33  
14.90

7.84  
3.76  
1.36  
-0.24  
-2.84

Parenttheses contain percentile rankings.  
Calculation based on quarterly periodicity.



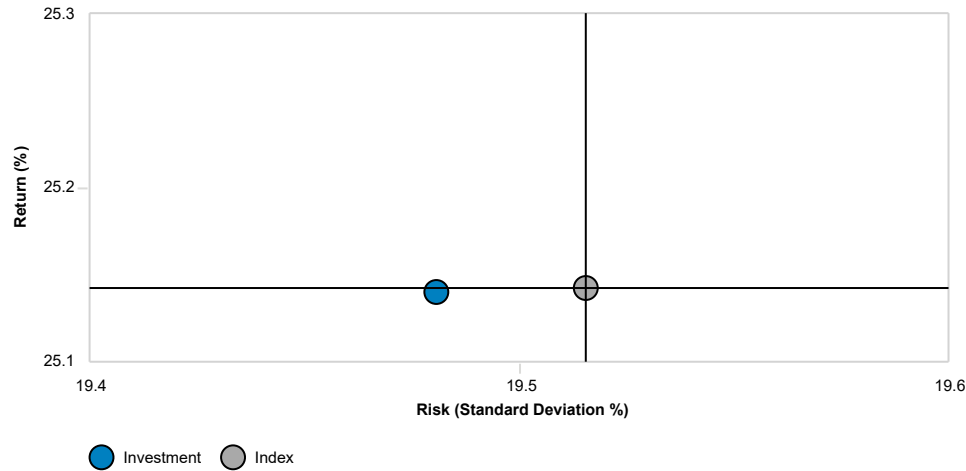
### Historical Statistics 3 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 25.14  | 19.48              | 1.18         | 99.89             | 10          | 99.78               | 2             |
| Index      | 25.14  | 19.52              | 1.18         | 100.00            | 10          | 100.00              | 2             |

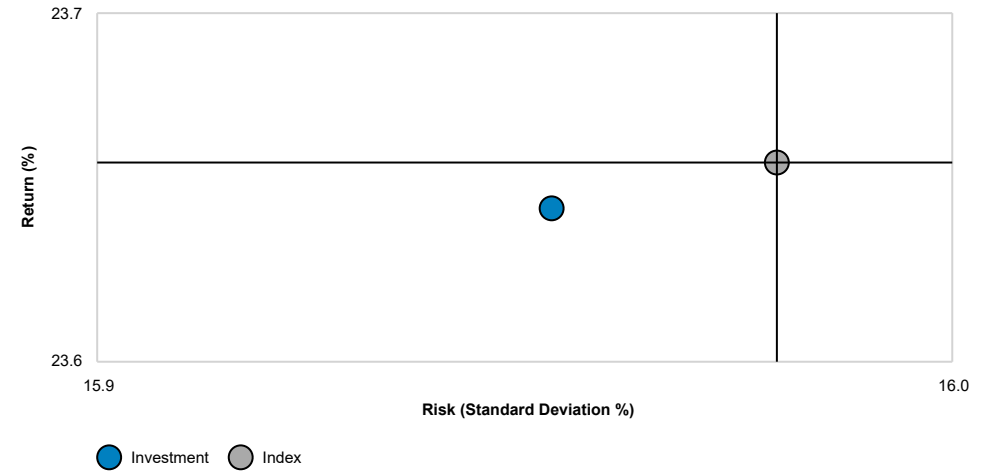
### Historical Statistics 5 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 23.64  | 15.95              | 1.34         | 99.90             | 18          | 99.82               | 2             |
| Index      | 23.66  | 15.98              | 1.34         | 100.00            | 18          | 100.00              | 2             |

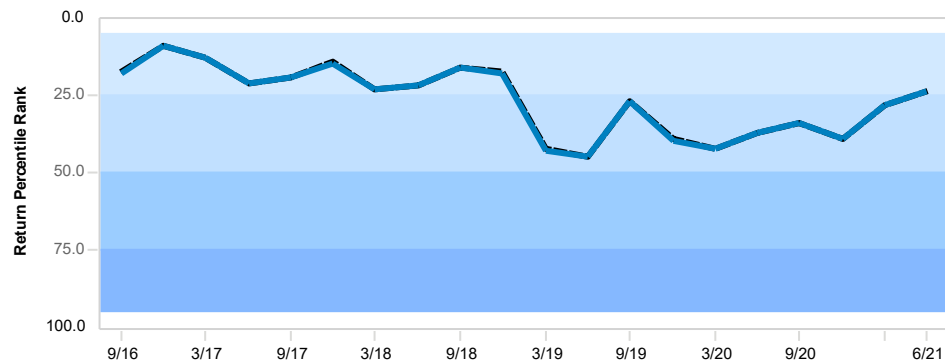
### Risk and Return 3 Years



### Risk and Return 5 Years

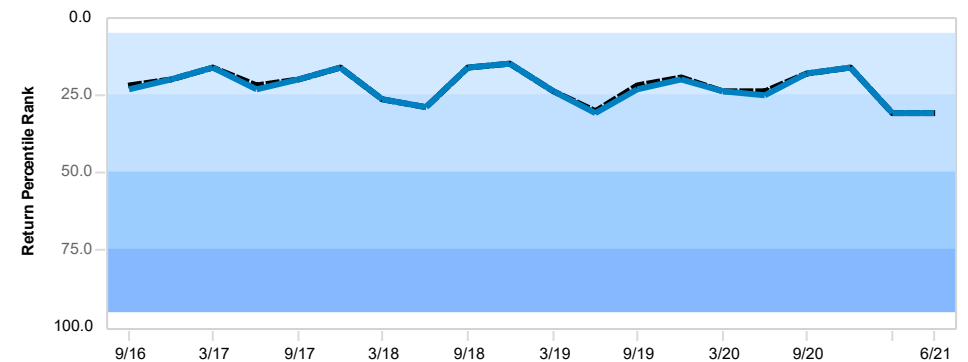


### 3 Year Rolling Percentile Rank IM U.S. Large Cap Growth Equity (MF)



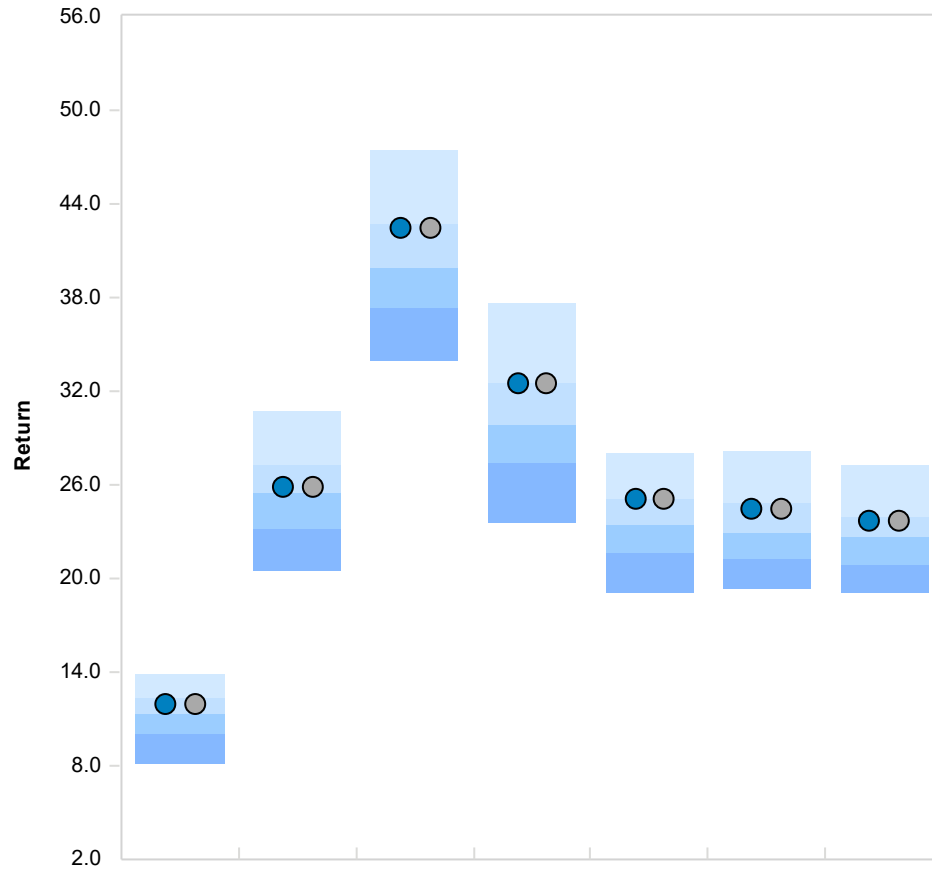
|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 11 (55%)   | 9 (45%)         | 0 (0%)          | 0 (0%)      |
| Index      | 20           | 11 (55%)   | 9 (45%)         | 0 (0%)          | 0 (0%)      |

### 5 Year Rolling Percentile Rank IM U.S. Large Cap Growth Equity (MF)

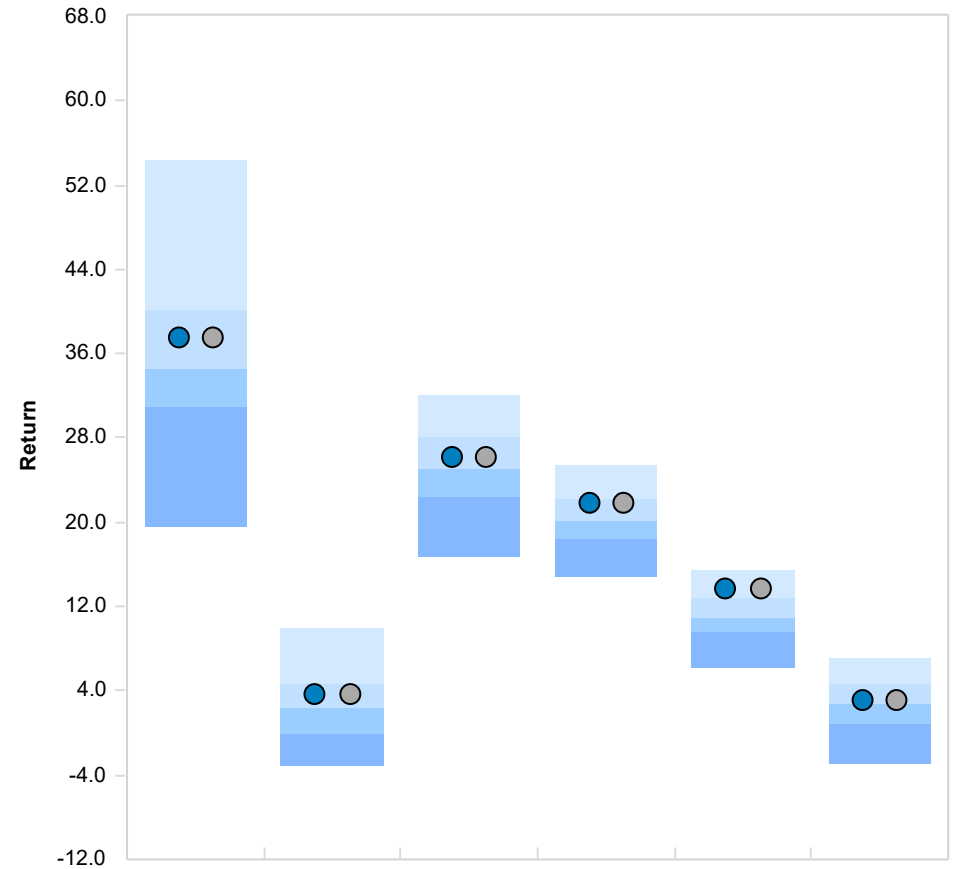


|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 15 (75%)   | 5 (25%)         | 0 (0%)          | 0 (0%)      |
| Index      | 20           | 15 (75%)   | 5 (25%)         | 0 (0%)          | 0 (0%)      |

Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)



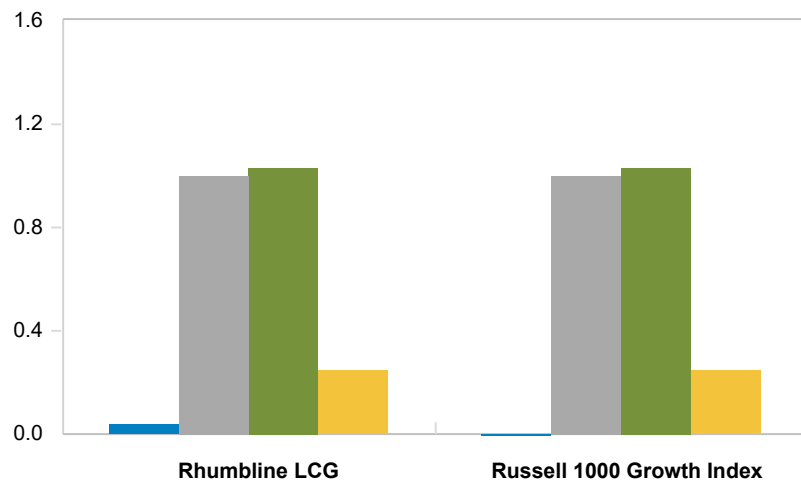
Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)



Comparative Performance

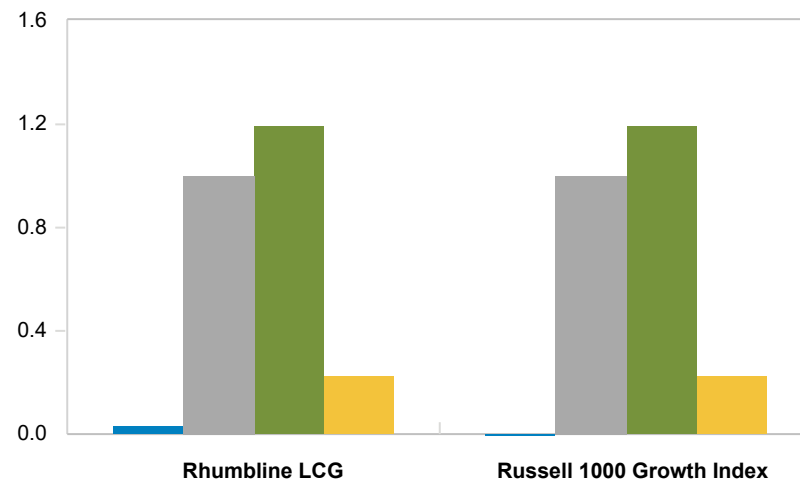
|            | 1 Qtr Ending Mar-2021 | 1 Qtr Ending Dec-2020 | 1 Qtr Ending Sep-2020 | 1 Qtr Ending Jun-2020 | 1 Qtr Ending Mar-2020 | 1 Qtr Ending Dec-2019 |
|------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Investment | 0.95 (56)             | 11.40 (45)            | 13.22 (23)            | 27.78 (47)            | -14.03 (63)           | 10.60 (28)            |
| Index      | 0.94 (56)             | 11.39 (45)            | 13.22 (23)            | 27.84 (45)            | -14.10 (64)           | 10.62 (27)            |
| Median     | 1.18                  | 11.12                 | 11.51                 | 27.69                 | -13.51                | 9.68                  |

Risk / Reward Historical Statistics 3 Years Ending June 30, 2021



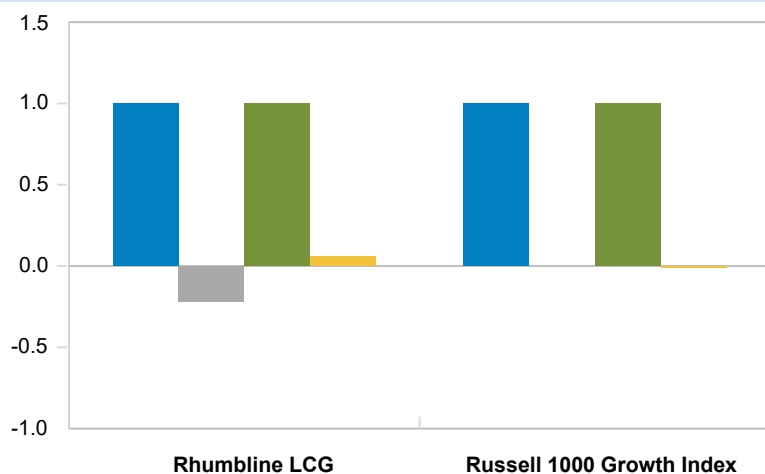
|               | Rhumbline LCG | Russell 1000 Growth Index |
|---------------|---------------|---------------------------|
| Alpha         | 0.04          | 0.00                      |
| Beta          | 1.00          | 1.00                      |
| Sharpe Ratio  | 1.03          | 1.03                      |
| Treynor Ratio | 0.24          | 0.24                      |

Risk / Reward Historical Statistics 5 Years Ending June 30, 2021



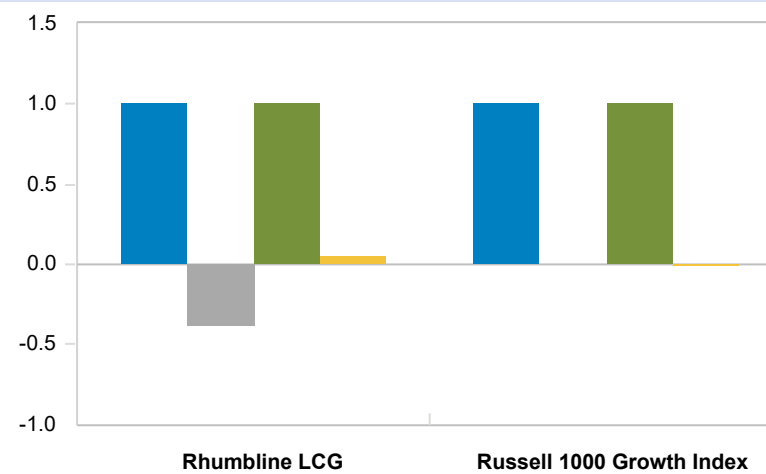
|               | Rhumbline LCG | Russell 1000 Growth Index |
|---------------|---------------|---------------------------|
| Alpha         | 0.03          | 0.00                      |
| Beta          | 1.00          | 1.00                      |
| Sharpe Ratio  | 1.19          | 1.19                      |
| Treynor Ratio | 0.22          | 0.22                      |

Index Relative Historical Statistics 3 Years Ending June 30, 2021



|                    | Rhumbline LCG | Russell 1000 Growth Index |
|--------------------|---------------|---------------------------|
| Actual Correlation | 1.00          | 1.00                      |
| Information Ratio  | -0.22         | N/A                       |
| R-Squared          | 1.00          | 1.00                      |
| Tracking Error     | 0.06          | 0.00                      |

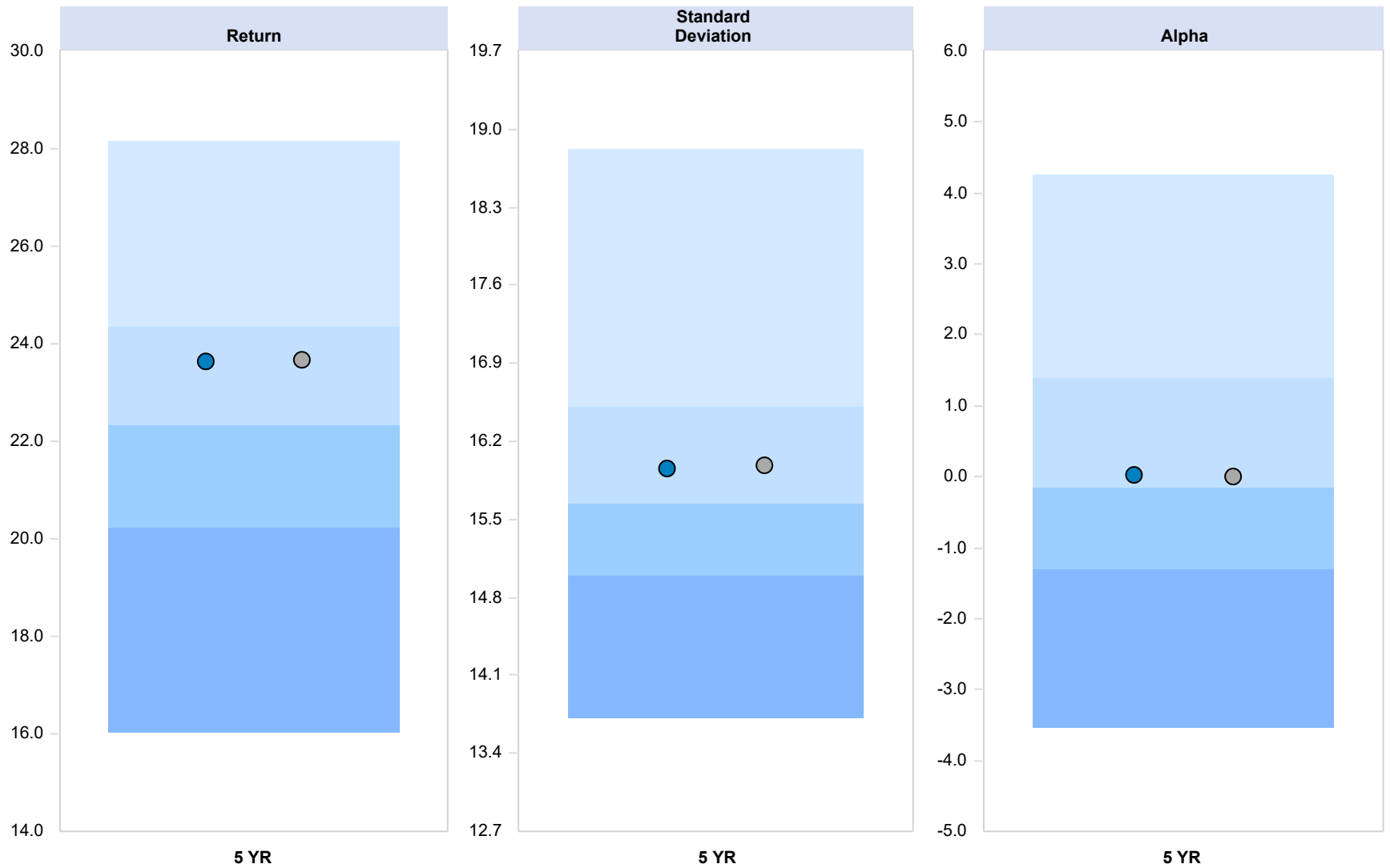
Index Relative Historical Statistics 5 Years Ending June 30, 2021



|                    | Rhumbline LCG | Russell 1000 Growth Index |
|--------------------|---------------|---------------------------|
| Actual Correlation | 1.00          | 1.00                      |
| Information Ratio  | -0.39         | N/A                       |
| R-Squared          | 1.00          | 1.00                      |
| Tracking Error     | 0.05          | 0.00                      |

Benchmark: Russell 1000 Growth Index





|                             |            |            |           |
|-----------------------------|------------|------------|-----------|
| ● Rhumblin LCG              | 23.64 (38) | 15.95 (40) | 0.02 (47) |
| ● Russell 1000 Growth Index | 23.66 (38) | 15.98 (40) | 0.00 (47) |
| 5th Percentile              | 28.17      | 18.83      | 4.27      |
| 1st Quartile                | 24.37      | 16.51      | 1.41      |
| Median                      | 22.32      | 15.65      | -0.16     |
| 3rd Quartile                | 20.23      | 14.99      | -1.31     |
| 95th Percentile             | 16.05      | 13.72      | -3.53     |

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.



### Historical Statistics 3 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | N/A    | N/A                | N/A          | N/A               | N/A         | N/A                 | N/A           |
| Index      | 25.14  | 19.52              | 1.18         | 100.00            | 10          | 100.00              | 2             |

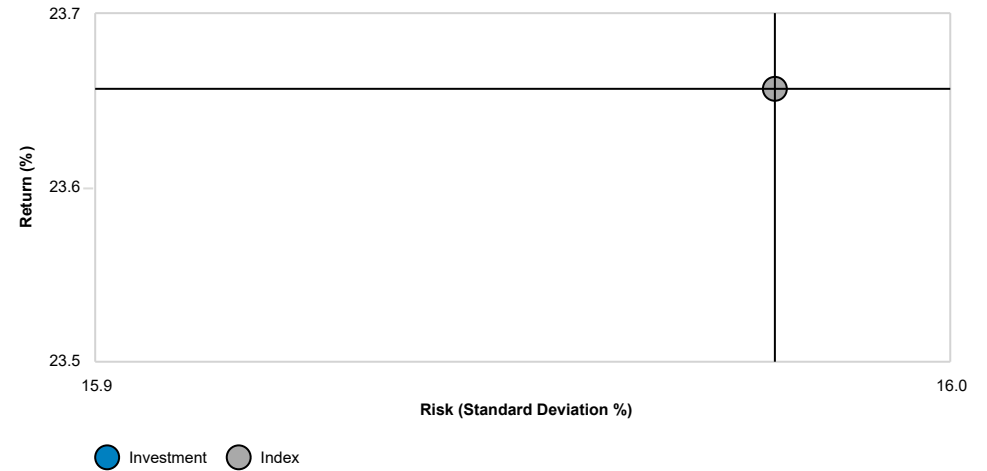
### Historical Statistics 5 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | N/A    | N/A                | N/A          | N/A               | N/A         | N/A                 | N/A           |
| Index      | 23.66  | 15.98              | 1.34         | 100.00            | 18          | 100.00              | 2             |

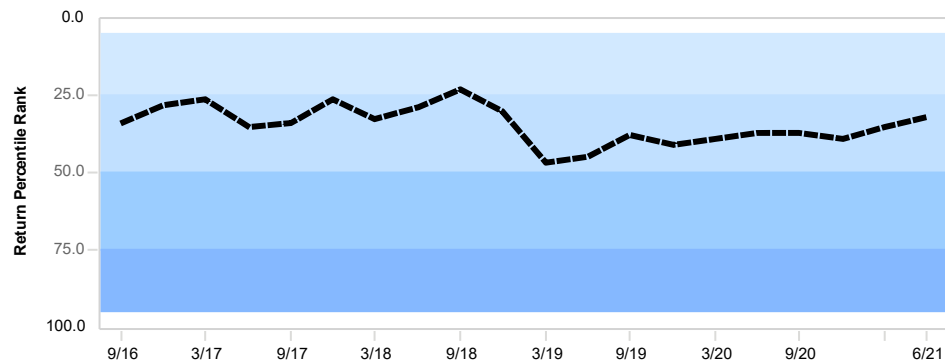
### Risk and Return 3 Years



### Risk and Return 5 Years

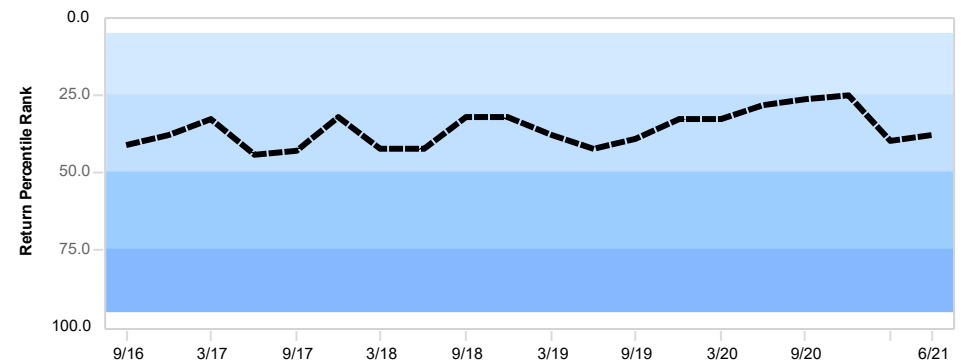


### 3 Year Rolling Percentile Rank IM U.S. Large Cap Growth Equity (SA+CF)



|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 0            | 0          | 0               | 0               | 0           |
| Index      | 20           | 1 (5%)     | 19 (95%)        | 0 (0%)          | 0 (0%)      |

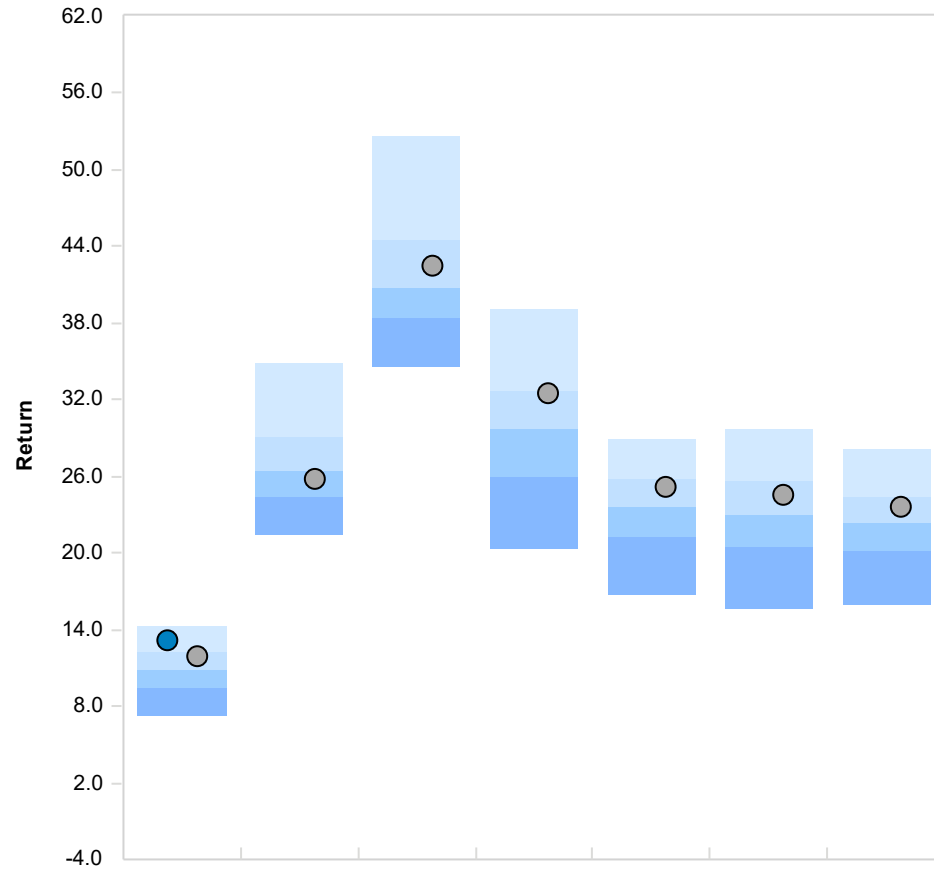
### 5 Year Rolling Percentile Rank IM U.S. Large Cap Growth Equity (SA+CF)



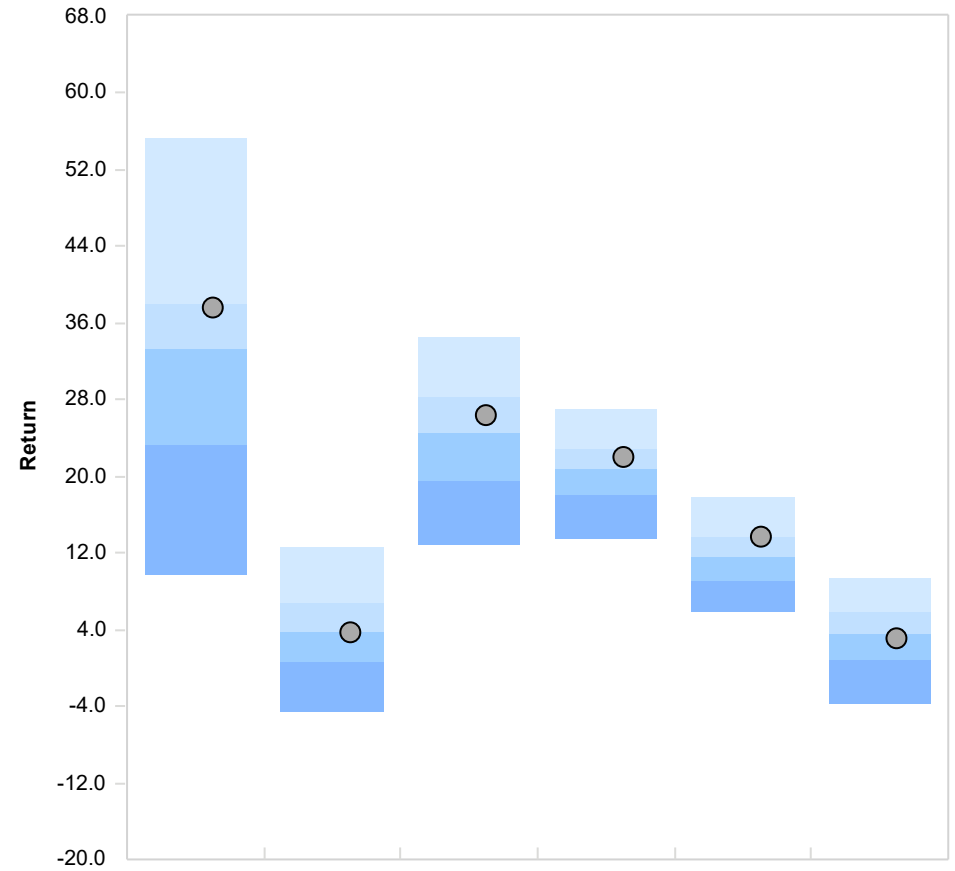
|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 0            | 0          | 0               | 0               | 0           |
| Index      | 20           | 1 (5%)     | 19 (95%)        | 0 (0%)          | 0 (0%)      |



Peer Group Analysis - IM U.S. Large Cap Growth Equity (SA+CF)



Peer Group Analysis - IM U.S. Large Cap Growth Equity (SA+CF)

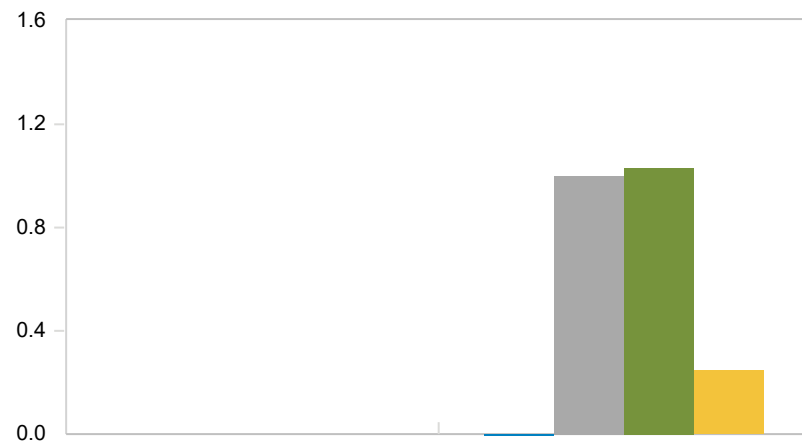


Comparative Performance

|            | 1 Qtr Ending Mar-2021 | 1 Qtr Ending Dec-2020 | 1 Qtr Ending Sep-2020 | 1 Qtr Ending Jun-2020 | 1 Qtr Ending Mar-2020 | 1 Qtr Ending Dec-2019 |
|------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Investment | 1.80 (57)             | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |
| Index      | 0.94 (72)             | 11.39 (54)            | 13.22 (23)            | 27.84 (38)            | -14.10 (49)           | 10.62 (26)            |
| Median     | 2.21                  | 11.62                 | 11.15                 | 26.62                 | -14.26                | 9.59                  |



## Risk / Reward Historical Statistics 3 Years Ending June 30, 2021

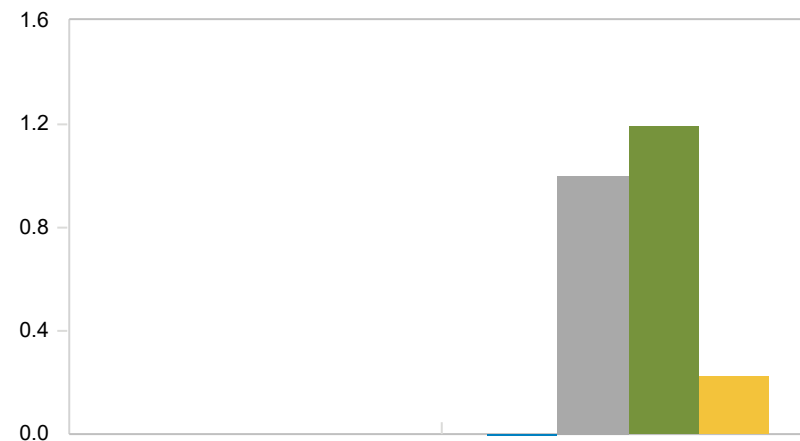


|               | Polen Capital LCG | Russell 1000 Growth Index |
|---------------|-------------------|---------------------------|
| Alpha         | N/A               | 0.00                      |
| Beta          | N/A               | 1.00                      |
| Sharpe Ratio  | N/A               | 1.03                      |
| Treynor Ratio | N/A               | 0.24                      |

|               |     |
|---------------|-----|
| Alpha         | N/A |
| Beta          | N/A |
| Sharpe Ratio  | N/A |
| Treynor Ratio | N/A |

|               |      |
|---------------|------|
| Alpha         | 0.00 |
| Beta          | 1.00 |
| Sharpe Ratio  | 1.03 |
| Treynor Ratio | 0.24 |

## Risk / Reward Historical Statistics 5 Years Ending June 30, 2021

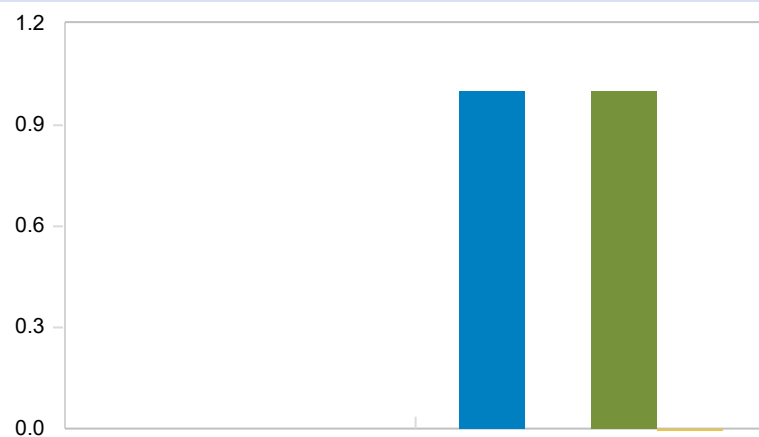


|               | Polen Capital LCG | Russell 1000 Growth Index |
|---------------|-------------------|---------------------------|
| Alpha         | N/A               | 0.00                      |
| Beta          | N/A               | 1.00                      |
| Sharpe Ratio  | N/A               | 1.19                      |
| Treynor Ratio | N/A               | 0.22                      |

|               |     |
|---------------|-----|
| Alpha         | N/A |
| Beta          | N/A |
| Sharpe Ratio  | N/A |
| Treynor Ratio | N/A |

|               |      |
|---------------|------|
| Alpha         | 0.00 |
| Beta          | 1.00 |
| Sharpe Ratio  | 1.19 |
| Treynor Ratio | 0.22 |

## Index Relative Historical Statistics 3 Years Ending June 30, 2021

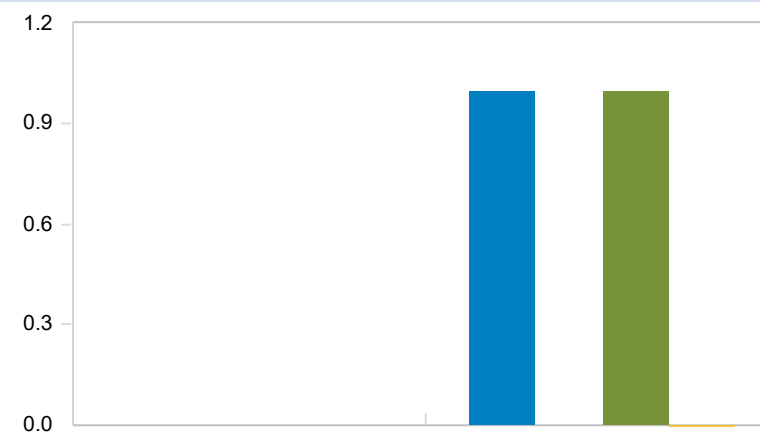


|                    | Polen Capital LCG | Russell 1000 Growth Index |
|--------------------|-------------------|---------------------------|
| Actual Correlation | N/A               | 1.00                      |
| Information Ratio  | N/A               | N/A                       |
| R-Squared          | N/A               | 1.00                      |
| Tracking Error     | N/A               | 0.00                      |

|                    |     |
|--------------------|-----|
| Actual Correlation | N/A |
| Information Ratio  | N/A |
| R-Squared          | N/A |
| Tracking Error     | N/A |

|                    |      |
|--------------------|------|
| Actual Correlation | 1.00 |
| Information Ratio  | N/A  |
| R-Squared          | 1.00 |
| Tracking Error     | 0.00 |

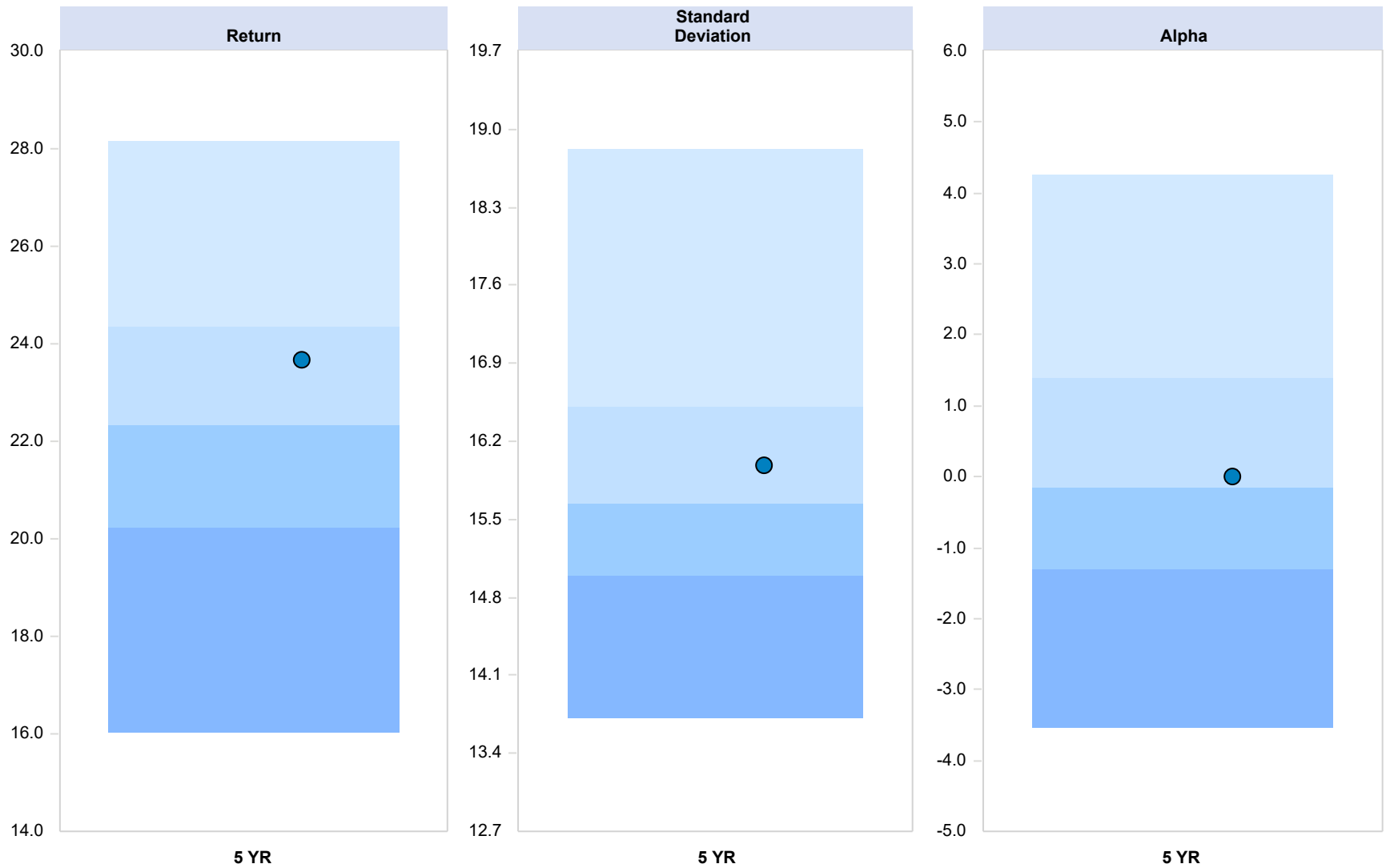
## Index Relative Historical Statistics 5 Years Ending June 30, 2021



|                    | Polen Capital LCG | Russell 1000 Growth Index |
|--------------------|-------------------|---------------------------|
| Actual Correlation | N/A               | 1.00                      |
| Information Ratio  | N/A               | N/A                       |
| R-Squared          | N/A               | 1.00                      |
| Tracking Error     | N/A               | 0.00                      |

|                    |     |
|--------------------|-----|
| Actual Correlation | N/A |
| Information Ratio  | N/A |
| R-Squared          | N/A |
| Tracking Error     | N/A |

|                    |      |
|--------------------|------|
| Actual Correlation | 1.00 |
| Information Ratio  | N/A  |
| R-Squared          | 1.00 |
| Tracking Error     | 0.00 |



|                             |            |            |           |
|-----------------------------|------------|------------|-----------|
| ● Polen Capital LCG         | N/A        | N/A        | N/A       |
| ● Russell 1000 Growth Index | 23.66 (38) | 15.98 (40) | 0.00 (47) |
| 5th Percentile              | 28.17      | 18.83      | 4.27      |
| 1st Quartile                | 24.37      | 16.51      | 1.41      |
| Median                      | 22.32      | 15.65      | -0.16     |
| 3rd Quartile                | 20.23      | 14.99      | -1.31     |
| 95th Percentile             | 16.05      | 13.72      | -3.53     |

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.



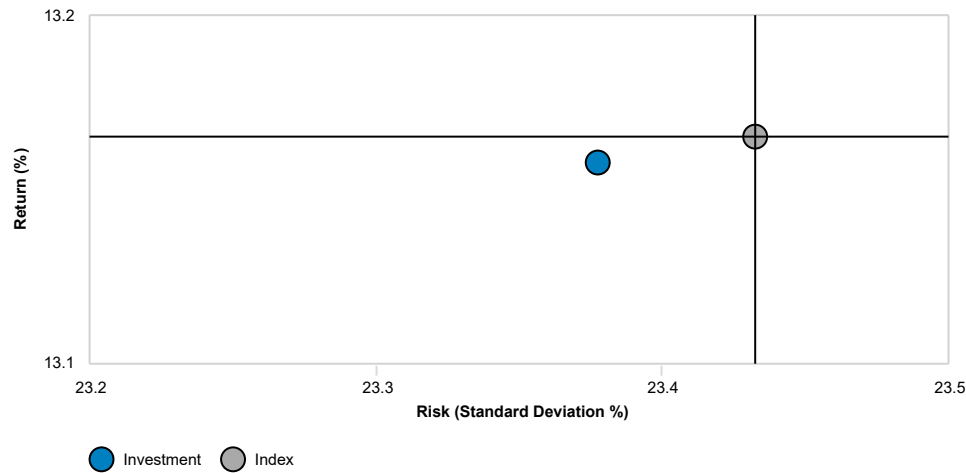
### Historical Statistics 3 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 13.16  | 23.38              | 0.59         | 99.79             | 9           | 99.74               | 3             |
| Index      | 13.17  | 23.43              | 0.59         | 100.00            | 9           | 100.00              | 3             |

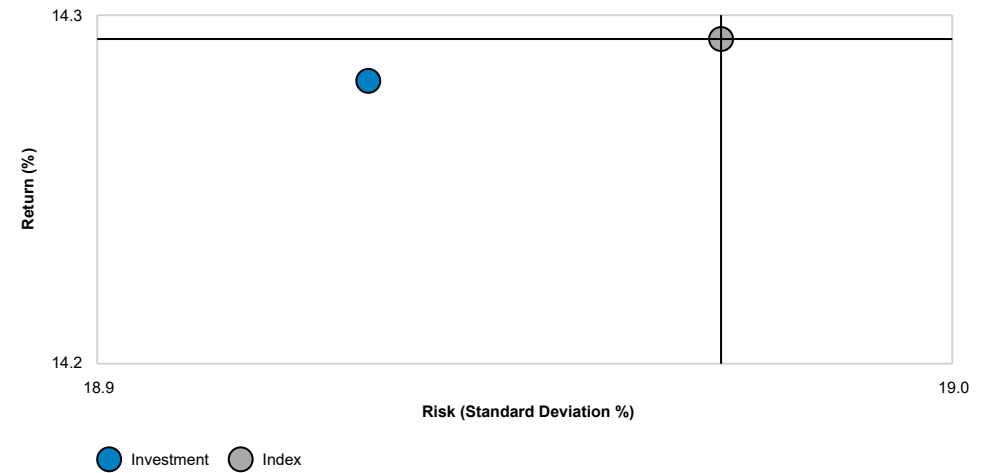
### Historical Statistics 5 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 14.28  | 18.93              | 0.74         | 99.82             | 16          | 99.77               | 4             |
| Index      | 14.29  | 18.97              | 0.74         | 100.00            | 16          | 100.00              | 4             |

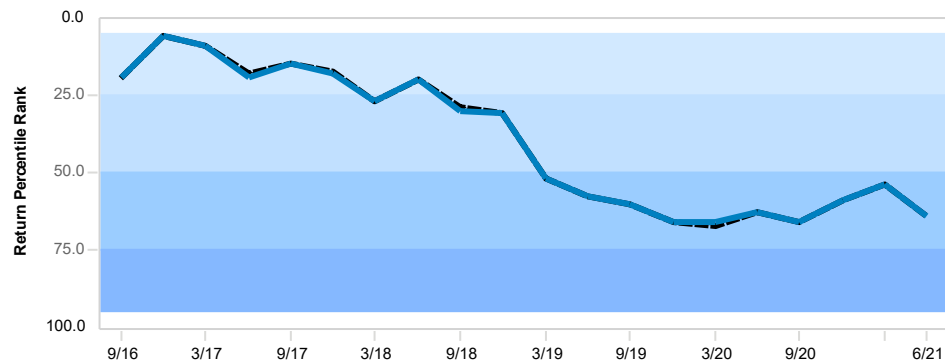
### Risk and Return 3 Years



### Risk and Return 5 Years

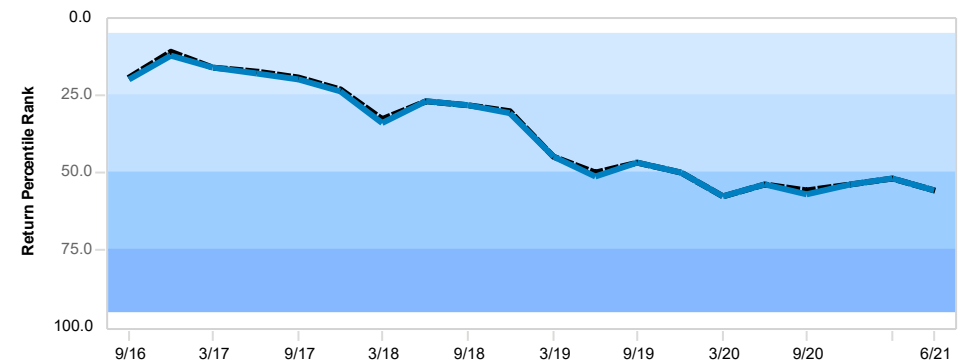


### 3 Year Rolling Percentile Rank IM U.S. Mid Cap Equity (MF)



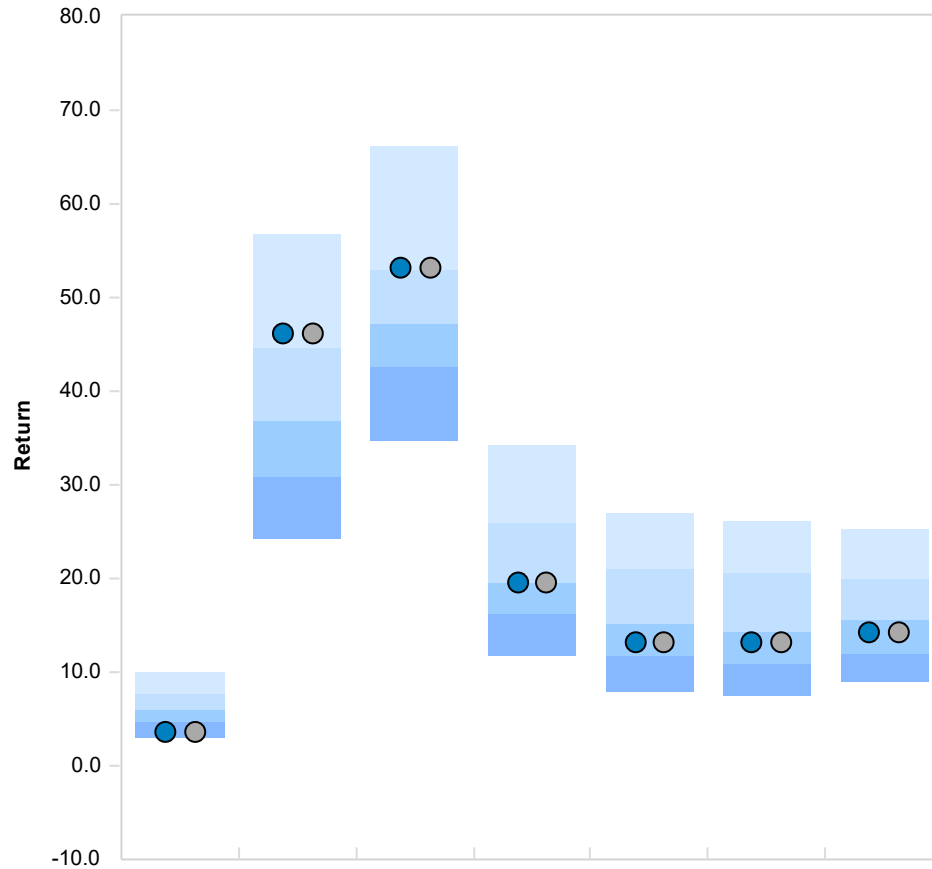
|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 7 (35%)    | 3 (15%)         | 10 (50%)        | 0 (0%)      |
| Index      | 20           | 7 (35%)    | 3 (15%)         | 10 (50%)        | 0 (0%)      |

### 5 Year Rolling Percentile Rank IM U.S. Mid Cap Equity (MF)



|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 6 (30%)    | 7 (35%)         | 7 (35%)         | 0 (0%)      |
| Index      | 20           | 6 (30%)    | 8 (40%)         | 6 (30%)         | 0 (0%)      |

Peer Group Analysis - IM U.S. Mid Cap Equity (MF)

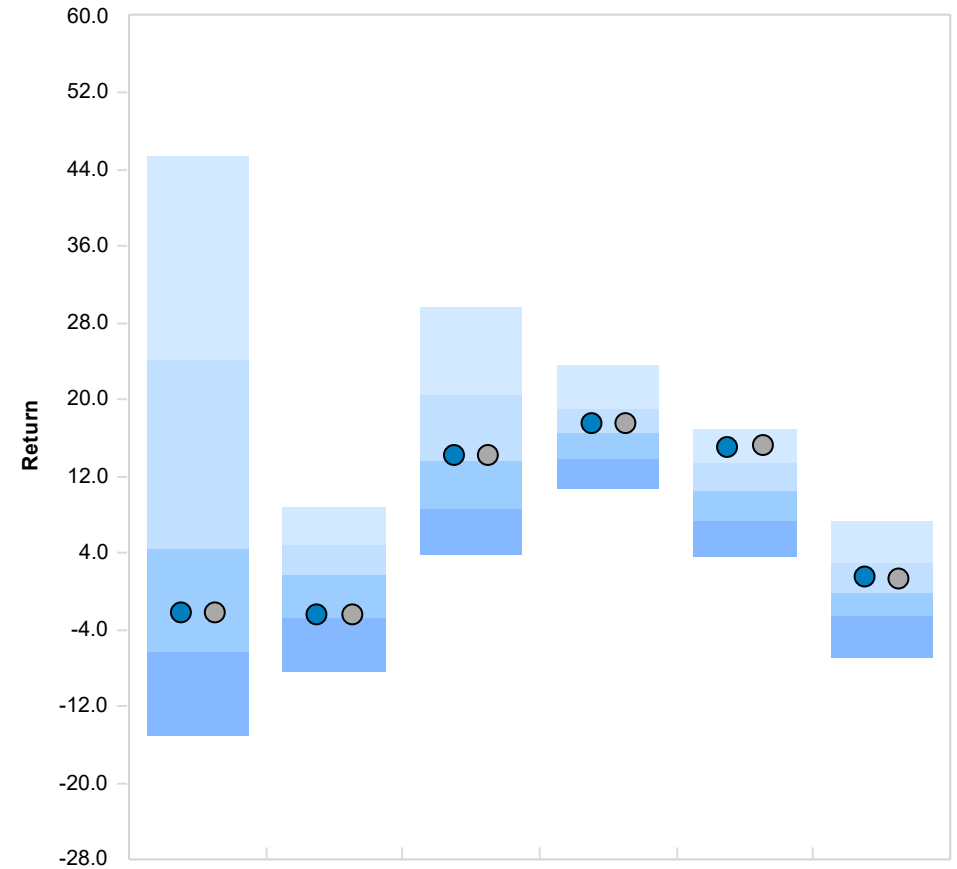


|              | QTR       | FYTD       | 1 YR       | 2 YR       | 3 YR       | 4 YR       | 5 YR       |
|--------------|-----------|------------|------------|------------|------------|------------|------------|
| ● Investment | 3.63 (91) | 46.18 (19) | 53.17 (25) | 19.56 (51) | 13.16 (64) | 13.24 (56) | 14.28 (56) |
| ● Index      | 3.64 (91) | 46.26 (18) | 53.24 (25) | 19.57 (51) | 13.17 (64) | 13.25 (56) | 14.29 (56) |
| Median       | 5.88      | 36.74      | 47.30      | 19.59      | 15.00      | 14.30      | 15.43      |

Comparative Performance

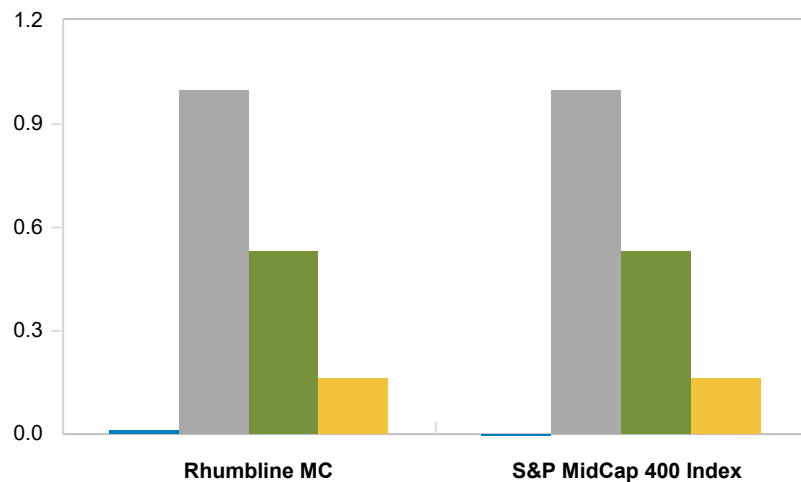
|            | 1 Qtr<br>Ending<br>Mar-2021 | 1 Qtr<br>Ending<br>Dec-2020 | 1 Qtr<br>Ending<br>Sep-2020 | 1 Qtr<br>Ending<br>Jun-2020 | 1 Qtr<br>Ending<br>Mar-2020 | 1 Qtr<br>Ending<br>Dec-2019 |
|------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Investment | 13.44 (23)                  | 24.34 (15)                  | 4.78 (77)                   | 24.00 (52)                  | -29.61 (71)                 | 7.03 (49)                   |
| Index      | 13.47 (22)                  | 24.37 (15)                  | 4.77 (78)                   | 24.07 (52)                  | -29.70 (71)                 | 7.06 (48)                   |
| Median     | 7.69                        | 20.01                       | 7.02                        | 24.55                       | -25.38                      | 6.98                        |

Peer Group Analysis - IM U.S. Mid Cap Equity (MF)



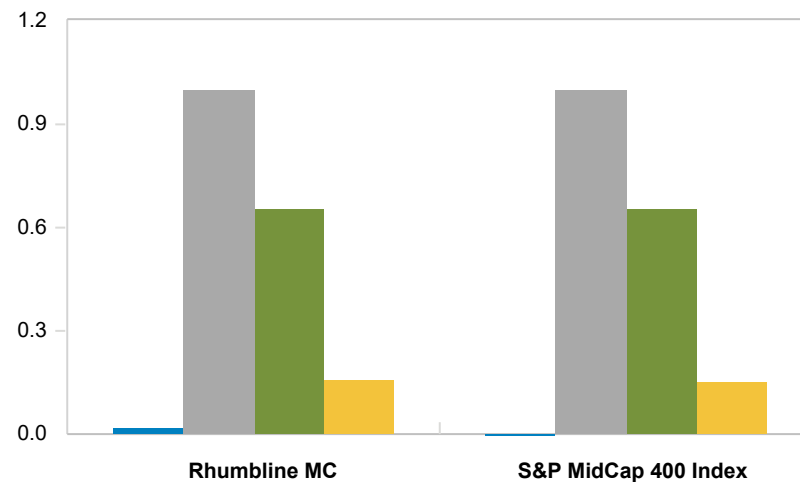
|              | Oct-2019<br>To<br>Sep-2020 | Oct-2018<br>To<br>Sep-2019 | Oct-2017<br>To<br>Sep-2018 | Oct-2016<br>To<br>Sep-2017 | Oct-2015<br>To<br>Sep-2016 | Oct-2014<br>To<br>Sep-2015 |
|--------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| ● Investment | -2.11 (65)                 | -2.49 (75)                 | 14.16 (47)                 | 17.50 (39)                 | 15.10 (15)                 | 1.47 (38)                  |
| ● Index      | -2.16 (65)                 | -2.49 (75)                 | 14.21 (47)                 | 17.52 (39)                 | 15.33 (15)                 | 1.40 (38)                  |
| Median       | 4.48                       | 1.77                       | 13.62                      | 16.47                      | 10.50                      | -0.20                      |

Risk / Reward Historical Statistics 3 Years Ending June 30, 2021



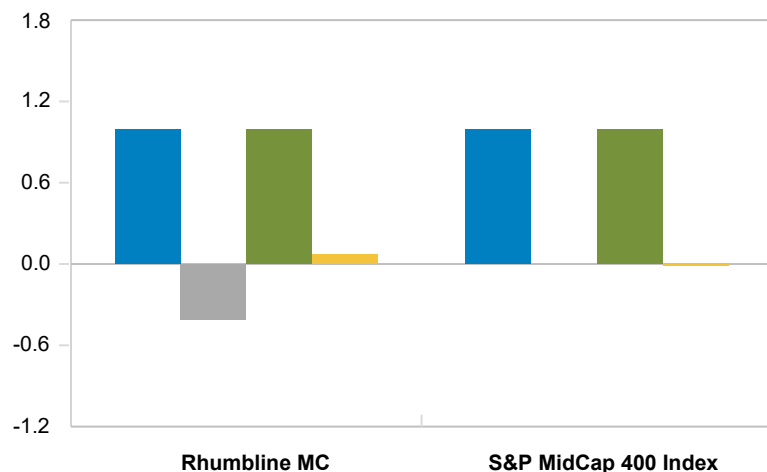
|               | Rhumbline MC | S&P MidCap 400 Index |
|---------------|--------------|----------------------|
| Alpha         | 0.01         | 0.00                 |
| Beta          | 1.00         | 1.00                 |
| Sharpe Ratio  | 0.53         | 0.53                 |
| Treynor Ratio | 0.16         | 0.16                 |

Risk / Reward Historical Statistics 5 Years Ending June 30, 2021



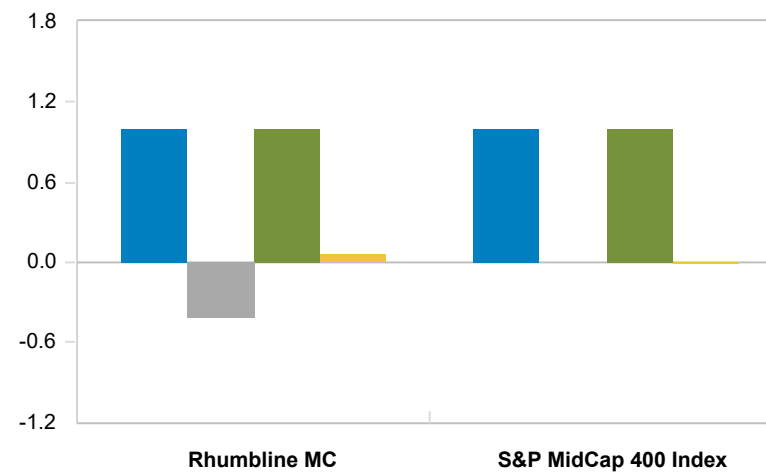
|               | Rhumbline MC | S&P MidCap 400 Index |
|---------------|--------------|----------------------|
| Alpha         | 0.02         | 0.00                 |
| Beta          | 1.00         | 1.00                 |
| Sharpe Ratio  | 0.65         | 0.65                 |
| Treynor Ratio | 0.15         | 0.15                 |

Index Relative Historical Statistics 3 Years Ending June 30, 2021



|                    | Rhumbline MC | S&P MidCap 400 Index |
|--------------------|--------------|----------------------|
| Actual Correlation | 1.00         | 1.00                 |
| Information Ratio  | -0.40        | N/A                  |
| R-Squared          | 1.00         | 1.00                 |
| Tracking Error     | 0.08         | 0.00                 |

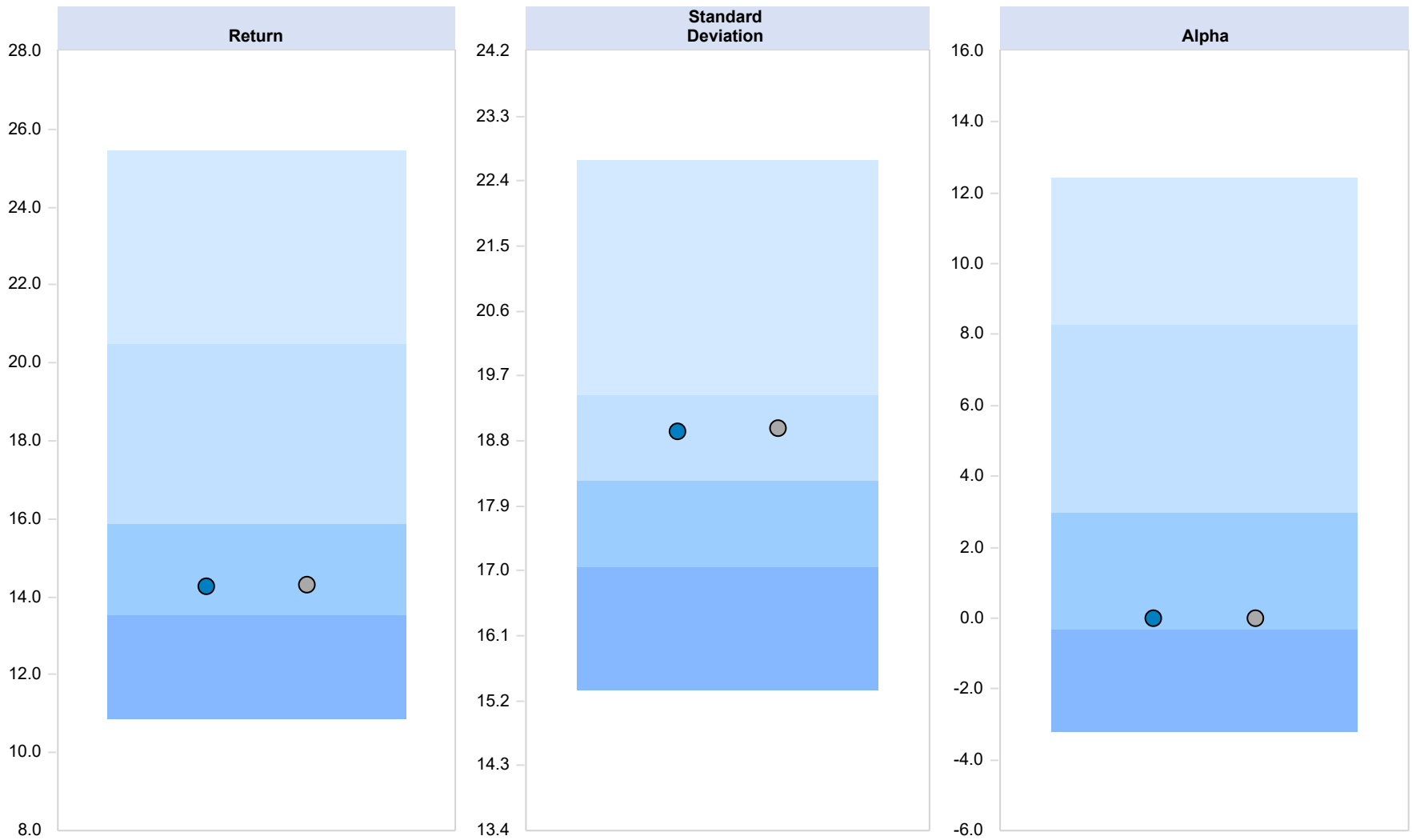
Index Relative Historical Statistics 5 Years Ending June 30, 2021



|                    | Rhumbline MC | S&P MidCap 400 Index |
|--------------------|--------------|----------------------|
| Actual Correlation | 1.00         | 1.00                 |
| Information Ratio  | -0.41        | N/A                  |
| R-Squared          | 1.00         | 1.00                 |
| Tracking Error     | 0.06         | 0.00                 |

Benchmark: S&P MidCap 400 Index





|                        | 5 YR  |      | 5 YR  |      | 5 YR  |      |
|------------------------|-------|------|-------|------|-------|------|
| ● Rhumbleline MC       | 14.28 | (65) | 18.93 | (35) | 0.01  | (68) |
| ● S&P MidCap 400 Index | 14.29 | (65) | 18.97 | (32) | 0.00  | (69) |
| 5th Percentile         | 25.46 |      | 22.69 |      | 12.45 |      |
| 1st Quartile           | 20.51 |      | 19.43 |      | 8.28  |      |
| Median                 | 15.88 |      | 18.24 |      | 2.95  |      |
| 3rd Quartile           | 13.51 |      | 17.06 |      | -0.30 |      |
| 95th Percentile        | 10.89 |      | 15.34 |      | -3.20 |      |

Parenttheses contain percentile rankings.  
Calculation based on monthly periodicity.



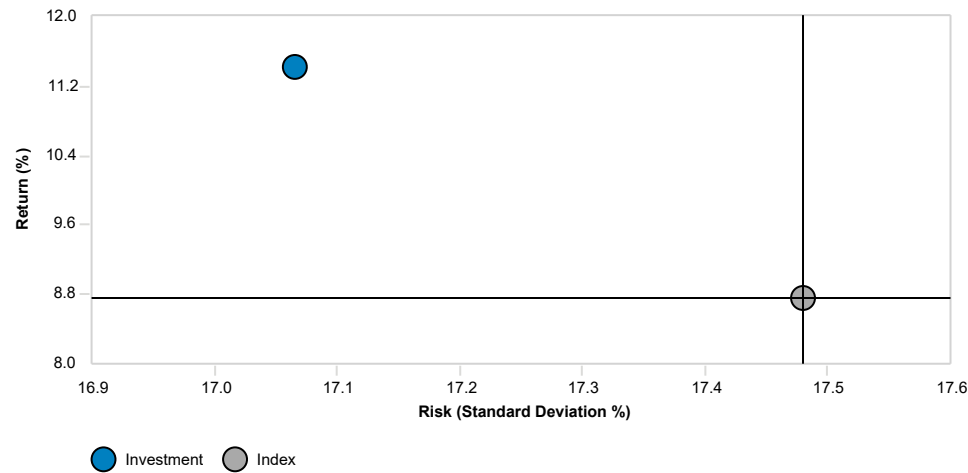
### Historical Statistics 3 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 11.43  | 17.07              | 0.64         | 103.21            | 9           | 92.30               | 3             |
| Index      | 8.77   | 17.48              | 0.49         | 100.00            | 9           | 100.00              | 3             |

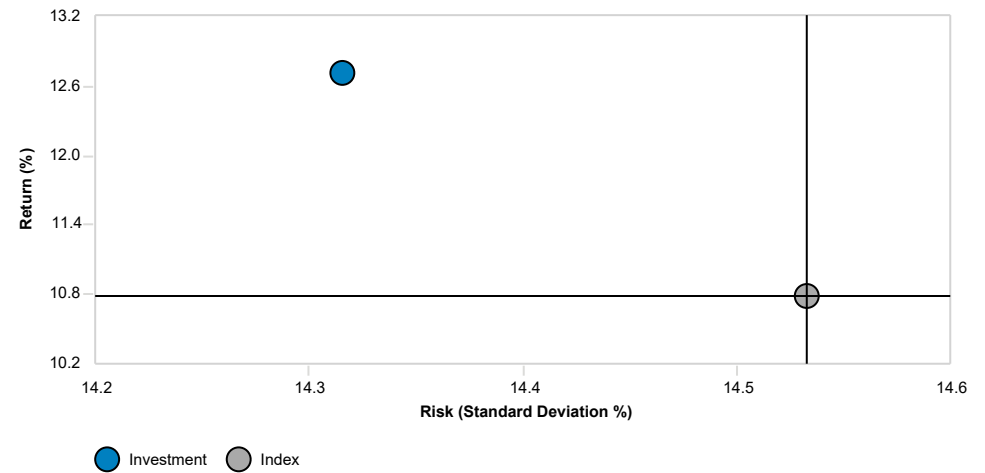
### Historical Statistics 5 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 12.71  | 14.32              | 0.83         | 102.81            | 15          | 92.92               | 5             |
| Index      | 10.79  | 14.53              | 0.70         | 100.00            | 14          | 100.00              | 6             |

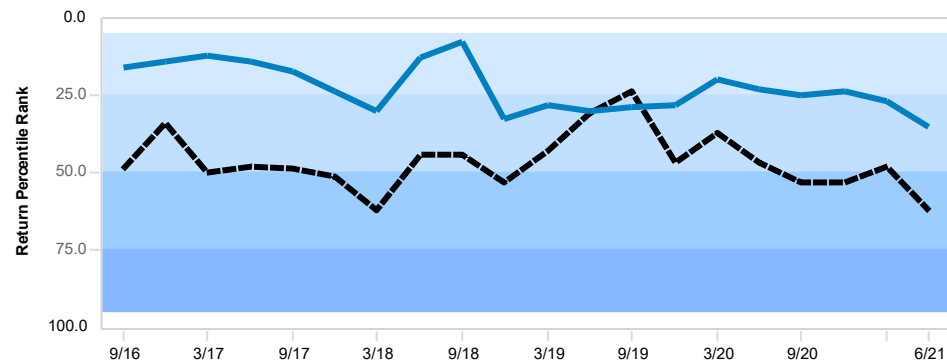
### Risk and Return 3 Years



### Risk and Return 5 Years

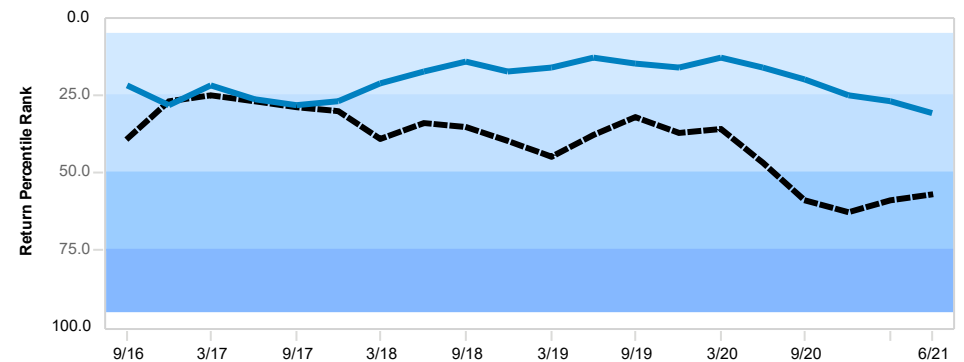


### 3 Year Rolling Percentile Rank IM International Equity (MF)



|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 12 (60%)   | 8 (40%)         | 0 (0%)          | 0 (0%)      |
| Index      | 20           | 1 (5%)     | 13 (65%)        | 6 (30%)         | 0 (0%)      |

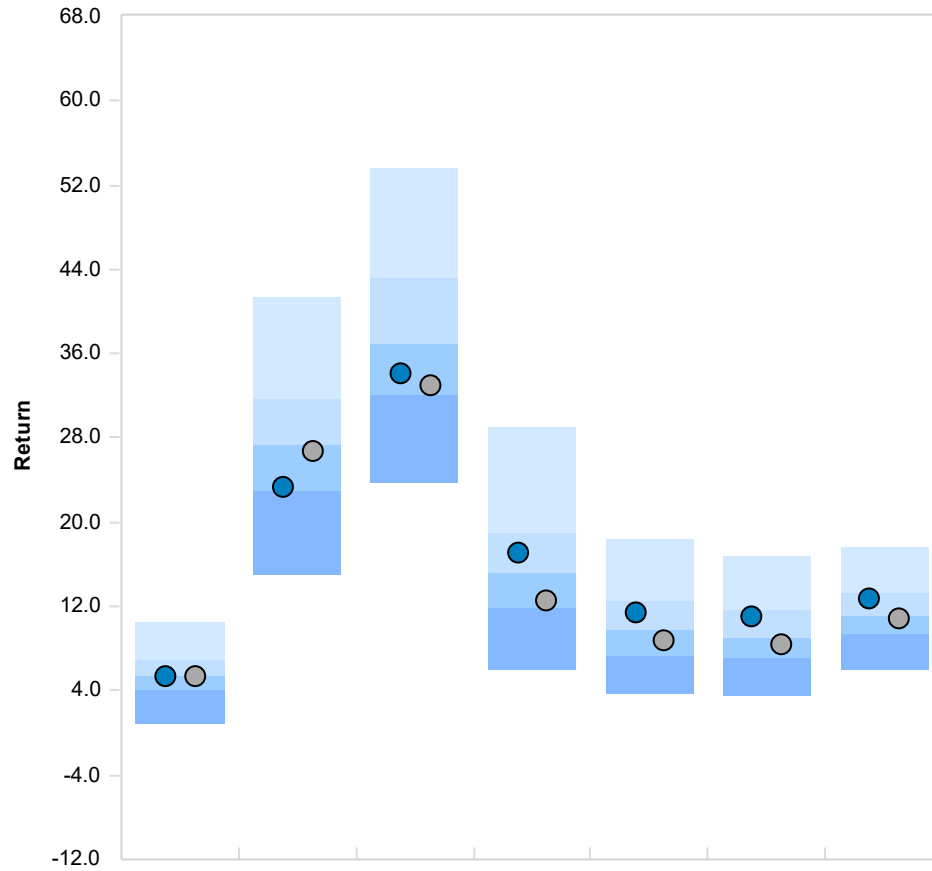
### 5 Year Rolling Percentile Rank IM International Equity (MF)



|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 20           | 14 (70%)   | 6 (30%)         | 0 (0%)          | 0 (0%)      |
| Index      | 20           | 1 (5%)     | 15 (75%)        | 4 (20%)         | 0 (0%)      |



Peer Group Analysis - IM International Equity (MF)

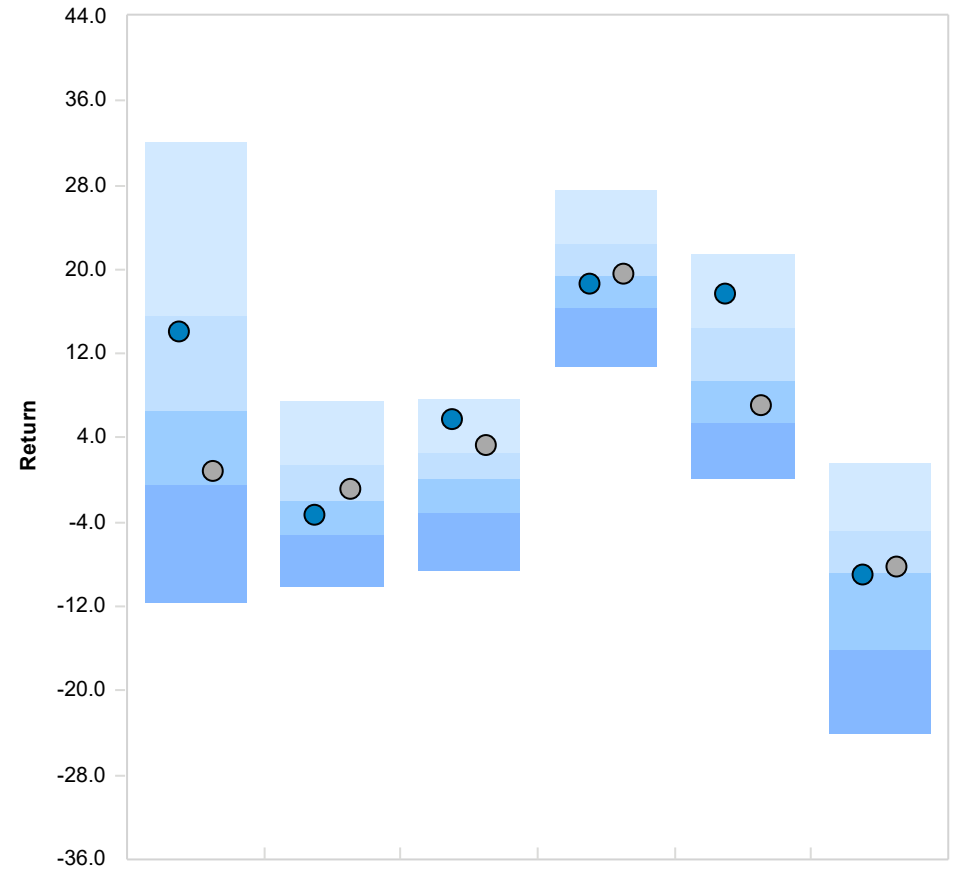


|            | QTR       | FYTD       | 1 YR       | 2 YR       | 3 YR       | 4 YR       | 5 YR       |
|------------|-----------|------------|------------|------------|------------|------------|------------|
| Investment | 5.41 (48) | 23.44 (73) | 34.10 (66) | 17.22 (37) | 11.43 (35) | 11.15 (29) | 12.71 (31) |
| Index      | 5.38 (48) | 26.74 (54) | 32.92 (72) | 12.53 (71) | 8.77 (62)  | 8.42 (59)  | 10.79 (57) |
| Median     | 5.32      | 27.26      | 36.99      | 15.30      | 9.82       | 9.07       | 11.16      |

Comparative Performance

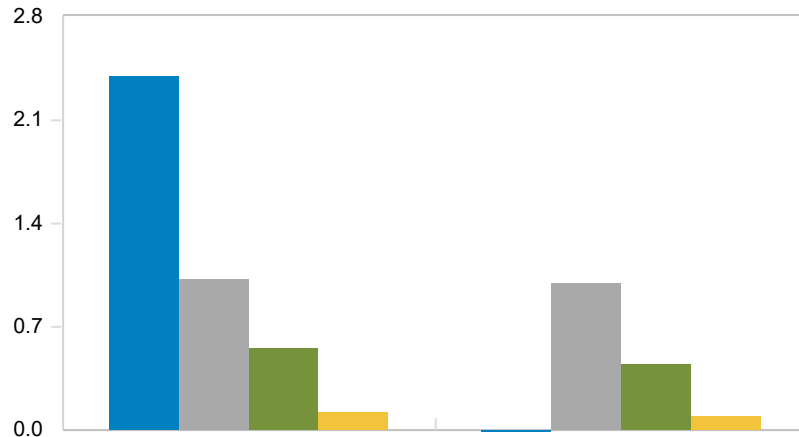
|            | 1 Qtr<br>Ending<br>Mar-2021 | 1 Qtr<br>Ending<br>Dec-2020 | 1 Qtr<br>Ending<br>Sep-2020 | 1 Qtr<br>Ending<br>Jun-2020 | 1 Qtr<br>Ending<br>Mar-2020 | 1 Qtr<br>Ending<br>Dec-2019 |
|------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Investment | 0.84 (75)                   | 16.13 (57)                  | 8.63 (43)                   | 18.29 (53)                  | -19.37 (18)                 | 10.07 (42)                  |
| Index      | 3.60 (44)                   | 16.09 (58)                  | 4.88 (76)                   | 15.08 (83)                  | -22.72 (41)                 | 8.21 (75)                   |
| Median     | 3.18                        | 16.90                       | 7.87                        | 18.59                       | -23.70                      | 9.59                        |

Peer Group Analysis - IM International Equity (MF)



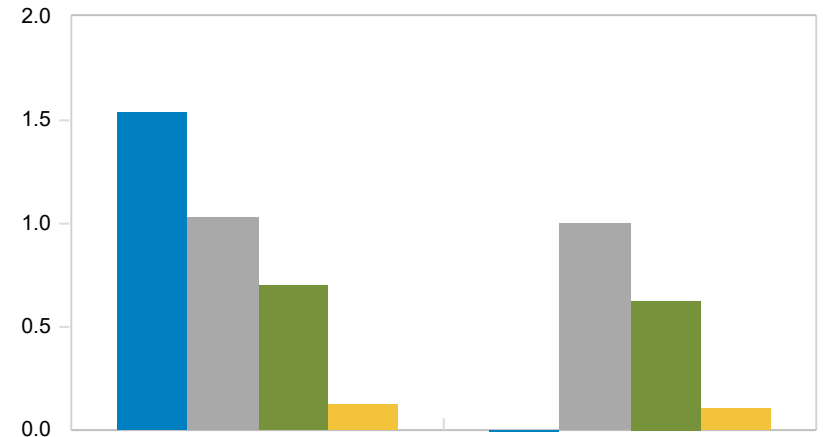
|            | Oct-2019<br>To<br>Sep-2020 | Oct-2018<br>To<br>Sep-2019 | Oct-2017<br>To<br>Sep-2018 | Oct-2016<br>To<br>Sep-2017 | Oct-2015<br>To<br>Sep-2016 | Oct-2014<br>To<br>Sep-2015 |
|------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Investment | 14.04 (29)                 | -3.34 (62)                 | 5.85 (10)                  | 18.66 (57)                 | 17.62 (13)                 | -9.03 (52)                 |
| Index      | 0.93 (69)                  | -0.82 (41)                 | 3.25 (21)                  | 19.65 (48)                 | 7.06 (65)                  | -8.27 (47)                 |
| Median     | 6.64                       | -1.93                      | 0.08                       | 19.37                      | 9.32                       | -8.75                      |

Risk / Reward Historical Statistics 3 Years Ending June 30, 2021



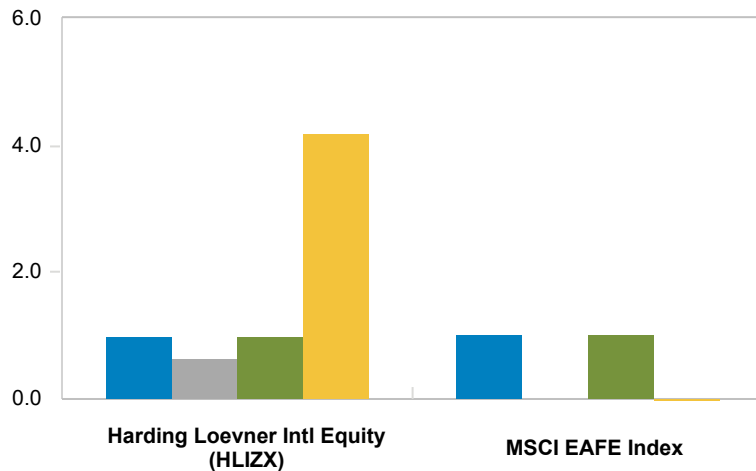
|               |      |      |
|---------------|------|------|
| Alpha         | 2.39 | 0.00 |
| Beta          | 1.02 | 1.00 |
| Sharpe Ratio  | 0.55 | 0.45 |
| Treynor Ratio | 0.12 | 0.10 |

Risk / Reward Historical Statistics 5 Years Ending June 30, 2021



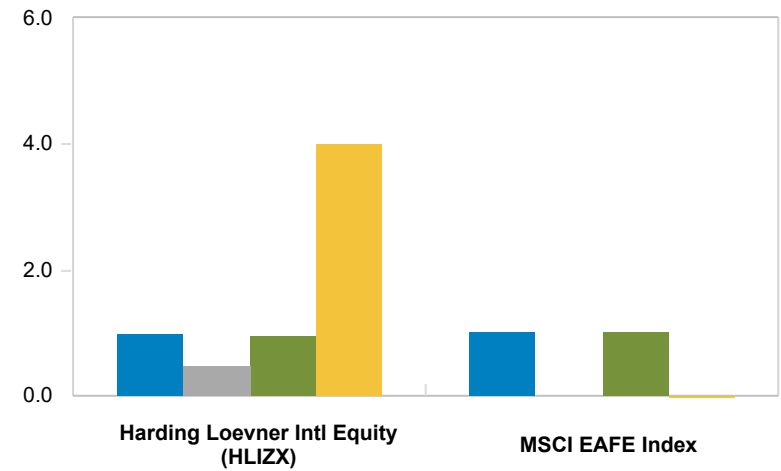
|               |      |      |
|---------------|------|------|
| Alpha         | 1.54 | 0.00 |
| Beta          | 1.03 | 1.00 |
| Sharpe Ratio  | 0.70 | 0.63 |
| Treynor Ratio | 0.12 | 0.11 |

Index Relative Historical Statistics 3 Years Ending June 30, 2021



|                    |      |      |
|--------------------|------|------|
| Actual Correlation | 0.98 | 1.00 |
| Information Ratio  | 0.62 | N/A  |
| R-Squared          | 0.96 | 1.00 |
| Tracking Error     | 4.19 | 0.00 |

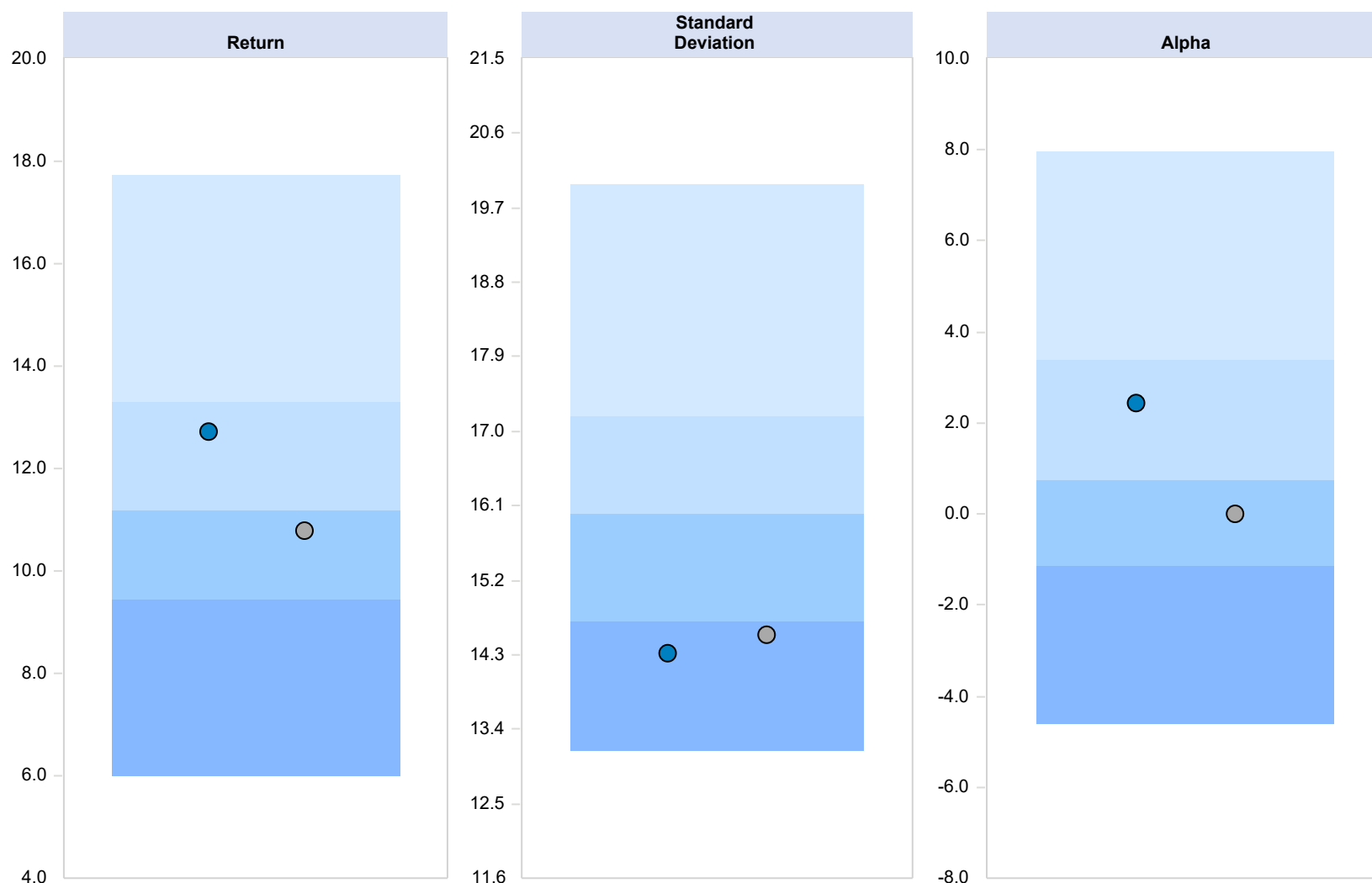
Index Relative Historical Statistics 5 Years Ending June 30, 2021



|                    |      |      |
|--------------------|------|------|
| Actual Correlation | 0.97 | 1.00 |
| Information Ratio  | 0.47 | N/A  |
| R-Squared          | 0.95 | 1.00 |
| Tracking Error     | 4.02 | 0.00 |

Benchmark: MSCI EAFE Index





|                                       | 5 YR       | 5 YR       | 5 YR      |
|---------------------------------------|------------|------------|-----------|
| ● Harding Loevner Intl Equity (HLIZX) | 12.71 (31) | 14.32 (85) | 2.45 (34) |
| ● MSCI EAFE Index                     | 10.79 (57) | 14.53 (80) | 0.00 (60) |
| 5th Percentile                        | 17.73      | 19.99      | 7.98      |
| 1st Quartile                          | 13.33      | 17.18      | 3.39      |
| Median                                | 11.16      | 16.01      | 0.74      |
| 3rd Quartile                          | 9.44       | 14.70      | -1.15     |
| 95th Percentile                       | 6.01       | 13.15      | -4.61     |

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.



### Historical Statistics 3 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | N/A    | N/A                | N/A          | N/A               | N/A         | N/A                 | N/A           |
| Index      | 11.99  | 18.16              | 0.64         | 100.00            | 8           | 100.00              | 4             |

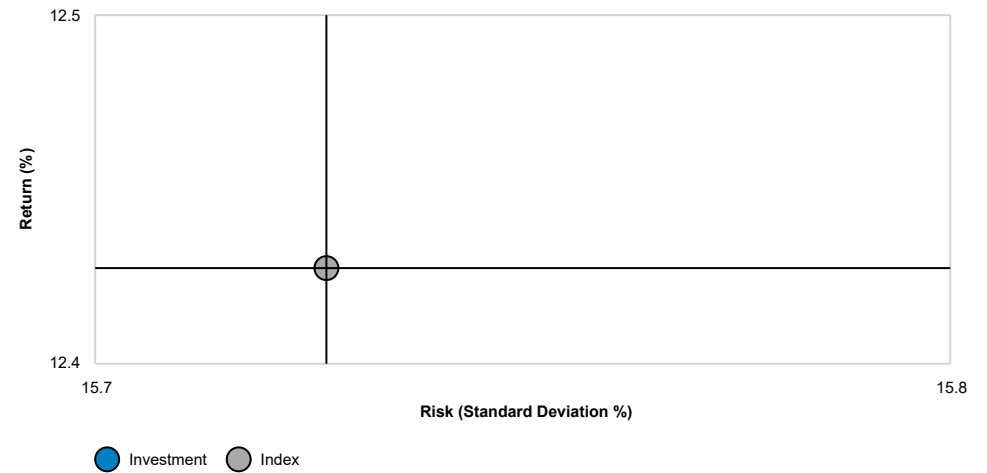
### Historical Statistics 5 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | N/A    | N/A                | N/A          | N/A               | N/A         | N/A                 | N/A           |
| Index      | 12.43  | 15.73              | 0.75         | 100.00            | 14          | 100.00              | 6             |

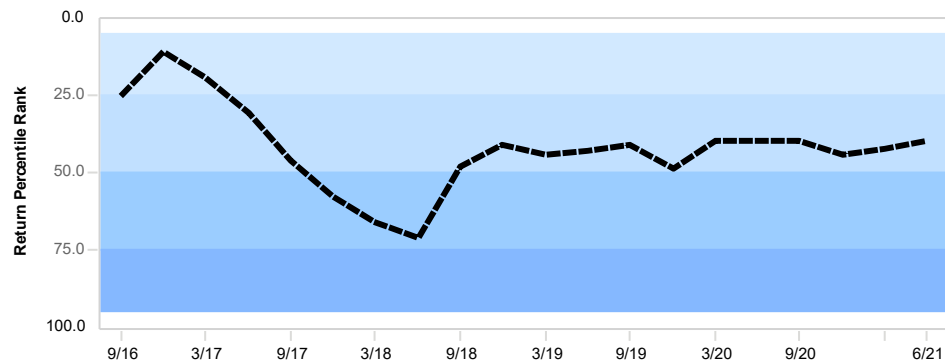
### Risk and Return 3 Years



### Risk and Return 5 Years

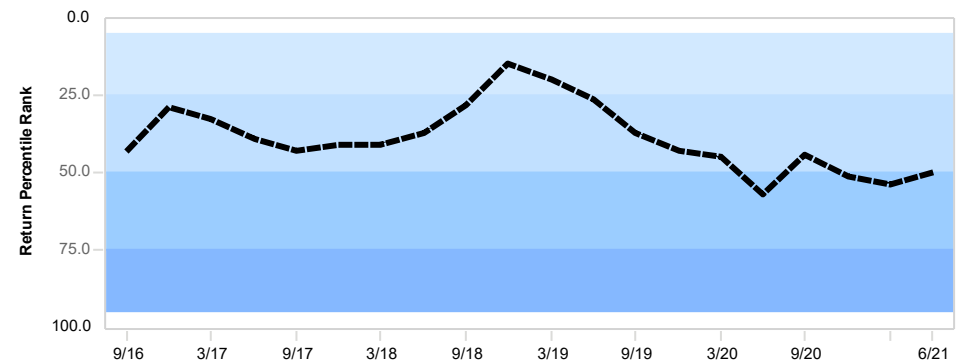


### 3 Year Rolling Percentile Rank IM Emerging Markets Equity (MF)



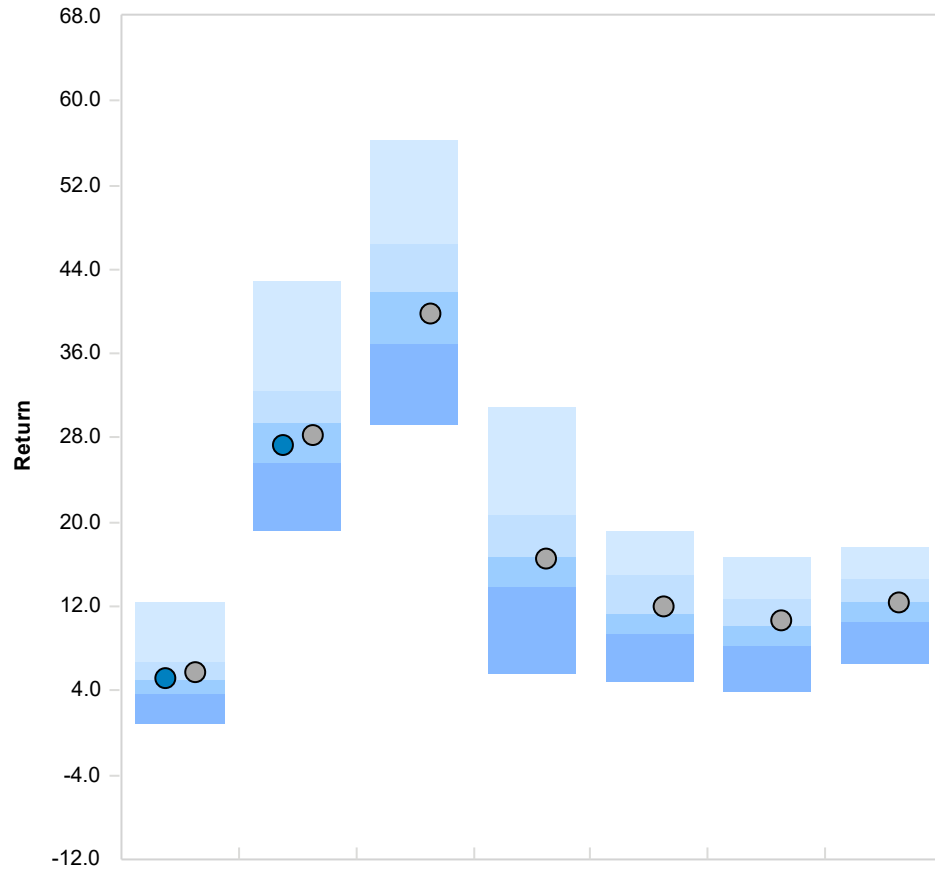
|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 0            | 0          | 0               | 0               | 0           |
| Index      | 20           | 3 (15%)    | 14 (70%)        | 3 (15%)         | 0 (0%)      |

### 5 Year Rolling Percentile Rank IM Emerging Markets Equity (MF)

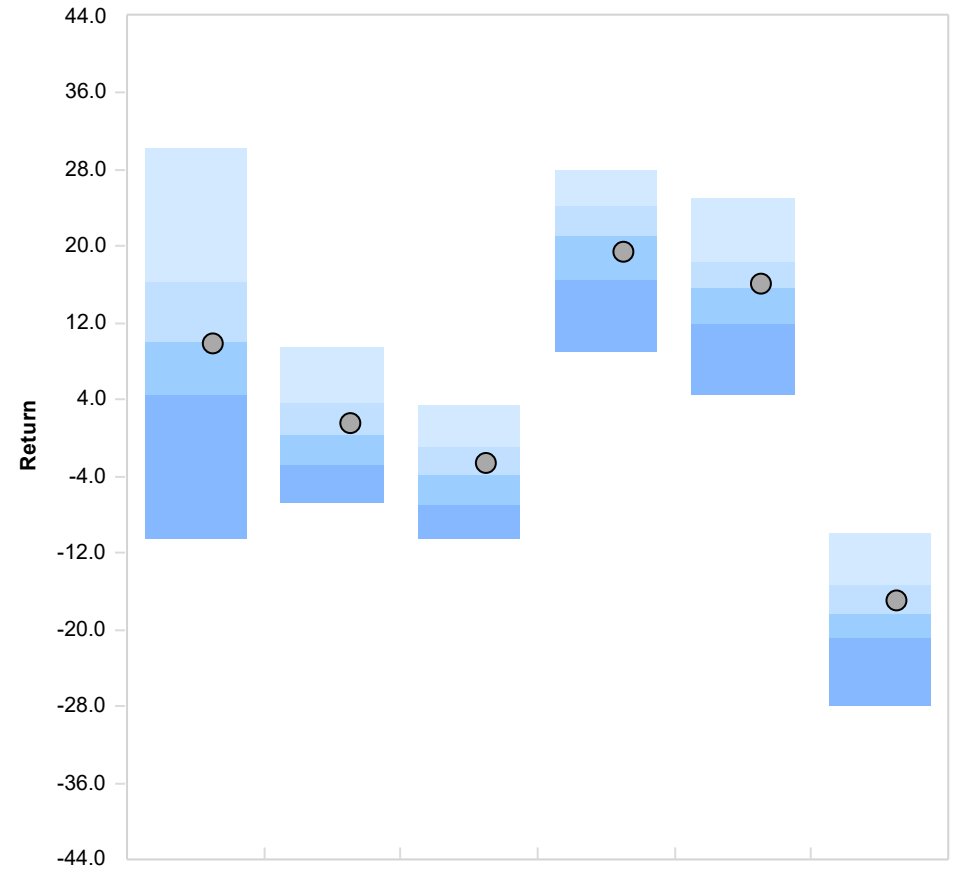


|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 0            | 0          | 0               | 0               | 0           |
| Index      | 20           | 2 (10%)    | 15 (75%)        | 3 (15%)         | 0 (0%)      |

**Peer Group Analysis - IM Emerging Markets Equity (MF)**



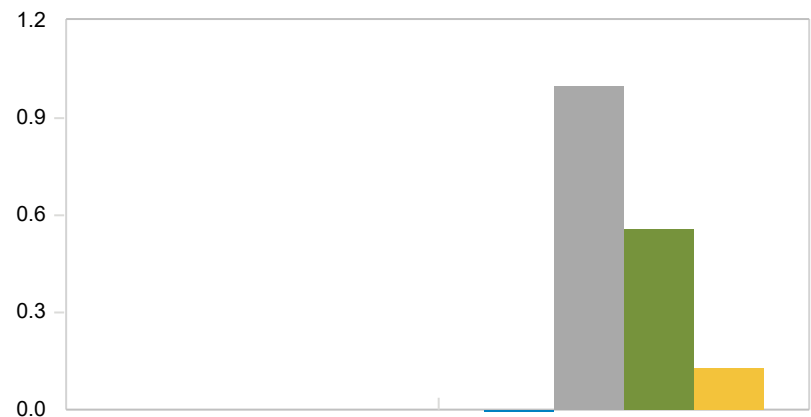
**Peer Group Analysis - IM Emerging Markets Equity (MF)**



**Comparative Performance**

|            | 1 Qtr Ending Mar-2021 | 1 Qtr Ending Dec-2020 | 1 Qtr Ending Sep-2020 | 1 Qtr Ending Jun-2020 | 1 Qtr Ending Mar-2020 | 1 Qtr Ending Dec-2019 |
|------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Investment | 3.57 (37)             | 16.87 (79)            | N/A                   | N/A                   | N/A                   | N/A                   |
| Index      | 3.14 (46)             | 17.53 (71)            | 9.11 (55)             | 19.11 (64)            | -24.16 (45)           | 11.43 (41)            |
| Median     | 2.86                  | 19.11                 | 9.39                  | 20.23                 | -24.85                | 11.02                 |

Risk / Reward Historical Statistics 3 Years Ending June 30, 2021



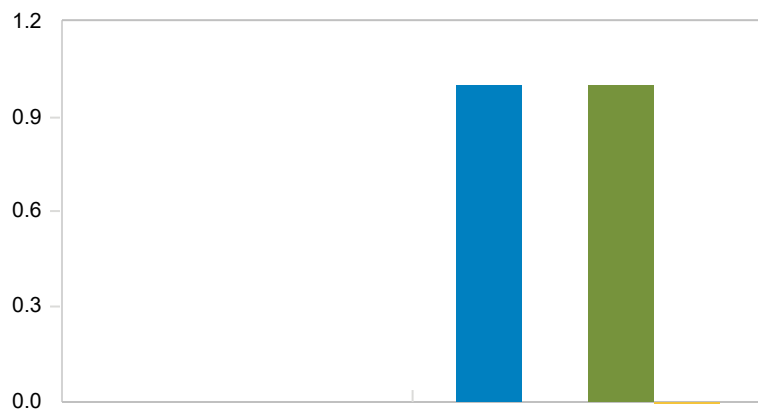
|               | Vanguard EM Index (VEMIX) | FTSE Emerging Mkts All Cap China A Inclusion Index |
|---------------|---------------------------|--|
| Alpha         | N/A                       | 0.00   |
| Beta          | N/A                       | 1.00   |
| Sharpe Ratio  | N/A                       | 0.56   |
| Treynor Ratio | N/A                       | 0.13   |

Risk / Reward Historical Statistics 5 Years Ending June 30, 2021



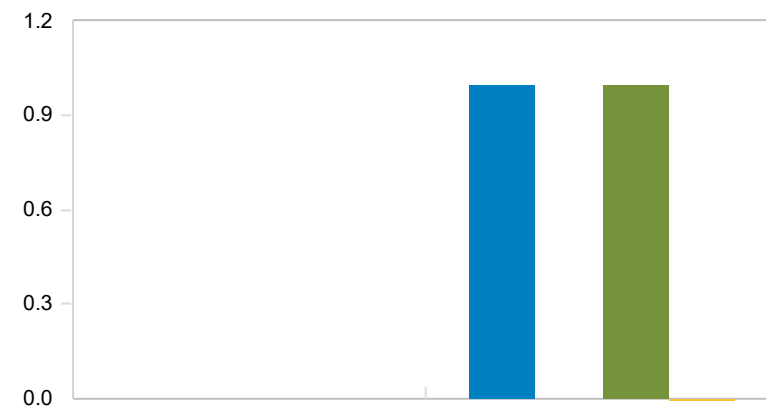
|               | Vanguard EM Index (VEMIX) | FTSE Emerging Mkts All Cap China A Inclusion Index |
|---------------|---------------------------|--|
| Alpha         | N/A                       | 0.00   |
| Beta          | N/A                       | 1.00   |
| Sharpe Ratio  | N/A                       | 0.65   |
| Treynor Ratio | N/A                       | 0.13   |

Index Relative Historical Statistics 3 Years Ending June 30, 2021



|                    | Vanguard EM Index (VEMIX) | FTSE Emerging Mkts All Cap China A Inclusion Index |
|--------------------|---------------------------|--|
| Actual Correlation | N/A                       | 1.00   |
| Information Ratio  | N/A                       | N/A  |
| R-Squared          | N/A                       | 1.00   |
| Tracking Error     | N/A                       | 0.00   |

Index Relative Historical Statistics 5 Years Ending June 30, 2021

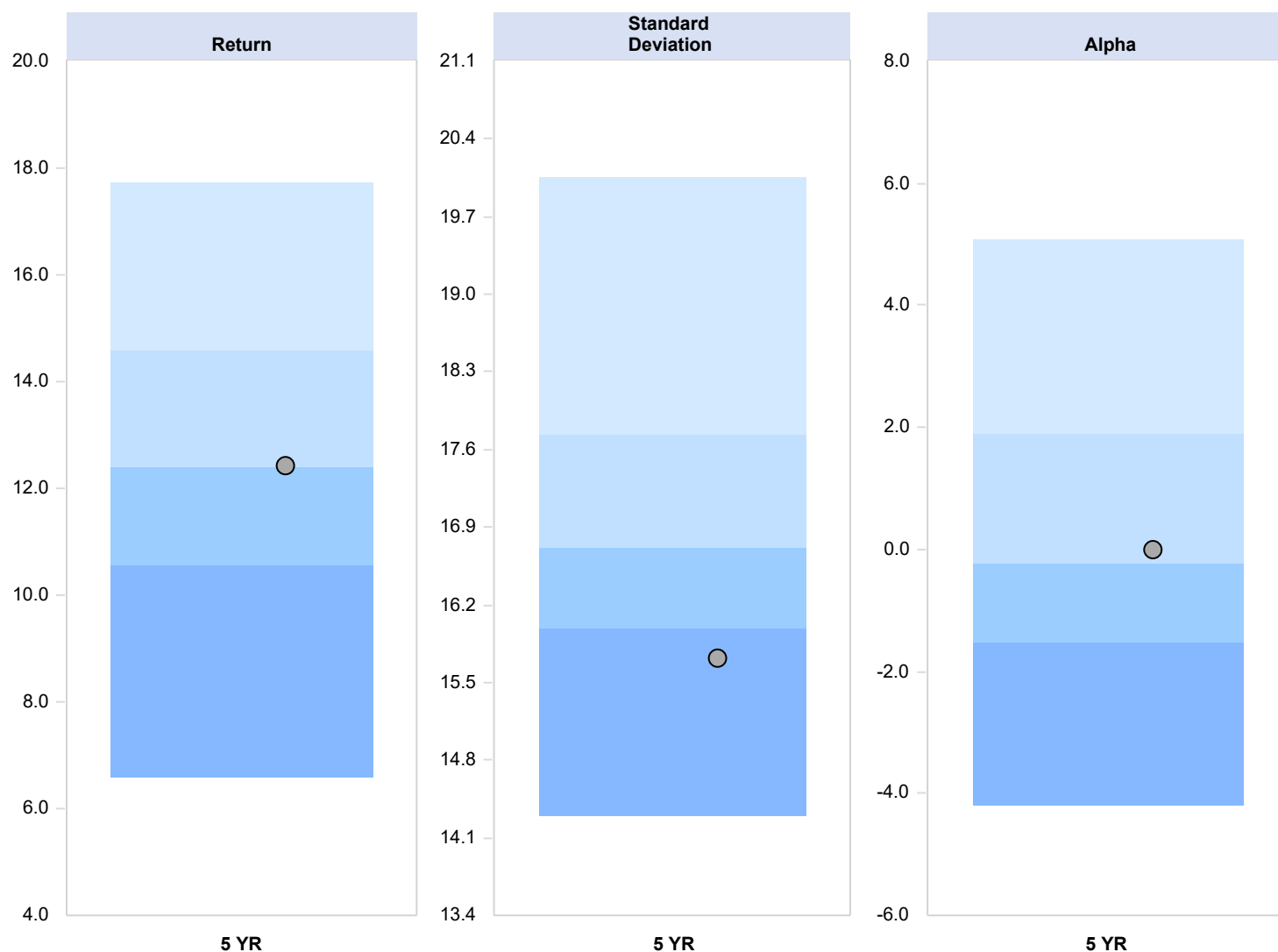


|                    | Vanguard EM Index (VEMIX) | FTSE Emerging Mkts All Cap China A Inclusion Index |
|--------------------|---------------------------|--|
| Actual Correlation | N/A                       | 1.00   |
| Information Ratio  | N/A                       | N/A  |
| R-Squared          | N/A                       | 1.00   |
| Tracking Error     | N/A                       | 0.00   |

Benchmark: FTSE Emerging Mkts All Cap China A Inclusion Index



As of June 30, 2021



● Vanguard EM Index (VEMIX)  
● FTSE Emerging Mkts All Cap China A Inclusion Index

N/A  
12.43 (50)

N/A  
15.73 (82)

N/A  
0.00 (47)

5th Percentile  
1st Quartile  
Median  
3rd Quartile  
95th Percentile

17.74  
14.58  
12.40  
10.54  
6.59

20.05  
17.74  
16.71  
15.99  
14.30

5.08  
1.89  
-0.22  
-1.53  
-4.20

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.



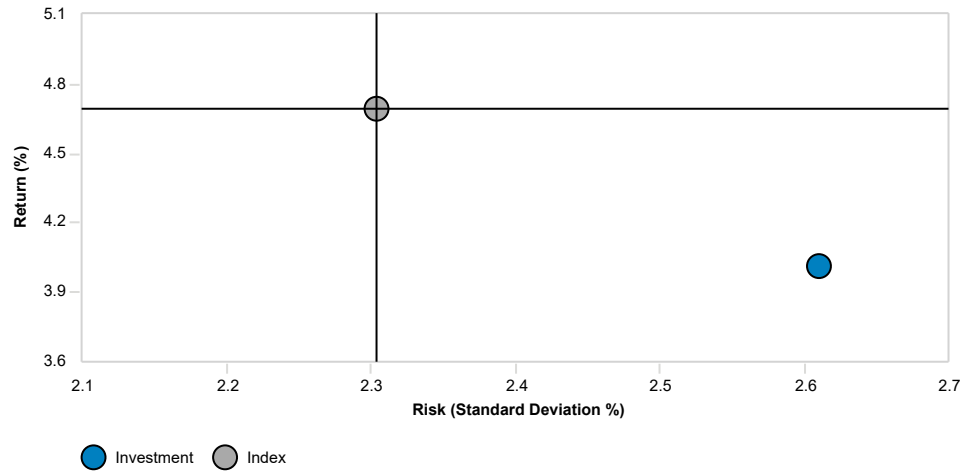
### Historical Statistics 3 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | 4.01   | 2.61               | 1.01         | 93.64             | 11          | 122.31              | 1             |
| Index      | 4.70   | 2.30               | 1.47         | 100.00            | 11          | 100.00              | 1             |

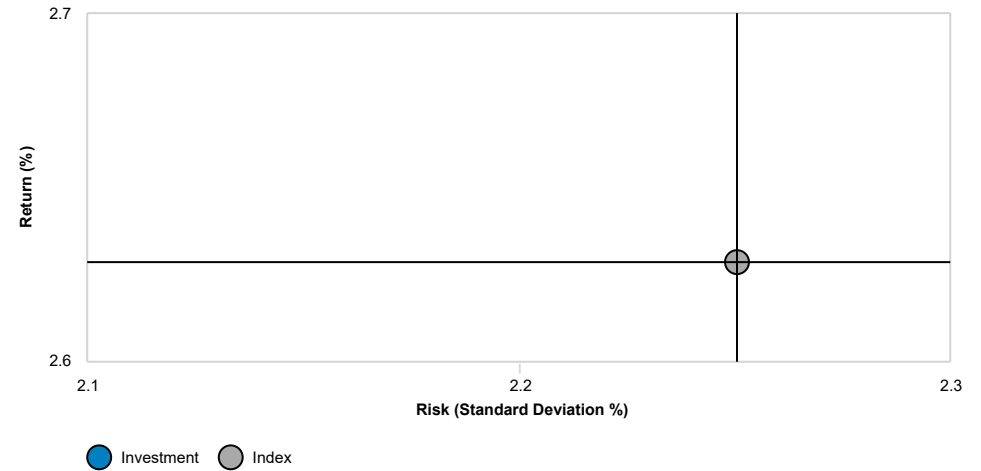
### Historical Statistics 5 Years

|            | Return | Standard Deviation | Sharpe Ratio | Up Market Capture | Up Quarters | Down Market Capture | Down Quarters |
|------------|--------|--------------------|--------------|-------------------|-------------|---------------------|---------------|
| Investment | N/A    | N/A                | N/A          | N/A               | N/A         | N/A                 | N/A           |
| Index      | 2.63   | 2.25               | 0.67         | 100.00            | 16          | 100.00              | 4             |

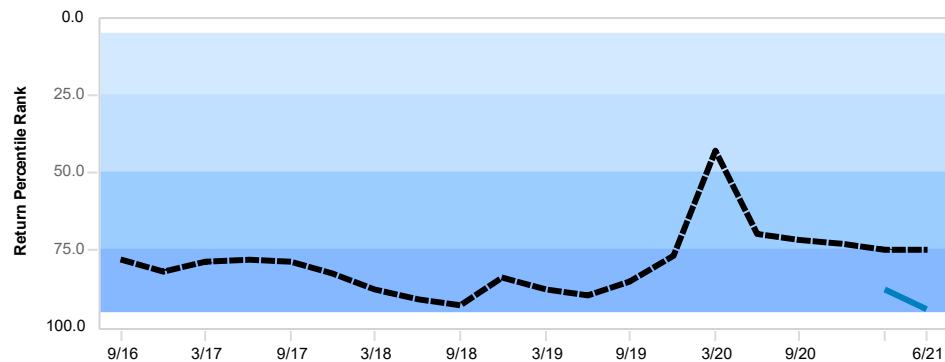
### Risk and Return 3 Years



### Risk and Return 5 Years

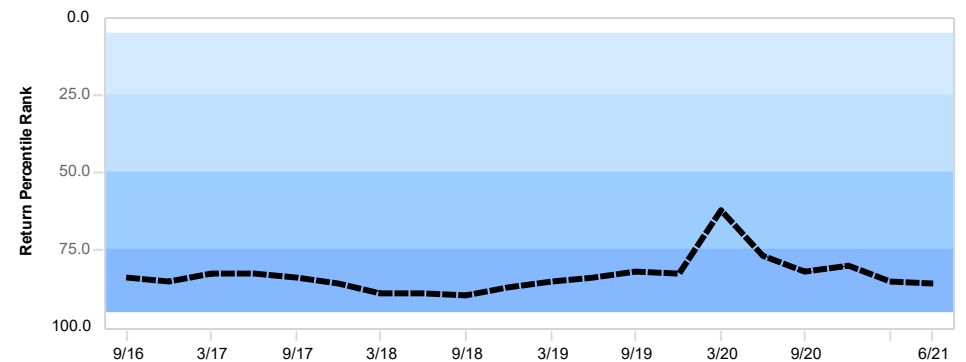


### 3 Year Rolling Percentile Rank IM U.S. Intermediate Duration (SA+CF)



|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 2            | 0 (0%)     | 0 (0%)          | 0 (0%)          | 2 (100%)    |
| Index      | 20           | 0 (0%)     | 1 (5%)          | 5 (25%)         | 14 (70%)    |

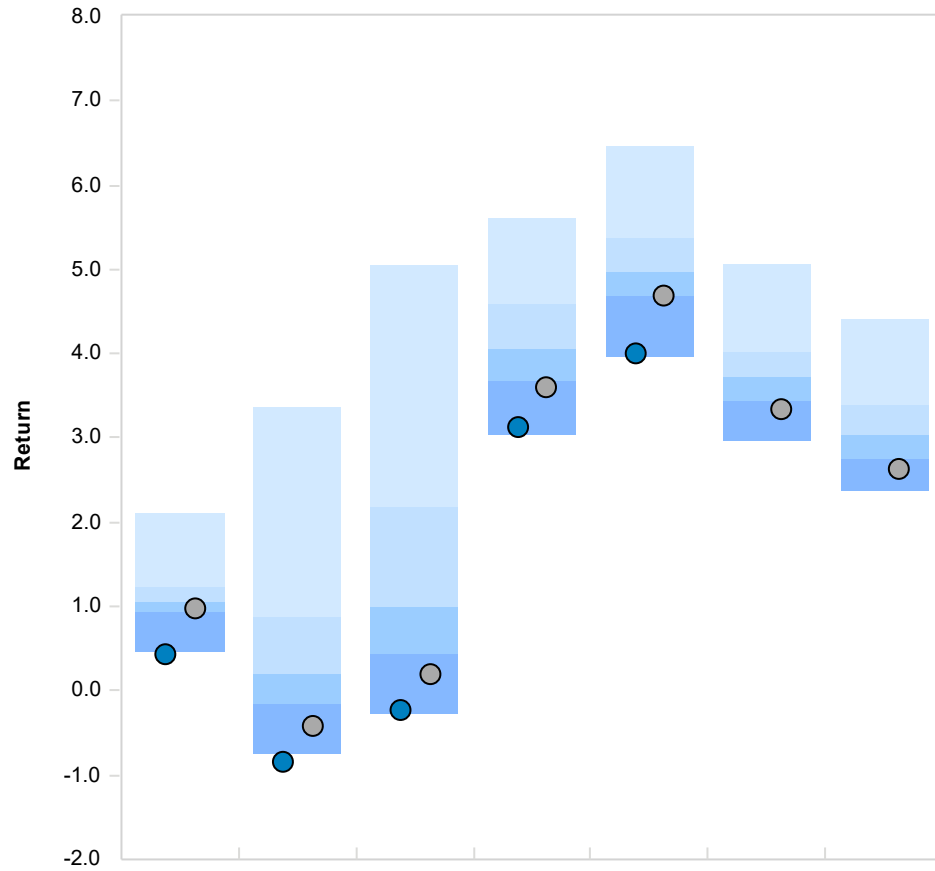
### 5 Year Rolling Percentile Rank IM U.S. Intermediate Duration (SA+CF)



|            | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|------------|--------------|------------|-----------------|-----------------|-------------|
| Investment | 0            | 0          | 0               | 0               | 0           |
| Index      | 20           | 0 (0%)     | 0 (0%)          | 1 (5%)          | 19 (95%)    |



**Peer Group Analysis - IM U.S. Intermediate Duration (SA+CF)**

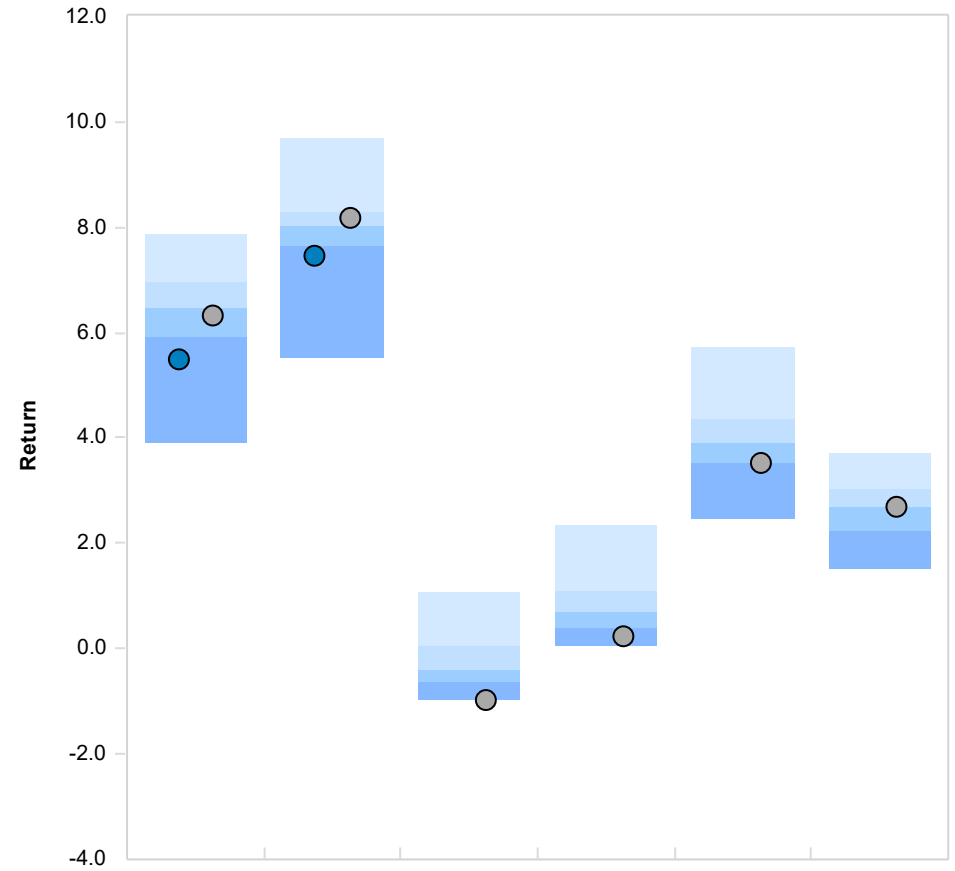


|            | QTR       | FYTD       | 1 YR       | 2 YR      | 3 YR      | 4 YR      | 5 YR      |
|------------|-----------|------------|------------|-----------|-----------|-----------|-----------|
| Investment | 0.43 (96) | -0.84 (97) | -0.23 (95) | 3.14 (93) | 4.01 (94) | N/A       | N/A       |
| Index      | 0.98 (72) | -0.42 (88) | 0.19 (87)  | 3.60 (80) | 4.70 (75) | 3.35 (83) | 2.63 (86) |
| Median     | 1.06      | 0.19       | 1.01       | 4.05      | 4.97      | 3.72      | 3.03      |

**Comparative Performance**

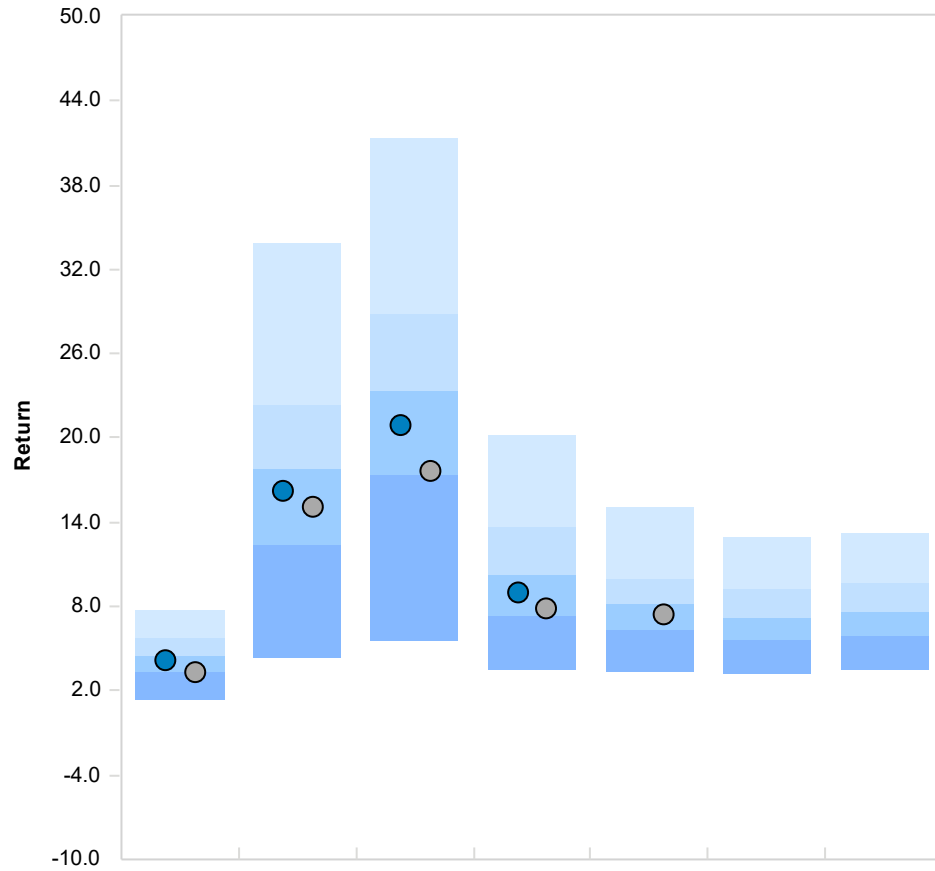
|            | 1 Qtr<br>Ending<br>Mar-2021 | 1 Qtr<br>Ending<br>Dec-2020 | 1 Qtr<br>Ending<br>Sep-2020 | 1 Qtr<br>Ending<br>Jun-2020 | 1 Qtr<br>Ending<br>Mar-2020 | 1 Qtr<br>Ending<br>Dec-2019 |
|------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Investment | -1.86 (78)                  | 0.61 (62)                   | 0.61 (78)                   | 4.32 (30)                   | 0.18 (75)                   | 0.33 (80)                   |
| Index      | -1.86 (76)                  | 0.48 (79)                   | 0.61 (77)                   | 2.81 (82)                   | 2.40 (22)                   | 0.37 (71)                   |
| Median     | -1.60                       | 0.70                        | 0.86                        | 3.73                        | 1.29                        | 0.44                        |

**Peer Group Analysis - IM U.S. Intermediate Duration (SA+CF)**

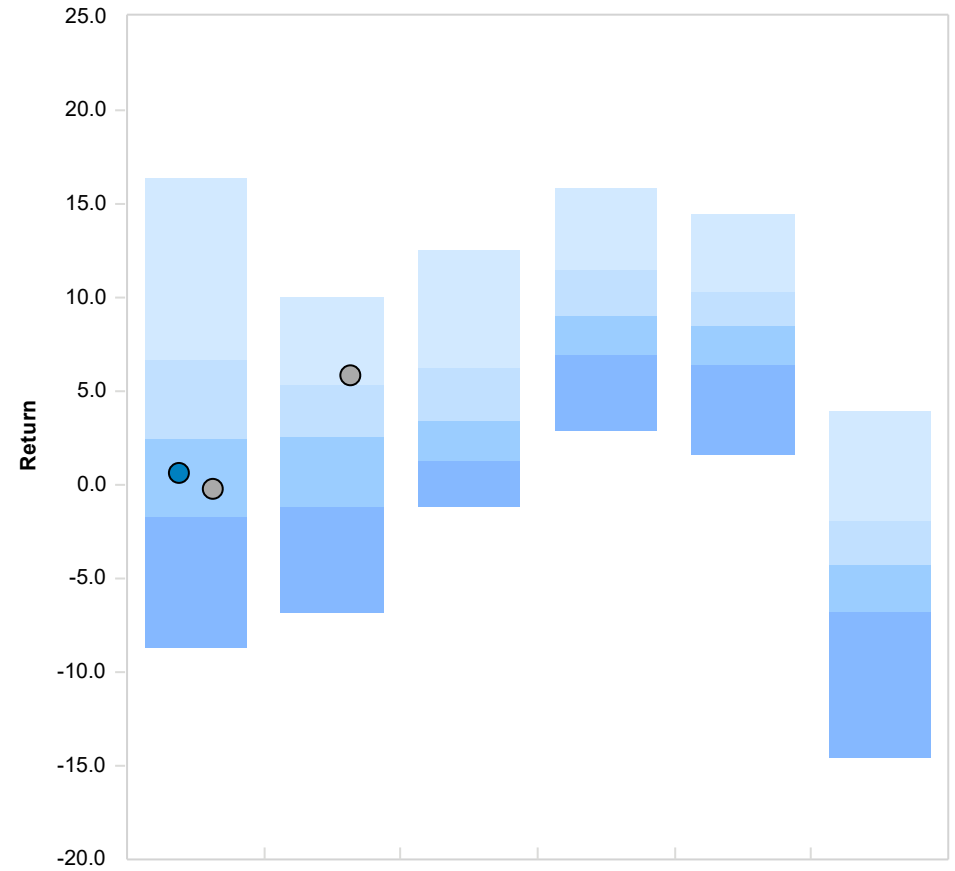


|            | Oct-2019<br>To<br>Sep-2020 | Oct-2018<br>To<br>Sep-2019 | Oct-2017<br>To<br>Sep-2018 | Oct-2016<br>To<br>Sep-2017 | Oct-2015<br>To<br>Sep-2016 | Oct-2014<br>To<br>Sep-2015 |
|------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Investment | 5.50 (86)                  | 7.48 (79)                  | N/A                        | N/A                        | N/A                        | N/A                        |
| Index      | 6.32 (61)                  | 8.17 (39)                  | -0.96 (95)                 | 0.23 (87)                  | 3.52 (76)                  | 2.68 (52)                  |
| Median     | 6.47                       | 8.01                       | -0.39                      | 0.69                       | 3.90                       | 2.70                       |

**Peer Group Analysis - IM Flexible Portfolio (MF)**



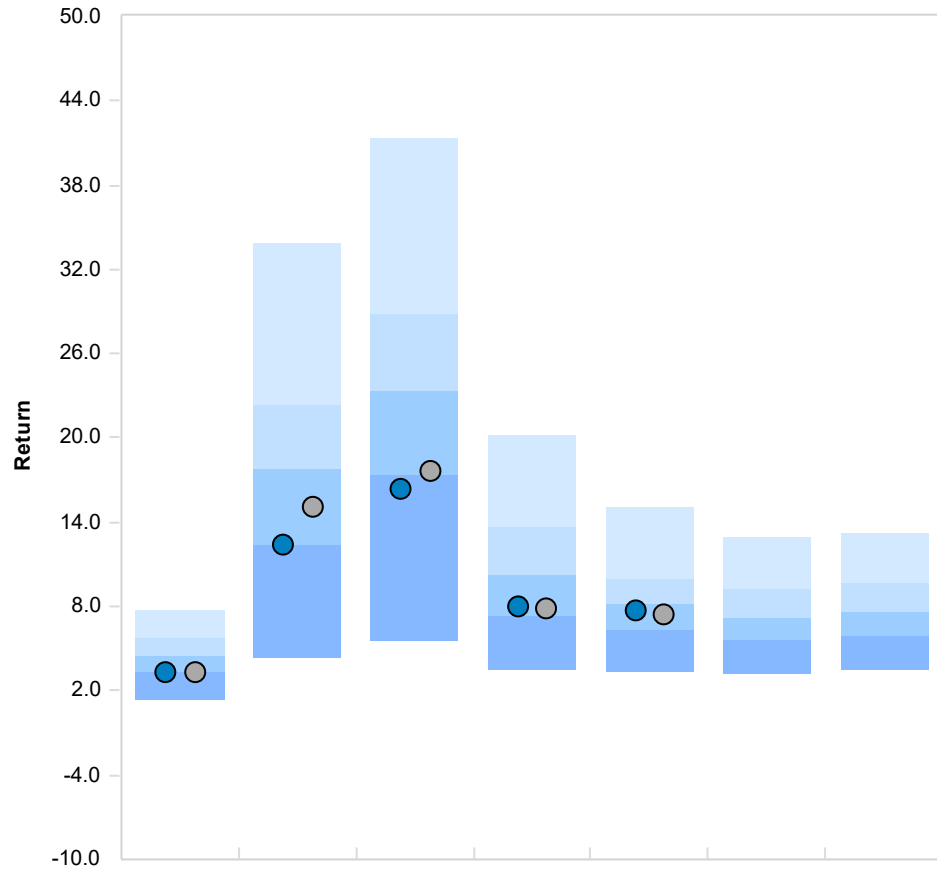
**Peer Group Analysis - IM Flexible Portfolio (MF)**



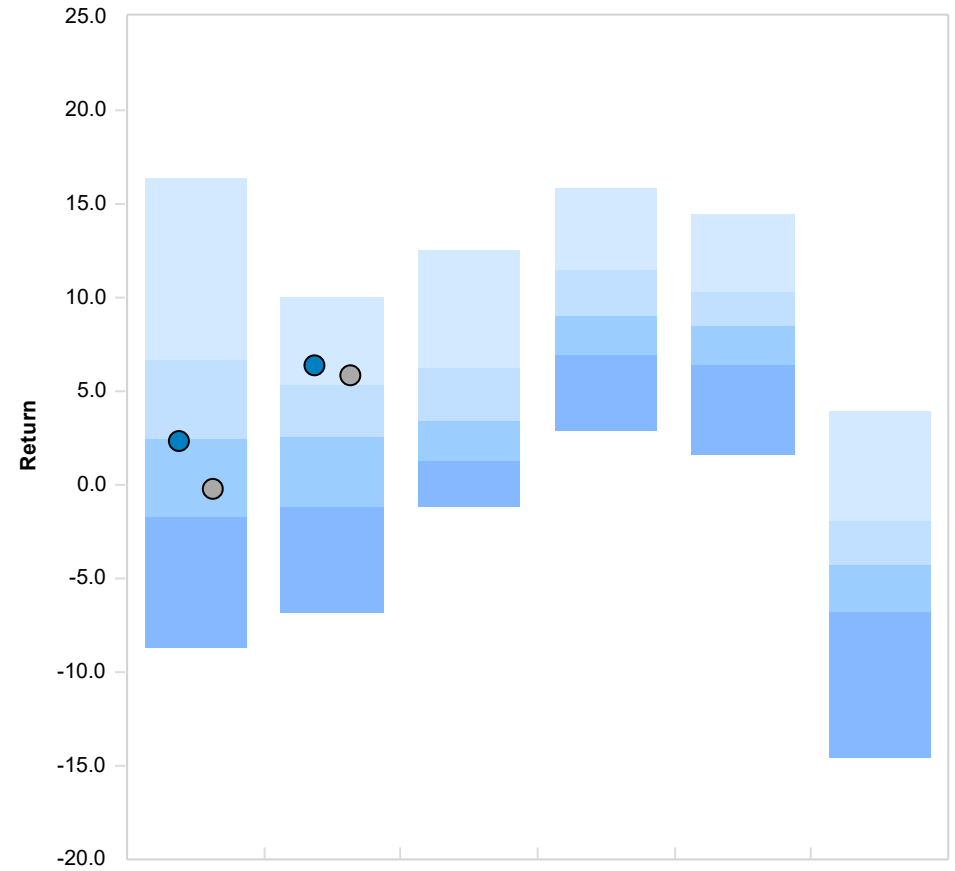
**Comparative Performance**

|            | 1 Qtr Ending Mar-2021 | 1 Qtr Ending Dec-2020 | 1 Qtr Ending Sep-2020 | 1 Qtr Ending Jun-2020 | 1 Qtr Ending Mar-2020 | 1 Qtr Ending Dec-2019 |
|------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Investment | 2.61 (50)             | 8.72 (56)             | 4.06 (60)             | 10.04 (64)            | -14.60 (45)           | 2.96 (69)             |
| Index      | 3.00 (45)             | 8.19 (62)             | 2.28 (88)             | 7.70 (79)             | -12.68 (31)           | 3.71 (57)             |
| Median     | 2.58                  | 9.22                  | 4.57                  | 11.21                 | -15.28                | 4.09                  |

**Peer Group Analysis - IM Flexible Portfolio (MF)**



**Peer Group Analysis - IM Flexible Portfolio (MF)**



**Comparative Performance**

|            | 1 Qtr Ending Mar-2021 | 1 Qtr Ending Dec-2020 | 1 Qtr Ending Sep-2020 | 1 Qtr Ending Jun-2020 | 1 Qtr Ending Mar-2020 | 1 Qtr Ending Dec-2019 |
|------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Investment | 2.12 (57)             | 6.54 (75)             | 3.47 (68)             | 9.45 (69)             | -11.71 (25)           | 2.39 (81)             |
| Index      | 3.00 (45)             | 8.19 (62)             | 2.28 (88)             | 7.70 (79)             | -12.68 (31)           | 3.71 (57)             |
| Median     | 2.58                  | 9.22                  | 4.57                  | 11.21                 | -15.28                | 4.09                  |

**Financial Reconciliation**  
**Total Fund**  
**1 Quarter Ending March 31, 2021**

| Financial Reconciliation Quarter to Date |                            |                   |                |                   |                    |                   |                |                     |                            |
|--|----------------------------|-------------------|----------------|-------------------|--------------------|-------------------|----------------|---------------------|----------------------------|
|  | Market Value<br>01/01/2021 | Net<br>Transfers  | Contributions  | Distributions     | Management<br>Fees | Other<br>Expenses | Income         | Apprec./<br>Deprec. | Market Value<br>03/31/2021 |
| <b>Total Equity</b>                      | <b>120,662,729</b>         | <b>-1,823,512</b> | <b>-</b>       | <b>-</b>          | <b>-36,567</b>     | <b>-6,763</b>     | <b>411,798</b> | <b>9,375,371</b>    | <b>128,583,056</b>         |
| <b>Total Domestic Equity</b>             | <b>103,770,797</b>         | <b>-1,823,512</b> | <b>-</b>       | <b>-</b>          | <b>-36,567</b>     | <b>-6,763</b>     | <b>400,760</b> | <b>9,019,572</b>    | <b>111,324,287</b>         |
| Boston LCV                               | 26,620,434                 | -                 | -              | -                 | -28,369            | -2,991            | 151,533        | 3,532,571           | 30,273,178                 |
| Rhumblin LCV                             | 16,972,913                 | 1,591             | -              | -                 | -1,591             | -957              | 96,454         | 1,810,615           | 18,879,025                 |
| Rhumblin LCG                             | 25,074,281                 | 3,084             | -              | -                 | -3,084             | -1,054            | 50,274         | 186,889             | 25,310,389                 |
| Polen Capital LCG                        | 7,575,201                  | -                 | -              | -                 | -1,242             | -852              | 8,612          | 127,630             | 7,709,349                  |
| Vanguard Total Stock Mkt (VTSAX)         | 2,736,581                  | -1,830,468        | -              | -                 | -                  | -                 | 5,306          | 117,899             | 1,029,318                  |
| Rhumblin MC                              | 24,791,387                 | 2,281             | -              | -                 | -2,281             | -908              | 88,581         | 3,243,968           | 28,123,028                 |
| <b>Total International Equity</b>        | <b>16,891,932</b>          | <b>-</b>          | <b>-</b>       | <b>-</b>          | <b>-</b>           | <b>-</b>          | <b>11,038</b>  | <b>355,799</b>      | <b>17,258,769</b>          |
| Vanguard EM Index (VEMIX)                | 8,096,889                  | -                 | -              | -                 | -                  | -                 | 11,038         | 278,378             | 8,386,305                  |
| Harding Loevner Intl Equity (HLIZX)      | 8,795,043                  | -                 | -              | -                 | -                  | -                 | -              | 77,421              | 8,872,464                  |
| <b>Total Fixed Income</b>                | <b>27,836,080</b>          | <b>-</b>          | <b>-</b>       | <b>-</b>          | <b>-26,975</b>     | <b>-3,121</b>     | <b>107,883</b> | <b>-626,514</b>     | <b>27,287,352</b>          |
| Garcia Hamilton Fixed Income             | 27,836,080                 | -                 | -              | -                 | -26,975            | -3,121            | 107,883        | -626,514            | 27,287,352                 |
| <b>Total Real Return Composite</b>       | <b>10,918,053</b>          | <b>-</b>          | <b>-</b>       | <b>-</b>          | <b>-</b>           | <b>-</b>          | <b>105,639</b> | <b>152,630</b>      | <b>11,176,321</b>          |
| JPMorgan Income Builder Fund (JNBZX)     | 5,469,591                  | -                 | -              | -                 | -                  | -                 | 49,041         | 93,638              | 5,612,270                  |
| Blackrock Multi-Asset Income (BKMIX)     | 5,448,462                  | -                 | -              | -                 | -                  | -                 | 56,597         | 58,991              | 5,564,051                  |
| <b>Cash Accounts</b>                     |                            |                   |                |                   |                    |                   |                |                     |                            |
| R&D Cash                                 | 718,102                    | 1,823,512         | 250,062        | -1,998,588        | -                  | -41,526           | 12             | -                   | 751,574                    |
| <b>Total Fund</b>                        | <b>160,134,963</b>         | <b>-</b>          | <b>250,062</b> | <b>-1,998,588</b> | <b>-63,542</b>     | <b>-51,410</b>    | <b>625,331</b> | <b>8,901,487</b>    | <b>167,798,303</b>         |



**Delray Beach General  
Fee Analysis  
As of June 30, 2021**

|   | Estimated<br>Annual Fee<br>(%) | Market Value<br>(\$) | Estimated<br>Annual Fee<br>(\$) | Fee Schedule                                |
|---|--------------------------------|----------------------|---------------------------------|---|
| Vanguard Total Stock Mkt (VTSAX)            | 0.04                           | 1,638,128            | 655                             | 0.04 % of Assets                            |
| Boston LCV                                  | 0.50                           | 31,847,289           | 159,236                         | 0.50 % of First \$50 M<br>0.40 % Thereafter |
| Rhumblin LCV                                | 0.04                           | 19,857,900           | 7,943                           | 0.04 % of Assets                            |
| Rhumblin LCG                                | 0.04                           | 24,394,035           | 9,758                           | 0.04 % of Assets                            |
| Polen Capital LCG                           | 0.60                           | 8,716,728            | 52,300                          | 0.60 % of Assets                            |
| Rhumblin MC                                 | 0.04                           | 29,143,734           | 11,657                          | 0.04 % of Assets                            |
| <b>Total Domestic Equity Composite</b>      | <b>0.21</b>                    | <b>115,597,813</b>   | <b>241,550</b>                  |   |
| Harding Loevner Intl Equity (HLIZX)         | 0.73                           | 9,352,475            | 68,273                          | 0.73 % of Assets                            |
| Vanguard EM Index (VEMIX)                   | 0.11                           | 8,818,772            | 9,701                           | 0.11 % of Assets                            |
| <b>Total International Equity Composite</b> | <b>0.43</b>                    | <b>18,171,246</b>    | <b>77,974</b>                   |   |
| <b>Total Equity Composite</b>               | <b>0.24</b>                    | <b>133,769,060</b>   | <b>319,524</b>                  |   |
| Garcia Hamilton Fixed Income                | 0.20                           | 27,389,138           | 54,778                          | 0.20 % of First \$50 M<br>0.18 % Thereafter |
| <b>Total Fixed Income Composite</b>         | <b>0.20</b>                    | <b>27,389,138</b>    | <b>54,778</b>                   |   |
| JPMorgan Income Builder Fund (JNBZX)        | 0.52                           | 6,844,483            | 35,591                          | 0.52 % of Assets                            |
| Blackrock Multi-Asset Income (BKMIX)        | 0.59                           | 6,753,030            | 39,843                          | 0.59 % of Assets                            |
| <b>Total Real Return Composite</b>          | <b>0.55</b>                    | <b>13,597,513</b>    | <b>75,434</b>                   |   |
| Total Fund                                  | 0.26                           | 175,554,752          | 449,737                         |   |



**Total Policy Historical Hybrid Composition**

| Allocation Mandate             | Weight (%) | Allocation Mandate                                 | Weight (%) |
|--------------------------------|------------|--|------------|
| <b>Oct-1990</b>                |            | <b>Jul-2003</b>                                    |            |
| Blmbg. Barc. U.S. Gov't/Credit | 50.00      | S&P 500 Index                                      | 50.00      |
| S&P 500 Index                  | 50.00      | Blmbg. Barc. U.S. Gov't/Credit                     | 50.00      |
| <b>Jul-1999</b>                |            | <b>Apr-2007</b>                                    |            |
| Blmbg. Barc. U.S. Gov't/Credit | 46.00      | Blmbg. Barc. U.S. Aggregate Index                  | 45.00      |
| S&P 500 Index                  | 49.00      | Russell 1000 Growth Index                          | 24.50      |
| FTSE 3 Month T-Bill            | 5.00       | S&P 500 Value                                      | 24.50      |
| <b>Oct-1999</b>                |            | S&P MidCap 400 Index                               | 6.00       |
| S&P 500 Index                  | 50.70      | <b>Jul-2009</b>                                    |            |
| Blmbg. Barc. U.S. Gov't/Credit | 44.35      | Blmbg. Barc. U.S. Aggregate Index                  | 45.00      |
| FTSE 3 Month T-Bill            | 4.95       | Russell 1000 Growth Index                          | 24.50      |
| <b>Jan-2000</b>                |            | Russell 1000 Value Index                           | 12.25      |
| S&P 500 Index                  | 49.93      | S&P 500 Value                                      | 12.25      |
| Blmbg. Barc. U.S. Gov't/Credit | 43.55      | S&P MidCap 400 Index                               | 6.00       |
| FTSE 3 Month T-Bill            | 6.52       | <b>Oct-2009</b>                                    |            |
| <b>Apr-2000</b>                |            | Blmbg. Barc. U.S. Aggregate Index                  | 45.00      |
| S&P 500 Index                  | 53.18      | Russell 1000 Value Index                           | 24.50      |
| Blmbg. Barc. U.S. Gov't/Credit | 42.58      | Russell 1000 Growth Index                          | 24.50      |
| FTSE 3 Month T-Bill            | 4.24       | S&P MidCap 400 Index                               | 6.00       |
| <b>Jul-2000</b>                |            | <b>Jul-2011</b>                                    |            |
| S&P 500 Index                  | 53.24      | Blmbg. Barc. U.S. Aggregate Index                  | 45.00      |
| Blmbg. Barc. U.S. Gov't/Credit | 42.87      | Russell 1000 Value Index                           | 22.00      |
| FTSE 3 Month T-Bill            | 3.89       | Russell 1000 Growth Index                          | 22.00      |
| <b>Oct-2000</b>                |            | S&P MidCap 400 Index                               | 6.00       |
| S&P 500 Index                  | 51.18      | MSCI EAFE (Net) Index                              | 2.50       |
| Blmbg. Barc. U.S. Gov't/Credit | 43.03      | MSCI Emerging Markets (Net) Index                  | 2.50       |
| FTSE 3 Month T-Bill            | 5.79       | <b>Jan-2012</b>                                    |            |
| <b>Jan-2001</b>                |            | Blmbg. Barc. U.S. Aggregate Index                  | 39.00      |
| S&P 500 Index                  | 51.44      | Russell 1000 Value Index                           | 22.00      |
| Blmbg. Barc. U.S. Gov't/Credit | 43.95      | Russell 1000 Growth Index                          | 22.00      |
| FTSE 3 Month T-Bill            | 4.61       | Bloomberg Barclays Intermediate US Govt/Credit Idx | 6.00       |
| <b>Apr-2001</b>                |            | S&P MidCap 400 Index                               | 6.00       |
| S&P 500 Index                  | 50.00      | MSCI EAFE (Net) Index                              | 2.50       |
| Blmbg. Barc. U.S. Gov't/Credit | 50.00      | MSCI Emerging Markets (Net) Index                  | 2.50       |



| <b>Allocation Mandate</b>                          | <b>Weight (%)</b> |
|--|-------------------|
| <b>Jan-2013</b>                                    |                   |
| Blmbg. Barc. U.S. Aggregate Index                  | 34.00             |
| Russell 1000 Value Index                           | 20.00             |
| Russell 1000 Growth Index                          | 20.00             |
| S&P MidCap 400 Index                               | 15.00             |
| Bloomberg Barclays Intermediate US Govt/Credit Idx | 6.00              |
| MSCI EAFE (Net) Index                              | 2.50              |
| MSCI Emerging Markets (Net) Index                  | 2.50              |
| <b>Apr-2014</b>                                    |                   |
| Bloomberg Barclays Intermediate US Govt/Credit Idx | 17.50             |
| Blmbg. Barc. U.S. Aggregate Index                  | 15.00             |
| Russell 1000 Value Index                           | 20.00             |
| Russell 1000 Growth Index                          | 20.00             |
| S&P MidCap 400 Index                               | 15.00             |
| MSCI EAFE (Net) Index                              | 2.50              |
| MSCI Emerging Markets (Net) Index                  | 2.50              |
| ICE BofAML All Convertibles ex Mandatory           | 7.50              |
| <b>Mar-2018</b>                                    |                   |
| Bloomberg Barclays Intermediate US Govt/Credit Idx | 24.75             |
| Blmbg. Barc. U.S. Aggregate Index                  | 0.00              |
| Russell 1000 Value Index                           | 20.00             |
| Russell 1000 Growth Index                          | 20.00             |
| S&P MidCap 400 Index                               | 17.00             |
| MSCI EAFE (Net) Index                              | 5.00              |
| MSCI Emerging Markets (Net) Index                  | 5.00              |
| ICE BofAML All Convertibles ex Mandatory           | 0.00              |
| S&P 500 Index                                      | 3.75              |
| Russell 2500 Index                                 | 4.50              |
| <b>Apr-2020</b>                                    |                   |
| Russell 1000 Value Index                           | 20.00             |
| Russell 1000 Growth Index                          | 20.00             |
| S&P MidCap 400 Index                               | 17.00             |
| Russell 2500 Index                                 | 4.50              |
| MSCI EAFE (Net) Index                              | 5.00              |
| MSCI Emerging Markets (Net) Index                  | 5.00              |
| Bloomberg Barclays Intermediate US Govt/Credit Idx | 21.00             |

| Total Equity Historical Hybrid Composition |            | Total Fixed Income Historical Hybrid Composition   |            |
|--|------------|--|------------|
| Allocation Mandate                         | Weight (%) | Allocation Mandate                                 | Weight (%) |
| <b>Oct-1990</b>                            |            | <b>Apr-1997</b>                                    |            |
| S&P 500 Index                              | 100.00     | Blmbg. Barc. U.S. Gov't/Credit                     | 100.00     |
| <b>Apr-2007</b>                            |            | <b>Jul-2003</b>                                    |            |
| Russell 1000 Growth Index                  | 44.50      | Blmbg. Barc. U.S. Aggregate Index                  | 100.00     |
| S&P 500 Value                              | 44.50      | <b>Jan-2012</b>                                    |            |
| S&P MidCap 400 Index                       | 11.00      | Blmbg. Barc. U.S. Aggregate Index                  | 87.00      |
| <b>Jul-2009</b>                            |            | Bloomberg Barclays Intermediate US Govt/Credit Idx | 13.00      |
| Russell 1000 Growth Index                  | 44.50      | <b>Jan-2013</b>                                    |            |
| Russell 1000 Value Index                   | 22.25      | Blmbg. Barc. U.S. Aggregate Index                  | 85.00      |
| S&P 500 Value                              | 22.25      | Bloomberg Barclays Intermediate US Govt/Credit Idx | 15.00      |
| S&P MidCap 400 Index                       | 11.00      | <b>Apr-2014</b>                                    |            |
| <b>Oct-2009</b>                            |            | Bloomberg Barclays Intermediate US Govt/Credit Idx | 43.00      |
| Russell 1000 Value Index                   | 44.50      | Blmbg. Barc. U.S. Aggregate Index                  | 38.00      |
| Russell 1000 Growth Index                  | 44.50      | ICE BofAML All Convertibles ex Mandatory           | 19.00      |
| S&P MidCap 400 Index                       | 11.00      | <b>Oct-2016</b>                                    |            |
| <b>Jul-2011</b>                            |            | Bloomberg Barclays Intermediate US Govt/Credit Idx | 55.00      |
| Russell 1000 Value Index                   | 40.00      | Blmbg. Barc. U.S. Aggregate Index                  | 45.00      |
| Russell 1000 Growth Index                  | 40.00      | <b>Mar-2018</b>                                    |            |
| S&P MidCap 400 Index                       | 11.00      | Bloomberg Barclays Intermediate US Govt/Credit Idx | 100.00     |
| MSCI EAFE (Net) Index                      | 4.50       | Blmbg. Barc. U.S. Aggregate Index                  | 0.00       |
| MSCI Emerging Markets (Net) Index          | 4.50       | <b>Apr-2020</b>                                    |            |
| <b>Jan-2013</b>                            |            | Bloomberg Barclays Intermediate US Govt/Credit Idx | 100.00     |
| Russell 1000 Value Index                   | 33.30      |  |            |
| Russell 1000 Growth Index                  | 33.30      |  |            |
| S&P MidCap 400 Index                       | 25.00      |  |            |
| MSCI EAFE (Net) Index                      | 4.20       |  |            |
| MSCI Emerging Markets (Net) Index          | 4.20       |  |            |
| Russell 2500 Index                         | 0.00       |  |            |
| S&P 500 Index                              | 0.00       |  |            |



|                                       |   |
|---------------------------------------|---|
| <b>Active Return</b>                  | - Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.   |
| <b>Alpha</b>                          | - A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.   |
| <b>Beta</b>                           | - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.   |
| <b>Consistency</b>                    | - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.  |
| <b>Distributed to Paid In (DPI)</b>   | - The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against. |
| <b>Down Market Capture</b>            | - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance   |
| <b>Downside Risk</b>                  | - A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.   |
| <b>Excess Return</b>                  | - Arithmetic difference between the manager's performance and the risk-free return over a specified time period.  |
| <b>Excess Risk</b>                    | - A measure of the standard deviation of a portfolio's performance relative to the risk free return.  |
| <b>Information Ratio</b>              | - This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.   |
| <b>Public Market Equivalent (PME)</b> | - Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.   |
| <b>R-Squared</b>                      | - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.   |
| <b>Return</b>                         | - Compounded rate of return for the period.   |
| <b>Sharpe Ratio</b>                   | - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.  |
| <b>Standard Deviation</b>             | - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.   |
| <b>Total Value to Paid In (TVPI)</b>  | - The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life   |
| <b>Tracking Error</b>                 | - This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.   |
| <b>Treynor Ratio</b>                  | - Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance. |
| <b>Up Market Capture</b>              | - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.   |

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This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

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**Item 4.B.**  
**Flash Report**  
**August 2021**

Investment Performance Review  
Monthly Flash  
Period Ending August 31, 2021

## **Delray Beach General Employees Pension Fund**

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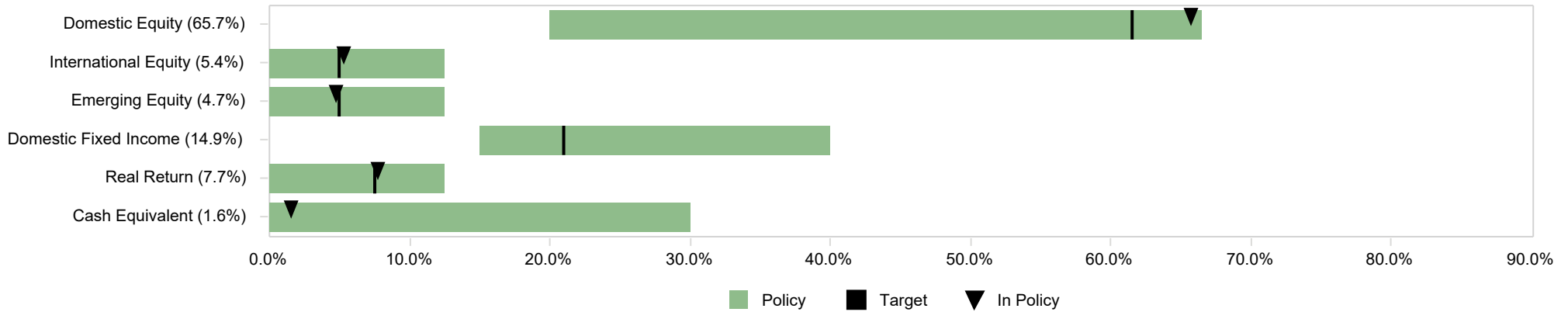


## Asset Allocation &amp; Performance

|                                  | Allocation         |              | Performance(%) |             |              |              |              |              |              |                   |
|----------------------------------|--------------------|--------------|----------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------------|
|                                  | Market Value \$    | %            | MTH            | QTD         | YTD          | FYTD         | 1 YR         | 3 YR         | Inception    | Inception Date    |
| <b>Total Fund Composite</b>      | <b>179,609,244</b> | <b>100.0</b> | <b>2.10</b>    | <b>2.99</b> | <b>15.28</b> | <b>29.99</b> | <b>26.74</b> | <b>13.35</b> | <b>8.86</b>  | <b>10/01/1990</b> |
| Policy Index                     |                    |              | 1.82           | 2.56        | 13.64        | 28.73        | 25.60        | 12.89        | 9.12         |                   |
| Difference                       |                    |              | 0.28           | 0.43        | 1.64         | 1.26         | 1.14         | 0.46         | -0.26        |                   |
| <b>Total Equity Composite</b>    | <b>137,585,552</b> | <b>76.6</b>  | <b>2.67</b>    | <b>3.70</b> | <b>20.08</b> | <b>39.91</b> | <b>35.31</b> | <b>16.27</b> | <b>10.72</b> | <b>10/01/1990</b> |
| Total Equity Index               |                    |              | 2.51           | 3.24        | 18.63        | 39.61        | 35.09        | 15.38        | 10.94        |                   |
| Difference                       |                    |              | 0.16           | 0.46        | 1.45         | 0.30         | 0.22         | 0.89         | -0.22        |                   |
| <b>Total Domestic Equity</b>     | <b>119,479,742</b> | <b>66.5</b>  |                |             |              |              |              |              |              |                   |
| Vanguard Total Stock Mkt (VTSAX) | 585,193            | 0.3          | 2.86           | 4.63        | 20.57        | 38.28        | 33.36        | 17.88        | 18.25        | 07/01/2017        |
| Russell 3000 Index               |                    |              | 2.85           | 4.59        | 20.39        | 38.07        | 33.04        | 17.85        | 18.23        |                   |
| Difference                       |                    |              | 0.01           | 0.04        | 0.18         | 0.21         | 0.32         | 0.03         | 0.02         |                   |
| Boston LCV                       | 33,040,825         | 18.4         | 3.08           | 3.76        | 26.09        | 53.11        | 48.73        | 13.24        | 9.75         | 04/01/1996        |
| Russell 1000 Value Index         |                    |              | 1.98           | 2.80        | 20.32        | 39.88        | 36.44        | 11.45        | 9.17         |                   |
| Difference                       |                    |              | 1.10           | 0.96        | 5.77         | 13.23        | 12.29        | 1.79         | 0.58         |                   |
| Rhumblin LCV                     | 20,413,275         | 11.4         | 1.97           | 2.79        | 20.25        | 39.70        | 36.28        | 11.40        | 13.31        | 07/01/2009        |
| Russell 1000 Value Index         |                    |              | 1.98           | 2.80        | 20.32        | 39.88        | 36.44        | 11.45        | 13.46        |                   |
| Difference                       |                    |              | -0.01          | -0.01       | -0.07        | -0.18        | -0.16        | -0.05        | -0.15        |                   |
| Rhumblin LCG                     | 26,137,900         | 14.6         | 3.72           | 7.14        | 21.01        | 34.79        | 28.46        | 24.55        | 19.17        | 07/01/2009        |
| Russell 1000 Growth Index        |                    |              | 3.74           | 7.16        | 21.08        | 34.87        | 28.53        | 24.60        | 19.24        |                   |
| Difference                       |                    |              | -0.02          | -0.02       | -0.07        | -0.08        | -0.07        | -0.05        | -0.07        |                   |
| Polen Capital LCG                | 9,488,695          | 5.3          | 3.67           | 8.87        | 25.30        | N/A          | N/A          | N/A          | 25.30        | 01/01/2021        |
| Russell 1000 Growth Index        |                    |              | 3.74           | 7.16        | 21.08        | 34.87        | 28.53        | 24.60        | 21.08        |                   |
| Difference                       |                    |              | -0.07          | 1.71        | 4.22         | N/A          | N/A          | N/A          | 4.22         |                   |
| Rhumblin MC                      | 29,813,854         | 16.6         | 1.94           | 2.29        | 20.24        | 49.49        | 44.67        | 12.14        | 10.19        | 04/01/2007        |
| S&P MidCap 400 Index             |                    |              | 1.95           | 2.30        | 20.30        | 49.62        | 44.77        | 12.18        | 10.19        |                   |
| Difference                       |                    |              | -0.01          | -0.01       | -0.06        | -0.13        | -0.10        | -0.04        | 0.00         |                   |

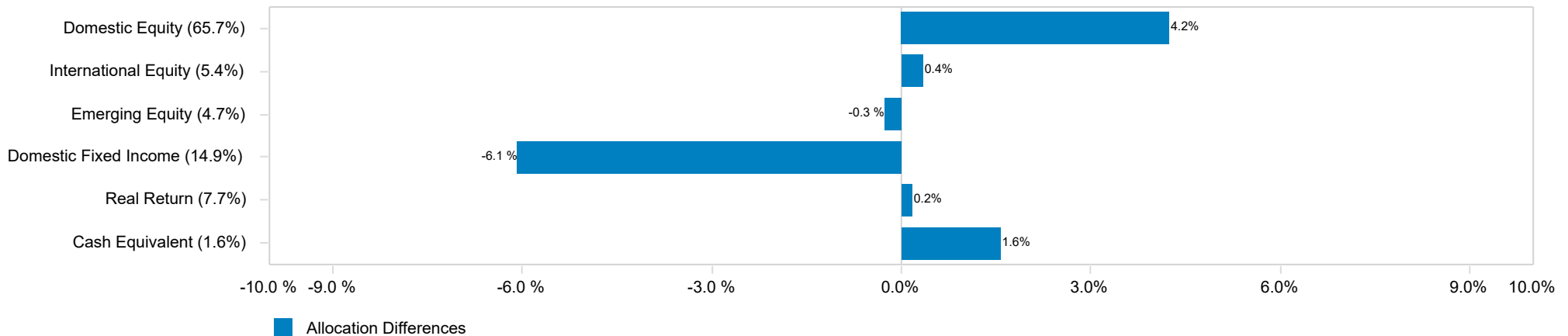
|  | Allocation      |      | Performance(%) |       |       |       |       |       |           |                |
|--|-----------------|------|----------------|-------|-------|-------|-------|-------|-----------|----------------|
|  | Market Value \$ | %    | MTH            | QTD   | YTD   | FYTD  | 1 YR  | 3 YR  | Inception | Inception Date |
| <b>Total International Equity</b>                  |                 |      |                |       |       |       |       |       |           |                |
| Harding Loevner Intl Equity (HLIZX)                | 9,618,804       | 5.4  | 1.21           | 2.81  | 9.29  | 26.92 | 26.56 | 11.62 | 9.18      | 09/01/2011     |
| MSCI EAFE Index                                    |                 |      | 1.77           | 2.55  | 11.96 | 29.97 | 26.65 | 9.50  | 7.83      |                |
| Difference   |                 |      | -0.56          | 0.26  | -2.67 | -3.05 | -0.09 | 2.12  | 1.35      |                |
| Vanguard EM Index (VEMIX)                          | 8,487,007       | 4.7  | 2.68           | -3.76 | 4.82  | 22.50 | N/A   | N/A   | 22.50     | 10/01/2020     |
| FTSE Emerging Mkts All Cap China A Inclusion Index |                 |      | 3.15           | -3.15 | 5.67  | 24.19 | 21.60 | 11.04 | 24.19     |                |
| Difference   |                 |      | -0.47          | -0.61 | -0.85 | -1.69 | N/A   | N/A   | -1.69     |                |
| <b>Total Fixed Income Composite</b>                |                 |      |                |       |       |       |       |       |           |                |
| Total Fixed Income Index                           | 27,468,173      | 15.3 | -0.16          | 0.30  | -1.29 | -0.68 | -0.80 | 3.78  | 5.02      | 04/01/1996     |
| Difference   |                 |      | -0.16          | 0.60  | -0.30 | 0.18  | 0.17  | 4.69  | 5.05      |                |
|  |                 |      | 0.00           | -0.30 | -0.99 | -0.86 | -0.97 | -0.91 | -0.03     |                |
| Garcia Hamilton Fixed Income                       | 27,468,173      | 15.3 | -0.16          | 0.30  | -1.29 | -0.68 | -0.80 | 3.78  | 3.41      | 02/01/2018     |
| Bloomberg Intermediate US Govt/Credit Idx          |                 |      | -0.16          | 0.60  | -0.30 | 0.18  | 0.17  | 4.69  | 4.06      |                |
| Difference   |                 |      | 0.00           | -0.30 | -0.99 | -0.86 | -0.97 | -0.91 | -0.65     |                |
| <b>Total Real Return Composite</b>                 |                 |      |                |       |       |       |       |       |           |                |
|  | 13,796,981      | 7.7  | 1.05           | 1.47  | 7.72  | 15.93 | 14.78 | 7.73  | 6.68      | 01/01/2018     |
| JPMorgan Income Builder Fund (JNBZX)               | 6,945,421       | 3.9  | 0.91           | 1.47  | 8.47  | 17.93 | 16.60 | N/A   | 9.34      | 04/01/2019     |
| 50% MSCI World Value/ 50% BBA                      |                 |      | 0.72           | 1.59  | 8.07  | 16.92 | 15.01 | 7.31  | 8.48      |                |
| Difference   |                 |      | 0.19           | -0.12 | 0.40  | 1.01  | 1.59  | N/A   | 0.86      |                |
| Blackrock Multi-Asset Income (BKMIX)               | 6,851,560       | 3.8  | 1.20           | 1.46  | 7.09  | 14.09 | 13.10 | 7.52  | 6.39      | 01/01/2018     |
| 50% MSCI World Value/ 50% BBA                      |                 |      | 0.72           | 1.59  | 8.07  | 16.92 | 15.01 | 7.31  | 5.77      |                |
| Difference   |                 |      | 0.48           | -0.13 | -0.98 | -2.83 | -1.91 | 0.21  | 0.62      |                |
| R&D Cash   | 758,538         | 0.4  |                |       |       |       |       |       |           |                |

**Executive Summary**



**Asset Allocation Compliance**

|                       | Asset Allocation \$ | Current Allocation (%) | Target Allocation (%) | Differences (%) | Target Rebal. (\$000) |
|-----------------------|---------------------|------------------------|-----------------------|-----------------|-----------------------|
| Domestic Equity       | 118,076,125         | 65.7                   | 61.5                  | 4.2             | -7,616,439            |
| International Equity  | 9,618,804           | 5.4                    | 5.0                   | 0.4             | -638,341              |
| Emerging Equity       | 8,487,007           | 4.7                    | 5.0                   | -0.3            | 493,455               |
| Domestic Fixed Income | 26,805,152          | 14.9                   | 21.0                  | -6.1            | 10,912,790            |
| Real Return           | 13,796,981          | 7.7                    | 7.5                   | 0.2             | -326,288              |
| Cash Equivalent       | 2,825,176           | 1.6                    | 0.0                   | 1.6             | -2,825,176            |
| <b>Total Fund</b>     | <b>179,609,244</b>  | <b>100.0</b>           | <b>100.0</b>          | <b>0.0</b>      | <b>-</b>              |





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**Item 4.C.**  
**Near-term Cash Requirements /**  
**Investment of Upcoming City Contribution**

**(No backup for this Item)**

**Item 4.D.**

**Alternative Investments Discussion**

Asset Allocation Analysis

August 2021

# **City of Delray Beach General Employees' Pension Plan**

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# Long Term Asset Allocation Model Inputs

|                      | Expected Return | Std Dev | Correlation Matrix |       |      |       |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|----------------------|-----------------|---------|--------------------|-------|------|-------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
|                      |                 |         | 1                  | 2     | 3    | 4     | 5     | 6    | 7    | 8    | 9    | 10   | 11   | 12   | 13   | 14   | 15   | 16   | 17   | 18   | 19   |
| 1. US Cash           | 1.60%           | 0.46%   | 1.00               |       |      |       |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 2. US Aggregate      | 2.86%           | 3.42%   | 0.10               | 1.00  |      |       |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 3. US High Yield     | 7.21%           | 8.22%   | -0.11              | 0.17  | 1.00 |       |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 4. US Leveraged Loan | 5.57%           | 7.55%   | -0.14              | -0.11 | 0.78 | 1.00  |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 5. WGBI ex US        | 2.91%           | 8.00%   | 0.08               | 0.61  | 0.21 | -0.11 | 1.00  |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 6. Emg Mkt Sov Debt  | 7.03%           | 8.36%   | -0.02              | 0.55  | 0.71 | 0.40  | 0.49  | 1.00 |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 7. US Large Cap      | 8.14%           | 14.34%  | -0.06              | 0.00  | 0.69 | 0.55  | 0.19  | 0.50 | 1.00 |      |      |      |      |      |      |      |      |      |      |      |      |
| 8. US Mid Cap        | 7.91%           | 16.30%  | -0.07              | 0.00  | 0.74 | 0.59  | 0.16  | 0.51 | 0.96 | 1.00 |      |      |      |      |      |      |      |      |      |      |      |
| 9. US Small Cap      | 8.81%           | 18.95%  | -0.08              | -0.07 | 0.65 | 0.50  | 0.10  | 0.41 | 0.91 | 0.95 | 1.00 |      |      |      |      |      |      |      |      |      |      |
| 10. EAFE Equity      | 10.46%          | 16.81%  | -0.02              | 0.10  | 0.74 | 0.55  | 0.37  | 0.64 | 0.88 | 0.86 | 0.77 | 1.00 |      |      |      |      |      |      |      |      |      |
| 11. Emerging Markets | 12.43%          | 21.12%  | 0.05               | 0.13  | 0.72 | 0.54  | 0.38  | 0.67 | 0.76 | 0.77 | 0.67 | 0.87 | 1.00 |      |      |      |      |      |      |      |      |
| 12. Private Equity   | 11.58%          | 20.17%  | 0.04               | -0.23 | 0.67 | 0.63  | 0.04  | 0.49 | 0.73 | 0.75 | 0.69 | 0.77 | 0.80 | 1.00 |      |      |      |      |      |      |      |
| 13. US Core RE       | 7.17%           | 11.07%  | -0.08              | -0.19 | 0.51 | 0.60  | -0.14 | 0.30 | 0.53 | 0.54 | 0.51 | 0.45 | 0.42 | 0.49 | 1.00 |      |      |      |      |      |      |
| 14. US Value Add RE  | 10.02%          | 17.18%  | -0.08              | -0.19 | 0.51 | 0.60  | -0.14 | 0.30 | 0.53 | 0.54 | 0.51 | 0.45 | 0.42 | 0.49 | 1.00 | 1.00 |      |      |      |      |      |
| 15. US REITs         | 9.07%           | 15.42%  | -0.05              | 0.27  | 0.61 | 0.36  | 0.28  | 0.55 | 0.72 | 0.75 | 0.73 | 0.65 | 0.55 | 0.43 | 0.61 | 0.61 | 1.00 |      |      |      |      |
| 16. Infrastructure   | 7.21%           | 10.46%  | -0.04              | -0.03 | 0.55 | 0.55  | 0.25  | 0.50 | 0.47 | 0.45 | 0.38 | 0.55 | 0.60 | 0.62 | 0.47 | 0.47 | 0.34 | 1.00 |      |      |      |
| 17. HF Diversified   | 5.26%           | 7.37%   | 0.06               | -0.10 | 0.60 | 0.65  | -0.01 | 0.39 | 0.67 | 0.69 | 0.59 | 0.71 | 0.69 | 0.77 | 0.46 | 0.46 | 0.34 | 0.41 | 1.00 |      |      |
| 18. Direct Lending   | 9.37%           | 13.87%  | -0.11              | -0.22 | 0.67 | 0.72  | -0.19 | 0.39 | 0.54 | 0.61 | 0.53 | 0.48 | 0.54 | 0.65 | 0.54 | 0.54 | 0.31 | 0.39 | 0.63 | 1.00 |      |
| 19. Commodities      | 5.71%           | 16.13%  | 0.07               | 0.02  | 0.46 | 0.39  | 0.33  | 0.39 | 0.45 | 0.47 | 0.38 | 0.54 | 0.60 | 0.58 | 0.38 | 0.38 | 0.26 | 0.47 | 0.55 | 0.51 | 1.00 |

Note that not all asset classes are appropriate for every client portfolio.

# Asset Mixes and Statistics

## Asset Class Allocation

| %                            | Policy | 5%SC  | 10%SC | 5%RE  | 5%RE  | 10%EM | 5%PE  | 10%PE | 5%PD  | 10%PD | All   |
|------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| US Cash                      | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| US Aggregate                 | 24.75  | 24.75 | 24.75 | 24.75 | 19.75 | 24.75 | 24.75 | 24.75 | 19.75 | 19.75 | 18.00 |
| US High Yield                | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| US Leveraged Loan            | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| WGB exUS                     | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| Emerging Mkts Bond           | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| US Large Cap                 | 43.75  | 38.75 | 35.75 | 38.75 | 43.75 | 38.75 | 38.75 | 38.75 | 43.75 | 40.75 | 40.00 |
| US Mid Cap                   | 19.50  | 19.50 | 17.50 | 19.50 | 19.50 | 19.50 | 19.50 | 16.50 | 19.50 | 17.50 | 17.00 |
| US Small Cap                 | 2.00   | 7.00  | 12.00 | 2.00  | 2.00  | 2.00  | 2.00  | 2.00  | 2.00  | 2.00  | 5.00  |
| EAFE Equity                  | 5.00   | 5.00  | 5.00  | 5.00  | 5.00  | 5.00  | 5.00  | 4.00  | 5.00  | 5.00  | 5.00  |
| Emerging Markets Equity      | 5.00   | 5.00  | 5.00  | 5.00  | 5.00  | 10.00 | 5.00  | 4.00  | 5.00  | 5.00  | 8.00  |
| Private Equity               | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 5.00  | 10.00 | 0.00  | 0.00  | 2.00  |
| US Core RE                   | 0.00   | 0.00  | 0.00  | 5.00  | 5.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 3.00  |
| US Val Add RE                | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| US REITS                     | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| Infrastructure               | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| Hedge Funds – Diversified    | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| Direct Lending               | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 5.00  | 10.00 | 2.00  |
| Commodities                  | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| US Short Duration Gov/Credit | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| Global Equity                | 0.00   | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |

## Single Year Expectations

| %              | Policy | 5%SC  | 10%SC | 5%RE  | 5%RE  | 10%EM | 5%PE  | 10%PE | 5%PD  | 10%PD | All   |
|----------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Mean Return    | 7.13   | 7.17  | 7.20  | 7.08  | 7.35  | 7.35  | 7.30  | 7.42  | 7.46  | 7.52  | 7.71  |
| Standard Devia | 11.36  | 11.53 | 11.67 | 10.95 | 11.64 | 11.54 | 11.43 | 11.43 | 11.75 | 11.44 | 12.11 |
| Sharpe Ratio   | 0.63   | 0.62  | 0.62  | 0.65  | 0.63  | 0.64  | 0.64  | 0.65  | 0.63  | 0.66  | 0.64  |

## **IMPORTANT DISCLOSURE INFORMATION**

This material is confidential and not intended for distribution to the public. AndCo Consulting (“AndCo”) compiled this report for the sole use of the client for which it was prepared. AndCo uses the material contained in this evaluation to make observations and recommendations to the client, however the strategies listed may not be suitable for all investors and there is no guarantee that the strategies listed will be successful. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities for investment consulting, or investment management analysis services.

This Asset Allocation Study (the “Study”) uses assumptions from the 2020 JPMorgan Long Term Capital Market Assumptions (the “2020 JPMorgan Assumptions”). Accordingly, there are statements of future expectations, estimates, projections, and other forward-looking statements that are based on available information and views as of the time of those statements. Such forward-looking statements are inherently speculative as they are based on assumptions which may involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such statements.

Furthermore, the reader should be aware that the outputs presented in this Study are slightly different than those presented in the original 2020 JPMorgan Assumptions. Due to changes in the underlying forecasted correlations from the 2019 JPMorgan Long Term Capital Assumptions, and thereby changes to the methodology used by JPMorgan to create correlation estimates, a malfunction occurs when the 2020 JPMorgan Assumptions interface with Morningstar (i.e., one of the means by which AndCo creates this Study). Accordingly, the utilization of a secondary resource created by Morningstar is utilized to remediate this issue; however, this remedy causes some deviation in figures from the original 2020 JPMorgan Assumptions. We consider these deviations to be generally immaterial.

Performance data is provided for historical and informational purposes only. Where applicable, results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Returns are typically stated net of fees, which may include: investment advisory fees, taxes and other expenses. There may be instances where certain returns are shown gross of fees (i.e., before the aforementioned fees are deducted) and would be noted as such. Generally, there are two instances where returns may be shown as gross figures. In the case of separate accounts, typically returns are demonstrated as gross of fees due to the fact that the fee structure would generally vary widely depending on the client's size and circumstances. Additionally, there are instances where a strategy vehicle is relatively new and does not have a sufficiently long track record to represent a viable comparison relative to other strategies. Accordingly, the returns for the separate account version of such a strategy could be used as demonstrative of the performance for a similar vehicle; separate account returns are generally shown as gross of fees. It is important to note that any such separate accounts being used as a “proxy” are strictly for illustrative purposes. An investor should not expect the same results from the actual strategy(ies) under consideration. When client-specific performance is shown, AndCo uses time-weighted calculations, which are founded on standards recommended by the CFA Institute. In these cases, the performance-related data shown are based on information that is received from custodians. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement.

## **RISK FACTORS**

As presented in this report, although investing in equities can be beneficial, it is also important to consider the associated risks. Investing in such funds may not be suitable for all investors. Equity markets can be volatile and can decline significantly in response to, or investor perceptions of, issuer, market, economic, industry, political, regulatory, geopolitical, and other conditions. These conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the equity markets in general. The primary risk factors to consider include, but are not limited to: stock market risk, manager risk, investment style risk, sector-focus risk, issuer risk and liquidity risk. The securities markets are volatile and the market prices of the funds' securities may decline generally. Securities fluctuate in price based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the securities owned by the fund fall, the value of your investment in the fund will decline. Depending on the specific strategy, there many additional considerations such as the risks associated with equity investing.

## **SOURCING**

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Small Cap Core Manager Analysis

As of 6/30/2021

## **Delray Beach General Employees' Retirement System**

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**Purpose for this Manager Evaluation Report**

The purpose of this search is to evaluate small cap core options for the consideration of a small cap allocation to the plan.

**Investment Options for this Manager Evaluation Report**

| <b>Firm Name</b>  | <b>Strategy Name</b>                        | <b>Vehicle</b> | <b>Management Fee</b> | <b>Investment Minimum</b> |
|---|---|----------------|-----------------------|---------------------------|
| Macquarie Funds Management  | Delaware Small Cap Core R6 (DCZRX)          | MF             | 0.74%                 | No Minimum                |
| MML Investment Advisers, LLC<br>Subadvisor - Invesco Advisers, Inc. | MassMutual Premier Small Cap Opps I (MSOOX) | MF             | 0.69%                 | No Minimum                |
| Harford Advisors<br>Subadvisor - Schroders                          | Shroders US Small Cap Opportunities (HOOFX) | MF             | 0.95%                 | \$1,000,000               |
| Vanguard Group, Inc   | Vanguard Russell 2000 Index I (VRTIX)       | MF             | 0.08%                 | \$5,000,000               |

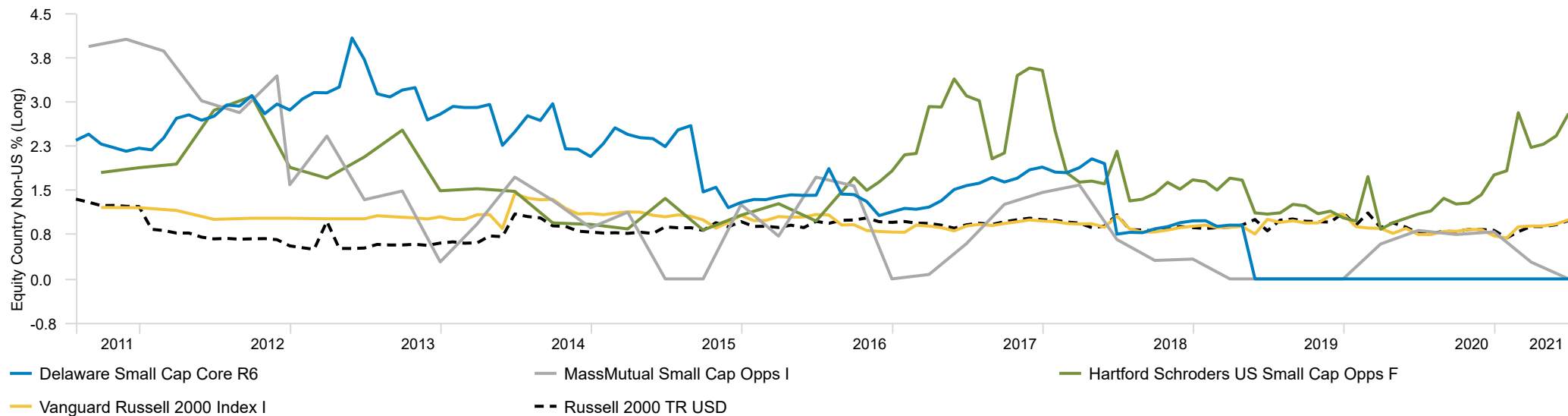
|                              | Delaware<br>Small<br>Cap<br>Core<br>R6 | MassMutual<br>Small<br>Cap<br>Opps I | Hartford<br>Schroders<br>US Small<br>Cap<br>Opps F | Vanguard<br>Russell<br>2000<br>Index I | Russell<br>2000<br>TR USD |
|------------------------------|--|--------------------------------------|--|--|---------------------------|
| <b>COMPOSITION</b>           |  |                                      |  |  |                           |
| # of Holdings                | 154                                    | 97                                   | 99   | 2,037                                  | 1,975                     |
| % Asset in Top 10 Holdings   | 12.84                                  | 18.95                                | 16.69  | 3.12                                   | 2.90                      |
| Asset Alloc Cash %           | 1.19                                   | 1.27                                 | 4.51   | 0.02                                   | 0.00                      |
| Asset Alloc Equity %         | 98.67                                  | 98.73                                | 94.84  | 99.98                                  | 100.00                    |
| Asset Alloc Bond %           | 0.00                                   | 0.00                                 | 0.00   | 0.00                                   | 0.00                      |
| Asset Alloc Other %          | 0.14                                   | 0.00                                 | 0.66   | 0.00                                   | 0.00                      |
| <b>CHARACTERISTICS</b>       |  |                                      |  |  |                           |
| Average Market Cap (mil)     | 3,369.15                               | 3,610.45                             | 3,308.74   | 2,660.11                               | 2,585.57                  |
| P/E Ratio (TTM)              | 20.41                                  | 23.48                                | 26.30  | 17.83                                  | 17.05                     |
| P/B Ratio (TTM)              | 2.57                                   | 2.85                                 | 2.53   | 2.56                                   | 2.46                      |
| LT Earn Growth               | 15.22                                  | 11.26                                | 15.06  | 16.20                                  | 16.04                     |
| Dividend Yield               | 0.88                                   | 0.98                                 | 1.00   | 0.92                                   | 0.96                      |
| ROE % (TTM)                  | 6.79                                   | 6.62                                 | 6.87   | 2.06                                   | 3.35                      |
| <b>GICS SECTORS %</b>        |  |                                      |  |  |                           |
| Energy %                     |  |                                      |  |  |                           |
| Materials %                  |  |                                      |  |  |                           |
| Industrials %                |  |                                      |  |  |                           |
| Consumer Discretionary %     |  |                                      |  |  |                           |
| Consumer Staples %           |  |                                      |  |  |                           |
| Healthcare %                 |  |                                      |  |  |                           |
| Financials %                 |  |                                      |  |  |                           |
| Information Technology %     |  |                                      |  |  |                           |
| Communication Services %     |  |                                      |  |  |                           |
| Utilities %                  |  |                                      |  |  |                           |
| Real Estate %                |  |                                      |  |  |                           |
| <b>MARKET CAPITALIZATION</b> |  |                                      |  |  |                           |
| Market Cap Giant %           | 0.00                                   | 0.00                                 | 0.00   | 0.00                                   | 0.00                      |
| Market Cap Large %           | 0.00                                   | 0.00                                 | 0.00   | 0.00                                   | 0.00                      |
| Market Cap Mid %             | 4.95                                   | 8.02                                 | 10.80  | 5.94                                   | 3.51                      |
| Market Cap Small %           | 74.48                                  | 72.12                                | 59.15  | 62.79                                  | 63.14                     |
| Market Cap Micro %           | 19.24                                  | 17.84                                | 22.87  | 31.22                                  | 33.34                     |

Characteristic data is based on best available data.

## Current Portfolio Region Allocation

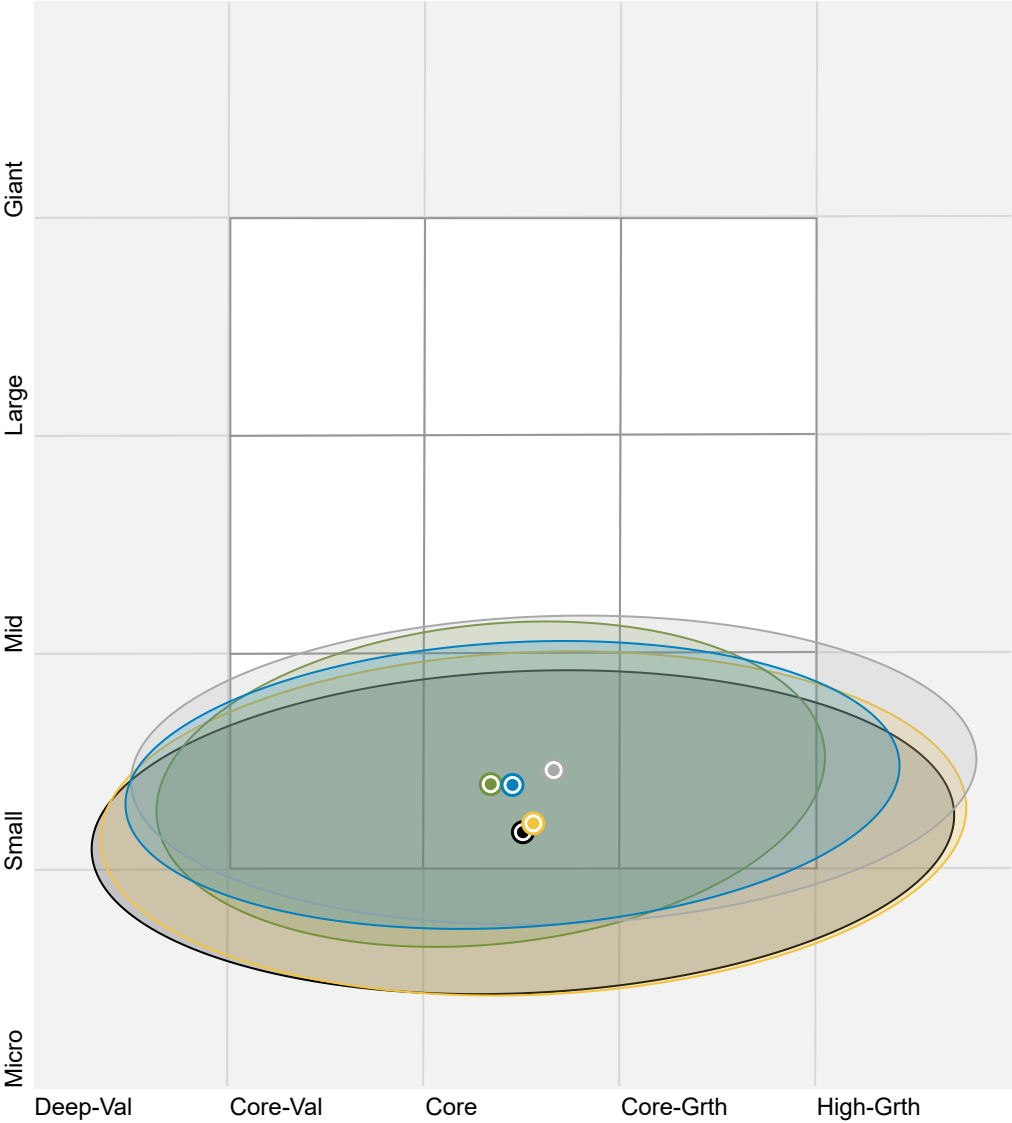
|                      | Delaware<br>Small<br>Cap<br>Core<br>R6 | MassMutual<br>Small<br>Cap<br>Opps I | Hartford<br>Schroders<br>US Small<br>Cap<br>Opps F | Vanguard<br>Russell<br>2000<br>Index I | Russell<br>2000<br>TR USD |
|----------------------|--|--------------------------------------|--|--|---------------------------|
| Portfolio Date       | 6/30/2021                              | 6/30/2021                            | 6/30/2021  | 6/30/2021                              | 7/31/2021                 |
| United States %      | 100.00                                 | 100.00                               | 97.04  | 99.00                                  | 99.05                     |
| North America %      | 100.00                                 | 100.00                               | 97.04  | 99.09                                  | 99.13                     |
| Latin America %      | 0.00                                   | 0.00                                 | 1.20   | 0.41                                   | 0.42                      |
| United Kingdom %     | 0.00                                   | 0.00                                 | 1.28   | 0.04                                   | 0.04                      |
| Europe dev %         | 0.00                                   | 0.00                                 | 0.00   | 0.10                                   | 0.10                      |
| Europe emrg %        | 0.00                                   | 0.00                                 | 0.00   | 0.00                                   | 0.00                      |
| Japan %              | 0.00                                   | 0.00                                 | 0.00   | 0.00                                   | 0.00                      |
| Australasia %        | 0.00                                   | 0.00                                 | 0.00   | 0.00                                   | 0.00                      |
| Asia dev %           | 0.00                                   | 0.00                                 | 0.00   | 0.15                                   | 0.14                      |
| Asia emrg %          | 0.00                                   | 0.00                                 | 0.00   | 0.17                                   | 0.15                      |
| Africa/Middle East % | 0.00                                   | 0.00                                 | 0.49   | 0.05                                   | 0.03                      |
| Developed %          | 100.00                                 | 100.00                               | 100.00   | 99.65                                  | 99.68                     |
| Emerging %           | 0.00                                   | 0.00                                 | 0.00   | 0.35                                   | 0.32                      |

## Historical Non-US Portfolio Exposure



Characteristic data is based on best available data.

Current Portfolio Holdings-Style Map



Delaware Small Cap Core R6

MassMutual Small Cap Opps I

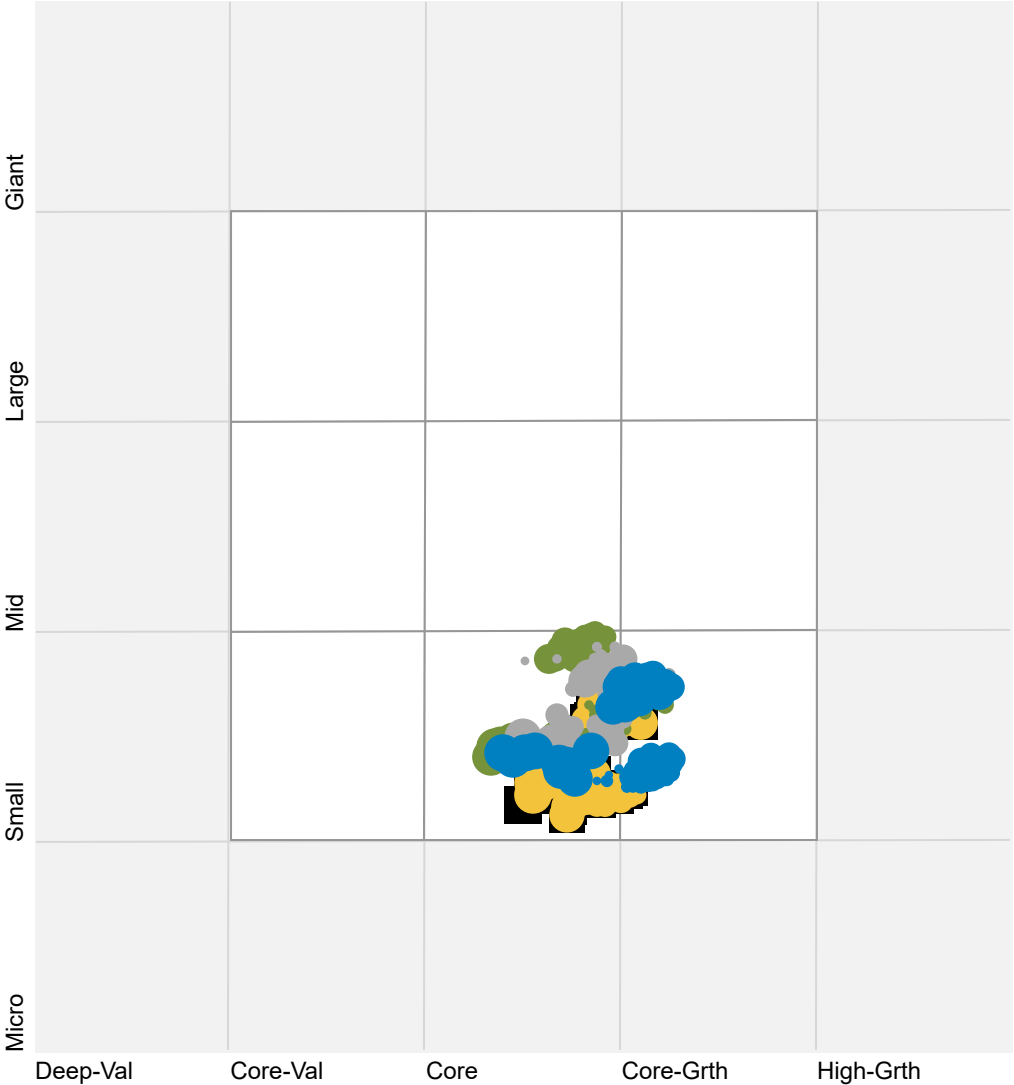
Hartford Schroders US Small Cap Opps F

Vanguard Russell 2000 Index I

Russell 2000 TR USD

Historical Holdings-Based Style Trail

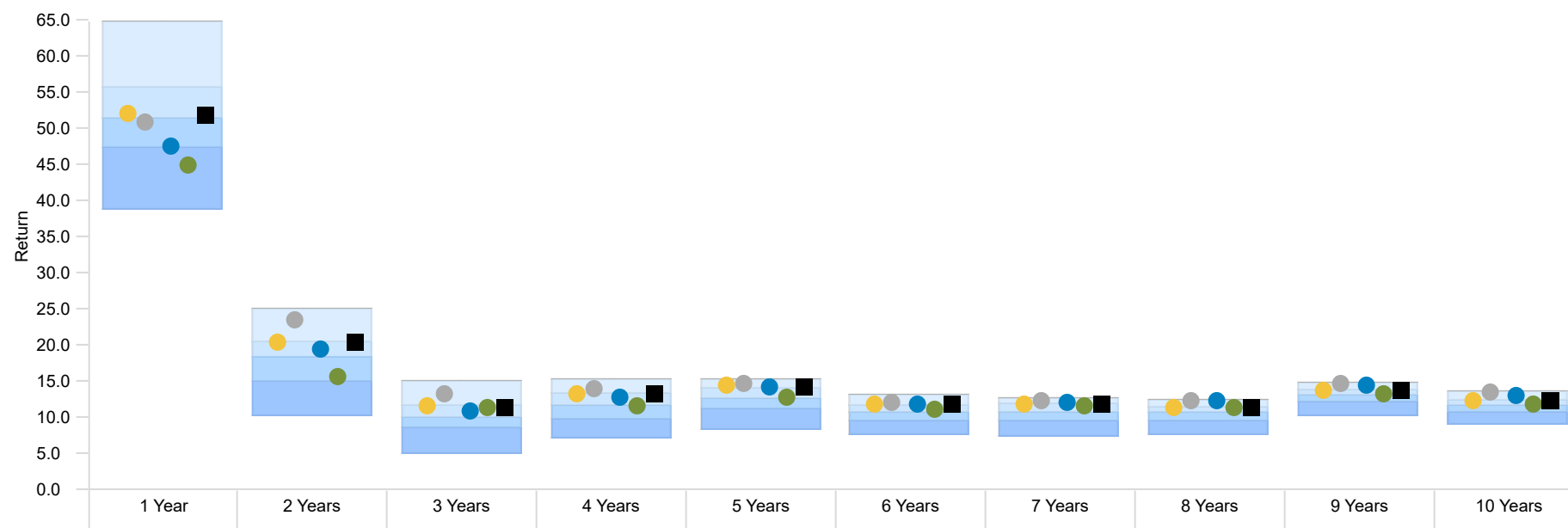
Time Period: 8/31/2011 to 7/31/2021



Characteristic data is based on best available data.

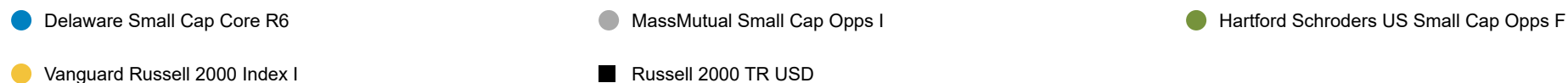


As of Date: 7/31/2021 Peer Group (5-95%): Funds - U.S. - Small Blend



|  | 1 Year | Rank | 2 Years | Rank | 3 Years | Rank | 4 Years | Rank | 5 Years | Rank | 6 Years | Rank | 7 Years | Rank | 8 Years | Rank | 9 Years | Rank | 10 Years | Rank |
|--|--------|------|---------|------|---------|------|---------|------|---------|------|---------|------|---------|------|---------|------|---------|------|----------|------|
| Delaware Small Cap Core R6             | 47.62  | 75   | 19.51   | 42   | 10.92   | 41   | 12.83   | 37   | 14.34   | 18   | 11.79   | 25   | 12.16   | 12   | 12.29   | 8    | 14.42   | 10   | 13.16    | 10   |
| MassMutual Small Cap Opps I            | 50.85  | 58   | 23.48   | 10   | 13.25   | 15   | 14.07   | 16   | 14.73   | 11   | 12.12   | 18   | 12.43   | 9    | 12.34   | 8    | 14.81   | 4    | 13.57    | 2    |
| Hartford Schroders US Small Cap Opps F | 44.94  | 84   | 15.69   | 73   | 11.39   | 34   | 11.62   | 54   | 12.89   | 49   | 11.10   | 43   | 11.55   | 31   | 11.35   | 28   | 13.31   | 41   | 11.88    | 42   |
| Vanguard Russell 2000 Index I          | 52.10  | 49   | 20.53   | 26   | 11.60   | 30   | 13.37   | 24   | 14.39   | 17   | 11.87   | 24   | 11.91   | 20   | 11.49   | 22   | 13.87   | 22   | 12.42    | 23   |
| Russell 2000 TR USD                    | 51.97  | 51   | 20.41   | 30   | 11.49   | 33   | 13.26   | 28   | 14.28   | 21   | 11.77   | 26   | 11.80   | 23   | 11.39   | 26   | 13.77   | 26   | 12.34    | 27   |

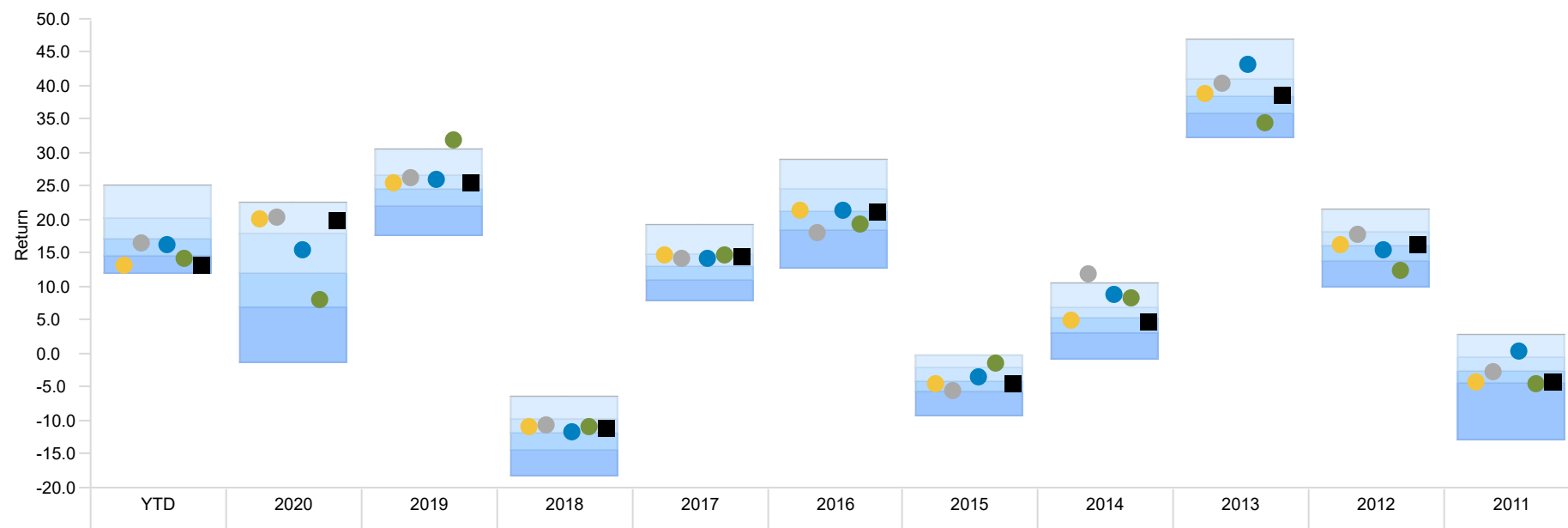
|  | 1 Year | Rank | 2 Years | Rank | 3 Years | Rank | 4 Years | Rank | 5 Years | Rank | 6 Years | Rank | 7 Years | Rank | 8 Years | Rank | 9 Years | Rank | 10 Years | Rank |
|--|--------|------|---------|------|---------|------|---------|------|---------|------|---------|------|---------|------|---------|------|---------|------|----------|------|
| Delaware Small Cap Core R6             | 47.62  | 75   | 19.51   | 42   | 10.92   | 41   | 12.83   | 37   | 14.34   | 18   | 11.79   | 25   | 12.16   | 12   | 12.29   | 8    | 14.42   | 10   | 13.16    | 10   |
| MassMutual Small Cap Opps I            | 50.85  | 58   | 23.48   | 10   | 13.25   | 15   | 14.07   | 16   | 14.73   | 11   | 12.12   | 18   | 12.43   | 9    | 12.34   | 8    | 14.81   | 4    | 13.57    | 2    |
| Hartford Schroders US Small Cap Opps F | 44.94  | 84   | 15.69   | 73   | 11.39   | 34   | 11.62   | 54   | 12.89   | 49   | 11.10   | 43   | 11.55   | 31   | 11.35   | 28   | 13.31   | 41   | 11.88    | 42   |
| Vanguard Russell 2000 Index I          | 52.10  | 49   | 20.53   | 26   | 11.60   | 30   | 13.37   | 24   | 14.39   | 17   | 11.87   | 24   | 11.91   | 20   | 11.49   | 22   | 13.87   | 22   | 12.42    | 23   |
| Russell 2000 TR USD                    | 51.97  | 51   | 20.41   | 30   | 11.49   | 33   | 13.26   | 28   | 14.28   | 21   | 11.77   | 26   | 11.80   | 23   | 11.39   | 26   | 13.77   | 26   | 12.34    | 27   |



Returns are Net of Fees.

Performance data shown prior to fund's inception date represents extended performance of an older share class of the same strategy.

As of Date: 7/31/2021 Peer Group (5-95%): Funds - U.S. - Small Blend



● Delaware Small Cap Core R6

● MassMutual Small Cap Opps I

● Hartford Schroders US Small Cap Opps F

● Vanguard Russell 2000 Index I

■ Russell 2000 TR USD



**Correlation Matrix**

Time Period: 8/1/2011 to 7/31/2021

|  | 1    | 2    | 3    | 4    | 5    |
|--|------|------|------|------|------|
| 1 Delaware Small Cap Core R6             | 1.00 |      |      |      |      |
| 2 MassMutual Small Cap Opps I            | 0.97 | 1.00 |      |      |      |
| 3 Hartford Schroders US Small Cap Opps F | 0.97 | 0.98 | 1.00 |      |      |
| 4 Vanguard Russell 2000 Index I          | 0.98 | 0.98 | 0.98 | 1.00 |      |
| 5 Russell 2000 TR USD                    | 0.98 | 0.98 | 0.98 | 1.00 | 1.00 |

**Correlation Matrix (Excess Returns vs. Russell 2000 TR USD)**

Time Period: 8/1/2011 to 7/31/2021

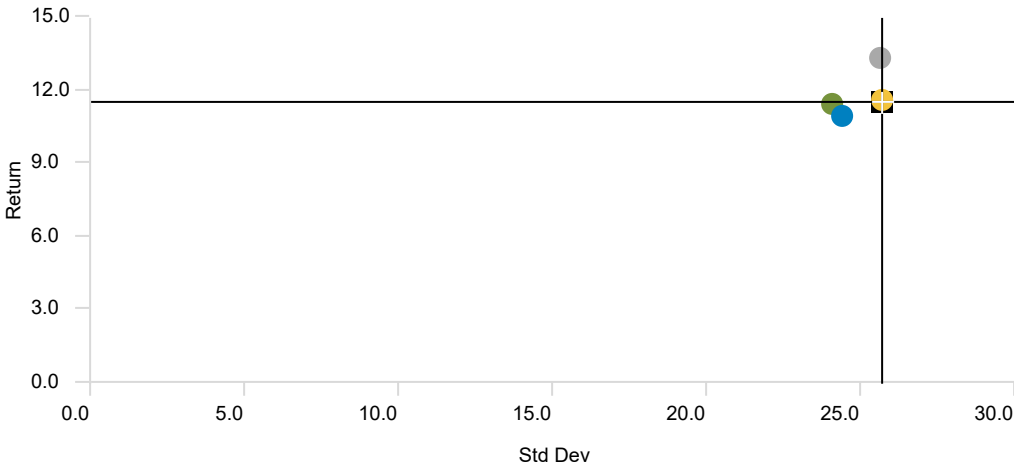
Calculation Benchmark: Russell 2000 TR USD

|  |                     | 1     | 2     | 3    | 4    | 5    |
|--|---------------------|-------|-------|------|------|------|
| 1 Delaware Small Cap Core R6             | Russell 2000 TR USD | 1.00  |       |      |      |      |
| 2 MassMutual Small Cap Opps I            | Russell 2000 TR USD | 0.36  | 1.00  |      |      |      |
| 3 Hartford Schroders US Small Cap Opps F | Russell 2000 TR USD | 0.47  | 0.46  | 1.00 |      |      |
| 4 Vanguard Russell 2000 Index I          | Russell 2000 TR USD | -0.04 | -0.14 | 0.04 | 1.00 |      |
| 5 Russell 2000 TR USD                    | Russell 2000 TR USD |       |       |      |      | 1.00 |

**Risk-Reward: 3-Year**

Time Period: 8/1/2018 to 7/31/2021

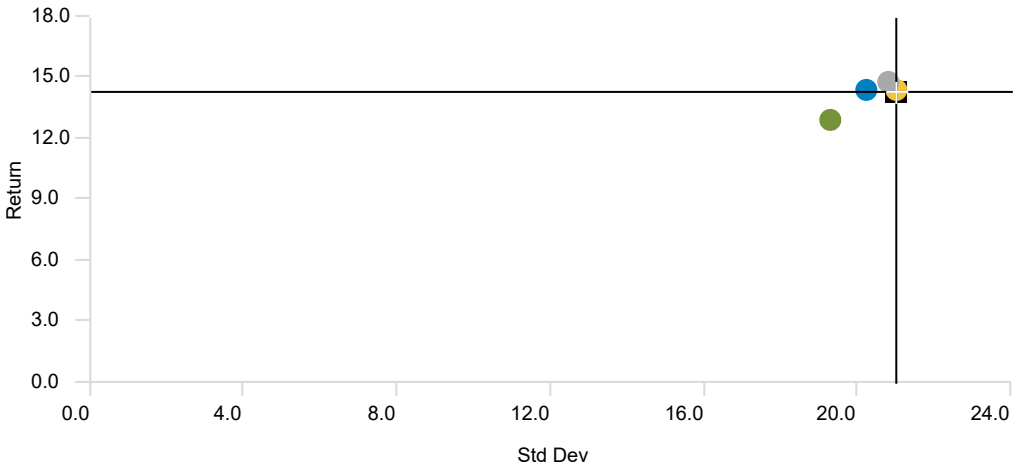
Calculation Benchmark: Russell 2000 TR USD



**Risk-Reward: 5-Year**

Time Period: 8/1/2016 to 7/31/2021

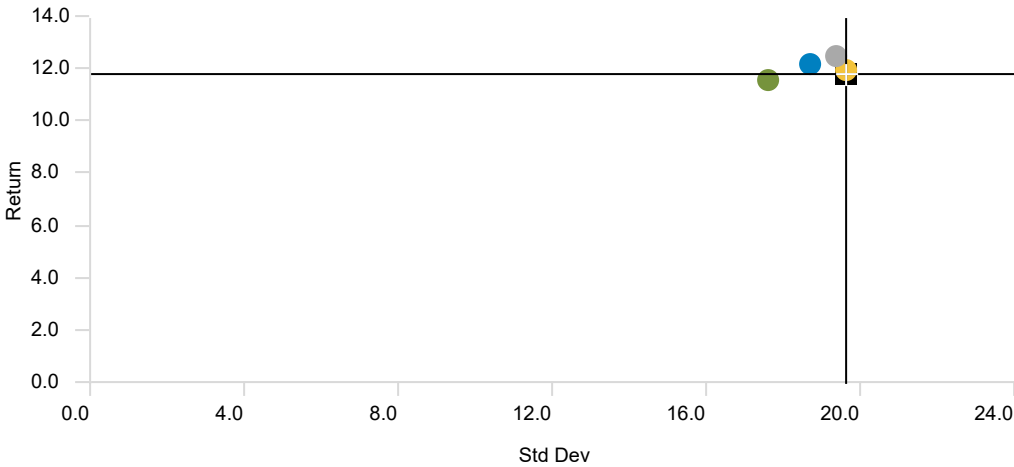
Calculation Benchmark: Russell 2000 TR USD



**Risk-Reward: 7-Year**

Time Period: 8/1/2014 to 7/31/2021

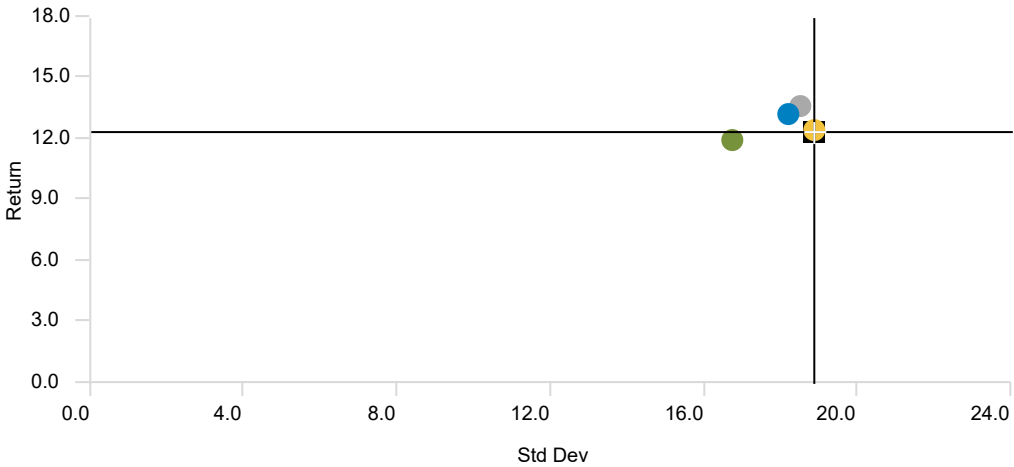
Calculation Benchmark: Russell 2000 TR USD



**Risk-Reward: 10-Year**

Time Period: 8/1/2011 to 7/31/2021

Calculation Benchmark: Russell 2000 TR USD



Delaware Small Cap Core R6

MassMutual Small Cap Opps I

Hartford Schroders US Small Cap Opps F

Vanguard Russell 2000 Index I

Russell 2000 TR USD

**MPT Statistics: 3-Year**

Time Period: 8/1/2018 to 7/31/2021 Calculation Benchmark: Russell 2000 TR USD

|                    | Delaware<br>Small<br>Cap<br>Core<br>R6 | MassMutual<br>Small<br>Cap<br>Opps I | Hartford<br>Schroders<br>US Small<br>Cap<br>Opps F | Vanguard<br>Russell<br>2000<br>Index I | Russell<br>2000<br>TR USD |
|--------------------|--|--------------------------------------|--|--|---------------------------|
| Return             | 10.92                                  | 13.25                                | 11.39  | 11.60                                  | 11.49                     |
| Excess Return      | -0.57                                  | 1.76                                 | -0.10  | 0.10                                   | 0.00                      |
| Std Dev            | 24.43                                  | 25.67                                | 24.12  | 25.72                                  | 25.72                     |
| Beta               | 0.93                                   | 0.98                                 | 0.91   | 1.00                                   | 1.00                      |
| Tracking Error     | 5.02                                   | 4.81                                 | 5.81   | 0.03                                   | 0.00                      |
| Sharpe Ratio       | 0.40                                   | 0.47                                 | 0.42   | 0.41                                   | 0.40                      |
| Alpha              | 0.03                                   | 1.83                                 | 0.69   | 0.09                                   | 0.00                      |
| Information Ratio  | -0.11                                  | 0.37                                 | -0.02  | 3.04                                   |                           |
| Batting Average    | 50.00                                  | 47.22                                | 55.56  | 75.00                                  | 100.00                    |
| Up Capture Ratio   | 94.21                                  | 100.59                               | 94.74  | 100.16                                 | 100.00                    |
| Down Capture Ratio | 94.19                                  | 95.47                                | 93.44  | 99.89                                  | 100.00                    |

**MPT Statistics: 5-Year**

Time Period: 8/1/2016 to 7/31/2021 Calculation Benchmark: Russell 2000 TR USD

|                    |       |       |       |        |        |
|--------------------|-------|-------|-------|--------|--------|
| Return             | 14.34 | 14.73 | 12.89 | 14.39  | 14.28  |
| Excess Return      | 0.06  | 0.45  | -1.39 | 0.11   | 0.00   |
| Std Dev            | 20.22 | 20.80 | 19.32 | 21.03  | 21.02  |
| Beta               | 0.94  | 0.97  | 0.89  | 1.00   | 1.00   |
| Tracking Error     | 4.25  | 4.35  | 5.10  | 0.03   | 0.00   |
| Sharpe Ratio       | 0.65  | 0.65  | 0.61  | 0.63   | 0.62   |
| Alpha              | 0.71  | 0.82  | 0.01  | 0.09   | 0.00   |
| Information Ratio  | 0.02  | 0.10  | -0.27 | 3.32   |        |
| Batting Average    | 51.67 | 46.67 | 48.33 | 78.33  | 100.00 |
| Up Capture Ratio   | 96.24 | 97.93 | 90.53 | 100.19 | 100.00 |
| Down Capture Ratio | 93.69 | 94.74 | 90.86 | 99.85  | 100.00 |

**MPT Statistics: 7-Year**

Time Period: 8/1/2014 to 7/31/2021 Calculation Benchmark: Russell 2000 TR USD

|                    | Delaware<br>Small<br>Cap<br>Core<br>R6 | MassMutual<br>Small<br>Cap<br>Opps I | Hartford<br>Schroders<br>US Small<br>Cap<br>Opps F | Vanguard<br>Russell<br>2000<br>Index I | Russell<br>2000<br>TR USD |
|--------------------|--|--------------------------------------|--|--|---------------------------|
| Return             | 12.16                                  | 12.43                                | 11.55  | 11.91                                  | 11.80                     |
| Excess Return      | 0.35                                   | 0.63                                 | -0.26  | 0.10                                   | 0.00                      |
| Std Dev            | 18.69                                  | 19.37                                | 17.62  | 19.63                                  | 19.63                     |
| Beta               | 0.93                                   | 0.97                                 | 0.87   | 1.00                                   | 1.00                      |
| Tracking Error     | 3.97                                   | 3.92                                 | 4.80   | 0.03                                   | 0.00                      |
| Sharpe Ratio       | 0.61                                   | 0.60                                 | 0.61   | 0.56                                   | 0.56                      |
| Alpha              | 0.95                                   | 0.93                                 | 0.98   | 0.09                                   | 0.00                      |
| Information Ratio  | 0.09                                   | 0.16                                 | -0.05  | 3.31                                   |                           |
| Batting Average    | 47.62                                  | 47.62                                | 48.81  | 77.38                                  | 100.00                    |
| Up Capture Ratio   | 95.61                                  | 98.87                                | 89.38  | 100.18                                 | 100.00                    |
| Down Capture Ratio | 91.83                                  | 95.52                                | 85.12  | 99.82                                  | 100.00                    |

**MPT Statistics: 10-Year**

Time Period: 8/1/2011 to 7/31/2021 Calculation Benchmark: Russell 2000 TR USD

|                    |       |       |       |        |        |
|--------------------|-------|-------|-------|--------|--------|
| Return             | 13.16 | 13.57 | 11.88 | 12.42  | 12.34  |
| Excess Return      | 0.82  | 1.24  | -0.45 | 0.08   | 0.00   |
| Std Dev            | 18.21 | 18.52 | 16.74 | 18.88  | 18.88  |
| Beta               | 0.95  | 0.96  | 0.87  | 1.00   | 1.00   |
| Tracking Error     | 3.63  | 3.82  | 4.40  | 0.03   | 0.00   |
| Sharpe Ratio       | 0.69  | 0.70  | 0.67  | 0.63   | 0.62   |
| Alpha              | 1.29  | 1.54  | 0.95  | 0.08   | 0.00   |
| Information Ratio  | 0.23  | 0.32  | -0.10 | 2.49   |        |
| Batting Average    | 51.67 | 52.50 | 48.33 | 73.33  | 100.00 |
| Up Capture Ratio   | 96.90 | 98.27 | 87.72 | 100.15 | 100.00 |
| Down Capture Ratio | 91.39 | 91.62 | 82.94 | 99.85  | 100.00 |

**Alpha** - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta.

**Batting Average** – A measure of a manager's ability to consistently beat the market. It is calculated by dividing the number of months in which the manager beat or matched an index by the total number of months in the period.

**Best Quarter**- This is the highest quarterly (3 month) return of the investment since its inception.

**Beta** - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.

**Down Period Percent** - Number of months below 0 divided by the total number of months.

**Downmarket Capture Ratio** - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance.

**Downside Std Dev** - This measures only deviations below a specified benchmark.

**Excess Return**- This is a measure of an investment's return in excess of a benchmark.

**Information Ratio** - This calculates the value-added contribution of the manager and is derived by dividing the excess rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.

**Longest Down-Streak Return** - Return for the longest series of negative monthly returns.

**Longest Down-Streak # of Periods** - Longest series of negative monthly returns.

**Longest Up-Streak Return** - Return for the longest series of positive monthly returns.

**Longest Up-Streak** - Longest series of positive monthly returns.

**Kurtosis** - Kurtosis indicates the peakedness of a distribution. For normal distribution, Kurtosis is 3.

**Max Drawdown** - The peak to trough decline during a specific record period of an investment or fund. It is usually quoted as the percentage between the peak to the trough.

**Max Drawdown # of Periods** - This is the number of months that encompasses the max drawdown for an investment.

**R-Squared** - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.

**Return** - Compounded rate of return for the period.

**Sharpe Ratio** - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.

**Skewness** - Skewness reflects the degree of asymmetry of a distribution. If the distribution has a longer left tail, the function has negative skewness. Otherwise, it has positive skewness. A normal distribution

is symmetric with skewness 0.

**Sortino Ratio** - The Sortino Ratio is similar to Sharpe Ratio except it uses downside risk (Downside Deviation) in the denominator. It was developed in early 1980's by Frank Sortino. Since upside variability is not necessarily a bad thing, Sortino ratio is sometimes more preferable than Sharpe ratio.

**Standard Deviation** - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.

**Tracking Error** - This is a measure of the standard deviation of a portfolio's excess returns versus its designated market benchmark.

**Treynor Ratio** - Similar to Sharpe Ratio, Treynor Ratio is a measurement of efficiency utilizing the relationship between annualized risk-adjusted return and risk. Unlike Sharpe Ratio, Treynor Ratio utilizes "market" risk (beta) instead of total risk (standard deviation). Good performance efficiency is measured by a high ratio.

**Up period Percent** - Number of months above 0 divided by the total number of months.

**Upmarket Capture Ratio** - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

**Value-Growth Score** - Morningstar assigns an Overall Value score and an Overall Growth score to each stock within a fund. Morningstar then calculates a net value-core-growth score for each stock by subtracting the stock's Overall Value score from its Overall Growth score. Once this is done, these raw scores are rescaled to range between -100 to 400 in order to fit within the Morningstar Style Box. Scores below 67 are classified as value, scores above 233 are classified as growth, and scores between 67 and 233 fit within the core boundaries.

**Worst Quarter** - This is the lowest quarterly (3 month) return of the investment since its inception.

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Direct Lending – Senior Review  
August, 2021

## **Delray Beach General Employees' Retirement System**

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This report uses assumptions from the 2021 JPMorgan Long Term Capital Market Assumptions (the “2021 JPMorgan Assumptions”). Accordingly, there are statements of future expectations, estimates, projections, and other forward-looking statements that are based on available information and views as of the time of those statements. Such forward-looking statements are inherently speculative as they are based on assumptions which may involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such statements.

Furthermore, the reader should be aware that the outputs presented in this report are slightly different than those presented in the original 2021 JPMorgan Assumptions. Due to changes in the underlying forecasted correlations from the 2021 JPMorgan Long Term Capital Assumptions, and thereby changes to the methodology used by JPMorgan to create correlation estimates, a malfunction occurs when the 2021 JPMorgan Assumptions interface with Morningstar (i.e., one of the means by which AndCo creates this report). Accordingly, the utilization of a secondary resource created by Morningstar is utilized to remediate this issue; however, this remedy causes some deviation in figures from the original 2021 JPMorgan Assumptions. We consider these deviations to be generally immaterial.

The source of data and figures provided is generally the respective managers, including their Form ADVs, pitchbooks, offering documents and other similar documentation. Additional information included in this document may contain data provided by 3<sup>rd</sup> party subscriptions, index databases or public economic sources.

Return data presented in the “Track Records” is provided for historical and informational purposes only. The results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Returns stated are net of fees, which may include: investment advisory fees, taxes and other expenses. When client-specific performance is shown, AndCo uses time-weighted calculations, which are founded on standards recommended by the CFA Institute. In these cases, the performance-related data shown are based on information that is received from custodians. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement.

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As presented in this report, although investing in private debt funds can be beneficial, it is also important to consider the associated risks. Investing in private debt funds is higher risk, may involve speculation, and is not suitable for all investors. Prospective investors should be aware of the long-term nature of an investment in private debt funds. Investments (direct or indirect) in private debt are typically illiquid. Other general risks and important considerations associated with private debt funds include, but are not limited to: volatilities in political, market and economic conditions; extensive and frequently changing regulation; downturns in demand; changes to private debt values and taxes; valuation and appraisal methodologies; interest rates; and environmental issues. The risks outlined herein do not purport to cover all risks or underlying factors associated with investing in private debt funds. Please refer to the respective offering documents for complete information.



## **Private Debt Overview**

# Benefits of Direct Lending – Senior

Senior direct lending strategies originate corporate loans that are normally floating-rate and secured by liens on corporate assets. The category is expected to outperform public equity, core real estate and fixed income over the next 10-15 years, with less volatility than private equity or value-added real estate.<sup>7</sup>

|         | Category                                   | Expected Return <sup>1,2</sup> | Expected Volatility <sup>1,3</sup> | Return/Risk Ratio <sup>4</sup> |
|---------|--|--------------------------------|------------------------------------|--------------------------------|
| Public  | U.S. Large Cap Equity                      | 4.1%                           | 14.8%                              | 0.3                            |
|         | U.S. Small Cap Equity                      | 4.6%                           | 19.4%                              | 0.2                            |
|         | International Equity <sup>5</sup>          | 6.7%                           | 17.5%                              | 0.4                            |
|         | U.S. Core Fixed Income                     | 2.1%                           | 3.4%                               | 0.6                            |
|         | U.S. Bank Loans <sup>6</sup>               | 5.1%                           | 7.9%                               | 0.6                            |
|         | U.S. High Yield Bonds                      | 4.8%                           | 8.3%                               | 0.6                            |
| Private | Private Equity                             | 7.8%                           | 18.7%                              | 0.4                            |
|         | U.S. Core Real Estate                      | 5.9%                           | 10.9%                              | 0.5                            |
|         | U.S. Value-Added Real Estate               | 8.1%                           | 17.5%                              | 0.5                            |
|         | <b>Direct Lending – Senior<sup>6</sup></b> | <b>6.8%</b>                    | <b>13.7%</b>                       | 0.5                            |

<sup>1</sup> Expected returns and volatility are from the "2021 JPMorgan Long-Term Capital Market Assumptions" (LTCMAs) and rounded to the nearest 0.1%.

<sup>2</sup> Expected return is shown on a compound, annualized basis.

<sup>3</sup> Volatility is defined as annualized standard deviation of total return.

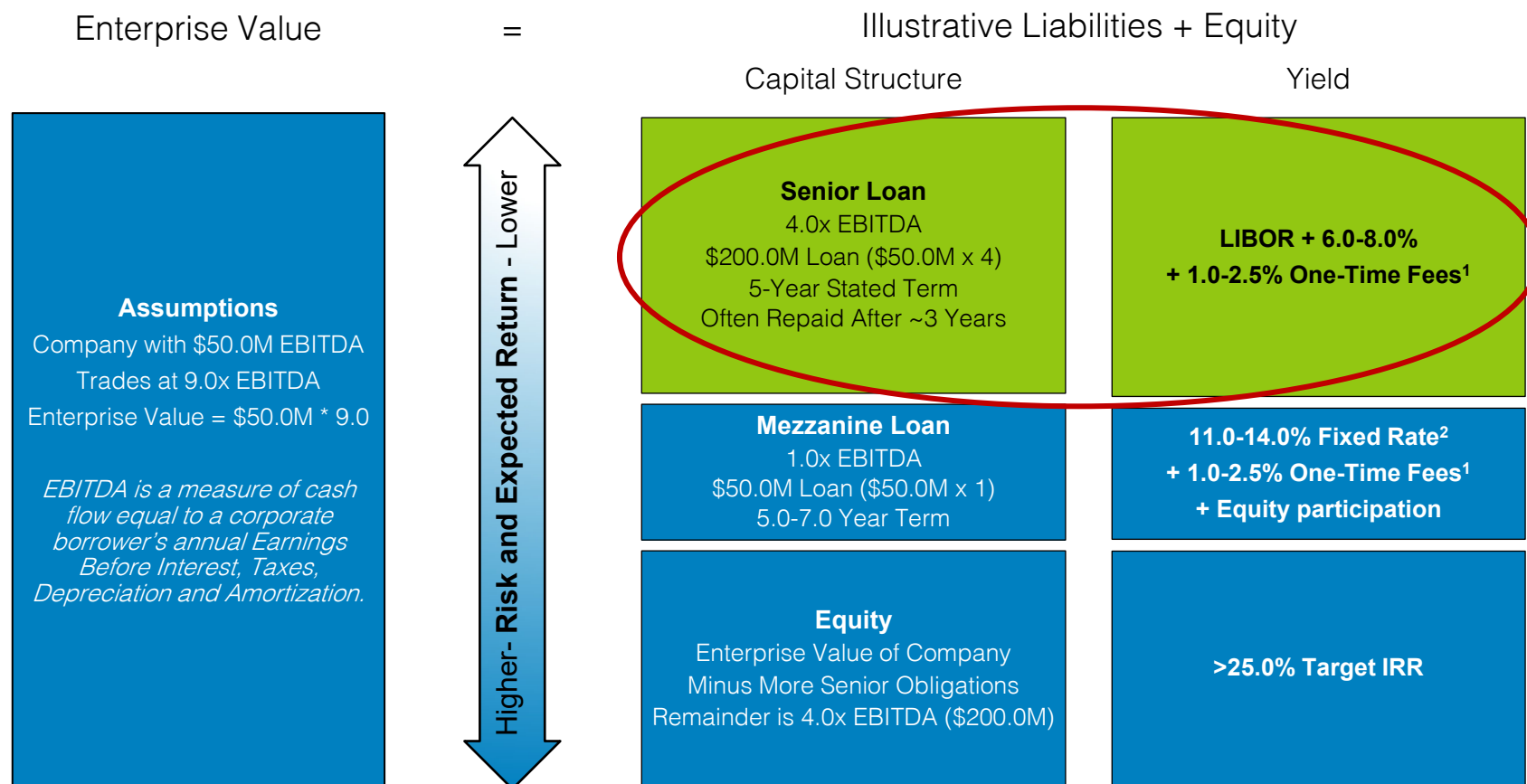
<sup>4</sup> Return/risk ratio was calculated by AndCo Consulting and is defined as expected return divided by expected volatility.

<sup>5</sup> AndCo blended JPMorgan's developed- and emerging-market equity assumptions using the categories' approximate weightings in the MSCI All Country World ex-U.S. Index.

<sup>6</sup> In JPMorgan's LTCMAs, bank loans are called "Leveraged Loans" and Direct Lending – Senior is "Senior Direct Lending."

# Direct Lending – Senior Category's Risk and Return

Risk of corporate investments is affected by borrower risk and seniority. Investments in the senior part of the capital structure have lower expected returns and risk.



<sup>1</sup> One-time fees include items like origination fees and original issue discounts. Borrowers may also pay other types of fees for items like early repayment and loan amendments.

<sup>2</sup> Mezzanine coupons often comprise cash and payment-in-kind (PIK) interest. PIK represents increases in the principal balance owed. Receiving PIK in lieu of cash increases the investor's risk but may also increase return multiples due to compounding.

The above represents a hypothetical scenario and is intended for illustrative purposes only, reflective of a sample capital structure for a mid-sized company. Hypothetical yields and target IRRs shown are intended to be long-term in nature, and do not reflect current market conditions.

## Implementation Considerations – Illiquid Limited Partnerships

Asset managers cannot readily buy or sell illiquid assets to invest contributions or pay redemptions, so investors primarily invest in private debt through closed-end limited partnerships.

- Limited partnerships are generally not registered with the SEC.
- Partnerships are managed by “General Partners (GPs).” Investors are “Limited Partners (LPs).”
- Limited partnerships are offered using a private placement memorandum (PPM) and governed by a limited partnership agreement (LPA).
- Fees are usually assessed on the portfolio’s fair value, including any assets purchased using leverage. Some funds charge management fees on committed capital, but this is no longer common.
- Unaudited March, June and September financial statements are typically available 45 days after quarter-end. Audited financial statements are typically available 90 days after year-end.

Closed-end limited partnerships have limited terms, often 8.0-10.0 years plus extensions.

- Investors join by submitting subscription agreements (SAs) at closings held during the fundraising period, which is often 12-24 months.
- Each LP commits to invest up to a maximum amount. When the money is needed, the GP sends capital calls to LPs requesting contributions to pay for investments and expenses, up to their maximum commitments. LPs who do not contribute capital on time are in default at high cost.
- The GP makes investments during the investment period, which is usually 3.0 years. While most partnerships reinvest cash flow during the investment period, many direct lending partnerships distribute borrowers’ interest payments.
- When reinvestment ends, the partnership enters the harvest period and distributions accelerate. While many strategies sell their holdings in the harvest period, most direct lending strategies exit their investments through maturity.



## Implementation Considerations – Fund-Level Leverage

Many senior direct lending funds use leverage to enhance returns. These funds may be standalone offerings or marketed alongside an unlevered fund in the same strategy.

- When a partnership uses leverage, we typically see managers target leverage of 1.0-2.5x the partnership's equity. We generally expect each 1.0x of fund-level leverage to increase net expected return by 2-3% for a representative strategy that we would consider well-managed.
- Expected return does not rise one-to-one with fund-level leverage due to the cost of financing, which we expect to be 2-3% over LIBOR at current interest rates. We also tend to see higher incentive fees for levered funds than unlevered funds.
- The availability of leverage is affected by the portfolio's quality and diversification. In contrast to senior direct lending funds, distressed debt and mezzanine funds are normally unlevered due to the higher credit risk of those strategies.
- AndCo expects more-levered funds to have lower returns per unit of risk than less-levered funds, all else held equal. We expect investors to be fully exposed to the risks of assets purchased with leverage, but for returns on these assets to be reduced by financing costs.
- However, levered options can be a better fit for investors with higher return objectives or those who prefer to make smaller commitments in order to have more total portfolio liquidity.

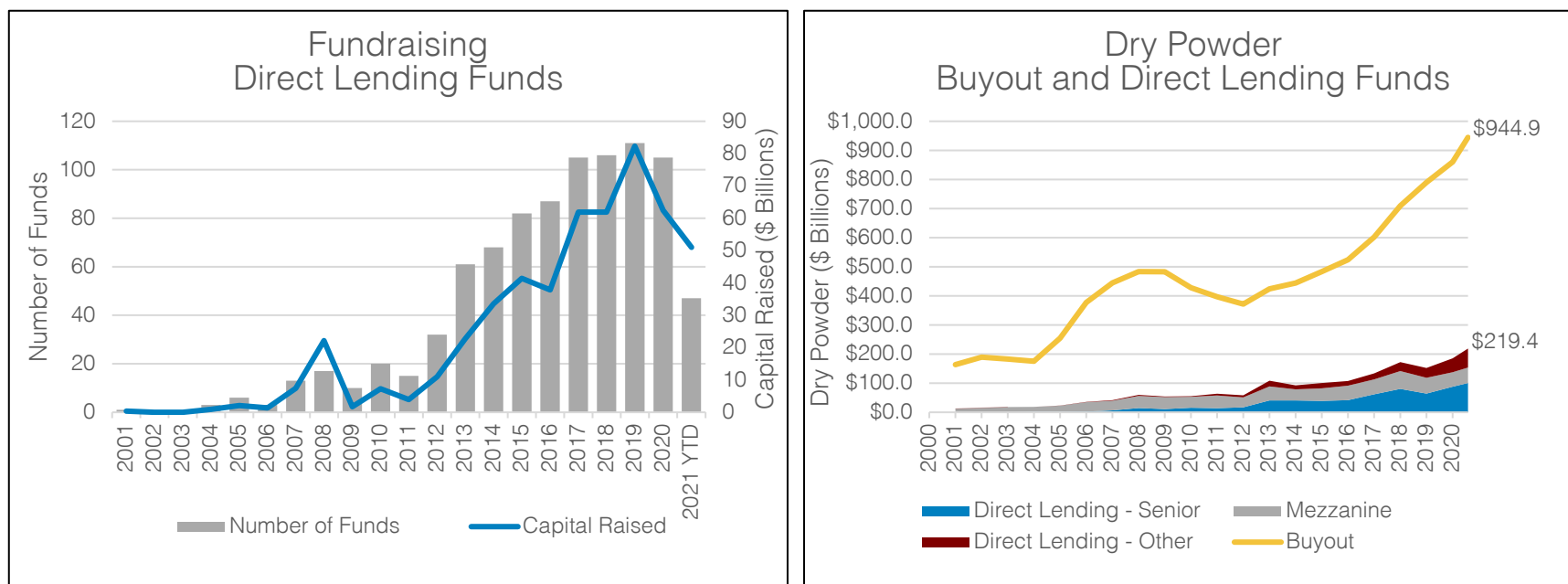
The above is considered representative based on AndCo Consulting's research. The cost and availability of leverage may differ for specific strategies.



## **Current Market Environment**

# Fundraising and Dry Powder

Direct lending fundraising accelerated after the Global Financial Crisis. It reached a peak in 2017 and decelerated in 2020. Commitments that have not been called (dry powder) remain much lower than the private equity buyout funds that direct lending funds complement, even if subordinated debt (mezzanine) is considered.



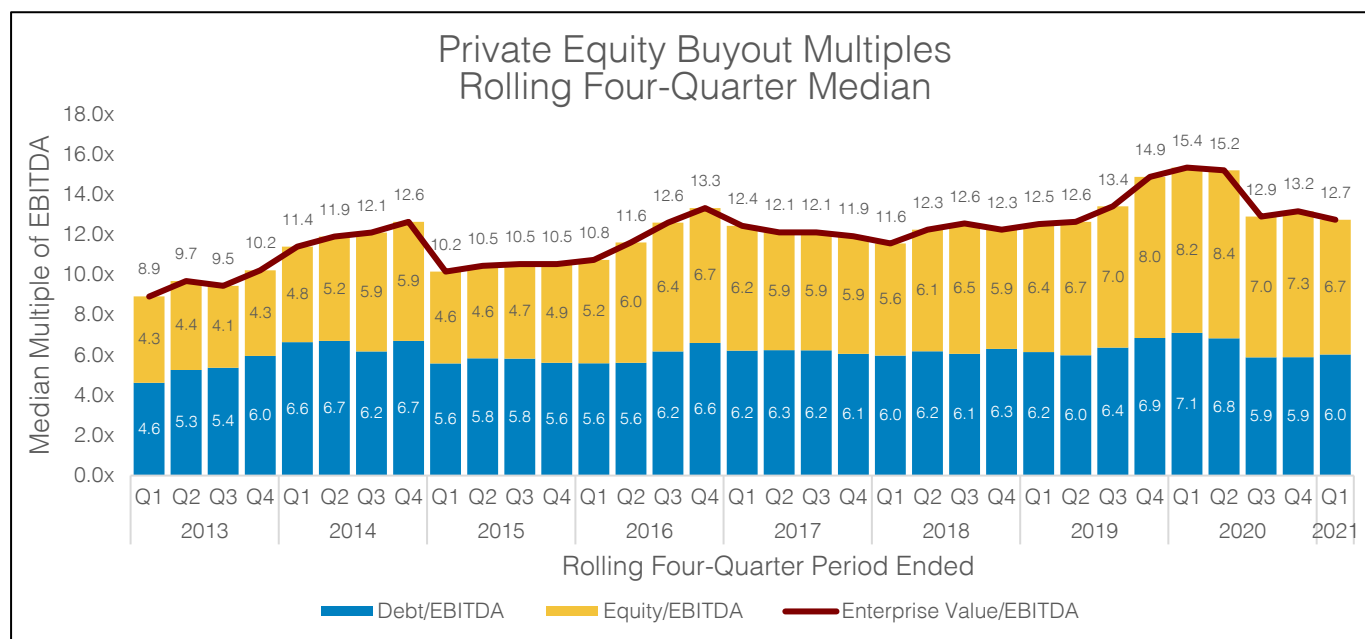
While some direct lending funds use leverage, buyout funds' larger quantity of dry powder suggests that demand for debt to finance acquisitions may remain robust.

Source: Preqin. Accessed July 12, 2021. Both charts include the most recent data available as of that date. The chart on the left includes Direct Lending funds that are not Mezzanine, which is subordinated to senior debt and thus considered of different risk. The numbers to the right of the chart on the right are 1) the total dry powder of buyout funds and 2) the sum of the dry powder of the three types of private debt funds shown (Direct Lending – Senior, Mezzanine and Direct Lending – Other) as of July 12, 2021.



# Market Environment

Corporate valuations have generally risen since 2015, even after recent declines. As shown below, the median PE buyout transaction occurred at 12.7x the purchased company's annual cash flow (EBITDA) during the trailing year ended March 31, 2021.



In each transaction, PE investors' capital (in yellow) would generally be lost before debt investors (in blue) would begin to lose principal. This "cushion" is expected to insulate debt investors from valuation changes. In 2020, PE investors provided the largest percentage of the cost of buyout investments since at least 2013. While lower valuations reduced the cushion in the first quarter of 2021, it remains large by historical standards.

Source: PitchBook Data. (2021, June 16). *Q1 2021 US PE Middle Market Report*. <https://pitchbook.com/news/reports/q1-2021-us-pe-middle-market-report>.



# Private Debt Market Conditions

## COVID-19's Impact on Existing Loans

- In addition to its humanitarian toll, the pandemic negatively impacted portfolio company cash flow due primarily to the decline in economic activity. Providers of in-person services such as dental offices, gyms, and day-care centers were particularly affected.
- When the situation required in 2020, most senior lenders required that investors with lower priority claims, such as private equity (PE) sponsors, reduce risk by adding equity capital before they considered granting loan amendments or covenant waivers.
- In exchange for this relief from commitments the borrower made in loan covenants, some lenders assessed fees and increased loan spreads, creating incremental sources of return for their funds.

## Deployment Rebounded

- A decline in mergers & acquisitions (M&A) caused most direct lending strategies to invest more slowly in spring and summer 2020. Direct lenders generally say that M&A volume rebounded in the fourth quarter of 2020 and is now at or near its typical pace.

## Modestly Higher Yields and Lower Expected Risk for New Originations

- Market conditions shifted in lenders' favor during 2020. They appear to be retrenching back toward equity investors. Depending on the strategy, senior lenders generally cite 1-2% wider credit spreads, 0.5x smaller loans relative to EBITDA, and more conservative loan covenants on new originations than had prevailed prior to the pandemic's arrival in the U.S.
- We think higher spreads and more conservative loan underwriting make the senior loans being originated at present more attractive than those originated in the years leading up to 2020. However, we encourage thinking of direct lending strategically and note that the funds presently seeking capital will be exposed to loans made throughout their investment periods.

The update on this page is based on AndCo's conversations with certain direct lending, distressed debt and private equity managers. These statements are therefore not intended to be exhaustive and are largely anecdotal. While we believe their perspectives are representative and have found them to be in consensus with one another, these expectations cannot be guaranteed and may ultimately not come to pass. Information provided is valid only as of the date of distribution.



## **Candidate Overview**



# Candidate Selection Criteria

Qualities to consider and evaluate when reviewing Private Debt managers:

- Experience
  - A long history as a reliable partner helps to drive deal flow by increasing the manager's reputation with prospective borrowers and intermediaries, allowing for greater selectivity.
- Track Record
  - Past success relative to strategies taking similar risks, including in adverse environments, increases confidence that the strategy will be successful in the future.
- Institutional Investment Process
  - Teams with established investment processes that do not overly rely on any individual, in order to increase confidence that past success may be repeatable.
- Differentiated Sourcing
  - Differentiated approaches to originating deal flow may allow the manager to find opportunities that are less competitively priced.
- Strong Underwriting (for Direct Lending strategies)
  - The ability to protect investor capital, as reflected in low historical annualized credit loss rates.
- Credit Workout Capabilities
  - Resources and experience working through troubled loans and restructurings.
- Relative Value
  - Competitive net expected returns in the context of the risks being taken.
- Illiquidity Premium
  - A well-grounded rationale for the strategy to outperform public investments of similar risk in the future.

# Candidates<sup>1</sup>

*Based on our research process, we present the following candidates:*

| Firm   | Fund   |
|--|--|
| Deerpath Capital Management, LP<br>(Deerpath)      | Deerpath Capital Advantage VI (US)                                   |
| GC Advisors LLC (Golub)                            | Golub Capital Partners 14 (GCP 14)                                   |
| Monroe Capital Management Advisors LLC<br>(Monroe) | Monroe Capital Private Credit (Delaware)<br>Feeder Fund IV (MCPC IV) |

<sup>1</sup> Unless noted otherwise, all data is as of the date each fund was added as an approved strategy with AndCo.

# Firm Overview

| Firm            | Direct Lending Strategy Inception | Ownership   | Firm / Direct Lending AUM                  | Direct Lending Team Primary Locations  | Direct Lending Professionals |
|-----------------|-----------------------------------|---|--|--|------------------------------|
| <b>Deerpath</b> | 2009                              | 100% employee-owned.  | \$2.3 billion / \$2.3 billion              | New York, NY;<br>Chicago, IL; Boston, MA; Los Angeles, CA; Fort Lauderdale, FL | 47                           |
| <b>Golub</b>    | 1994                              | 80% owned by Lawrence Golub, David Golub and Golub family-related trusts. 20% owned by Dyal Capital, an affiliate of Neuberger Berman that makes passive investments in alternative managers. | Over \$35 billion / Over \$30 billion      | New York, NY;<br>Chicago, IL   | Over 130                     |
| <b>Monroe</b>   | 2004                              | 100% employee-owned.  | \$9.3 billion / \$6.1 billion <sup>2</sup> | Chicago, IL  | 79                           |

<sup>1</sup> Deerpath's firm and direct lending AUM are equal because the firm manages one strategy. Accordingly, the only Deerpath employees who are not included in the number of direct lending professionals are in investor relations.

<sup>2</sup> Monroe also manages collateralized loan obligations (CLOs). While most of the CLOs invest in debt of similar capitalization, the CLOs are not included in its direct lending AUM.

# Strategy Focus

| Firm            | Fund Offering   | Strategy Focus  |
|-----------------|---|---|
| <b>Deerpath</b> | Deerpath Capital Advantage VI (US)                                | Senior loans to private equity (PE)-owned U.S. companies in the lower middle-market with \$5-15 million in EBITDA.  |
| <b>Golub</b>    | Golub Capital Partners 14   | Unitranche (higher leverage) senior loans to PE-owned U.S. companies in the core middle-market with \$10-100 million in EBITDA.   |
| <b>Monroe</b>   | Monroe Capital Private Credit (Delaware) Feeder Fund IV (MCPC IV) | Senior loans to U.S. companies in the lower middle-market with \$3-35 million in EBITDA. Loans to non-PE-owned companies are expected to be 15-40% of the portfolio. Up to 20% of the portfolio may be invested in asset-based loans. |

# Key Differentiators

| Firm            | Key Strengths   | Points to Consider  |
|-----------------|---|---|
| <b>Deerpath</b> | <ul style="list-style-type: none"> <li>Regional offices allow the team to be more selective by driving broad deal flow of &gt;1,500 opportunities annually.</li> <li>Consistently strong performance. As of December 31, 2020, the since-inception unlevered gross IRR of investments in every vintage year since the strategy's 2009 inception were over 7%.</li> <li>Conservative approach. The typical borrower has 15 years of operating history. Deerpath seeks to make loans with low leverage and loan-to-value ratios, which have contributed to a low 0.2% annualized credit-loss rate since inception. Borrowers' private equity owners may also support borrowers during stress periods.</li> </ul>  | <ul style="list-style-type: none"> <li>We think there is key-person risk in President James Kirby. Co-founders Gary Wendt and John Fitzgibbons spend about one-third of their business time on Deerpath. If Mr. Kirby left or became incapacitated, we would expect COO Tas Hasan to provide day-to-day leadership and stability.</li> <li>Deerpath was founded in 2007 but made its first loan in 2009, so its track record does not include the GFC.</li> <li>Deerpath charges administrative fees on top of the management fee. After accounting for these fees, we still consider the fund's fees competitive. The sum of these expenses and the management fee is below the category median according to Preqin.</li> </ul>  |
| <b>Golub</b>    | <ul style="list-style-type: none"> <li>The fund is broadly diversified. It invests in a large, evergreen portfolio comprising over \$11.0 billion in fair value across over 500 borrowers as of September 30, 2020.</li> <li>Deep resources. Golub has over 350 back-office staff, in addition to over 130 investment professionals.</li> <li>A strong reputation among PE firms contributes to deal flow and repeat business.</li> </ul>   | <ul style="list-style-type: none"> <li>Golub's substantial assets under management may limit its ability to pursue smaller transactions.</li> <li>GCP 14 uses more fund-level leverage (2.0-2.5x investor equity) than the other candidates.</li> <li>Golub has the highest incentive fee among the candidates. Golub also charges administrative fees on top of the management fee.</li> </ul>   |
| <b>Monroe</b>   | <ul style="list-style-type: none"> <li>A deep team of about 20 originators in five regional offices allows the team to be more selective. Having broad deal flow of about 2,000 opportunities annually allows for a low, 2-3% closing rate.</li> <li>Monroe focuses on smaller loans that may be harder to find, on a per-dollar-invested basis, than loans to larger companies. Non-PE-sponsored companies may also be harder to find because targeting PE sponsors can allow lenders to find many opportunities in a shorter amount of time. Moving off the beaten path may allow Monroe to find better relative value.</li> <li>Monroe has achieved a low annualized credit-loss rate of 0.1% since inception. We attribute its success to selectivity, conservative loan sizing and an assertive credit workout style.</li> </ul> | <ul style="list-style-type: none"> <li>While the fund is expected primarily to invest in U.S. PE-sponsored companies, it may also invest in loans to non-PE-sponsored companies and up to 20% in opportunistic or asset-backed loans (ABL). We expect these transaction types to increase its diversification, yield, and risk.</li> <li>Monroe Credit Advisors, LLC (MCA), which is indirectly owned by some of Monroe's senior managers and managed by Monroe's CEO Theodore Koenig, provides debt placement advisory services. With prior approval by investors or its advisory board, MCPC IV may invest in loans that are placed by MCA, causing MCPC IV to pay MCA a fee. Only 1% of loans the direct lending strategy made in 2017-2019 used MCA for the placement. We are comfortable with this arrangement.</li> </ul> |



# Investment Team

| Firm            | Key Decision-Makers  | Team Stability  |
|-----------------|--|---|
| <b>Deerpath</b> | <ul style="list-style-type: none"> <li>Decisions are made by a five-member investment committee (IC). Four members are permanent and one rotates.</li> <li>The permanent IC members are Partners James Kirby, Gary Wendt, John Fitzgibbons, and Tas Hasan. They each have more than 15 years of investment experience. Messrs. Kirby, Wendt, and Fitzgibbons founded Deerpath in 2007. Mr. Hasan joined the firm that year.</li> <li>The rotating seat is held by one of seven MDs on the investment team. They each have more than 10 years of experience.</li> </ul>   | <ul style="list-style-type: none"> <li>There have been 13 departures from the investment team in the last five years, of whom five were dismissed by Deerpath. Eight of the departures were at the junior Associate level.</li> <li>We discussed the reasoning for these departures with Deerpath and do not find this turnover concerning.</li> </ul>  |
| <b>Golub</b>    | <ul style="list-style-type: none"> <li>The direct lending strategy, including GCP 14, is led by a four-member investment committee comprising Lawrence Golub, David Golub, Andrew Steuerman and Gregory Cashman.</li> <li>Lawrence Golub is the firm's CEO and David Golub is its president. Messrs. Steuerman and Cashman are senior members of the middle-market lending team.</li> <li>Investment opportunities are sourced across the firm, but a large group of 13 originators leads that effort.</li> <li>Due diligence is conducted by an exceptionally large team of more than 70 underwriters.</li> </ul>   | <ul style="list-style-type: none"> <li>Lawrence Golub founded the firm in 1994. David Golub, Andrew Steuerman, and Gregory Cashman have each been with the firm for at least 15 years.</li> <li>The middle-market lending team experienced six departures at the vice president level or above over the last five years. This is less than 5% annualized and we consider the rate low for such large team.</li> </ul>   |
| <b>Monroe</b>   | <ul style="list-style-type: none"> <li>Decisions are made by an eight-member investment committee comprising CEO Theodore Koenig, Head of Originations Thomas Aronson, Chief Credit Officer Michael Egan, Managing Director (MD) &amp; Portfolio Manager of Private Credit Zia Uddin, MD &amp; Head of Direct Underwriting Alex Franky, MD &amp; Head of Capital Markets Carey Davidson, MD &amp; PM of the BDC and Co-Head of Opportunistic Credit Aaron Peck, and MD &amp; PM of CLO &amp; Loan Trading Jeremy VanDerMeid. They each have more than 15 years of experience.</li> <li>Monroe's investment team is organized in a functional-specialist model, where certain tasks in the investment process are carried out by certain members. Thomas Aronson leads the originations team. Michael Egan leads underwriting and portfolio management, with support from the heads of underwriting.</li> </ul> | <ul style="list-style-type: none"> <li>Messrs. Koenig, Aronson and Egan co-founded Monroe in 2004. Each member of the investment committee has been with the firm for at least five years.</li> <li>Monroe generally experiences about 20% annual turnover in its origination team. Much of the turnover is intentional. Originators receive a base salary, incentive based on the deals they find that close (originators do not make decisions on what deals are ultimately completed) and carried interest in Monroe's funds. This compensation structure encourages originators who do not generate enough actionable deal flow to find other opportunities.</li> </ul> |

# Key Terms

| Firm            | Target Size                | Minimum Commitment      | Borrower Profile   | Fund-Level Leverage           | First Close | Final Close <sup>1</sup> | Target Net IRR | Fund Lifecycle   |
|-----------------|----------------------------|-------------------------|--|-------------------------------|-------------|--------------------------|----------------|--|
| <b>Deerpath</b> | \$1.5 billion              | Negotiable <sup>2</sup> | Lower mid-market PE-owned companies with \$5-15M EBITDA  | 2.0x debt/equity <sup>3</sup> | Sept. 2021  | Sept. 2022               | 10-15%         | Eight years from the final closing, plus up to two one-year extensions |
| <b>Golub</b>    | \$2-3 billion <sup>4</sup> | \$1 million             | Core mid-market PE-owned companies with \$10-100M EBITDA | 2.0-2.5x debt/equity          | 4/1/21      | 4/1/23                   | 10.5-13.5%     | 10 years from the first closing, plus up to two one-year extensions    |
| <b>Monroe</b>   | \$1.5 billion              | Negotiable <sup>2</sup> | Lower mid-market companies with \$3-35M EBITDA           | 1.0x debt/equity <sup>3</sup> | 10/23/20    | 12/15/21                 | 9-12%          | Seven years from the final closing, plus up to two one-year extensions |

<sup>1</sup> Anticipated final closing dates are as of the time this report was prepared. They may have changed since the respective product was approved at AndCo.

<sup>2</sup> These funds' stated minimums are \$5.0 million. Deerpath and Monroe have agreed to waive their funds' minimums for AndCo clients.

<sup>3</sup> The Deerpath and Monroe strategies are also available in unlevered vehicles that are approved at AndCo. Deerpath Capital VI targets a 5-8% net IRR and Monroe Capital Private Credit (Delaware) Feeder Fund IV (Unleveraged) targets a 6-9% net IRR. The Deerpath and Monroe strategies are also available in levered Cayman feeder funds that are intended to limit the chance of incurring unrelated business taxable income (UBTI) or effectively connected income (ECI). The levered Cayman feeders are also approved at AndCo. There is no assurance that the Cayman feeders will not incur UBTI or ECI.

<sup>4</sup> Golub does not target an explicit fund size. This range is considered illustrative.

# Key Terms

| Firm            | Investment Period   | Investment Management Fees <sup>1</sup>  | Preferred Return | Carried Interest  |          |                         |           |                  |                  |   |                |       |       |        |   |                           |       |       |        |   |                           |       |       |        |   |                          |       |       |        |   |       |       |       |        |
|-----------------|---|--|------------------|---|----------|-------------------------|-----------|------------------|------------------|---|----------------|-------|-------|--------|---|---------------------------|-------|-------|--------|---|---------------------------|-------|-------|--------|---|--------------------------|-------|-------|--------|---|-------|-------|-------|--------|
| <b>Deerpath</b> | Three years from the final closing.   | Management Fee: 1.00% annually on the fair value of the Fund's investments, as determined by Deerpath's valuation policy and excluding cash and cash equivalents, paid quarterly in advance.<br>Administrative Fees: Estimated at 0.30-0.40% of gross assets annually.<br>A 10% discount from the management fee (resulting in 0.90%) is available for commitments of at least \$100M. <sup>2</sup>  | 7%               | 15%<br><br>A 10% discount (resulting in a 13.5% rate) is available for commitments of at least \$100M. <sup>2</sup> |          |                         |           |                  |                  |   |                |       |       |        |   |                           |       |       |        |   |                           |       |       |        |   |                          |       |       |        |   |       |       |       |        |
| <b>Golub</b>    | Five years from the final closing. Capital may still be reinvested for six months after that.   | Management Fee: Estimated at 1.00% on gross assets. The rate is 1.25% on middle-market loans and 0.50% on broadly syndicated loans that the fund is also expected to hold.<br>Administrative Fees: Estimated at 0.10-0.20% of gross assets annually.   | 8%               | 20%   |          |                         |           |                  |                  |   |                |       |       |        |   |                           |       |       |        |   |                           |       |       |        |   |                          |       |       |        |   |       |       |       |        |
| <b>Monroe</b>   | Four years from the final closing, unless the fund is at least 70% committed to underlying investments and the GP elects to end it sooner | <p>Management fees and carried interest are assessed on the tiered schedule below. Management fees are assessed on invested assets, which is the difference between contributions and distributions, plus the principal amount of any indebtedness incurred by the partnership and currently outstanding.</p> <table border="1"> <thead> <tr> <th>Category</th><th>Commitment<sup>2</sup></th><th>Mgmt. Fee</th><th>Preferred Return</th><th>Carried Interest</th></tr> </thead> <tbody> <tr> <td>A</td><td>At least \$75M</td><td>1.00%</td><td>6.00%</td><td>10.00%</td></tr> <tr> <td>B</td><td>&lt;\$75M but at least \$50M</td><td>1.15%</td><td>6.00%</td><td>12.50%</td></tr> <tr> <td>C</td><td>&lt;\$50M but at least \$20M</td><td>1.25%</td><td>6.00%</td><td>15.00%</td></tr> <tr> <td>D</td><td>&lt;\$20M but at least \$5M</td><td>1.50%</td><td>6.00%</td><td>17.50%</td></tr> <tr> <td>E</td><td>&lt;\$5M</td><td>1.50%</td><td>6.00%</td><td>20.00%</td></tr> </tbody> </table> |                  |   | Category | Commitment <sup>2</sup> | Mgmt. Fee | Preferred Return | Carried Interest | A | At least \$75M | 1.00% | 6.00% | 10.00% | B | <\$75M but at least \$50M | 1.15% | 6.00% | 12.50% | C | <\$50M but at least \$20M | 1.25% | 6.00% | 15.00% | D | <\$20M but at least \$5M | 1.50% | 6.00% | 17.50% | E | <\$5M | 1.50% | 6.00% | 20.00% |
| Category        | Commitment <sup>2</sup>   | Mgmt. Fee  | Preferred Return | Carried Interest  |          |                         |           |                  |                  |   |                |       |       |        |   |                           |       |       |        |   |                           |       |       |        |   |                          |       |       |        |   |       |       |       |        |
| A               | At least \$75M  | 1.00%  | 6.00%            | 10.00%  |          |                         |           |                  |                  |   |                |       |       |        |   |                           |       |       |        |   |                           |       |       |        |   |                          |       |       |        |   |       |       |       |        |
| B               | <\$75M but at least \$50M   | 1.15%  | 6.00%            | 12.50%  |          |                         |           |                  |                  |   |                |       |       |        |   |                           |       |       |        |   |                           |       |       |        |   |                          |       |       |        |   |       |       |       |        |
| C               | <\$50M but at least \$20M   | 1.25%  | 6.00%            | 15.00%  |          |                         |           |                  |                  |   |                |       |       |        |   |                           |       |       |        |   |                           |       |       |        |   |                          |       |       |        |   |       |       |       |        |
| D               | <\$20M but at least \$5M  | 1.50%  | 6.00%            | 17.50%  |          |                         |           |                  |                  |   |                |       |       |        |   |                           |       |       |        |   |                           |       |       |        |   |                          |       |       |        |   |       |       |       |        |
| E               | <\$5M   | 1.50%  | 6.00%            | 20.00%  |          |                         |           |                  |                  |   |                |       |       |        |   |                           |       |       |        |   |                           |       |       |        |   |                          |       |       |        |   |       |       |       |        |

<sup>1</sup> Each candidate is expected to use fund-level leverage. Consistent with prevailing direct lending industry practice, fees for each option are assessed on gross assets, including assets purchased using debt as well as equity. Management fees would be much higher, approximately the rates shown multiplied by the expression (1 + the amount of fund-level leverage), if expressed as a percentage of investor equity.

<sup>2</sup> Deerpath and Monroe have agreed to aggregate AndCo client commitments for their funds' scale-based discounts. Clients who wish to receive any resulting discount(s) will need to reference this understanding and separately address via their own side letter(s) (or similar legal document) with Deerpath and/or Monroe. There is no guarantee that any discount will be available.



## **Performance and Fee Comparison**

# Vintage-Year Performance

- Diverse vehicle structures and amounts of fund-level leverage can make direct lending track records difficult to compare. Reviewing gross unlevered IRRs by vintage year can reduce the distortions of timing and leverage.
- The table below includes each manager's investments that we consider similar to those of the candidate funds, regardless of the product that held them. The returns shown do not reflect any specific product and were not realized by any client.

| Vintage Year <sup>1</sup> | Deerpath          | Golub             | Monroe            |
|---------------------------|-------------------|-------------------|-------------------|
| 2005 and Prior            | N/A               | N/A               | N/A               |
| 2006                      | N/A               | 8.2%              | 3.8%              |
| 2007                      | N/A               | 6.2%              | 9.3%              |
| 2008                      | N/A               | 10.7%             | 3.7%              |
| 2009                      | 21.4%             | 11.6%             | 15.9%             |
| 2010                      | 14.1%             | 10.0%             | 4.2%              |
| 2011                      | 14.3%             | 9.3%              | 7.1%              |
| 2012                      | 11.9%             | 9.1%              | 9.1%              |
| 2013                      | 11.5%             | 5.7%              | 13.7%             |
| 2014                      | 8.4%              | 7.4%              | 10.5%             |
| 2015                      | 10.1%             | 8.0%              | 9.7%              |
| 2016                      | 10.8%             | 8.0%              | 9.3%              |
| 2017                      | 9.9%              | 8.2%              | 7.6%              |
| 2018                      | 8.3%              | 8.4%              | 8.9%              |
| 2019                      | 7.8%              | 6.8%              | 9.7%              |
| 2020                      | 15.0%             | N/M <sup>2</sup>  | 13.4%             |
| <b>Aggregate IRR</b>      | <b>10.7%</b>      | <b>7.9%</b>       | <b>9.3%</b>       |
| <b>As-of Date</b>         | <b>12/31/2020</b> | <b>12/31/2020</b> | <b>12/31/2020</b> |

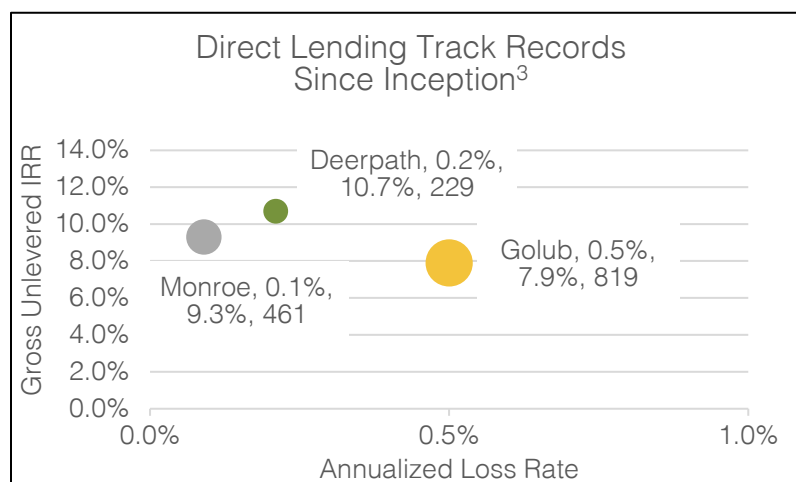
<sup>1</sup> Vintage year refers to the year that the manager made an investment in a portfolio company. Performance is shown since inception, from the date the investments were made through the as-of date. For example, the performance of an investment made in 2009 is not only the performance of that investment during 2009, but from the date the investment was made through the earlier of when it was fully realized and the as-of date.

<sup>2</sup> Golub did not report a gross IRR for the 2020 vintage year. It is not yet considered meaningful due to the youth of these investments.

# Track Record Robustness and Credit-Loss Rates

- Robust track records give us confidence that past results arose from skill rather than luck.
- We associate low annualized credit loss rates with strong underwriting and/or credit workout capabilities, which may help managers to provide downside protection. We consider loss rates of 0.5-0.8% typical for a senior direct lending strategy across a full market cycle.

| Since-Inception Statistic         | Deerpath   | Golub      | Monroe            |
|-----------------------------------|------------|------------|-------------------|
| Track Record Inception            | 2009       | 2006       | 2006 <sup>1</sup> |
| Portfolio Companies               | 229        | 819        | 461               |
| Total Cost (\$M)                  | \$3,638.4  | \$85,562.4 | \$15,141.5        |
| Gross Unlevered IRR               | 10.7%      | 7.9%       | 9.3%              |
| Annualized Loss Rate <sup>2</sup> | 0.2%       | 0.5%       | 0.1%              |
| As of Date                        | 12/31/2020 | 12/31/2020 | 12/31/2020        |

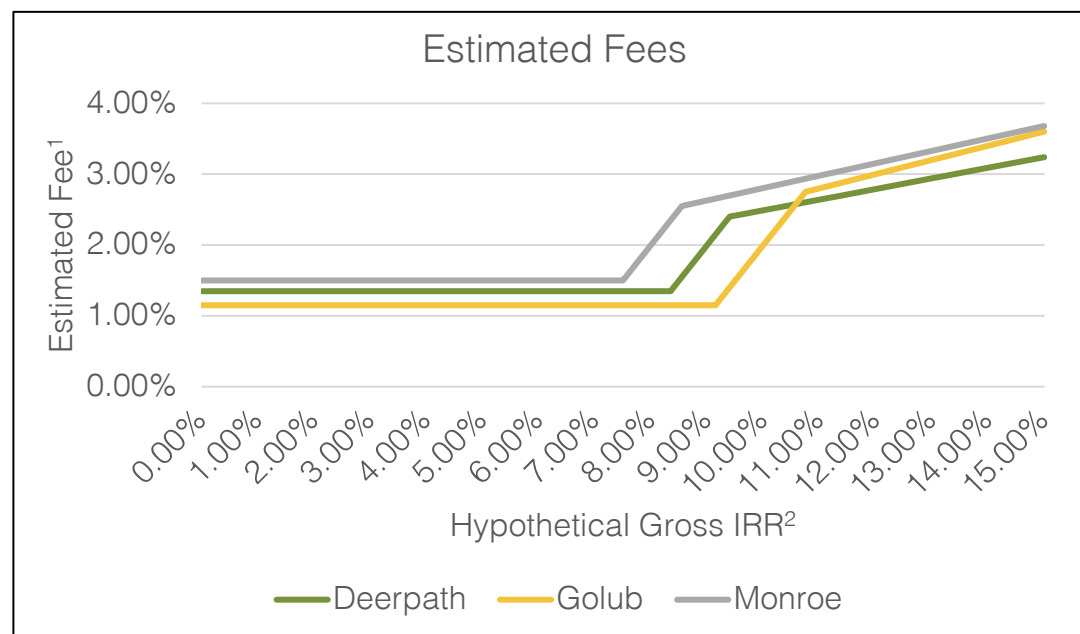


<sup>1</sup> Monroe began managing dedicated pools of capital in 2006. In 2004 and 2005, the firm managed accounts within the balance sheets of other financial institutions.

<sup>2</sup> Deerpath's loss rate was calculated as a geometrically linked average of its quarterly loss rates since inception, which was then annualized. Each quarter's loss rate was calculated by dividing the quarterly realized and unrealized gains/losses on all investments by the cost of the investment portfolio at the beginning of the quarter. Monroe's loss rate was calculated by first calculating its cumulative loss ratio, given by dividing the sum of realized and unrealized losses for investments held below cost by total capital invested. The resulting cumulative loss ratio was annualized by dividing it by the age of the track records in years. Golub calculated its average loss rate using quarterly realized and unrealized losses classified as defaults as a percentage of loan principal outstanding. The Golub rate is for first-lien middle-market loans only from 2004 through December 31, 2020. All other Golub statistics shown do not include 2004-2005.

<sup>3</sup> The text in the chart is the annualized loss rate, gross unlevered IRR, and number of portfolio companies. Bubble sizes are based on the number of portfolio companies.

# Fee Comparison



| Assumptions                 | Deerpath            | Golub   | Monroe              |
|-----------------------------|---------------------|---------|---------------------|
| Management Fee <sup>3</sup> | 1.35%               | 1.15%   | 1.50%               |
| Carried Interest            | 15.00% <sup>4</sup> | 20.00%  | 17.50% <sup>4</sup> |
| Preferred Return            | 7.00%               | 8.00%   | 6.00%               |
| GP Catch-up                 | 100.00%             | 100.00% | 100.00%             |

<sup>1</sup> Estimated annual management fee and carried interest as a percentage of the candidate fund's assets. Since each candidate fund is expected to use leverage, fees would be higher as a percentage of investor equity. Carried interest was assumed not to be assessed on returns that were less than the sum of 1) the Hypothetical Gross IRR and 2) the Management Fee associated with each manager. When the gross IRR was in excess of those fees, each additional basis point of gross return was assumed to be assigned to the general partner (GP) at the GP Catch-up rate shown until the GP had received the share of total Carried Interest shown on all returns in excess of the Management Fee. Once that point was reached, the GP was assumed to receive the Carried Interest shown on each additional basis point of gross return.

<sup>2</sup> The Hypothetical Gross IRR is an arbitrary assumption intended to show the relationship between the IRR and expenses. The IRRs shown may not be achieved.

<sup>3</sup> Operating and organizational expenses are not included. Deerpath and Monroe offer scale-based discounts to the management fee. The management and commitment fees shown assume a commitment of at least \$5 million but less than \$20 million. Commitments of different amounts may qualify for different fees for the Deerpath and Monroe funds, as detailed on the second "Key Terms" page earlier in this presentation. The management fees shown for Deerpath and Golub include estimated internal administration expenses of 0.35% and 0.15%, respectively.

<sup>4</sup> Deerpath and Monroe offer scale-based discounts to the carried interest share. The rate shown is for a commitment of at least \$5 million but less than \$20 million.

# Deerpath Direct Lending Performance – Dec. 31, 2020

| Vintage-Year Performance (Investment-Level) |                         |                                   |                   |                               |                   |               |              |  |
|---|-------------------------|-----------------------------------|-------------------|-------------------------------|-------------------|---------------|--------------|--|
| Vintage Year <sup>1</sup>                   | Portfolio Companies (#) | Investment-Level, in USD Millions |                   |                               |                   | Gross of Fees |              |  |
|   |                         | Total Invested Capital            | Total Realized    | Total Unrealized <sup>2</sup> | Total Value       | MOIC          | IRR          |  |
| 2005 and Prior                              | NA                      | NA                                | NA                | NA                            | NA                | NA            | NA           |  |
| 2006  | NA                      | NA                                | NA                | NA                            | NA                | NA            | NA           |  |
| 2007  | NA                      | NA                                | NA                | NA                            | NA                | NA            | NA           |  |
| 2008  | NA                      | NA                                | NA                | NA                            | NA                | NA            | NA           |  |
| 2009  | 4                       | \$ 19.0                           | \$ 27.3           | \$ -                          | \$ 27.3           | 1.4x          | 21.4%        |  |
| 2010  | 11                      | \$ 118.2                          | \$ 154.8          | \$ 0.4                        | \$ 155.2          | 1.3x          | 14.1%        |  |
| 2011  | 11                      | \$ 200.0                          | \$ 257.6          | \$ 2.1                        | \$ 259.6          | 1.3x          | 14.3%        |  |
| 2012  | 12                      | \$ 206.3                          | \$ 238.0          | \$ 8.5                        | \$ 246.5          | 1.2x          | 11.9%        |  |
| 2013  | 13                      | \$ 190.2                          | \$ 223.2          | \$ 17.2                       | \$ 240.4          | 1.3x          | 11.5%        |  |
| 2014  | 26                      | \$ 342.4                          | \$ 367.7          | \$ 24.5                       | \$ 392.2          | 1.1x          | 8.4%         |  |
| 2015  | 17                      | \$ 265.0                          | \$ 293.5          | \$ 28.9                       | \$ 322.4          | 1.2x          | 10.1%        |  |
| 2016  | 10                      | \$ 226.3                          | \$ 148.7          | \$ 136.7                      | \$ 285.4          | 1.3x          | 10.8%        |  |
| 2017  | 14                      | \$ 239.5                          | \$ 166.4          | \$ 115.7                      | \$ 282.1          | 1.2x          | 9.9%         |  |
| 2018  | 29                      | \$ 716.3                          | \$ 233.7          | \$ 570.1                      | \$ 803.8          | 1.1x          | 8.3%         |  |
| 2019  | 37                      | \$ 501.7                          | \$ 200.5          | \$ 341.1                      | \$ 541.6          | 1.1x          | 7.8%         |  |
| 2020  | 45                      | \$ 613.6                          | \$ 84.2           | \$ 555.6                      | \$ 639.9          | 1.0x          | 15.0%        |  |
| <b>Total</b>                                | <b>229</b>              | <b>\$ 3,638.4</b>                 | <b>\$ 2,395.7</b> | <b>\$ 1,800.8</b>             | <b>\$ 4,196.5</b> | <b>1.2x</b>   | <b>10.7%</b> |  |

| Fund Performance <sup>3</sup>                                      |              |                         |  |                 |                               |                   |                                 |          |         |  |
|--|--------------|-------------------------|--|-----------------|-------------------------------|-------------------|---------------------------------|----------|---------|--|
| Fund   | Vintage Year | Portfolio Companies (#) | Fund-Level, in USD Millions <sup>4</sup> |                 |                               |                   | Fund-Level                      |          |         |  |
|  |              |                         | Total Invested Capital                   | Total Realized  | Total Unrealized <sup>2</sup> | Total Value       | Target Leverage (Debt / Equity) | Net MOIC | Net IRR |  |
| Deerpath Capital I, LP - (Fund I)                                  | 2008         | 47                      | \$ 87.7                                  | \$ 172.0        | \$ -                          | \$ 172.0          | 2.0x                            | 2.0x     | 12.5%   |  |
| Deerpath Capital II, LP - (Fund II)                                | 2011         | 68                      | \$ 40.9                                  | \$ 77.2         | \$ -                          | \$ 77.2           | 2.0x                            | 1.9x     | 11.2%   |  |
| Pondfield Capital, LLC - (Fund III-A)                              | 2013         | 46                      | \$ 77.6                                  | \$ 104.8        | \$ -                          | \$ 104.8          | Unlevered                       | 1.4x     | 6.0%    |  |
| Pondfield Capital Advantage, LP - (Fund III-B)                     | 2013         | 51                      | \$ 74.4                                  | \$ 102.2        | \$ -                          | \$ 102.2          | 1.0x                            | 1.4x     | 7.5%    |  |
| Deerpath Capital IV, LP - (Fund 4A)                                | 2017         | 38                      | \$ 45.5                                  | \$ 6.6          | \$ 45.2                       | \$ 51.8           | Unlevered                       | 1.1x     | 5.2%    |  |
| Deerpath Capital Advantage IV (US), LP - (Fund 4B (US))            | 2016         | 138                     | \$ 139.0                                 | \$ 24.1         | \$ 139.7                      | \$ 163.8          | 2.0x                            | 1.2x     | 7.9%    |  |
| Deerpath Capital Advantage IV (Cayman), LP - (Fund 4B (Cayman))    | 2016         | 138                     | \$ 129.5                                 | \$ 12.1         | \$ 127.9                      | \$ 140.1          | 2.0x                            | 1.1x     | 3.8%    |  |
| Deerpath Funding Advantage IV, LP - (Fund 4C)                      | 2016         | 67                      | \$ 78.6                                  | \$ 18.0         | \$ 84.0                       | \$ 102.0          | 2.0x                            | 1.3x     | 10.3%   |  |
| Deerpath Capital V, LP - (Fund 5A)                                 | 2020         | 39                      | \$ 68.0                                  | \$ 1.1          | \$ 69.0                       | \$ 70.2           | Unlevered                       | 1.0x     | 7.6%    |  |
| Deerpath Capital Advantage V (US), LP - (Fund 5B (US))             | 2019         | 138                     | \$ 148.0                                 | \$ 2.9          | \$ 151.4                      | \$ 154.3          | 2.0x                            | 1.0x     | 12.0%   |  |
| Deerpath Capital Advantage V (Cayman), LP - (Fund 5B (Cayman))     | 2020         | 138                     | \$ 18.0                                  | \$ 0.6          | \$ 17.7                       | \$ 18.3           | 2.0x                            | 1.0x     | 2.4%    |  |
| Deerpath Sagaponack, LP - (Cayman ERISA)                           | 2020         | 138                     | \$ 20.9                                  | \$ 0.0          | \$ 22.1                       | \$ 22.1           | 2.0x                            | 1.1x     | 20.7%   |  |
| Deerpath Capital Advantage V - B (Cayman), LP - Fund 5B-2 (Cayman) | 2019         | 63                      | \$ 60.9                                  | \$ 4.6          | \$ 59.9                       | \$ 64.5           | 0.43x                           | 1.1x     | 4.7%    |  |
| Deerpath Funding Advantage V, LP - Fund 5C (SBIC) <sup>5</sup>     | 2019         | NA                      | NA                                       | NA              | NA                            | NA                | 2.0x                            | NA       | NA      |  |
| Deerpath Capital SLP RAIF-1, LP - Fund 5D-1 (Tax Treaty)           | 2019         | 86                      | \$ 161.5                                 | \$ 8.9          | \$ 160.1                      | \$ 169.0          | Unlevered                       | 1.0x     | 4.1%    |  |
| Deerpath Capital SLP RAIF-2 - Fund 5D-2 (Season & Sell)            | 2020         | 56                      | \$ 36.6                                  | \$ -            | \$ 36.6                       | \$ 36.6           | Unlevered                       | 1.0x     | 0.0%    |  |
| Deerpath Newbury Partners, LLC - (Rated Loan Structure)            | 2020         | 8                       | NA                                       | NA              | NA                            | NA                | Unlevered                       | NA       | NA      |  |
| <b>Total</b>   |              | <b>229</b>              | <b>\$ 1,187.2</b>                        | <b>\$ 535.3</b> | <b>\$ 913.7</b>               | <b>\$ 1,449.0</b> | <b>1.2x</b>                     |          |         |  |

<sup>1</sup> The vintage year of a company is defined by the year of its initial transaction. Transactions subsequently made with that company, such as delayed-draw term loans or draws against revolving lines of credit, are shown in the total for the year that the investment in that company began and not the year that the cash was invested in, or received from, that company.

<sup>2</sup> Accrued interest is included in IRR calculations but not included in unrealized valuations. Unrealized values, total values, and multiples would be slightly higher if accrued interest were included.

<sup>3</sup> The bottom Fund Performance table does not include separately managed accounts. In contrast, the top table includes investments made in SMAs as well as funds.

<sup>4</sup> In the bottom Fund Performance table, Total Invested Capital, Total Realized, Total Unrealized, and Total Value are each shown at the limited partner level. They are not adjusted upward to account for leverage.

<sup>5</sup> Deerpath Funding Advantage V, LP – Fund 5C (SBIC) made its first investment in March 2021.



# Golub Direct Lending Performance – Dec. 31, 2020

| Vintage Year Performance (Investment-Level) <sup>1</sup> |                         |                        |                    |                    |                    |             |                        |  |
|--|-------------------------|------------------------|--------------------|--------------------|--------------------|-------------|------------------------|--|
| Vintage Year <sup>2</sup>                                | Portfolio Companies (#) | In USD Millions        |                    |                    |                    | MOIC        | Gross IRR <sup>3</sup> |  |
|  |                         | Total Invested Capital | Total Realized     | Total Unrealized   | Total Value        |             |                        |  |
| 2005 and Prior   | N/A                     | N/A                    | N/A                | N/A                | N/A                | N/A         | N/A                    |  |
| 2006   | 59                      | \$ 934.1               | \$ 1,137.1         | -                  | \$ 1,137.1         | 1.2x        | 8.2%                   |  |
| 2007   | 62                      | \$ 1,315.2             | \$ 1,556.5         | -                  | \$ 1,556.5         | 1.2x        | 6.2%                   |  |
| 2008   | 28                      | \$ 620.8               | \$ 789.9           | -                  | \$ 789.9           | 1.3x        | 10.7%                  |  |
| 2009   | 13                      | \$ 381.9               | \$ 460.8           | -                  | \$ 460.8           | 1.2x        | 11.6%                  |  |
| 2010   | 43                      | \$ 1,385.2             | \$ 1,697.7         | -                  | \$ 1,697.7         | 1.2x        | 10.0%                  |  |
| 2011   | 58                      | \$ 2,351.0             | \$ 2,780.5         | -                  | \$ 2,780.5         | 1.2x        | 9.3%                   |  |
| 2012   | 73                      | \$ 4,449.6             | \$ 5,099.5         | \$ 299.6           | \$ 5,399.1         | 1.2x        | 9.1%                   |  |
| 2013   | 59                      | \$ 3,763.5             | \$ 4,284.2         | \$ 38.5            | \$ 4,322.7         | 1.1x        | 5.7%                   |  |
| 2014   | 58                      | \$ 7,227.9             | \$ 7,489.0         | \$ 912.7           | \$ 8,401.7         | 1.2x        | 7.4%                   |  |
| 2015   | 78                      | \$ 11,284.7            | \$ 9,559.3         | \$ 3,690.1         | \$ 13,249.4        | 1.2x        | 8.0%                   |  |
| 2016   | 56                      | \$ 9,809.5             | \$ 7,602.8         | \$ 3,732.1         | \$ 11,334.9        | 1.2x        | 8.0%                   |  |
| 2017   | 52                      | \$ 11,795.4            | \$ 8,537.8         | \$ 4,843.0         | \$ 13,380.8        | 1.1x        | 8.2%                   |  |
| 2018   | 65                      | \$ 10,790.3            | \$ 5,499.9         | \$ 6,545.5         | \$ 12,045.4        | 1.1x        | 8.4%                   |  |
| 2019   | 77                      | \$ 13,485.2            | \$ 4,855.8         | \$ 9,754.5         | \$ 14,610.3        | 1.1x        | 6.8%                   |  |
| 2020   | 38                      | \$ 5,968.1             | \$ 1,725.7         | \$ 4,395.6         | \$ 6,121.3         | 1.0x        | N/M                    |  |
| <b>Total</b>   | <b>819</b>              | <b>\$ 85,562.4</b>     | <b>\$ 63,076.5</b> | <b>\$ 34,211.6</b> | <b>\$ 97,288.1</b> | <b>1.1x</b> | <b>7.9%</b>            |  |

| Fund Performance                                   |              |                         |                                     |                             |                               |                          |                  |                        |                          |                      |  |
|--|--------------|-------------------------|-------------------------------------|-----------------------------|-------------------------------|--------------------------|------------------|------------------------|--------------------------|----------------------|--|
| Fund   | Vintage Year | Current Investments (#) | In USD Millions                     |                             |                               |                          | Investment-Level |                        | Fund-Level               |                      |  |
|  |              |                         | Total Invested Capital <sup>4</sup> | Total Realized <sup>4</sup> | Total Unrealized <sup>4</sup> | Total Value <sup>4</sup> | MOIC             | Gross IRR <sup>5</sup> | Leverage (Debt / Equity) | Net IRR <sup>6</sup> |  |
| Golub Capital Partners IV, L.P.                    | 2004         | N/A                     | \$ 207.3                            | \$ 412.1                    | -                             | \$ 412.1                 | 2.6x             | N/A                    | 2.0-2.5x                 | 14.4%                |  |
| Golub Capital Int'l, Ltd.                          | 2005         | 496                     | \$ 393.0                            | \$ 669.1                    | \$ 393.0                      | \$ 1,062.1               | N/A              | N/A                    | 2.0-2.5x                 | 10.2%                |  |
| Golub Capital Partners V, L.P.                     | 2006         | N/A                     | \$ 234.9                            | \$ 502.3                    | -                             | \$ 502.3                 | 2.2x             | N/A                    | 2.0-2.5x                 | 11.9%                |  |
| Golub Capital Partners VI, L.P.                    | 2008         | N/A                     | \$ 117.5                            | \$ 230.4                    | -                             | \$ 230.4                 | 2.1x             | N/A                    | 2.0-2.5x                 | 11.2%                |  |
| Golub Capital Partners International VI, L.P.      | 2008         | N/A                     | \$ 50.7                             | \$ 76.8                     | -                             | \$ 76.8                  | 1.9x             | N/A                    | 2.0-2.5x                 | 11.7%                |  |
| Golub Capital Partners International VII, L.P.     | 2010         | N/A                     | \$ 131.2                            | \$ 209.9                    | -                             | \$ 209.9                 | 1.8x             | N/A                    | 2.0-2.5x                 | 10.5%                |  |
| Golub Capital Partners VII, L.P.                   | 2010         | N/A                     | \$ 330.5                            | \$ 559.0                    | -                             | \$ 559.0                 | 1.9x             | N/A                    | 2.0-2.5x                 | 11.1%                |  |
| Golub Capital Partners International VIII, L.P.    | 2012         | N/A                     | \$ 310.5                            | \$ 454.0                    | -                             | \$ 454.0                 | 1.9x             | N/A                    | 2.0-2.5x                 | 10.2%                |  |
| Golub Capital Partners VIII, L.P.                  | 2012         | N/A                     | \$ 420.4                            | \$ 644.7                    | -                             | \$ 644.7                 | 1.9x             | N/A                    | 2.0-2.5x                 | 10.6%                |  |
| Golub Capital Partners 9, L.P.                     | 2014         | 532                     | \$ 368.0                            | \$ 196.9                    | \$ 386.0                      | \$ 582.9                 | 1.6x             | N/A                    | 2.0-2.5x                 | 9.5%                 |  |
| Golub Capital Partners Int'l 9, L.P.               | 2014         | 496                     | \$ 481.1                            | \$ 226.2                    | \$ 497.0                      | \$ 723.2                 | 1.6x             | N/A                    | 2.0-2.5x                 | 9.2%                 |  |
| Golub Capital Partners 10, L.P.                    | 2015         | 532                     | \$ 649.3                            | \$ 223.1                    | \$ 682.2                      | \$ 905.3                 | 1.5x             | N/A                    | 2.0-2.5x                 | 9.2%                 |  |
| Golub Capital Partners Int'l 10, L.P.              | 2015         | 496                     | \$ 885.5                            | \$ 264.3                    | \$ 914.6                      | \$ 1,178.9               | 1.4x             | N/A                    | 2.0-2.5x                 | 8.9%                 |  |
| GC Int'l Ladder, Ltd.                              | 2016         | 496                     | \$ 1,184.1                          | \$ 40.3                     | \$ 1,184.1                    | \$ 1,224.4               | N/A              | N/A                    | 2.0-2.5x                 | 8.1%                 |  |
| Golub Capital Partners 11 Rollover, L.P.           | 2017         | 532                     | \$ 384.5                            | \$ 111.0                    | \$ 402.4                      | \$ 513.4                 | 1.4x             | N/A                    | 2.0-2.5x                 | 9.2%                 |  |
| Golub Capital Partners 11, L.P.                    | 2017         | 532                     | \$ 988.6                            | \$ 150.4                    | \$ 1,021.5                    | \$ 1,171.9               | 1.3x             | N/A                    | 2.0-2.5x                 | 8.0%                 |  |
| Golub Capital Partners Int'l 11, L.P.              | 2017         | 496                     | \$ 1,520.0                          | \$ 225.7                    | \$ 1,549.2                    | \$ 1,774.9               | 1.3x             | N/A                    | 2.0-2.5x                 | 8.0%                 |  |
| Golub Capital Partners 12, L.P.                    | 2018         | 532                     | \$ 608.0                            | \$ 37.7                     | \$ 610.1                      | \$ 647.8                 | 1.3x             | N/A                    | 2.0-2.5x                 | 11.8%                |  |
| Golub Capital Partners Int'l 12, L.P.              | 2018         | 496                     | \$ 987.1                            | \$ 38.6                     | \$ 841.4                      | \$ 880.0                 | 1.2x             | N/A                    | 2.0-2.5x                 | 8.1%                 |  |
| Golub Capital Partners Int'l Rollover Fund 2, L.P. | 2018         | 496                     | \$ 179.8                            | \$ 26.4                     | \$ 184.3                      | \$ 210.7                 | 1.2x             | N/A                    | 2.0-2.5x                 | 8.0%                 |  |
| Golub Capital Partners Rollover Fund 2, L.P.       | 2018         | 532                     | \$ 239.4                            | \$ 41.5                     | \$ 248.7                      | \$ 290.2                 | 1.2x             | N/A                    | 2.0-2.5x                 | 8.1%                 |  |
| <b>Total</b>                                       |              |                         | <b>\$ 10,671.4</b>                  | <b>\$ 5,340.4</b>           | <b>\$ 8,914.5</b>             | <b>\$ 14,254.9</b>       | <b>1.3x</b>      |                        |                          |                      |  |

<sup>1</sup> This data includes transactions executed by Golub Capital's Middle Market Lending business for the noted years, based on the original transaction vintage year. It does not include transactions executed by Golub Capital's Broadly Syndicated Loans business.

<sup>2</sup> The vintage year of a company is defined by the year of its initial transaction. Transactions subsequently made with that company, such as delayed-draw term loans or draws against revolving lines of credit, are shown in the total for the year that the investment in that company began and not the year that the cash was invested in, or received from, that company.

<sup>3</sup> Gross returns show weighted average unlevered gross performance of direct lending assets based on total invested capital. Unrealized investments that have been held for less than six months are not included in the calculation. For transactions that occurred before January 1, 2014, data is presented for the term loan. For transactions that occurred on or after January 1, 2014, data is presented for the deal, inclusive of funded commitments to Revolvers or Delayed Draw Term Loans.

<sup>4</sup> In the bottom Fund Performance table, Total Invested Capital, Total Realized, Total Unrealized, and Total Value are each shown at the limited partner level. They are not adjusted upward to account for leverage. Total Invested Capital includes capital called January 1, 2021.

<sup>5</sup> Golub Capital does not calculate or provide gross-of-fees fund returns.

<sup>6</sup> All IRRs are calculated with respect to an indicative first close, full promote limited partner except for Golub Capital International ("GCIL"), GC International Ladder ("Ladder") and Golub Capital Partners International 10 ("GCP 10i"). GCIL's IRR is calculated with respect to an indicative Class A Series 1 third close, full promote shareholder. GCIL held its first close on November 23, 2005. However, no first or second close shareholder remains in GCIL. The starting date for GCIL's ITD IRR is therefore its third close, January 1, 2007. GCP 10i's IRR is calculated with respect to an indicative second close, full promote limited partner. GCP 10i held its first close on July 1, 2015. However, no first close limited partner remains who did not also make an additional commitment in a subsequent closing. Therefore, Golub showed a second close limited partner, which is considered representative of the fund's performance. The starting date for GCP 10i's ITD IRR is therefore its second close, October 1, 2015. Ladder IRRs are calculated for each fund's shareholders or limited partners, respectively, taken as a whole. The IRRs for Ladder do not necessarily represent the actual returns of any investor in such funds.



# Monroe Direct Lending Performance – Dec. 31, 2020

| Vintage Year Performance (Investment-Level) <sup>1</sup> |                         |                        |                   |                   |                    |             |             |  |
|--|-------------------------|------------------------|-------------------|-------------------|--------------------|-------------|-------------|--|
| Vintage Year   | Portfolio Companies (#) | In USD Millions        |                   |                   |                    | MOIC        | Gross IRR   |  |
|  |                         | Total Invested Capital | Total Realized    | Total Unrealized  | Total Value        |             |             |  |
| 2005 and Prior   | 0                       | \$ -                   | \$ -              | \$ -              | \$ -               | n/a         | n/a         |  |
| 2006   | 12                      | \$ 95.8                | \$ 99.9           | \$ -              | \$ 99.9            | 1.0x        | 3.8%        |  |
| 2007   | 13                      | \$ 90.8                | \$ 101.8          | \$ -              | \$ 101.8           | 1.1x        | 9.3%        |  |
| 2008   | 4                       | \$ 24.5                | \$ 27.1           | \$ 0.1            | \$ 27.1            | 1.1x        | 3.7%        |  |
| 2009   | 1                       | \$ 3.0                 | \$ 4.6            | \$ -              | \$ 4.6             | 1.5x        | 15.9%       |  |
| 2010   | 4                       | \$ 14.9                | \$ 16.4           | \$ -              | \$ 16.4            | 1.1x        | 4.2%        |  |
| 2011   | 15                      | \$ 268.2               | \$ 202.4          | \$ 145.0          | \$ 347.4           | 1.3x        | 7.1%        |  |
| 2012   | 16                      | \$ 320.1               | \$ 374.4          | \$ -              | \$ 374.4           | 1.2x        | 9.1%        |  |
| 2013   | 17                      | \$ 568.3               | \$ 712.0          | \$ 0.0            | \$ 712.0           | 1.3x        | 13.7%       |  |
| 2014   | 30                      | \$ 846.5               | \$ 882.0          | \$ 199.3          | \$ 1,081.3         | 1.3x        | 10.5%       |  |
| 2015   | 48                      | \$ 1,388.1             | \$ 1,473.3        | \$ 248.3          | \$ 1,721.6         | 1.2x        | 9.7%        |  |
| 2016   | 51                      | \$ 1,433.9             | \$ 1,327.1        | \$ 475.0          | \$ 1,802.1         | 1.3x        | 9.3%        |  |
| 2017   | 61                      | \$ 2,607.5             | \$ 1,936.9        | \$ 1,021.3        | \$ 2,958.2         | 1.1x        | 7.6%        |  |
| 2018   | 67                      | \$ 2,749.2             | \$ 1,491.6        | \$ 1,655.4        | \$ 3,147.0         | 1.1x        | 8.9%        |  |
| 2019   | 74                      | \$ 3,099.8             | \$ 1,214.0        | \$ 2,250.9        | \$ 3,465.0         | 1.1x        | 9.7%        |  |
| 2020   | 48                      | \$ 1,630.9             | \$ 87.6           | \$ 1,620.7        | \$ 1,708.3         | 1.0x        | 13.4%       |  |
| <b>Total</b>   | <b>461</b>              | <b>\$ 15,141.5</b>     | <b>\$ 9,951.1</b> | <b>\$ 7,616.0</b> | <b>\$ 17,567.0</b> | <b>1.2x</b> | <b>9.3%</b> |  |

| Fund Performance <sup>2</sup>   |              |                         |                        |                   |                   |                   |                  |             |                                       |            |  |
|---|--------------|-------------------------|------------------------|-------------------|-------------------|-------------------|------------------|-------------|---------------------------------------|------------|--|
| Fund  | Vintage Year | Portfolio Companies (#) | In USD Millions        |                   |                   |                   | Investment-Level |             | Fund-Level                            |            |  |
|   |              |                         | Total Invested Capital | Total Realized    | Total Unrealized  | Total Value       | MOIC             | Gross IRR   | Leverage (Debt / Equity) <sup>3</sup> | Net IRR    |  |
| Monroe Capital Partners Fund LP   | 2012         | 45                      | \$ 81.5                | \$ 51.7           | \$ 82.1           | \$ 133.8          | 1.3x             | 9.3%        | 1.5x                                  | 9.6%       |  |
| Monroe Capital Partners Fund II LP  | 2014         | 28                      | \$ 15.8                | \$ 9.4            | \$ 13.5           | \$ 22.9           | 1.2x             | 10.2%       | 1.9x                                  | 8.7%       |  |
| Monroe Capital Senior Secured Direct Loan Fund (Offshore) LP                | 2014         | 61                      | \$ 108.9               | \$ 106.2          | \$ 51.8           | \$ 158.1          | 1.3x             | 10.1%       | 0.5x                                  | 8.7%       |  |
| Monroe Capital Senior Secured Direct Loan Fund (Unleveraged) LP             | 2014         | 63                      | \$ 209.5               | \$ 226.7          | \$ 69.8           | \$ 296.5          | 1.3x             | 11.2%       | 0.0x                                  | 8.3%       |  |
| Monroe Capital Senior Secured Direct Loan Fund LP                           | 2014         | 62                      | \$ 125.7               | \$ 128.0          | \$ 76.5           | \$ 204.5          | 1.3x             | 11.3%       | 0.6x                                  | 11.5%      |  |
| Monroe FCM Direct Loan Fund LP  | 2014         | 29                      | \$ 30.4                | \$ 31.4           | \$ 9.3            | \$ 40.7           | 1.2x             | 9.0%        | 0.8x                                  | 7.2%       |  |
| Monroe Private Credit Fund A LP   | 2015         | 194                     | \$ 1,034.5             | \$ 313.7          | \$ 1,011.2        | \$ 1,324.9        | 1.2x             | 9.0%        | 1.1x                                  | 10.1%      |  |
| Monroe Capital Private Credit Fund I LP ("Iowa")                            | 2016         | 111                     | \$ 488.5               | \$ 64.3           | \$ 488.1          | \$ 552.4          | 1.1x             | 8.5%        | 0.8x                                  | 7.3%       |  |
| Monroe Capital Private Credit Fund II (Unleveraged) LP                      | 2016         | 112                     | \$ 109.7               | \$ 55.7           | \$ 84.5           | \$ 140.2          | 1.2x             | 9.3%        | 0.0x                                  | 7.3%       |  |
| Monroe Capital Private Credit Fund II Ireland ICAV - Unleveraged Fund       | 2016         | 107                     | \$ 125.8               | \$ 48.7           | \$ 100.9          | \$ 149.7          | 1.1x             | 7.7%        | 0.0x                                  | 5.5%       |  |
| Monroe Capital Private Credit Fund II LP                                    | 2016         | 116                     | \$ 435.0               | \$ 169.4          | \$ 410.6          | \$ 580.0          | 1.2x             | 9.0%        | 0.8x                                  | 8.9%       |  |
| Monroe Capital Fund SCSp SICAV-RAIF - Private Credit Fund (Marsupial)       | 2018         | 71                      | \$ 78.0                | \$ 11.5           | \$ 81.3           | \$ 92.8           | 1.1x             | 9.4%        | 0.1x                                  | 7.4%       |  |
| Monroe Capital Fund SCSp SICAV-RAIF - Private Credit Fund III               | 2018         | 96                      | \$ 170.0               | \$ 15.6           | \$ 176.4          | \$ 192.0          | 1.1x             | 9.5%        | 1.2x                                  | 9.8%       |  |
| Monroe Capital Fund SCSp SICAV-RAIF - Private Credit Fund III (Unleveraged) | 2018         | 94                      | \$ 210.6               | \$ 15.5           | \$ 216.4          | \$ 231.8          | 1.1x             | 10.5%       | 0.0x                                  | 7.2%       |  |
| Monroe Capital Private Credit Fund III (Unleveraged) LP                     | 2018         | 108                     | \$ 235.8               | \$ 24.8           | \$ 240.9          | \$ 265.7          | 1.1x             | 11.1%       | 0.0x                                  | 8.3%       |  |
| Monroe Capital Private Credit Fund III LP                                   | 2018         | 121                     | \$ 469.6               | \$ 67.7           | \$ 485.7          | \$ 553.5          | 1.1x             | 10.7%       | 1.3x                                  | 12.8%      |  |
| Monroe Capital Private Credit Fund VT LP                                    | 2018         | 50                      | \$ 164.0               | \$ 14.3           | \$ 167.7          | \$ 181.9          | 1.1x             | 9.3%        | 0.0x                                  | 7.3%       |  |
| Monroe Capital Private Credit Master Fund IV (Unleveraged) SCSp             | 2021         | 14                      | \$ 100.0               | \$ -              | \$ 97.1           | \$ 97.1           | 1.0x             | n/m         | 0.0x                                  | n/m        |  |
| Monroe Capital Private Credit Master Fund IV SCSp                           | 2021         | 16                      | \$ 30.0                | \$ -              | \$ 29.0           | \$ 29.0           | 1.0x             | n/m         | 0.5x                                  | n/m        |  |
| <b>Total</b>  |              | <b>461</b>              | <b>\$ 4,223.5</b>      | <b>\$ 1,354.6</b> | <b>\$ 3,892.9</b> | <b>\$ 5,247.6</b> | <b>1.2x</b>      | <b>9.6%</b> | <b>n/a</b>                            | <b>n/a</b> |  |

<sup>1</sup> Includes directly originated loans held across all Monroe funds.

<sup>2</sup> Includes Monroe's private commingled funds and funds of one only. Opportunistic, retail and CLO funds are excluded.

<sup>3</sup> Weighted average leverage over the life of each fund is shown.

<sup>4</sup> The gross IRR for the underlying investments for funds in the strategy is higher than those of directly originated loans across all Monroe funds because Monroe's CLOs also invested in some directly originated club loans that earned lower returns.



## **Investment Manager and Fund Narratives**

# Deerpath Capital Management – Deerpath Capital (Advantage) VI

## Firm Overview

Deerpath was founded in 2007 by President James Kirby, Principal John Fitzgibbons, and Chairman Gary Wendt, who are the firm's Principals as well as three of its four Partners. Partner, COO, and investment team head Tas Hasan joined the firm the same year. The firm manages over \$2 billion in a single strategy. It launched its first fund in 2008 and funded its first loan in May 2009. Deerpath has five offices in New York, Chicago, Boston, Los Angeles, and Fort Lauderdale. Messrs. Kirby, Fitzgibbons, Wendt, and Hasan, or trusts they or their respective families control, own 40%, 30%, 20% and 10% of the firm, respectively.

## Team Overview

Deerpath comprises about 50 professionals. The four Partners are its management committee and lead its business operations. They oversee an investment team of about 15 professionals, a finance & operations team of more than 25 professionals, and about half a dozen investor relations professionals. Deerpath's investment decisions are made by a five-member investment committee (IC). The four Partners are permanent IC members. The fifth seat is held by a quarterly rotating Managing Director from the investment team. Actions are decided by a simple majority of the IC, which must include a majority of the three Principals.

## Strategy Overview

The strategy primarily makes first-lien, senior-secured loans of \$20-50 million to lower middle-market, private equity (PE)-owned U.S. companies with \$5-15 million in EBITDA and total enterprise values of \$50-100 million. We consider the strategy conservative due to its focus on low leverage relative to borrowers' enterprise values and cash flow, as well as its emphasis on companies whose owners Deerpath expects to provide support during adverse circumstances. The funds are expected to invest in about 200 companies during their lives.

Functions within the investment process are primarily carried out in a "cradle-to-grave" format, wherein the same deal team that originates lending opportunities underwrites, monitors and, when necessary, works out troubled loans. The size and five diverse locations of the origination effort help Deerpath to originate investment opportunities from PE sponsors, banks and existing portfolio companies located around the U.S. The team sees over 1,500 opportunities annually. This allows Deerpath to be selective while maintaining broad diversification. In 2020, the firm invested in about 6% of the about 1,900 opportunities it reviewed that year. Deal teams are selected by the IC when origination opportunities are considered worthy of underwriting. The firm conducts quality of earnings reviews independently from PE sponsors and develops its own opinion of the prospective borrower's enterprise value. The typical portfolio company has 15 years of operating history. The firm typically lends 3.5-4.0x EBITDA, which is about 0.5x less than we typically see for direct lending strategies and aims to lend less than 50% of the borrower's enterprise value. This may provide protection when cash flow declines or PE firms pay multiples that are too generous. Monitoring is supported by the firm's deep finance and operations team, which collects financial statements from borrowers. Troubled portfolio companies are added to a watch list and Head of Restructuring Mauricio Reyes coordinates the firm's response to those situations. Credit workouts are implemented by the deal team, but the decisions are made by the IC, with Messrs. Reyes, Kirby and Hasan serving as liaisons.

## Expectations

Deerpath Capital VI will target a net IRR of 5-8%. Deerpath Capital Advantage VI (US) and Deerpath Capital Advantage VI (Cayman) are expected to add 2x debt/limited-partner equity leverage to target a net IRR of 10-15%. We think each fund's net return target is achievable. The strategy's focus on lower middle-market companies adds to its targeted return versus those focused on larger capitalization ranges, while its focus on conservatively levered, PE-owned companies detracts from both expected return and expected risk.

Deerpath targets gross IRRs of about 9-10% from its underlying loans, comprising coupons of about 6% over one- or three-month LIBOR (with LIBOR floors of about 1.00%) and one-time fees of 2.0-2.5%, plus potential fees for loan modifications or default charges. The Advantage funds are expected to issue debt in the collateralized loan obligation (CLO) market. We expect the cost of their leverage to be 2-3% over LIBOR at current interest rates. Net of that, we think it is reasonable to expect the Advantage funds to earn 5-6% more than the unlevered loan portfolio. The Cayman fund is intended to limit UBTI and ECI; we expect it to underperform Advantage VI (US) by at least 0.3% due to the implications for its investment process.

## Points to Consider

We think there is key-person risk in James Kirby, 54. While they are both active in twice-weekly IC meetings, co-founders Gary Wendt, 79, and John Fitzgibbons, 52, only spend about one-third of their business time on Deerpath. In the unlikely event that Mr. Kirby were to leave or become incapacitated, we would expect Tas Hasan to provide day-to-day leadership and stability. Mr. Hasan's responsibility over firm functions continues to grow, as reflected in his promotion to COO in January 2021.

Returning investors should be aware that re-upping with Deerpath is expected to increase exposure to many of the same loans. The partnerships comprising Fund VI are "feeder funds." They are expected to invest primarily in evergreen master funds that hold underlying investments either directly or through subsidiaries that are used to apply leverage. This structure is expected to materially increase diversification and allow Deerpath greater flexibility to manage the levered funds' borrowing, but also leads to overlap across fund vintages.

Deerpath will administer the funds internally and charge them for these services. We expect these costs to be 0.3-0.4% of invested capital. We think that internal administration provides an incremental benefit by allowing the team to directly observe changes in portfolio companies' financial performance relative to their business plans, which may protect capital by enabling quicker responses when credit workouts are needed. Deerpath's stated management fee (1.0%) plus the amount we anticipate for fund administration is less than the 1.5% median management fee Preqin reports for peers.

## Recommendation Summary

We recommend the strategy as a sole or diversifying allocation in a private debt portfolio. Its focus on lower middle-market companies may complement exposure to senior direct lending strategies focused on the larger core or upper middle-market. As a conservatively managed strategy, it may also serve as a lower risk diversifier to complement more aggressive strategies such as distressed debt, mezzanine or lending to non-PE-owned borrowers.



# GC Advisors LLC (Golub) – Golub Capital Partners (GCP) 14

## Firm Overview

Golub specializes in senior debt. The firm has two business lines, one managing direct lending strategies and the other managing broadly syndicated loans (bank loans). The firm has over 530 employees and over 130 investment professionals. Its primary offices are in Chicago and New York, with secondary locations in Charlotte, San Francisco, and London. Of the firm's over \$35 billion in assets under management, over \$30 billion is in direct lending and over \$5 billion is in bank loans. The firm was founded by CEO Lawrence Golub in 1994. It initially managed mezzanine debt and private equity strategies. The firm strategically repositioned toward senior lending in 2002-2004.

## Team Overview

The strategy is managed primarily by Golub's Middle-Market Lending & Club Finance (MML) team of about 140 professionals. Among these, the MML includes about 80 staff who focus on underwriting loans, more than 10 focusing on originations, and about 10 in credit workouts. The strategy is also supported by Golub's centralized Portfolio Monitoring team, Treasury team who oversees its financing, and a group focused on loan operations. These non-MML teams collectively include over 60 staff. The strategy is overseen by a four-member investment committee comprising Lawrence Golub, David Golub, Andrew Steuerman, and Greg Cashman. CEO Lawrence Golub and President David Golub serve as Executive Management. Andrew Steuerman and Greg Cashman lead the MML team, together with Group COO Gail Carmody. Each of the five has over 25 years of investment experience.

## Strategy Overview

The strategy primarily originates senior loans to private equity (PE)-sponsored U.S. companies with \$10-100 million in EBITDA. The loans are generally expected to comprise 40-50% of the borrower's enterprise value. The strategy is expected to emphasize unitranche loans, which are larger than the typical senior loan in proportion to borrower cash flow. This is expected to increase their yield and risk. Equity co-investments and junior debt are expected to be less than 5% of the portfolio. The investment process is carried out in a structured "functional-specialist" model wherein different people are responsible for conducting each stage of the investment process. This is expected to increase process consistency.

Golub's originators identify opportunities by building relationships with PE sponsors. Deal teams conduct due diligence on deals that pass preliminary screening. These teams generally include 1-2 senior underwriters and 1-2 junior underwriters who lead the due diligence as well as the originator, who manages the PE sponsor relationship. The underwriting team's members are organized in five sector specialties (software, health care, consumer, financial services, and diversified industries) to support deep industry understanding. The investment committee approves opportunities by consensus. Approved opportunities are generally funded within two to four months of identification. Golub's Treasury team manages cash and the strategy's financing facilities, such as collateralized loan obligations (CLOs) and bank facilities, through which it obtains leverage. Loans are monitored by the Portfolio Monitoring team. When necessary, the credit workouts team assists in resolving troubled loans. This usually involves working with the PE sponsor when underperformance is expected to be temporary, but the credit workouts team also has a sub-group who takes more assertive action in restructuring situations.

## Expectations

GCP 14 will seek a 10.5-13.5% net IRR. We think this return target is achievable. The underlying portfolio is expected to earn a gross IRR of about 8.5%. This comprises 8.0% interest, 0.5% in origination and other fees from borrowers, 0.5% from equity co-investments, and -0.5% in credit losses, each estimated and annualized.

The fund is expected to borrow 2.0-2.5x its equity, enabling it to own assets of about 3.25x investor equity. Deducting the financing costs, which we estimate as about 6.8% (3.0% assumed financing cost incurred on the 2.25x investor equity borrowed), expenses, management fees, and carried interest from the levered gross IRR causes us to think the estimate is reasonable. Underlying loans and financing costs are expected to have floating rates and LIBOR is included in these yields.

## Points to Consider

We expect Golub's reputation to drive repeat deal flow from PE sponsors. Golub reviewed over 2,000 potential transactions in each calendar year from 2014-2019. This is more than twice the 1,000 that we consider "broad" deal flow. Golub invested in only 2-3% of opportunities in each of those years, which is a more selective closing rate than the 4-8% we consider typical for an established direct lender like Golub.

Funds in the strategy invest indirectly through centralized, evergreen portfolios. This structure is expected to provide exposure to more than 500 investments. We expect the portfolio's scale to allow Golub to manage the fund's leverage more efficiently. Since the underlying evergreen funds existed prior to GCP 14's inception, the fund is also expected to provide exposure to investments that were made before it was formed. This adds vintage-year diversification that may benefit a portfolio, but credit conditions prior to 2020 were also generally looser. This may make older loans that have not yet been repaid more likely to experience credit losses.

Golub's track record may reflect its ability to temper credit risk. Between 2006 and 2020, the firm invested \$85.6 billion in loans to 819 portfolio companies for a 7.9% unlevered gross IRR. These transactions had a 0.5% annualized credit-loss rate, which is on the lower end of the 0.5-0.8% range we consider representative of the category. We consider this strong considering the strategy's focus on larger loans, which we associate with higher risk of loss. We think this success is driven by selectivity and Golub's deep team dedicated to credit workouts.

Golub has been more selective about the ways that it discloses information to us than we consider typical. In each case, Golub has been responsive to our concerns and worked with us to share the information we need through other methods. Still, our experience suggests that clients could experience less transparency than they might with some peers.

## Recommendation Summary

We recommend the strategy as a strategic allocation. It may be a fit for clients seeking higher returns and more broadly diversified exposure than the typical U.S. senior direct lending fund. While GCP 14's exposure to a range of vintage years makes it particularly appealing for clients incepting new allocations to the category, those with lower risk tolerances may wish to consider funds that use less leverage.



# Monroe Capital Management Advisors LLC – Monroe Capital Private Credit IV

## Firm Overview

The firm (Monroe) specializes in managing U.S. lower middle-market private debt. It was founded in 2004 by Theodore Koenig, Michael Egan, and Thomas Aronson, who previously worked together at Hilco Capital. Monroe manages \$9.3 billion, solely in strategies related to private debt. It comprises about 130 employees, including 70 investment professionals. The Chicago office is its headquarters, with additional offices in Atlanta, Boston, Los Angeles, New York, and San Francisco. Its flagship "Private Credit" strategy focuses on cashflow-based direct lending. Monroe manages a tangential asset-based lending (ABL) strategy that is a minority of the flagship series, a business development company (BDC) called Monroe Capital Corporation (NASDAQ: MRCC), and collateralized loan obligations (CLOs). MRCC and the CLOs primarily invest in middle-market senior loans.

## Team Overview

The firm's investment professionals are organized in functional groups based on stages in the investment process. About 20 originators based in five of Monroe's six offices report to Head of Originations Thomas Aronson. About 45 professionals focused on underwriting and loan structuring indirectly report to Chief Credit Officer Michael Egan through four Managing Directors: Head of Underwriting – Direct Loans Alex Franky, Head of Underwriting – Capital Markets Jeffrey Williams, Co-Head of Opportunistic Credit Kyle Asher, and Head of Portfolio Management Nathan Harrell. The remaining investment professionals are senior managers themselves: Messrs. Koenig, Egan and Aronson; Portfolio Manager (PM) of Direct Lending Zia Uddin; PM of CLO Vehicles Jeremy VanDerMeid; and PM of the BDC and Co-Head of Opportunistic Credit Aaron Peck.

## Strategy Overview

The strategy primarily originates senior loans to U.S. companies with \$3-35 million in EBITDA (a measure of cash flow). It is expected to invest most of its capital in direct loans to companies that are private equity (PE)-sponsored, a lesser amount in direct loans to non-PE-sponsored companies, and less than 20% in opportunistic transactions such as ABL. Under the supervision of an eight-member Investment Committee (IC), functions within the investment process are carried out in a "functional-specialist" format, wherein investment professionals who find lending opportunities ("originate") are separated from those who underwrite and monitor them. The process follows the life of a loan: origination, underwriting, structuring, monitoring, and portfolio management (workouts) for those not repaid as agreed.

Opportunities are identified by Monroe's robust origination team. Its members have a substantial 19 years of average experience. Opportunities that pass initial screening are reviewed by the underwriting and structuring team. The transaction type (direct loans, syndicated loans, or opportunistic) determines which of three Heads of Underwriting would assign an underwriter to review the opportunity. The underwriter reviews the potential borrower's cash flow, business strategy, competitive positioning, collateral, and proposed loan terms like leverage and covenants. Environmental, social and governance (ESG) considerations are also evaluated at this stage. After underwriting, the same team structures loans that the IC has approved. Monitoring is conducted by PMs and the IC using "trend cards" customized to the borrower's key business metrics. The portfolio management team is assigned for heightened monitoring of and, if necessary, help in working out, credits rated three (below plan), four, or five on an internal five-point scale.

## Expectations

Monroe Capital Private Credit (MCPC) IV is offered in unlevered and levered partnerships that will seek 6-9% and 9-12% net IRRs, respectively. Underlying loans are expected to have interest rates of LIBOR plus 6-9% (not including temporarily 1-3% higher spreads in the current market environment), plus one-time fees of 1-4% and equity participation through warrants. Monroe's loans have historically been repaid 2-3 years after issuance, so we expect the one-time fees to be about 1.0% annualized. We expect fees and credit losses to offset the benefits of equity and higher expected returns on opportunistic investments.

The levered partnerships are expected to borrow an amount equal to investors' equity (1.0x debt/equity fund-level leverage) using one or more asset-backed lending facilities provided by traditional banks. Monroe expects the cost of the facility to be 2.5-3.0% of the amount borrowed, which is about 0.5% higher than 2019 estimates due to current market conditions. Adding the incremental expected return from the assets bought using debt and deducting the financing cost causes us to consider the levered partnerships' return targets reasonable.

## Points to Consider

We like MCPC IV's focus on the lower-middle-market and allocation to non-PE-sponsored companies. We expect smaller loans to be harder to find, per dollar invested, than loans to larger companies. Non-PE-sponsored companies may be harder to find because targeting PE sponsors for deal flow allows lenders to find more opportunities using less time. We expect these factors to make it more likely that some loans in this market segment are mispriced because they have been identified by fewer lenders. However, these loans may also be riskier than loans to larger and PE-sponsored companies, all else held equal.

Monroe's broad deal flow may help the team find loans that offer higher returns accounting for their risk. The firm reviews about 2,000 opportunities per year and invests in roughly 40-60 (2-3%). This suggests more selectivity than the 4-8% we consider typical for established lenders like Monroe, who tend to be able to be more selective than new entrants.

Monroe Credit Advisors, LLC (MCA), which is indirectly owned by some of Monroe's senior managers and managed by Monroe's CEO Theodore Koenig, provides debt placement advisory services. With prior approval by investors or its advisory board, MCPC IV may invest in loans that are placed by MCA, causing MCPC IV to pay MCA a fee. In 2017-2019, only about 1% of the loans in the Private Credit strategy also used MCA for debt placement services. While we note the conflict of interest, we believe other investors' investments in MCA loans indicates competitive pricing and are comfortable with this arrangement.

MCPC IV's \$5 million minimum has been waived for AndCo clients. Commitments by AndCo clients may also be aggregated for its tiered fee schedule. Clients who wish to receive any discount that may apply should reference this understanding in their side letters with Monroe.

## Recommendation Summary

We recommend the strategy as a strategic allocation. It may be a fit for investors seeking the illiquidity, size, and non-PE-sponsored premia in senior direct lending. MCPC IV's unlevered feeders may be a fit for more conservative investors, while those seeking higher returns may prefer the levered partnerships.





## Glossary



# Glossary

**Alternative Investments:** Broadly, investments in assets or funds whose returns are generated through something other than long positions in public equity or debt. Generally includes private equity, private debt, real estate, and hedge funds.

**Bankruptcy:** One of several federal court procedures that debtors may invoke to protect them from their creditors.

**Broadly Syndicated Loans (BSLs):** Senior term loans that are held by a large or potentially large group of investors. BSLs are originated by an agent bank who assigns participations in the loan to a group of investors (a “syndicate”) in a manner similar to the initial public offering for a stock. There is an established secondary market for BSLs, which allows them to be held in more liquid vehicles such as mutual funds. BSLs are also commonly called “bank loans.”

**Buyouts:** Investments made to acquire majority or control positions in businesses purchased from or spun out of public or private companies, or purchased from existing management/shareholders public equity shareholders in “going private” transactions, private equity funds or other investors seeking liquidity for their privately –held investments. Buyouts are generally achieved with both equity and debt. Examples of various types of buyouts include: small, middle market, large cap, and growth.

**Carried Interest:** Also known as “carry” or “promote.” A performance bonus for the GP based on profits generated by the fund. Typically, a fund must return a portion of the capital contributed by LPs plus any preferred return before the GP can share in the profits of the fund. The GP will then receive a percentage of the profits of the fund (typically 15.0-20.0%). For tax purposes, both carried interest and profit distributions to LPs are typically categorized as a capital gain rather than ordinary income.

**Capital Commitment:** The total out-of-pocket amount of capital an investor commits to invest over the life of the fund. This commitment is generally set forth on an investor’s subscription agreement during fundraising and is accepted by the GP as part of the “closing” of the fund.

**Catch-up:** A clause in the agreement between the GP and the LPs of a fund. Once the LPs have received a certain portion of their expected return, often up to the level of the preferred return, the GP is entitled to receive a majority of the profits (typically 50.0%-100.0%) until the GP reaches the carried interest split previously agreed.

**Co-investments:** Investment made directly into a company alongside a General Partner’s investment, rather than indirectly through a fund.

**Covenant:** A condition in a corporate loan agreement that requires the borrower to fulfill certain conditions (“maintenance covenant”) or prohibits the borrower from undertaking certain actions (“incurrence covenant”).

**Covenant-Lite:** A loan that does not have any maintenance covenants. The term’s spelling is by industry convention.

**Creditor:** The lender of a loan, who gives one or more debtors money in advance in exchange for later payments of principal and/or interest.

**Debtor:** The borrower of a loan, who receives money from one or more creditors in advance in exchange for later payments of principal and/or interest.

**Default:** This occurs when the borrower does not meet the terms to which it committed in a loan agreement. Default can occur from failing to meet covenant conditions as well as failing to make principal or interest payments.





# Glossary

**Distressed Debt:** Strategies that purchase the debt of companies that are troubled, have defaulted, are on the verge of default, or are seeking bankruptcy protection. Investors have been referred to as “vultures” as they pick the bones of troubled companies. Investment structures of focus include subordinated debt, junk bonds, bank loans, and obligations to suppliers.

**Distribution:** When an investment by a fund is fully or partially realized, the proceeds of the realizations may be distributed to the investors. These proceeds may consist of cash, or, to a lesser extent, securities.

**Dry Powder:** Capital that has been committed to a limited partnership and has not yet been called or may be called again (“recycled”).

**EBITDA:** A measure of annual corporate cash flow defined as earnings before interest, taxes, depreciation and amortization. This measure of annual cash flow is intended to make comparisons between different industries more relevant. Multiples of EBITDA are a generally accepted method for valuing private companies and describing the amount of leverage in direct lending.

**Efficient Frontier:** The set of portfolios that maximizes the expected rate of return at each level of portfolio risk.

**Fair Value:** An estimate of the price at which an unrelated buyer and seller would exchange an asset in an arms-length transaction. For a publicly traded asset, fair value may be observed based on recent trades in the market. For assets that are traded less frequently or not at all, the value of an asset is often estimated by forecasting its future cash flows and discounting them based on assumed discount rates.

**General Partner (GP):** A class of partner in a partnership. The GP makes the decisions on behalf of the partnership and retains liability for the actions of the partnership. In the private equity industry, the GP is solely responsible for the management and operations of the investment fund while the LPs are passive investors, typically consisting of institutions and high net worth individuals. The GP earns a percentage of profits.

**Gross Assets:** The fair value of all the partnership’s holdings, including those funded using limited-partner equity and leverage.

**Insolvency:** The state of not being able to pay amounts owed. This can result from not having enough assets to meet the borrower’s commitments or not having enough liquidity.

**Internal Rate of Return (IRR):** The compound interest rate at which a certain amount of capital today would have to accrete to grow to a specific value at a specific time in the future. Basically, it is the average return on capital over the lifetime of the investment. This is the most common standard by which GPs and LPs measure the performance of their private debt portfolios and portfolio companies over the life of the investment. IRRs are calculated on either a net (i.e., including fees and carry) or gross (i.e., not including fees and carry) basis.

**J-Curve:** The IRR of a private investment plotted versus time. The J-curve refers to the fact that net IRRs in the early years of a fund are generally negative, dominated by drawdowns for fees and investments. As investments accrete in values and are gradually liquidated, returning capital and profits, the fund works through the J-curve and begins to show positive IRRs and multiples of investors’ capital.

**Leverage:** The use of debt to acquire assets, build operations and increase revenues. By using debt (in either the original acquisition of the company or subsequent add-on acquisitions), investors attempt to achieve investment returns beyond which they could achieve using equity capital alone. Increasing leverage on a company also increases the risk that assets and revenues will not increase sufficiently to generate enough net income and cash flow to service the increased debt load.



# Glossary

**Leveraged Buyout (LBO):** The purchase of a company or a business unit of a company by an outside investor using mostly borrowed capital.

**Limited Partner (LP):** A passive investor in a Limited Partnership. The General Partner (GP) is liable for the actions of the partnership, while the LPs are generally protected from legal actions and any losses beyond their original investment. The LPs receive income, capital gains and tax benefits.

**Loan-to-Value (LTV):** The ratio of a loan's balance to the value of the collateral that secures it. This is often used in asset-based lending.

**Management Fee:** A fee paid to the Investment Manager for its services. For a senior direct lending strategy, the fee is generally assessed on gross assets, including assets purchased using leverage. Other types of private debt tend to have more variation in the denominator against which they assess fees, such as assessments based on the partnership's aggregate committed capital.

**Mezzanine:** An unsecured debt instrument that is subordinated to the senior debt in a company but ranking senior to any equity claims. The instrument may include equity features such as warrants or options.

**Middle-Market:** Companies with \$10.0-100.0 million in annual cash flow (EBITDA), which are generally considered established but not large enough to issue publicly traded debt. The middle market is segmented into lower, core and upper capitalization ranges. We typically see the lower middle-market defined as companies with \$10.0-25.0 million in EBITDA, the core middle market defined as companies with \$25.0-75.0 million in EBITDA and the upper middle-market defined as companies with more than \$75.0 million in EBITDA.

**Multiple of Invested Capital (MOIC):** The total return on an investment as measured by (Total Money Out)/(Total Money In). Multiple of cost and IRR are the two most common measures of performance in private equity-style Limited Partnerships.

**Net Asset Value (NAV):** The value given by deducting an entity's liabilities from its assets. This can refer to the estimated value available to all investors in a pooled vehicle or the value of a specific limited partner's investment in it. The amount is different from gross assets because it includes an estimate for what it would cost to pay off the fund's debt. This distinction is particularly meaningful for levered investments.

**Payment-in-Kind (PIK):** Interest assessed as increases in the principal owed, rather than in cash. When the debtor has the option of paying in cash or PIK, this is called a "PIK toggle."

**Preferred Return:** The minimum return that the GP needs to achieve in order to receive carried interest. After the cost basis of an investment is returned to the LPs, they will also receive additional proceeds from the investment equal to a stated percentage, often 6.0-8.0%. Once the preferred return is paid, then the GP will be entitled to its carried interest on all profits realized from the investment in excess of zero (i.e. not limited to the portion above the preferred return).

**Private Equity:** May refer to the non-exchange-listed common equity of a corporation or a set of investment strategies that generally invest in that type of asset. Since such investments are illiquid, investors must be prepared for investment horizons from 5.0 to 10.0 years.

**S&P/LSTA U.S. Leveraged Loan Index:** A market-weighted index intended to track the performance of tradeable U.S. broadly syndicated loans ("bank loans"). The index represents a partnership of Standard & Poor's (S&P) and the Loan Syndications and Trading Association (LSTA).



# Glossary

**Senior:** Higher priority than other claims on the borrower's assets. All else held equal, senior claims should receive higher recoveries in restructurings than subordinated claims.

**Special Situations:** Strategies that flexibly invest in companies that are in complex, less understood and/or troubled circumstances.

**Subordination:** Lower in priority than a more senior claim on the borrower's assets. All else held equal, subordinated claims should receive lower recoveries in restructurings than more senior claims.

**Vintage Year:** The year in which a private fund had its final closing.

**Clients first.**



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**Item 5**  
**Legal Items**

## Actuarial Valuation Summary as of October 1, 2020

### **Delray Beach General Employees' Retirement Plan**

- City contribution for FY 21/22: \$2.88 million (this is a decrease of \$240,924 from last year) – assuming the full contribution is paid on 10/1/21.
- The City contribution equates to 12.61% of covered payroll (for every dollar the City spends on general employee salaries, the City spends an additional 12.61 cents for pension).
- The assumed rate of investment return was not changed this year, after being reduced to 6.75% in 2019.
- The actual average investment rate of return over the past 5 years has been 9.0%.
- The funded ratio (assets divided by liabilities) increased to 96.2% this year, from 94.8% last year. By comparison, the FRS funded ratio is 82%.
- The total assets of the Plan are \$138.3 million (actuarial value) and the total liabilities are \$143.8 million.
- The Plan's current unfunded liability is \$5.5 million, amortized over 25 years.

### **Delray Beach Firefighters' Retirement System**

- City contribution for FY 21/22: \$8.17 million (this is an increase of \$371,310 from last year) – assuming the full contribution is paid on 10/1/21.
- The City contribution equates to 58.41% of covered payroll (for every dollar the City spends on firefighter salaries, the City spends an additional 58.41 cents for pension).
- The assumed rate of investment return was reduced to 6.625%, after being reduced to 6.75% in 2019.
- The actual average investment rate of return over the last 5 years has been 8.3%.
- The funded ratio (assets divided by liabilities) increased to 65.6% this year, from 63.73% last year. By comparison, the FRS funded ratio is 82%.
- The total assets of the Plan are \$117.4 million (actuarial value) and the total liabilities are \$178.9 million.
- The Plan's current unfunded liability is \$61.4 million, amortized over 19 years. The amortization period will be lowered 1 year each year until a 15-year amortization period is attained.

### **Delray Beach Police Officers' Retirement System**

- City contribution for FY 21/22: \$8.12 million (this is an increase of \$86,156 from last year) – assuming the full contribution is paid on 10/1/21.
- The City contribution equates to 62.59% of covered payroll (for every dollar the City spends on police officer salaries, the City spends an additional 62.59 cents for pension).
- The assumed rate of investment return was not changed this year, after being reduced to 6.75% in 2019.
- The actual average investment rate of return over the last 5 years has been 8.3%.
- The funded ratio (assets divided by liabilities) increased to 63.6% this year, from 62.2% last year. By comparison, the FRS funded ratio is 82%.
- The total assets of the Plan are \$107.1 million (actuarial value) and the total liabilities are \$168.4 million.
- The Plan's current unfunded liability is \$61.3 million, amortized over 20 years.

**Item 5.A.**

**Gabriel, Roeder, Smith & Co. Actuarial  
Services Agreement**



September 23, 2021

Ms. Lisa Castronovo  
Pension Administrator  
City of Delray Beach  
100 Northwest 1st Avenue  
Delray Beach, Florida 33444

**Re: City of Delray Beach General Employees Retirement Plan**

Dear Lisa:

The contract period in our current consulting agreement with the Board of Trustees for the City of Delray Beach General Employees' Retirement Plan covers February 1, 2015 through September 30, 2020, with an extension through September 30, 2021. As indicated in the agreement, the contract may be renewed on a year-by-year basis provided both parties mutually agree. GRS would like to renew the present agreement under the same terms as detailed in our current contract.

If the Retirement Committee would also like to renew the present agreement, please indicate so in a letter or email.

We truly value the relationship we have developed with the Board over the years and look forward to continuing this in the future.

We welcome your questions and comments.

Sincerely yours,  
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink, appearing to read "Jeff Amrose". The signature is fluid and cursive, with the first name "Jeff" and last name "Amrose" clearly distinguishable.

Jeffrey Amrose, EA  
Senior Consultant & Actuary

cc: Janice Rustin

This communication shall not be construed to provide tax advice, legal advice or investment advice.



**Item 5.B.**  
**Travel Policy**

# **DELRAY BEACH GENERAL EMPLOYEES' RETIREMENT PLAN**

## **RETIREMENT COMMITTEE'S TRAVEL POLICY**

This Travel Policy ("Policy") sets forth the guidelines that will be followed when a City of Delray Beach General Employees' Retirement Plan ("Plan") Retirement Committee ("Committee") member ("member") or Pension Administrator ("Administrator") travels on Committee business.

In accordance with F.S. §112.661(14), the Plan's Investment Policy provides for the continuing education of the Committee members and the Administrator in matters related to investments and the Committee's responsibilities. This Policy is intended to establish standard travel reimbursement rates, procedures, and limitations when members and the Administrator travel to attend Policy-allowed events.

It is the intent of this Policy that travel expenses related to Committee business be limited to those expenses necessarily incurred by Committee members or the Administrator in the performance of a public purpose and must be within the limitations prescribed by this Policy.

By adoption of this Policy, the Committee directs the Administrator to ensure that the Policy is enforced as written unless the Committee has approved an exception to it. Adoption of this Policy supersedes any previously adopted policies. Hereafter, this document will solely determine the reimbursement policy for all Committee travel expenses.

### **ATTENDANCE**

Pursuant to the Plan's Investment Policy, Committee members and the Administrator are encouraged to attend continuing education seminars and conferences relating to investments and the responsibilities of a public pension trustee. Travelers shall be reimbursed for two seminars or conferences within the state of Florida and one seminar or conference within the continental U.S. per year. Reimbursement for additional travel will require Committee approval, which must occur prior to travel arrangements being made.

### **REGISTRATION**

All registration fees will be paid or reimbursed from the Plan. Members who want to attend a seminar or conference must notify the Administrator, who will be responsible for registering the traveler and paying all related expenses using a City of Delray Beach ("City") issued credit card. If a member makes a direct payment, he/she shall submit the appropriate form to request reimbursement.

To avoid cancellation fees, all travelers should consider their availability prior to registering for an event. When a traveler cannot attend an event and a cancellation fee will be incurred, an attempt will be made to substitute another member or Plan staff member.

## COVERED STAY

The term "covered stay" refers to the period of time for which expenses for an event will be covered.

The covered stay will start the day preceding the first educational session and end on the last day of the registered event. In no event will the hotel room be covered the night following the last educational session unless approved in advance by the Committee. Committee approval will be based on location and availability of flights. All travelers are expected to make a reasonable effort to return the day the event ends unless extending travel for personal reasons. For travelers that extend their stay, they will not be reimbursed for any expenses after the conclusion of the last session. The Committee may consider the travel plans of all attendees in determining the reasonableness of the same day return.

Notwithstanding the above, if it can be documented that purchasing an airline ticket for an extended stay will result in savings that exceed the cost of the hotel and other expenses for the additional covered day(s), the Committee may approve the extended stay.

If the event hotel is within 20 miles of Delray Beach City Hall (for Members) or 20 miles of the traveler's residence (for staff), the hotel stay is not a covered expense and will not be reimbursed.

## TRANSPORTATION

Mode At all times, each traveler must use the most economical mode of transportation.

Tolls Tolls will be reimbursed at actual cost upon presentation of a valid receipt. Note: Sunpass accounts can be accessed on the internet and printed.

Parking Long-term airport and hotel self-parking fees will be reimbursed during the period of a covered stay. If self-parking is available but a traveler chooses to valet park, the additional fee/gratuity will be at his/her own expense. If only valet parking is available, the actual cost will be reimbursed. If the parking charges do not appear on the hotel bill, then a receipt will be required for reimbursement.

Mileage Mileage for a personal car will be reimbursed at the published IRS mileage rate. When travel is by air, mileage between the traveler's home and the airport will be reimbursed. When air travel is not involved, mileage will be reimbursed for twice the number of miles from the travelers' home to the destination. If travel is required to get from the hotel to the conference facility, that mileage in a personal car will be reimbursed. Otherwise, mileage used while at the destination is not reimbursable. No mileage will be reimbursed if a City employee uses a City vehicle or receives a car allowance from the City. For local events, mileage will not be reimbursed if the distance to the event facility is less than the traveler's normal commute to the City.

Gas If a City employee uses a City vehicle or receives a car allowance, gas will be reimbursed with receipts. Otherwise, gas will not be reimbursed.

Taxis and Ride Sharing services Travelers will be reimbursed at the lesser of the actual cost of transportation between the airport and the hotel or the advertised hotel shuttle rates. Travelers will also be reimbursed for the actual cost of taxi or ride sharing service in the

event such transportation is required. Receipts are required. For local events, travelers may take a taxi or use a ride sharing service to and from their home if it is less expensive than long-term parking at the event facility.

Rental Cars Travelers may hire a rental car to travel to the event destination if they can demonstrate to the Administrator in advance that the total cost of the rental car (including additional liability insurance) is more economical than using a personal car. The traveler will be responsible for booking his/her rental car and additional liability insurance. The traveler will be reimbursed for fees, gas, and additional liability insurance for the covered stay period. Receipts are required. If the use of the rental car extends beyond the time necessary for the Committee-related travel, the costs attributed to the extra time or mileage will not be reimbursed. The Plan will not be responsible for any accident damage or liability. Once at the event destination, travelers may hire a rental car if they can demonstrate to the Administrator in advance that the rental cost will be less than the cost of transportation to and from the airport plus hotel parking.

Airfare Travelers may travel by air to the event destination if they can demonstrate to the Administrator in advance that the total cost of the air fare is more economical than the cost of using his/her personal car or rental car. Travelers will be reimbursed the cost of the flight, fees, and taxes including luggage. Any costs associated with an extended stay, a traveling companion or upgrades, will not be reimbursed and will be the personal responsibility of the traveler. When booking a ticket for an extended stay, rates for the covered stay should be submitted with the actual ticket receipt. The lower of the two fares will be reimbursed. Use of frequent flier miles for business travel will not be eligible for any type of reimbursement.

## HOTELS

If the traveler is staying at the event hotel, the Administrator will book the hotel at the time of registration and will pay using the City-issued credit card. Except as provided below, travelers who elect not to stay at the event hotel will be reimbursed at the actual cost of their stay in an amount not to exceed to negotiated room rate at the event hotel. If the event hotel is sold out and the event coordinator has negotiated rates at other participating hotels in the area, travelers will be reimbursed for stays at a participating hotel comparable to the event hotel at the rate negotiated by the event coordinator.

The traveler will be personally responsible for costs associated with room upgrades, traveling with companions, and for not making timely reservations. A timely reservation is one made no later than the conference registration. Mandatory daily rates charged by hotels for their amenities (usually referred to as resort fees) are covered expenses and will be reimbursed.

Sales taxes will be reimbursed if the City's tax-exemption is not honored. The tax-exempt certificate will be provided to each traveler prior to departure and it will be his/her responsibility to present the certificate at time of check-in to ensure that the tax adjustment is made prior to check-out.

## MEALS

Travelers will be reimbursed for meals based on the published U.S. General Services Administration (GSA) rates for the event location.

No reimbursement will be made for any meals, regardless of whether or not the traveler partakes of them, that are included in the airfare, registration fee or are otherwise offered complimentary unless a dietary, medical or religious restriction applies. This includes a continental breakfast, as opined by the Attorney General, and meals provided by vendors.

Subject to the above restrictions, meal reimbursements for travel days will be determined as indicated below. When the mode of transportation is by airplane, the assumed departure time will be two (2) hours before the flight time and the assumed return time will be one (1) hour after the flight lands.

#### Departure Date

There will be no breakfast allowance on the day a traveler departs for the event unless travel begins before 6:00 a.m. and extends beyond 8:00 a.m. An allowance for lunch and dinner will be made if the departure time is before 11:30 a.m. An allowance for dinner only will be made if the departure time is between 1:00 p.m. and 6:00 p.m.

#### Return Date

An allowance for breakfast will be made on the morning following the last night of the authorized hotel stay. A lunch allowance will be made if the traveler returns home between 1:00 and 5:00 p.m. A lunch and dinner allowance will be made if the traveler returns home after 7:00 p.m. No meals will be reimbursed following the end of the last educational session if a member extends the trip for personal reasons.

### GRATUITIES

Gratuities for taxis, shuttles and valet parking (where covered) in the amount of 15% will be reimbursed. In addition, reasonable and customary gratuities paid to hotel staff will be reimbursed when added to the expense reimbursement request.

### PERSONAL TRAVEL

Travelers will not be reimbursed for any expenses related to personal travel. In the event travelers extend a travel event for personal reasons, it shall be at their own expense. However, if an event occurs during the course of the trip, such as a flight cancellation or severe illness, over which the traveler has no control and which prevents the traveler from returning on the scheduled date, the Committee may approve additional reasonable expenses resulting from that event. This exception does not apply when a member was already planning to extend the trip for personal reasons.

### EXPENSE REPORTS

The Administrator will present each traveler with a partially completed expense report prior to the travel event. Within 30 days of returning from the event, travelers must submit the expense report with required receipts to the Administrator. Expense reports submitted more than 30 days from the date of return will not be reimbursed, except as approved by the Committee.

## **Item 6**

### **Pension Administrator Report**



# **M E M O R A N D U M**

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TO: Retirement Committee of the City of Delray Beach General Employees' Retirement Plan

FROM: Lisa Castronovo, Pension Administrator

SUBJECT: FYI Items

DATE: 9/23/2021

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- 1) Following is a detail of the actual administrative and investment-related expenses October 1, 2020 – September 23, 2021.
- 2) NFP's Executive Summary for the DROP for quarter end June 30, 2021 follows. I provided the full NFP quarterly report as a separate attachment to the email sending the Agenda and backup materials.
- 3) Since we've had recent changes in the Retirement Committee, we need to update Salem Trust's Signature Authorization. I will provide a new Signature Authorization form for signatures at the meeting.
- 4) Of the 326 annual benefit verification letters we mailed in early January 2021, as of May 14, 2021, all but three retirees had returned their letter. Effective June 1, 2021, we suspended the benefit payments to those three retirees. By mid-June 2021, the three retirees had returned their letter, so we reinstated their monthly benefits.
- 5) The FPPTA Fall Trustees' School will be offered virtually October 11<sup>th</sup> and 12<sup>th</sup>. Please let me know if you would me to register you for this virtual conference.
- 6) At their May 2021 meeting, the Firefighters' Board of Trustees provided their approval for me to attend any future Travel Policy-approved conference with the cost of my attendance to be split evenly between the three plans. I am now seeking this same future attendance and cost-sharing approval from the Retirement Committee and the Police Officers' Board of Trustees.

## **Item 1**



### General Employees' Retirement Plan Administrative and Investment Expenditure Detail

|                                       | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | TOTAL   |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Administrative/Miscellaneous Expenses |        |        |        |        |        |        |        |        |        |        |        |        |         |
| Actuarial Services                    | 7,205  |        |        | 1,584  |        |        |        |        |        | 23,965 |        |        | 32,754  |
| Pension Staff                         | 1,830  | 4,462  | 4,462  | 4,462  | 4,462  | 4,462  | 4,462  | 4,462  | 4,462  | 4,462  | 4,462  |        | 46,450  |
| GRS Hosting Fee                       | 268    | 268    | 268    | 268    | 268    | 268    | 268    | 268    | 268    | 268    | 268    |        | 2,948   |
| Fiduciary Insurance                   | 0      |        |        |        | 15,276 |        |        |        |        |        |        |        | 15,276  |
| Dues/Education/Travel                 | 0      |        |        |        | 620    |        |        |        | 1,640  |        | 550    | 1,770  | 4,580   |
| Legal Consultant Fees                 | 1,288  | 460    | 2,394  | 1,173  | 1,293  | 3,610  | 506    | 2,277  | 0      | 1,334  | 2,548  |        | 16,883  |
| Total Admin/Misc Expenses             | 10,591 | 5,190  | 7,124  | 7,487  | 21,919 | 8,340  | 5,236  | 7,007  | 6,370  | 30,029 | 7,828  | 1,770  | 118,891 |
| Investment Manager Expenses           |        |        |        |        |        |        |        |        |        |        |        |        |         |
| BNYMellon                             | 14,618 |        |        | 28,369 |        |        |        |        |        | 29,079 |        | 0      | 72,066  |
| Garcia Hamilton                       | 13,461 |        |        | 13,514 |        |        | 13,410 |        |        | 13,385 |        | 0      | 53,770  |
| Polen Capital                         |        |        |        | 1,242  |        |        | 11,406 |        |        | 13,039 |        |        |         |
| RhumbLine Combined                    | 7,228  |        |        | 6,956  |        |        | 6,959  |        |        | 7,398  |        | 0      | 28,541  |
| Total Investment Manager Expenses     | 35,307 | 0      | 0      | 50,081 | 0      | 0      | 31,775 | 0      | 0      | 62,901 | 0      | 0      | 154,377 |
| Salem Trust Transaction Fees          | 7,699  |        |        | 12,454 |        |        | 12,794 |        |        | 13,451 | 0      | 0      | 46,398  |
| BNYMellon                             | 1,643  |        |        | 2,991  |        |        | 3,402  |        |        |        | 0      | 0      | 8,036   |
| Garcia Hamilton                       | 3,104  |        |        | 3,121  |        |        | 3,163  |        |        |        | 0      | 0      | 9,388   |
| Total Salem Trust Transaction Fees    | 12,446 | 0      | 0      | 18,566 | 0      | 0      | 19,359 | 0      | 0      | 13,451 | 0      | 0      | 63,822  |
| AndCo Consulting Fees                 | 8,548  | 0      | 0      | 8,548  | 0      | 0      | 8,665  | 0      | 0      | 8,665  | 0      | 0      | 34,426  |
| Total Investment Expenses             | 56,301 | 0      | 0      | 77,195 | 0      | 0      | 59,799 | 0      | 0      | 85,017 | 0      | 0      | 252,625 |

## **Item 2**



# Fiduciary Investment and Plan Review Executive Summary

City of Delray Beach GE DROP 401(a)

Meeting Date: 8/19/2021

## Administrative Review

Prior Meeting Minutes ☒:

Service Plan ☒:

Signed Investment Policy Statement on file with NFP: ☒ Yes ☐ No.

## Market Review

U.S. equity markets rose 8.2% (Russell 3000) in the second quarter on the wide-spread vaccine rollout and resurgent economic growth. International equities rose to a lesser extent, posting a 5.5% gain over the quarter (MSCI ACWI ex U.S.). The broad U.S. fixed income market was up 1.8% for the quarter (Bloomberg Barclays Aggregate) as longer-term interest rates moved lower. Interest rates on the 10-year Treasury dropped by about 30 basis points over the quarter. The U.S. labor market stabilized during the second quarter with unemployment hovering around 6% throughout the quarter. Marking a change from the last two quarters, growth stocks reasserted leadership with the Russell 1000 Growth outperforming the Russell 1000 Value by over 6 percentage points this quarter. The Federal Reserve kept rates at nearly zero during the quarter and signaled their expectation of near-term asset purchase tapering and possible interest rate increases in 2023. (All data from MPI)

## Methodology

A review of the Scorecard Methodology was discussed. The scoring system includes pass/fail criteria on a scale of 0 to 10 (10 being best). Eighty percent of the fund's score is quantitative, incorporating Modern Portfolio Theory statistics and peer group rankings. The other 20 percent of the score is qualitative. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered in the qualitative review. Active and asset allocation strategies are evaluated over a five year time period and passive strategies are evaluated over a three year time period. The Scorecard Point System is as follows: Good: 9-10 points | Acceptable: 7-8 points | Watch List: 5-6 points | Poor: 0-4 points. The Scorecard Methodology supports upholding the impartial conduct standards as the scores and analytics do not include any adviser compensation components and are calculated incorporating all investment fees and revenue sharing. In addition, any and all compensation earned by the adviser (if any) is explicitly disclosed and reasonable given services provided. All information material to any investment recommendations has been disclosed and no misleading information has been provided to fiduciaries in their determination of action.

## Scorecard as of 6/30/2021

Assets of the Plan as of 6/30/2021 were \$14,521,255.74. Results of the analysis showed many funds received Good and Acceptable scores (7-10). 3 fund(s) scored a Watch List score (5-6) and the consequences of the score are discussed below. All other funds not specifically listed in this executive summary were reviewed and met qualitative reviews and/or are scoring acceptable to good.

## Fund Review

### Asset class: Large Cap Growth

The Fidelity Contrafund is currently scoring a 6. The fund fails the Peer Group rankings narrowly outside the top 50<sup>th</sup> percentile and the Up/Down Capture and Info Ratio. This is the third quarter in which the fund has scored a Watch-list score. The Committee discussed the composition of the fund and both short term and long term performance.

### Asset class: Large Cap Blend

The American Funds Washington Mutual R4 is scoring a 6. The fund lost points in the Risk/Return category, specifically the Up/Down and Info Ratio categories. It also dropped out of the 50<sup>th</sup> percentile within the Return Rank for Peer Group though modestly in the 54<sup>th</sup> percentile. It also loses a point in the Style category as it leans more into the value space rather than sitting in the middle between growth and value.

|                                     |   |   |
|-------------------------------------|---|---|
| Fiduciary Education & Compliance    |   |   |
| Regulatory and Compliance           |   |   |
|                                     |   |   |
| Plan Design and Education Fiduciary |   |   |
|                                     |   |   |
| Retirement Plan Cost Analysis       |   |   |
| Pending Action Items                |   |   |
| Scheduler <input type="checkbox"/>  | Employee Education <input type="checkbox"/> | Fund Changes initiated by <input type="checkbox"/> NFP Support <input type="checkbox"/> NFP Advisor <input type="checkbox"/> Recordkeeper |
| Other:                              |   |   |

This material contains an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. Information is based on data gathered from what we believe are reliable sources. It is not guaranteed by Kestra IS as to accuracy, does not purport to be complete and is not intended to be used as a primary basis for investment decisions. It should also not be construed as advice meeting the particular investment needs of any investor. The indices mentioned are unmanaged and cannot be directly invested into. Past performance does not guarantee future results.

Investment Advisory Services offered through NFP Retirement, Inc.. NFPR-2021-112 ACR# 3671483 07/21 <https://bit.ly/KF-Disclosures>

### **Item 3**

# Signature Authorization

Account Name: City of Delray Beach General Employees' Retirement Plan

Account Number(s): Various Accounts

AUTHORIZATION: The following are the names and specimen signatures of the individuals authorized to execute and direct Salem Trust Company. The Trust Company will rely on the following individuals for all direction until notified otherwise:

## NAME

## SIGNATURE

Howard Ellingsworth, Chair

\_\_\_\_\_

John Lege, Finance Director

\_\_\_\_\_

Laura Thezine, Asst. Finance Director

\_\_\_\_\_

Lisa Castronovo, Pension Administrator

\_\_\_\_\_

\*\*Number of Signatures Required: two (2) except for the following when one (1) signature is acceptable: capital call fulfillments, sale of a mutual fund to fulfill a capital call, corrections to previously approved invoice payments, member change requests (name, address, direct deposit authorization, W-4P, pension deductions), transfers from investments to R&D account for cash flow purposes.

I, \_\_\_\_\_, as \_\_\_\_\_ of the Retirement Committee, certify that the above individuals are authorized to direct Salem Trust Company under the terms of the current agreement.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
(Signature)



**Item 7**  
**Other Business**

**(No backup for this Item)**

**Item 8**  
**Adjournment**

**(No backup for this Item)**