MEETING AGENDA
SESSION OF THE GENERAL PENSION BOARD
CITY OF KISSIMMEE
CITY HALL, COMMISSION CHAMBERS
101 CHURCH STREET, KISSIMMEE, FLORIDA 34741-5054
THURSDAY, AUGUST 24, 2023 AT 9:30 AM

1. **MEETING CALLED TO ORDER**
2. **HEAR AUDIENCE**
3. **FINANCIAL AGENDA**
   - 3.A Review of the 3rd Quarter AndCo Investment Report for FY 2023
   - 3.B Approval of the revised Investment Policy Statement
4. **ADMINISTRATIVE AGENDA**
   - 4.A Approval of General Pension Board Minutes (May 25, 2023)
   - 4.B Approval of 3rd Quarterly Expenses for FY 2023
   - 4.C Approval of 3rd Quarterly Retirements and Return of Contributions for FY 2023
   - 4.D Approval of online Pensioner Portal
5. **HEAR THE ATTORNEY**
   - 5.A Discussion on recently adopted House Bill No. 3
6. **OLD BUSINESS**
7. **NEW BUSINESS**
8. **ADJOURNMENT**

In accordance with Florida Statutes 286.105: Any person wishing to appeal any decision made by the General Pension Board with respect to any matter considered at such meeting or hearing will need to ensure that verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is made.

In accordance with Florida State 286.26, persons needing assistance to participate in any of these proceedings should contact the Office of the City Clerk, 101 Church Street, Kissimmee, Florida, (407) 518-2309.

ITEM 3.A

Review of the 3rd Quarter AndCo Investment Report for FY 2023

Request

Review of the AndCo 3rd Quarter Investment Report for FY 2023, recommendations will be made by the consultant if any are needed.

Explanation

The 3rd Quarter AndCo Investment Report for FY 2023 is attached for review.

Recommendation

Staff recommends Board approval if needed.

REQUESTED BOARD ACTION:

Approve w/Conditions

Attachment(s):

1. 2023-06-30 Kissimmee General (Quarterly Report)
2. Kissimmee General - Senior Direct Lending Search 2023-08

Investment Performance Review
Period Ending June 30, 2023

Kissimmee General Employees' Retirement System

AndCo Consulting | (844) 44-ANDCO | AndCoConsulting.com

2nd Quarter 2023 Market Environment

The Economy

- Though the Atlanta Fed GDPNow model forecasted weak GDP growth in 2023 as the impact from higher interest rates continued to spread through the broader economy, the first quarter GDP final revision of 2% was markedly higher than the 1.3% first reported.
- The US Federal Reserve Bank (the Fed) continued to increase interest rates during the quarter with an additional 0.25% increase in the Fed Funds rate in May, followed by a pause in June. The Fed continues to prioritize fighting high inflation with the press release from the June meeting detailing the extent that additional policy firming (i.e., rate increases) will consider the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments.
- June brought some weakness in the US labor market as nonfarm payrolls increased by 209,000, below the expected 240,000 new jobs. This represented the slowest month for job creation since December 2020. Initial jobless also rose for the week ending July 1st.
- The global banking sector came under duress in the first quarter of 2023, triggered by the second and third-largest regional bank failures in US history. Fears of deterioration in the banking sector have waned, likely helped by aggressive intervention from the FDIC and Federal Reserve.

Equity (Domestic and International)

- US equities moved broadly higher during the second quarter led by growth-oriented sectors. The S&P 500 Benchmark rose 8.7% for the quarter, its best-performing quarter since Q4-2021. Large-cap growth was the best-performing domestic segment of the equity market during the period while small-cap value, while positive, was the weakest relative performer for the quarter.
- International stocks experienced modest returns during the quarter. Local currency (LCL) performance outpaced US Dollar (USD) performance in most regions though both benchmarks were positive as the USD traded higher during the quarter.
- Global GDP growth continues to face challenges despite falling energy prices. European growth remained under pressure amid hawkish central bank policies. While China has fully reopened after almost three years of COVID-19 restrictions, there have been challenges associated with the region re-integrating with the global economy.

Fixed Income

- While inflation continues to decline, the Fed maintained their inflation-fighting policy stance, increasing interest rates by 0.25% in May but opting to pause in June. The additional rate hike in May along with the possibility that additional rate hikes could occur in this tightening cycle, drove intermediate and long-term rates slightly higher during the quarter.
- US Government securities were the worst-performing sector during the quarter. US Treasuries lagged the corporate and securitized sectors as yields at longer maturities rose slightly and credit conditions were considered more favorable than the previous quarter.
- Corporate bonds with lower credit ratings held up better than higher quality issues, aided by narrowing credit spreads as well as their higher coupons. High-yield bonds were the best-performing segment of the domestic bond market, echoing the equity market's positive sentiment during the quarter.
- Global bonds underperformed US issues during the quarter and the trailing one-year period.

Market Themes

- Central banks remained vigilant in their fight against inflation with the Fed, the Bank of England, and the European Central foreshadowing the potential for further tightening with additional rate hikes in the coming months. GDP contraction in the Eurozone for the previous two quarters has been met with recovering asset prices in the most recent quarter as investors remain hopeful of future growth.
- The conflict in Ukraine continues without expectations of any resolution in the near future. Energy costs have subsided in recent months attributed to a mild winter in the Eurozone region and an increase in fossil fuel production in the US.
- Short-term interest rates rose across most developed markets as central banks continued to tighten policy stances. Despite previous concerns about the potential for slowing economic growth, lower-quality corporate bonds outpaced higher-quality government bonds as credit spreads narrowed.
- Both US and international equity markets continued to recover from the disappointing year that was 2022 on expectations that inflation would continue to moderate and central banks would slow the pace of their monetary tightening cycles. Growth has significantly outpaced value in the previous two quarters.

- Domestic equity markets started 2023 with solid results, led mostly by the large-cap names. The poor performance posted by domestic equities in the first half of 2022 has rolled off and now each index has turned positive on a trailing one-year basis. Factors contributing to the quarter's results include strong economic data in the face of higher benchmark rates and the expectation that the Fed would slow the pace of future interest rate increases. For the period, the S&P 500 large-cap benchmark returned 8.7% versus 4.8% for mid-cap and 5.2% for small-cap benchmarks.

- International developed and emerging market equities also delivered positive results, albeit lagging behind their domestic counterparts. Europe continues to face geopolitical risks related to the conflict in Ukraine and rising interest rates, though inflation has eased somewhat due to higher rates and more manageable energy prices. Performance in the emerging market index was led by the Latin America region whose regional index posted a strong 14.0% return in USD terms. The developed market MSCI EAFE Index returned 3.0% for the quarter and the MSCI Emerging Markets Index rose by 0.9%.

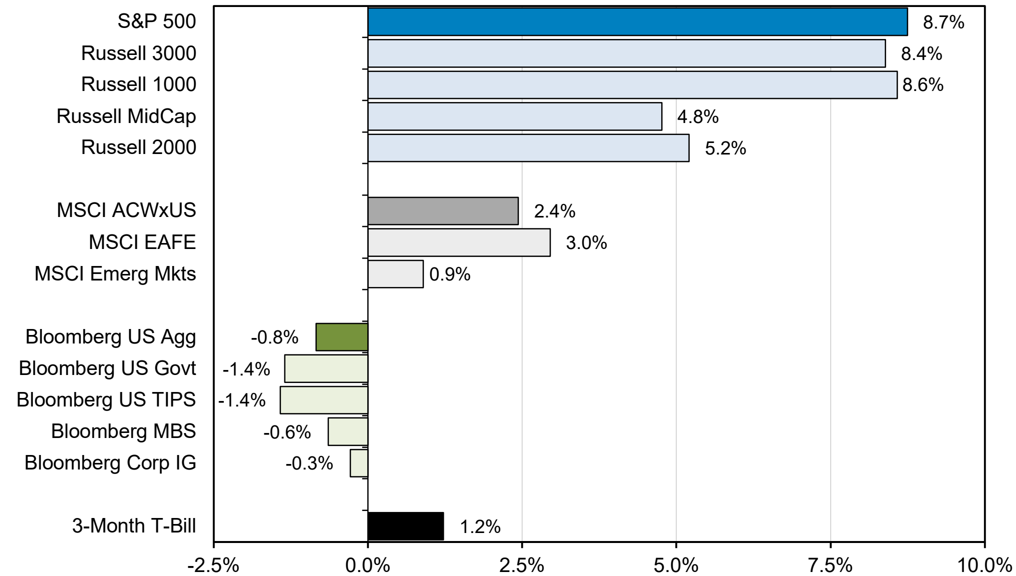
- The domestic bond market ebbed during the quarter due to higher rates from the Federal Reserve's decision to hike policy rates an additional 0.25%. The Bloomberg (BB) US Aggregate Index returned -0.8% for the period while investment-grade corporate bonds were down less with a return of -0.3%.

- During the one-year trailing period, US equity markets were positive as the weak performance from the first half of 2022 rolled off. The S&P 500 Index returned 19.6% for the year. The weakest relative performance for the year was the Russell 2000 Index, which still climbed 12.3% over the last 12-months.

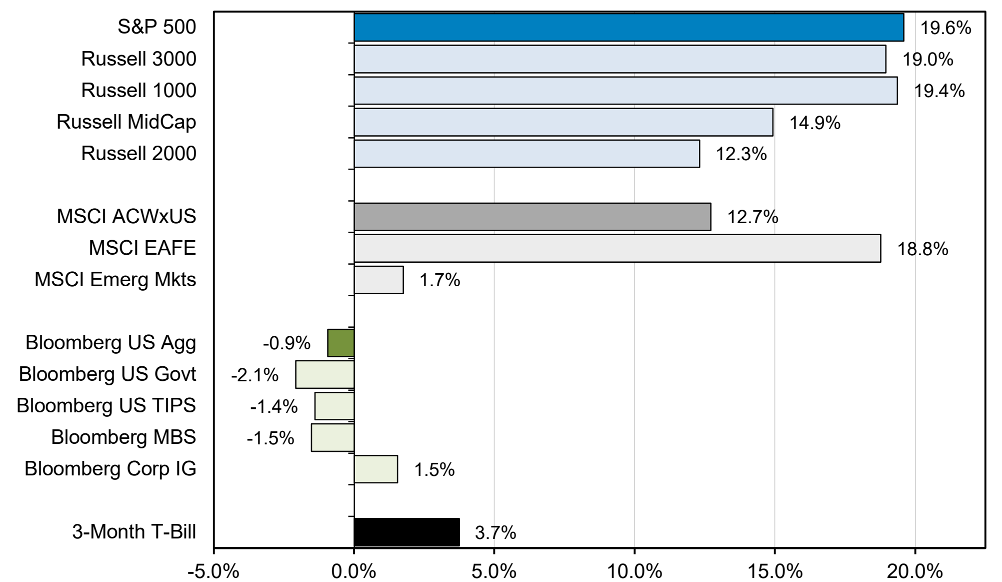
- International markets also rolled off their poor performance in 2022. Over the trailing one-year period, the MSCI EAFE Index returned 18.8% while the MSCI Emerging Markets Index added a much more modest 1.7%. Concerns relating to the conflict in Ukraine continued to emanate throughout the region and globally. Elevated inflation and slowing global economic growth continue to be an additional headwind for global markets.

- Bond markets softened further, posting negative returns over the previous 1-year period for most indices. The primary driver of results during the first half of 2023 continues to be higher interest rates, which directly impact bond prices and index performance. Investment-grade corporate bonds were the only sector to post positive performance over the previous 12-months, adding 1.5%. The US Government sector suffered the most for the period, posting a return of -2.1%.

Quarter Performance



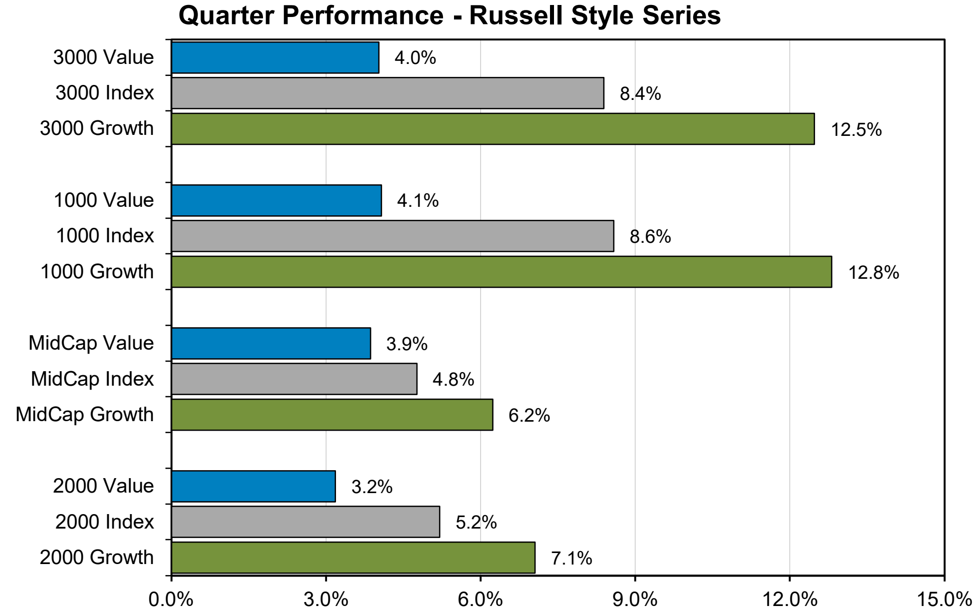
1-Year Performance



Source: Investment Metrics

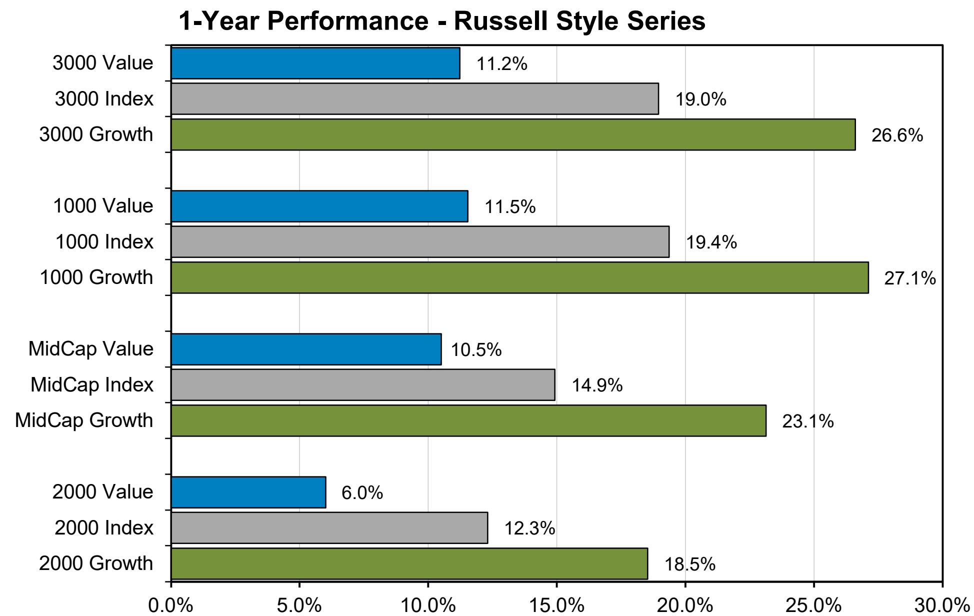
- Core domestic equity benchmarks posted positive results for the second quarter in a row. However, concerns regarding the regional banking sector and the financial sector's large weight in the value benchmarks weighed heavily on the broad value indices' performance in the first half of 2023. Large-cap stocks once again led results for the capitalization-based benchmarks, besting both the mid-cap and small-cap indices for the quarter. Growth benchmarks posted the strongest results as economic data continues to show favorable conditions for growth stocks. The Russell 1000 Growth Index topped the quarter, returning 12.8% followed by the Russell 2000 Growth Index and the Russell Midcap Growth Index, which rose by 7.1% and 6.2%, respectively.

- As previously stated, Growth stocks at all capitalization ranges outperformed their value counterparts by a wide margin for the quarter. This continued the 2023 theme of growth-based benchmark outperformance. Among the value benchmarks Large cap, mid-cap and small-cap value each posted positive performance for the quarter with the Russell 1000 Value Index leading the way at 4.1%.



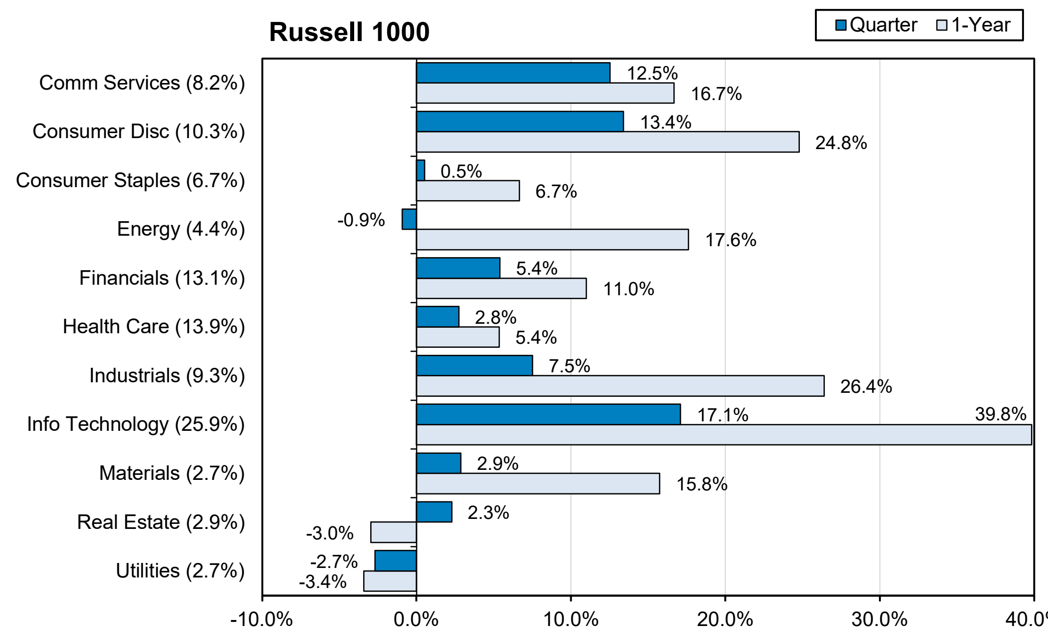
- The second quarter's continued positive performance in tandem with the poor performance from the first half of 2022 rolling off the various benchmark returns turned the Russell indices positive on a trailing 12-month basis. Within large-cap stocks, the Russell 1000 Growth Index returned a strong 27.1%, leading the way among style and market capitalization classifications. The worst-performing index was the Russell 2000 Value, which posted a modest 6.0% return for the trailing 12-months.

- Growth rebounded from disappointing results in early 2022 and led value-based benchmarks in all market capitalization ranges during the trailing year. The Russell 2000 Growth Index returned 18.5%, outpacing the Russell 2000 Value index return of 6.0% by a span of 12.5%. The Russell 1000 Growth and Russell Midcap Growth benchmarks gained 27.1% and 23.1%, respectively, while their corresponding value index counterparts returned solid, but lagging, performance of 11.5% and 10.5%, respectively.

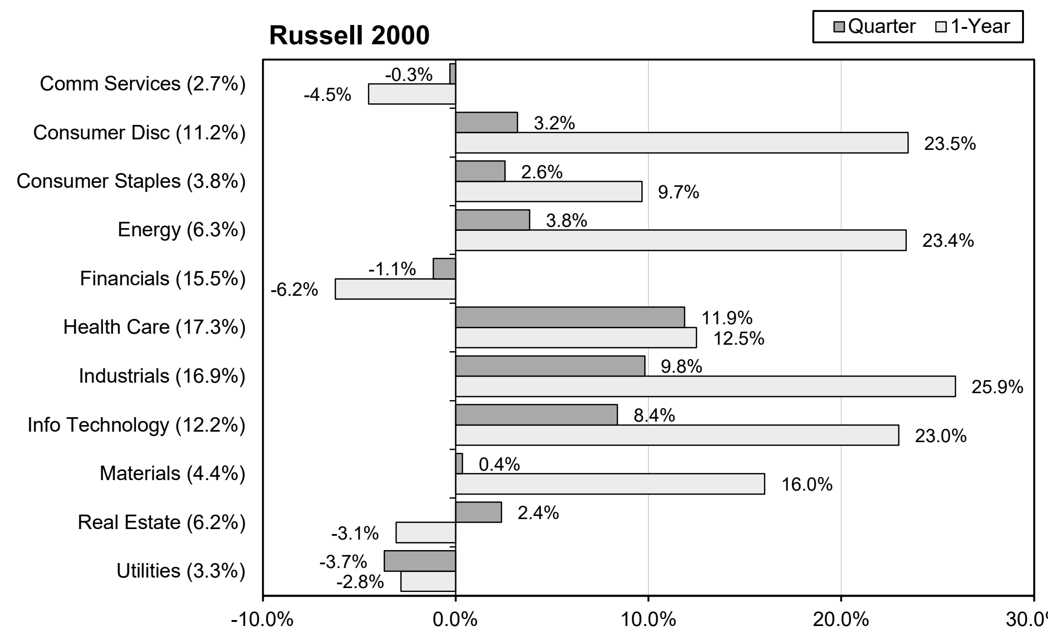


Source: Investment Metrics

- Large Cap sector performance was mostly positive for the second quarter. Nine of 11 economic sectors posted positive absolute performance for the quarter, but just three managed to outpace the return of the Russell 1000 index.
- After a challenging 2022, the information technology sector continued its dominating rebound, amassing an impressive 17.1% return for the quarter. The other two sectors that outpaced the headline index's return for the quarter were communication services (12.5%) and consumer discretionary (13.4%). Energy (-0.9%), and utilities (-2.7%) were the two sectors that lost ground for the quarter.
- For the full year, four economic sectors exceeded the return of the broad large-cap benchmark and seven of the eleven sectors posted positive performance. The weakest economic sector in the Russell 1000 for the year was utilities, which declined by -3.4% and was heavily impacted by rising energy costs and a market rotation away from defensive names.



- Eight small-cap economic sectors posted positive results during the quarter while just three exceeded the 5.2% return of the Russell 2000 Index. The health care (11.9%), industrials (9.8%), and information technology (8.4%) sectors led the way, outpacing the broad benchmark for the quarter while the utilities (-3.7%), financials (-1.1%), and communication services (-0.3%) sectors posted negative returns.
- Like large cap sector performance over the trailing year, seven small cap sectors were positive. Industrials posted the strongest sector results (25.9%) but the consumer discretionary, energy, and information technology sectors each also returned in excess of 20% for the last 12-months. Five of the 11 economic sectors fell short of core small-cap benchmark's return of 12.3% over the trailing year. The worst-performing sector for the year was financials with a return of -6.2%. The communication services (-4.5%), real estate (-3.1%), and utilities (-2.8%) sectors also posted negative results for the year.



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.

Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000

As of June 30, 2023

Top 10 Weighted Stocks

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	7.0%	17.8%	42.7%	Information Technology
Microsoft Corp	6.2%	18.4%	33.9%	Information Technology
Amazon.com Inc	2.9%	26.2%	22.7%	Consumer Discretionary
NVIDIA Corp	2.4%	52.3%	179.3%	Information Technology
Tesla Inc	1.8%	26.2%	16.6%	Consumer Discretionary
Alphabet Inc Class A	1.7%	15.4%	9.9%	Communication Services
Meta Platforms Inc Class A	1.5%	35.4%	78.0%	Communication Services
Berkshire Hathaway Inc Class B	1.5%	10.4%	24.9%	Financials
Alphabet Inc Class C	1.5%	16.3%	10.6%	Communication Services
UnitedHealth Group Inc	1.1%	2.1%	-5.1%	Health Care

Top 10 Weighted Stocks

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Super Micro Computer Inc	0.5%	133.9%	517.7%	Information Technology
SPS Commerce Inc	0.3%	26.1%	69.9%	Information Technology
Rambus Inc	0.3%	25.2%	198.6%	Information Technology
Chart Industries Inc	0.3%	27.4%	-4.5%	Industrials
Novanta Inc	0.3%	15.7%	51.8%	Information Technology
Chord Energy Corp Ordinary Shares	0.3%	16.9%	38.0%	Energy
Light & Wonder Inc Ordinary Shares	0.3%	14.5%	46.3%	Consumer Discretionary
ChampionX Corp	0.3%	14.8%	57.8%	Energy
Atkore Inc	0.3%	11.0%	87.9%	Industrials
Commercial Metals Co	0.3%	8.0%	61.2%	Materials

Top 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
XP Inc Class A	0.0%	97.6%	30.6%	Financials
Wayfair Inc Class A	0.0%	89.3%	49.2%	Consumer Discretionary
Carnival Corp	0.0%	85.5%	117.7%	Consumer Discretionary
XPO Inc	0.0%	85.0%	95.0%	Industrials
Palantir Technologies Inc	0.1%	81.4%	69.0%	Information Technology
MongoDB Inc Class A	0.1%	76.3%	58.4%	Information Technology
Vertiv Holdings Co Class A	0.0%	73.1%	201.6%	Industrials
Nu Holdings Ltd Ordinary Shares	0.0%	65.8%	111.0%	Financials
AppLovin Corp Ordinary Shares -	0.0%	63.4%	-25.3%	Information Technology
Norwegian Cruise Line Holdings Ltd	0.0%	61.9%	95.8%	Consumer Discretionary

Top 10 Performing Stocks (by Quarter)

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
CXApp Inc Ordinary Shares - Class A	0.0%	503.3%	9.2%	Information Technology
Immunogen Inc	0.2%	391.4%	319.3%	Health Care
Applied Digital Corp	0.0%	317.4%	790.5%	Information Technology
Presto Automation Inc	0.0%	230.4%	N/A	Information Technology
EyePoint Pharmaceuticals Inc	0.0%	195.9%	10.5%	Health Care
CARISMA Therapeutics Inc	0.0%	182.9%	N/A	Health Care
P3 Health Partners Inc Class A	0.0%	182.1%	-19.6%	Health Care
Nano X Imaging Ltd Ordinary Shares	0.0%	168.5%	37.1%	Health Care
Carvana Co Class A	0.1%	164.8%	14.8%	Consumer Discretionary
Bit Digital Inc Ordinary Shares	0.0%	163.6%	209.9%	Information Technology

Bottom 10 Performing Stocks (by Quarter)

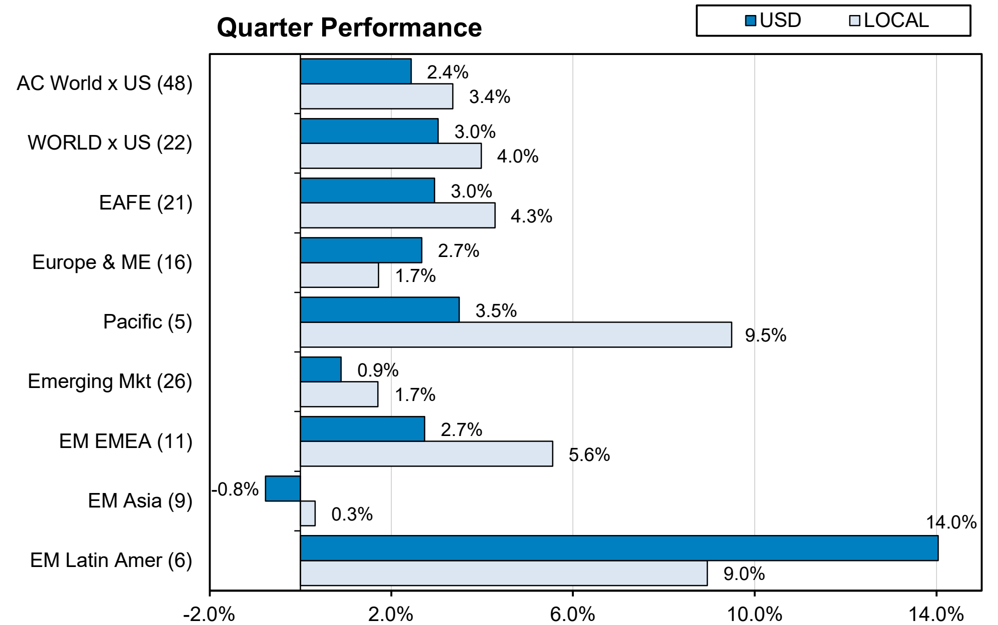
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Victoria's Secret & Co	0.0%	-49.0%	-37.7%	Consumer Discretionary
Advance Auto Parts Inc	0.0%	-41.5%	-58.1%	Consumer Discretionary
Tandem Diabetes Care Inc	0.0%	-39.6%	-58.5%	Health Care
First Horizon Corp	0.0%	-35.8%	-46.6%	Financials
Ubiquiti Inc	0.0%	-35.1%	-28.5%	Information Technology
Catalent Inc	0.0%	-34.0%	-59.6%	Health Care
Concentrix Corp Ordinary Shares	0.0%	-33.4%	-39.9%	Industrials
MarketAxess Holdings Inc	0.0%	-33.0%	3.1%	Financials
Mercury Systems Inc	0.0%	-32.3%	-46.2%	Industrials
Peloton Interactive Inc	0.0%	-32.2%	-16.2%	Consumer Discretionary

Bottom 10 Performing Stocks (by Quarter)

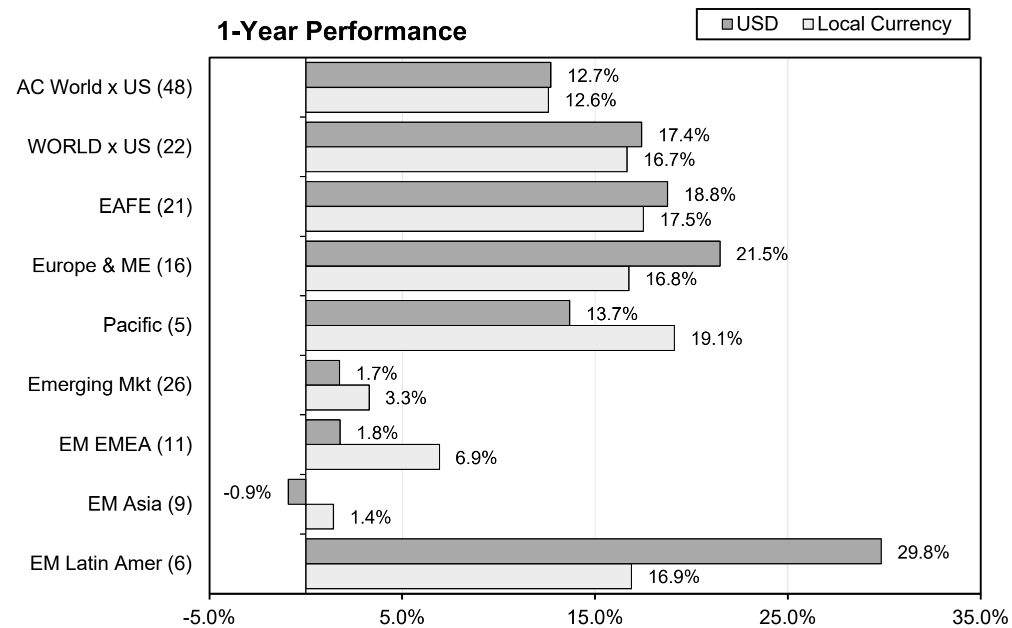
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Babylon Holdings Ltd Ordinary Shares	0.0%	-98.6%	-99.7%	Health Care
ViewRay Inc	0.0%	-89.8%	-86.7%	Health Care
Rain Oncology Inc	0.0%	-86.3%	-78.4%	Health Care
FibroGen Inc	0.0%	-85.5%	-74.4%	Health Care
HomeStreet Inc	0.0%	-66.6%	-82.0%	Financials
BioXcel Therapeutics Inc	0.0%	-64.3%	-49.5%	Health Care
Orchestra BioMed Holdings Inc	0.0%	-64.2%	N/A	Health Care
PolyMet Mining Corp	0.0%	-63.2%	-68.6%	Materials
Enviva Inc	0.0%	-62.4%	-80.1%	Energy
NanoString Technologies Inc	0.0%	-59.1%	-68.1%	Health Care

Source: Morningstar Direct

- Many of the international developed and emerging market benchmarks posted positive performance in both USD and LCL terms for the second quarter. While the strengthening of the USD chilled non-US index performance in USD during the quarter, the developed market MSCI EAFE Index still returned a solid 3.0% in USD and 4.3% in LCL terms for the period. The MSCI Emerging Markets Index rose by 0.9% in USD and 1.7% in LCL terms.
- Latin America (LATAM) dramatically outpaced other emerging markets for the quarter with the regional index earning a solid 14.0% in USD and 9.0% in LCL terms. Performance in the region was driven by strong demand for commodity exports from growing worldwide production along with a USD performance boost due to local currency strength in the region.
- The largest weighted country in the emerging market index (China, 8.2%) lagged during the quarters. Investors have struggled to accurately forecast the pace of China's recovery after its grand economic reopening from COVID-19 lockdowns, which led to a flurry of spending that has since cooled.



- Much like domestic markets, trailing one-year results for international developed and emerging markets rolled off their poor performance from early 2022 which resulted in strong results for the trailing year. Much of the strong USD performance in late 2022 has been reversed in 2023 with the MSCI EAFE Index returning 18.8% in USD for the year and 17.5% in LCL terms.
- Annual returns across emerging markets were more bifurcated. Latin American results led the way with returns of 29.8% in USD and 16.9% in LC terms. Performance in the EM Asia regional benchmark detracted from emerging market index with the EM Asia Index posting returns of -0.9% in USD and 1.4% in LCL terms. As a result, the broad MSCI Emerging Markets Index returned a muted 1.7% in USD and 3.3% in LCL terms for the year.



Source: MSCI Global Index Monitor (Returns are Net)

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	4.1%	-2.6%	2.2%
Consumer Discretionary	12.6%	5.0%	30.6%
Consumer Staples	10.1%	-0.6%	9.9%
Energy	4.2%	0.1%	14.3%
Financials	18.3%	4.6%	20.2%
Health Care	13.2%	2.0%	9.8%
Industrials	16.2%	6.2%	29.6%
Information Technology	8.2%	5.9%	32.7%
Materials	7.4%	-1.7%	16.4%
Real Estate	2.3%	-2.0%	-7.4%
Utilities	3.5%	4.0%	16.5%
Total	100.0%	3.0%	18.8%

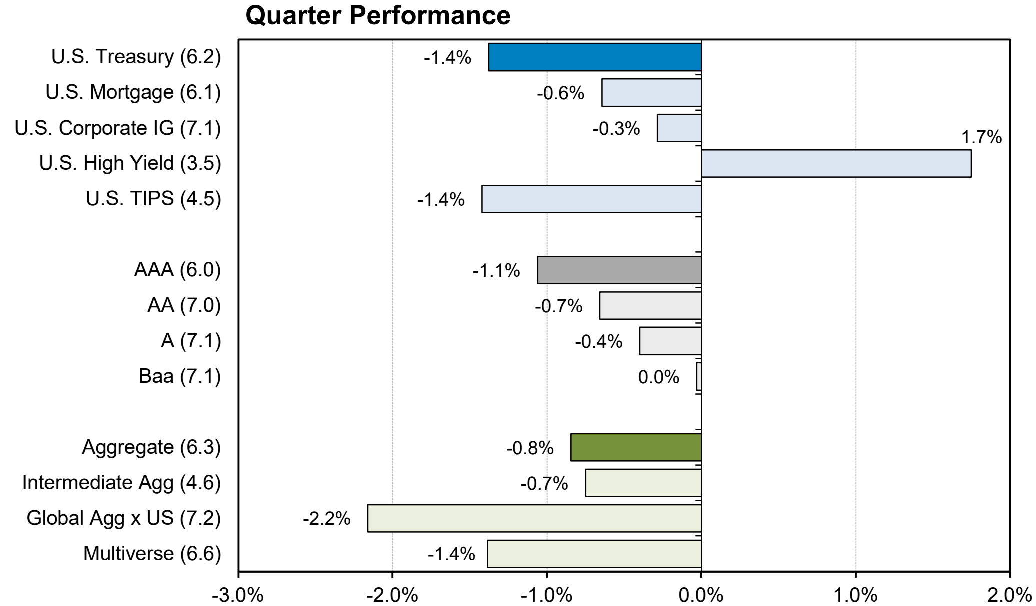
MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.5%	-4.6%	-0.7%
Consumer Discretionary	12.1%	1.5%	12.6%
Consumer Staples	8.6%	-0.4%	9.0%
Energy	5.4%	3.4%	9.4%
Financials	20.6%	4.9%	13.2%
Health Care	9.6%	1.5%	7.4%
Industrials	13.2%	5.4%	24.9%
Information Technology	11.9%	6.1%	24.1%
Materials	7.9%	-2.7%	10.7%
Real Estate	2.0%	-2.5%	-9.5%
Utilities	3.2%	3.7%	7.8%
Total	100.0%	2.4%	12.7%

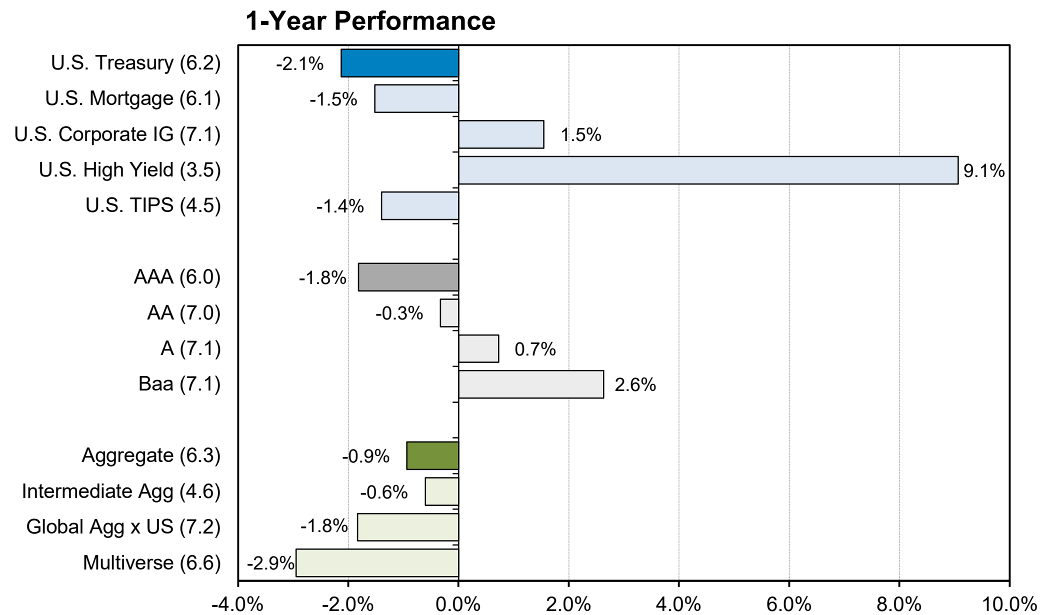
MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	9.8%	-6.8%	-3.6%
Consumer Discretionary	13.2%	-6.3%	-15.3%
Consumer Staples	6.4%	0.3%	4.4%
Energy	5.0%	12.1%	13.5%
Financials	21.9%	5.7%	6.4%
Health Care	3.8%	-2.5%	-9.6%
Industrials	6.3%	1.8%	5.3%
Information Technology	21.2%	5.1%	14.1%
Materials	8.1%	-4.2%	1.8%
Real Estate	1.8%	-4.9%	-17.7%
Utilities	2.6%	4.2%	-6.7%
Total	100.0%	0.9%	1.7%

Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	22.4%	14.5%	6.4%	18.1%
United Kingdom	14.7%	9.5%	2.2%	13.2%
France	12.4%	8.0%	3.2%	31.7%
Switzerland	10.1%	6.5%	4.0%	13.3%
Germany	8.6%	5.6%	2.8%	28.4%
Australia	7.3%	4.7%	0.3%	11.2%
Netherlands	4.6%	3.0%	4.1%	31.2%
Sweden	3.3%	2.1%	-1.2%	16.6%
Denmark	3.1%	2.0%	1.7%	31.9%
Spain	2.6%	1.7%	5.6%	29.0%
Italy	2.5%	1.6%	8.2%	43.4%
Hong Kong	2.5%	1.6%	-5.1%	-9.0%
Singapore	1.4%	0.9%	-5.6%	10.0%
Belgium	0.9%	0.6%	-6.1%	6.1%
Finland	0.9%	0.6%	-8.1%	-1.2%
Ireland	0.8%	0.5%	4.3%	45.3%
Norway	0.6%	0.4%	-1.0%	-9.0%
Israel	0.6%	0.4%	-4.0%	-4.7%
Portugal	0.2%	0.1%	-1.1%	6.7%
New Zealand	0.2%	0.1%	-6.0%	15.5%
Austria	0.2%	0.1%	4.4%	18.9%
Total EAFE Countries	100.0%	64.6%	3.0%	18.8%
Canada		7.6%	3.7%	7.0%
Total Developed Countries		72.2%	3.0%	17.4%
China		8.2%	-9.7%	-16.8%
Taiwan		4.3%	4.5%	12.5%
India		4.1%	12.2%	14.2%
Korea		3.4%	4.4%	13.0%
Brazil		1.5%	20.7%	29.8%
Saudi Arabia		1.2%	6.3%	-1.7%
South Africa		0.9%	-4.9%	-1.9%
Mexico		0.8%	5.6%	35.1%
Indonesia		0.6%	2.8%	13.2%
Thailand		0.5%	-8.2%	1.7%
Malaysia		0.4%	-8.4%	-6.4%
United Arab Emirates		0.4%	5.8%	-6.1%
Qatar		0.3%	-2.4%	-15.4%
Poland		0.2%	24.5%	36.4%
Kuwait		0.2%	-0.9%	-4.7%
Philippines		0.2%	-1.3%	5.8%
Chile		0.2%	2.4%	18.1%
Turkey		0.2%	-10.7%	53.3%
Greece		0.1%	23.9%	71.3%
Peru		0.1%	6.5%	34.0%
Hungary		0.1%	24.8%	48.8%
Czech Republic		0.0%	-5.1%	8.7%
Colombia		0.0%	11.7%	-5.7%
Egypt		0.0%	3.9%	27.0%
Total Emerging Countries		27.8%	0.9%	1.7%
Total ACWIxUS Countries		100.0%	2.4%	12.7%

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.

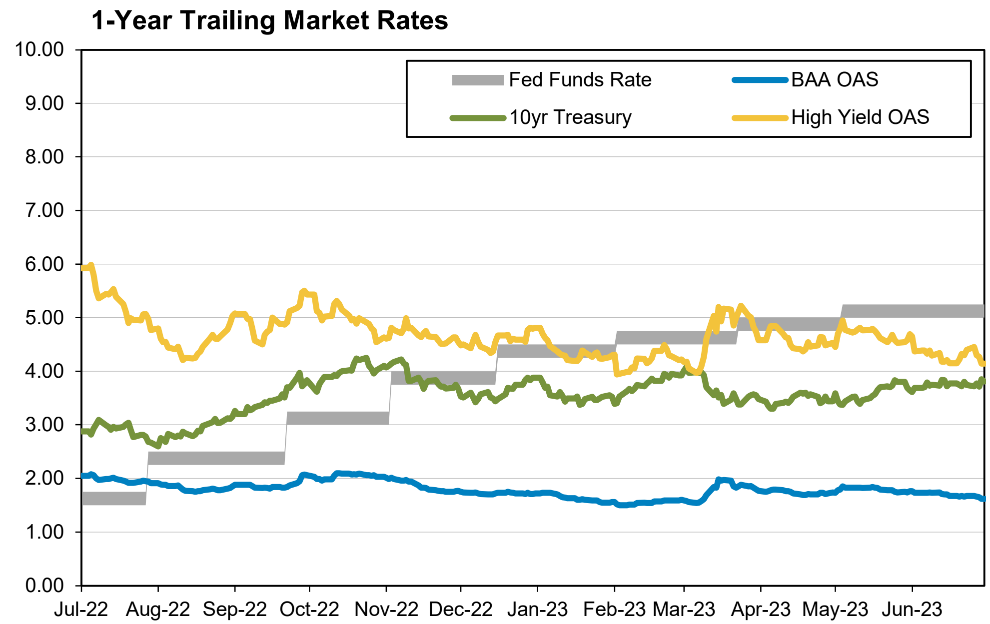
- Fixed income markets started 2023 strong but performance stalled during the second quarter. Yields remain elevated on the back of the Federal Reserve's decision to hike policy rates an additional 0.25% in May. After a challenging 2022 in fixed-income markets brought on by the largest and most rapid increase in interest rates since the early 1980s, higher yields and an expected slower pace of rate increase led investors to expect better outcomes in 2023. That expectation was at least temporarily frustrated during the second quarter, as the quarter's 0.25% rate hike and increased expectations for future rate hikes weighed on the asset class and many of the major domestic fixed-income indices posted negative absolute returns.
- The Bloomberg US Aggregate Bond Index, the bellwether US investment grade benchmark, returned a mild negative result, returning -0.8% for the quarter. Performance across the investment grade index's segments soured during the period with the Bloomberg US Corporate Investment Grade Index returning -0.3% and the US Mortgage Index sliding -0.6%.
- Outside of the aggregate index's sub-components, high-yield bonds continued to rise with a return of 1.7% as credit spreads narrowed during the quarter. US TIPS lost -1.4% for the quarter. The Bloomberg Global Aggregate ex-US Index lagged most domestic fixed-income indexes and the multiverse benchmark, posting a loss of -2.2% for the quarter.
- Over the trailing one-year period, the Bloomberg US Aggregate Bond Index declined by -0.9%. The benchmark's sub-components fell in a narrow band above and below the broad index's return. US TIPS, which are excluded from the aggregate index, dropped by -1.4% for the year. High-yield corporate bonds, which have a much shorter duration, have outpaced their investment grade counterparts with the Bloomberg US High Yield Index returning a strong 9.1% for the last year.
- Performance for non-US bonds was also negative for the year with the Bloomberg Global Aggregate ex-US Index falling by -1.8%. The combination of rising interest rates, elevated inflation, and geopolitical risks were a hindrance for non-US index performance.

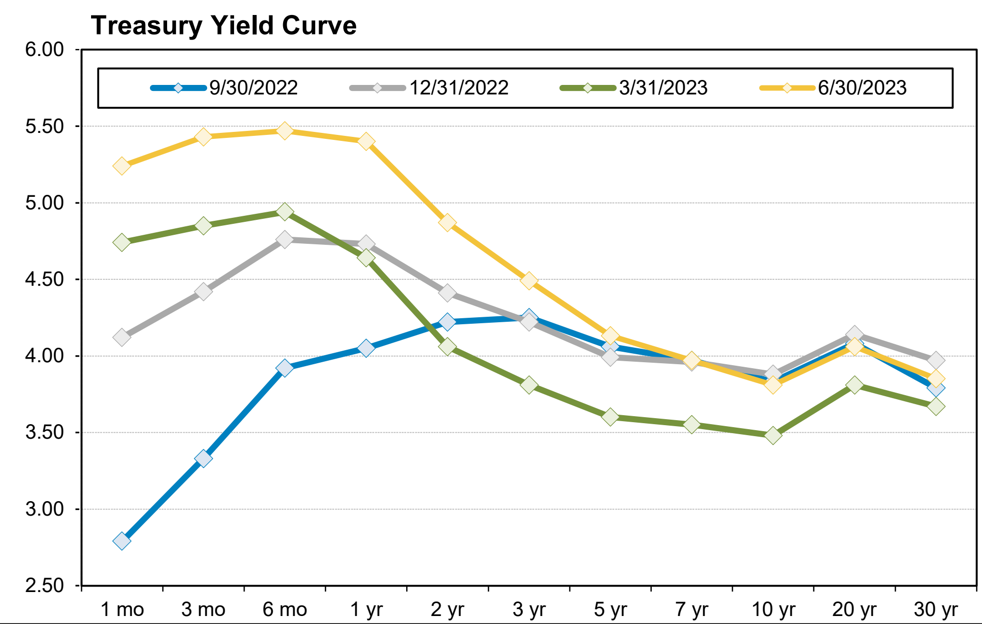




Source: Bloomberg

- The gray band across the graph illustrates the range of the current Fed Funds target rate. During the second quarter, the Federal Open Market Committee (FOMC) raised the lower end of its target rate range from 4.75% to 5.00% at their May meeting. While the FOMC pushed pause on a rate increase at their June meeting, several speeches and public comments since that meeting have made it clear that additional rate hikes should not be ruled out. The FOMC is continuing its policy of removing liquidity from the market by allowing bonds held on its balance sheet to mature without reinvesting those proceeds. Despite the potential for further rate increases, market participants appear to believe the Fed may be nearing the end of its rate hiking cycle.
- The yield on the US 10-year Treasury (green line) rose a modest 0.33% partially due to increases in the policy rate and renewed prospects for future growth. The closing yield on the 10-Year Treasury was 3.81% as of June 30, 2023, down just 7 basis points from its 3.88% yield at year-end. The benchmark's rate peaked in October 2022, cresting at just over 4.00% before pulling back to its current level.
- The blue line illustrates changes in the BAA OAS (Option Adjusted Spread) for BAA-rated corporate bonds. This measure quantifies the additional yield premium that investors require to purchase and hold non-US Treasury investment grade issues with the lowest investment grade rating. For the full year, the spread has narrowed from 2.05% to 1.62%, signaling a lower premium for credit risk than was the case a year prior. High Yield OAS spreads have narrowed from 5.92% in July 2022 to 4.14% as of the end of Q2. High-yield spreads reached their highs in July 2022 before trading lower the remainder of the year and have continued to tighten in 2023. A spike in both the BAA OAS and High Yield spreads is visible in March following a short-lived crisis of confidence in the banking sector, which was addressed quickly by the FDIC and supported further by the Fed's aggressive short-term par loan program. Both spread measures traded lower on the news of the Government's intervention, and as fears of possible contagion waned, credit spreads returned to their levels prior to February.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Short-term rates continued to rise during the second quarter as the Fed increased interest rates to continue combatting inflation. Despite these short-term rate increases, at the end of the quarter, both intermediate and longer-term yields were slightly lower than they were at the end of 2022. The yield curve has further inverted (short-term rates higher than long-term rates) between two- and 10-year maturities. Historically, a persistent inversion of these two key rates has been a precursor of an economic recession within six- to 24 months.





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

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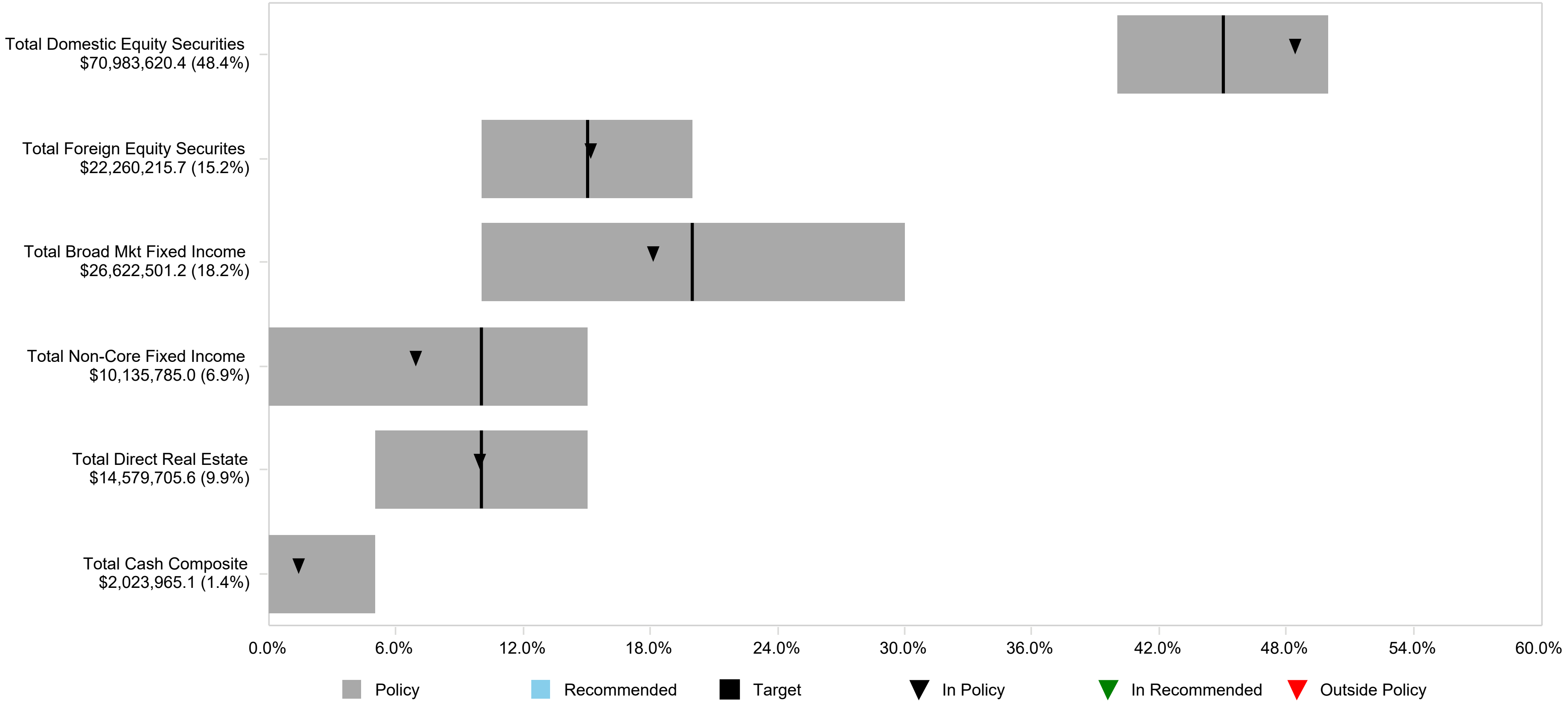
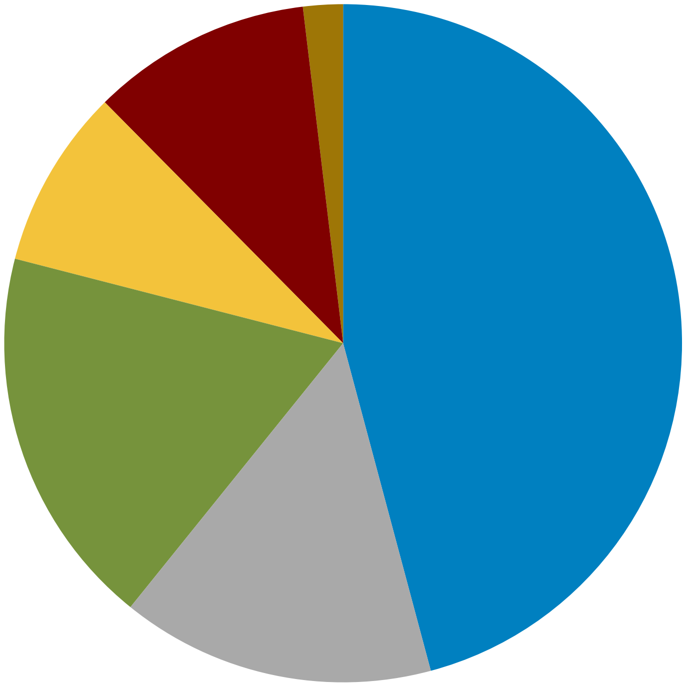
Executive Summary



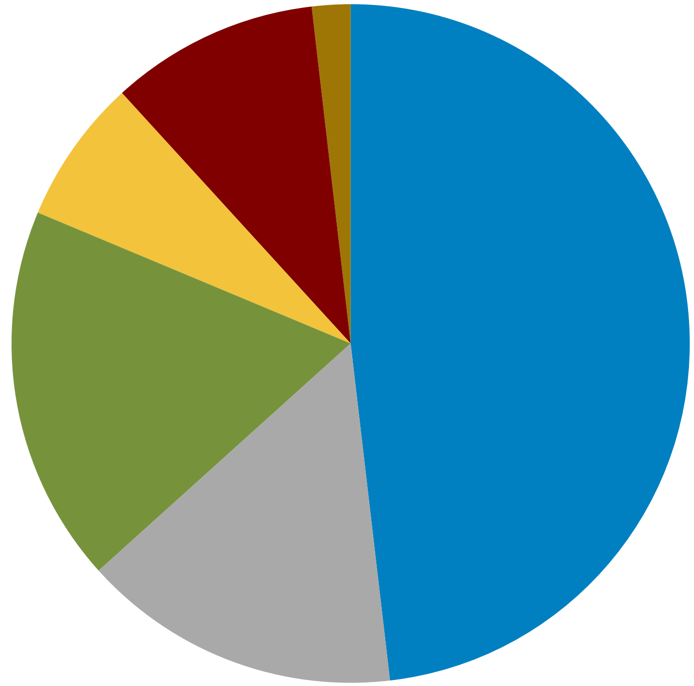
Asset Allocation Compliance

	Asset Allocation $	Current Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Rebal. ($000)
Total Fund	**146,605,793**	**100.0**	**N/A**	**N/A**	**-**
Total Domestic Equity Securities	70,983,620	48.4	40.0	50.0	-5,011,014
Total Foreign Equity Securites	22,260,216	15.2	10.0	20.0	-269,347
Total Broad Mkt Fixed Income	26,622,501	18.2	10.0	30.0	2,698,657
Total Non-Core Fixed Income	10,135,785	6.9	0.0	15.0	4,524,794
Total Direct Real Estate	14,579,706	9.9	5.0	15.0	80,874
Total Cash Composite	2,023,965	1.4	0.0	5.0	-2,023,965

Asset Allocation By Segment as of March 31, 2023 : $145,586,147



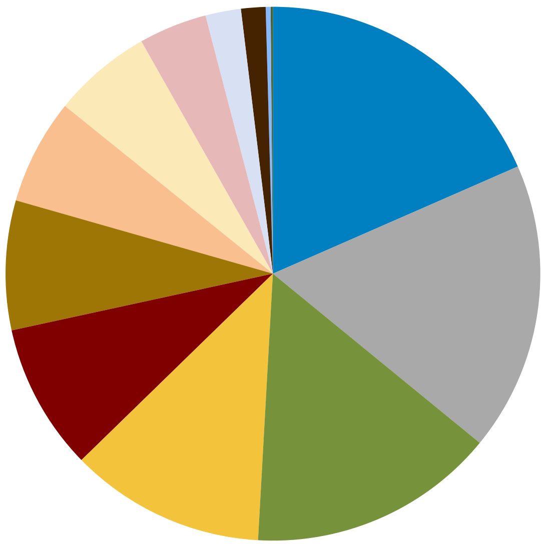
Asset Allocation By Segment as of June 30, 2023 : $146,605,793



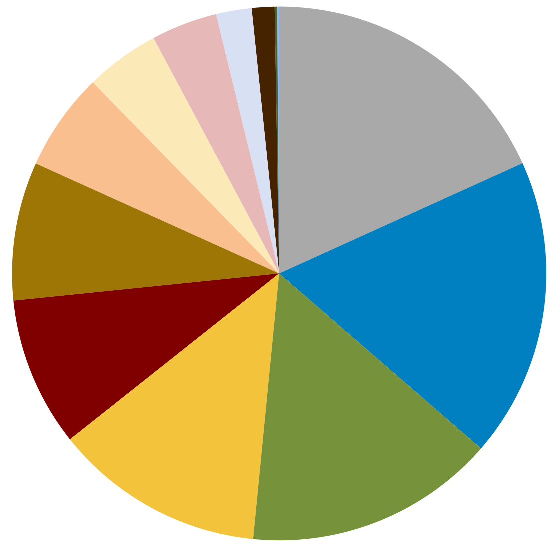
Allocation Segments	Market Value	Allocation
Domestic Equity Securities	66,734,454	45.8
Foreign Equity Securities	21,788,558	15.0
Broad Mkt Fixed Income	26,508,728	18.2
Non-Core Fixed Income	12,477,677	8.6
Direct Real Estate	15,309,838	10.5
Cash	2,766,893	1.9

Allocation Segments	Market Value	Allocation
Domestic Equity Securities	70,587,899	48.1
Foreign Equity Securities	22,260,216	15.2
Broad Mkt Fixed Income	26,348,166	18.0
Non-Core Fixed Income	10,135,785	6.9
Direct Real Estate	14,579,706	9.9
Cash	2,694,022	1.8

Asset Allocation By Manager as of Mar-2023 : $145,586,147



Asset Allocation By Manager as of Jun-2023 : $146,605,793



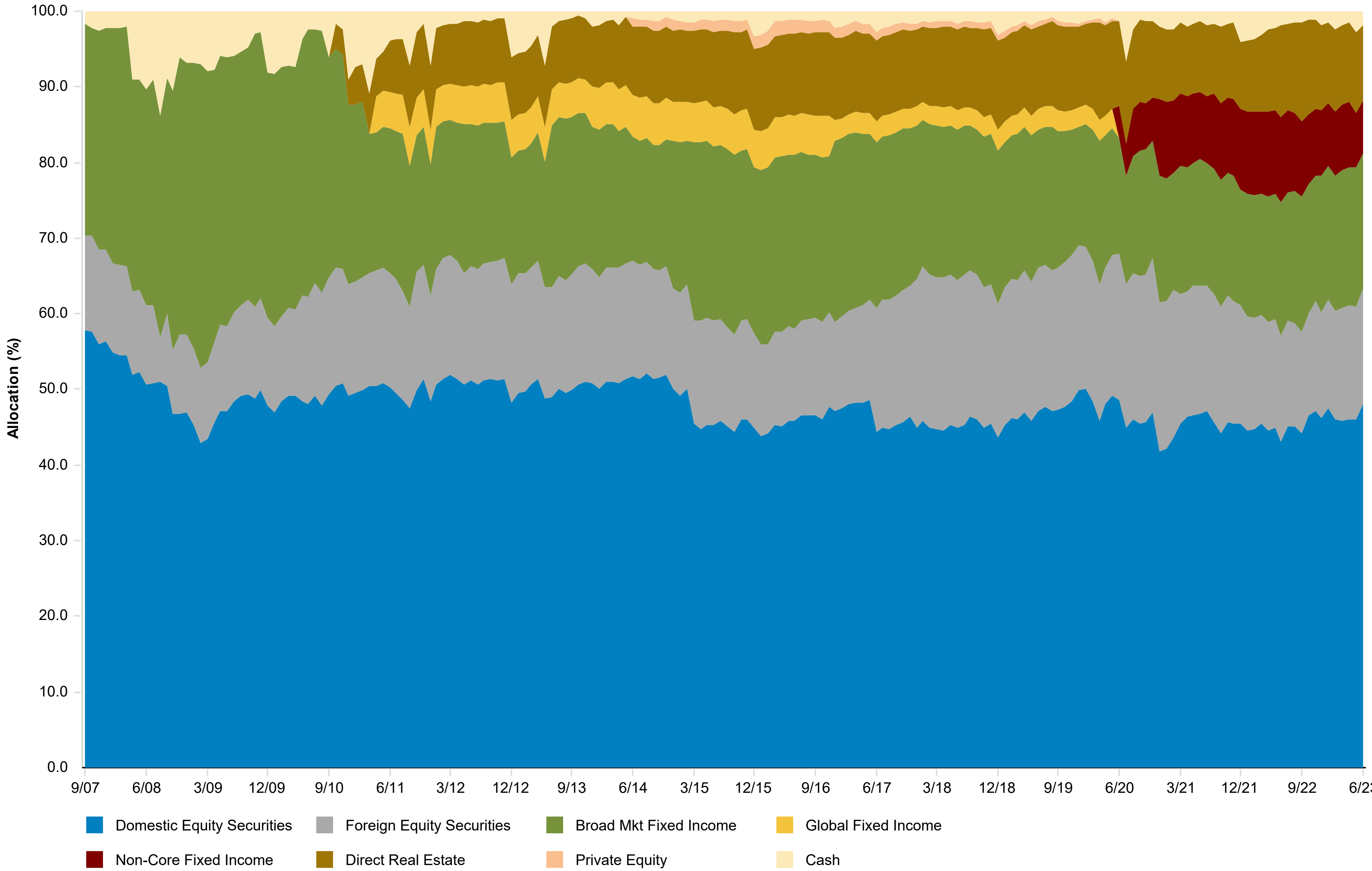
Allocation

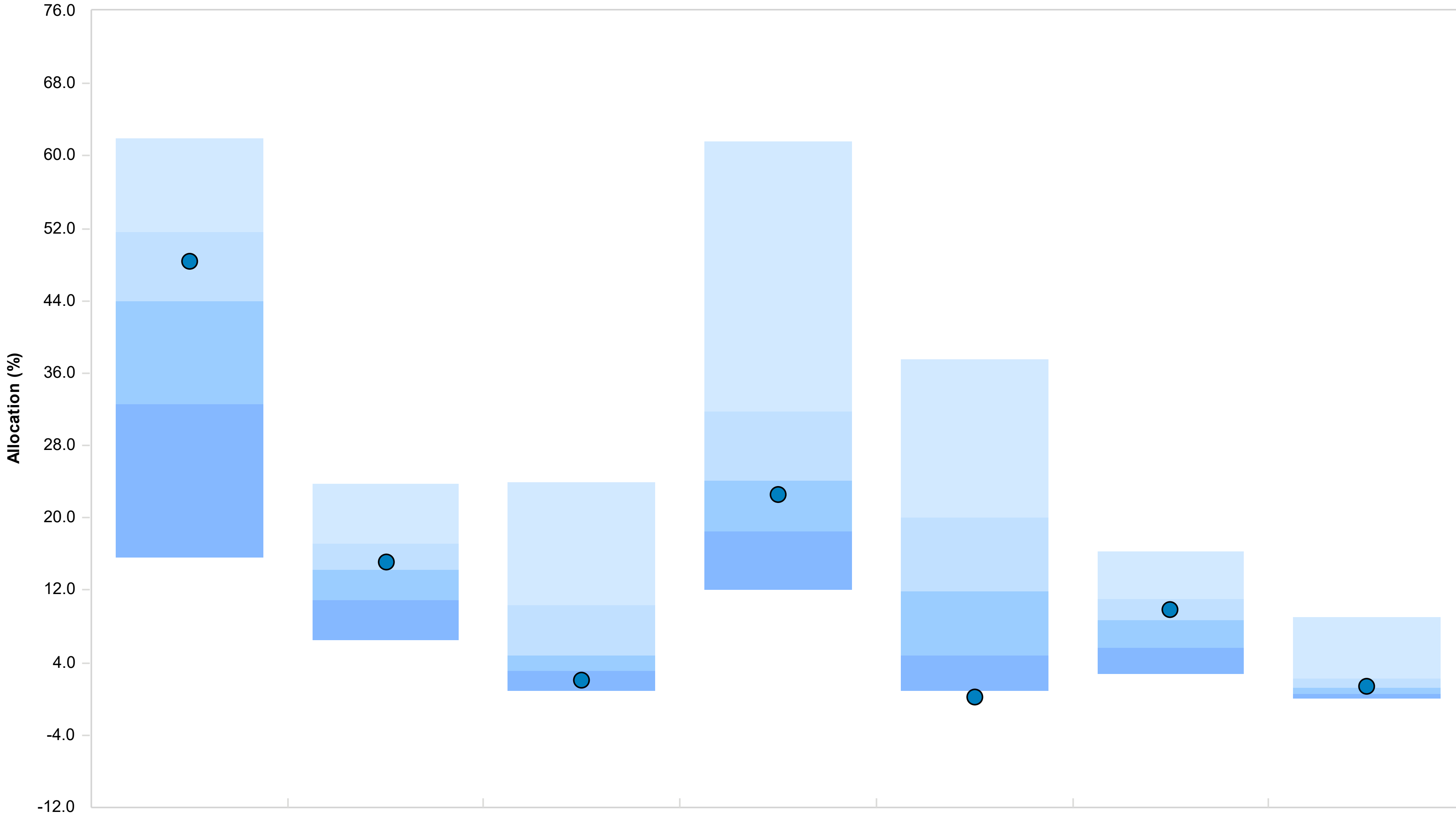
	Market Value	Allocation
Eaton Vance Fixed Income	26,818,534	18.4
Vanguard S&P Mid-Cap 400 Index (VSPMX)	25,475,892	17.5
EuroPacific Growth Fund (RERGX)	21,788,558	15.0
Vanguard Institutional Index (VINIX)	17,209,915	11.8
Brandywine LCV	12,940,826	8.9
DSM Large Cap Growth	11,408,834	7.8
Intercontinental	9,293,854	6.4
Vanguard TIPS (VAIPX)	8,718,366	6.0
ARA Core Property Fund	6,015,984	4.1
PIMCO Diversified Income Fund (PDIIX)	3,128,517	2.1
Receipt & Disbursement	2,156,072	1.5
Crescent Direct Lending Levered Fund	436,443	0.3
LBC Credit Partners III	194,352	0.1
Mutual Fund Cash	2	0.0

Allocation

	Market Value	Allocation
Vanguard S&P Mid-Cap 400 Index (VSPMX)	26,707,081	18.2
Eaton Vance Fixed Income	26,622,501	18.2
EuroPacific Growth Fund (RERGX)	22,260,216	15.2
Vanguard Institutional Index (VINIX)	18,712,735	12.8
Brandywine LCV	13,285,266	9.1
DSM Large Cap Growth	12,278,538	8.4
Intercontinental	8,713,404	5.9
Vanguard TIPS (VAIPX)	6,586,892	4.5
ARA Core Property Fund	5,866,302	4.0
PIMCO Diversified Income Fund (PDIIX)	3,156,787	2.2
Receipt & Disbursement	2,023,965	1.4
LBC Credit Partners III	214,064	0.1
Crescent Direct Lending Levered Fund	178,042	0.1
Mutual Fund Cash	-	0.0

Asset Allocation Attributes





	US Equity	Global ex-US Equity	Global Fixed Income	US Fixed	Alternatives	Total Real Estate	Cash & Equivalents
● Total Fund	48.42 (37)	15.18 (38)	2.15 (86)	22.65 (57)	0.27 (99)	9.94 (36)	1.38 (45)
5th Percentile	61.89	23.79	24.03	61.65	37.53	16.28	9.01
1st Quartile	51.63	17.15	10.39	31.78	20.08	11.04	2.32
Median	43.92	14.31	4.83	24.04	11.92	8.70	1.18
3rd Quartile	32.63	10.85	3.17	18.46	4.84	5.67	0.55
95th Percentile	15.65	6.50	0.87	12.13	0.82	2.74	0.07

Asset Allocation Attributes

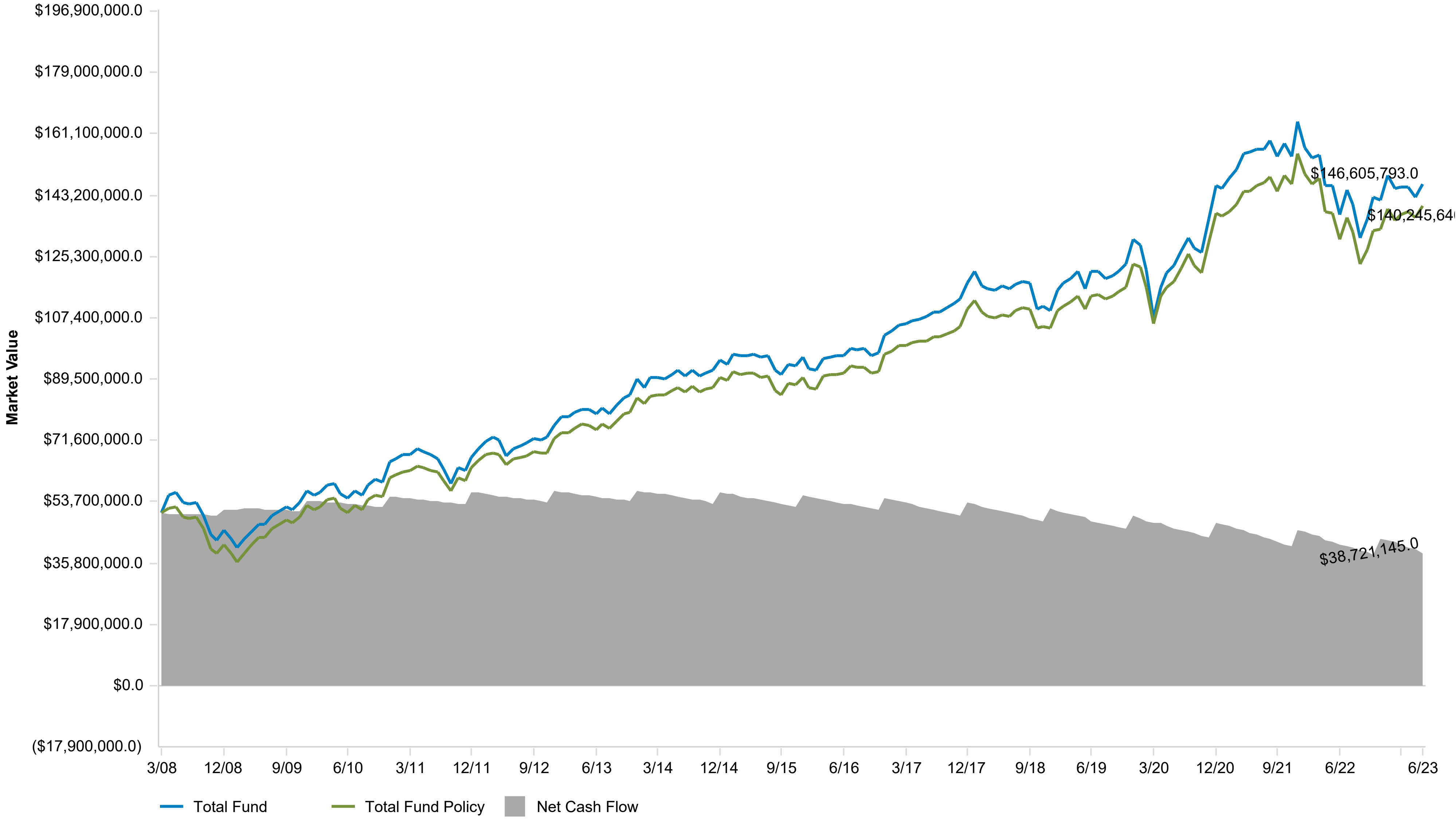
	Jun-2023		Mar-2023		Dec-2022		Sep-2022		Jun-2022	
	($)	%	($)	%	($)	%	($)	%	($)	%
Total Equity Securites	**93,243,836**	**63.60**	**88,824,024**	**61.01**	**85,674,219**	**60.45**	**75,805,068**	**58.06**	**79,905,247**	**58.04**
Total Domestic Equity Securities	**70,983,620**	**48.42**	**67,035,467**	**46.05**	**65,843,274**	**46.46**	**58,376,568**	**44.71**	**60,682,871**	**44.08**
DSM Large Cap Growth	12,278,538	8.38	11,408,834	7.84	10,490,725	7.40	10,087,130	7.73	10,582,525	7.69
Brandywine LCV	13,285,266	9.06	12,940,826	8.89	12,934,244	9.13	11,344,822	8.69	11,879,623	8.63
Vanguard Institutional Index (VINIX)	18,712,735	12.76	17,209,915	11.82	16,011,129	11.30	13,103,953	10.04	13,777,750	10.01
Vanguard S&P Mid-Cap 400 Index (VSPMX)	26,707,081	18.22	25,475,892	17.50	26,407,176	18.63	23,840,663	18.26	24,442,973	17.76
Total Foreign Equity Securites	**22,260,216**	**15.18**	**21,788,558**	**14.97**	**19,830,944**	**13.99**	**17,428,500**	**13.35**	**19,222,376**	**13.96**
EuroPacific Growth Fund (RERGX)	22,260,216	15.18	21,788,558	14.97	19,830,944	13.99	17,428,500	13.35	19,222,376	13.96
Total Fixed Income	**36,758,286**	**25.07**	**39,296,211**	**26.99**	**38,470,763**	**27.14**	**36,810,518**	**28.19**	**40,284,267**	**29.26**
Eaton Vance Fixed Income	26,622,501	18.16	26,818,534	18.42	26,196,613	18.48	23,777,346	18.21	24,657,276	17.91
Vanguard TIPS (VAIPX)	6,586,892	4.49	8,718,366	5.99	8,421,591	5.94	9,259,989	7.09	11,578,080	8.41
PIMCO Diversified Income Fund (PDIIX)	3,156,787	2.15	3,128,517	2.15	3,049,616	2.15	2,910,714	2.23	2,985,754	2.17
LBC Credit Partners III	214,064	0.15	194,352	0.13	201,385	0.14	226,937	0.17	305,251	0.22
Crescent Direct Lending Levered Fund	178,042	0.12	436,443	0.30	601,558	0.42	635,532	0.49	757,905	0.55
Total Direct Real Estate	**14,579,706**	**9.94**	**15,309,838**	**10.52**	**15,892,812**	**11.21**	**16,915,535**	**12.96**	**16,676,059**	**12.11**
Intercontinental	8,713,404	5.94	9,293,854	6.38	9,655,625	6.81	10,302,689	7.89	10,153,373	7.38
ARA Core Property Fund	5,866,302	4.00	6,015,984	4.13	6,237,187	4.40	6,612,846	5.06	6,522,686	4.74
Receipt & Disbursement	**2,023,965**	**1.38**	**2,156,072**	**1.48**	**1,689,903**	**1.19**	**1,040,023**	**0.80**	**800,718**	**0.58**
Mutual Fund Cash	**-**	**0.00**	**2**	**0.00**	**2**	**0.00**	**2**	**0.00**	**2**	**0.00**
Total Fund	**146,605,793**	**100.00**	**145,586,147**	**100.00**	**141,727,699**	**100.00**	**130,571,146**	**100.00**	**137,666,293**	**100.00**

Asset Allocation Attributes

	Domestic Equity Securities		Foreign Equity Securities		Broad Mkt Fixed Income		Non-Core Fixed Income		Direct Real Estate		Cash		Total Fund	
	($)	%	($)	%	($)	%	($)	%	($)	%	($)	%	($)	%
Total Equity Securites	**70,587,899**	**75.70**	**22,260,216**	**23.87**	**-**	**-**	**-**	**-**	**-**	**-**	**395,722**	**0.42**	**93,243,836**	**63.60**
Total Domestic Equity Securities	**70,587,899**	**99.44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**395,722**	**0.56**	**70,983,620**	**48.42**
DSM Large Cap Growth	12,130,299	98.79	-	-	-	-	-	-	-	-	148,239	1.21	12,278,538	8.38
Brandywine LCV	13,037,783	98.14	-	-	-	-	-	-	-	-	247,483	1.86	13,285,266	9.06
Vanguard Institutional Index (VINIX)	18,712,735	100.00	-	-	-	-	-	-	-	-	-	-	18,712,735	12.76
Vanguard S&P Mid-Cap 400 Index (VSPMX)	26,707,081	100.00	-	-	-	-	-	-	-	-	-	-	26,707,081	18.22
Total Foreign Equity Securites	**-**	**-**	**22,260,216**	**100.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22,260,216**	**15.18**
EuroPacific Growth Fund (RERGX)	-	-	22,260,216	100.00	-	-	-	-	-	-	-	-	22,260,216	15.18
Total Fixed Income	**-**	**-**	**-**	**-**	**26,348,166**	**71.68**	**10,135,785**	**27.57**	**-**	**-**	**274,335**	**0.75**	**36,758,286**	**25.07**
Eaton Vance Fixed Income	-	-	-	-	26,348,166	98.97	-	-	-	-	274,335	1.03	26,622,501	18.16
Vanguard TIPS (VAIPX)	-	-	-	-	-	-	6,586,892	100.00	-	-	-	-	6,586,892	4.49
PIMCO Diversified Income Fund (PDIIX)	-	-	-	-	-	-	3,156,787	100.00	-	-	-	-	3,156,787	2.15
LBC Credit Partners III	-	-	-	-	-	-	214,064	100.00	-	-	-	-	214,064	0.15
Crescent Direct Lending Levered Fund	-	-	-	-	-	-	178,042	100.00	-	-	-	-	178,042	0.12
Total Direct Real Estate	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,579,706**	**100.00**	**-**	**-**	**14,579,706**	**9.94**
Intercontinental	-	-	-	-	-	-	-	-	8,713,404	100.00	-	-	8,713,404	5.94
ARA Core Property Fund	-	-	-	-	-	-	-	-	5,866,302	100.00	-	-	5,866,302	4.00
Receipt & Disbursement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,023,965**	**100.00**	**2,023,965**	**1.38**
Mutual Fund Cash	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100.00**	**-**	**0.00**
Total Fund	**70,587,899**	**48.15**	**22,260,216**	**15.18**	**26,348,166**	**17.97**	**10,135,785**	**6.91**	**14,579,706**	**9.94**	**2,694,022**	**1.84**	**46,605,793**	**100.00**

Cash includes account accruals.

Schedule of Investable Assets



Schedule of Investable Assets

Periods Ending	Beginning Market Value $	Net Cash Flow $	Gain/Loss $	Ending Market Value $
Inception	50,353,390	-11,632,245	107,884,648	146,605,793

Comparative Performance

	QTD		FYTD		1 YR		2 YR		3 YR		5 YR		7 YR		Inception		Inception Date
Total Fund (Gross)	**2.46**	**(79)**	**12.98**	**(59)**	**8.53**	**(56)**	**-1.39**	**(61)**	**8.12**	**(40)**	**6.73**	**(43)**	**8.01**	**(33)**	**8.01**	**(34)**	**01/01/1993**
Total Fund Policy	3.72	(21)	14.63	(38)	9.61	(33)	-0.10	(33)	7.86	(46)	7.35	(19)	8.19	(27)	8.01	(34)	
Difference	-1.26		-1.65		-1.08		-1.29		0.26		-0.62		-0.18		0.00		
All Public Plans-Total Fund Median	3.05		13.71		8.83		-0.86		7.70		6.57		7.57		7.75		
Total Fund (Net)	**2.41**		**12.78**		**8.28**		**-1.70**		**7.81**		**6.40**		**7.64**		**7.77**		**01/01/1993**
Total Equity Securites	**5.00**		**23.17**		**16.88**		**-2.08**		**11.75**		**8.42**		**10.46**		**8.90**		**01/01/1993**
Total Equity Policy	6.89		24.79		17.52		-0.19		12.27		9.19		11.10		8.85		
Difference	-1.89		-1.62		-0.64		-1.89		-0.52		-0.77		-0.64		0.05		
Total Domestic Equity Securities	5.93	(62)	21.82	(63)	17.23	(51)	0.22	(78)	14.18	(46)	10.03	(68)	11.71	(62)	9.58	(100)	01/01/1993
Total Domestic Equity Securites Policy	8.39	(28)	24.51	(37)	18.95	(38)	1.22	(62)	13.89	(52)	11.39	(46)	12.86	(42)	9.94	(100)	
Difference	-2.46		-2.69		-1.72		-1.00		0.29		-1.36		-1.15		-0.36		
IM U.S. All Cap Core Equity (SA+CF) Median	7.00		23.20		17.24		1.37		13.91		10.97		12.58		11.34		
Total Foreign Equity Securites	2.16	(73)	27.72	(60)	15.80	(52)	-8.48	(83)	5.50	(74)	4.31	(26)	7.43	(13)	3.83	(43)	02/01/2000
Total Foreign Equity Securites	2.44	(64)	25.11	(83)	12.72	(78)	-4.70	(66)	7.22	(57)	3.73	(40)	6.73	(32)	4.77	(25)	
Difference	-0.28		2.61		3.08		-3.78		-1.72		0.58		0.70		-0.94		
IM International Multi-Cap Equity (MF) Median	2.83		29.04		16.00		-3.34		7.64		3.43		6.25		3.66		
Total Fixed Income	**-0.65**		**4.06**		**-0.02**		**-3.47**		**-1.25**		**2.16**		**1.97**		**4.47**		**05/01/2001**
Total Fixed Income Policy	-0.51		4.19		0.26		-3.96		-1.97		2.02		1.33		3.96		
Difference	-0.14		-0.13		-0.28		0.49		0.72		0.14		0.64		0.51		
Total Broad Mkt Fixed Income	-0.67	(47)	3.75	(85)	0.11	(19)	-3.46	(4)	-1.97	(9)	1.81	(11)	1.45	(13)	4.32	(21)	05/01/2001
Total Broad Mkt Fixed Income Policy	-0.75	(54)	3.37	(95)	-0.60	(56)	-4.33	(7)	-2.89	(23)	1.44	(27)	0.93	(51)	3.76	(77)	
Difference	0.08		0.38		0.71		0.87		0.92		0.37		0.52		0.56		
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-0.72		4.22		-0.41		-5.54		-3.43		1.20		0.94		4.00		
Total Non-Core Fixed	-0.54		4.66		-0.23		-3.33		0.57		1.56		4.04		8.20		06/01/2014
Non-Core Fixed Income Policy	0.30		6.14		2.85		-2.40		0.68		N/A		N/A		N/A		
Difference	-0.84		-1.48		-3.08		-0.93		-0.11		N/A		N/A		N/A		
Total Direct Real Estate	**-4.58**	**(87)**	**-13.22**	**(79)**	**-11.81**	**(74)**	**7.60**	**(46)**	**7.72**	**(56)**	**7.17**	**(36)**	**8.01**	**(19)**	**10.58**	**(49)**	**10/01/2010**
NCREIF Fund Index-Open End Diversified Core (EW)	-2.86	(71)	-10.68	(70)	-9.82	(50)	8.30	(34)	8.48	(33)	6.96	(51)	7.36	(50)	10.08	(59)	
Difference	-1.72		-2.54		-1.99		-0.70		-0.76		0.21		0.65		0.50		
IM U.S. Open End Private Real Estate (SA+CF) Median	-1.80		-10.33		-9.86		6.95		8.17		6.97		7.35		10.54		

Returns for periods greater than one year are annualized. Returns are expressed as percentages.
Parenthesized number represents pertinent peer group ranking: 1-100, best to worst. LP's are presented on IRR page.

	QTD		FYTD		1 YR		2 YR		3 YR		5 YR		7 YR		Inception		Inception Date
Domestic Equity Securites																	
DSM Large Cap Growth	7.84	(85)	22.48	(87)	16.99	(89)	-4.85	(80)	8.35	(80)	12.01	(72)	15.24	(52)	15.53	(54)	12/01/2008
Russell 1000 Growth Index	12.81	(36)	31.85	(36)	27.11	(33)	1.61	(31)	13.73	(20)	15.14	(17)	16.91	(19)	16.53	(19)	
Difference	-4.97		-9.37		-10.12		-6.46		-5.38		-3.13		-1.67		-1.00		
IM U.S. Large Cap Growth Equity (SA+CF) Median	11.75		29.70		25.20		-0.53		11.62		13.18		15.33		15.62		
DSM Large Cap Growth (Net)	7.62		21.72		16.03		-5.65		7.41		11.05		14.24		14.51		12/01/2008
Vanguard Institutional Index (VINIX)	8.73	(34)	25.71	(38)	19.56	(34)	3.36	(25)	14.57	(21)	12.28	(22)	13.35	(22)	13.56	(15)	12/01/2012
S&P 500 Index	8.74	(34)	25.73	(38)	19.59	(34)	3.39	(24)	14.60	(20)	12.31	(21)	13.38	(21)	13.59	(14)	
Difference	-0.01		-0.02		-0.03		-0.03		-0.03		-0.03		-0.03		-0.03		
IM U.S. Large Cap Core Equity (MF) Median	8.23		24.87		18.44		1.86		13.41		11.37		12.45		12.53		
Brandywine LCV	2.66	(81)	17.45	(71)	12.16	(57)	1.12	(85)	15.76	(49)	N/A		N/A		20.57	(47)	04/01/2020
Russell 1000 Value Index	4.07	(54)	18.18	(63)	11.54	(63)	1.95	(76)	14.30	(72)	8.11	(79)	8.94	(90)	17.88	(78)	
Difference	-1.41		-0.73		0.62		-0.83		1.46		N/A		N/A		2.69		
IM U.S. Large Cap Value Equity (SA+CF) Median	4.27		19.11		12.62		3.37		15.64		9.43		10.74		20.06		
Brandywine LCV (Net)	2.66		17.10		11.83		0.75		15.31		N/A		N/A		20.14		04/01/2020
Vanguard S&P Mid-Cap 400 Index (VSPMX)	4.83	(37)	20.54	(28)	17.56	(14)	0.14	(30)	15.38	(45)	7.72	(26)	10.01	(22)	9.12	(12)	05/01/2014
S&P MidCap 400 Index	4.85	(36)	20.58	(28)	17.61	(14)	0.20	(29)	15.44	(43)	7.79	(25)	10.07	(21)	9.18	(11)	
Difference	-0.02		-0.04		-0.05		-0.06		-0.06		-0.07		-0.06		-0.06		
IM U.S. SMID Cap Core Equity (MF) Median	4.53		17.97		13.97		-1.23		14.98		6.16		8.55		7.02		
Foreign Equity Securities																	
EuroPacific Growth Fund (RERGX)	2.16	(77)	27.72	(71)	15.80	(71)	-8.48	(83)	5.47	(81)	4.29	(95)	7.40	(79)	4.77	(74)	02/01/2000
MSCI AC World ex USA (Net)	2.44	(64)	25.11	(91)	12.72	(92)	-4.70	(61)	7.22	(59)	3.52	(96)	6.32	(98)	3.93	(94)	
Difference	-0.28		2.61		3.08		-3.78		-1.75		0.77		1.08		0.84		
MSCI AC World ex USA Growth (Net)	1.94	(82)	24.97	(92)	13.26	(86)	-8.33	(83)	3.96	(94)	4.06	(95)	6.69	(97)	3.26	(98)	
Difference	0.22		2.75		2.54		-0.15		1.51		0.23		0.71		1.51		
IM International Large Cap Growth Equity (MF) Median	2.73		29.43		17.95		-3.59		7.70		5.85		7.91		5.40		

Returns for periods greater than one year are annualized. Returns are expressed as percentages.
Parenthesized number represents pertinent peer group ranking: 1-100, best to worst. LP's are presented on IRR page.

	QTD	FYTD	1 YR	2 YR	3 YR	5 YR	7 YR	Inception	Inception Date
Fixed Income									
Eaton Vance Fixed Income	-0.67 (47)	3.75 (85)	0.11 (19)	-3.46 (4)	-1.97 (9)	1.94 (7)	1.50 (12)	4.25 (27)	04/01/2001
Blmbg. U.S. Aggregate Index	-0.84 (79)	4.00 (72)	-0.94 (82)	-5.73 (76)	-3.97 (89)	0.77 (96)	0.44 (97)	3.57 (92)	
Difference	0.17	-0.25	1.05	2.27	2.00	1.17	1.06	0.68	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-0.72	4.22	-0.40	-5.54	-3.43	1.20	0.94	3.97	
Eaton Vance Fixed Income (Net)	-0.73	3.57	-0.12	-3.68	-2.20	1.70	1.22	4.01	04/01/2001
Vanguard TIPS (VAIPX)	-1.62 (68)	3.65 (43)	-1.82 (64)	-3.44 (52)	-0.27 (57)	2.37 (36)	1.84 (42)	3.17 (16)	05/01/2009
Bloomberg U.S. TIPS Index	-1.42 (42)	3.95 (25)	-1.40 (50)	-3.29 (45)	-0.12 (49)	2.49 (26)	1.99 (31)	3.29 (9)	
Difference	-0.20	-0.30	-0.42	-0.15	-0.15	-0.12	-0.15	-0.12	
IM U.S. TIPS (MF) Median	-1.48	3.48	-1.42	-3.43	-0.15	2.23	1.77	2.78	
PIMCO Diversified Income Fund (PDIIX)	0.90 (8)	8.47 (13)	5.75 (6)	-5.39 (37)	-1.27 (20)	1.55 (10)	2.55 (5)	3.58 (2)	05/01/2011
Blmbg. Global Credit (Hedged)	0.28 (16)	6.69 (28)	2.59 (17)	-5.60 (42)	-2.30 (34)	1.50 (12)	1.75 (13)	3.26 (5)	
Difference	0.62	1.78	3.16	0.21	1.03	0.05	0.80	0.32	
IM Global Fixed Income (MF) Median	-0.58	5.27	0.49	-6.48	-3.22	-0.17	0.04	0.55	
Real Estate									
Intercontinental	-6.11 (97)	-14.94 (89)	-13.58 (81)	6.74 (53)	7.33 (64)	7.27 (27)	8.70 (15)	11.40 (29)	10/01/2010
NCREIF Fund Index-ODCE (EW)	-2.86 (71)	-10.68 (70)	-9.82 (50)	8.30 (34)	8.48 (33)	6.96 (51)	7.36 (50)	10.08 (59)	
Difference	-3.25	-4.26	-3.76	-1.56	-1.15	0.31	1.34	1.32	
IM U.S. Open End Private Real Estate (SA+CF) Median	-1.80	-10.33	-9.86	6.95	8.17	6.97	7.35	10.54	
Intercontinental (Net)	-6.25	-15.43	-14.18	4.63	5.75	5.88	7.32	9.83	10/01/2010
ARA Core Property Fund	-2.22 (68)	-10.55 (69)	-9.07 (41)	9.01 (18)	8.45 (36)	7.21 (32)	7.39 (48)	9.67 (60)	01/01/2011
NCREIF Fund Index-ODCE (EW)	-2.86 (71)	-10.68 (70)	-9.82 (50)	8.30 (34)	8.48 (33)	6.96 (51)	7.36 (50)	9.88 (58)	
Difference	0.64	0.13	0.75	0.71	-0.03	0.25	0.03	-0.21	
IM U.S. Open End Private Real Estate (SA+CF) Median	-1.80	-10.33	-9.86	6.95	8.17	6.97	7.35	10.28	
American Core Realty Fund (Net)	-2.49	-11.29	-10.06	7.82	7.26	6.04	6.21	8.47	01/01/2011

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Comparative Performance - IRR	QTD	YTD	FYTD	1 YR	3 YR	5 YR	7 YR	Inception	Inception Date
Crescent Direct Lending Levered Fund	3.09	4.72	-1.61	-0.40	5.22	5.44	6.86	6.88	10/16/2014
LBC Credit Partners III	13.41	9.32	3.70	-16.36	20.16	2.05	2.71	7.09	06/23/2014

Financial Reconciliation

	Market Value 04/01/2023	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 06/30/2023
Total Equity Securites	**88,824,024**	**-**	**-**	**-**	**-24,516**	**-**	**341,037**	**4,103,291**	**93,243,836**
Total Domestic Equity Securities	**67,035,467**	**-**	**-**	**-**	**-24,516**	**-**	**258,000**	**3,714,670**	**70,983,620**
DSM Large Cap Growth	11,408,834	-	-	-	-24,516	-	13,199	881,021	12,278,538
Brandywine LCV	12,940,826	-	-	-	-	-	87,873	256,567	13,285,266
Vanguard Institutional Index (VINIX)	17,209,915	-	-	-	-	-	72,451	1,430,369	18,712,735
Vanguard S&P Mid-Cap 400 Index (VSPMX)	25,475,892	-	-	-	-	-	84,477	1,146,712	26,707,081
Total Foreign Equity Securites	**21,788,558**	**-**	**-**	**-**	**-**	**-**	**83,037**	**388,621**	**22,260,216**
EuroPacific Growth Fund (RERGX)	21,788,558	-	-	-	-	-	83,037	388,621	22,260,216
Total Fixed Income	**39,296,211**	**-2,273,601**	**-**	**-**	**-16,399**	**-364**	**316,366**	**-563,927**	**36,758,286**
Eaton Vance Fixed Income	26,818,534	-	-	-	-15,909	-	213,118	-393,241	26,622,501
Vanguard TIPS (VAIPX)	8,718,366	-2,000,000	-	-	-	-	64,856	-196,330	6,586,892
PIMCO Diversified Income Fund (PDIIX)	3,128,517	-	-	-	-	-	38,393	-10,122	3,156,787
LBC Credit Partners III	194,352	-5,959	-	-	-490	-364	-	26,525	214,064
Crescent Direct Lending Levered Fund	436,443	-267,642	-	-	-	-	-	9,241	178,042
Total Direct Real Estate	**15,309,838**	**-**	**-**	**-**	**-29,466**	**-**	**119,326**	**-819,992**	**14,579,706**
Intercontinental	9,293,854	-	-	-	-13,289	-	59,166	-626,327	8,713,404
ARA Core Property Fund	6,015,984	-	-	-	-16,177	-	60,160	-193,665	5,866,302
Receipt & Disbursement	**2,156,072**	**2,273,603**	**247,759**	**-2,639,816**	**-**	**-31,276**	**17,623**	**-**	**2,023,965**
Mutual Fund Cash	**2**	**-2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Fund	**145,586,147**	**-**	**247,759**	**-2,639,816**	**-70,381**	**-31,640**	**794,352**	**2,719,372**	**146,605,793**

Financial Reconciliation

	Market Value 10/01/2022	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 06/30/2023
Total Equity Securites	**75,805,068**	**-36,471**	**-**	**-**	**-107,923**	**-**	**1,417,448**	**16,165,713**	**93,243,836**
Total Domestic Equity Securities	**58,376,568**	**-36,471**	**-**	**-**	**-107,923**	**-**	**1,046,236**	**11,705,211**	**70,983,620**
DSM Large Cap Growth	10,087,130	-	-	-	-69,348	-	46,253	2,214,503	12,278,538
Vanguard Institutional Index (VINIX)	13,103,953	1,963,530	-	-	-	-	439,761	3,205,492	18,712,735
Brandywine LCV	11,344,822	-	-	-	-38,575	-	279,228	1,699,790	13,285,266
Vanguard S&P Mid-Cap 400 Index (VSPMX)	23,840,663	-2,000,000	-	-	-	-	280,993	4,585,426	26,707,081
Total Foreign Equity Securites	**17,428,500**	**-**	**-**	**-**	**-**	**-**	**371,213**	**4,460,503**	**22,260,216**
EuroPacific Growth Fund (RERGX)	17,428,500	-	-	-	-	-	371,213	4,460,503	22,260,216
Total Fixed Income	**36,810,518**	**-1,507,256**	**-**	**-**	**-46,851**	**-1,277**	**995,955**	**507,199**	**36,758,286**
Eaton Vance Fixed Income	23,777,346	1,963,530	-	-	-45,131	-	564,764	361,994	26,622,501
Vanguard TIPS (VAIPX)	9,259,989	-3,000,000	-	-	-	-	304,221	22,682	6,586,892
PIMCO Diversified Income Fund (PDIIX)	2,910,714	-557	-	-	-	-	126,970	119,660	3,156,787
LBC Credit Partners III	226,937	-20,857	-	-	-1,720	-1,277	-	10,982	214,064
Crescent Direct Lending Levered Fund	635,532	-449,371	-	-	-	-	-	-8,119	178,042
Total Direct Real Estate	**16,915,535**	**-**	**-**	**-**	**-105,882**	**-**	**349,434**	**-2,579,382**	**14,579,706**
Intercontinental	10,302,689	-	-	-	-55,916	-	179,657	-1,713,026	8,713,404
ARA Core Property Fund	6,612,846	-	-	-	-49,966	-	169,777	-866,356	5,866,302
Receipt & Disbursement	**1,040,023**	**1,543,732**	**6,134,591**	**-6,587,837**	**-**	**-143,919**	**37,376**	**-**	**2,023,965**
Mutual Fund Cash	**2**	**-6**	**-**	**-**	**-**	**-**	**3**	**-**	**-**
Total Fund	**130,571,146**	**-**	**6,134,591**	**-6,587,837**	**-260,657**	**-145,197**	**2,800,217**	**14,093,530**	**146,605,793**

Comparative Performance

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		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	
Total Fund (Gross)	**-13.90**	**(51)**	**22.66**	**(27)**	**9.18**	**(27)**	**3.96**	**(61)**	**7.70**	**(46)**	**13.63**	**(19)**	**9.81**	**(52)**	**1.65**	**(7)**	**10.38**	**(42)**	**12.80**	**(47)**
Total Fund Policy	-13.24	(44)	19.56	(65)	10.39	(14)	5.06	(27)	8.52	(30)	12.08	(51)	11.10	(14)	0.10	(27)	10.85	(31)	12.40	(53)
Difference	-0.66		3.10		-1.21		-1.10		-0.82		1.55		-1.29		1.55		-0.47		0.40	
All Public Plans-Total Fund Median	-13.78		20.73		7.55		4.27		7.54		12.11		9.84		-0.88		9.94		12.49	
Total Fund (Net)	**-14.23**		**22.38**		**8.84**		**3.55**		**7.26**		**13.12**		**9.31**		**1.22**		**9.80**		**12.35**	
Total Equity Securites	**-21.17**		**33.07**		**10.97**		**1.49**		**10.12**		**19.44**		**11.13**		**-1.19**		**12.31**		**18.54**	
Total Equity Policy	-19.52		29.89		11.42		1.67		12.42		19.39		13.19		-3.96		13.35		20.63	
Difference	-1.65		3.18		-0.45		-0.18		-2.30		0.05		-2.06		2.77		-1.04		-2.09	
Total Domestic Equity Securities	**-16.82**	**(51)**	**36.88**	**(28)**	**9.39**	**(59)**	**1.61**	**(66)**	**13.95**	**(68)**	**18.98**	**(36)**	**11.88**	**(55)**	**0.65**	**(39)**	**15.09**	**(67)**	**18.19**	**(84)**
Total Domestic Equity Securites Policy	-17.63	(67)	31.88	(45)	15.00	(44)	2.92	(51)	17.58	(41)	18.71	(41)	14.96	(27)	-0.49	(49)	17.76	(42)	21.60	(64)
Difference	0.81		5.00		-5.61		-1.31		-3.63		0.27		-3.08		1.14		-2.67		-3.41	
IM U.S. All Cap Core Equity (SA+CF) Median	-16.73		31.46		13.75		3.00		16.79		17.83		12.31		-0.56		17.08		23.14	
Total Foreign Equity Securites	**-32.85**	**(84)**	**24.86**	**(48)**	**14.97**	**(18)**	**1.15**	**(12)**	**1.58**	**(48)**	**20.64**	**(30)**	**8.52**	**(37)**	**-7.50**	**(53)**	**3.24**	**(66)**	**19.72**	**(59)**
Total Foreign Equity Securites	-25.17	(36)	23.92	(57)	3.86	(41)	-1.01	(27)	2.17	(38)	20.69	(30)	10.15	(21)	-11.49	(82)	4.78	(40)	16.99	(75)
Difference	-7.68		0.94		11.11		2.16		-0.59		-0.05		-1.63		3.99		-1.54		2.73	
IM International Multi-Cap Equity (MF) Median	-26.05		24.66		2.18		-3.08		1.45		19.05		6.75		-7.30		4.20		20.90	
Total Fixed Income	**-11.03**		**2.22**		**7.43**		**9.37**		**-0.29**		**2.53**		**5.84**		**1.04**		**4.34**		**-1.50**	
Total Fixed Income Policy	-11.77		1.25		7.63		10.30		-1.22		0.07		5.19		2.94		3.96		-1.68	
Difference	0.74		0.97		-0.20		-0.93		0.93		2.46		0.65		-1.90		0.38		0.18	
Total Broad Mkt Fixed Income	**-10.27**	**(2)**	**0.31**	**(39)**	**7.29**	**(57)**	**9.34**	**(94)**	**-0.48**	**(28)**	**0.70**	**(43)**	**5.62**	**(52)**	**2.51**	**(81)**	**3.92**	**(83)**	**-2.49**	**(98)**
Total Broad Mkt Fixed Income Policy	-11.49	(4)	-0.38	(58)	6.83	(80)	10.30	(69)	-1.22	(88)	0.07	(83)	5.19	(79)	2.94	(62)	3.96	(79)	-1.68	(78)
Difference	1.22		0.69		0.46		-0.96		0.74		0.63		0.43		-0.43		-0.04		-0.81	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-14.51		-0.05		7.52		10.42		-0.75		0.61		5.66		3.02		4.40		-1.29	
Total Non-Core Fixed Income	-12.22		6.25		-1.17		8.23		10.34		10.57		15.99		16.59		N/A		N/A	
Non-Core Fixed Income Policy	-11.16		5.14		N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Difference	-1.06		1.11		N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Total Direct Real Estate	**26.15**	**(16)**	**13.71**	**(73)**	**3.10**	**(17)**	**7.60**	**(31)**	**10.02**	**(25)**	**9.72**	**(27)**	**11.18**	**(51)**	**13.98**	**(60)**	**13.11**	**(45)**	**14.79**	**(33)**
NCREIF Fund Index-Open End Diversified Core (EW)	22.76	(38)	15.75	(54)	1.74	(43)	6.17	(70)	8.82	(56)	7.81	(51)	10.62	(68)	14.71	(56)	12.39	(69)	12.47	(66)
Difference	3.39		-2.04		1.36		1.43		1.20		1.91		0.56		-0.73		0.72		2.32	
IM U.S. Open End Private Real Estate (SA+CF) Median	20.19		16.09		1.58		6.80		8.93		7.83		11.18		15.20		12.90		13.22	

Returns for periods greater than one year are annualized. Returns are expressed as percentages.
Parenthesized number represents pertinent peer group ranking: 1-100, best to worst

	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	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
Domestic Equity Securities										
Dana Large Cap Core	N/A	N/A	N/A	N/A	15.19 (69)	24.55 (6)	7.51 (95)	N/A	N/A	N/A
S&P 500 Index	-15.47 (57)	30.00 (57)	15.15 (39)	4.25 (38)	17.91 (43)	18.61 (58)	15.43 (21)	-0.61 (65)	19.73 (46)	19.34 (64)
Difference	N/A	N/A	N/A	N/A	-2.72	5.94	-7.92	N/A	N/A	N/A
IM U.S. Large Cap Core Equity (SA+CF) Median	-14.97	30.79	13.05	3.11	17.40	19.05	13.17	0.11	19.29	20.70
Dana Large Cap Core (Net)	N/A	N/A	N/A	N/A	14.30	23.95	6.81	N/A	N/A	N/A
Fayez Sarofim Opportunistic Core	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16.31 (82)	9.64 (98)
S&P 500 Index	-15.47 (57)	30.00 (57)	15.15 (39)	4.25 (38)	17.91 (43)	18.61 (58)	15.43 (21)	-0.61 (65)	19.73 (46)	19.34 (64)
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-3.42	-9.70
IM U.S. Large Cap Core Equity (SA+CF) Median	-14.97	30.79	13.05	3.11	17.40	19.04	13.17	0.12	19.30	20.70
Fayez Sarofim Opportunistic Core (Net)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15.22	9.20
DSM Large Cap Growth	-25.51 (52)	27.10 (52)	35.95 (37)	7.18 (24)	18.49 (83)	26.22 (7)	10.30 (68)	7.35 (12)	17.52 (58)	20.18 (53)
Russell 1000 Growth Index	-22.59 (39)	27.32 (49)	37.53 (31)	3.71 (52)	26.30 (39)	21.94 (39)	13.76 (21)	3.17 (57)	19.15 (39)	19.27 (65)
Difference	-2.92	-0.22	-1.58	3.47	-7.81	4.28	-3.46	4.18	-1.63	0.91
IM U.S. Large Cap Growth Equity (SA+CF) Median	-25.01	27.23	33.75	3.81	24.81	21.10	11.84	3.87	18.17	20.25
DSM Large Cap Growth (Net)	-26.16	26.00	34.75	6.27	17.49	24.83	9.54	6.38	16.48	19.07
BBH Core Select (BBTEX)	N/A	N/A	N/A	N/A	N/A	N/A	10.49 (81)	-3.18 (79)	12.02 (97)	N/A
S&P 500 Index	-15.47 (31)	30.00 (38)	15.15 (46)	4.25 (41)	17.91 (33)	18.61 (45)	15.43 (18)	-0.61 (34)	19.73 (20)	19.34 (58)
Difference	N/A	N/A	N/A	N/A	N/A	N/A	-4.94	-2.57	-7.71	N/A
IM U.S. Large Cap Core Equity (MF) Median	-17.11	29.04	14.72	3.57	16.73	18.34	13.01	-1.33	17.49	19.82
BBH Core Select (Net)	N/A	N/A	N/A	N/A	N/A	N/A	10.49	-3.18	12.02	N/A
Vanguard Institutional Index (VINIX)	-15.50 (32)	29.98 (38)	15.13 (46)	4.23 (41)	17.86 (33)	18.57 (46)	15.41 (18)	-0.64 (34)	19.68 (21)	N/A
S&P 500 Index	-15.47 (31)	30.00 (38)	15.15 (46)	4.25 (41)	17.91 (33)	18.61 (45)	15.43 (18)	-0.61 (34)	19.73 (20)	19.34 (58)
Difference	-0.03	-0.02	-0.02	-0.02	-0.05	-0.04	-0.02	-0.03	-0.05	N/A
IM U.S. Large Cap Core Equity (MF) Median	-17.11	29.04	14.72	3.57	16.73	18.34	13.01	-1.33	17.49	19.82
Gabelli/GAMCO Value	N/A	N/A	-16.62 (97)	-0.58 (64)	6.76 (88)	14.92 (70)	12.97 (59)	2.70 (9)	15.55 (50)	N/A
Russell 3000 Value Index	-11.79 (48)	36.64 (62)	-5.67 (69)	3.10 (44)	9.46 (75)	15.53 (65)	16.38 (33)	-4.22 (66)	17.66 (27)	22.67 (68)
Difference	N/A	N/A	-10.95	-3.68	-2.70	-0.61	-3.41	6.92	-2.11	N/A
IM U.S. All Cap Value Equity (SA+CF) Median	-12.53	39.51	-2.37	1.79	11.85	17.72	14.43	-2.77	15.39	25.49
Gabelli/GAMCO Value (Net)	N/A	N/A	-19.73	-1.31	5.77	14.08	12.36	1.94	14.70	N/A

Returns for periods greater than one year are annualized. Returns are expressed as percentages.
Parenthesized number represents pertinent peer group ranking: 1-100, best to worst

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		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	
Vanguard S&P Mid-Cap 400 Index (VSPMX)	-15.30	(39)	43.62	(61)	-2.23	(29)	-2.55	(33)	14.13	(27)	17.44	(40)	15.24	(24)	1.33	(17)	N/A		N/A	
S&P MidCap 400 Index	-15.25	(39)	43.68	(60)	-2.16	(28)	-2.49	(32)	14.21	(27)	17.52	(39)	15.33	(24)	1.40	(17)	11.82	(18)	27.68	(57)
Difference	-0.05		-0.06		-0.07		-0.06		-0.08		-0.08		-0.09		-0.07		N/A		N/A	
IM U.S. SMID Cap Core Equity (MF) Median	-17.06		44.98		-5.89		-4.79		10.88		16.89		12.24		-1.38		9.37		28.67	
Foreign Equity Securities																				
EuroPacific Growth Fund (RERGX)	-32.85	(83)	24.76	(35)	14.97	(55)	1.14	(68)	1.47	(70)	20.64	(24)	8.52	(55)	-4.93	(65)	6.98	(35)	18.28	(73)
MSCI AC World ex USA (Net)	-25.17	(17)	23.92	(35)	3.00	(91)	-1.23	(82)	1.76	(69)	19.61	(39)	9.26	(38)	-12.16	(99)	4.77	(59)	16.48	(90)
Difference	-7.68		0.84		11.97		2.37		-0.29		1.03		-0.74		7.23		2.21		1.80	
MSCI AC World ex USA Growth (Net)	-30.22	(64)	16.95	(90)	17.54	(43)	2.03	(56)	3.08	(59)	17.68	(70)	11.50	(16)	-8.12	(80)	4.29	(62)	16.16	(90)
Difference	-2.63		7.81		-2.57		-0.89		-1.61		2.96		-2.98		3.19		2.69		2.12	
IM International Large Cap Growth Equity (MF) Median	-27.94		21.87		15.51		2.70		3.56		18.76		8.68		-4.54		5.47		20.62	
Manning & Napier Overseas (EXOSX) (Net)	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A		-0.43	(98)	20.93	(49)
MSCI EAFE Index	-24.75	(28)	26.29	(30)	0.93	(52)	-0.82	(17)	3.25	(14)	19.65	(37)	7.06	(45)	-8.27	(59)	4.70	(42)	24.29	(17)
Difference	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A		-5.13		-3.36	
IM International Multi-Cap Core Equity (MF) Median	-25.64		24.90		1.13		-2.76		1.53		19.08		6.44		-7.80		4.44		20.58	

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	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	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
Fixed Income										
Eaton Vance Fixed Income	-10.27 (2)	0.31 (39)	7.23 (60)	9.91 (85)	-0.65 (41)	0.76 (39)	5.60 (53)	2.64 (78)	4.35 (53)	-1.32 (52)
Blmbg. U.S. Aggregate Index	-14.60 (61)	-0.90 (83)	6.98 (77)	10.30 (69)	-1.22 (88)	0.07 (83)	5.19 (78)	2.94 (62)	3.96 (79)	-1.68 (78)
Difference	4.33	1.21	0.25	-0.39	0.57	0.69	0.41	-0.30	0.39	0.36
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-14.51	-0.05	7.52	10.42	-0.75	0.61	5.66	3.02	4.40	-1.29
Eaton Vance Fixed Income (Net)	-10.49	0.08	6.97	9.63	-0.97	0.37	5.11	2.36	3.93	-1.74
Vanguard TIPS (VAIPX)	-11.53 (45)	5.02 (60)	9.79 (28)	7.17 (8)	0.28 (51)	-1.00 (74)	6.62 (24)	-0.73 (5)	1.46 (28)	-6.22 (55)
Bloomberg U.S. TIPS Index	-11.57 (46)	5.19 (55)	10.08 (20)	7.13 (9)	0.41 (39)	-0.73 (61)	6.58 (26)	-0.83 (6)	1.59 (19)	-6.10 (47)
Difference	0.04	-0.17	-0.29	0.04	-0.13	-0.27	0.04	0.10	-0.13	-0.12
IM U.S. TIPS (MF) Median	-11.72	5.33	8.50	5.70	0.29	-0.43	5.77	-1.91	0.95	-6.16
PIMCO Diversified Income Fund (PDIIX)	-17.58 (50)	4.82 (6)	3.50 (74)	9.54 (20)	1.07 (9)	6.98 (4)	12.57 (2)	-1.10 (26)	6.08 (16)	0.37 (23)
Blmbg. Global Credit (Hedged)	-16.53 (49)	2.72 (22)	5.26 (53)	10.83 (12)	0.39 (16)	3.04 (29)	9.19 (25)	0.86 (19)	6.83 (10)	1.46 (9)
Difference	-1.05	2.10	-1.76	-1.29	0.68	3.94	3.38	-1.96	-0.75	-1.09
IM Global Fixed Income (MF) Median	-17.63	0.89	5.39	7.65	-1.33	1.10	7.40	-3.88	3.35	-1.81
Templeton Global Bond Fund (FBNRX)	N/A	N/A	N/A	N/A	N/A	13.35 (1)	0.84 (100)	-7.57 (92)	6.36 (12)	3.52 (3)
FTSE World Government Bond Index	-22.14 (80)	-3.33 (99)	6.77 (12)	8.13 (39)	-1.54 (54)	-2.69 (94)	9.71 (20)	-3.83 (50)	-0.07 (96)	-4.60 (82)
Difference	N/A	N/A	N/A	N/A	N/A	16.04	-8.87	-3.74	6.43	8.12
IM Global Fixed Income (MF) Median	-17.63	0.89	5.39	7.65	-1.33	1.10	7.40	-3.88	3.35	-1.81
Real Estate										
Intercontinental	26.50 (13)	13.87 (70)	4.41 (11)	8.32 (19)	11.41 (9)	11.83 (6)	13.30 (20)	13.96 (60)	13.94 (35)	18.21 (11)
NCREIF Fund Index-ODCE (EW)	22.76 (38)	15.75 (54)	1.74 (43)	6.17 (70)	8.82 (56)	7.81 (51)	10.62 (68)	14.71 (56)	12.39 (69)	12.47 (66)
Difference	3.74	-1.88	2.67	2.15	2.59	4.02	2.68	-0.75	1.55	5.74
IM U.S. Open End Private Real Estate (SA+CF) Median	20.19	16.09	1.58	6.80	8.93	7.83	11.18	15.20	12.90	13.22
Intercontinental (Net)	22.44	13.38	3.39	7.08	10.50	10.11	11.31	12.13	11.75	16.33
ARA Core Property Fund	25.79 (18)	13.51 (75)	1.62 (49)	6.81 (50)	8.51 (61)	7.52 (55)	9.04 (89)	13.99 (60)	12.49 (67)	12.27 (69)
NCREIF Fund Index-ODCE (EW)	22.76 (38)	15.75 (54)	1.74 (43)	6.17 (70)	8.82 (56)	7.81 (51)	10.62 (68)	14.71 (56)	12.39 (69)	12.47 (66)
Difference	3.03	-2.24	-0.12	0.64	-0.31	-0.29	-1.58	-0.72	0.10	-0.20
IM U.S. Open End Private Real Estate (SA+CF) Median	20.19	16.09	1.58	6.80	8.93	7.83	11.18	15.20	12.90	13.22
American Core Realty Fund (Net)	24.41	12.27	0.51	5.64	7.31	6.34	7.84	12.73	11.26	11.04

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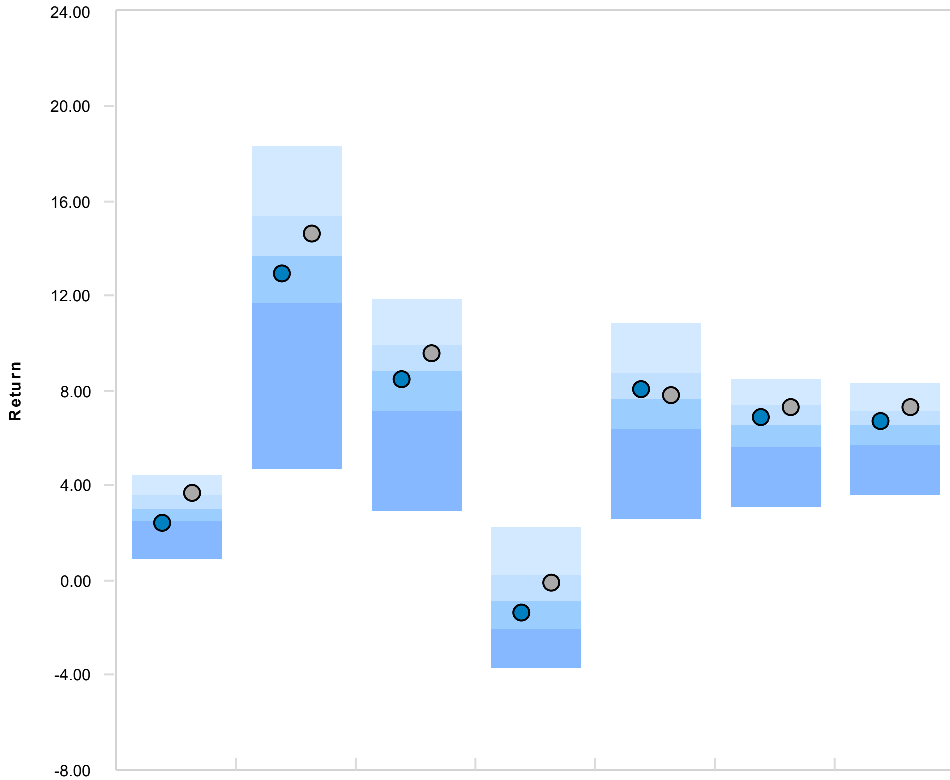
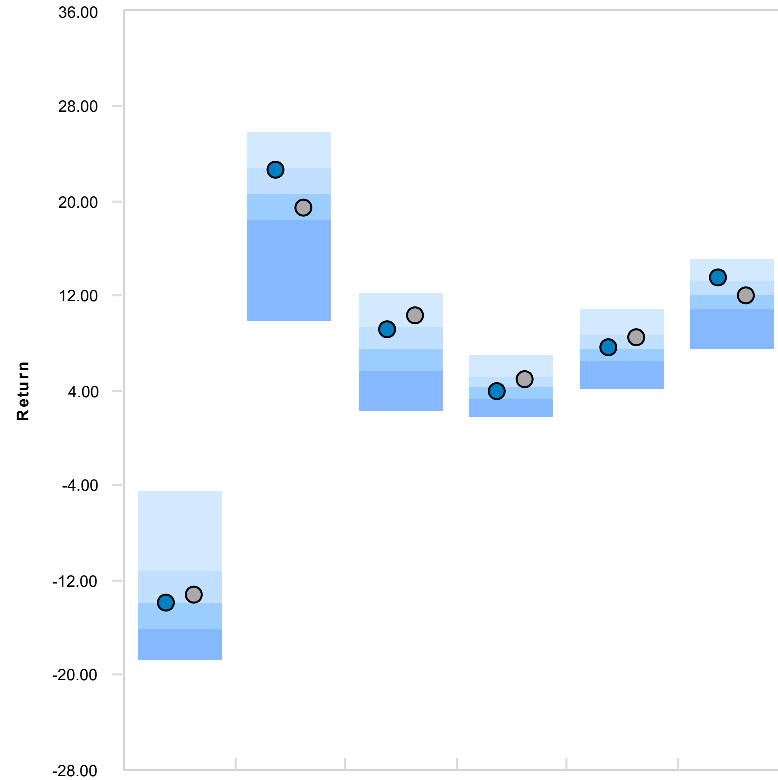
Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund





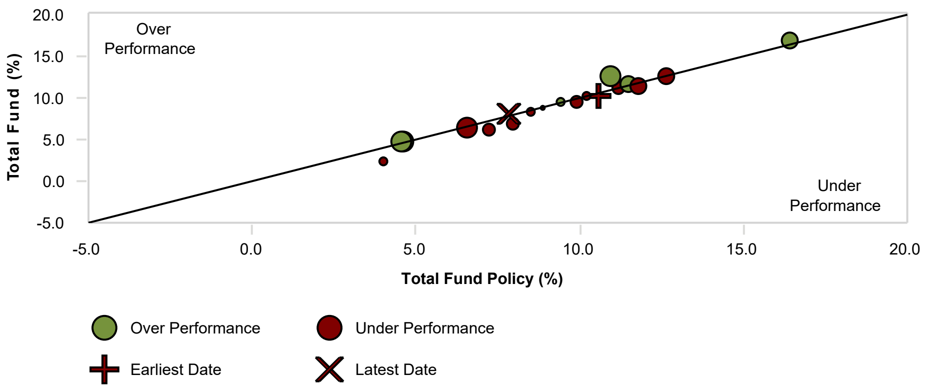
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Total Fund	2.46	(79)	12.98	(59)	8.53	(56)	-1.39	(61)	8.12	(40)	6.94	(37)	6.73	(43)
Total Fund Policy	3.72	(21)	14.63	(38)	9.61	(33)	-0.10	(33)	7.86	(46)	7.30	(27)	7.35	(19)
Median	3.05		13.71		8.83		-0.86		7.70		6.56		6.57	

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		Oct-2019 To Sep-2020		Oct-2018 To Sep-2019		Oct-2017 To Sep-2018		Oct-2016 To Sep-2017	
Total Fund	-13.90	(51)	22.66	(27)	9.18	(27)	3.96	(61)	7.70	(46)	13.63	(19)
Total Fund Policy	-13.24	(44)	19.56	(65)	10.39	(14)	5.06	(27)	8.52	(30)	12.08	(51)
Median	-13.78		20.73		7.55		4.27		7.54		12.11	

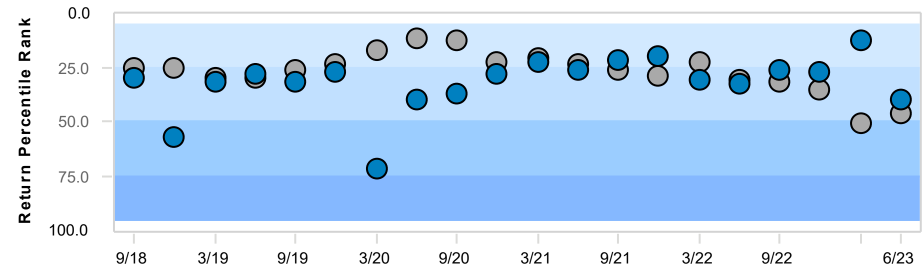
Comparative Performance

	1 Qtr Ending Mar-2023		1 Qtr Ending Dec-2022		1 Qtr Ending Sep-2022		1 Qtr Ending Jun-2022		1 Qtr Ending Mar-2022		1 Qtr Ending Dec-2021	
Total Fund	**4.01**	**(57)**	**6.02**	**(39)**	**-3.94**	**(35)**	**-9.82**	**(49)**	**-4.72**	**(64)**	**4.32**	**(53)**
Total Fund Policy	4.72	(29)	5.53	(55)	-4.38	(53)	-10.45	(65)	-3.71	(34)	5.22	(20)
All Public Plans-Total Fund Median	4.16		5.63		-4.31		-9.88		-4.27		4.36	

3 Yr Rolling Under/Over Performance - 5 Years

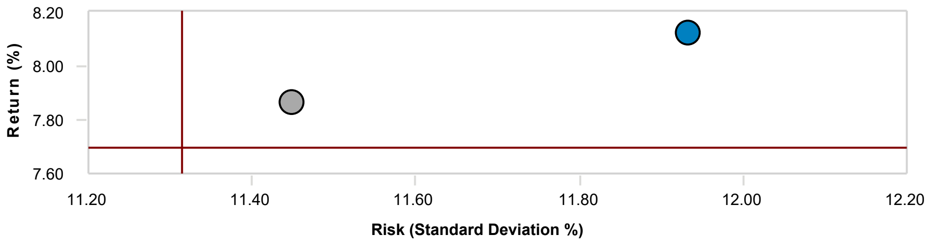


3 Yr Rolling Percentile Ranking - 5 Years



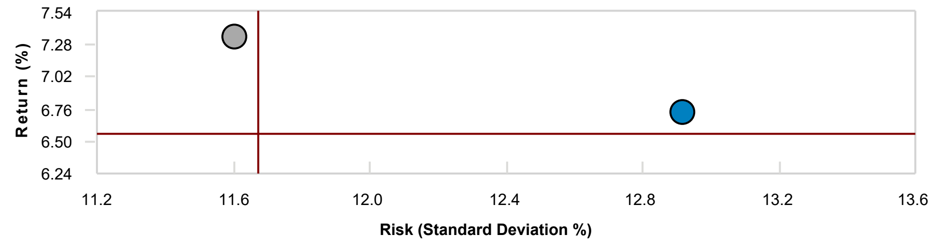
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Fund	20	4 (20%)	14 (70%)	2 (10%)	0 (0%)
Total Fund Policy	20	10 (50%)	9 (45%)	1 (5%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Fund	8.12	11.93
Total Fund Policy	7.86	11.45
Median	7.70	11.31

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Fund	6.73	12.92
Total Fund Policy	7.35	11.61
Median	6.57	11.67

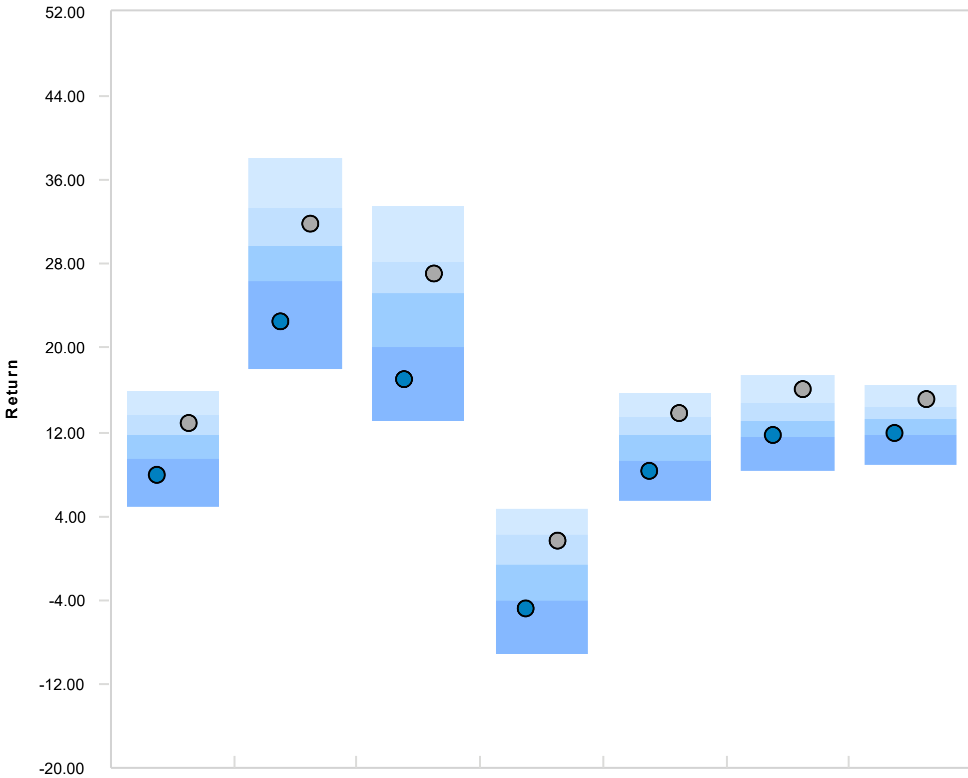
Historical Statistics - 3 Years

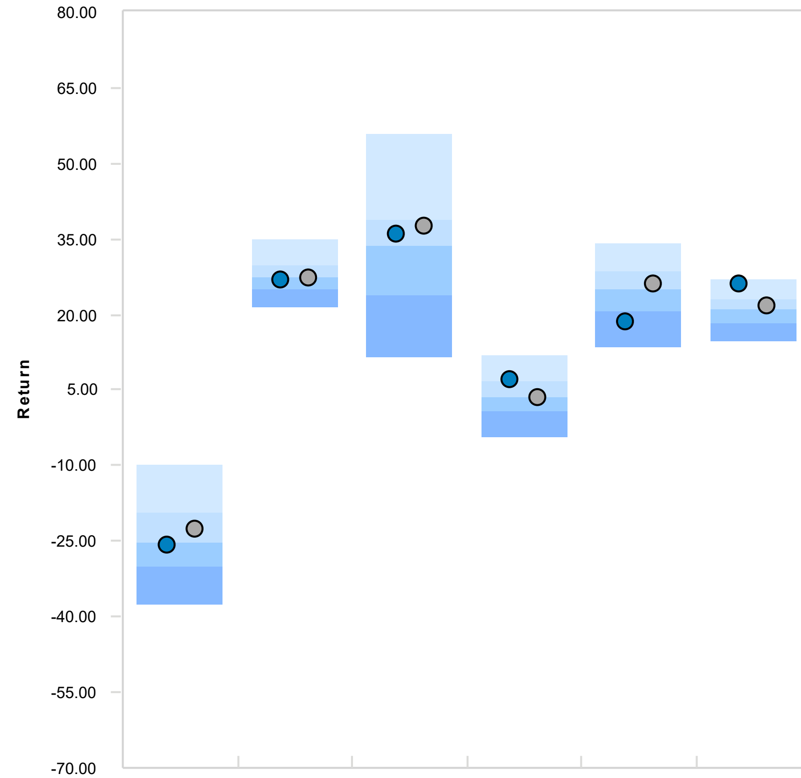
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.71	103.01	102.64	0.03	0.17	0.61	1.03	7.32
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.61	1.00	7.20

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	2.19	105.37	111.89	-1.20	-0.19	0.45	1.10	8.74
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.54	1.00	7.70

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





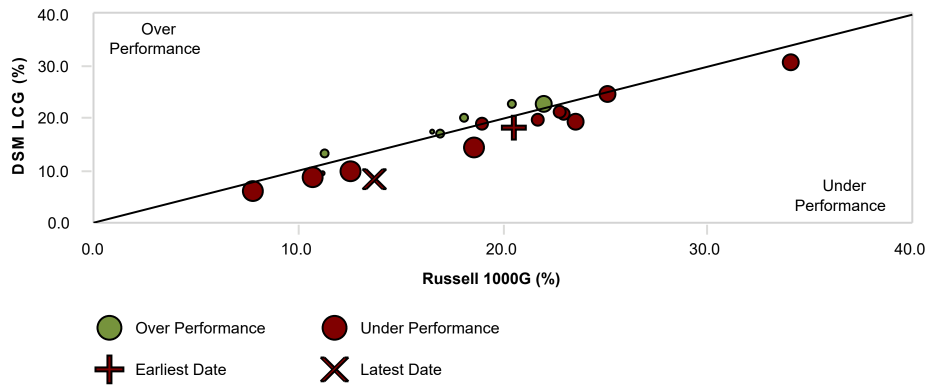
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
DSM LCG	7.84	(85)	22.48	(87)	16.99	(89)	-4.85	(81)	8.35	(81)	11.69	(73)	12.01	(73)
Russell 1000G	12.81	(36)	31.85	(36)	27.11	(33)	1.61	(31)	13.73	(21)	16.05	(16)	15.14	(17)
Median	11.75		29.70		25.20		-0.53		11.64		13.14		13.20	

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		Oct-2019 To Sep-2020		Oct-2018 To Sep-2019		Oct-2017 To Sep-2018		Oct-2016 To Sep-2017	
DSM LCG	-25.51	(52)	27.10	(52)	35.95	(37)	7.18	(24)	18.49	(83)	26.22	(7)
Russell 1000G	-22.59	(40)	27.32	(49)	37.53	(31)	3.71	(52)	26.30	(39)	21.94	(39)
Median	-25.12		27.23		33.78		3.81		24.81		21.10	

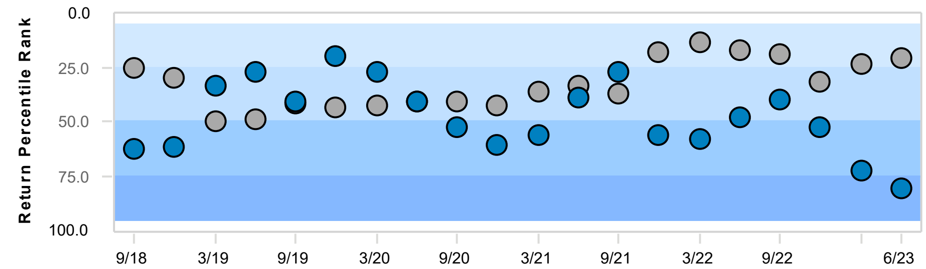
Comparative Performance

	1 Qtr Ending Mar-2023		1 Qtr Ending Dec-2022		1 Qtr Ending Sep-2022		1 Qtr Ending Jun-2022		1 Qtr Ending Mar-2022		1 Qtr Ending Dec-2021	
DSM LCG	8.98	(76)	4.22	(47)	-4.49	(59)	-18.00	(30)	-10.01	(48)	5.67	(80)
Russell 1000G	14.37	(30)	2.20	(71)	-3.60	(37)	-20.92	(57)	-9.04	(37)	11.64	(23)
IM U.S. Large Cap Growth Equity (SA+CF) Median	12.79		3.89		-4.14		-20.29		-10.21		9.29	

3 Yr Rolling Under/Over Performance - 5 Years

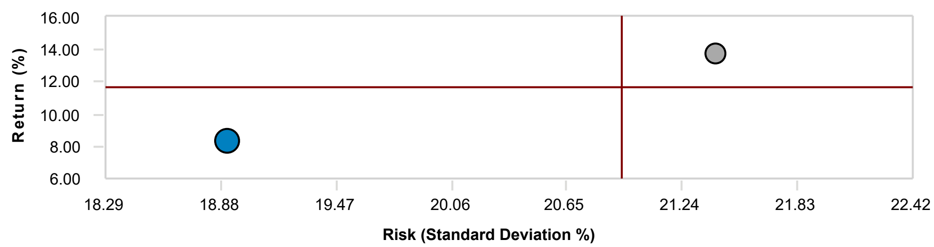


3 Yr Rolling Percentile Ranking - 5 Years



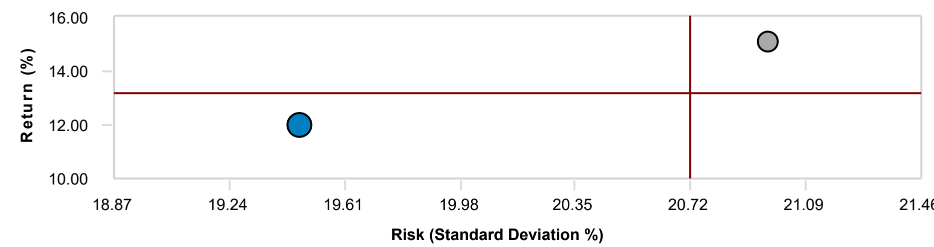
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
DSM LCG	20	1 (5%)	9 (45%)	9 (45%)	1 (5%)
Russell 1000G	20	7 (35%)	13 (65%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
DSM LCG	8.35	18.91
Russell 1000G	13.73	21.41
Median	11.64	20.93

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
DSM LCG	12.01	19.46
Russell 1000G	15.14	20.97
Median	13.20	20.72

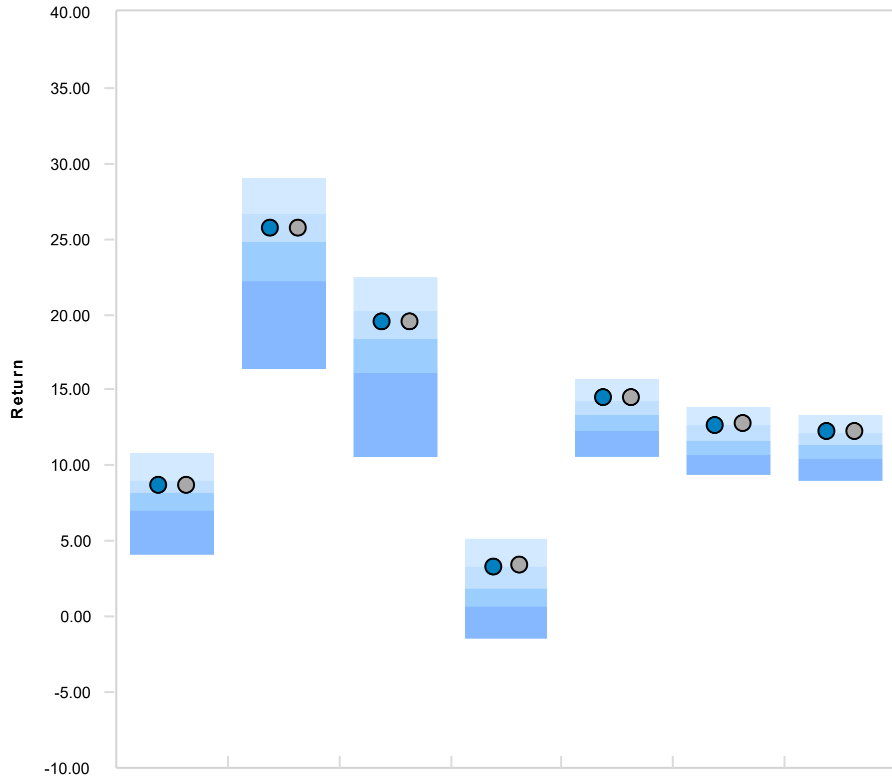
Historical Statistics - 3 Years

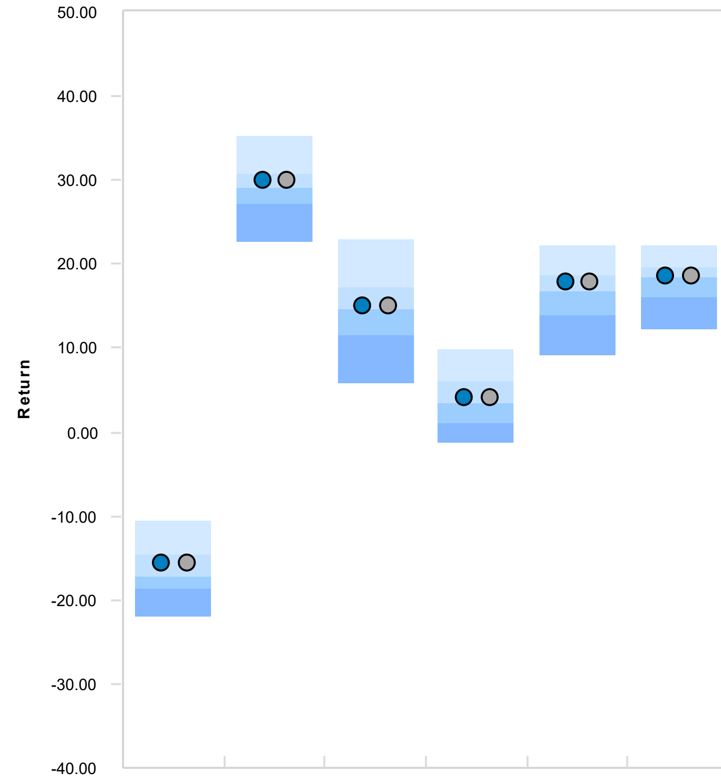
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
DSM LCG	5.50	79.45	88.56	-3.16	-0.98	0.45	0.86	12.76
Russell 1000G	0.00	100.00	100.00	0.00	N/A	0.65	1.00	13.53

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
DSM LCG	4.99	87.31	91.67	-1.48	-0.62	0.60	0.90	12.69
Russell 1000G	0.00	100.00	100.00	0.00	N/A	0.71	1.00	13.32

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





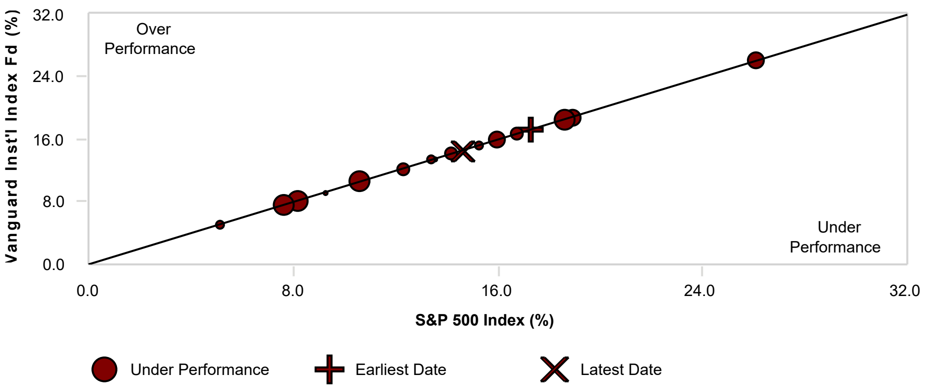
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Vanguard Inst'l Index Fd	8.73	(34)	25.71	(38)	19.56	(34)	3.36	(25)	14.57	(21)	12.76	(24)	12.28	(22)
S&P 500 Index	8.74	(34)	25.73	(38)	19.59	(34)	3.39	(24)	14.60	(20)	12.78	(23)	12.31	(21)
Median	8.23		24.87		18.43		1.85		13.41		11.61		11.37	

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		Oct-2019 To Sep-2020		Oct-2018 To Sep-2019		Oct-2017 To Sep-2018		Oct-2016 To Sep-2017	
Vanguard Inst'l Index Fd	15.50	(32)	29.98	(38)	15.13	(46)	4.23	(41)	17.86	(33)	18.57	(46)
S&P 500 Index	15.47	(31)	30.00	(38)	15.15	(46)	4.25	(41)	17.91	(33)	18.61	(45)
Median	17.11		29.04		14.72		3.57		16.73		18.34	

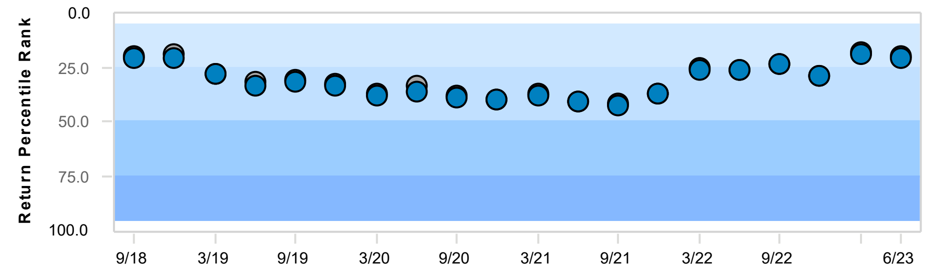
Comparative Performance

	1 Qtr Ending Mar-2023		1 Qtr Ending Dec-2022		1 Qtr Ending Sep-2022		1 Qtr Ending Jun-2022		1 Qtr Ending Mar-2022		1 Qtr Ending Dec-2021	
Vanguard Inst'l Index Fd	7.49	(31)	7.56	(57)	-4.89	(42)	-16.11	(58)	-4.60	(26)	11.02	(29)
S&P 500 Index	7.50	(31)	7.56	(57)	-4.88	(42)	-16.10	(58)	-4.60	(26)	11.03	(29)
IM U.S. Large Cap Core Equity (MF) Median	6.60		7.83		-5.16		-15.79		-5.62		10.18	

3 Yr Rolling Under/Over Performance - 5 Years

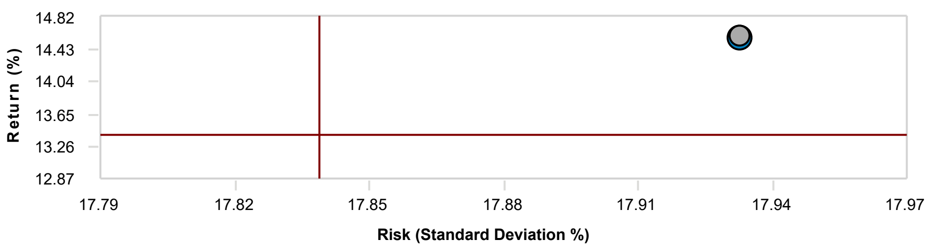


3 Yr Rolling Percentile Ranking - 5 Years



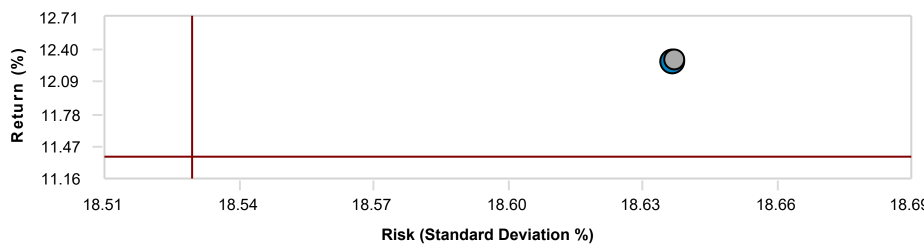
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Vanguard Inst'l Index Fd	20	5 (25%)	15 (75%)	0 (0%)	0 (0%)
S&P 500 Index	20	6 (30%)	14 (70%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Vanguard Inst'l Index Fd	14.57	17.93
S&P 500 Index	14.60	17.93
Median	13.41	17.84

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Vanguard Inst'l Index Fd	12.28	18.64
S&P 500 Index	12.31	18.64
Median	11.37	18.53

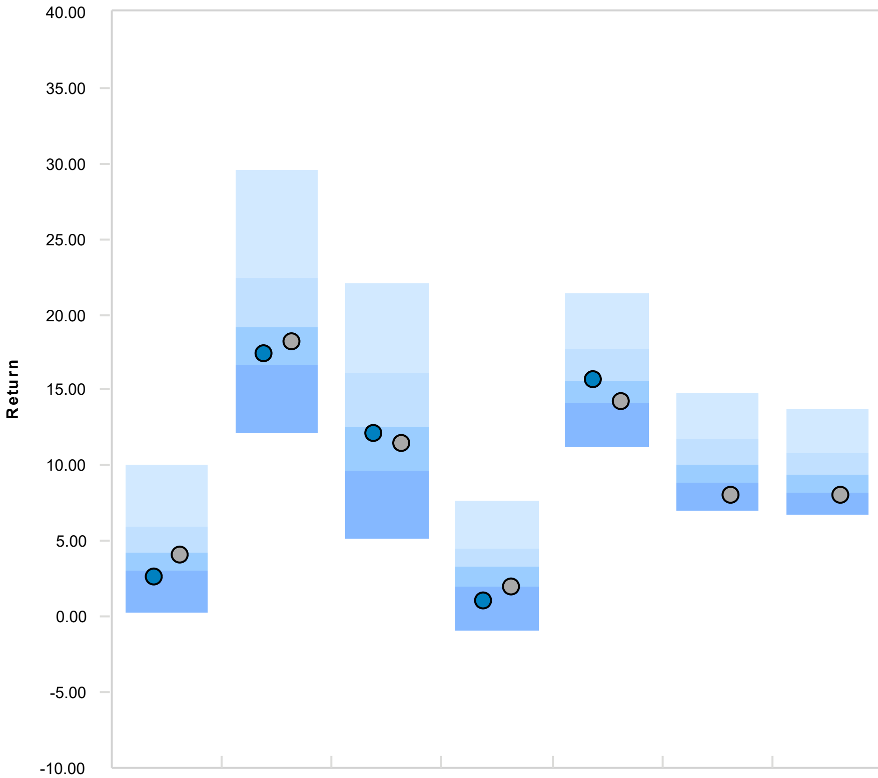
Historical Statistics - 3 Years

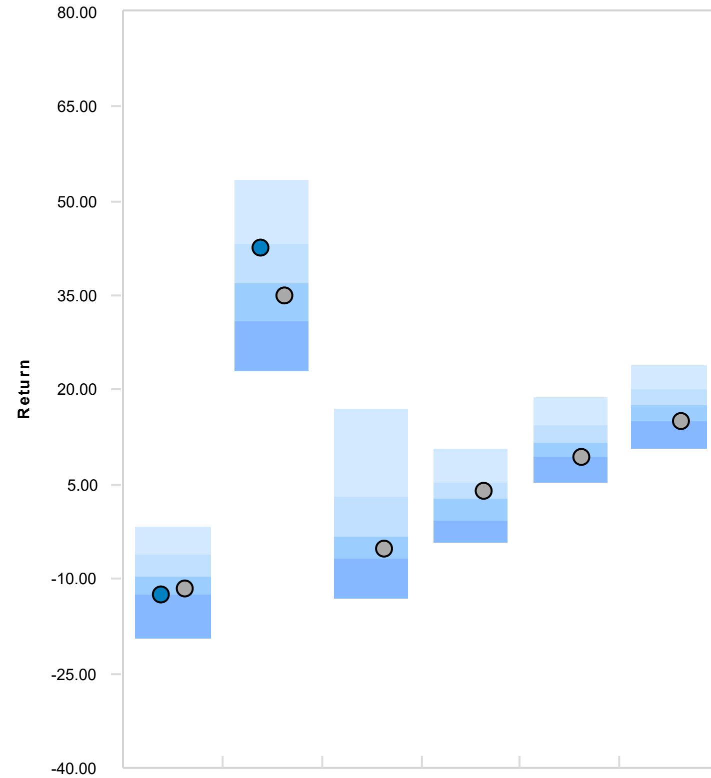
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Vanguard Inst'l Index Fd	0.01	99.95	100.05	-0.03	-3.93	0.78	1.00	11.04
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	0.78	1.00	11.03

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Vanguard Inst'l Index Fd	0.01	99.95	100.04	-0.02	-2.50	0.63	1.00	12.30
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	0.64	1.00	12.30

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





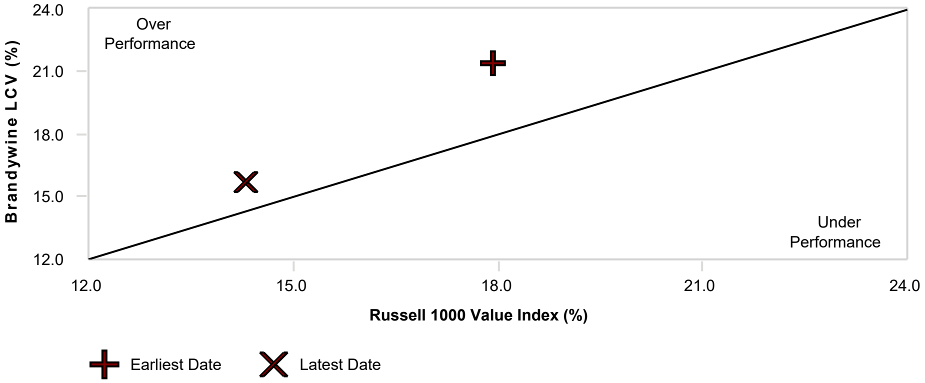
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Brandywine LCV	2.66	(81)	17.45	(71)	12.16	(57)	1.12	(85)	15.76	(49)	N/A		N/A	
Russell 1000 Value Index	4.07	(54)	18.18	(63)	11.54	(63)	1.95	(76)	14.30	(72)	8.02	(89)	8.11	(79)
Median	4.27		19.11		12.62		3.37		15.64		10.04		9.43	

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		Oct-2019 To Sep-2020		Oct-2018 To Sep-2019		Oct-2017 To Sep-2018		Oct-2016 To Sep-2017	
Brandywine LCV	12.56	(76)	42.71	(26)	N/A		N/A		N/A		N/A	
Russell 1000 Value Index	11.36	(66)	35.01	(58)	-5.03	(66)	4.00	(39)	9.45	(76)	15.12	(76)
Median	-9.56		36.98		-3.24		2.64		11.75		17.75	

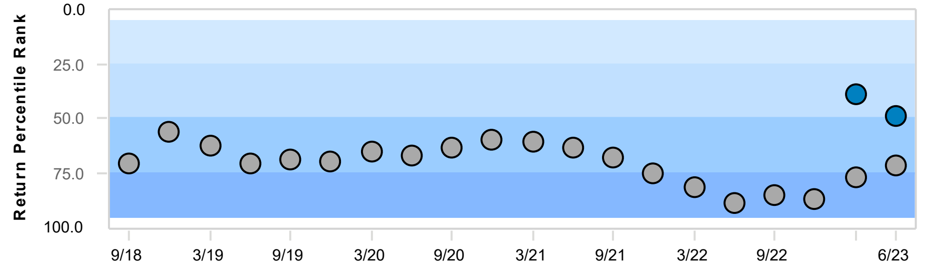
Comparative Performance

	1 Qtr Ending Mar-2023		1 Qtr Ending Dec-2022		1 Qtr Ending Sep-2022		1 Qtr Ending Jun-2022		1 Qtr Ending Mar-2022		1 Qtr Ending Dec-2021	
Brandywine LCV	0.15	(68)	14.23	(26)	-4.50	(28)	-12.13	(60)	-1.45	(67)	5.73	(90)
Russell 1000 Value Index	1.01	(49)	12.42	(54)	-5.62	(49)	-12.21	(61)	-0.74	(60)	7.77	(61)
IM U.S. Large Cap Value Equity (SA+CF) Median	0.92		12.69		-5.66		-11.67		-0.27		8.30	

3 Yr Rolling Under/Over Performance - 5 Years

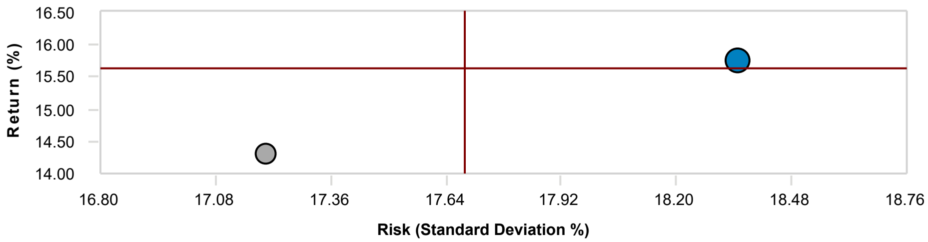


3 Yr Rolling Percentile Ranking - 5 Years



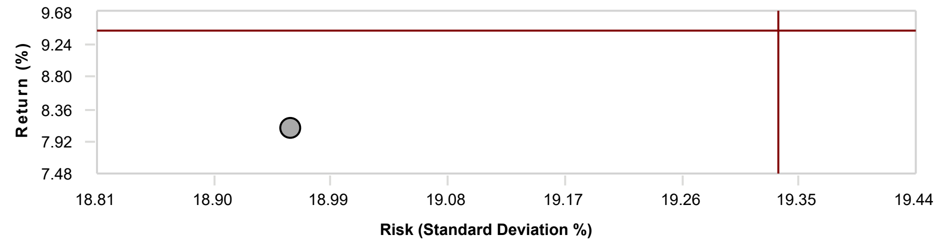
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Brandywine LCV	2	0 (0%)	2 (100%)	0 (0%)	0 (0%)
Russell 1000 Value Index	20	0 (0%)	0 (0%)	15 (75%)	5 (25%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Brandywine LCV	15.76	18.35
Russell 1000 Value Index	14.30	17.20
Median	15.64	17.69

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Brandywine LCV	N/A	N/A
Russell 1000 Value Index	8.11	18.96
Median	9.43	19.33

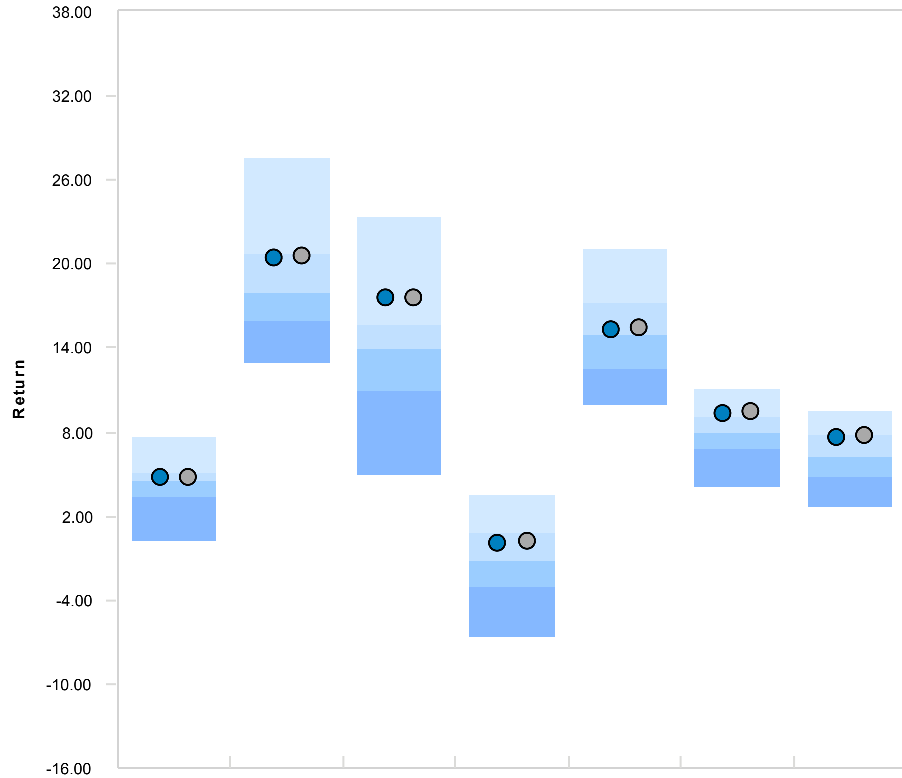
Historical Statistics - 3 Years

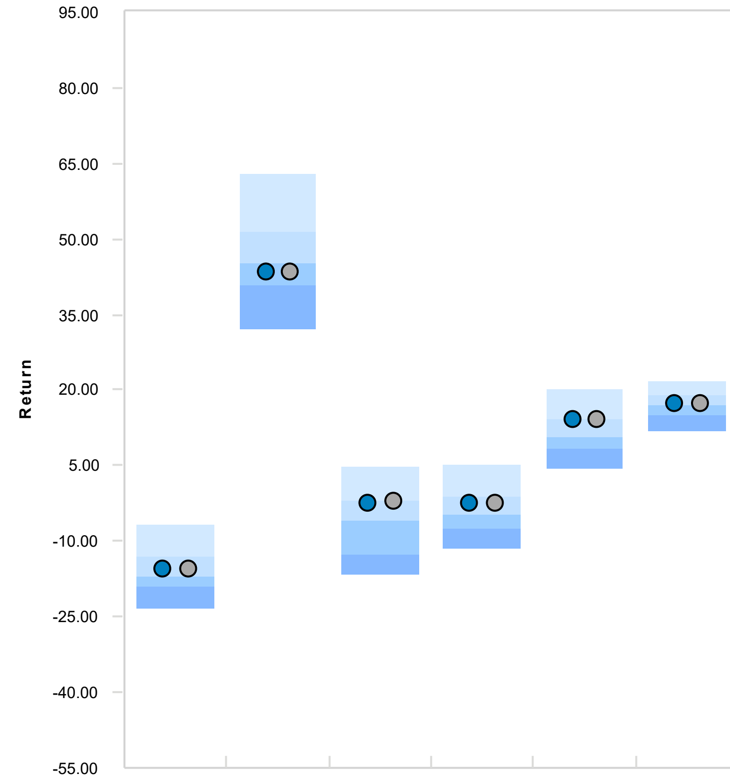
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Brandywine LCV	4.64	105.17	101.24	1.00	0.32	0.82	1.03	10.09
Russell 1000 Value Index	0.00	100.00	100.00	0.00	N/A	0.79	1.00	9.64

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Brandywine LCV	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 1000 Value Index	0.00	100.00	100.00	0.00	N/A	0.43	1.00	12.95

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





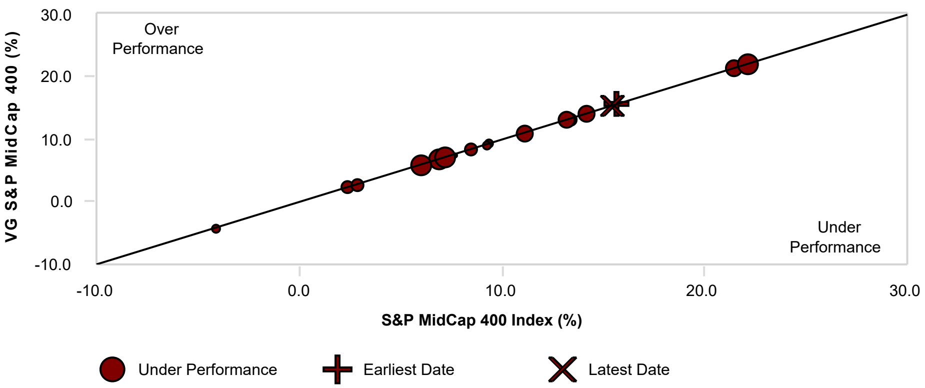
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
VG S&P MidCap 400	4.83	(37)	20.54	(28)	17.56	(14)	0.14	(30)	15.38	(45)	9.39	(22)	7.72	(26)
S&P MidCap 400 Index	4.85	(36)	20.58	(28)	17.61	(14)	0.20	(29)	15.44	(43)	9.46	(22)	7.79	(25)
Median	4.53		17.97		13.97		-1.23		14.98		7.87		6.16	

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		Oct-2019 To Sep-2020		Oct-2018 To Sep-2019		Oct-2017 To Sep-2018		Oct-2016 To Sep-2017	
VG S&P MidCap 400	15.30	(39)	43.62	(61)	-2.23	(29)	-2.55	(33)	14.13	(27)	17.44	(40)
S&P MidCap 400 Index	15.25	(39)	43.68	(60)	-2.16	(28)	-2.49	(32)	14.21	(27)	17.52	(39)
Median	17.06		44.98		-5.89		-4.79		10.88		16.89	

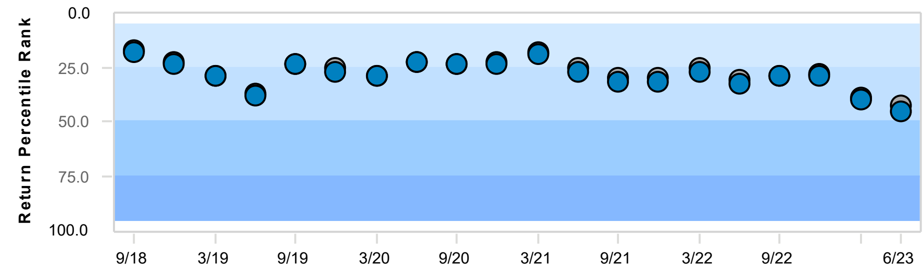
Comparative Performance

	1 Qtr Ending Mar-2023		1 Qtr Ending Dec-2022		1 Qtr Ending Sep-2022		1 Qtr Ending Jun-2022		1 Qtr Ending Mar-2022		1 Qtr Ending Dec-2021	
VG S&P MidCap 400	3.80	(31)	10.77	(41)	-2.46	(15)	-15.43	(59)	-4.89	(52)	7.97	(37)
S&P MidCap 400 Index	3.81	(31)	10.78	(40)	-2.46	(15)	-15.42	(58)	-4.88	(52)	8.00	(36)
IM U.S. SMID Cap Core Equity (MF) Median	3.02		9.87		-4.04		-15.16		-4.82		7.56	

3 Yr Rolling Under/Over Performance - 5 Years

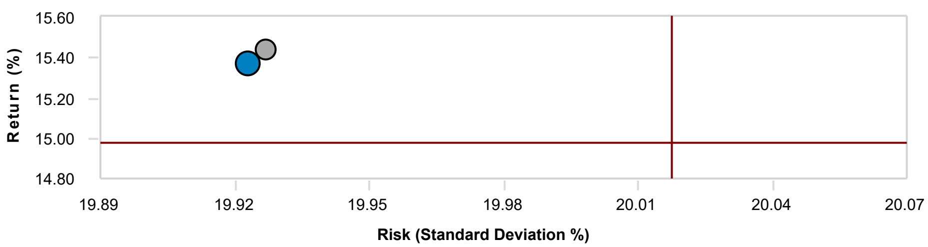


3 Yr Rolling Percentile Ranking - 5 Years



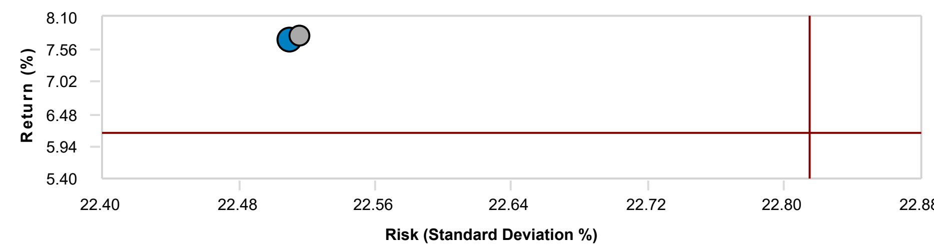
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
VG S&P MidCap 400	20	7 (35%)	13 (65%)	0 (0%)	0 (0%)
S&P MidCap 400 Index	20	10 (50%)	10 (50%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
VG S&P MidCap 400	15.38	19.92
S&P MidCap 400 Index	15.44	19.93
Median	14.98	20.02

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
VG S&P MidCap 400	7.72	22.51
S&P MidCap 400 Index	7.79	22.52
Median	6.16	22.81

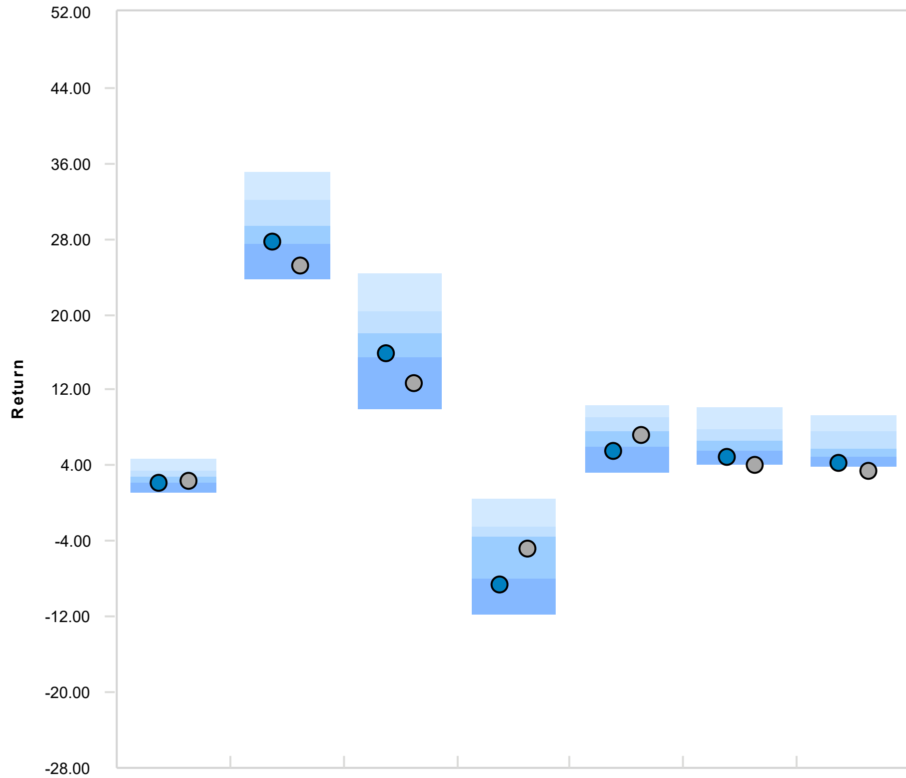
Historical Statistics - 3 Years

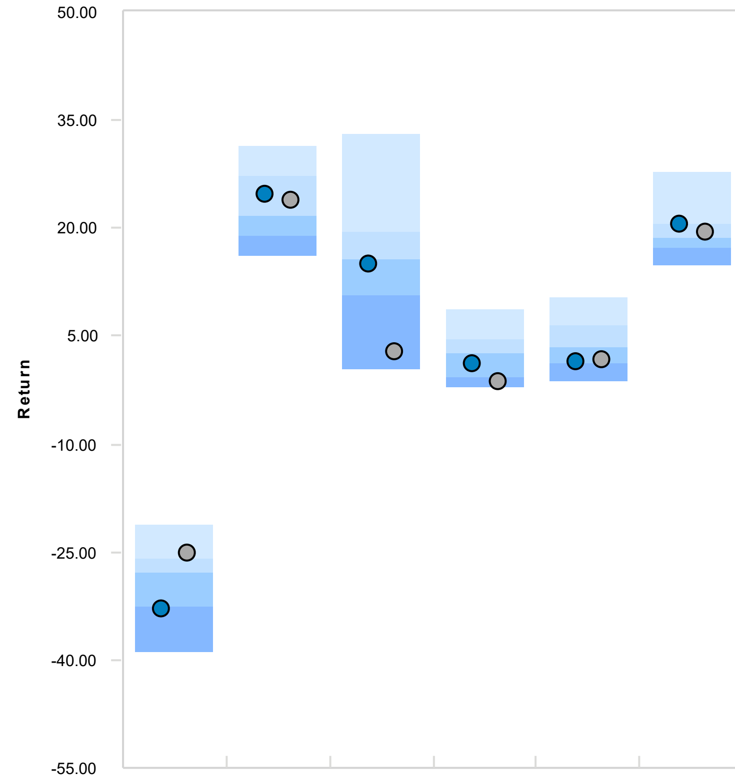
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
VG S&P MidCap 400	0.02	99.88	100.05	-0.05	-3.51	0.76	1.00	11.26
S&P MidCap 400 Index	0.00	100.00	100.00	0.00	N/A	0.76	1.00	11.26

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
VG S&P MidCap 400	0.02	99.87	100.06	-0.06	-3.88	0.38	1.00	15.42
S&P MidCap 400 Index	0.00	100.00	100.00	0.00	N/A	0.38	1.00	15.42

Peer Group Analysis - IM International Large Cap Growth Equity (MF)





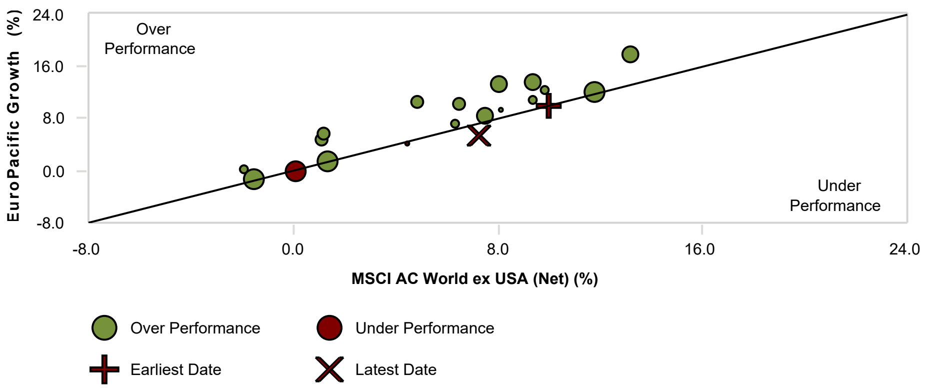
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
EuroPacific Growth	2.16	(77)	27.72	(71)	15.80	(71)	-8.48	(83)	5.47	(81)	4.89	(91)	4.29	(95)
MSCI AC World ex US	2.44	(64)	25.11	(91)	12.72	(92)	-4.70	(61)	7.22	(59)	4.08	(95)	3.52	(96)
Median	2.73		29.43		17.95		-3.59		7.70		6.52		5.85	

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		Oct-2019 To Sep-2020		Oct-2018 To Sep-2019		Oct-2017 To Sep-2018		Oct-2016 To Sep-2017	
EuroPacific Growth	32.85	(83)	24.76	(35)	14.97	(55)	1.14	(68)	1.47	(70)	20.64	(24)
MSCI AC World ex US	25.17	(17)	23.92	(35)	3.00	(91)	-1.23	(82)	1.76	(69)	19.61	(39)
Median	27.94		21.87		15.51		2.70		3.56		18.76	

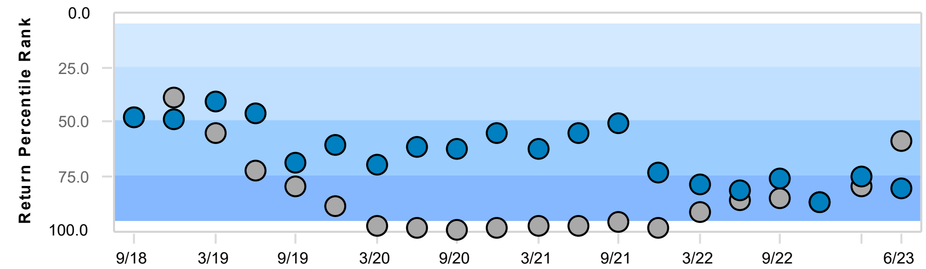
Comparative Performance

	1 Qtr Ending Mar-2023		1 Qtr Ending Dec-2022		1 Qtr Ending Sep-2022		1 Qtr Ending Jun-2022		1 Qtr Ending Mar-2022		1 Qtr Ending Dec-2021	
EuroPacific Growth	9.87	(54)	13.78	(76)	-9.33	(52)	-14.65	(57)	-12.24	(66)	-1.13	(97)
MSCI AC World ex USA (Net)	6.87	(90)	14.28	(64)	-9.91	(71)	-13.73	(35)	-5.44	(5)	1.82	(79)
IM International Large Cap Growth Equity (MF) Median	9.98		14.93		-9.29		-14.54		-10.77		3.39	

3 Yr Rolling Under/Over Performance - 5 Years

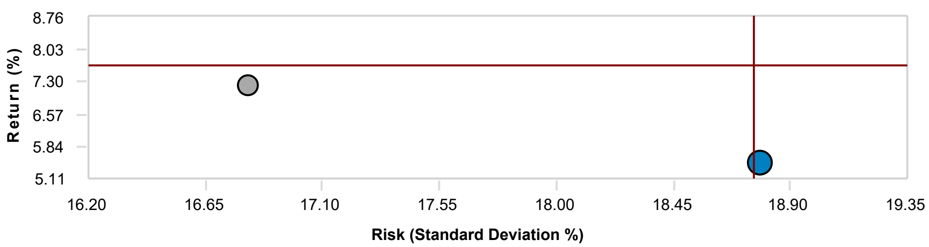


3 Yr Rolling Percentile Ranking - 5 Years



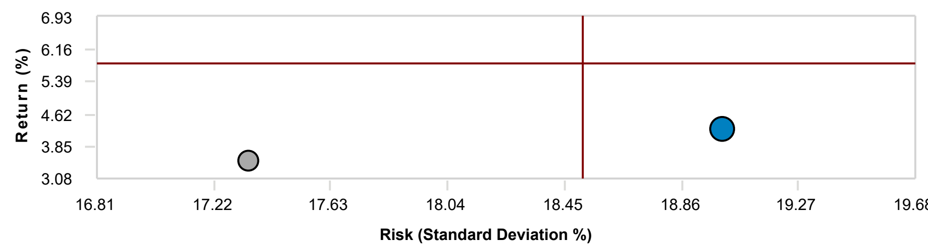
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
EuroPacific Growth	20	0 (0%)	4 (20%)	11 (55%)	5 (25%)
MSCI AC World ex US	20	0 (0%)	2 (10%)	3 (15%)	15 (75%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
EuroPacific Growth	5.47	18.79
MSCI AC World ex US	7.22	16.81
Median	7.70	18.76

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
EuroPacific Growth	4.29	19.00
MSCI AC World ex US	3.52	17.34
Median	5.85	18.51

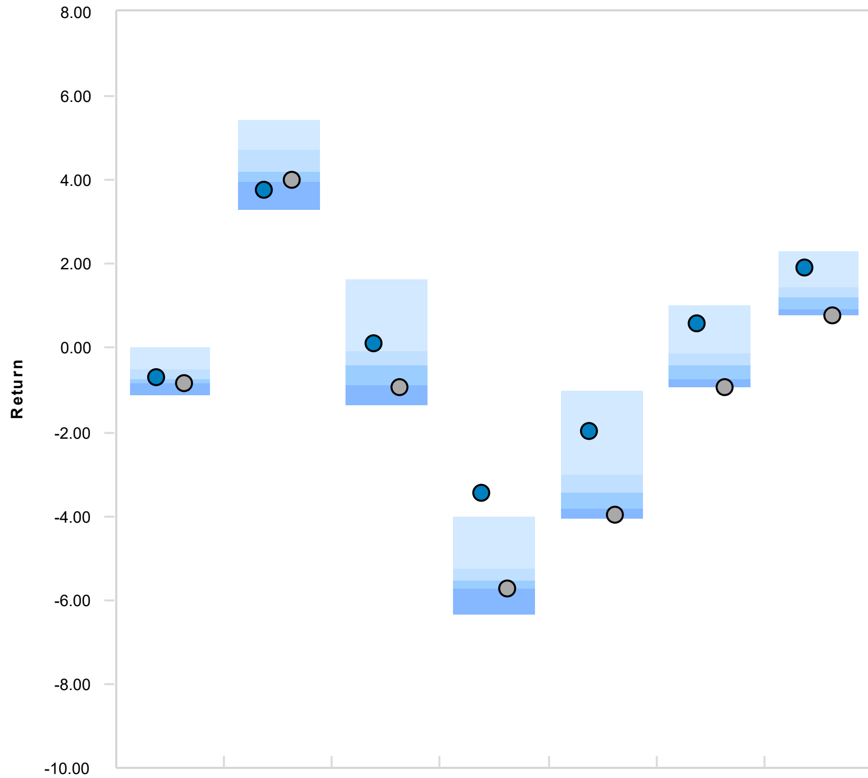
Historical Statistics - 3 Years

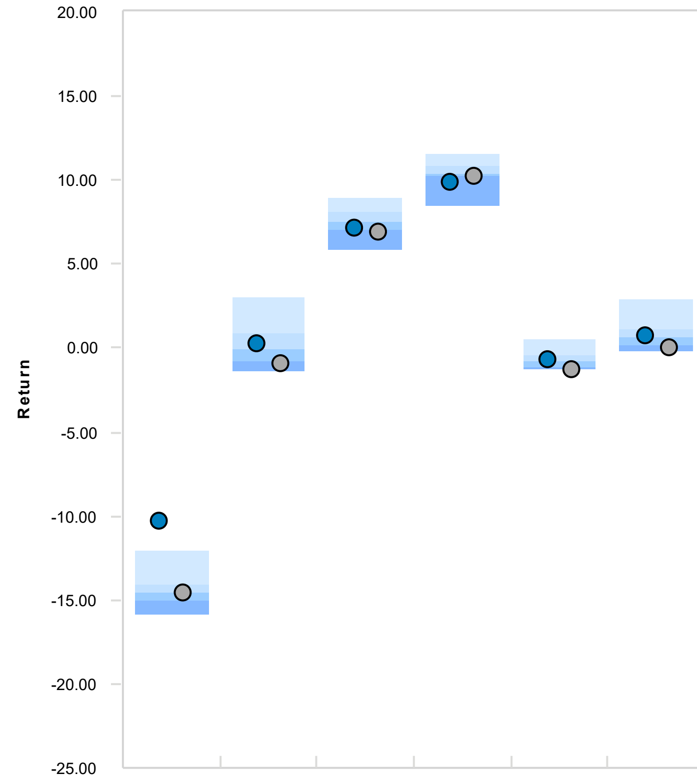
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
EuroPacific Growth	4.78	106.64	116.56	-1.99	-0.27	0.31	1.08	11.67
MSCI AC World ex US	0.00	100.00	100.00	0.00	N/A	0.42	1.00	10.19

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
EuroPacific Growth	4.35	111.09	108.75	0.71	0.24	0.24	1.07	12.85
MSCI AC World ex US	0.00	100.00	100.00	0.00	N/A	0.20	1.00	12.01

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)





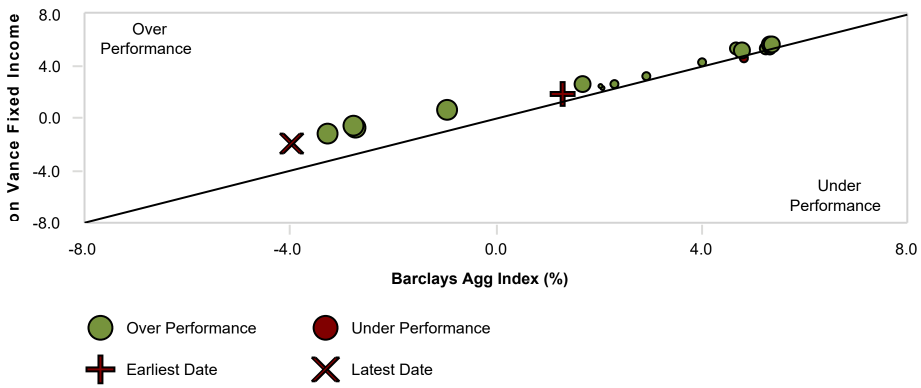
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Eaton Vance Fixed Income	-0.67	(47)	3.75	(85)	0.11	(19)	-3.46	(4)	-1.97	(9)	0.60	(7)	1.94	(7)
Barclays Agg Index	-0.84	(79)	4.00	(72)	-0.94	(82)	-5.73	(76)	-3.97	(89)	-0.94	(95)	0.77	(96)
Median	-0.72		4.22		-0.41		-5.54		-3.43		-0.43		1.20	

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		Oct-2019 To Sep-2020		Oct-2018 To Sep-2019		Oct-2017 To Sep-2018		Oct-2016 To Sep-2017	
Eaton Vance Fixed Income	10.27	(2)	0.31	(39)	7.23	(60)	9.91	(85)	-0.65	(41)	0.76	(39)
Barclays Agg Index	14.60	(61)	-0.90	(83)	6.98	(77)	10.30	(69)	-1.22	(88)	0.07	(83)
Median	14.51		-0.05		7.52		10.42		-0.75		0.61	

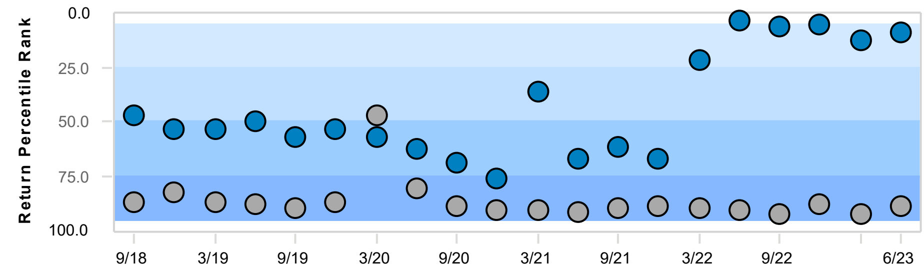
Comparative Performance

	1 Qtr Ending Mar-2023		1 Qtr Ending Dec-2022		1 Qtr Ending Sep-2022		1 Qtr Ending Jun-2022		1 Qtr Ending Mar-2022		1 Qtr Ending Dec-2021	
Eaton Vance Fixed Income	2.43	(98)	1.98	(30)	-3.51	(5)	-2.59	(2)	-4.15	(3)	-0.40	(95)
Barclays Agg Index	2.96	(77)	1.87	(42)	-4.75	(78)	-4.69	(39)	-5.93	(71)	0.01	(31)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	3.16		1.80		-4.59		-4.73		-5.81		-0.04	

3 Yr Rolling Under/Over Performance - 5 Years

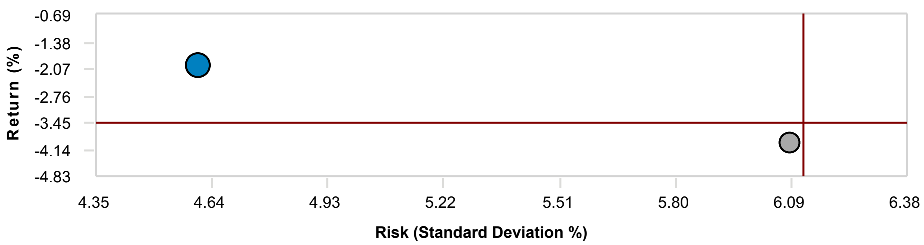


3 Yr Rolling Percentile Ranking - 5 Years



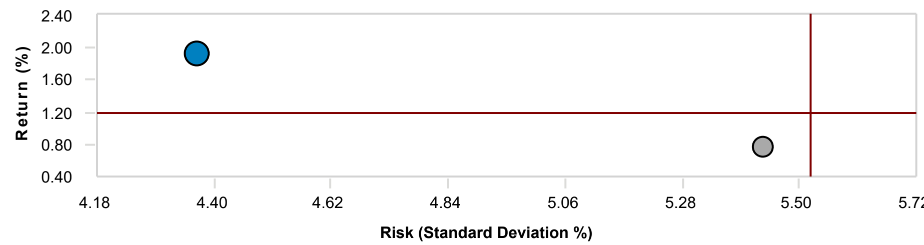
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Eaton Vance Fixed Income	20	6 (30%)	3 (15%)	10 (50%)	1 (5%)
Barclays Agg Index	20	0 (0%)	1 (5%)	0 (0%)	19 (95%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Eaton Vance Fixed Income	-1.97	4.61
Barclays Agg Index	-3.97	6.09
Median	-3.43	6.12

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Eaton Vance Fixed Income	1.94	4.37
Barclays Agg Index	0.77	5.43
Median	1.20	5.52

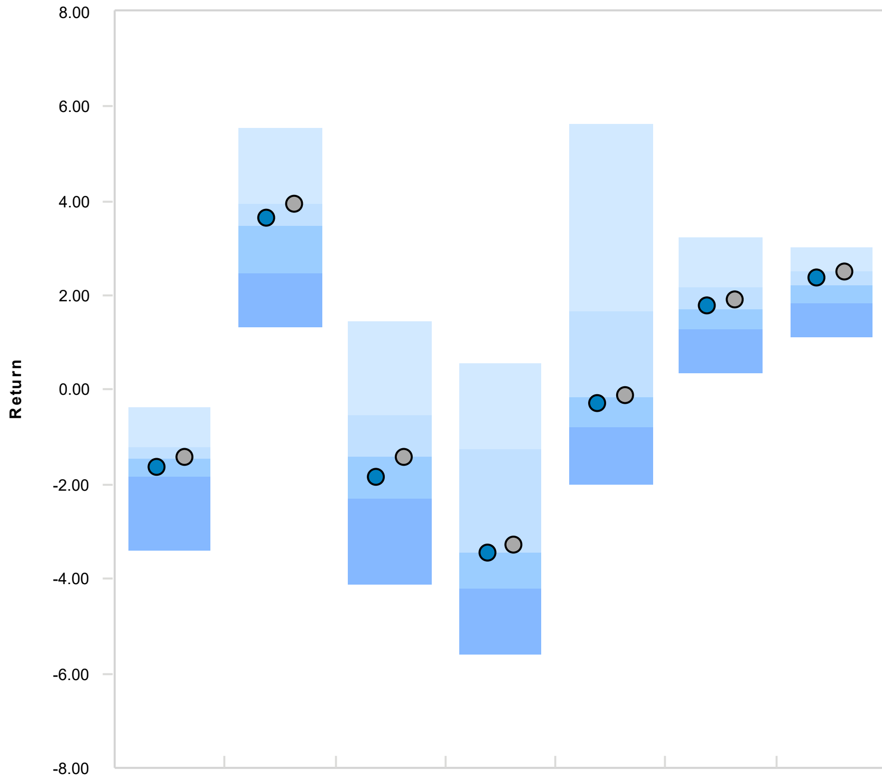
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Eaton Vance Fixed Income	2.18	75.52	65.33	0.91	0.91	-0.69	0.72	3.67
Barclays Agg Index	0.00	100.00	100.00	0.00	N/A	-0.85	1.00	4.93

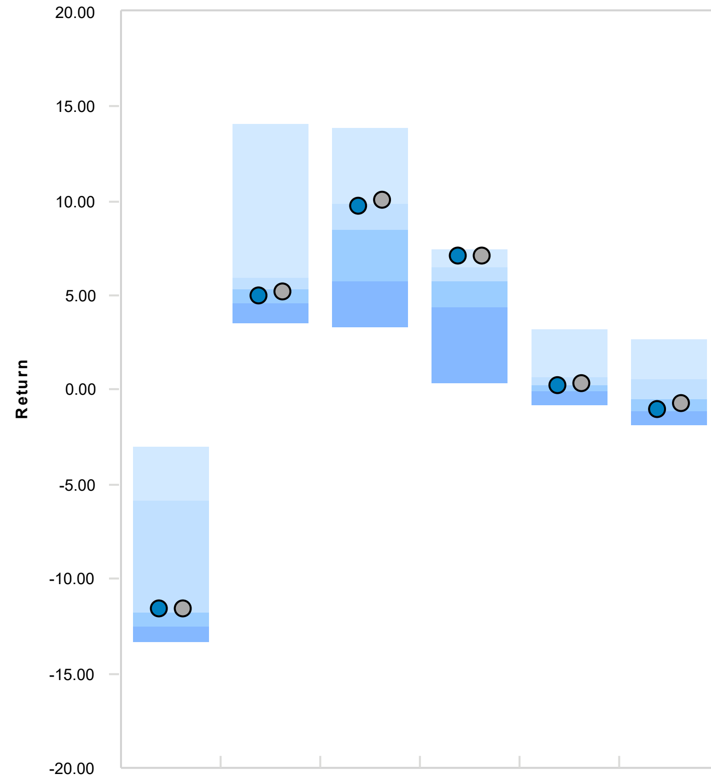
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Eaton Vance Fixed Income	1.81	87.66	69.21	1.33	0.61	0.11	0.77	2.96
Barclays Agg Index	0.00	100.00	100.00	0.00	N/A	-0.12	1.00	3.86

Peer Group Analysis - IM U.S. TIPS (MF)



	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Vanguard TIPS (VAIPX)	-1.62	(68)	3.65	(43)	-1.82	(64)	-3.44	(52)	-0.27	(57)	1.78	(46)	2.37	(36)
Barclays US Treas- TIPS	-1.42	(42)	3.95	(25)	-1.40	(50)	-3.29	(45)	-0.12	(49)	1.91	(37)	2.49	(26)
Median	-1.48		3.48		-1.42		-3.43		-0.15		1.72		2.23	

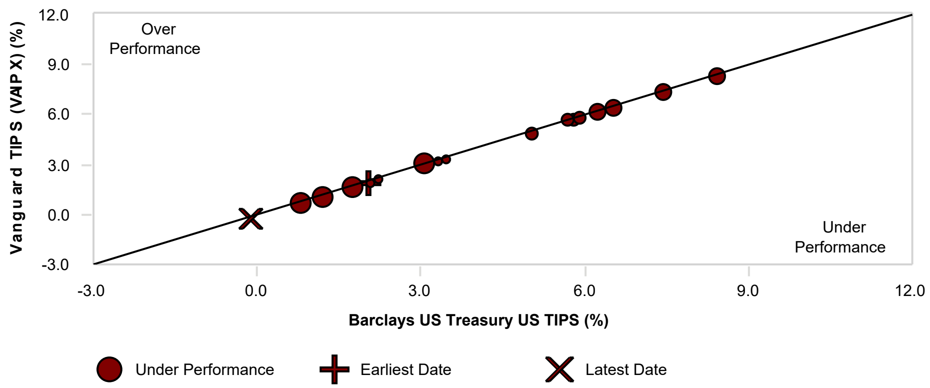


	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		Oct-2019 To Sep-2020		Oct-2018 To Sep-2019		Oct-2017 To Sep-2018		Oct-2016 To Sep-2017	
Vanguard TIPS (VAIPX)	11.53	(45)	5.02	(60)	9.79	(28)	7.17	(8)	0.28	(51)	-1.00	(74)
Barclays US Treas- TIPS	11.57	(46)	5.19	(55)	10.08	(20)	7.13	(9)	0.41	(39)	-0.73	(61)
Median	11.72		5.33		8.50		5.70		0.29		-0.43	

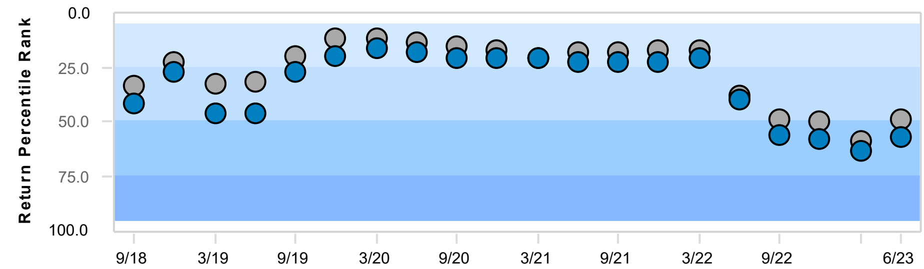
Comparative Performance

	1 Qtr Ending Mar-2023		1 Qtr Ending Dec-2022		1 Qtr Ending Sep-2022		1 Qtr Ending Jun-2022		1 Qtr Ending Mar-2022		1 Qtr Ending Dec-2021	
Vanguard TIPS (VAIPX)	3.52	(21)	1.77	(67)	-5.28	(65)	-6.03	(45)	-2.74	(58)	2.18	(19)
Barclays US Treasury US TIPS	3.34	(33)	2.04	(39)	-5.14	(57)	-6.08	(50)	-3.02	(70)	2.36	(9)
IM U.S. TIPS (MF) Median	3.05		1.96		-5.04		-6.09		-2.62		1.71	

3 Yr Rolling Under/Over Performance - 5 Years

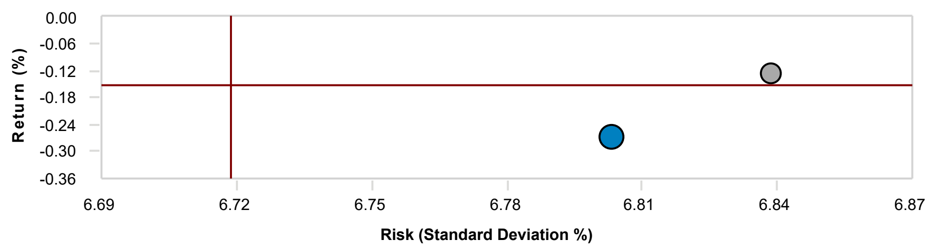


3 Yr Rolling Percentile Ranking - 5 Years



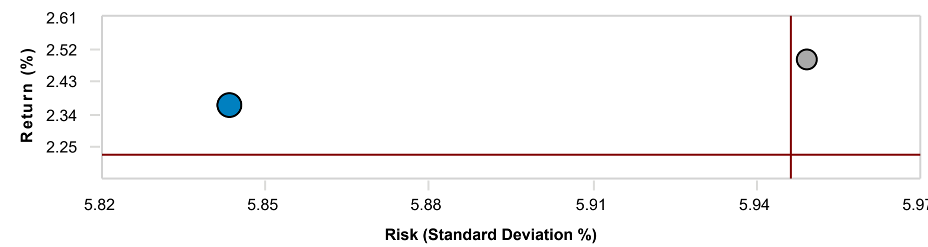
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Vanguard TIPS (VAIPX)	20	10 (50%)	6 (30%)	4 (20%)	0 (0%)
Barclays US Treas- TIPS	20	12 (60%)	7 (35%)	1 (5%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Vanguard TIPS (VAIPX)	-0.27	6.80
Barclays US Treas- TIPS	-0.12	6.84
Median	-0.15	6.72

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Vanguard TIPS (VAIPX)	2.37	5.84
Barclays US Treas- TIPS	2.49	5.95
Median	2.23	5.95

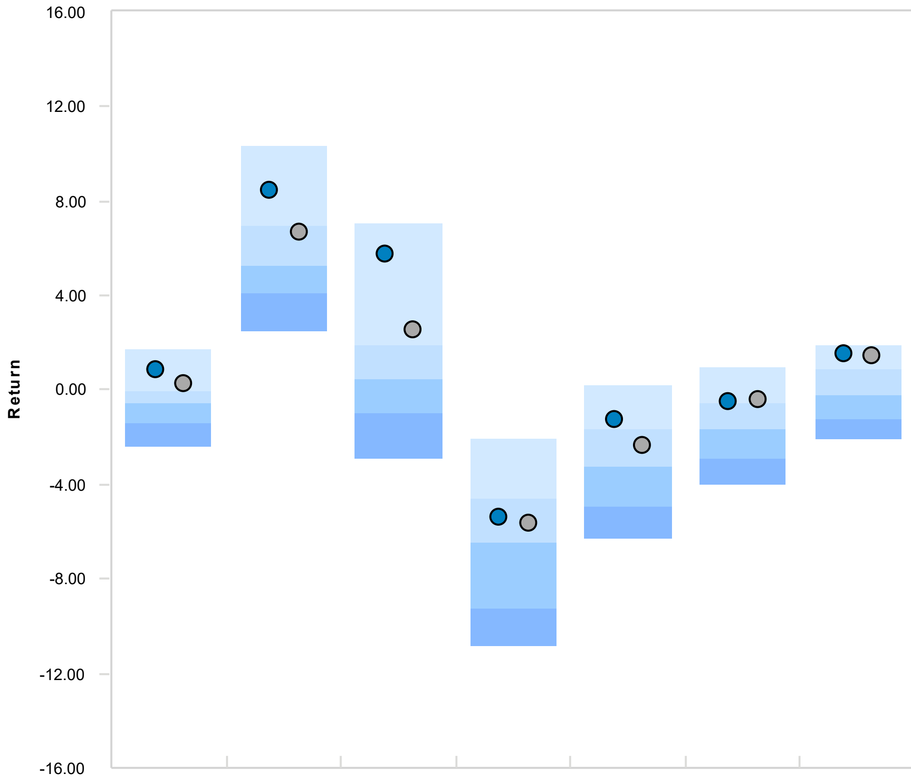
Historical Statistics - 3 Years

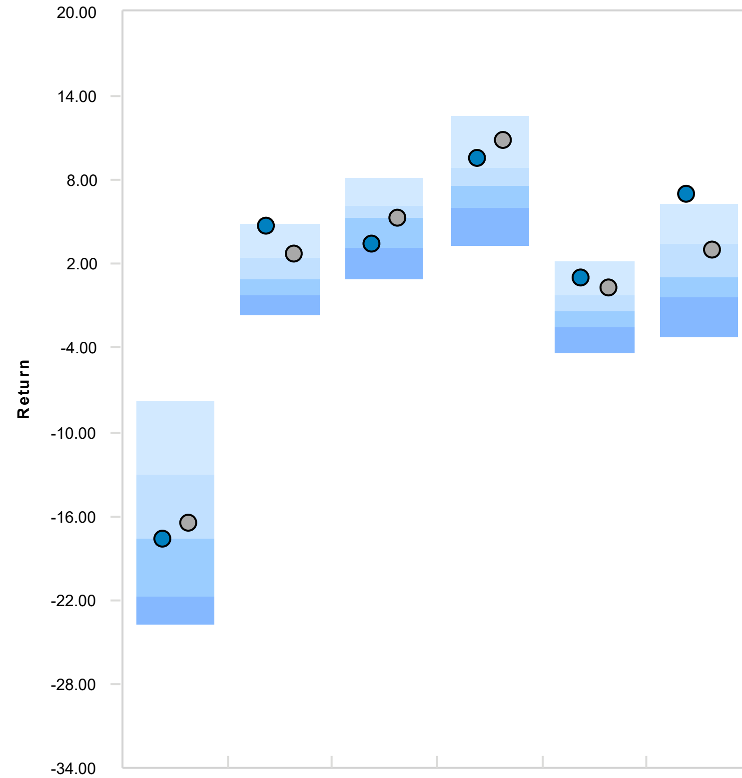
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Vanguard TIPS (VAIPX)	0.40	98.46	100.06	-0.14	-0.36	-0.19	0.99	5.22
Barclays US Treas- TIPS	0.00	100.00	100.00	0.00	N/A	-0.17	1.00	5.22

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Vanguard TIPS (VAIPX)	0.50	96.96	97.69	-0.07	-0.26	0.17	0.98	4.19
Barclays US Treas- TIPS	0.00	100.00	100.00	0.00	N/A	0.18	1.00	4.25

Peer Group Analysis - IM Global Fixed Income (MF)





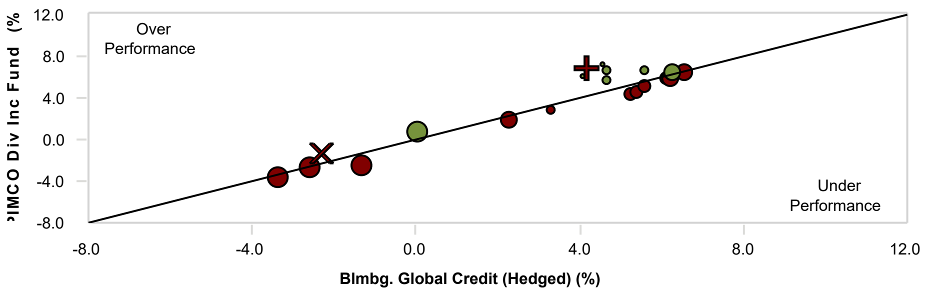
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
● PIMCO Div Inc Fund	0.90	(8)	8.47	(13)	5.75	(6)	-5.39	(37)	-1.27	(20)	-0.46	(23)	1.55	(10)
● Blmbg. Global Credit	0.28	(16)	6.69	(28)	2.59	(17)	-5.60	(42)	-2.30	(34)	-0.36	(20)	1.50	(12)
Median	-0.58		5.27		0.49		-6.48		-3.22		-1.67		-0.17	

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		Oct-2019 To Sep-2020		Oct-2018 To Sep-2019		Oct-2017 To Sep-2018		Oct-2016 To Sep-2017	
● PIMCO Div Inc Fund	17.58	(50)	4.82	(6)	3.50	(74)	9.54	(20)	1.07	(9)	6.98	(4)
● Blmbg. Global Credit	16.53	(49)	2.72	(22)	5.26	(53)	10.83	(12)	0.39	(16)	3.04	(29)
Median	17.63		0.89		5.39		7.65		-1.33		1.10	

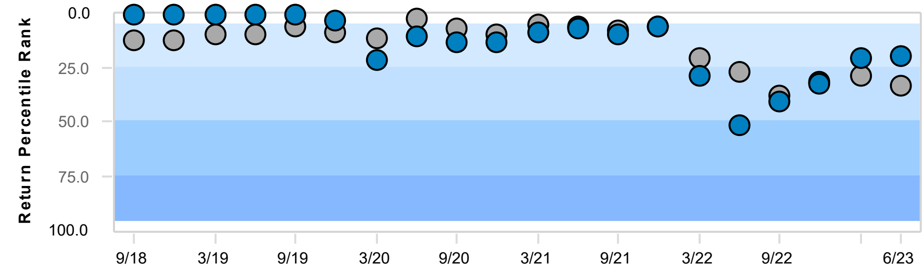
Comparative Performance

	1 Qtr Ending Mar-2023		1 Qtr Ending Dec-2022		1 Qtr Ending Sep-2022		1 Qtr Ending Jun-2022		1 Qtr Ending Mar-2022		1 Qtr Ending Dec-2021	
PIMCO Div Inc Fund	2.61	(62)	4.77	(32)	-2.51	(25)	-9.10	(77)	-7.10	(83)	0.12	(6)
Blmbg. Global Credit (Hedged)	2.97	(35)	3.31	(53)	-3.84	(44)	-6.97	(50)	-6.67	(72)	-0.03	(11)
IM Global Fixed Income (MF) Median	2.76		3.53		-4.13		-7.00		-5.48		-0.70	

3 Yr Rolling Under/Over Performance - 5 Years

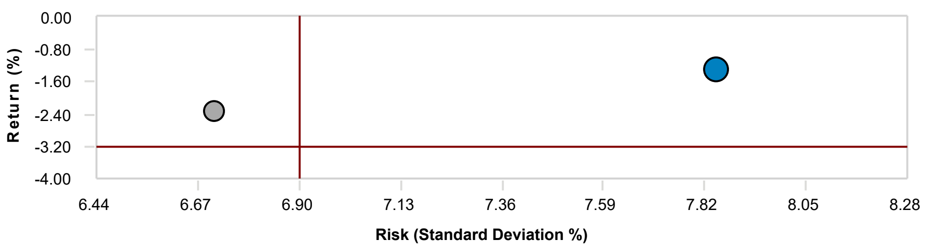


3 Yr Rolling Percentile Ranking - 5 Years



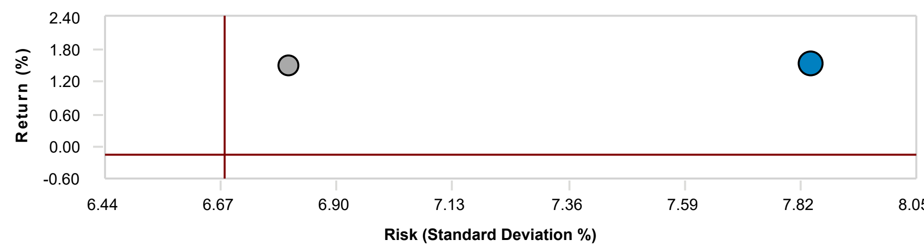
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
PIMCO Div Inc Fund	20	16 (80%)	3 (15%)	1 (5%)	0 (0%)
Blmbg. Global Credit	20	15 (75%)	5 (25%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
PIMCO Div Inc Fund	-1.27	7.85
Blmbg. Global Credit	-2.30	6.70
Median	-3.22	6.90

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
PIMCO Div Inc Fund	1.55	7.84
Blmbg. Global Credit	1.50	6.80
Median	-0.17	6.68

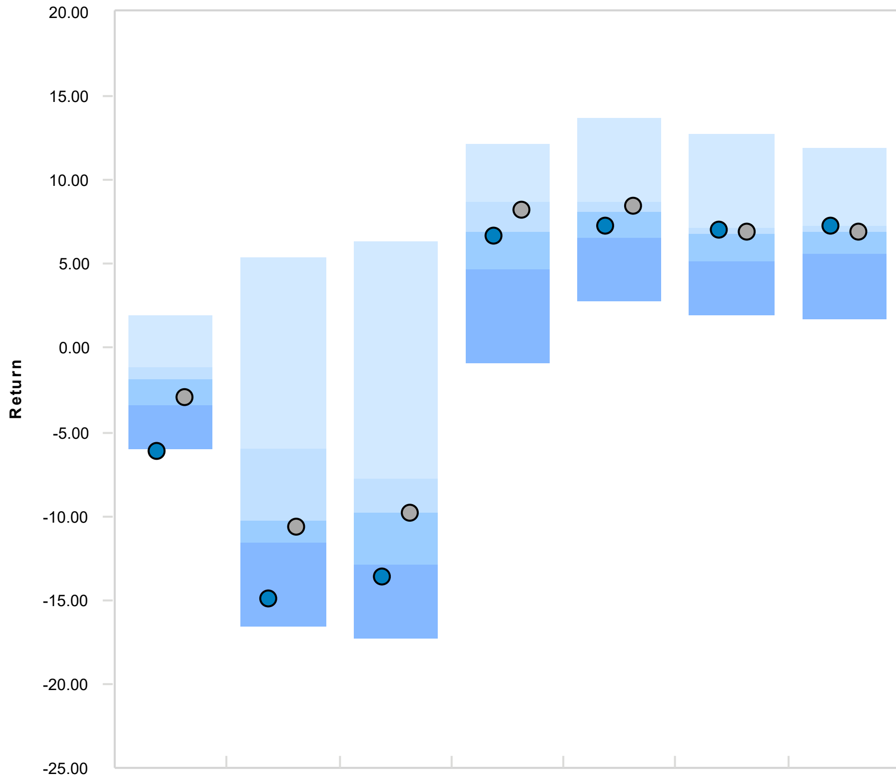
Historical Statistics - 3 Years

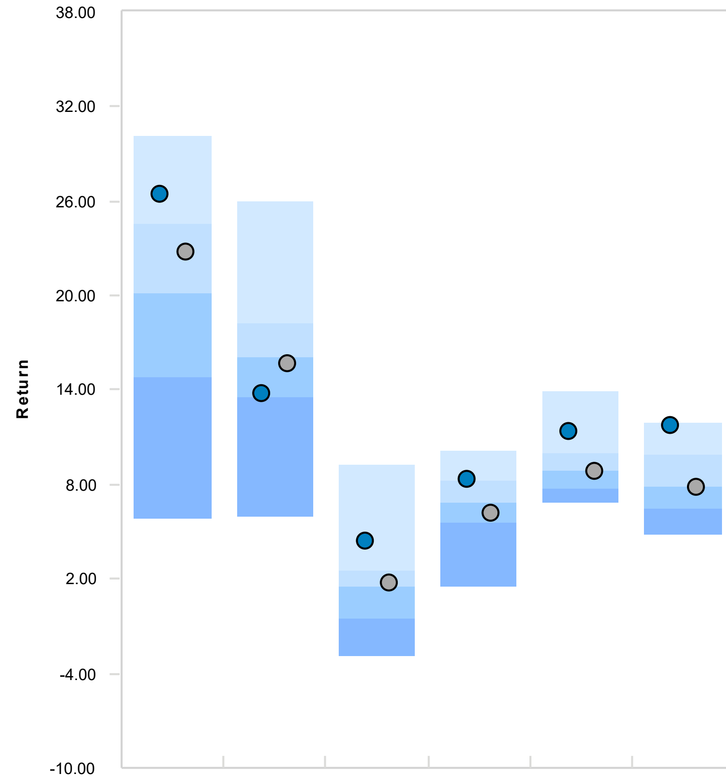
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
PIMCO Div Inc Fund	2.11	121.31	105.08	1.43	0.54	-0.29	1.14	5.77
Blmbg. Global Credit	0.00	100.00	100.00	0.00	N/A	-0.51	1.00	5.07

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
PIMCO Div Inc Fund	2.26	106.38	106.15	-0.06	0.06	0.04	1.11	5.97
Blmbg. Global Credit	0.00	100.00	100.00	0.00	N/A	0.03	1.00	5.07

Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)





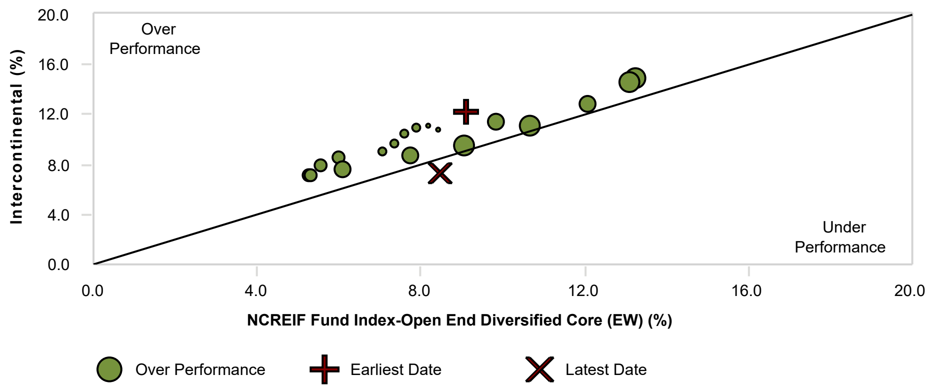
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Intercontinental	-6.11	(97)	-14.94	(89)	-13.58	(81)	6.74	(53)	7.33	(64)	7.01	(32)	7.27	(27)
NCREIF FD ODCE-EW	-2.86	(71)	-10.68	(70)	-9.82	(50)	8.30	(34)	8.48	(33)	6.97	(34)	6.96	(51)
Median	-1.80		-10.33		-9.86		6.95		8.17		6.84		6.97	

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		Oct-2019 To Sep-2020		Oct-2018 To Sep-2019		Oct-2017 To Sep-2018		Oct-2016 To Sep-2017	
Intercontinental	26.50	(13)	13.87	(70)	4.41	(11)	8.32	(19)	11.41	(9)	11.83	(6)
NCREIF FD ODCE-EW	22.76	(38)	15.75	(54)	1.74	(43)	6.17	(70)	8.82	(56)	7.81	(51)
Median	20.19		16.09		1.58		6.80		8.93		7.83	

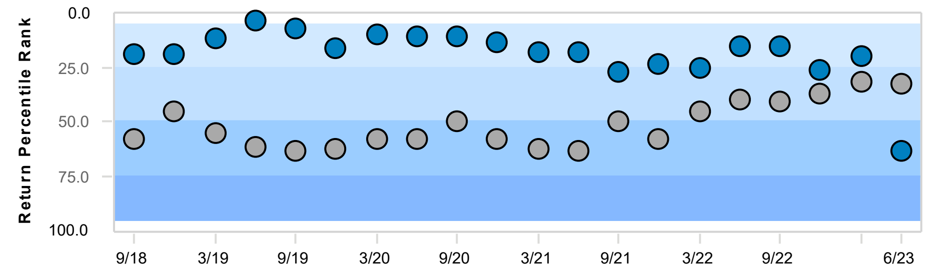
Comparative Performance

	1 Qtr Ending Mar-2023		1 Qtr Ending Dec-2022		1 Qtr Ending Sep-2022		1 Qtr Ending Jun-2022		1 Qtr Ending Mar-2022		1 Qtr Ending Dec-2021	
Intercontinental	-3.61	(72)	-6.01	(77)	1.60	(27)	7.26	(11)	5.76	(73)	9.75	(18)
NCREIF Fund Index-Open End Diversified Core (EW)	-3.31	(65)	-4.90	(48)	0.96	(41)	4.55	(38)	7.99	(16)	7.70	(44)
IM U.S. Open End Private Real Estate (SA+CF) Median	-2.98		-4.97		0.60		4.02		6.68		7.58	

3 Yr Rolling Under/Over Performance - 5 Years

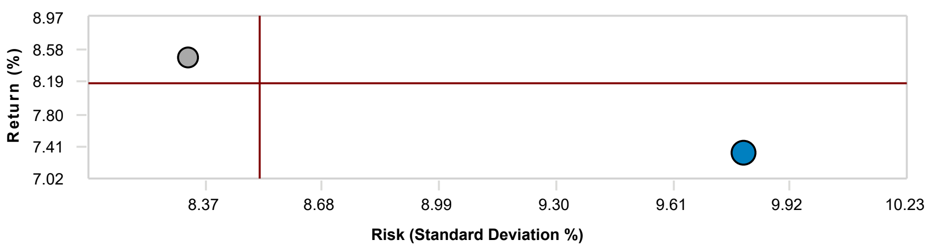


3 Yr Rolling Percentile Ranking - 5 Years



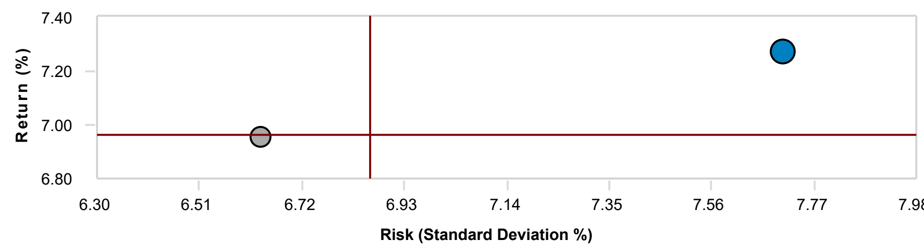
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Intercontinental	20	17 (85%)	2 (10%)	1 (5%)	0 (0%)
NCREIF FD ODCE-EW	20	0 (0%)	9 (45%)	11 (55%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Intercontinental	7.33	9.80
NCREIF FD ODCE-EW	8.48	8.33
Median	8.17	8.52

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Intercontinental	7.27	7.71
NCREIF FD ODCE-EW	6.96	6.63
Median	6.97	6.86

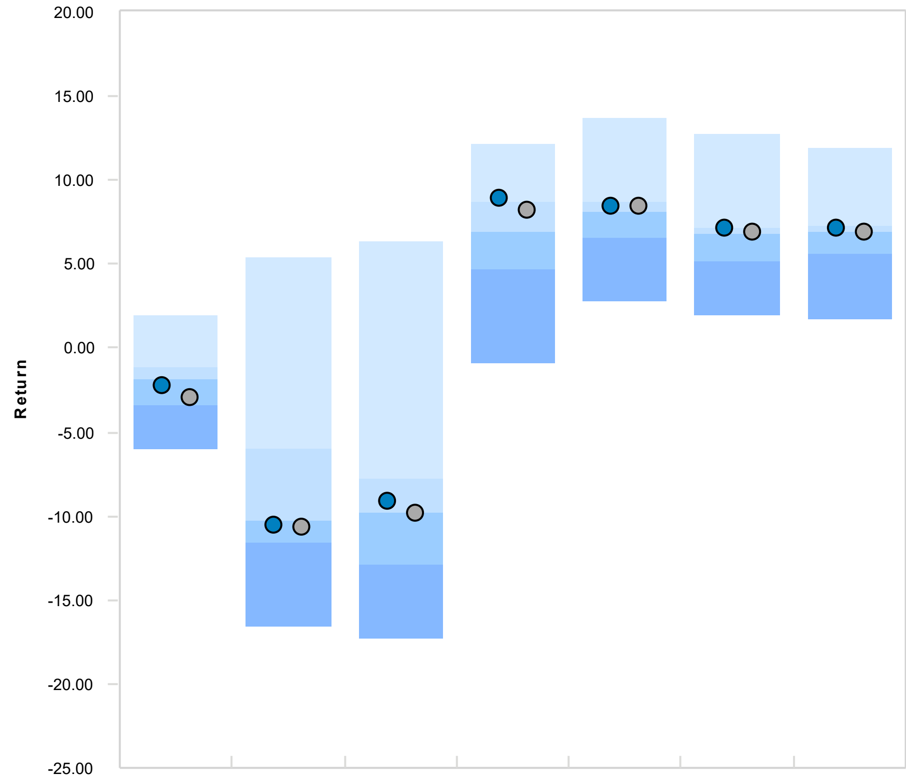
Historical Statistics - 3 Years

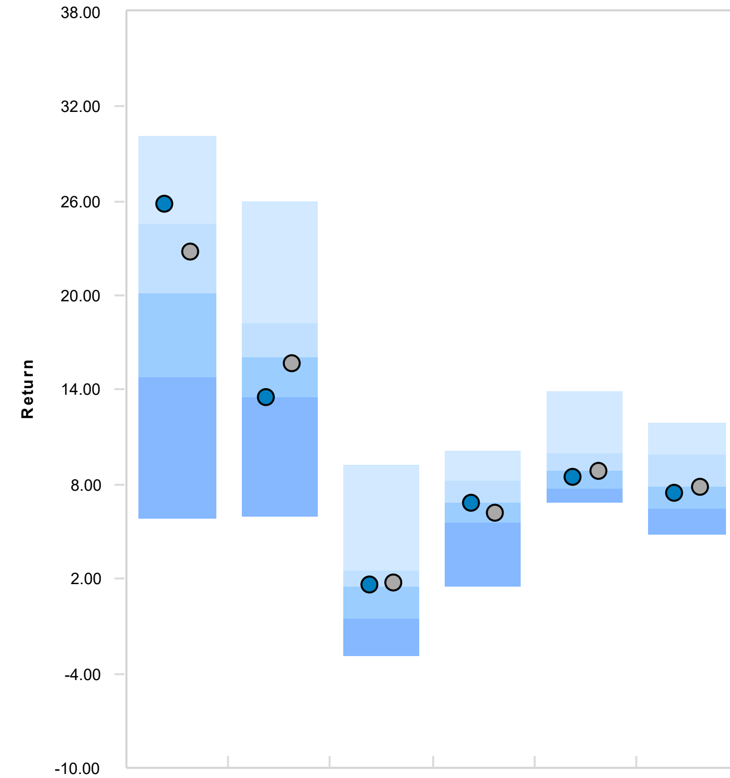
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Intercontinental	3.20	104.88	142.08	-1.67	-0.30	0.60	1.09	5.37
NCREIF FD ODCE-EW	0.00	100.00	100.00	0.00	N/A	0.79	1.00	3.79

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Intercontinental	2.74	111.22	127.57	-0.21	0.14	0.69	1.08	4.16
NCREIF FD ODCE-EW	0.00	100.00	100.00	0.00	N/A	0.74	1.00	2.99

Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)





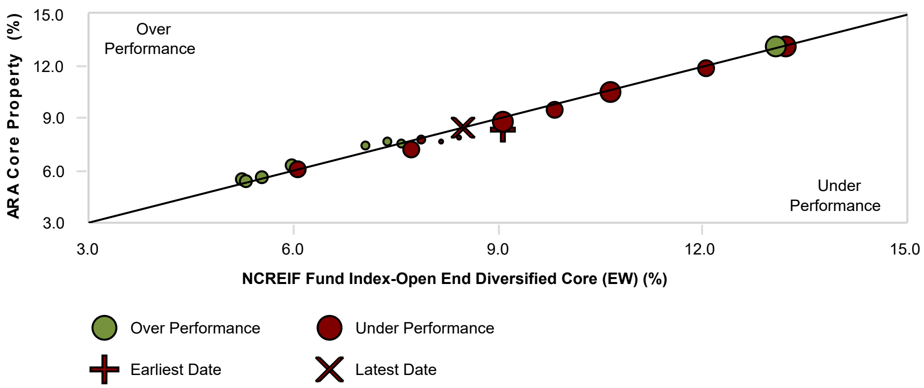
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
● ARA Core Property	-2.22	(68)	-10.55	(69)	-9.07	(41)	9.01	(18)	8.45	(36)	7.12	(28)	7.21	(32)
● NCREIF FD ODCE-EW	-2.86	(71)	-10.68	(70)	-9.82	(50)	8.30	(34)	8.48	(33)	6.97	(34)	6.96	(51)
Median	-1.80		-10.33		-9.86		6.95		8.17		6.84		6.97	

	Oct-2021 To Sep-2022		Oct-2020 To Sep-2021		Oct-2019 To Sep-2020		Oct-2018 To Sep-2019		Oct-2017 To Sep-2018		Oct-2016 To Sep-2017	
● ARA Core Property	25.79	(18)	13.51	(75)	1.62	(49)	6.81	(50)	8.51	(61)	7.52	(55)
● NCREIF FD ODCE-EW	22.76	(38)	15.75	(54)	1.74	(43)	6.17	(70)	8.82	(56)	7.81	(51)
Median	20.19		16.09		1.58		6.80		8.93		7.83	

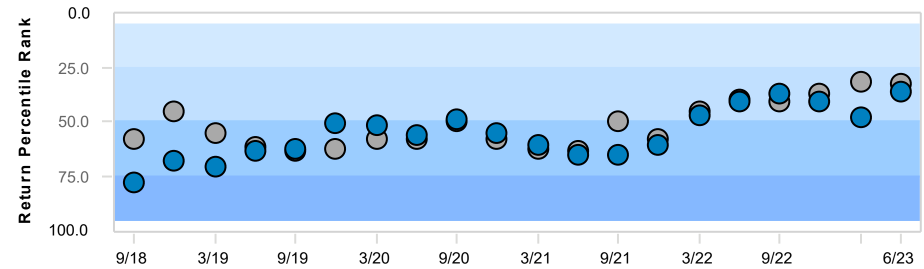
Comparative Performance

	1 Qtr Ending Mar-2023		1 Qtr Ending Dec-2022		1 Qtr Ending Sep-2022		1 Qtr Ending Jun-2022		1 Qtr Ending Mar-2022		1 Qtr Ending Dec-2021	
ARA Core Property	-3.28	(65)	-5.42	(65)	1.66	(20)	4.84	(32)	8.46	(11)	8.81	(31)
NCREIF Fund Index-Open End Diversified Core (EW)	-3.31	(65)	-4.90	(48)	0.96	(41)	4.55	(38)	7.99	(16)	7.70	(44)
IM U.S. Open End Private Real Estate (SA+CF) Median	-2.98		-4.97		0.60		4.02		6.68		7.58	

3 Yr Rolling Under/Over Performance - 5 Years

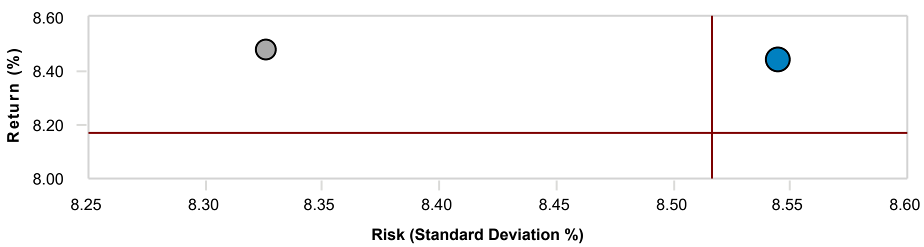


3 Yr Rolling Percentile Ranking - 5 Years



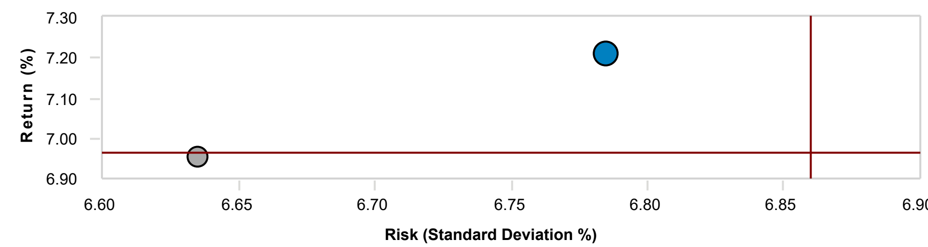
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
ARA Core Property	20	0 (0%)	7 (35%)	12 (60%)	1 (5%)
NCREIF FD ODCE-EW	20	0 (0%)	9 (45%)	11 (55%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
ARA Core Property	8.45	8.54
NCREIF FD ODCE-EW	8.48	8.33
Median	8.17	8.52

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
ARA Core Property	7.21	6.78
NCREIF FD ODCE-EW	6.96	6.63
Median	6.97	6.86

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
ARA Core Property	1.34	99.49	98.65	-0.11	-0.01	0.77	1.01	3.88
NCREIF FD ODCE-EW	0.00	100.00	100.00	0.00	N/A	0.79	1.00	3.79

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
ARA Core Property	1.08	102.29	98.44	0.16	0.24	0.75	1.01	3.05
NCREIF FD ODCE-EW	0.00	100.00	100.00	0.00	N/A	0.74	1.00	2.99

Fund Information

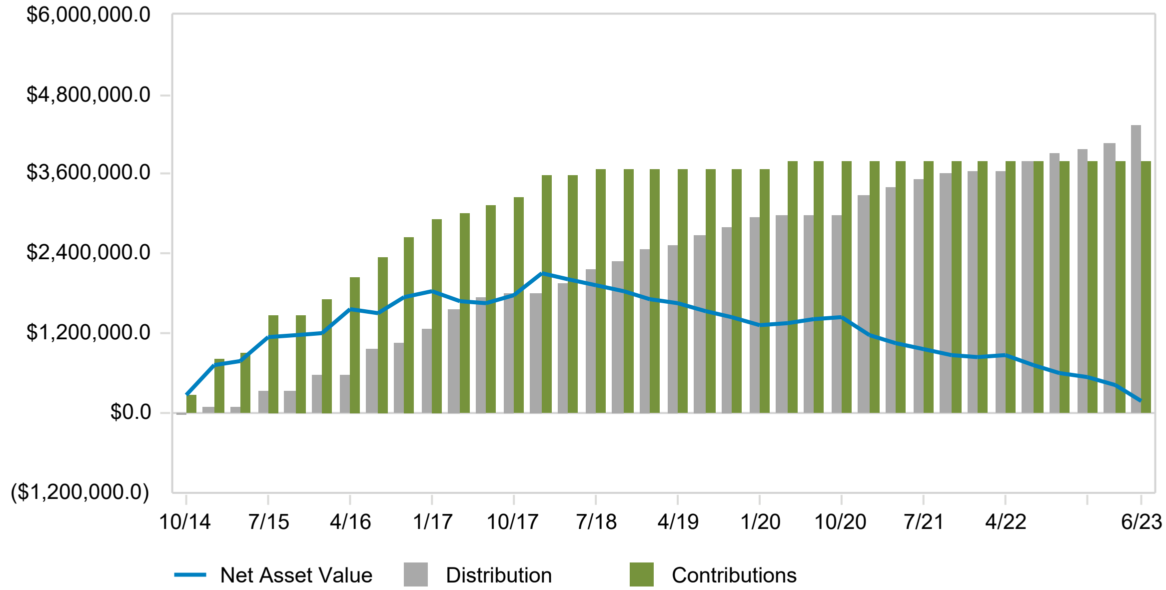
Type of Fund:	Direct	**Vintage Year:**	2014
Strategy Type:	Other	**Management Fee:**	1.35% of invested equity capital
Size of Fund:	-	**Preferred Return:**	7.00%
Inception:	09/05/2014	**General Partner:**	CDL Levered General Partner, Ltd.
Final Close:	9/5/2015 expected	**Number of Funds:**	

Investment Strategy: High Current income while focusing on preservation of capital through investment primarily in senior secured loans of private U.S. lower-middle-market companies. The Fund will seek to enhance returns on its investments through the use of leverage. Fund size is $250 million/ $500 million with leverage.

Cash Flow Summary

Capital Committed:	$2,500,000
Capital Invested:	$3,796,793
Management Fees:	$62,834
Expenses:	$82,032
Interest:	-
Total Contributions:	$3,796,793
Remaining Capital Commitment:	$228,669
Total Distributions:	$4,345,015
Market Value:	$178,042
Inception Date:	10/16/2014
Inception IRR:	6.9
TVPI:	1.2

Cash Flow Analysis



Fund Information

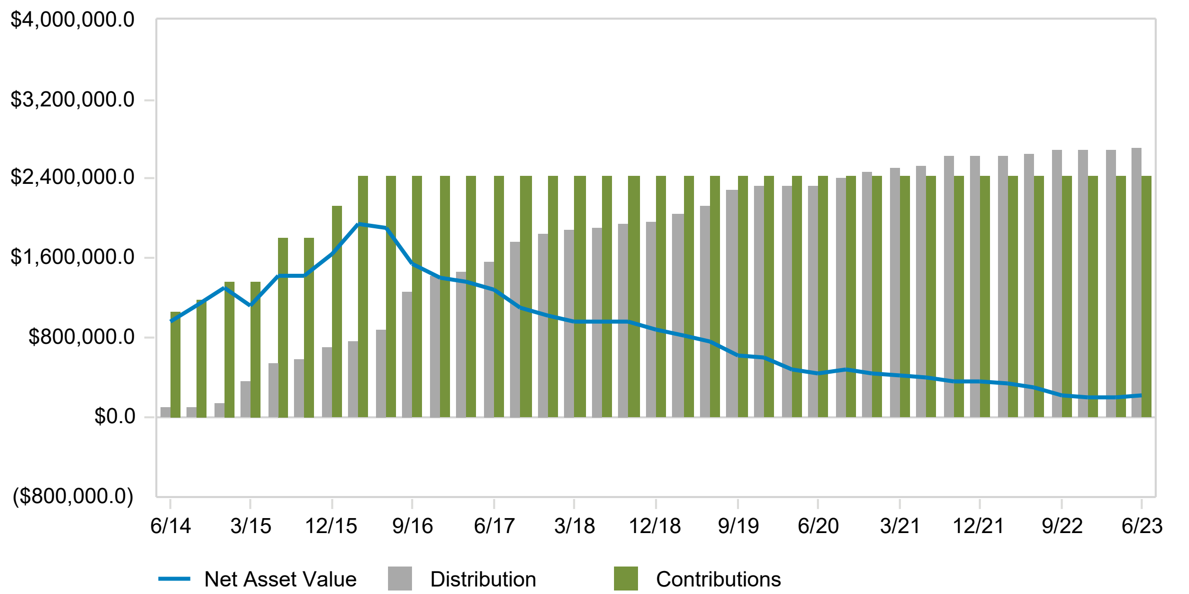
Type of Fund:	Other	**Vintage Year:**	2013
Strategy Type:	Other	**Management Fee:**	1.50%
Size of Fund:	839,030,000	**Preferred Return:**	8.00%
Inception:	12/19/2012	**General Partner:**	LBC Credit Funding III L.P.
Final Close:	5/23/2014	**Number of Funds:**	

Investment Strategy: Provider of middle market financing including senior term, unitranche, second lien, junior secured, and mezzanine debt; and equity co-investments to companies with EBITDA generally.

Cash Flow Summary

Capital Committed:	$2,500,000
Capital Invested:	$2,375,000
Management Fees:	$296,794
Expenses:	$326,011
Interest:	$62,637
Total Contributions:	$2,437,637
Remaining Capital Commitment:	$125,000
Total Distributions:	$2,707,203
Market Value:	$214,064
Inception Date:	06/23/2014
Inception IRR:	7.1
TVPI:	1.2

Cash Flow Analysis



Private Equity Summary of Partnership

Partnerships	Valuation Date	Vintage Year	Investment Strategy	Capital Commitment $	Drawn Down $	Market Value $	Distributed $	IRR (%)	TVPI Multiple
Crescent Direct Lending Levered Fund	06/30/2023	2014	Other	2,500,000	3,796,793	178,042	4,345,015	6.9	1.2
LBC Credit Partners III	06/30/2023	2013	Other	2,500,000	2,437,637	214,064	2,707,203	7.1	1.2

Total Fund Policy	
Allocation Mandate	**Weight (%)**
Jan-1979	
Russell 3000 Index	55.00
MSCI EAFE Index	10.00
BofA Merrill Lynch Domestic Master Bond Index	35.00
Apr-2009	
Russell 3000 Index	50.00
MSCI EAFE Index	15.00
Blmbg. U.S. Aggregate Index	30.00
Bloomberg U.S. TIPS Index	5.00
Oct-2010	
Russell 3000 Index	50.00
MSCI EAFE Index	15.00
Blmbg. U.S. Aggregate Index	20.00
Bloomberg U.S. TIPS Index	5.00
NCREIF Fund Index-Open End Diversified Core (EW)	10.00
Apr-2011	
Russell 3000 Index	44.00
MSCI EAFE Index	11.00
Blmbg. U.S. Aggregate Index	25.00
Bloomberg U.S. TIPS Index	5.00
NCREIF Fund Index-Open End Diversified Core (EW)	10.00
MSCI Emerging Markets Index	5.00
Jul-2020	
Russell 3000 Index	45.00
MSCI AC World ex USA (Net)	15.00
Bloomberg Intermed Aggregate Index	20.00
Blmbg. Global Credit (Hedged)	4.00
Bloomberg U.S. TIPS Index	3.50
Credit Suisse Leveraged Loan Index	2.50
NCREIF Fund Index-Open End Diversified Core (EW)	10.00

Total Fund Policy (Ex RE)	
Allocation Mandate	**Weight (%)**
Jan-1979	
Russell 3000 Index	55.00
MSCI EAFE Index	10.00
BofA Merrill Lynch Domestic Master Bond Index	35.00
Apr-2009	
Russell 3000 Index	50.00
MSCI EAFE Index	15.00
Blmbg. U.S. Aggregate Index	30.00
Bloomberg U.S. TIPS Index	5.00
Oct-2010	
Russell 3000 Index	55.60
MSCI EAFE Index	16.70
Blmbg. U.S. Aggregate Index	22.20
Bloomberg U.S. TIPS Index	5.50
NCREIF Property Index	0.00
Jul-2020	
Russell 3000 Index	45.00
MSCI AC World ex USA (Net)	15.00
Bloomberg Intermed Aggregate Index	30.00
Blmbg. Global Credit (Hedged)	4.00
Bloomberg U.S. TIPS Index	3.50
Credit Suisse Leveraged Loan Index	2.50

Total Equity Securities Policy

Allocation Mandate	Weight (%)
Jan-1979	
Russell 3000 Index	80.00
MSCI EAFE Index	20.00
Apr-2011	
Russell 3000 Index	67.00
MSCI EAFE Index	25.00
MSCI Emerging Markets Index	8.00
Jul-2020	
Russell 3000 Index	75.00
MSCI AC World ex USA (Net)	25.00

Total Fixed Income Policy

Allocation Mandate	Weight (%)
Jan-1976	
BofA Merrill Lynch Domestic Master Bond Index	100.00
Apr-2009	
Blmbg. U.S. Aggregate Index	100.00
Jul-2020	
Bloomberg Intermed Aggregate Index	67.00
Bloomberg U.S. TIPS Index	14.00
Blmbg. Global Credit (Hedged)	14.00
Credit Suisse Leveraged Loan Index	5.00

Domestic Equity Securities Policy

Allocation Mandate	Weight (%)
Jan-1979	
Russell 3000 Index	100.00

Broad Mkt Fixed Income Policy

Allocation Mandate	Weight (%)
Jan-1976	
Blmbg. U.S. Aggregate Index	100.00
Jul-2020	
Bloomberg Intermed Aggregate Index	100.00

Foreign Equity Securities Policy

Allocation Mandate	Weight (%)
Jan-1988	
MSCI EAFE Index	70.00
MSCI Emerging Markets Index	30.00
Jul-2020	
MSCI AC World ex USA (Net)	100.00

Non-Core Fixed Income Policy

Allocation Mandate	Weight (%)
Jun-2020	
Blmbg. Global Credit (Hedged)	35.00
Bloomberg U.S. TIPS Index	40.00
Credit Suisse Leveraged Loan Index	25.00

Total Fund Compliance:	Yes	No	N/A
1. The Total Plan return equaled or exceeded the 6.8% actuarial earnings assumption over the trailing three and five year periods.		✓	
2. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three and five year periods.		✓	
3. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing three and five year periods.		✓	
4. Total foreign securities were less than 25% of the total plan assets at market.	✓		

Equity Compliance:	Yes	No	N/A
1. Total domestic equity returns meet or exceed the benchmark over the trailing three and five year periods.		✓	
2. Total domestic equity returns ranked within the top 40th percentile of its peer group over the trailing three and five year periods.		✓	
3. Total foreign equity returns meet or exceed the benchmark over the trailing three and five year periods.		✓	
4. Total foreign equity returns ranked within the top 40th percentile of its peer group over the trailing three and five year periods.		✓	
5. The total equity allocation was less than 70% of the total plan assets at market.	✓		

Fixed Income Compliance:	Yes	No	N/A
1. Total fixed income returns meet or exceed the benchmark over the trailing three and five year periods.	✓		
2. Total fixed income returns ranked within the top 40th percentile of its peer group over the trailing three and five year periods.			✓
3. The weighted average quality of the fixed portfolio was AA or better. # As it applies to Eaton Vance	✓		
4. The duration of the fixed income portfolio was within +/- 25% of the policy benchmark. # As it applies to Eaton Vance	✓		
5. 90% of the fixed income securities rated investment grade or higher. # As it applies to Eaton Vance	✓		

Manager Compliance:	DSM			VG (VINIX) #			Brandywine *			VG (VSPMX) #			Europac		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Manager outperformed the index over the trailing three and five year periods.		✓				✓	✓					✓		✓	
2. Manager ranked within the top 40th percentile over trailing three and five year periods.		✓				✓		✓				✓		✓	
3. Less than four consecutive quarters of under-performance relative to the benchmark.	✓					✓	✓					✓	✓		
4. Three and five year down market capture ratios less than the index.	✓					✓		✓				✓		✓	

*Data available for three-year period only./ # Some data does not apply to Index Funds

Manager Compliance:	Eaton Vance			VG TIPS			Pimco			Intercontinental			ARA Core		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Manager outperformed the index over the trailing three and five year periods.	✓				✓		✓				✓			✓	
2. Manager ranked within the top 40th percentile over trailing three and five year periods.	✓				✓		✓				✓				
3. Less than four consecutive quarters of under-performance relative to the benchmark.	✓			✓			✓			✓			✓		
4. Three and five year down market capture ratios less than the index.	✓				✓			✓				✓			✓

	Estimated Annual Fee (%)	Market Value ($)	Estimated Annual Fee ($)	Fee Schedule
DSM Large Cap Growth	0.85	12,278,538	104,589	1.00 % of First $5 M 0.75 % of Next $15 M 0.63 % of Next $80 M 0.50 % Thereafter
Brandywine LCV	0.44	13,285,266	58,141	0.45 % of First $10 M 0.40 % of Next $15 M 0.38 % of Next $25 M 0.35 % of Next $50 M 0.30 % Thereafter
Vanguard Institutional Index (VINIX)	0.44	18,712,735	82,336	0.44 % of Assets
Vanguard S&P Mid-Cap 400 Index (VSPMX)	0.08	26,707,081	21,366	0.08 % of Assets
Total Domestic Equity Securities	**0.38**	**70,983,620**	**266,432**	
EuroPacific Growth Fund (RERGX)	0.46	22,260,216	102,397	0.46 % of Assets
Total Foreign Equity Securites	**0.46**	**22,260,216**	**102,397**	
Eaton Vance Fixed Income	0.36	26,622,501	94,868	0.45 % of First $10 M 0.30 % of Next $40 M 0.20 % Thereafter
Vanguard TIPS (VAIPX)	0.10	6,586,892	6,587	0.10 % of Assets
PIMCO Diversified Income Fund (PDIIX)	0.75	3,156,787	23,676	0.75 % of Assets
Crescent Direct Lending Levered Fund	1.35	178,042	2,404	1.35 % of Assets
LBC Credit Partners III	1.75	214,064	3,746	1.75 % of Assets
Total Fixed Income	**0.36**	**36,758,286**	**131,280**	
Intercontinental	1.10	8,713,404	95,847	1.10 % of Assets
ARA Core Property Fund	1.10	5,866,302	64,529	1.10 % of Assets
Total Direct Real Estate	**1.10**	**14,579,706**	**160,377**	
Mutual Fund Cash	0.00	-	-	
Receipt & Disbursement	0.45	2,023,965	9,108	
Total Cash Composite	**0.45**	**2,023,965**	**9,108**	
Total Fund	**0.46**	**146,605,793**	**669,593**	

Fee information on this page is an illustrative estimate of management fees based on current reported portfolio values. Fee estimates do not reflect actual calculation methodologies or applicable carried interest.

- All returns prior to 4/1/2008 provided by Merrill Lynch and are gross of fees.
- Mutual Fund Returns are Net of Fees
- Individual manager and allocation reports use actual client returns. The individual product reviews use reported mutual fund returns provided by the Lipper database. Differences in performance may occur due to flows into and out of the portfolios.
- Oakmark International Fund replaced with Manning & Napier Fund September 2008
- Europacific changed class shares from AEPGX to RERFX in September 2008

Active Return - Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.

Alpha - 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.

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.

Consistency - 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.

Distributed to Paid In (DPI) - 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.

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

Downside Risk - 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.

Excess Return - Arithmetic difference between the manager's performance and the risk-free return over a specified time period.

Excess Risk - A measure of the standard deviation of a portfolio's performance relative to the risk free return.

Information Ratio - 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.

Public Market Equivalent (PME) - 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.

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.

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.

Total Value to Paid In (TVPI) - 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

Tracking Error - This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.

Treynor Ratio - 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.

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

AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

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Senior Direct Lending Review

August 2023

Kissimmee General Employees' Retirement System

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This report uses assumptions from the 2023 JPMorgan Long Term Capital Market Assumptions (the "2023 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.

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 3rd 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.

RISK FACTORS

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 Implementing an Allocation to Private Debt

Direct lending is expected to outperform core real estate and public fixed income over the long term with less risk than public equity, private equity and value-added real estate.[1,2]

	Category	JPMorgan 2023 LTCMA Expectations[1]		
		Compound Return[2]	Arithmetic Average Return[2]	Volatility[3]
Public	U.S. Large Cap Equity	7.9%	9.1%	16.1%
Public	U.S. Small Cap Equity	8.1%	9.9%	20.4%
Public	Developed International Equity	9.8%	11.1%	17.4%
Public	U.S. Core Fixed Income	4.6%	4.7%	4.1%
Public	U.S. Bank Loans	6.2%	6.5%	8.0%
Public	U.S. High Yield Bonds	6.8%	7.1%	8.5%
Private	Private Equity	9.9%	11.6%	20.0%
Private	U.S. Core Real Estate	5.7%	6.2%	10.6%
Private	U.S. Value-Added Real Estate	7.7%	9.1%	17.6%
Private	**Senior Direct Lending[4]**	**7.8%**	**8.7%**	**13.7%**

[1] Expected returns and volatility are from the "2023 JPMorgan Long-Term Capital Market Assumptions" (LTCMAs) and rounded to the nearest 0.1%. JPMorgan's expectations are for the next 10-15 years.
[2] The compound (or "geometric") return expectation is an expected multi-year growth rate. The arithmetic average return is a single-year return expectation. The compound return is always lower than the arithmetic return due to the variation drain in returns (the impact of standard deviation) over time. Asset classes that have a higher volatility expectation will have a larger difference between the compound return and the arithmetic return.
[3] Volatility is defined as annualized standard deviation of total return.
[4] The senior direct lending category's return and risk expectations were used as a surrogate for the private debt asset class.

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.

Enterprise Value = Illustrative Liabilities + Equity

Assumptions

Company with $50.0M EBITDA

Trades at 9.0x EBITDA

Enterprise Value = $50.0M * 9.0

EBITDA is a measure of cash flow equal to a corporate borrower's annual Earnings Before Interest, Taxes, Depreciation and Amortization.

Lower - **Risk and Expected Return** - Higher

Capital Structure	Yield
Senior Loan 4.0x EBITDA $200.0M Loan ($50.0M x 4) 5-Year Stated Term Often Repaid After ~3 Years	**SOFR + 6.0-8.0%** **+ 1.0-2.5% One-Time Fees[1]**
Mezzanine Loan 1.0x EBITDA $50.0M Loan ($50.0M x 1) 5.0-7.0 Year Term	**11.0-14.0% Fixed Rate[2]** **+ 1.0-2.5% One-Time Fees[1]** **+ Equity participation**
Equity Enterprise Value of Company Minus More Senior Obligations Remainder is 4.0x EBITDA ($200.0M)	**>25.0% Target IRR**

[1] 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.

[2] 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 SOFR 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.

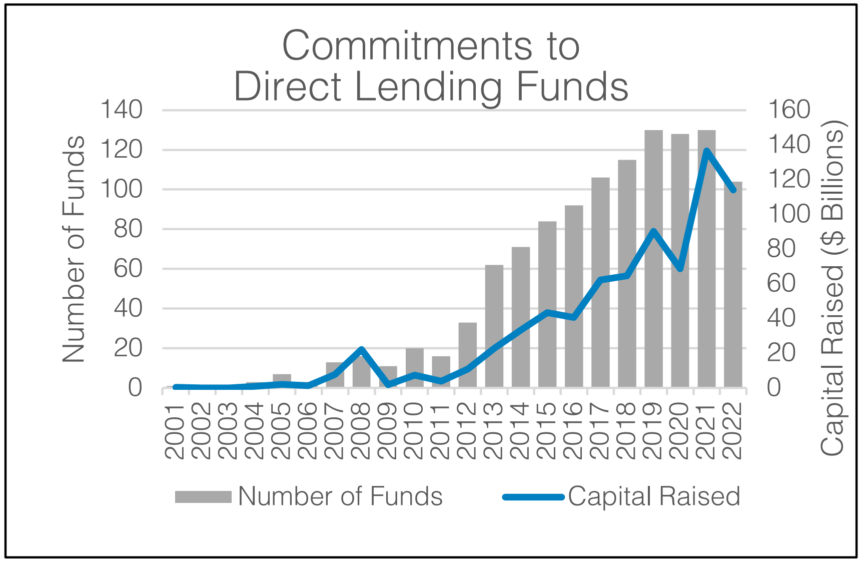
Current Market Environment

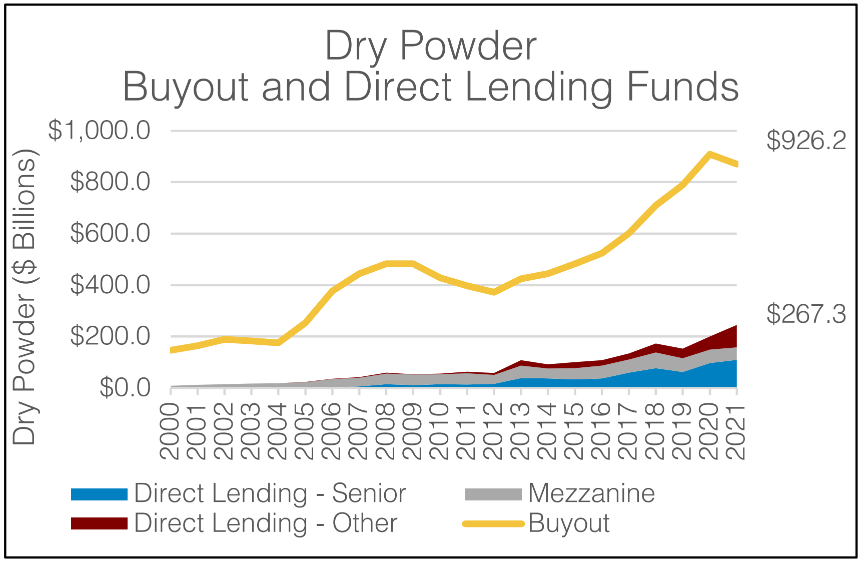
Fundraising and Dry Powder

- We expect borrower demand to support the growth in the direct-lending market.

- As shown in the top chart, direct lending funds received $114 billion in commitments in 2022. While this was down from $136 billion in 2021, it was still more than the category raised in any calendar year prior to 2017.

- However, many direct-lending funds lend to private equity-owned companies. As shown in the bottom chart, direct-lending commitments that have not been called (dry powder) are much less than the uncalled commitments of the private equity buyout funds that often use direct lending for financing.

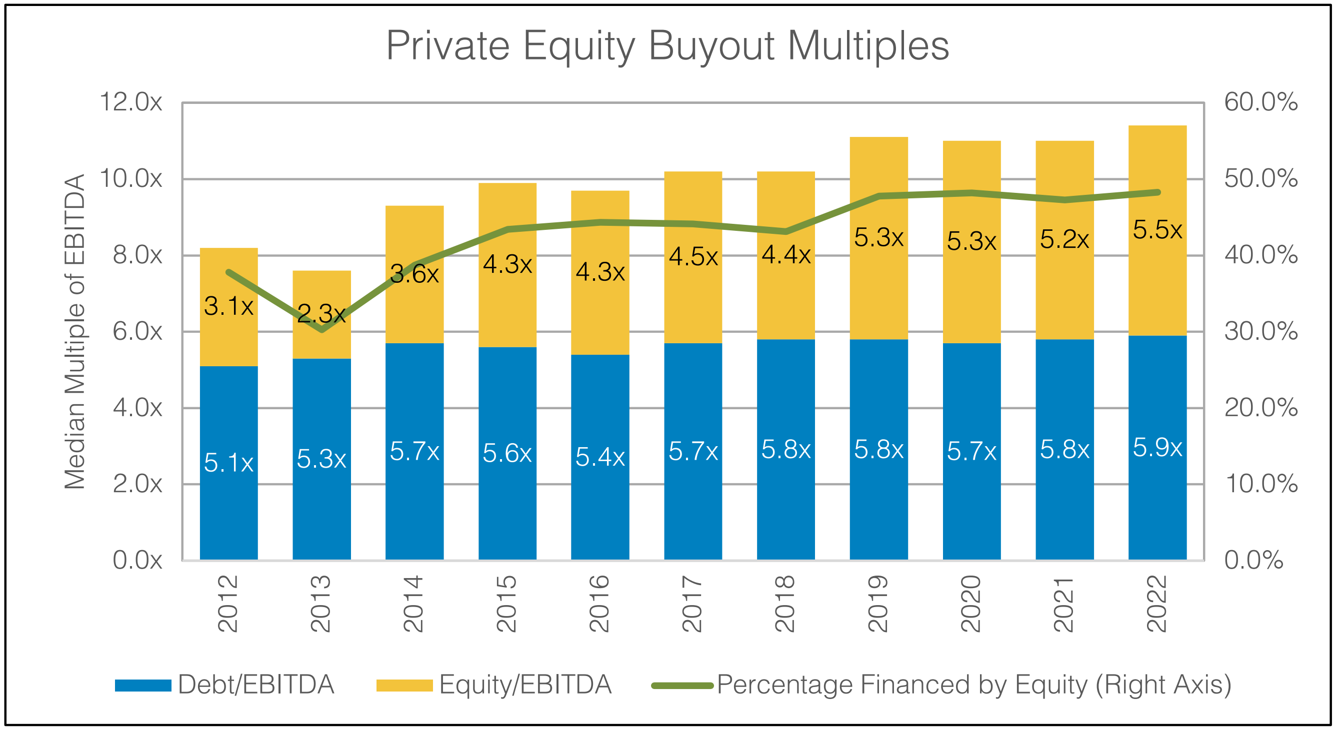




Source: Preqin. Accessed January 17, 2023. Both charts include the most recent data through December 31, 2022, that was available when the database was accessed. Preqin may revise totals as of the same date as the firm receives more data. The chart at the top includes Direct Lending funds that are not Mezzanine, which is subordinated to senior debt and thus considered of different risk. The numbers to the right of the chart at the bottom 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 December 31, 2022.

Valuations and Equity Financing

While private corporate valuations have risen as a multiple of cash flow, the increase has primarily been funded with equity. As shown below, the median private equity (PE) buyout transaction was financed with 48% equity capital in 2022. This tied with 2019 for the largest proportionate equity contribution in the last 10 years.



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 and has generally increased since 2013.

Source: PitchBook Data, Inc. (2023, January 12). *2022 Annual US PE Breakdown.* https://pitchbook.com/news/reports/2022-annual-us-pe-breakdown

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[1]

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

Firm	Fund
Carlyle Global Credit Investment Management L.L.C. (Carlyle)	Carlyle Direct Lending (Levered) Fund (CDLF)
Deerpath Capital Management, LP (Deerpath)	Deerpath Capital Advantage VII (US)
Monroe Capital Management Advisors LLC (Monroe)	Monroe Capital Private Credit (Delaware) Feeder Fund V (MCPC V)
PennantPark Investment Advisers, LLC (PIA)	PennantPark Credit Opportunities Fund IV (PCOF IV)

[1] 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 Investment Professionals
Carlyle	2013	Publicly traded (NASDAQ: CG). Carlyle's co-founders Daniel D'Aniello, William Conway, and David Rubenstein each own about 9% of the firm.	$381.0 billion / $9.6 billion	New York, NY	>40
Deerpath	2009	100% employee-owned at the time of this writing. PGIM Investments, a division of Prudential Financial (NYSE: PRU), is expected to acquire 75% of the firm in mid-2023.	$5.6 billion / $5.6 billion[1]	Fort Lauderdale, FL; New York, NY; Chicago, IL; Boston, MA; Los Angeles, CA	20[2]
Monroe	2004	75.1% employee-owned. 24.9% owned by Bonaccord Fund I, whose passive interest is non-voting.	$15.9 billion / $11.2 billion	Chicago, IL	92
PIA	2007	100% owned by Art Penn, Founder and Managing Partner.	$6.0 billion / $6.0 billion[1]	New York, NY; Miami, FL	22

[1] Deerpath and PIA only manage direct lending strategies.
[2] Origination and underwriting professionals are included. Individuals who focus on loan administration, cash management, and other functions related to portfolio management are not included.

Strategy Focus

Firm	Fund Offering	Strategy Focus
Carlyle	Carlyle Direct Lending (Levered) Fund	Senior loans to private equity (PE)-sponsored U.S. companies in the core-to-upper middle-market with $25-100 million in EBITDA.
Deerpath	Deerpath Capital Advantage VI (US)	Senior loans to PE-sponsored U.S. companies in the lower middle-market with $8-20 million in EBITDA.
Monroe	Monroe Capital Private Credit (Delaware) Feeder Fund V	Senior loans to U.S. companies in the lower-to-core middle-market with $10-50 million in EBITDA. Loans to non-PE-owned companies are expected to be less than 20% of the portfolio. Up to 20% of the portfolio may be invested in asset-based loans.
PIA	PennantPark Credit Opportunities Fund IV	Senior debt, junior debt, and equity co-investments in PE-sponsored, lower-to-core middle-market companies with $10-50 million in EBITDA.

Key Differentiators

Firm	Key Strengths	Points to Consider
Carlyle	▪ The fund is evergreen, which may ease administration for some clients. The fund holds quarterly closings and calls commitments sequentially. Commitments are expected to be called over about two years from each closing. Please see the Key Terms slide for a description of redemption terms. ▪ We consider the fund's fees low because, unlike most peers, Carlyle does not charge an incentive fee. ▪ We think the strategy has a defensive profile due to its emphasis on larger borrowers than the other candidates, focus on PE-sponsored companies, and emphasis on borrowers with diversified product offerings and high barriers to entry.	▪ The fund focuses on core-to-upper-middle-market, PE-sponsored companies. Over the long term, we expect it to earn less of a size premium than funds that focus on smaller companies and not to earn the incremental yield that may come from lending to non-sponsored companies. ▪ Carlyle has historically earned a lower gross unlevered since-inception IRR than the other candidates. While the team's 7.5% gross unlevered IRR compares favorably with the 6-8% range we consider typical in the category, it is less than those of the other candidates.
Deerpath	▪ Regional offices drive broad deal flow of more than 2,000 lending opportunities annually. That allows the team to be selective while broadly diversifying portfolios. The team invested in only about 3% of the platform opportunities they reviewed in 2022. ▪ Strong performance. As of March 31, 2023, Deerpath's since-inception unlevered gross IRR was 10.5% since 2009. That is well above the 6-8% range we consider typical. ▪ Conservative approach. The typical borrower has over 15 years of operating history. Deerpath seeks to make loans with low leverage and loan-to-value ratios, which have contributed to a low 0.1% annualized credit-loss rate since inception.	▪ PGIM Investments (PGIM), a subsidiary of Prudential Financial Inc. (NYSE: PRU), has agreed to purchase 75% of Deerpath. The transaction is expected to close in mid-2023. We consider the acquisition positive because it allows two co-founders who work for Deerpath part-time to be succeeded by tenured, full-time Deerpath employees on the investment committee (IC). ▪ Deerpath charges administrative fees on top of the management fee. We still consider the fund's fees competitive. The sum of these expenses and the management fee is below the median that Preqin reports for recently incepted direct lending funds.

Key Differentiators

Firm	Key Strengths	Points to Consider
Monroe	▪ A deep team of more than 20 originators in four regional offices allows the team to diversify the portfolio broadly among more than 100 expected issuers during the fund's term while remaining selective. The team reviews about 2,000 opportunities annually and invests in about 5% of them. ▪ 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. ▪ 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.	▪ 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 relative to the typical senior direct lending strategy. ▪ Zia Uddin, who was lead PM for the prior fund, has stepped back to Co-PM of MCPC V alongside Chris Lund. Uddin has been named Monroe's president and we think he may become CEO when co-founder Ted Koenig retires. Uddin and Lund make decisions jointly for MCPC and we think that Lund may take the lead role in the next few years. We are comfortable with these transitions, which we expect to continue over several years. We also note that the experienced, 10-member investment committee is responsible for approving investments.
PIA	▪ We expect the fund's flexible approach to increase return in stable or improving market environments. Specifically, unlike the other candidates, the fund is expected to invest significantly in junior debt and equity. We associate those transaction types with higher targeted IRRs. ▪ Relative to many opportunistic products, PCOF IV's modest targeted fund size may allow it to pursue smaller and less-followed secondary-market opportunities during dislocations in the public bank-loan market. ▪ The strategy that includes PCOF IV has a solid track record. Since its 2007 inception, PIA's Opportunistic Credit strategy invested \$8.5 billion in more than 350 companies and achieved a 9.5% gross unlevered IRR and a 0.4% annualized credit-loss rate through March 31, 2023.	▪ We expect PCOF IV's larger allocation to junior debt and equity investments to increase its risk relative to the other candidates. This is because we generally expect junior debt and equity investments to be impaired before senior loans to the same company when its valuation declines. ▪ The fund will assess a 1.50% management fee on invested capital. This is higher than the about 1.25% rate we consider typical for the fund's style. ▪ If all three senior partners left PIA, PCOF IV could still make investments during its investment period because the fund's key-person provision is broadly drafted. While we like PIA's collaborative culture, we would prefer for PCOF IV to pause new investments if all PIA's senior partners left. ▪ PIA is seeking \$400 million in commitments for PCOF IV, which is more than twice the prior fund's \$180 million in committed capital. Accordingly, to stay as selective as the typical direct-lending strategy, the firm may need to increase its deal flow if all else about the strategy stays the same.

Investment Team

Firm	Key Decision-Makers	Team Stability
Carlyle	▪ Decisions are made by a 12-member investment committee (IC). Each member of the IC has at least 18 years of experience. ▪ The IC includes three members from the Carlyle Direct Lending (CDL) team: CIO of Direct Lending and Head of Underwriting Michael Hadley, COO and Chief Risk Officer of Direct Lending Tom Hennigan, and Vice Chair of Global Credit and Head of Direct Lending Aren Leekong. They each have about 25 years of experience. The IC also includes senior managers who oversee Carlyle's global credit platform and managers of its other credit strategies. ▪ Before an investment opportunity advances to the IC, it is reviewed by a screening committee (SC). The SC includes five permanent members from the CDL team, each of whom has more than 20 years of experience, plus one rotating managing director from the CDL team and one rotating managing director from Carlyle's opportunistic credit team.	▪ Taylor Boswell, CIO of Direct Lending, departed from Carlyle in December 2022. He joined Carlyle in 2017 and had led the team since 2019. Michael Hadley succeeded Boswell as the CIO, while remaining the Head of Underwriting. Hadley joined Carlyle in 2007 and joined the team in 2019. He has focused on underwriting throughout his tenure. We are comfortable with this change. ▪ Carlyle expanded the IC from five to 12 people in late 2022. The additions represent other Carlyle teams and are intended to diversify the views represented on the IC. We are comfortable with the changes.
Deerpath	▪ Decisions are made by a five-member investment committee (IC). Four members are permanent and one rotates. ▪ 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. ▪ The rotating seat is held by one of seven MDs on the investment team. They each have more than 10 years of experience.	▪ Wendt and Fitzgibbons are expected to leave Deerpath when the PGIM allocation closes. They have spent about one-third of their business time on Deerpath since they co-founded the firm in 2007. ▪ Head of Underwriting Natalie Garcia and Head of Origination Reed Van Gorden are expected to succeed Wendt and Fitzgibbons on the IC. They each have more than 15 years of experience and joined Deerpath in 2015. We consider the changes in the IC positive. After these changes, all IC members will be full-time Deerpath investment professionals.

Investment Team

Firm	Key Decision-Makers	Team Stability
Monroe	▪ Decisions are made by a 10-member IC comprising CEO Theodore Koenig, Head of Originations Thomas Aronson, Chief Credit Officer Michael Egan, President & Co-PM of Institutional Portfolios Zia Uddin, MD & Co-PM of Institutional Portfolios Chris Lund, Managing Director (MD) & Head of Direct Underwriting Alex Franky, MD & Head of Capital Markets Carey Davidson, MD & Co-Head of Opportunistic Credit Aaron Peck, MD & PM of CLO & Loan Trading Jeremy VanDerMeid, and MD and PM of High Net Worth Portfolios Mick Solimene. They each have at least 14 years of experience. ▪ 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.	▪ 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 except Mick Solimene, who joined the firm in 2021 and has more than 40 years of experience. ▪ 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.
PIA	▪ Decisions are made by a seven-member IC comprising Managing Partner Art Penn; Senior Partners Jose Briones, Jr. and Salvatore Giannetti III; and Partners Dan Horn, James Stone, Steve Winograd, and Ryan Raskopf. Each member of the IC has more than 15 years of experience, including more than five years of tenure with PIA. ▪ PIA's investment team works collaboratively throughout the investment process. Most opportunities are originated by senior team members, who work with mid- and junior-level investment professionals to underwrite promising ideas. The same deal team that underwrote each investment monitors it and, if necessary, works out its underperformance.	▪ PIA has had three Chief Financial Officers (CFOs) in the last two years. The firm's first CFO, who served from 2007 to 2021, left to start an administration business. His successor left after about a year for personal reasons. He was succeeded by Richard Allorto in June 2022. We discussed Allorto's experience and these developments with PIA and are comfortable with them. ▪ Four investment team members with the title Principal or above left PIA in the last five years. We consider this turnover typical for a team of this size.

Key Terms

Product	Target Size	Minimum Commitment	Profile	Fund-Level Leverage[1]	First Close	Final Close[2]	Target Net IRR	Fund Lifecycle
Carlyle	n/a	Negotiable[3]	Senior debt. Core-to-upper mid-market PE-sponsored companies with $25-100M EBITDA.	1.0x debt/equity	Jul. 2022	N/A. Rolling quarterly closes.	10-12%	Evergreen. After a two-year lock-up, redemptions may be requested either quarterly or annually.[4]
Deerpath	$2.0 billion	Negotiable[5]	Senior debt. Lower mid-market PE-sponsored companies with $8-20M EBITDA.	2.0x debt/equity	Mid-2023	4Q 2024	10-13%	Eight years from the final closing, plus up to two one-year extensions.
Monroe	$3.0 billion	Negotiable[5]	Senior debt. Lower-to-core mid-market companies with $10-50M EBITDA.	1.0x debt/equity	Mid-2023	May 2024	12-14%	Seven years from the final closing, plus up to two one-year extensions.
PIA	$400 million	Negotiable[5]	Debt and equity. Lower-to-core mid-market PE-owned companies with $10-50M EBITDA.	0.8x debt/equity	Oct. 2022	10/31/23	13-15%	Seven years from the final closing, plus up to two one-year extensions

[1] The Carlyle, Deerpath, and Monroe strategies are also available in "unlevered" vehicles that are approved at AndCo. Those vehicles are expected to use subscription lines of credit to make managing cash flows easier for investors, but they are not expected to use long-term leverage. The unlevered funds' return targets are lower than those of the levered funds shown in this report.
[2] 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.
[3] The fund's stated minimum is $10.0 million. Carlyle has agreed to waive or reduce their fund's minimum for AndCo's clients.
[4] Investors may request redemptions either quarterly or annually after a two-year initial lock-up measured from the date of each closing. In the quarterly redemption option, investors may be able to redeem at net asset value with 90 days' notice, subject to available matching subscriptions and unfunded commitments. In the annual redemption option, investors may redeem with 180 days' notice prior to year-end, which is when a pro-rata portion of the portfolio would be set aside in a run-off sleeve. As investments in the run-off sleeve generated cash, that would be distributed as available. We expect the annual redemption option to take multiple years.
[5] The funds' stated minimums are $5.0 million. Deerpath, Monroe, and PIA have agreed to waive their funds' minimums for AndCo's clients.

Key Terms

Firm	Investment Period	Investment Management Fees[1]	Preferred Return	Carried Interest
Carlyle	Capital is expected to be called within two years after each closing. Other than dividends, capital will be reinvested until the investor redeems. Investors can choose to reinvest dividends.	Management Fee: 1.25% annually on gross asset value. Discounts may be available for commitments of at least $50 million.	N/A	None.
Deerpath	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. A 10% discount from the management fee (resulting in 0.90%) is available for commitments of at least $100M.[2] Administrative Fees: Estimated at 0.35-0.45% of gross assets annually.	7%	15% A 10% discount (resulting in a 13.5% rate) is available for commitments of at least $100M.[2]

[1] Each candidate is expected to use fund-level leverage. Consistent with prevailing direct lending industry practice, their fees are assessed on gross assets, including assets purchased using debt as well as equity. Their 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 invested equity.

[2] Deerpath has agreed to aggregate AndCo client commitments for its fund's scale-based discount. 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. There is no guarantee that any discount will be available.

Key Terms

Firm	Investment Period	Investment Management Fees[1]	Preferred Return	Carried Interest
Monroe	Four years from the final closing.	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 that represent a return of capital, plus the principal amount of any indebtedness incurred by the partnership and currently outstanding.		
PIA	Four years from the final closing.	Management Fee: 1.50% annually on invested capital, which is defined as the cost of portfolio investments that have not been written off or written down. PIA offered a discounted management fee of 1.25% if commitments by AndCo's clients are at least $25 million.[3] Administration: $62,500 quarterly. We estimate that this would be about 0.03% of gross assets annually if PIA's goals for the fund's size and leverage are met.	8%	15%[3]

Monroe tiered schedule:

Commitment[2]	Mgmt. Fee on Invested Assets	Preferred Return	Carried Interest
Less than $50 million	1.25%	7.0%	15.00%
At least $50M but <$75M	1.15%	7.0%	12.50%
At least $75M but <$160M	1.00%	7.0%	10.00%
At least $160M	1.30% on invested equity instead of invested assets	7.0%	12.50%

[1] Each candidate is expected to use fund-level leverage. Consistent with prevailing direct lending industry practice, their fees are assessed on gross assets, including assets purchased using debt as well as equity. Their 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 invested equity.

[2] Monroe has agreed to aggregate AndCo client commitments for their fund's 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 Monroe. There is no guarantee that any discount will be available.

[3] Further management fee discounts and carried interest discounts may be available if commitments by AndCo's clients are at least $50 million. The first discount from the carried interest may apply at the $50 million aggregate level. 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.

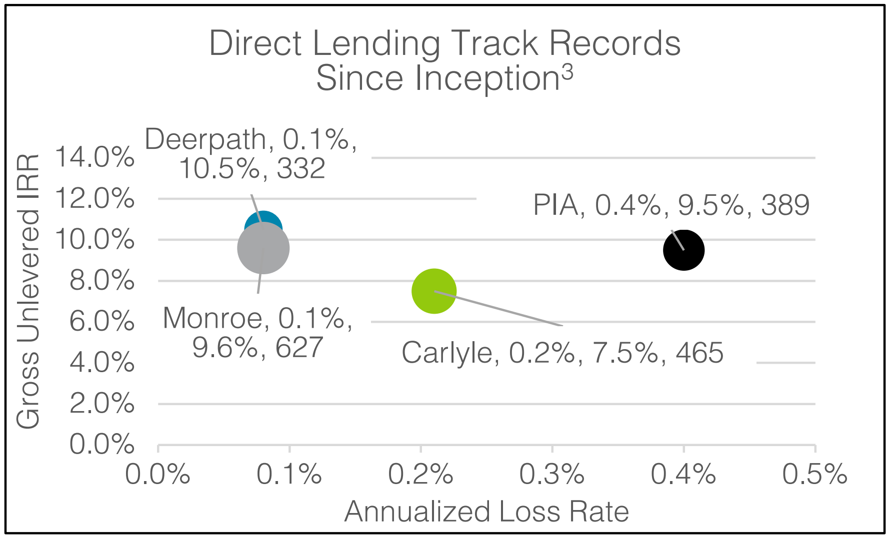
Vintage Year[1]	Carlyle	Deerpath	Monroe	PIA
2006			4.5%	
2007			9.3%	5.6%
2008			3.7%	12.4%
2009		19.8%	15.9%	13.7%
2010		14.1%	4.2%	12.0%
2011		14.2%	6.1%	6.4%
2012		11.9%	9.1%	16.0%
2013	7.2%	11.0%	13.7%	12.1%
2014	5.6%	8.6%	11.1%	N/M[2]
2015	8.3%	9.9%	8.9%	10.0%
2016	7.0%	11.1%	9.3%	13.4%
2017	8.3%	7.4%	8.3%	17.5%
2018	7.7%	9.2%	9.7%	8.7%
2019	7.2%	8.4%	9.3%	11.2%
2020	9.7%	9.7%	10.3%	12.1%
2021	6.2%	9.9%	9.7%	5.6%
2022	8.5%	16.2%	13.4%	7.8%
2023	N/M	N/M	N/M	N/M
Aggregate IRR	**7.5%**	**10.5%**	**9.6%**	**9.5%**
As-of Date	**3/31/23**	**3/31/23**	**3/31/23**	**3/31/23**

[1] 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.
[2] PIA's net IRR for the 2014 vintage year is negative. The vintage year has a 0.824 TVPI, which reflects a 17.6% non-annualized, cumulative loss.

Track Record Robustness and Credit-Loss Rates

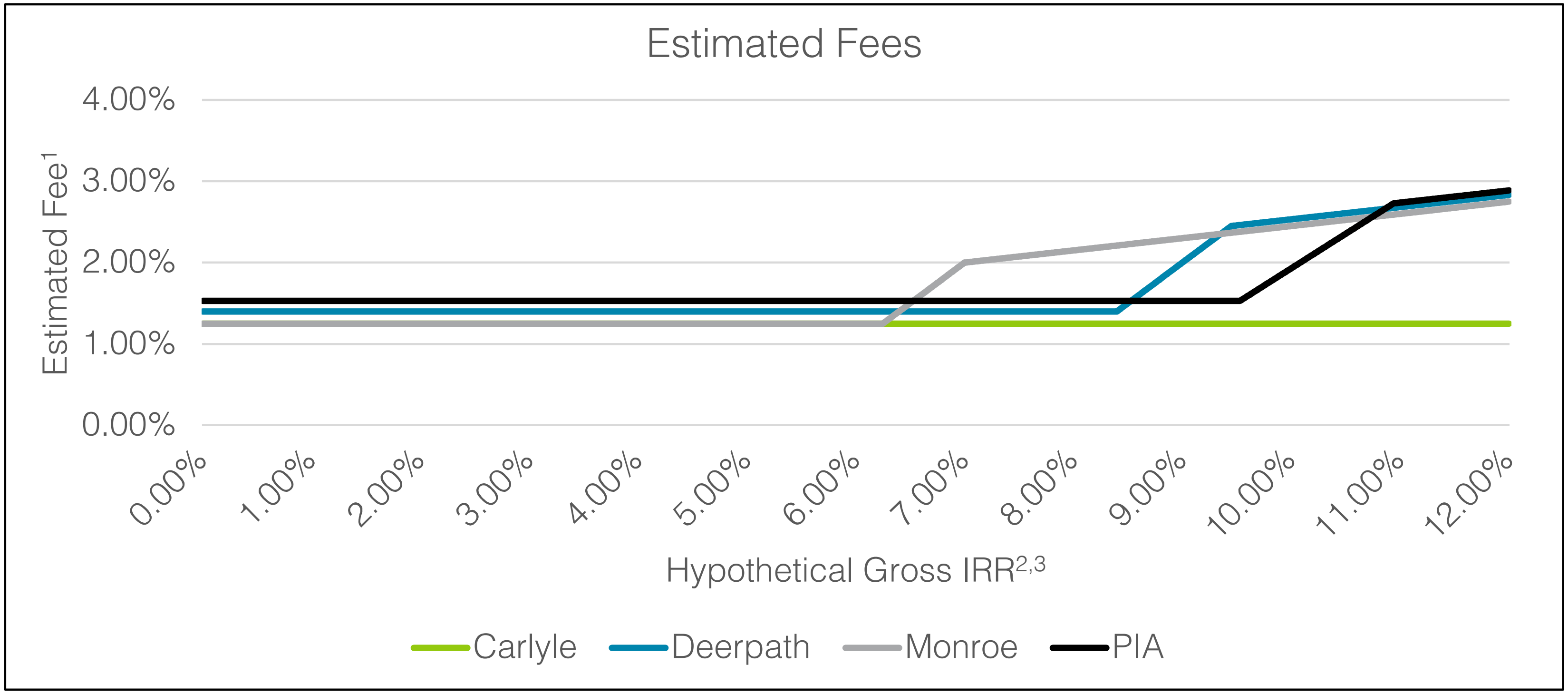
- Robust track records give us confidence that past results arose from skill rather than luck.
- We associate low annualized credit loss rates with strong underwriting and/or credit workout capabilities, which may help managers to provide downside protection. We consider loss rates of 0.5-0.8% typical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

Since-Inception Statistic	Carlyle	Deerpath	Monroe	PIA
Track Record Inception	2013	2009	2006[1]	2007
Portfolio Companies	465	332	627	389
Total Cost ($M)	$16,712.3	$7,848.4	$27,306.2	$8,518.2
Gross Unlevered IRR	7.5%	10.5%	9.6%	9.5%
Annualized Loss Rate[2]	0.2%	0.1%	0.1%	0.4%
As of Date	3/31/23	3/31/23	3/31/23	3/31/23



[1] 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.
[2] Loss rates were calculated in two steps. First, a cumulative loss ratio was calculated as the dollars lost on all investments that were held at a loss. Next, the cumulative loss ratio was divided by the age of the track record in years.
[3] 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	Carlyle	Deerpath	Monroe	PIA
Management Fee[4]	1.25%	1.40%	1.25%	1.53%
Carried Interest	None	15.00%	15.00%	15.00%
Preferred Return	N/A	7.00%	7.00%	8.00%
GP Catch-up	N/A	100.00%	100.00%	85.00%

[1] 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 and these fees are expressed as percentages of gross assets (including assets bought using debt as well as those bought using investor equity), the funds' 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 Hypothetical 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.

[2] The Hypothetical Gross IRR is an arbitrary assumption intended to show the relationship between the IRR and fees. The IRRs shown may not be achieved.

[3] The green Carlyle line is not visible for a portion of the chart because it is covered by the gray Monroe line.

[4] Operating and organizational expenses are not included. The management fees shown for Deerpath and PIA include estimated internal administration expenses of 0.40% and 0.03%, respectively. Please see the Key Terms page earlier in this report for more information.

Carlyle Direct Lending Performance – Mar. 31, 2023

	Investment-Level Performance by Vintage Year							
			Investment-Level, In USD Millions				Gross of Fees	
	Vintage Year	Portfolio Companies (#)	Total Invested Capital	Total Realized	Total Unrealized	Total Value	MOIC	IRR
	2013	30	$ 334.7	$ 395.7	$ -	$ 395.7	1.2x	7.2%
	2014	49	$ 815.1	$ 915.0	$ -	$ 915.0	1.1x	5.6%
	2015	34	$ 926.3	$ 1,072.3	$ -	$ 1,072.3	1.2x	8.3%
	2016	56	$ 1,709.3	$ 1,710.9	$ 266.9	$ 1,977.8	1.2x	7.0%
	2017	60	$ 2,182.7	$ 2,367.4	$ 184.9	$ 2,552.3	1.2x	8.3%
	2018	56	$ 2,263.4	$ 2,117.8	$ 558.6	$ 2,676.4	1.2x	7.7%
	2019	54	$ 2,772.3	$ 1,930.5	$ 1,286.3	$ 3,216.8	1.2x	7.2%
	2020	39	$ 1,579.5	$ 868.4	$ 976.7	$ 1,845.1	1.2x	9.7%
	2021	41	$ 2,250.7	$ 693.0	$ 1,728.7	$ 2,421.7	1.1x	6.2%
	2022	41	$ 1,687.4	$ 321.1	$ 1,445.4	$ 1,766.4	1.0x	8.5%
	2023	5	$ 191.2	$ 16.5	$ 177.0	$ 193.5	1.0x	N/M
	Total	**465**	**$ 16,712.3**	**$ 12,408.6**	**$ 6,624.5**	**$ 19,033.1**	**1.1x**	**7.5%**

Fund Performance									
			Fund-Level, In USD Millions				Fund-Level		
Fund	Vintage Year	Portfolio Companies (#)	Total Invested Capital	Total Distributed	Total Unrealized	Total Value	Leverage (Debt / Equity)	Net MOIC	Net IRR
Carlyle Secured Lending, Inc.	2013	171	$ 1,217.7	$ 855.2	$ 918.2	$ 1,773.4	1.2x	1.5x	7.2%
Carlyle Credit Solutions, Inc.	2017	153	$ 1,285.7	$ 525.3	$ 1,123.3	$ 1,648.6	0.9x	1.3x	9.3%
SMA I	2017	65	$ 192.7	$ 63.5	$ 174.1	$ 237.6	0.1x	1.2x	8.3%
SMA II	2017	63	$ 318.1	$ 41.8	$ 358.0	$ 399.8	1.0x	1.3x	10.5%
SMA III	2018	8	$ 235.7	$ 192.8	$ 67.2	$ 260.0	None	1.1x	4.8%
SMA IV	2018	106	$ 301.9	$ 50.1	$ 326.0	$ 376.1	0.9x	1.2x	9.9%
SMA V	2020	52	$ 376.1	-	$ 420.1	$ 420.1	None	1.1x	8.5%
Carlyle Direct Lending Fund	2022	60	$ 150.6	N/M	N/M	N/M	Target 1.0x	N/M	N/M
Carlyle Secured Lending III	2022	72	$ 135.0	$ 6.3	$ 138.0	$ 144.3	0.9x	1.1x	11.2%
Total		**465**	**$ 4,213.5**	**$ 1,735.1**	**$ 3,524.9**	**$ 5,260.0**			

Deerpath Direct Lending Performance – Mar. 31, 2023

	Investment-Level Performance by Vintage Year							
	Investment-Level, In USD Millions						Gross of Fees	
	Vintage Year	Portfolio Companies (#)	Total Invested Capital	Total Realized	Total Unrealized	Total Value	MOIC	IRR
	2009	4	$ 41.9	$ 61.2	$ -	$ 61.2	1.5x	19.8%
	2010	10	$ 118.3	$ 155.6	$ 0.2	$ 155.7	1.3x	14.1%
	2011	10	$ 200.0	$ 259.0	$ -	$ 259.0	1.3x	14.2%
	2012	11	$ 206.3	$ 247.5	$ 0.4	$ 247.9	1.2x	11.9%
	2013	12	$ 196.2	$ 223.7	$ 22.8	$ 246.5	1.3x	11.0%
	2014	26	$ 344.6	$ 391.2	$ 8.0	$ 399.1	1.2x	8.6%
	2015	16	$ 272.4	$ 308.4	$ 27.2	$ 335.6	1.2x	9.9%
	2016	9	$ 283.8	$ 277.5	$ 97.7	$ 375.2	1.3x	11.1%
	2017	13	$ 289.0	$ 314.2	$ 23.9	$ 338.1	1.2x	7.4%
	2018	28	$ 811.6	$ 586.5	$ 421.1	$ 1,007.7	1.2x	9.2%
	2019	37	$ 613.8	$ 508.1	$ 209.7	$ 717.8	1.2x	8.4%
	2020	44	$ 1,018.4	$ 358.5	$ 809.5	$ 1,168.1	1.1x	9.7%
	2021	65	$ 2,149.6	$ 496.6	$ 1,895.2	$ 2,391.8	1.1x	9.9%
	2022	46	$ 1,283.2	$ 116.2	$ 1,258.5	$ 1,374.8	1.1x	16.2%
	2023	1	$ 19.4	$ -	$ 19.5	$ 19.5	1.0x	N/M
	Total	**332**	**$ 7,848.4**	**$ 4,304.3**	**$ 4,793.7**	**$ 9,097.9**	**1.2x**	**10.5%**

Fund Performance									
			Fund-Level, In USD Millions				Fund-Level		
Fund	Vintage Year	Portfolio Companies (#)	Total Invested Capital	Total Distributed	Total Unrealized	Total Value	Leverage (Debt / Equity)	Net MOIC	Net IRR
Fund 1	2008	47	$ 87.7	$ 172.0	$ -	$ 172.0	2.0x	2.0x	12.5%
Fund 2	2011	44	$ 40.9	$ 77.2	$ -	$ 77.2	2.0x	1.9x	11.2%
Fund 3A	2013	67	$ 77.6	$ 104.8	$ -	$ 104.8	0.0x	1.4x	5.9%
Fund 3B	2013	50	$ 74.4	$ 102.2	$ -	$ 102.2	1.0x	1.4x	7.5%
Fund 4A	2017	154	$ 45.5	$ 13.6	$ 45.3	$ 58.8	0.0x	1.3x	6.0%
Fund 4 US	2016	251	$ 154.2	$ 62.7	$ 159.5	$ 222.1	2.0x	1.4x	10.2%
Fund 4 Cayman	2016	240	$ 143.7	$ 47.0	$ 144.1	$ 191.2	2.0x	1.3x	7.9%
Fund 4C	2016	80	$ 78.6	$ 38.5	$ 84.8	$ 123.3	2.0x	1.6x	10.9%
Fund 5A	2020	143	$ 119.2	$ 17.7	$ 121.9	$ 139.6	0.0x	1.2x	7.6%
Fund 5 US	2019	251	$ 187.0	$ 42.6	$ 196.2	$ 238.8	2.0x	1.3x	11.4%
RAIF-1	2019	164	$ 202.0	$ 34.4	$ 203.4	$ 237.9	0.0x	1.2x	5.8%
RAIF-2	2020	160	$ 177.0	$ 13.7	$ 180.2	$ 193.8	0.0x	1.1x	5.4%
RAIF-3	2021	132	$ 231.6	$ 14.9	$ 236.1	$ 251.1	0.0x	1.1x	7.2%
Fund 5 Cayman	2020	240	$ 39.0	$ 9.0	$ 38.7	$ 47.8	2.0x	1.2x	8.3%
Lightly Levered	2019	103	$ 60.9	$ 12.6	$ 63.6	$ 76.1	0.4x	1.3x	7.1%
Fund 5 ERISA	2020	240	$ 66.3	$ 9.7	$ 68.1	$ 77.7	2.0x	1.2x	9.2%
Newbury	2020	83	$ 21.7	$ 3.5	$ 23.4	$ 27.0	0.0x	1.2x	12.1%
Fund 5C	2020	44	$ 72.4	$ 8.4	$ 75.7	$ 84.1	2.0x	1.2x	13.7%
Fund 5C-SBIC	2021	42	$ 7.5	$ 0.7	$ 7.9	$ 8.6	2.0x	1.1x	13.8%
Broadway	2021	251	$ 100.0	$ 15.9	$ 102.8	$ 118.7	2.0x	1.2x	13.6%
Fund 6 US	2021	251	$ 275.3	$ 19.9	$ 280.5	$ 300.4	2.0x	1.1x	13.5%
Fund 6 Cayman	2021	240	$ 25.1	$ 1.2	$ 25.2	$ 26.4	2.0x	1.1x	8.0%
Fund 6A	2021	132	$ 112.2	$ 9.2	$ 114.3	$ 123.5	0.0x	1.1x	8.0%
Fund 6A (Cayman)	2022	132	$ 23.5	$ 0.5	$ 23.9	$ 24.4	0.0x	1.0x	6.2%
Fund 6 US ERISA	2022	251	$ 50.0	$ 3.1	$ 51.0	$ 54.0	2.0x	1.1x	13.7%
TRS Kentucky	2022	251	$ 76.6	$ 1.6	$ 78.5	$ 80.1	2.0x	1.0x	13.4%
Total		**332**	**$ 2,549.9**	**$ 836.6**	**$ 2,325.2**	**$ 3,161.8**		**1.2x**	

Monroe Direct Lending Performance – Mar. 31, 2023

Investment-Level Performance by Vintage Year							
		Investment-Level, In USD Millions				Gross of Fees	
Vintage Year	Portfolio Companies (#)	Total Invested Capital	Total Realized	Total Unrealized	Total Value	MOIC	IRR
2006	13	$ 102.3	$ 107.8	$ -	$ 107.8	1.1x	4.5%
2007	13	$ 83.2	$ 97.4	$ -	$ 97.4	1.2x	9.3%
2008	4	$ 24.5	$ 27.1	$ -	$ 27.1	1.1x	3.7%
2009	1	$ 0.1	$ 1.7	$ -	$ 1.7	14.1x	15.9%
2010	4	$ 14.9	$ 16.4	$ -	$ 16.4	1.1x	4.2%
2011	15	$ 193.9	$ 193.4	$ 49.3	$ 242.8	1.3x	6.1%
2012	16	$ 337.1	$ 388.0	$ -	$ 388.0	1.2x	9.1%
2013	17	$ 419.1	$ 534.0	$ -	$ 534.0	1.3x	13.7%
2014	30	$ 782.6	$ 1,033.2	$ 19.0	$ 1,052.3	1.3x	11.1%
2015	48	$ 1,474.2	$ 1,722.8	$ 104.3	$ 1,827.1	1.2x	8.9%
2016	51	$ 1,264.8	$ 1,509.2	$ 130.1	$ 1,639.3	1.3x	9.3%
2017	61	$ 2,420.3	$ 2,577.5	$ 331.6	$ 2,909.1	1.2x	8.3%
2018	66	$ 2,944.8	$ 2,829.7	$ 807.5	$ 3,637.2	1.2x	9.7%
2019	73	$ 3,645.9	$ 2,826.1	$ 1,593.6	$ 4,419.7	1.2x	9.3%
2020	47	$ 2,288.7	$ 1,462.6	$ 1,219.0	$ 2,681.7	1.2x	10.3%
2021	90	$ 6,382.3	$ 2,317.3	$ 4,809.1	$ 7,126.4	1.1x	9.7%
2022	70	$ 4,149.9	$ 738.2	$ 3,737.9	$ 4,476.1	1.1x	13.4%
2023	8	$ 777.4	$ 36.9	$ 770.8	$ 807.7	1.0x	N/M
Total	**627**	**$ 27,306.2**	**$ 18,419.4**	**$ 13,572.2**	**$ 31,991.5**	**1.2x**	**9.6%**

Fund Performance									
			Fund-Level, In USD Millions				Fund-Level		
Fund[1]	Vintage Year	Portfolio Companies (#)	Total Invested Capital	Total Distributed	Total Unrealized	Total Value	Leverage (Debt / Equity)	Net MOIC	Net IRR
Monroe Capital Partners Fund LP	2012	7	$ 81.3	$ 59.2	$ 76.1	$ 135.3	n/a	1.7x	8.0%
Monroe Capital Partners Fund II LP	2014	4	$ 15.8	$ 9.4	$ 13.5	$ 22.9	n/a	1.5x	6.8%
Monroe Capital Senior Secured Direct Loan Fund (Offshore) LP	2014	n/a	$ 108.9	$ 167.9	$ -	$ 167.9	n/a	1.5x	9.9%
Monroe Capital Senior Secured Direct Loan Fund (Unleveraged) LP	2014	n/a	$ 209.5	$ 304.6	$ -	$ 304.6	n/a	1.5x	8.6%
Monroe Capital Senior Secured Direct Loan Fund LP	2014	n/a	$ 125.7	$ 217.6	$ -	$ 217.6	n/a	1.7x	12.1%
Monroe Private Credit Fund A LP (Non-CLO)5	2015	163	$ 762.3	$ 373.3	$ 758.5	$ 1,131.8	1.2x	1.5x	9.7%
Monroe Capital Private Credit Fund I LP ("Iowa")	2016	96	$ 554.8	$ 175.6	$ 491.0	$ 666.6	n/a	1.2x	7.6%
Monroe Capital Private Credit Fund II (Unleveraged) LP	2016	14	$ 109.7	$ 134.2	$ 14.0	$ 148.2	n/a	1.4x	7.5%
Monroe Capital Private Credit Fund II Ireland ICAV - Unleveraged Fund	2016	13	$ 125.8	$ 131.6	$ 26.7	$ 158.3	n/a	1.3x	6.0%
Monroe Capital Private Credit Fund II LP	2016	13	$ 435.0	$ 517.9	$ 115.5	$ 633.4	n/a	1.5x	9.1%
Monroe Capital Fund SCSp SICAV-RAIF - Private Credit Fund (Marsupial)	2018	68	$ 106.5	$ 34.4	$ 112.0	$ 146.4	0.9x	1.4x	9.0%
Monroe Capital Fund SCSp SICAV-RAIF - Private Credit Fund III	2018	75	$ 187.7	$ 54.1	$ 193.8	$ 247.9	0.9x	1.3x	9.4%
Monroe Capital Fund SCSp SICAV-RAIF - Private Credit Fund III (Unlev.)	2018	66	$ 245.2	$ 8.4	$ 238.2	$ 246.6	n/a	1.0x	6.9%
Monroe Capital Private Credit Fund III (Unleveraged) LP	2018	71	$ 249.4	$ 129.1	$ 191.3	$ 320.4	n/a	1.3x	8.0%
Monroe Capital Private Credit Fund III LP	2018	87	$ 469.6	$ 174.7	$ 491.9	$ 666.6	0.7x	1.4x	11.7%
Monroe Capital Private Credit Fund VT LP	2018	55	$ 180.0	$ 39.5	$ 184.6	$ 224.1	n/a	1.2x	6.9%
Monroe Capital Opportunistic Private Credit Master Fund	2021	35	$ 194.9	$ 19.3	$ 210.1	$ 229.3	0.4x	1.2x	13.0%
Monroe Capital Private Credit Fund L LP	2021	40	$ 80.0	$ 2.8	$ 82.0	$ 84.7	n/a	1.1x	6.9%
Monroe Capital Private Credit Master Fund IV (Unleveraged) SCSp	2021	106	$ 1,073.3	$ 76.8	$ 1,096.9	$ 1,173.7	n/a	1.1x	7.0%
Monroe Capital Private Credit Master Fund IV SCSp	2021	124	$ 758.3	$ 59.4	$ 768.3	$ 827.7	1.0x	1.1x	9.0%
Monroe Capital Private Credit Versailles Master Fund SCSp	2021	34	$ 392.4	$ 21.6	$ 402.5	$ 424.1	n/a	1.1x	6.4%
Monroe Capital Private STARR (Unleveraged) Master Fund 1 LP	2021	36	$ 603.0	$ 21.9	$ 622.6	$ 644.4	n/a	1.1x	9.6%
Monroe Capital Private Credit Fund 559 LP	2022	67	$ 152.1	$ 9.4	$ 155.3	$ 164.7	0.8x	1.1x	8.7%
Total		**627**	**$ 7,221.1**	**$ 2,742.7**	**$ 6,244.6**	**$ 8,987.3**		**1.2x**	

[1] The bottom table only includes Monroe's private commingled funds and funds of one. It excludes retail and CLO funds.

PIA Direct Lending Performance – Mar. 31, 2023

	Investment-Level Performance by Vintage Year[1]							
			Investment-Level, In USD Millions				Gross of Fees	
	Vintage Year	Portfolio Companies (#)	Total Invested Capital	Total Realized	Total Unrealized	Total Value	MOIC	IRR
	2007	15	$ 290.8	$ 355.9	$ -	$ 355.9	1.2x	5.6%
	2008	7	$ 183.2	$ 252.4	$ -	$ 252.4	1.4x	12.4%
	2009	17	$ 160.3	$ 197.9	$ -	$ 197.9	1.2x	13.7%
	2010	19	$ 461.6	$ 579.6	$ -	$ 579.6	1.3x	12.0%
	2011	13	$ 377.4	$ 412.1	$ 3.9	$ 416.1	1.1x	6.4%
	2012	39	$ 550.3	$ 765.8	$ -	$ 765.8	1.4x	16.0%
	2013	30	$ 700.8	$ 848.1	$ -	$ 848.1	1.2x	12.1%
	2014	19	$ 748.0	$ 616.7	$ 0.0	$ 616.7	0.8x	N/M[2]
	2015	17	$ 379.2	$ 378.6	$ 101.3	$ 479.9	1.3x	10.0%
	2016	19	$ 535.1	$ 612.5	$ 18.3	$ 630.8	1.2x	13.4%
	2017	20	$ 603.9	$ 888.2	$ 25.4	$ 913.6	1.5x	17.5%
	2018	26	$ 809.5	$ 822.7	$ 143.1	$ 965.7	1.2x	8.7%
	2019	37	$ 567.2	$ 552.0	$ 104.7	$ 656.7	1.2x	11.2%
	2020	20	$ 452.2	$ 258.5	$ 268.9	$ 527.4	1.2x	12.1%
	2021	52	$ 1,013.7	$ 680.1	$ 374.6	$ 1,054.8	1.0x	5.6%
	2022	33	$ 614.5	$ 223.6	$ 419.3	$ 642.8	1.0x	7.8%
	2023	6	$ 70.3	$ 7.5	$ 63.9	$ 71.5	1.0x	N/M
	Total	**389**	**$ 8,518.2**	**$ 8,452.1**	**$ 1,523.6**	**$ 9,975.7**	**1.2x**	**9.5%**

Fund Performance									
			Fund-Level, In USD Millions				Fund-Level		
Fund	Vintage Year	Portfolio Companies (#)	Total Invested Capital	Total Distributed	Total Unrealized	Total Value	Leverage (Debt / Equity)	Net MOIC	Net IRR
PCOF II[3]	2015	90	$ 109.7	$ 146.9	$ 8.6	$ 155.5	0.8x	1.4x	9.3%
PCOF III	2018	118	$ 164.6	$ 46.1	$ 156.6	$ 202.7	0.6x	1.2x	10.8%
Total		**208**	**$ 274.3**	**$ 193.0**	**$ 165.2**	**$ 358.2**			

[1] Represents the investment-level performance of PennantPark's Opportunistic Credit strategy, including the firm's BDCs.
[2] PIA's net IRR for the 2014 vintage year is negative. The vintage year has a 0.824 TVPI, which reflects a 17.6% non-annualized, cumulative loss.
[3] At the end of 2014, PennantPark Credit Opportunities Fund I was converted into a closed-end drawdown vehicle to form PennantPark Credit Opportunities Fund II (PCOF II).

Investment Manager and Fund Narratives

Carlyle Global Credit Inv. Mgmt. – Carlyle Direct Lending Fund

Firm Overview

The Carlyle Group Inc. (NASDAQ: CG) is an alternative asset management firm specializing in private capital. The firm has three divisions: Global Private Equity, Global Credit, and Investment Solutions. Carlyle has over 2,200 employees in more than 25 offices globally, who manage about $380 billion as of March 31, 2023. The firm was founded in 1987 by William Conway, Jr., Daniel D'Aniello, and David Rubenstein. The firm's major offices are in Washington, DC; New York, NY; London; and Hong Kong.

Team Overview

The Carlyle Direct Lending (CDL) team includes over 40 investment professionals and is primarily based in New York. They specialize by stages in the investment process: origination, underwriting, and portfolio management, which occurs after loans have been made. The CDL team is led by Aren LeeKong, Vice Chair of Global Credit and Head of Direct Lending; Michael Hadley, CIO and Head of Underwriting of Direct Lending; and Tom Hennigan, COO and CRO of Direct Lending. Investment decisions are made primarily by a seven-member screening committee (SC) that advances investment opportunities for consideration by a 12-member investment committee (IC). LeeKong, Hadley, and Hennigan serve on both committees. The SC also includes Nino Cordoves, Head of Origination of CDL; David Richman, Deputy CIO of CDL; a rotating managing director from CDL; and a rotating managing director from Carlyle's opportunistic credit team. The IC also includes senior managers who oversee Carlyle's global credit platform and managers of its other credit strategies. In addition to CDL, Carlyle has a separate workout team to address troubled loans.

Strategy Overview

The strategy primarily makes first-lien, senior-secured loans of $50-400 million to U.S. private equity (PE)-sponsored core to upper-middle-market companies with $25-100 million in EBITDA. We consider its risk profile below average within the senior direct-lending category. Its risk is reduced by focusing on borrowers with stable cash flow, low customer concentration, and in industries with barriers to entry; making loans that generally average less than 50% of borrower enterprise value (loan to value or LTV); and focusing on companies owned by PE sponsors that may provide management expertise as well as capital to borrowers experiencing setbacks. Loans are expected to average 5.0-6.0x borrower EBITDA.

The investment process follows a "functional-specialist" model, wherein investment professionals specialize in phases of the investment process. CDL's dedicated originations team focuses on about 250 private equity (PE) sponsors in the U.S. and Europe. They emphasize PE sponsors with the strongest fit for their lending strategy. This includes sponsors that CDL considers established, successful, and good stewards of debt capital, and that invest in sectors where CDL has conviction. Underwriting is conducted by an investment team, which includes three to five investment professionals and the Head of Underwriting. The CDL team typically reviews about 2,000 lending opportunities annually and typically invests in 3-4%, which we consider selective. The due-diligence process typically takes 60 to 90 days from opportunity identification to loan funding. The team monitors loans using a proprietary dashboard that reviews covenant compliance. Credit workout processes for troubled loans are supported by Carlyle's dedicated workout team.

Expectations

Carlyle Direct Lending Fund (the Unlevered Fund) targets a 6.5-7.5% net IRR. Carlyle Direct Lending Fund (Levered) and CDL Offshore Fund (Levered) (together, the Levered Funds) target 10.0-12.0% net IRRs. We think each fund's return target is achievable over the long term.

We think the funds' objectives may be exceeded in the short term. Their unlevered returns are mainly expected from cash coupons that float relative to SOFR. SOFR is currently about 5.0% and the portfolio's weighted average spread is about 6.3%, leading to total coupons of about 11.3%. After adding one-time closing fees of 2.0-3.0% amortized over four years, which is 0.50-0.75% annually; other fees from borrowers; and returns from limited equity participation, and deducting expected credit losses and the fund's fees, we think the return target may be exceeded. The Levered Funds are expected to use about 1.0x debt/equity leverage. Carlyle expects the cost of financing to be about 2.5% over SOFR. Adjusting the unlevered returns for this, we consider the Levered Funds' goals achievable.

Points to Consider

The partnerships are evergreen, which gives investors the option to remain invested. They will hold quarterly closings and draw commitments sequentially. After a two-year investor-level lock-up, investors who wish to redeem will have two options, quarterly or annual. The quarterly option will generally rely on matching contributions from other investors' commitments, while the annual option involves setting aside a pro-rata portion of the portfolio to naturally mature. Investors may also choose to receive or reinvest anticipated quarterly income distributions.

We think it could take seven years from an investor's initial commitment to fully exit the vehicle. We think the primary benefit of the slow redemption structure is that it addresses the illiquidity of the underlying holdings, which is important for mitigating "run-on-the-bank" risks.

Between the underlying CDL strategy's 2013 inception and March 2023, the team invested $16.7 billion in more than 450 portfolio companies. They achieved a 7.5% gross unlevered IRR, which is on the upper end of the 6-8% range we consider illustrative of the category, and a 0.2% annualized credit-loss rate, which is better than the 0.5-0.8% we consider illustrative of the category.

We consider the strategy's fees low. It has no incentive fee, which most funds in the category charge. The management fee starts at a competitive 1.25% of gross invested assets, which includes assets bought using leverage. Carlyle has agreed to aggregate AndCo clients' commitments for the fund's scale-based discounts.

Recommendation Summary

We recommend the strategy as a sole or diversifying allocation in a private debt portfolio. We think its style is representative of the typical U.S. institutional investor's approach to direct lending. The strategy's evergreen structure may reduce the need for clients to refresh the core direct-lending allocation. In contrast, its core approach may be of less interest to clients seeking to outperform the category since it leaves fewer opportunities for teams to exploit competitive advantages. The evergreen structure may also be of less interest to clients who feel more comfortable with the more-established closed-end limited partnership format.

Deerpath Capital Management – Deerpath Capital (Advantage) VII

Firm Overview

Deerpath was founded in 2007 by President James Kirby, Principal John Fitzgibbons, and Chairman Gary Wendt, who are three of its four principals. Principal, COO, and investment team head Tas Hasan joined the firm the same year. The firm only manages direct lending, in which it manages over $5.5 billion. 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 more than 80 professionals. The principals are its management committee and lead its business operations. The investment team includes about 20 professionals, eight of whom are originators and 12 of whom are underwriters. Deerpath's, Finance, Operations, and Portfolio Reporting team includes about 45 members responsible for functions such as accounting, loan operations, financing, and cash management. The firm also has about 15 investor relations professionals. Deerpath's investment decisions are made by a five-member investment committee (IC). The four principals are permanent IC members. The fifth seat is held by a quarterly rotating managing director from the investment team. Decisions are made by a majority of the IC, which must include most of the principals.

Strategy Overview

The strategy primarily makes first-lien, senior-secured loans of $25-75 million to lower middle-market, private equity (PE)-owned U.S. companies with $8-20 million in EBITDA and total enterprise values of $50-150 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 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 2,000 opportunities annually when add-on opportunities are included. This allows Deerpath to be selective while maintaining broad diversification. The firm invested in about 3% of the new portfolio company opportunities it reviewed in 2022. 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 more than 20 years of operating history. The firm generally lends 3.5-4.5x EBITDA, which is about 0.5x less than we commonly 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.

Expectations

The strategy is offered in unlevered and levered formats. Deerpath Capital VII (US) is unlevered and seeks a 6-9% net IRR. Deerpath Capital Advantage VII (US) is expected to add 2.0x debt/limited-partner equity leverage to target a net IRR of 10-13%. Deerpath also offers Cayman Islands-domiciled partnerships, which seek a 5-8% net IRR unlevered or an 8-11% net IRR with 2.0x debt/equity leverage. The offshore partnerships' targeted returns are lower due to features that Deerpath expects to reduce the odds that they will incur UBTI and/or ECI.

We think each partnership's net return target is achievable. On an unlevered basis, Deerpath targets gross IRRs of about 10-12% from its underlying loans, comprising coupons of 6-7% over SOFR (SOFR was about 4.9% on March 31, 2023) and one-time fees of 2.5-3.0%, 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 SOFR at current interest rates. 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

PGIM Investments (PGIM), a subsidiary of Prudential Financial Inc. (NYSE: PRU), has agreed to purchase 75% of Deerpath. The remainder will be owned by Kirby (20%) and Hasan (5%). The acquisition is expected to close in late 2023, pending client and regulatory approval. Fitzgibbons and Wendt are selling their interests, while Kirby and Hasan are selling 50% of their interests. Fitzgibbons and Wendt had spent about one-third of their business time on Deerpath since its inception and will leave the firm. On the IC, they will be succeeded by Natalie Garcia, Head of Underwriting, and Reed Van Gorden, Head of Origination, who each joined Deerpath in 2015 and have more than 15 years of experience. We consider the transaction positive due to the change in the IC, which will solely comprise full-time Deerpath investment professionals.

Returning investors should be aware that Deerpath funds may hold overlapping loan exposures. The partnerships comprising Fund VII are "feeder funds". They are expected to invest primarily in evergreen master funds that hold underlying investments either directly or through levered subsidiaries. Some older Deerpath funds invest in the same master funds, leading to overlap across fund vintages. We expect this structure to increase diversification and allow Deerpath greater flexibility to manage the levered funds' borrowing.

Deerpath will administer the funds internally and charge for these services. We expect these costs to be 0.35-0.45% of invested capital annually. We think internal administration benefits the strategy by allowing the team to quickly see changes in borrowers' performance relative to their business plans, which may protect capital by enabling faster responses when credit workouts are needed. Deerpath's management fee (1.0%) plus the amount we anticipate for 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 direct lending strategies that focus on the larger core or upper middle-market. As a conservatively managed strategy, it may also serve as a lower risk diversifier to complement non-PE-sponsored, subordinated, or distressed debt strategies.

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 about $15.9 billion, primarily in private debt. It comprises about 200 employees, including more than 90 investment professionals. The Chicago office is its headquarters, with additional offices in Atlanta, Boston, Los Angeles, Miami, New York, and San Francisco. Its flagship strategy focuses on cashflow-based direct lending. Monroe also 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).

Team Overview

The firm's investment professionals are organized in functional groups based on stages in the investment process. About 20 originators based in four of Monroe's offices are led by Head of Originations Thomas Aronson. About 70 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. Additional senior investment professionals include President and Co-Portfolio Manager (PM) of Direct Lending Zia Uddin; Co-PM of Institutional Portfolios Chris Lund; 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 $10-50 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 a 10-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. 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 assessed as below plan.

Expectations

Monroe Capital Private Credit (MCPC) V is offered in unlevered and levered partnerships that will seek 8-10% and 12-14% net IRRs, respectively. We think these targets are achievable. Underlying loans are expected to have interest rates of SOFR plus 6-7%, plus one-time fees of 2-3% 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 higher returns from the fund's 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 SOFR + 2.75-3.00% of the amount borrowed, plus 1.00-1.25% in fees. 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 V's diversified approach. While we expect the fund to invest primarily in PE-sponsored companies, we also expect it to include non-PE-sponsored companies and ABL. We expect non-PE-sponsored loans and ABL to allow for higher returns due to their harder-to-find nature and complexity, respectively. However, both non-PE-sponsored loans and ABL may be riskier than the typical cashflow-based loan to PE-sponsored companies, all else held equal.

Monroe's broad deal flow may help the team to build diversified portfolios. The firm reviews about 2,000 opportunities per year. In 2022, Monroe invested in 114 portfolio companies. Thus, the firm invested broadly yet kept its closing rate within the 4-8% range we consider typical for established lenders like Monroe, who tend to be able to be more selective than new entrants.

Zia Uddin, who was lead PM for the prior fund, has stepped back to Co-PM of MCPC V alongside Chris Lund. Uddin has been named Monroe's president and we think he may become CEO when co-founder Ted Koenig retires. While Koenig is only in his early 60s, Uddin leads most internal day-to-day operations now. Uddin and Lund make decisions jointly for MCPC and we think that Lund may take the lead role in the next few years. We are comfortable with these transitions, which we expect to continue over several years. We also note that the investment committee of about 10 members is responsible for approving investments.

Commitments by AndCo clients may be aggregated for MCPC V's 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 sole or complementary allocation in direct lending. It may be a fit for clients seeking a broad-based approach to senior direct lending, as well as those seeking a complement to larger capitalization and/or strictly PE-sponsored approaches. The strategy's unlevered feeders may be a fit for more conservative investors, while those seeking higher returns may prefer the levered partnerships.

PennantPark Investment Advisers, LLC – PennantPark Credit Opportunities Fund IV

Firm Overview

PIA specializes in managing U.S. direct lending strategies. The firm has about 50 employees and manages about $6.0 billion. Art Penn founded PIA in 2007 and remains its sole owner. The firm moved its headquarters from New York to Miami in early 2022. New York remains a major office, with additional operations in Chicago, Houston, and Los Angeles.

Team Overview

PIA's approximately 20-member investment team is led by Managing Partner Art Penn and Senior Partners Jose Briones, Jr. and Salvatore Giannetti III. They each have at least 30 years of experience. Briones joined the firm in 2009 and Giannetti joined in 2007. A seven-member investment committee (IC) comprising Penn, Briones, Giannetti, and four Partners (Dan Horn, James Stone, Steve Winograd, and Ryan Raskopf) makes investment decisions by consensus. Each member of the IC has more than 15 years of experience, including more than five years of tenure with PIA.

Strategy Overview

The strategy primarily makes debt and equity investments of $10-100 million in private equity (PE)-sponsored, lower-to-core-middle-market companies with $10-50 million in EBITDA. It may also invest in the debt of non-sponsored and larger companies, including by purchasing broadly syndicated loans (BSLs or "bank loans").

In PIA's investment process, the same deal teams cover each investment from origination through repayment. PE sponsors like this "cradle-to-grave" model because they work with the same team members throughout a loan's life, but it can be difficult to keep consistent underwriting standards in this format as teams grow and more people become involved.

The steps in PIA's process are origination, underwriting, execution, monitoring, and credit workouts. In the origination step, senior team members primarily find lending opportunities by calling on over 600 middle-market PE sponsors, which leads to a broad set of about 1,000 lending opportunities annually. The team looks for profitable, growing companies in the business services, consumer, government services, healthcare, and software/technology sectors. If the originator thinks an opportunity may fit the strategy, underwriting is conducted by a three-member deal team. The deal team, which typically includes the originator, then writes a posting memo that discusses the risks and potential paths for due diligence, which is presented in one of the twice-weekly IC meetings. If the opportunity passes the initial IC discussion, the deal team's due diligence alongside the PE sponsor generally takes two months and results in a more thorough memo to the IC. If the transaction and structure are approved by IC consensus, the deal team makes the investment and prepares a closing memo with the final structure. Each loan typically includes at least two maintenance covenants. After investment, the deal team monitors the borrower's performance and, if necessary, works out problems. While PIA does not have a dedicated workout group, we note that PIA focuses on PE-sponsored companies and can use management consultants. PE sponsors may provide capital to overcome short-term challenges, while consultants may reduce the time PIA needs to spend on workouts and lessen PIA's need to allocate resources away from originations in troubled market environments.

Expectations

The strategy seeks a 13-15% net IRR. We think this is achievable based on the market environment and the yields PIA seeks from the underlying holdings, as well as the fund-level leverage the team plans to use.

Specifically, PIA seeks investments that will return an aggregate 10-12% gross unlevered IRR. The targeted yields range from a 7.5% spread over LIBOR or SOFR for first-lien debt to at least a 15% targeted fixed yield for preferred equity, plus upside from equity co-investments. The team plans to enhance returns by applying 0.8x debt/equity fund-level leverage and expects the cost of financing to be SOFR + 2.75-3.25%, which we consider reasonable.

Points to Consider

The Opportunistic Credit (OC) strategy that includes COF IV has a solid track record. In the OC strategy, PIA has invested $8.2 billion in more than 350 portfolio companies since 2007 and achieved a 9.5% gross unlevered IRR with a 0.4% annualized credit-loss rate through March 31, 2023. These statistics compare favorably to the 6-8% IRRs and 0.5-0.8% credit-loss rates we consider typical in the senior direct lending category.

We consider the strategy's risk profile higher than the typical direct lending strategy because 1) it is expected to make material investments in junior debt and equity, which are subordinated to senior debt, and 2) it may purchase BSLs on the secondary market that are discounted due to borrower, industry, or market stress. The prior fund in the series, COF III, invested 21% in junior, second-lien loans and 18% in equity. The team thinks that more than 20% of COF IV may be invested in discounted purchases.

COF IV's 1.50% management fee is higher than we consider typical for its style. The prior fund in the series, COF III, charged a 1.25% management fee that we would have considered more typical.

PIA is seeking $400 million in commitments for COF IV, which is more than twice the prior fund's $180 million in committed capital. To stay as selective as its typical peer, the firm will need to materially increase its deal flow if all else about the strategy stays the same. PIA has historically invested in about 5% of opportunities it identified, which is within the 4-8% range we consider typical for similarly established strategies.

Recommendation Summary

We consider the strategy a solid choice for clients seeking return enhancement. We think the core middle market offers an illiquidity premium and expect COF IV's investments in junior debt and equity to increase its expected returns relative to senior-focused direct lending strategies. The strategy's strengths include PIA's sole focus on private debt and the OC strategy's strong long-term track record.

COF IV may be less of a fit for risk-averse clients due to its investments in junior debt, equity, and discounted debt. Its management fee may also be a hurdle for some investors.

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.

Effectively Connected Income (ECI): Income that a foreign entity earns from conducting a trade or business in the U.S.

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.

Glossary

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.

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.

London Interbank Offered Rate (LIBOR): LIBOR rates measured the interest rates at which banks lent a variety of currencies (including the U.S. dollar) to one another for a variety of terms (such as one month or three months). These rates are being replaced with other rates around the world, and specifically the Secured Overnight Financing Rate (SOFR) in the U.S., due to problems with its survey-based methodology and alleged manipulation during the Global Financial Crisis.

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".

Glossary

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).

Secured Overnight Financing Rate (SOFR): SOFR measures the cost of borrowing overnight collateralized by Treasury securities, as published by the Federal Reserve Bank of New York.

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.

Unrelated Business Taxable Income (UBTI): Income earned by a tax-exempt entity that is not substantially related to the entity's tax-exempt purpose.

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

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ITEM 3.B

Approval of the revised Investment Policy Statement

Request

Board approval of the revised Investment Policy Statement.

Explanation

The revised Investment Policy Statement is attached for approval.

Recommendation

Staff recommends Board approval.

REQUESTED BOARD ACTION:

Approve

Attachment(s):

1. 2023-8 Kissimmee General (IPS DRAFTl)

CITY OF KISSIMMEE
(PLAN SPONSOR)
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Investment Policy Statement

I. PURPOSE OF INVESTMENT POLICY STATEMENT

The Pension Board of Trustees (Board) maintains that an important determinant of future investment returns is the expression and periodic review of the City of Kissimmee General Employees' Retirement System (the Plan) investment objectives. To that end, the Board has adopted this statement of Investment Policy and directs that it applies to all assets under their control.

In fulfilling their fiduciary responsibility, the Board recognizes that the retirement system is an essential vehicle for providing income benefits to retired participants or their beneficiaries. The Board also recognizes that the obligations of the Plan are long-term, and that investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return - defined as interest and dividend income plus realized and unrealized capital gains or losses - commensurate with the Prudent Investor Rule and any other applicable ordinances and statutes.

Reasonable consistency of return and protection of assets against the inroads of inflation are paramount. However, interest rate fluctuations and volatility of securities markets make it necessary to judge results within the context of several years rather than over short periods of five years or less.

The Board will employ investment professionals to oversee and invest the assets of the Plan. Within the parameters allowed in this document and their agreements with the Board, the investment management professionals shall have investment discretion over their mandates, including security selection, sector weightings and investment style.

The Board, in performing their investment duties, shall comply with the fiduciary standards set forth in Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1)
(A) – (C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

11. TARGET ALLOCATIONS

In order to provide for a diversified portfolio, the Board has engaged investment professional(s) to manage and administer the fund. The investment manager(s) are responsible for the assets and allocation of their mandate only and may be provided an addendum to this policy with their specific performance objectives and investment criteria. The Board has established the following asset allocation targets for the total fund:

Asset Class	Target	Range	Benchmark
Domestic Equity Securities	45%	40% - 50%	Russell 3000
Foreign Equity Securities	15%	10% - 20%	MSCI ACW xUS (net)
Composite Equity Portfolio	***60%***	***50% - 70%***	
Broad Market Fixed Income	20%	10% - 30%	Bloomberg Barclays U.S. Intermediate Aggregate
Non - Core Fixed Income*	10%	0% - 15%	Strategy Index**
Composite Fixed Income Portfolio	***30%***	***15% - 35%***	
Direct Real Estate*	10%	5% - 15%	NFI-ODCE (eqwt.)
Alternative*	0%	0% -10%	Strategy Index**
Cash & Cash Equivalents	0%	0% - 5%	Citigroup 3-mth U.S. T-bill

**Benchmark will default to "broad market fixed income" if these portfolios are not funded. Targets and ranges above are based on market value of total Plan assets.*
***The "strategy index" for other assets is defined as the most appropriate index, combination of indices, or absolute return target for the investment(s) in question.*

The Trustees will monitor the aggregate asset allocation of the portfolio and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, baring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed proportionally based on the most current market values available. The Board does not intend to exercise short-term changes to the target allocation.

III. INVESTMENT PERFORMANCE OBJECTIVES

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

A. Total Portfolio Performance

1. The performance of the total portfolio will be measured for rolling three and five year periods. The Target Index for the Plan is defined in the TARGET ASSET ALLOCATION table included within this policy.

~~2.~~ On a relative basis, it is expected that the total po1tfolio performance will rank in the top 40th

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percentile of the appropriate peer universe over three and five-year time periods. On an absolute basis, the objective is that the return of the total portfolio will equal or exceed the actuarial earnings assumption~~ and provide inflation protection by meeting Consumer Price Index plus 3%.~~

B. Equity

The combined equity portion of the portfolio, defined as common stocks and convertible bonds, is expected to perform at a rate at least equal to 75% Russell 3000 and 25% MSCI ACWI ex U.S. Index. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods.

C. Broad Market Fixed Income

The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total po1ifolio. The fixed income portion of the portfolio is expected to perform at a rate at least equal to a blended index comprised of 67% Bloomberg Barclays Capital U.S. Intermediate Aggregate Bond Index (a subset benchmark(s) of similarly investable securities may be applied) and 33% Non-Core Fixed Income **Strategy Index. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods.

D. Non-Core Fixed Income

Shall be defined as invests in various classes of fixed income securities oriented towards credit. The role of this pool is to provide growth of capital and income generation, utilizing strategies that fall within the range of traditional fixed income/credit strategies. Many of these strategies will not be liquid allowing the Retirement Plan to take advantage of illiquidity premiums available in these markets. Investments may include Global Fixed Income, unconstrained bond strategies, structured credit securities, high yield corporate bonds, direct lending strategies, opportunistic credit funds, and distressed debt strategies. Eligible investments may include both rated and non-rated securities. Rated securities may include those rated below investment grade. The portfolio is expected to perform at a rate at least equal to a blended index comprised of **the strategy index as defined in the Asset Allocation Table.

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E. Real Estate Performance

The overall objective of the real estate portfolio, if utilized, is to add diversification and another stable income stream to the total Fund. The real estate portion of the total Fund is
expected to perform at a rate at least equal to the NFI-ODCE equal weight Index and rank in the top 50th percentile of the appropriate peer universe over three and five-year time periods.

F. Alternative and Other Asset Performance

The overall objective of the alternative and/or "other assets" portion of the portfolio, if utilized, is to reduce the overall volatility of the portfolio and enhance returns. This portion of the fund will be benchmarked as outlined in the manager addendum **strategy index.

IV. INVESTMENT GUIDELINES

A. Authorized Investments

Notwithstanding any limitation provided for in Chapter 112 Florida Statutes to the contrary (unless such limitation may not be amended by local ordinance) or any limitation in prior city ordinances to the contrary, all monies paid into or held in the fund may be invested and reinvested in such securities, investment vehicles or property wherever situated and of whatever kind, as shall be approved by the board, including but not limited to common or preferred stocks, bonds, and other evidences of indebtedness or ownership.

B. In addition, the board may, upon recommendation by the board's investment consultant, make investments in group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100 or successor rulings or guidance of similar import, and while any portion of the assets of the fund are invested in such a group trust, such group trust is itself adopted as a part of the system or plan.

All separately managed investments shall be limited to the following:

1. Equities:

   a. Must be traded on a national exchange or electronic network; and

   b. Not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company; and

   c. Additional criteria may be outlined in the manager's addendum.

2. Fixed Income:

   a. All fixed income investments shall have a minimum rating of investment grade or higher as reported by a major credit rating service; and

   b. The value of bonds issued by any single corporation shall not exceed 5% of the total fund; and

   c. Additional criteria may be outlined in the manager's addendum.

3. Money Market:

   a. The money market fund or STIF options provided by the Plans custodian: and

   b. Have a minimum rating of Standard & Poor's A1 or Moody's P1.

4. Pooled Funds:

Investments made by the Board may include pooled funds. For purposes of this policy pooled funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and private equity. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this Investment Policy Statement. In the event of investment by the Plan into a pooled fund, the Board will adopt the prospectus or governing policy of that fund as the stated addendum to this Investment Policy Statement.

V. TRADING PARAMATERS

When feasible and appropriate, all securities shall be competitively bid. Except as otherwise required by law, the most economically advantageous bid shall be selected. Commissions paid for purchase of securities must meet the prevailing best-execution rates. The responsibility of monitoring best price and execution of trades placed by each manager on behalf of the Plan will be governed by the Portfolio Management Agreement between the Plan and the Investment Managers.

A. Limitations

1. Investments in corporate common stock and convertible bonds shall not exceed seventy (70%) of the Plan assets at market.

2. Foreign securities shall not exceed twenty-five percent (25%) of Plan's market value.

~~2.~~3. The Board and its Investment Managers shall comply with the applicable requirements of Chapter 2023-28, Laws of Florida, including Section 112.662, along with regulations adopted by the Department of Management Services. The term "pecuniary factor" is defined as a factor that a named fiduciary "prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the investment program. The term does not include the consideration of the furtherance of any social, political, or ideological interests." [112.662(1)]. In selecting Investment Managers, only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns. [112.662(2)]. Only pecuniary factors may be considered when voting proxies. [112.662(3)]

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B. Absolute Restrictions

No investments shall be permitted in:

1. Illiquid investments in excess of limitations as described in Chapter 215.47 (15), Florida Statutes.

~~1.~~2. Direct investment in 'Scrutinized Companies' identified in the periodic publication by the State Board of Administration ("SBA list", updated on their website www.sbafla.com/fsb/), is prohibited. Securities identified after January 1, 2010, must be divested within twelve (12) months of the company's initial appearance on the list. However, if divestiture of business activities is accomplished and the company is subsequently removed from the SBA list, the manager can continue to hold that security. Indirect investment in 'Scrutinized Companies' (through pooled funds) are governed by the provisions of Section V. (G) below.

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VI. COMMUNICATIONS

A. On a monthly basis, the custodian shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.

B. On a quarterly basis, the Investment Managers shall provide a written report affirming compliance with the security restrictions of Section IV (as well as any provisions outlined in the Investment Manager' s addendum). In addition, the Investment Managers shall deliver a report each quarter detailing the Plan's performance, forecast of the market and economy, portfolio analysis and current assets of the Plan. Written reports sha11 be delivered to the Board within 30 days of the end of the quarter. A copy of the written report shall be submitted to the person designated by the City and shall be available for public inspection. The Investment Managers will provide immediate written and telephone notice to the Board of any significant market related or non-market related event, specifically including, but not limited to, any deviation from the standards set forth in Section IV or their Investment Manager addendum.

C. If the Fund owns investments, that complied with section IV at the time of purchase, which subsequently exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investments may be continued until it is economically feasible to dispose of such investment in accordance with the prudent man standard of care, but no additional investment may be made unless authorized by law or ordinance.
An action plan outlining the investment 'hold or sell' strategy shall be provided to the Board immediately.

D. The Investment Consultant shall evaluate and report on a qua1ierly basis the rate of return net of investment fees and relative performance of the Plan.

E. The Board will meet periodically to review the Investment Consultant performance report. The Board will meet with the investment manager and appropriate outside consultants to discuss performance results, economic outlook, investment strategy and tactics and other pertinent matters affecting the Plan on a periodic basis.

F. At least annually, the Board shall provide the Investment Managers with projected disbursement needs of the Plan so that the investment portfolio can be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To this end the Investment Managers may, to the extent possible, attempt to match investment maturities with known cash needs and anticipated cash-flow requirements.

G. The Investment Consultant, on behalf of the Plan, shall send a letter to any pooled fund referring the investment manager to the listing of 'Scrutinized Companies' by the State Board of Administration ('SBA list'), on their website www.sbafla.com/fsb/. This letter shall request that they consider removing such companies from the fund or create a similar actively managed fund having indirect holdings devoid of such companies. If the manager creates a similar fund, the Plan shall replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investing standards. For the purposes of this section, a private equity fund is deemed to be an actively managed investment fund. However, after sending the required correspondence, the Plan is not required to sell the pooled fund.

~~F.~~ H. The Board shall timely comply with the reporting requirement of Section 112.662 by filing a comprehensive report by December 15 of each odd-numbered year. [112.662(4)]. Investment managers and the Board's Investment Consultant shall assist in the preparation of required reports and shall annually confirm to the Board their compliance with Chapter 2023-28.

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VII. COMPLIANCE

A. It is the direction of the Board that the plan assets are held by a third-party custodian, and that all securities purchased by, and all collateral obtained by the plan shall be properly designated as Plan assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by an authorized member of the Board or their designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money in hand at conclusion of the transaction.

B. The investment policy shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

C. At the direction of the Board operations of the Plan shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the Board's internal controls shall be verified. These controls have been designed to prevent losses of assets that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the Board or employees of the plan sponsor, to the extent possible.

D. Each member of the Board shall participate in a continuing education program relating to investments and the Board's responsibilities to the Plan. It is suggested that this education process begin during each Trustee's first term.

E. With each actuarial valuation, the Board shall determine the total expected annual rate of return for the current year, for each of the next several years and for the long term thereafter.

This determination shall be filed promptly with the Department of Management Services, the

Plan's sponsor and the consulting actuary.

F. The proxy votes must be exercised for the exclusive benefit of the participants of the Plan. Each Investment Manager shall provide the Board with a copy of their proxy voting policy for approval. On a regular basis, at least annually, each manager shall report a record of their proxy vote.

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G. The Investment Consultant will provide Investment Managers for consideration based solely on pecuniary factors as defined by Florida Statutes §112.662.

~~F.~~H. If a Request for Proposals document is issued for Investment Manager services, the solicitation document must include the following: The Board of Trustees may not request documentation of or consider a vendor's social, political, or ideological interests when determining if the vendor is a responsible vendor. Additionally, the Board of Trustees may not give preference to a vendor based on vendor's social, political, or ideological interests.

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VIII. CRITERIA FOR INVESTMENT MANAGER REVIEW

The Board wishes to adopt standards by which judgments of the ongoing performance of a portfolio manager may be made. If, at any time, any three of the following is breached, the portfolio manager may be warned of the Board's serious concern for the Plan's continued safety and performance. If any five of these are violated the consultant may recommend a manager search for that mandate.

- Four (4) consecutive qua1iers of relative under-performance verses the benchmark.
- Three (3) year trailing return below the top 40th percentile within the appropriate peer group and under performance verses the benchmark.
- Five (5) year trailing return below the top 40th percentile and under performance verses the benchmark.
- Three (3) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Five (5) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Style consistency or purity drift from the mandate.
- Management turnover in portfolio team or senior management.
- Investment process change, including varying the index or benchmark.
- Failure to adhere to the IPS or other compliance issues.
- Investigation of the firm by the Securities and Exchange Commission (SEC).
- Significant asset flows into or out of the company.
- Merger or sale of firm.

- Fee increases outside of the competitive range.
- Servicing issues – key personnel stop servicing the account without proper notification.
- Failure to attain a 60% vote of confidence by the Board.

Nothing in this section shall limit or diminish the Board's right to terminate the manager at any time for any reason.

IX. APPLICABLE CITY ORDINANCES

If at any time this document is found to be in conflict with the City Ordinances or applicable Florida Statutes, the Ordinances and Statutes shall prevail.

X. REVIEW AND AMENDMENTS

It is the Board's intention to review this document periodically and amend the statement to reflect any changes. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Board should be notified in writing. By initialing and continuing acceptance of this Investment Policy Statement, the Investment Managers concur with the provisions of this document. By signing this document, the Chairman attests that this policy has been recommended by the Investment Consultant, reviewed by the plan's legal counsel for compliance with applicable law, and approved by the Board of Trustees.

XI. FILING OF THE INVESTMENT POLICY

Upon adoption by the Board, the investment policy shall be promptly filed with the Florida Department of Management Services. the City, and the plan's actuary. The effective date of the Investment Policy shall be the 31 days following the filing date with the City.

CITY OF KISSIMMEE GENERAL EMPLOYEES' RETIREMENT SYSTEM

______________________ ________

Chairperson, Board of Trustees Date

ITEM 4.A

Approval of General Pension Board Minutes (May 25, 2023)

Request

Board approval of the May 25, 2023 General Pension Minutes.

Explanation

The May 25, 2023 General Employees pension minutes are attached for approval.

Recommendation

Staff recommends Board approval.

REQUESTED BOARD ACTION:

Approve

Attachment(s):

1. 05-25-2023 General Pension Minutes

MEETING MINUTES
SESSION OF THE GENERAL PENSION BOARD
CITY OF KISSIMMEE
CITY HALL, MONUMENT CONFERENCE ROOM (3RD FLOOR)
101 CHURCH STREET, KISSIMMEE, FLORIDA 34741-5054
THURSDAY, MAY 25, 2023 AT 9:30 AM

1. MEETING CALLED TO ORDER Members Present: Board Member Joe Walk (arrived at 9:35), Board Member Craig Holland, Board Member Beth Stefek, Board Member Rodney Henderson, Board Member Alexandra Green
Staff Present: Pension Administrator Linda Gomez
Members Absent: Board Member Janin Bulter, Board Member Tony Curtis

Craig Holland called the meeting to order at 09:30 AM.

2. HEAR AUDIENCE No one in the audience.

3. FINANCIAL AGENDA

3.A Review of the 2nd Quarterly Investment AndCo Report for FY 2023

AndCo, Dave West Consultant, provided a review of the AndCo investment report for the 2nd Quarter of FY 2023. I would recommend that we review private debt equity managers for a new investment. I can bring a list of managers during the next meeting. No action recommendations for the asset allocation were made for this quarter.

4. ADMINISTRATIVE AGENDA

4.A Approval of General Pension Board Minutes for February 23, 2023

Request Board approval for the February 23, 2023 General Employees pension minutes.
Board Member Henderson made a motion to Approve. Board Member Stefek seconded the motion.

AYE: Board Member Holland, Board Member Henderson, Board Member Walk, Board Member Stefek, Board Member Green
NAY: None

Motion to Approve Passed 5 - 0.

4.B Approval of 2nd Quarter Expense Report for FY 2023

Board Member Stefek made a motion to Approve the 2nd Quarter Expense Report for FY 2023. Board Member Walk seconded the motion.

AYE: Board Member Holland, Board Member Henderson, Board Member Walk, Board Member Stefek, Board Member Green
NAY: None

Motion to Approve Passed 5 - 0.

4.C Approval of the 2nd Quarter Retirements and Return of Contributions Report for FY 2023

Board Member Stefek made a motion to Approve the 2nd Quarter Retirements and Return of Contributions for FY 2023. Board Member Walk seconded the motion.

AYE: Board Member Holland, Board Member Henderson, Board Member Walk, Board Member Stefek, Board Member Green
NAY: None

Motion to Approve Passed 5 - 0.

5. **HEAR THE ATTORNEY** Christiansen & Dehner, Scott Christiansen Pension Attorney reminded the Trustees that they will need to complete their Financial Disclosure. Disclosures are due July 1, 2023, otherwise they will incur a penalty. House Bill # 3 was just adopted. This includes ESG (social investment), which will require more provisions and reports. We currently do not invest in ESG investments. The proposed ordinance was adopted. We need to re-select the Officers for the Board. Board Member Stefek made a motion to re-select the Officers of the Board as follows, Tony Curtis as the Chairman, Rodney Henderson as the Vice Chairman and Craig Holland as the Secretary. Board Member Joe Walk seconded the motion.

   AYE: Board Member Holland, Board Member Henderson, Board Member Walk, Board Member Stefek, Board Member Green
   NAY: None

   Motion to Approve Passed 5 - 0.

6. **OLD BUSINESS** Response from Atara Twersky regarding the potential breaches of fiduciary obligations by Meta/Facebook.

7. **NEW BUSINESS** Discussion on the online calculator from GRS. The Board asked how many members asked for an extra calculation during this FY. There was only one request. The cost is high for the number of members that would probably use it. Beth is going to ask Peggy if there is something that her department can prepare. The other option could be to change the number of calculations within the operating procedures once a member is vested. The discussion was tabled until further research is done.

8. **ADJOURNMENT**
   There being no further business to come before the General Employee's Board, Craig Holland adjourned the meeting at 1:06 PM.

Chairman - Tony Curtis

ATTEST:

Board Secretary - Craig Holland

ITEM 4.B

Approval of 3rd Quarterly Expenses for FY 2023

Request

Request Board approval for the 3rd Quarter Expense Report for FY 2023.

Explanation

The 3rd Quarter Expense Report for FY 2023 is attached for approval.

Recommendation

Staff recommends Board approval

REQUESTED BOARD ACTION:

Approve

Attachment(s):

1. GEN Expense 3rd QTR FY 2023

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	**GENERAL EMPLOYEES PENSION FY 2022- 2023**													
2	**MONTHLY EXPENSES AND MISCELLANEOUS ACTIVITY**													
3	**Expenses**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**total**
4	**AndCo**	**$11,750.00**					**$11,750.00**	**$11,750.00**		**$11,750.00**				$47,000.00
5	**Christiansen & Dehner**	**$1,540.70**	**$198.80**	**$1,689.80**	**$1,647.32**	**$248.50**	**$2,217.50**	**$2,683.80**	**$0.00**	**$1,947.85**				$12,174.27
6	**Christiansen & Dehner - IME Fees**													$0.00
7	**Brown & Brown (Fidicary Insurance)**	**$11,969.66**												$11,969.66
8	**GRS**	**$1,263.00**			**$11,101.00**		**$24,059.00**	**$3,772.00**		**$4,874.00**	**$1,125.00**			$46,194.00
9	**FPPTA Membership Dues**		**$750.00**											$750.00
10	**Training & Travel**								**$168.33**					$168.33
11	**Registration Fees**			**$912.00**					**$875.00**					$1,787.00
12	**Books / Publications / Printing**													
13	**Postage**													
14														
15	**Invoiced Statements**													
16	**Brandywine Global**	**$12,125.29**		**$13,129.32**	**$13,320.21**					**12.580.60**		**$12,926.44**		$51,501.26
17	**DSM Capital Partners**	**$22,037.83**			**$22,794.59**				**$24,516.02**		**$26,146.10**			$95,494.54
18	**Eaton Vance**		**$14,381.77**			**$14,840.20**			**$15,909.34**					$45,131.31
19	**Salem Trust**	**$15,510.27**			**$17,167.51**									$32,677.78
20														
21	**City contribution deposited on 12/8/2022**													
22	**$3,927,059.00**													
23														
24	**Toho contribution deposited on 12/12/2022**													
25	**$1,490,565.00**													
26														
27	**Additional deposits**													
28	**Kessler Topaz - Class Action Distribution**							**$19.75**						

ITEM 4.C

Approval of 3rd Quarterly Retirements and Return of Contributions for FY 2023

Request

Board approval for the 3rd Quarterly Requirements and Return of Contributions for FY 2023.

Explanation

The 3rd Quarter Retirement and Return of Contribution Report for FY 2023 is attached for approval.

Recommendation

Staff recommends Board approval.

REQUESTED BOARD ACTION:

Approve

Attachment(s):

1. General Employees Retirements and Return of Contributions for 3rd Qtr FY 2023

	A	C	D	E	F
1	**GENERAL EMPLOYEES PENSION 2022 - 2023**				
2	**3rd Quarter for FY 2023**	**APR**	**MAY**	**JUN**	**total**
3	**Retirements / Term Vest**				
4	**Darrell Echelmeyer - DOT 3/31/2023 - Toho - Drop Lump Sum**	**$50,372.94**			$50,372.94
5	**Ainsworth McDermott - DOT 3/31/2023 Drop Lump Sum**	**$71,707.07**			$71,707.07
6	**Randel Schrader DOT 8/31/2018 - TV/Early**	**$2,267.98**			$2,267.98
7	**Nancy Borders - DOT 10/30/2018 - TV/Normal**	**$145.41**			$145.41
8	**Timothy Hyder DOT 4/12/2000 - TV/Early**	**$580.68**			$580.68
9	**Peter Daniel DOT 7/13/2006 - Toho TV/Early**		**$740.86**		$740.86
10	**Marc Niedenthal DOT 4/5/2023 - Normal**		**$4,771.51**		$4,771.51
11	**Raymond M Alvarez - Toho - DOT 4/28/2023 Drop Lump Sum**		**$100,762.55**		$100,762.55
12	**Daniel Mascarel - Toho - DROP**		**$5,477.27**		$5,477.27
13	**Marshall Fisher - Toho - DOT 5/31/2023 Drop Lump Sum**			**$439,709.85**	$439,709.85
14	**Everett Reedy - Toho - DOT 5/19/2023 Drop Lump Sum**			**$52,135.02**	$52,135.02
15	**Paul Pharis - Toho - DOT 6/8/1998 - TV/Normal**			**$541.66**	$541.66
16	**Return of Pension Contributions**				
17	**Tristian Davilia Morales - DOT 2/1/2023**	**$1,764.22**			$1,764.22
18	**Robert McFarland - DOT 2/24/2023**	**$1,276.26**			$1,276.26
19	**Joseph Lugardo DOT 4/14/2023**		**$1,401.99**		$1,401.99
20	**Zoe Morales - DOT 7/8/2002**		**$6,366.22**		$6,366.22
21	**Omayra Acevedo Canales DOT 4/2/2023**			**$4,479.54**	$4,479.54
22	**Oshwald Olan Alvarez DOT 4/21/2023**			**$5,250.15**	$5,250.15
23	**Loida Santiago DOT 6/9/2023**			**$674.37**	$674.37
24	**Refund Check**				$0.00
25	**Carlos Jimenez - Recovered funds after death**				$0.00
26	**CITY CONTRIBUTION - 3,927,059.00**				$0.00
27	**Deposited on 12/9/2022**				$0.00
28	**TOHO CONTRIBUTION - 1,490,565.00**				$0.00
29	**Deposited on 12/12/2022**				$0.00

ITEM 4.D

Approval of online Pensioner Portal

Request

Request Board approval for the Retiree Online Pensioner Portal for the General Employees Retireement Plan.

Explanation

The memo from Salem Trust is attached for approval.

Recommendation

Staff recommends Board approval.

REQUESTED BOARD ACTION:

Approve

Attachment(s):

1. Pension Portal Board Introduction.V3

SALEM TRUST
COMPANY
A division of TMI Trust Company

RETIREE ONLINE "PENSIONER PORTAL"

I am very pleased to inform you of an exciting new service for retirees sponsored by Salem Trust Company and U.S. Bank, Salem's trusted service provider of benefit payment services since 2013. This new service is being offered as a response to more frequent requests for quicker online assistance versus the traditional paper form-mailing process and to suppress mailed ACH deposit confirmations.

The online "Pensioner Portal" service will provide easy access to many important items affecting a retiree's monthly pension payment:

Core Retiree Services at the Site:

- Confirm online the ACH direct deposit of the monthly pension – no more mailed ACH confirmations.
- Access current and historical pension payment information.
- View the financial institution and account(s) of the monthly direct deposit.
- View and print tax forms. Tax forms will still be mailed.
- Access important documents pertaining to the pension plan, for example administration forms that contain contact information of service providers.

Optional Retiree Services – Selected by the Pension Plan:

- Change, add or modify deposits between accounts.
- Change the financial institution of the monthly pension payment.
- Update/change an address.
- Change federal or state tax withholding.

Here are a few key elements of this service:

- The secure site of this online assistance is U.S.Bank, that has been providing this online service to retirement plans for 3 years. Retirees should be familiar with U.S.Bank from the Form 1099-R they receive annually.
- The Salem pension plan client can select the online services for its retirees.
- Initial registration will ask the retiree to provide certain Personally Identifiable Information ("PII") over the secure site. This is to validate the identity of the initiator with the records at U.S. Bank.
- Subsequent online access by the retiree will use a Multi Factor Authenticator ("MFA") process.
- Salem Trust Company will handle the mailing and field any preliminary calls. U.S. Bank will assist the retiree with site instructions and answer subsequent enrollment instructions. Your plan administrator will be informed along the way.
- There is not a cost to the retirement plan, service provider or retiree for this service.

A sample letter and the enrollment form to initiate the service for your retirees is available for review by you and the service providers of the pension plan.

ITEM 5.A

Discussion on recently adopted House Bill No. 3

Request

Review memo for House Bill No. 3.

Explanation

The memorandum from Scott Christiansen is attached for approval.

Recommendation

Staff recommends Board approval.

REQUESTED BOARD ACTION:

Approve

Attachment(s):

1. LOF 2023-28 Amendment.07-19-23

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MEMORANDUM

TO: ALL PENSION BOARD CLIENTS

FROM: CHRISTIANSEN & DEHNER, P.A.

DATE: JULY 19, 2023

RE: CHAPTER 2023-28, LAWS OF FLORIDA

The State of Florida recently adopted changes to Chapters 112, 175 and 185, Florida Statutes in Chapter 2023-28, Laws of Florida, passed by House Bill No. 3. These include, but are not limited to the following changes that affect your plan:

A. A new Section 112.662, Investment; Exercising Shareholder Rights, is adopted and the requirements of this section are added to the fiduciary duties of our Board.

B. The relevant provisions in Section 112.662, Florida Statutes provide:

(1) As used in this section, the term "pecuniary factor" means a factor that the plan administrator, named fiduciary, board, or board of trustees prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the retirement system or plan. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

(2) Notwithstanding any other law, when deciding whether to invest and when investing the assets of any retirement system or plan, only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system or plan may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any non-pecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns.

(3) Notwithstanding any other law, when deciding whether to exercise shareholder rights or when exercising such rights on behalf of a retirement system or plan, including the voting of proxies, only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system or plan may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any non-pecuniary factor.

(4) (a) By December 15, 2023, and by December 15 of each odd-numbered year thereafter, each retirement system or plan shall file a comprehensive report detailing and reviewing the governance policies concerning decision making in vote decisions and adherence to the fiduciary standards required of such retirement system or plan under this section, including the exercise of shareholder rights.

1. The State Board of Administration, on behalf of the Florida Retirement System, shall submit its report to the Governor, the Attorney General, the Chief Financial Officer, the President of the Senate, and the Speaker of the House of Representatives.

2. All other retirement systems or plans shall submit their reports to the Department of Management Services.

C. Requires that contracts executed, amended or renewed on or after July 1, 2023, between governmental entities and investment managers contain the following provisions:

(1) That any written communication made by the investment manager to a company in which such manager invests public funds on behalf of a governmental entity must include the following disclaimer in a conspicuous location if such communication discusses social, political, or ideological interests; subordinates the interests of the company's shareholders to the interest of another entity; or advocates for the interest of an entity other than the company's shareholders:

"The views and opinions expressed in this communication are those of the sender and do not reflect the views and opinions of the people of the State of Florida."

(2) That the contract may be unilaterally terminated at the option of the governmental entity if the investment manager does not include the disclaimer required in paragraph (1).

The plan's Investment Policy Statement should be amended by the Board's consultant, as soon as possible, to incorporate the requirements of Section 112.662, Florida Statutes, as described above.

Accordingly, we ask that the Board place this item on the agenda for discussion at the next meeting.